



# Swiss-American Chamber of Commerce

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## **Please vote for Corporate Tax Reform III**

On February 12, Swiss voters will decide on the Corporate Tax Reform III (CTR III). This will be a crucial and path-breaking vote. The future of Switzerland as a highly competitive location for international businesses (Swiss and foreign – large and small) is at risk!

You have read many versions of the truth in newspapers and in many very abbreviated messages circulated in social media and propaganda materials. For this reason, I would like to outline a few basic facts:

- This reform is a typical Swiss compromise, created through more than 8 years of frantic work and uncountable participants. After eight years of work, the best (or the least bad) solution has been found. Even the opponents have never proposed a better solution. Swiss Amcham and its Tax Chapter Board have played a significant role in the process.
- As can be expected from a tax reform, it is very complex, but also very balanced thanks to an elaborate process of compromises.
- As a result:
  - All cantonal Finance Directors are in favour of CTR III, even those belonging to the Socialist Party. These Finance Directors have played a key role in formulating CTR III and they are the exponents with most to lose if the reform was a bad one.
  - The Swiss Association of Communes has also given a strong endorsement of CTR III
  - All parties from middle-left to right (GLP, BDP, CVP, FDP and SVP) have expressed their full support to CTR III. Only the Socialist and the Green Party play political marketing with CTR III and want to block it.
- Contrary to the leftist propaganda, multinational companies (Swiss and foreign) will not obtain a tax gift. In general, they will pay the same or even slightly more taxes than today. Today, these companies pay 50% of the corporate taxes at Federal level and more than 20% at cantonal level. Main beneficiaries will be domestic companies who will in the future enjoy the same taxation as international companies.
- If the referendum succeeds and CTR III is defeated, there is no plan B. The current tax privileges will have to be abolished under pressure from EU and OECD, probably as early as January 2019. There is no way to change CTR III quickly and go through the political process in due time. Massive uncertainty would result.
- And lastly: This is a great compromise.

This reform is key for all our members. The Swiss Amcham whole-heartedly supports the reform.

If you are Swiss: Please go and vote for this reform! And in any case: Please talk to your friends, colleagues and employees about CTR III. You will probably not be able to change the minds of many opponents, but you will be able to motivate many people, who might otherwise not vote, to go and cast their vote.

The outcome on February 12 will be tight. We need every single vote! Thank you for helping to help all of us! And please resend, post and distribute this message broadly.