

# Switzerland

## Transfer Pricing Country Profile<sup>1</sup>

October 2025

|                            |   | SUMMARY  | REFERENCE  |
|----------------------------|---|--|--|
| The Arm's Length Principle |   |  |  |
| 1                          | Does your domestic transfer pricing framework <sup>2</sup> make reference to the arm's length principle?  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>According to the case law of the Swiss Federal Supreme Court (see the specific Reference), Article 58 of the Federal Law on Federal Direct Tax of December 14, 1990 (FDTL) and Article 24 of the Federal Law on Harmonization of the Cantonal and Communal Taxes of December 14, 1990 (FTHL) create the necessary legal basis for application of the Arm's Length Principle. Both articles deal with the taxable basis for corporations. | Article 58(1)(b or c) of the <a href="#">FDTL</a><br>Article 24(1)(a or b) of the <a href="#">FTHL</a><br>And <a href="#">case law</a> (see notably): <ul style="list-style-type: none"><li>• 2C_1089/2018 of December 20, 2019, para. 11.2</li><li>• ATF 140 II 88, para. 4.2.</li><li>• 2C_1082 and 1083/2013 of January 14, 2015, para. 5.1</li><li>• 2C_644/2013 of October 21, 2013, para. 3.1, or</li><li>• 2C_834/2011 of July 6, 2012, para. 2.1</li></ul> |
| 2                          | Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |

<sup>1</sup> Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

<sup>2</sup> For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

|                                     | <b>application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?</b>   | Switzerland relies on the OECD Transfer Pricing Guidelines (OECD TPG) as a source for the interpretation of the arm's length principle.  |                                      |                                     |   |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |
|-------------------------------------|---|--|--------------------------------------|-------------------------------------|---|------|--------------|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 3                                   | <b>Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br><p>The notion of related parties is not legally defined. However, the Swiss Federal Supreme Court has in its jurisprudence (see the specific reference) widely defined the notion of shareholder or any parties (private person or legal entity) with a commercial or a personal close relationship with the shareholder which is also relevant for transfer pricing purposes. Accordingly, an entity is considered related if, primarily, a commercial or, secondarily, a personal close relationship exists between the two entities. Therefore, direct or indirect participation in the management, control or capital is not required. The crucial question is if the tested transaction was conducted the way it was concluded only as a consequence of the associated relationship or not.</p> | Case law:<br>ATF 119 IB 116, para. 2 |                                     |   |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |
| <b>Transfer Pricing Methods</b>     |   |  |                                      |                                     |   |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |
| 4                                   | <b>Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br><p>If affirmative, please check those provided for in your legislation:</p> <table border="1"> <thead> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (<i>If so, please describe</i>)</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </tbody> </table>   | CUP                                  | Resale Price                        | Cost Plus                               | TNMM | Profit Split | Other ( <i>If so, please describe</i> ) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |  |
| CUP                                 | Resale Price  | Cost Plus  | TNMM                                 | Profit Split                        | Other ( <i>If so, please describe</i> ) |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/>  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>     |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |
| 5                                   | <b>Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?</b>   | <p>Please check all that apply:</p> <input type="checkbox"/> Hierarchy of methods<br><input checked="" type="checkbox"/> Most appropriate method   |                                      |                                     |   |      |              |   |                                     |                                     |                                     |                                     |                                     |                                     |  |

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|                               |   | <input type="checkbox"/> Other ( <i>if so, please explain</i> )   |  |
|                               |   | Switzerland relies on the methods suggested in the OECD TPG although there is no direct reference to any method in its domestic legislation. For the selection of the most appropriate method, Switzerland will typically evaluate the nature of the controlled transactions through a functions, assets and risks (FAR) analysis.  |  |
| 6                             | <b>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</b>                           | <input type="checkbox"/> Yes<br><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.<br><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities ( <i>if so, please explain</i> )<br><input checked="" type="checkbox"/> No |  |
|                               |   | Swiss domestic legislation does not contain specific guidance on commodity transactions.  |  |
| <b>Comparability Analysis</b> |   |   |  |
| 7                             | <b>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No  |  |
|                               |   | In practice, Switzerland relies upon the OECD TPG and follows the guidance on comparability analysis as outlined in Chapter III.  |  |
| 8                             | <b>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</b>                                | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |  |
| 9                             | <b>Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |  |

