

GMS Flash Alert

2022-136 | July 13, 2022



Switzerland - Extension of Pandemic-Related Tax Rules for Frontier Workers

Switzerland and France have extended the agreement enabling French cross-border workers with Swiss employers across all cantons to continue working from home whilst applying “frontalier” rules.¹ The temporary measures put in place at the beginning of the coronavirus pandemic have been extended several times, with the last deadline announced as 30 June 2022.²

WHY THIS MATTERS

France and Switzerland recognise that home working has evolved significantly since the start of the pandemic with a real shift in the way employees have embraced the flexibility of home and office work. Both countries appear to have agreed that now is the time to redefine the tax rules so that they reflect this new reality. The extension has therefore been put in place to give more time to both countries to agree on a permanent solution to facilitate home working across borders. They are looking to implement a regime which is “supple, simple and fair” for employees and employers alike, and one which allows for an equitable split of the tax revenues between France and Switzerland.

Context

This announcement comes after Switzerland agreed with the European Union to continue flexible application of the social security rules for remote workers until 31 December 2022.³ This means there is a misalignment of tax and social security rules, which we have already seen with previous extensions; however the authorities have committed to finding a permanent solution before the extension expires.

KPMG NOTE

Although this may seem to be simply another extension to the tax rules, the announcement has a different tone and message. It is clear that both France and Switzerland want to conclude a new agreement for all cross-border workers which reflects the change in working patterns.⁴ This agreement must also satisfy both sides in terms of preserving their respective financial positions. Both countries are committed to finding a solution before the end of October 2022, and have even stated that a timeline has been put in place to make this happen.

FOOTNOTES:

1 Ambassade de France en Suisse et au Lichtenstein, "[Télétravail des frontaliers : l'accord fiscal et social prolongés.](#)" Also, see "Imposition du télétravail des frontaliers - Prolongation de l'Accord COVID jusqu'au 31 octobre 2022" on the website of the République et Canton de Genève at: <https://www.ge.ch/actualite/imposition-du-teletravail-frontaliers-prolongation-accord-covid-au-31-octobre-2022-29-06-2022> .

2 For prior coverage, see [GMS Flash Alert 2022-075](#), 5 April 2022, and [GMS Flash Alert 2021-279](#), 15 November 2021. For related coverage, see [GMS Flash Alert 2021-184](#), 25 June 2021; also see [GMS Flash Alert 2020-492](#), 21 December 2020.

3 See "Travailleurs frontaliers en télétravail: flexibilité prolongée jusqu'à fin 2022 pour la sécurité sociale" (20 Juin 2020) on the website of the Swiss Office Federale des Assurances Sociales at: <https://www.admin.ch/gov/fr/accueil/documentation/communiques.msg-id-89345.html> .

4 See on French Senate's website "Télétravail des frontaliers exerçant en Suisse et présidence française de l'Union européenne" (13 July 2022) at: <https://www.senat.fr/questions/base/2022/qSEQ220700153.html> .

* * * *

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Switzerland:



Sarah Robert

Tel. +41 58 249 49 21

srobert1@kpmg.com



Dan Foster

Tel. +41 58 249 68 75

danielfoster@kpmg.com

The information contained in this newsletter was submitted by the KPMG International member firm in Switzerland.

© 2022 KPMG AG, a Swiss corporation, is a subsidiary of KPMG Holding AG, which is a member of the KPMG global organization of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2022 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click here. To learn more about our GMS practice, please visit us on the Internet: click here or go to <http://www.kpmg.com>.