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Analysis: Switzerland prepares to implement OECD's Crypto-Asset Reporting Framework

Mark Meili and **Shannon Sangiorgio** of **Prager Dreifuss** explain the reporting obligations for crypto-asset service providers and the challenges arising from greater alignment with international tax transparency standards



The crypto market poses many risks in terms of transparency; in particular, tax transparency. Firstly, it is characterised by a shift away from traditional financial intermediaries, which are typically subject to the Common Reporting Standard (CRS), to new service providers that are not (yet) required to report on tax matters. Added to that, these new service providers may not have physical headquarters and instead carry out their activities entirely online, making it easier for them to change jurisdictions rapidly and non-transparently, in turn making it more difficult for authorities to identify and locate them.

The same applies to investors, who are often not required to disclose their identity when acting online and can hold crypto-assets on personal devices known only to them or in wallets unaffiliated with any service provider. This enables crypto-asset users to transfer such assets between jurisdictions without tax authorities ever knowing and thus to evade tax liabilities (see page 4 of **Delivering Tax Transparency to Crypto-Assets: A Step-by-Step Guide to Understanding and Implementing the Crypto-Asset Reporting Framework** (Delivering Tax Transparency to Crypto-Assets), a report by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes).

To address these risks, the OECD published **the Crypto-Asset Reporting Framework** (CARF). Switzerland

has committed to implementing the CARF. On June 6 2025, **the Swiss Federal Council adopted the dispatch** to extend automatic exchange of information (AEOI) to crypto-assets (see page 16 of PwC's **Regulatory Developments: Synopsis of the Most Important Regulatory Developments in the Banking, Asset Management and Insurance Industry** for further information).

The Swiss Parliament approved the CARF on September 26 2025 and the referendum period runs until January 15 2026 (see **Bundesbeschluss 2025 2908**, in German). The implementing measures are scheduled to enter into force on January 1 2026, with the first international exchanges of CARF data planned for 2027.

Purpose of the CARF and how it works

The CARF is designed to extend the AEOI between tax authorities to include transactions in crypto-assets, with the goal of ensuring tax transparency in the crypto market. It follows the architecture and operational logic of the CRS for financial accounts but is adapted to the specific characteristics of crypto-assets. This leads to a set of similarities between the CRS and the CARF, though there remain some key differences that must be considered.

Mechanically, the CARF requires reporting crypto-asset service providers (RCASPs) to:

- Collect identifying information and tax residence self-certifications from customers;
- Apply specified due diligence procedures when establishing (or continuing) a relationship;
- Maintain records; and
- Transmit, on an annual basis, standardised reports to their domestic competent authority (in Switzerland: the Federal Tax Administration, or FTA) (see PwC's **A New Era of Tax Transparency for Crypto-Assets**).

The FTA then exchanges reportable information with partner jurisdictions under **the Multilateral Competent Authority Agreement on Automatic Exchange of Information Pursuant to the Crypto-Asset Reporting Framework** (CARF-MCAA) or bilateral exchange agreements (see **the joint statement of November 10 2023**).

Similarities to, and differences from, the CRS

Similarities

Like the CRS, the CARF requires annual reporting on predefined information to tax authorities. They then automatically exchange the information with the tax authorities of partner jurisdictions, provided there is an international agreement that provides a legal basis for the exchange (see page 7 of **Delivering Tax Transparency to Crypto-Assets**).

The due diligence procedures provided by the CARF are – to the extent possible – consistent with those of the CRS, reducing burdens on RCASPs that are already subject to the CRS. In such cases, the RCASPs may rely on the due diligence procedures for new accounts performed for CRS purposes.

Nevertheless, it is important to remember that while the CARF is considered an "integral part" of the international standards for the AEOI, it is a standalone framework from the CRS and other forms of the AEOI (see page 7 and paragraph 76 on page 25 of **Delivering Tax Transparency to Crypto-Assets** and page 15 et seq, paragraph 28 of **the CARF)**.

