



Swiss tax reporting for foreign funds made simple

Swiss tax



In a nutshell...

Swiss resident individual investors who hold units in a foreign fund are reliant upon the fund to report its Swiss taxable income and net wealth values on the "Kursliste/ Liste de Cours" of the Swiss Federal Tax Administration (SFTA), in order that they may complete their annual tax return.

If a fund does not report this information, the Swiss investors may face an **unfavourable tax treatment** (tax-free capital gains may be treated as taxable income). Additionally, funds which do not report this tax information

may suffer from a competitive disadvantage. Providing Swiss tax reporting is usually a required condition in order for a fund to be included on the lists of recommended fund investments at the majority of Swiss banks.

Furthermore, foreign funds that have been admitted for public distribution in Switzerland are **required by FINMA Regulation** to report such tax information.

KPMG has a dedicated team of 10 professionals providing **fund tax reporting services**, and we are able to help you.

Services we can offer

Classification of foreign funds for Swiss tax purposes (accumulating, distributing and mixed funds)

Calculation of the annual taxable income figures (always keeping in mind the interest of the Swiss resident investors)

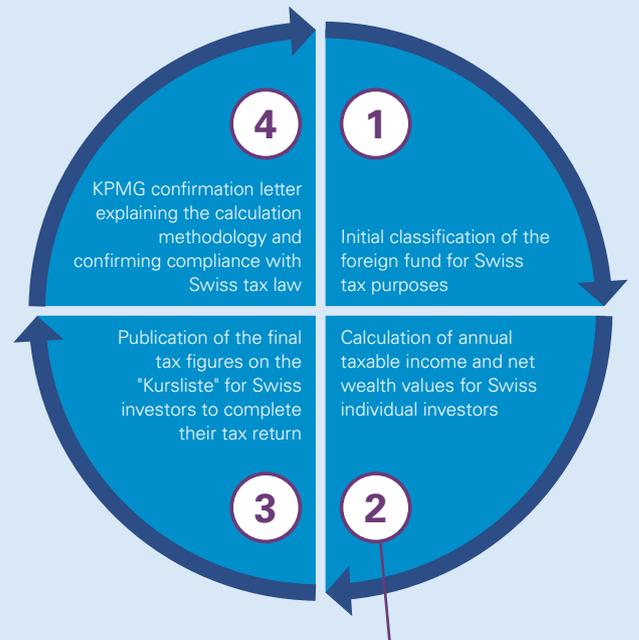
Submission of tax information to the SFTA for publication in the official database, plus verification of the correctness of the published information

Advice on the Swiss reporting regime and the implications for Swiss investors

Our experience

Fund tax reporting has been a major part of our business for over 10 years and we have built up very good relationships with the relevant contacts at the SFTA.

We currently support a wide range of funds (including single funds, fund of funds, ETFs, private equity funds and hedge funds) with Swiss tax reporting services.



Special care is needed for funds with underlying fund investments and funds operating a synthetic replication strategy!

Our fee structure:

- Our experience in providing Swiss tax reporting services has demonstrated that a component-based fee structure, with both fixed and variable elements, is the most flexible and efficient method of determining our costs.
- The fixed component reflects our work in connection with the preparation, coordination and management of the tax reporting project, and the variable component reflects our work in connection with the calculations.
- Our costs for each component, and the work covered by each, are summarised below:

What information is required in order to provide you with a reliable fee estimate?

- Copy of the most recent audited financial statements;
- Copy of the most recent prospectus / offering memorandum;
- List of the share classes of the funds for which Swiss tax reporting is required, and details of their distribution policy;
- Details of the proposed investment strategy, including (i) whether or not investments will be made into underlying investment funds, and (ii) whether a synthetic replication strategy is envisaged.

Fixed fee component

Work covered: Preparation of the tax reporting project, including agreeing the scope and timetable and requesting the necessary information;

Where a large amount of information is required, setting up an electronic 'dataroom' to securely share the data with KPMG;

Classification of the share classes for Swiss tax purposes (i.e. 'accumulating', 'distributing' or 'mixed');

Coordination and management of the tax reporting project, including all emails and telephone calls during the course of our work;

Checking the correct publication of the final tax figures on the "Kursliste/ Liste de Cours" and answering any questions by the SFTA relating to the submission;

Preparation of a confirmation letter upon completion to explain the calculation methodology and confirm compliance with Swiss tax law.

Costs: Agreed on a case-by-case basis, depending on the volume / complexity of the project.

Variable fee component

CHF 500 For the first share class of each fund/ sub-fund

CHF 250 For each additional share class

CHF 500 For each additional calculation that is required (i) at the level of an underlying investment fund, or (ii) in respect of a synthetic replication investment strategy of the fund/ sub-fund

Reduced fee for distributing share classes where no breakdown of the taxable income / tax-free capital gains is required:

CHF 100 For each share class to check and confirm the correct publication of the tax figures on the "Kursliste/Liste de Cours"

Reduced fee for calculations in respect of underlying investment funds that already publish Swiss tax figures on the "Kursliste/ Liste de Cours":

CHF 250 For each calculation that is required

Limited Partnerships: In addition to the above, our fees for providing you with specific tax statements for your Swiss resident limited partners will be agreed on a case-by-case basis.

Please contact us for further details:

KPMG AG

Badenerstrasse 172
CH-8036 Zürich

Rue de Lyon 111
CH-1203 Genève

kpmg.ch

Grégoire Winckler

Partner
FS Tax

+41 58 249 34 95
gwinckler@kpmg.com

Chris Goddard

Manager
FS Tax

+41 58 249 54 53
christophergoddard@kpmg.com

Jason Zücker

Director
FS Tax

+41 58 249 35 99
jzuecker@kpmg.com

Nicolas Candolfi

Manager
FS Tax

+41 58 249 41 40
ncandolfi@kpmg.com

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