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| 10                         | <b>Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>In practice, statistical tools that take account of central tendency like the interquartile range or other percentiles are usually applied to narrow the range.  |  |
| 11                         | <b>Are comparability adjustments required under your domestic transfer pricing framework?</b>  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>Although comparability adjustments are not systematically required, they may be needed on a case-by-case basis if deemed appropriate.  |  |
| <b>Intangible Property</b> |  |  |  |
| 12                         | <b>Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?</b>  | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)<br><input checked="" type="checkbox"/> No<br><br>Swiss domestic legislation does not contain specific guidance on the pricing of controlled transactions involving intangibles and generally relies on the guidance in Chapter VI of the OECD TPG. |  |
| 13                         | <b>Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?</b>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |

| Hard-to-Value Intangibles <sup>3</sup> |  |   |  |
|--|--|---|--|
| 14                                     | <b>Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?<sup>4</sup></b>  | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)<br><input checked="" type="checkbox"/> No |  |
|  |  | Swiss domestic legislation does not contain specific guidance on HTVI; however, Switzerland generally relies on the guidance contained in Chapter VI of the OECD TPG.   |  |
| 15                                     | <b>If your jurisdiction applies the HTVI approach, what are the conditions for the application of the HTVI approach?</b>   | The conditions for the application of the HTVI approach are those outlined in the OECD TPG.   |  |
| 16                                     | <b>Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis different from the one established in Chapters I and VI, or to other compliance requirements specifically applicable to transfer prices (e.g. domestic anti-abuse rules)?</b> | No  |  |
| 17                                     | <b>What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your domestic transfer pricing framework? Does this statute of limitations differ from those applicable to other transactions?</b>                                   | The statute of limitations is 10 years after the assessment, which is in line with the statute of limitations generally applicable to other transactions.   |  |
| 18                                     | <b>Can taxpayers request a bilateral or multilateral advance pricing</b>   | <input checked="" type="checkbox"/> Yes   |  |

<sup>3</sup> Please note that questions in this section are imported from the HTVI questionnaire and integrated into this TPCP to centralise all jurisdiction-related transfer pricing information.

<sup>4</sup> In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

|                      |  |   |                                  |
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|                      | agreement (“APA”) for transactions falling within the scope of the HTVI approach under your domestic transfer pricing framework?   | <input type="checkbox"/> No   |                                  |
| 19                   | What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?                             | None  |                                  |
| 20                   | Is it possible for your tax administration to make adjustments under the HTVI approach in open years amounts pertaining to closed years?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |                                  |
| 21                   | Does your domestic transfer pricing framework allow the tax administration to make corresponding adjustments under the HTVI approach in open years for amounts pertaining to closed years? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |                                  |
| 22                   | Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |                                  |
| Intra-group Services |  |   |                                  |
| 23                   | Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?  | <input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG?<br><input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)<br><input type="checkbox"/> No | <a href="#">Cost plus method</a> |
|                      |  | Swiss domestic legislation contains specific guidance on intra-group services transactions in the form of a Circular Letter which specifically instructs cantonal   |                                  |

|                        |  |   |  |
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|                        |  | <p>tax administrations to rely on the OECD TPG for the remuneration of intra-group service transactions.</p> <p>Additionally, the Federal Tax Administration (FTA) published on its website guidance in connection with the cost-plus method to provide clarity on its practice in line with OECD TPG.</p>  |  |
| 24                     | <p><b>Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services?</b></p> | <p><input checked="" type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>Swiss domestic legislation contains specific guidance on intra-group services transactions in the form of a Circular Letter which specifically instructs cantonal tax administrations to rely on the OECD TPG for the remuneration of intra-group service transactions.</p> <p>Additionally, the FTA published on its website guidance in connection with the cost-plus method to provide clarity on its practice in line with OECD TPG.:</p> | <p><a href="#">Cost plus method</a></p>  |
| 25                     | <p><b>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</b></p>   | <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>   |  |
| Financial Transactions |  |   |  |
| 26                     | <p><b>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</b></p>   | <p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>  | <p><a href="#">Intra-group loans</a></p> |