The CARF requires jurisdictions to have appropriate confidentiality and data protection measures in place. The requirements are essentially the same as for the CRS, so jurisdictions that implement the CRS should expect to be able to continue relying on the assessments by the Global Forum on Transparency and Exchange of Information for Tax Purposes within the framework of the CRS review process (see page 7 of **Delivering Tax Transparency to Crypto-Assets**).

Differences

While the CRS covers traditional money, securities, and other financial products (i.e., financial accounts), the CARF applies only to crypto-assets. Such assets can be distinguished from financial accounts by their reliance upon cryptography and distributed ledger technology to be issued, recorded, transferred, and stored. With regard to the assets covered, there is little overlap between the CRS and the CARF (see page 7 et seq of **Delivering Tax Transparency to Crypto-Assets**).

The CARF provides for a wider scope of reporting service providers, which extends not only to financial institutions (as is the case with the CRS) but also to individuals.

The CARF requires transaction-based reporting of exchanges between relevant crypto-assets or with fiat currencies, as well as of transfers of relevant crypto-assets. Under the CRS, on the other hand, account balances and information on payments and proceeds from sales of financial assets are reported.

Scope of the CARF

Relevant crypto-assets

The definition of crypto-assets under the CARF focuses on the use of cryptographically secured distributed ledger technology and similar technology that is a distinguishing factor underpinning the creation, holding, and transferability of crypto-assets. The reference to "similar technology" is designed to ensure that future technological developments that pose similar risks to tax transparency also fall within the scope of the CARF (see page 13, paragraph 11 of **the CARF** and page 20 of **Delivering Tax Transparency to Crypto-Assets**).

However, only relevant crypto-assets fall within the scope of the CARF and therefore give rise to reporting obligations. Three categories of crypto-assets are excluded from reporting requirements:

- Crypto-assets that cannot be used for payment or investment purposes.
- Central bank digital currencies that represent a claim in fiat currency on an issuing central bank or monetary authority and function similar to money held in a traditional bank account. Central bank digital currencies will be included within the scope of the (amended) CRS.
- Specified electronic money products that represent a single fiat currency and are redeemable at any time in the same fiat currency at par value are also excluded from reporting requirements under the CARF but will require reporting under the CRS (see page 13, paragraph 12 of the CARF).

Reporting crypto-asset service providers

The CARF assigns reporting obligations to RCASPs that are defined as "any individual or Entity that, as a business, provides a service effectuating Exchange Transactions

for or on behalf of customers". Included within this definition are individuals acting as a counterparty or intermediary to such exchange transactions, or who make available a trading platform.

The definition is deliberately wide to cater to the rapidly developing crypto-asset market and includes centralised and certain decentralised crypto-asset exchanges, crypto ATM operators, as well as brokers, dealers, and market makers (see page 13, paragraph 14 of **the CARF** and page 13 of PwC's **Regulatorische Entwicklungen: Steuerliche Entwicklungen** (April 2025), in German).

RCASPs are only required to report if they have a sufficient connection (nexus) to a jurisdiction that has implemented the CARF. Such a nexus exists if the RCASP (i) is a tax resident in, (ii) is incorporated in or organised under the laws of, and either has a legal personality in or is subject to tax reporting requirements in, (iii) is managed from, (iv) has a regular place of business in, or (v) effectuates relevant transactions through a branch based in a jurisdiction adopting the rules.

The CARF provides a hierarchy of nexus rules for cases in which a RCASP has nexus with more than one implementing jurisdiction, including a rule for cases where a RCASP has nexus in multiple jurisdictions based on the same nexus type (see page 13, paragraph 17 of **the CARF**).

Providers whose activities are limited to the transfer, custody, or administration of crypto-assets, or that solely supply software or technological infrastructure that does not itself enable, or exert control over, the execution of exchange transactions are not considered to be RCASPs as they perform only technical functions and lack any direct involvement in the execution of exchange transactions. The same applies to parties that provide financial services in connection with an issuer's offer or sale of crypto-assets (see MME's **Automatic Exchange of Information on Crypto-Assets**).

