



I voted for a tax increase!

Yesterday, I voted for a tax increase - the first time in my life! I was very happy to see the overwhelmingly positive result of the vote on the OECD minimum taxation for large companies.

This vote was necessary for Switzerland to be compliant with the agreement signed by some 138 countries member of the Integrated Framework. It will impact some 200 Swiss firms and 2000 foreign firms based in Switzerland. While the tax increase was unavoidable, with the positive vote the companies will be spared special audits around the world with its concurrent legal and fiscal uncertainties.

With yesterday's positive vote, the Federal Council will release a provisional ordinance to implement fiscal changes, most probably starting January 1, 2024. This will then be followed by a normal law writing process. With this positive vote, Switzerland proves again to be a trustworthy business location.

The concerned companies represent some 4% of companies based in Switzerland. They provide 26% of the jobs, stand for 36% of the Swiss GDP and they pay 47% of the federal corporate tax revenue. Needless to say: Retaining these companies in Switzerland is crucial.

The decision at the voting booth also ensures that 75% of the additional tax revenues will flow back to the cantons hosting the impacted companies. It will now be the task of the cantons to use this money wisely to increase the attractiveness of the locations in order to keep Switzerland an attractive business location. Switzerland competitors like Ireland, the Netherlands, Singapore, and many more are just waiting to outcompete Switzerland. Most importantly, these cantonal measures need to be fully compliant with the OECD rules to avoid any issues for companies concerned.

It is now time for companies to reinforce the communication with the cantonal authorities to find viable solutions which will make a positive effect. This is a great chance to improve Switzerland's competitiveness, but the onus will be on companies to come up with proposal and ideas.

Swiss Amcham will continue to support this effort and ensure that in January we can all say: Mission accomplished!

Kind regards,
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