|   |   |   |  |
|---|---|---|--|
|   |   | <p>Swiss domestic legislation contains certain specific guidance on financial transactions in the form of Circular Letters published annually by the FTA on the interest rate recognized for tax purposes for advances or loans in Swiss francs or foreign currencies. Additionally, the FTA published a circular concerning hidden capital contribution in corporations and cooperatives.</p> <p>In general, Swiss domestic legislation relies on the guidance in Chapter X of the OECD TPG in relation to financial transactions.</p> <p>The FTA also published on its website guidance in connection with financial transactions to provide clarity on its practice.</p> |  |
| 27  | <p><b>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions?</b> <i>(e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</i></p> | <div> <input type="checkbox"/> Yes<br/> <input checked="" type="checkbox"/> No </div> <div> <p>The FTA publishes annually circular letters on the interest rate recognized for tax purposes for advances or loans in Swiss francs or foreign currencies. Additionally, the FTA published a circular concerning hidden capital contribution in corporations and cooperatives.</p> <p>This administrative guidance represents a “safe harbour” rule. Taxpayers can deviate from the safe harbour rules by providing the tax authority a transfer pricing study.</p> </div>  |  |
| <div>Cost Contribution Arrangements</div> |   |   |  |
| 28  | <p><b>Does your jurisdiction allow cost contribution arrangements?</b></p>  | <div> <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?<br/> <div> <input type="checkbox"/> Yes<br/> <input type="checkbox"/> No (please provide further explanations below) </div> <input checked="" type="checkbox"/> No </div> <div> <p>Swiss domestic legislation does not contain specific guidance on cost contribution arrangements and generally relies on the guidance in Chapter VIII of the OECD TPG.</p> </div>  |  |



## Transfer Pricing Documentation

|    |   |  |   |
|----|---|--|---|
| 29 | <b>Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><i>If affirmative, please check all that apply:</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</li> <li><input type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</li> <li><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</li> <li><input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</li> <li><input type="checkbox"/> Other (specify):</li> </ul>   | <a href="#">Federal Act</a> on the International Automatic Exchange of Country-by-Country Reports of Multinational Enterprise Groups (CbCR law; entry into force 1st December 2017)<br><br><a href="#">Ordinance</a> on the International Automatic Exchange of Country-by-Country Reports of Multinationals (CbCR ordinance; entry into force 1st December 2017) |
| 30 | <b>Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)</b> | <p>Besides the obligation to file a Country-by-country report, there is no additional specific requirement concerning transfer pricing documentation. Swiss domestic legislation requires the taxpayer to provide all documents necessary for properly assessing the taxable income. In the case of related transactions, the taxpayer has to demonstrate that the transfer prices used are based on the arm's length principle. Therefore, the preparation of transfer pricing documentation to document intra-group transactions is considered best practice and has become a standard requirement.</p> <p>In the case of MAPs and APAs, Master file, Local file and all relevant information for the resolution of the case are usually required.</p> | <p>Article 124 <a href="#">FDTL</a></p> <p>Article 42 <a href="#">FTHL</a></p>  |
| 31 | <b>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</b>     | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br><p>The Country-by-Country Reporting (CbCR) law contains notification mechanisms that will apply to Ultimate Parent Entities and Surrogate Parent Entities in Switzerland<sup>5</sup>. Furthermore, there are also penalties in relation to the filing and</p>  | <p><a href="#">Federal Act</a> on the International Automatic Exchange of Country-by-Country Reports of Multinationals (CbCR law; entry into force 1st December 2017)</p> <p>Circular Letter of the Federal Tax Administration of 4 March 1997 (not available online)</p>   |