Reportable persons

The CARF applies due diligence rules broadly aligned with the CRS new account procedures for both new and pre-existing crypto-asset users. RCASPs are required to obtain information on their crypto-asset users through self-certification when establishing a new relationship or, with respect to pre-existing relationships, within 12 months following the CARF's effective date. Based on this information, the RCASP must determine whether the crypto-asset user qualifies as a reportable crypto-asset user.

A reportable crypto-asset user is any individual or entity that is resident in a reportable jurisdiction and for whom the RCASP carries out relevant transactions. Where the reportable crypto-asset user is an entity, the RCASP is also required to identify and report on the controlling person(s) of that entity who is/are resident in a reportable jurisdiction. Reportable crypto-asset users and controlling persons are reportable persons (see page 24 et seq of **Delivering Tax Transparency to Crypto-Assets**).

Transaction-based reporting

Reportable transactions

Unlike the CRS, which requires reporting on account balances and information on payments and proceeds from sales of financial assets, the CARF provides for transaction-based reporting. Reportable events include exchanges between two or more relevant crypto-assets or between relevant crypto-assets and fiat currencies, as well as transfers of relevant crypto-assets (see page 14, paragraph 18 et seq of **the CARF**).

Reported information

RCASPs must report exchange transactions by type of relevant crypto-asset and distinguish inward or outward transactions and crypto-asset-to-crypto-asset or crypto-asset-to-fiat transactions. The value of acquired, or the gross proceeds of disposed, crypto-assets must be reported in fiat currency. Transfers must also be categorised (e.g., airdrops, income derived from staking, or a loan), provided the RCASP has such knowledge (see page 14, paragraph 19 of **the CARF**).

The CARF operates alongside the Anti-Money Laundering Ordinance (AMLO). Accordingly, transactions exceeding $50,000 (in one transaction or cumulatively) must be assessed in accordance with the AMLO, in addition to being subject to reporting obligations under the CARF.

The RCASP must also report identifying information on the reportable persons, such as the name, address, jurisdiction of residence, date and place of birth, and (where available) the tax identification number or an equivalent (see page 18 of **the CARF**).

Which jurisdictions have committed to or signed the CARF

A large and growing group of jurisdictions have committed to implementing the CARF and to signing the CARF-MCAA. The OECD publishes both a list of jurisdictions that have committed (commitment list) and a list of signatories to the CARF-MCAA. As of November 20 2025, according to the latest OECD commitment list, **73 jurisdictions** (including many European states, major financial centres, and a range of jurisdictions across the Americas, Asia-Pacific, and the Middle East) have committed to implementing the CARF, and **53 countries** had signed the MCAA as of November 4 2025.

The Swiss Federal Council has **proposed the exchange of information on crypto-assets with 74 jurisdictions** relevant to the crypto market, including all EU member states, the UK, and most G20 countries (except the US and Saudi Arabia). Exchanges will only take place where partner jurisdictions meet the requirements of the CARF.

Key takeaways

Switzerland's adoption of the CARF represents a decisive step in aligning its tax transparency framework with evolving global standards. By extending the AEOI to crypto-assets, the country reinforces its commitment to international cooperation while addressing the unique compliance challenges posed by the rapidly evolving crypto market. The CARF's integration into Swiss law ensures that transactions involving crypto-assets will soon be subject to the same degree of scrutiny and reporting as traditional financial accounts, closing a notable gap in global transparency.

For market participants, particularly RCASPs, the framework introduces novel obligations, including robust due diligence, data collection, and reporting systems, which must be operational by early 2026. Successful implementation will depend on careful coordination between the FTA, RCASPs, and technology providers, as well

as on international reciprocity under the CARF-MCAA.

Switzerland's approach not only strengthens domestic compliance but may also serve as a model for balancing innovation with transparency in other jurisdictions, demonstrating how regulatory rigour can coexist with a vibrant crypto market.



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