

Compliance: Helping you tick the boxes

Swiss final withholding tax with the UK and Austria

The financial industry is facing many challenges; one of them is compliance with complex international directives and regulations. SIX Financial Information, with its comprehensive, high-quality, global data offering, supports financial institutions to be compliant.



About the Swiss final withholding tax with the UK and Austria

As of 1 January 2013, Switzerland has entered into agreements with the UK and Austrian governments regarding the cooperation in the area of taxation. Under the agreements, a UK or Austrian individual holding an account at a Swiss financial institution has to either disclose their accounts to the local tax authorities or become tax compliant using the final withholding tax model, while maintaining anonymity.

The final withholding tax agreements introduce:

- (a) a one-off tax charge in 2013 to settle past UK and Austrian tax liabilities and;
- (b) thereafter, a final withholding tax regime on income and gains arising from bankable assets held by UK and Austrian individuals tax payers at Swiss financial institutions

In the interest of clients

To preserve the Swiss financial industry traditional values linked to bank secrecy, the government proposed the final withholding tax model, which aims to ensure that the assets deposited by foreign-domiciled clients with Swiss financial intermediaries are compliant with the income tax laws of their relevant tax domicile, while maintaining the client's financial privacy. The Swiss Federal Tax Administration (SFTA) collects the final withholding tax of foreign domiciled clients from the Swiss paying agents and transfers the funds to the local tax authorities. Thus, the final withholding tax model:

- Fulfils obligations to the domicile country tax authorities without having to report personal assets and investment income.
- Protects anonymity by eliminating automatic exchange of information.



SIX Financial Information data offering

As a leading provider of data within the sector of Regulation and Compliance, SIX Financial Information provides the paying agents data, products and solutions to implement the regulatory requirements within the framework of the final withholding tax. The continuous regulatory data updates and checks assure that the data offered reflects the most recent regulatory provisions.

Full compliance support

SIX Financial Information – in cooperation with the SFTA, the Swiss Bankers Association (SBA) and representatives from various Swiss banking groups – defined and implemented a package that provides the relevant final withholding tax data based on a transparent set of rules. Founded on the final withholding tax agreements, the data package contains the necessary tax qualification markers on instrument level and the relevant local fund reporting data.

In compliance with the tax agreements, SIX Financial Information provides detailed information on:

- Historic and current currency exchange rates
- Tax classification of all relevant corporate actions per country; country of taxation, type of tax regime, signatory jurisdiction, tax status, tax type, currency and gross amount
- Tax classification and status of individual instruments per country
- Fund reporting data

The products that deliver the service

The data packages are seamlessly integrated within the following SIX Financial Information products:

Valordata Feed (VDF)

The VDF message type FSD contains all the relevant tax qualification markers on instrument level and the new VDF message type, XTD “Information on tax treaties”, provides detailed information for each corporate action.

Telekurs iD

All the relevant corporate action data is available in Telekurs iD.

Key benefits:

- **Efficiency:** Reduced workload and optimized processing for all participants.
- **Convenience:** Quick and easy overview of the relevant tax categories to help with advising clients.
- **Accuracy:** Consistent, reliable compliance related information from a high-quality data pool.

For more information, please contact your local SIX Financial Information office and a representative will be happy to assist you.

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