<sup>5</sup> See Article 10 of the CbCR law.

|  |  |   |   |
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|  |  | <p>registration obligations of CbCR<sup>6</sup>: (i) penalties for non-filing or late filing (ii) penalties for incorrect or inaccurate filing, and (iii) general penalties for non-compliance with the FTA's orders. Switzerland may also conduct inspections to verify that the obligations of the Constituent Entities are fulfilled<sup>7</sup>.</p> <p>Besides the obligation to file a Country-by-country report, Switzerland does not have specific transfer pricing legal documentation requirements, but if requested by the FTA or the cantonal tax authorities, taxpayers must demonstrate that the transfer prices applied rely on sound economic and commercial reasoning and comply with the arm's length principle. Sanctions may apply if the taxpayer does not collaborate with the tax authorities.</p> |   |
| 32   | <p><b>Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?</b></p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The CbCR law provides for exemptions only consistent with Annex III to Chapter V of the TPG (e.g., for MNEs with total consolidated group revenue of 900 million Swiss Francs or less [see Article 6 CbCR law and Article 2 CbCR ordinance]).</p>  | <p><a href="#">Federal Act</a> on the International Automatic Exchange of Country-by-Country Reports of Multinationals (CbCR law; entry into force 1st December 2017)</p> <p><a href="#">Ordinance</a> on the International Automatic Exchange of Country-by-Country Reports of Multinationals (CbCR ordinance; entry into force 1st December 2017)</p> |
| <p><b>Administrative Approaches to Avoiding and Resolving Disputes</b></p> |  |   |   |
| 33   | <p><b>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</b></p>             | <p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement or cooperative compliance programmes</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input type="checkbox"/> International Compliance Assurance Programme (ICAP)</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p>  | <p><a href="#">Switzerland MAP profile</a></p> <p><a href="#">Factsheet on the mutual agreement procedure</a></p>   |

<sup>6</sup> See Articles 12, 25 and 26 of the CbCR law. Article 12 of the CbCR law contains a penalty for late filing or failure to file of 200 Swiss Francs per day after the filing deadline (with a maximum of 50 000 Swiss Francs). Article 25 of the CbCR law contains a maximum penalty of 100 000 Swiss Francs for willfully incorrect or incomplete CbC reports. Article 26 of the CbCR law contains a maximum penalty of 10 000 Swiss Francs for not following the administrative order of the Swiss Federal Tax Administration issued according to Article 22 of the CbCR law.

<sup>7</sup> See Article 22 of the CbCR law.

|  |   |   |  |
|--|---|---|--|
|  |   | <input type="checkbox"/> Other ( <i>please specify</i> ):   |  |
|  |   | <p>Switzerland does not have a formal APA programme in place, but it is authorised to enter bilateral or multilateral APAs on the basis of the MAP provision in the applicable tax treaty. It allows for roll-back of APAs if consistent with Switzerland's domestic time limit of 10 years. Usually, Switzerland seeks to agree to APAs over a period of 5 years, but it can vary in practice.</p> <p>Moreover, Switzerland has a long-standing experience in the resolution of MAPs. The relevant details can be found in Switzerland's MAP profile and the webpage of the State Secretariat for International Finance.</p> |  |
| Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities |   |   |  |
| 34   | Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG? | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br><input checked="" type="checkbox"/> Other (please elaborate)   |  |
|  |   | The application of the simplified and streamlined approach for baseline marketing and distribution activities is under consideration.   |  |
| 35   | If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, how is it implemented?   | <input type="checkbox"/> In-scope tested parties resident within the jurisdiction can elect to apply the simplified and streamlined approach (i.e. safe harbour)<br><input type="checkbox"/> In-scope tested parties resident within the jurisdiction are required to follow the simplified and streamlined approach for in-scope qualified transactions and tax administrations are allowed to impose the application of the simplified and streamlined approach to in-scope qualified transactions of tested parties resident within their jurisdiction (i.e. rule)<br><input checked="" type="checkbox"/> N/A              |  |
|  |   | The application of the simplified and streamlined approach for baseline marketing and distribution activities is under consideration.   |  |

