# Emergency cash tax points for Swiss companies and groups

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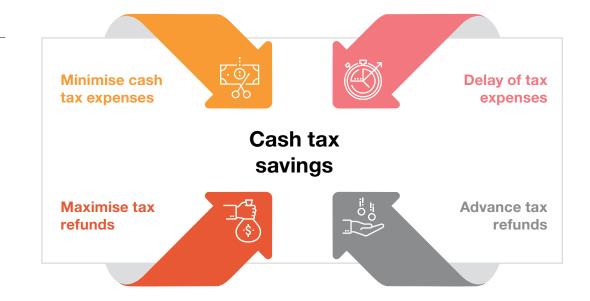
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As a company operating or a group headquartered in Switzerland, you should consider the following short-term measures (in Switzerland and abroad) to protect your global cash tax position in these unprecedented times.

# 1. Review, reduce and reclaim tax prepayment

- a) Review tax provision based on latest projections and request amended tax invoices:
- Update your FY20 projections
- Review provisional tax payments versus updated projected tax payments
- Request amended tax invoice with your local tax authorities

### b) Ask for a refund of excess tax prepayments:

 Check if prepayments made are too high and request for a refund

#### 2. Delay tax payments

- a) Request deferred payments of taxes due:
- Check when tax liabilities (e.g. for last FYs) are due to be paid
- Apply with local tax authorities to defer such tax payments based on your overall crisis management
- b) Defer tax payments by managing filing deadlines:
- Check when your (annual) tax returns are due to be filed
- Apply for an extension of filing deadline with your local tax authorities
- c) Defer tax payments by managing tax audit deadlines:
- Obtain an overview about ongoing or announced tax audits
- Apply with local tax authorities to defer tax audits based on limited resources





- · Understand payment due dates
- Understand applicable interests for provisional and final tax invoices
- · Assess which payments can be deferred
- Assess whether a tax payment waiver might be possible

## 4. Increase and accelerate tax refunds by managing tax losses

- Obtain an overview of your tax losses
- Review how tax losses might be used most effectively (reduce dividend income, account tax deductible provisions, etc)
- Apply with your local tax authorities to amend tax payments if you expect tax losses

# 5. Reduce and reclaim withholding taxes (WHT)

## a) Reduce withholding tax (WHT) payments:

- Obtain an overview of payments which (might) result in WHT (i.e. dividends, interest, royalties)
- Check if WHT exemption/reduction certificates are up to date
- If not: apply for (renewals of) WHT exemption
- Consider to defer (dividend, interest, royalty) payments
- In case of pending WHT applications: contact tax authorities to issue certificate

#### b) Request WHT refunds:

- Obtain an overview of WHT being paid
- · Check treaty relief from WHT
- Apply for such relief certificates and WHT refunds with local or federal tax authorities immediately
- In case of pending WHT applications: contact local or federal tax authorities to issue certificate and ask for a WHT refund

#### c) Apply lump sum tax credit:

 Consider to claim lump sum tax credit for the past 3 years

#### 6. Accelerate input and output VAT

- Filing of VAT returns immediately after end of period in case of refund positions
- In case of VAT debit ask for extended payment period at tax authority
- Postpone payment of VAT due without late payment interest and penalties in 2020 where possible
- Review of the booking processes regarding purchase invoices to ensure earliest possible recovery of input VAT
- Review of ARs concerning irrecoverability and corresponding reduction of output VAT (bad debt relief)
- Review of input VAT pro rata and direct allocations regarding possible methods to increase input VAT recovery
- Agreements with clients regarding assignment of input (VAT) claim and settlement against the output with the authorities including application for deferment of interest
- Change to monthly VAT filing to speed up VAT refund (in case of regular VAT refund position)

## 7. Reduce import VAT and manage new value chains

- Ask for special import procedure to declare import VAT in VAT return as reverse charge
- VAT (no cash payment required)
- Ask for a deferment account at the customs authorities to avoid prepayment of import VAT before input VAT refunded by the tax authorities
- Review of the value chains and possible optimisation in case of necessary adjustment of the current situation (caused by failure of deliveries due to Corona)
- Review of VAT consequences in case of switch to online trading or changed types of products (e.g. VAT rates)