



## Newsletter – February 2017

### **30-day Notification Period for Intercompany Dividends Eased – Assessment of Repayment Claims Relating to Withholding Taxes Paid and Default Interests Paid is Necessary**

Last September the parliament has decided on amendments of the Federal Withholding Tax Act (FWTA; SR 642.21) which will come into force on February 15, 2017. Withholding tax obligations within the group can then also be fulfilled by mere notification when the 30-day reporting period (as of the due date of the dividend) has already lapsed, provided that the other previously applicable requirements for the notification procedure within the group are fulfilled. Henceforth, in cases of late notification – provided that the other requirements are fulfilled – the FTA may no longer charge default interests, but may only impose a fine of no more than 500 CHF (according to Art. 46 FWTA). Consequently, this forfeiture period which has strictly been applied by the FTA until now, has become a time limit.

Paid default interests, which were imposed solely because of a late notification, may be reclaimed by companies within one year of the entry into force of the new articles. This retroactive effect on circumstances before the entry into force is excluded for tax- and default interest claims, which are either already statute-barred or which have been ruled on prior to January 1, 2011. The FTA has provided for a simplified procedure for the repayment of the no longer owed default interests pursuant to the new provisions (cf. Art. 70c FWTA) and has adopted provisions regarding transitional constellations.

Accordingly, Swiss companies are still required to comply with the 30-day notification period for dividends to domestic and foreign parent companies. Further, Swiss companies must verify if paid default interests or withholding taxes can be reclaimed from the FTA. The deadline concerning this matter will expire on February 15, 2018.



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