

## GOOD NEWS FROM SWITZERLAND –Lump sum taxation (forfait) maintained!

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Dear clients and friends of our Firm, We are very happy to let you know that with the referendum dated November 30, 2014, **the Swiss people decided to maintain the lump sum taxation system**, i.e., the so-called “forfait”. The initiative of the left wing parties to abolish lump sum taxation was rejected by a clear majority of 59.2%. The result of this popular vote is reassuring for the Swiss economy and confirms that Switzerland is a **stable** place from a legal point of view and wants to remain **competitive** tax-wise. The vote at the same time confirms the entry-into-force of the **new Swiss federal law** on lump sum taxation on **January 1, 2016**. The new law will notably bring the following changes to the current system:

- the lump sum income should amount to at least seven times (instead of five times currently) the rental value or the annual rent of the Swiss residence;
- the lump sum amount should not be lower than CHF 400'000 at federal level;
- each canton will have to (freely) fix a cantonal minimum lump sum amount;
- a **grandfathering** period of **five years** applies to all existing lump sum taxpayers – for them, the new law will only have conséquences as of the tax year 2021.

We are happy to answer any questions you may have regarding today's developments or about the Swiss lump sum tax system in general. Best regards, **Thierry Boitelle & Aliasghar Kanani BONNARD LAWSON** INTERNATIONAL LAW FIRM GENEVA **11, RUE DU GÉNÉRAL-DUFOUR | 1204 GENEVA | SWITZERLAND** T +41 22 322 25 00 F +41 22 322 25 15 [OTHER OFFICES: LAUSANNE | SHANGHAI | PARIS | LUXEMBOURG | DUBAI](#) [Download this newsletter in PDF](#)