|  |   |  |   |
|--|---|--|---|
| 36   | <b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, what is the operating expense to sales (OES) upper bound chosen by your jurisdiction regarding scoping criterion 13.b?</b>  | <input type="checkbox"/> 20%<br><input type="checkbox"/> 30%<br><input type="checkbox"/> Other (please specify)<br><input checked="" type="checkbox"/> N/A<br>The application of the simplified and streamlined approach for baseline marketing and distribution activities is under consideration.  |   |
| 37   | <b>Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |   |
| 38   | <b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach for resident in-scope tested parties, does your jurisdiction respect the outcome of the application of such approach by another jurisdiction that is not a covered jurisdiction?</b> | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>The application of the simplified and streamlined approach for baseline marketing and distribution activities is under consideration.   |   |
| <b>Safe Harbours and Other Simplification Measures</b> |   |  |   |
| 39   | <b>Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?</b>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>The FTA has issued circulars containing safe harbours rules concerning thin capitalization and intra-group interest rate.<br><br>The financial statements of a company can be changed, among other things to make year-end adjustments, until they are formally approved by the competent organ. | <p><a href="#">Circulaire no 6a</a> of the Federal Tax Administration of 10 October 2004 on hidden capital</p> <p><a href="#">Taux d'intérêt de l'impôt anticipé</a> - updated regularly and published on the website of the Federal Tax Administration</p> |

### Other Legislative Aspects or Administrative Procedures

|    |   |   |  |
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| 40 | <b>Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Downward corresponding adjustments in the absence of a mutual agreement procedure may be possible under Swiss domestic law in certain circumstances, on the initiative of the competent cantonal tax authority, and provided that the primary adjustment made by the foreign tax authority complies with the arm's length principle.  |  |
| 41 | <b>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</b>   | <input type="checkbox"/> Yes. Year-end adjustments are required.<br><input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed.<br><input type="checkbox"/> No   |  |
| 42 | <b>Does your domestic transfer pricing framework provide for secondary adjustments?</b>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>In Switzerland, a secondary adjustment represents the levying of withholding tax on the amount that qualifies as a hidden profit distribution in the context of transfer pricing. Secondary adjustments are carried out exclusively by the Swiss FTA, which has sole authority for levying such withholding tax, and may be done independently of a primary adjustment by the competent cantonal tax authority. |  |

### Attribution of Profits to Permanent Establishments

|    |   |  |  |
|----|---|--|--|
| 43 | <b>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</b> | <input checked="" type="checkbox"/> Article 7 as it read before 2010.<br><br><input type="checkbox"/> If so, please indicate in how many treaties:<br><input checked="" type="checkbox"/> Article 7 as it reads after 2010.<br><br><input type="checkbox"/> If so, please indicate in how many treaties:<br><input type="checkbox"/> Other (please provide additional details) |  |
|----|---|--|--|

|                                   |  |   |   |
|-----------------------------------|--|---|---|
|                                   |  | Switzerland has about 100 DTA, some of them concluded many years ago. The content of Article 7 in a given DTA represents the result of bilateral negotiation.   |   |
| 44                                | <b>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)  |   |
| 45                                | <b>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</b> | <input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments<br><input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments<br><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)<br><input checked="" type="checkbox"/> No |   |
|                                   |  | See answer to question 44.  |   |
| <b>Other Relevant Information</b> |  |   |   |
| 46                                | <b>Other legislative aspects or administrative procedures regarding transfer pricing</b>   | A fully revised version of the Federal Act on the Execution of International Double Tax Agreements entered into force on 1 January 2022.  | <a href="#">StADG (German version)</a><br><a href="#">LECF (French version)</a>                         |
| 47                                | <b>Other relevant information</b> (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i> )  | N/A   | <a href="#">Transfer pricing page of the FTA</a><br><a href="#">Tax Information on Transfer Pricing</a> |

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>