



Communication-012-DVS-2019-e of 24 May 2019

Federal practices for principal companies and Swiss finance branches from 1 January 2020

As part of the implementation of the Federal Act on Tax Reform and AHV Financing (TRAF), the Federal Tax Administration will no longer apply the federal practices for principal companies and Swiss Finance Branches to companies from 1 January 2020.

In the referendum of 19 May 2019, the TRAF was adopted. As a result, the legal regulations for cantonal status companies will be abolished, among other things. On 28 September 2018, the Federal Council announced that the TRAF would enter into force on 1 January 2020. It still has to take the formal decision.

As already communicated, the regulations for principal companies and Swiss Finance Branches (federal practices) will be completely abolished in this context at the practical level as well.

Unlike the abolition of the regulations for cantonal status companies, the abolition of these federal practices does not require any legal amendments.

The federal practices on international allocation of taxes for principal companies and the Swiss Finance Branches can therefore no longer be applied by taxpayers from 1 January 2020.