

Information



S Schweizerische Steuerkonferenz
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Valid from 20 February 2024 | Project OMTax

The OMTax information sheet is intended for large multinational corporate groups that are liable to Swiss minimum taxation. It provides information concerning the introduction of the IT solution OMTax, which can be used to levy Swiss and international top-up tax.

OECD/G20 minimum taxation

Starting position

The basis for the minimum taxation of large corporate groups was established by the referendum held on 18 June 2023.

Only large multinational corporate groups with annual revenues of at least 750 million euros are subject to the new minimum taxation. About 99 % of companies in Switzerland are therefore not directly affected by the reform and will continue to be taxed as previously.

Minimum Taxation Ordinance

The Ordinance on the Minimum Taxation of Large Corporate Groups [MindStV] of 22 December 2023 entered into force on 1 January 2024. As far as Swiss top-up tax is concerned, it applies to financial years starting on or after 1 January 2024.

The Federal Council will decide during the course of 2024 concerning the introduction of the international top-up tax in order to collect the top-up tax according to the primary top-up tax rule (Income Inclusion Rule, IIR) and the secondary top-up tax rule (Undertaxed Payments Rule, UTPR).

The MindStV is applicable for a fixed period of time. Primary legislation will be enacted in due course according to the ordinary procedures.

Ensuring global minimum taxation on the one hand and creating and transmitting the GloBE Information Return (GIR) on the other hand are different, independent processes. The GIR is not created and transmitted within OMTax.

Enforcement of the top-up tax

The top-up tax is a federal tax that is collected by the cantons under the supervision of the Federal Tax Administration.

Technical implementation

Central IT solution

The Swiss Tax Conference [SSK] will operate a central IT system on behalf of the 26 cantonal tax authorities for the purpose of filing returns for and the issue of assessments concerning the top-up tax. The legal basis for the operation of a common IT system is provided by Articles 17, 18 and 19 MindStV. The project itself, as well as the application, are referred to as OMTax, which stands for OECD Minimum Taxation.

The common, centralised IT solution will be developed and introduced for the Swiss top-up tax and also for the international top-up tax according to the IIR and the UTPR. The OMTax application will be integrated into the Federal Administration's ePortal.

Procedural steps

The OMTax application covers the procedural steps for determining the liability to tax of taxable business entities along with registration, in addition to the declaration and assessment of top-up tax.

Aspects relating to the issue of tax demands for and the collection of top-up tax as well as the respective settlement between the cantons and the Federal Administration and the transfer of the proceeds are not covered by the common IT solution and should be dealt with by the cantons through their existing systems.

In order to enable taxable business entities to register and file returns for the national top-up tax for the 2024 tax period, the OMTax application will go live on 1 January 2025.

Data storage, data ownership and data protection are core aspects of the IT aspects of the implementation of the top-up tax.

Description of the solution

Identification of tax liability

First of all, it is necessary to identify which business entity from a large multinational corporate group is liable to top-up tax and to enter it into a register. In order to do so, the person authorised to act on behalf of the business entity liable to top-up tax registers in the ePortal and logs in to the OMTax application. After receiving the activation letter, the taxable business entity can register and file a return.

The competent canton reviews the registration in the central register of taxable business entities from large multinational corporate groups. According to Article 5 MindStV, the competent canton is the canton in which the highest domestic business entity has its registered office or the most significant business entity, if there is no intermediate company in Switzerland or if multiple intermediate companies are liable to tax.

Tax return

Within the tax return the business entity liable to tax must submit the information necessary in order to collect the top-up tax, along with any necessary enclosures, which is ultimately equivalent to filing a tax return at group level.

Assessment and collection

The competent canton reviews the declaration and the automatically calculated top-up tax, determines the proportions for the cantons involved and for the Federation and generates the assessment.

Once the assessment has been generated, a tax demand is issued for the top-up tax by the competent canton, which also deals with the settlement of the top-up tax between the cantons involved and the Federal Administration on the basis of the tax factors assessed.

Quality assurance

Project managers are particularly concerned to ensure that the IT system is understandable, user-friendly and tailored to users' needs. As part of quality assurance for the OMTax application developed, there are plans to have its user-friendliness tested by some business entities from large multinational corporate groups that may potentially be liable to tax. Tests are planned from 1 July 2024.

Information

The cantonal tax administrations are responsible for providing technical information and for answering questions concerning the levying and collection of top-up tax. Answers to technical questions concerning the OMTax application will be available from 1 April 2024 at omtax.ch.

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