



SwissLife

Securities dealer status

When does a company's own employee benefits institution obtain the status of a securities dealer?

A proprietary employee benefits institution taking part in the provision of mandatory and/or supplementary occupational pension benefits is deemed a securities dealer as soon as its assets amount to more than 10 million francs in taxable securities (e.g. shares, bonds, etc.). This provision of the law (Art. 13 cl. 3d and cl. 4 of the federal stamp law on stamp duty, StG) has been in force since 1 July 2001. Insurance policies from a Swiss insurance company are not considered taxable securities within the meaning of the above federal law.

Proprietary employee benefits institutions that meet the above criteria are deemed to be securities dealers six months after the end of the financial year in which they reported more than 10 million francs in taxable securities for the first time. For example, if the books close as per 31 December, they become liable for turnover tax as of 1 July of the following year.

What has to be done?

If the employee benefits institution is classified as a securities dealer with effect from 1 July, it has to notify the Federal Tax Administration in Berne accordingly (including the last balance sheet) before the tax liability commences. The employee benefits institution can entrust the keeping of the register to someone else. It can delegate its tax liability to domestic banks or securities dealers by not identifying itself as a securities dealer. This results in the levy it incurs being paid to the Federal Tax Administration by the bank or securities dealer. In transactions with foreign institutions or other counterparties abroad, the turnover tax must be entered in its register of turnover and paid.

Where can we help you?

If your employee benefits institution has its assets administered by Swiss Life Asset Management (SLAM), SLAM can keep the required register. SLAM prepares the necessary documents together with the covering letter so that they can be sent to the tax administration in Berne in your pension fund's name. SLAM will need a revised statement of annual accounts for this purpose.

Important for you to know

The provisions on the turnover tax apply to a technically very complicated area and are intended for specialists. This information sheet does not relieve a company's own employee benefits institution or its governing bodies of the obligation to have the specific situation checked by specialists and to decide what course of action to pursue.