



Holistic Check

The newsletter of Holistik - wealth planning

"SPONTANEOUSLY" BUILD A NEW WORLD

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Dear Friends, Dear Partners,
Dear Readers, Dear Citizens,

The 1st edition of this newsletter was issued during the first Covid "time" in March 2020. The 2nd edition will take the time during this second Covid wave to think and act : shall we build "spontaneously" a new world ?

Switzerland will align in 2021 to the Action Plan "Financing sustainable growth" of the European Commission with the adaptation of the Swiss Financial Services Act (LSFin). European regulations (including MiFID II, IDD, IORP II) require service providers to systematically inquire into clients' ESG (environmental, social, governance) preferences in the context of investment advice or portfolio management.

Finance and economy are called to rethink, at the level of the company as well as at the level of the products. An economic activity is sustainable if it contributes to at least one of the sustainable objectives and does not significantly harm the others.

Will regulations be sufficient and contributing to the mitigation of climate change, the protection of water, resources and biodiversity, or the transition to the circular economy?

More in-depth content in the next edition.



HOME OFFICE: TAX AND SOCIAL INSURANCE

Frontier workers (as of August 31, 2020)

During the health crisis, **France and Switzerland** agreed on a common practice regarding the payment of social insurance contributions in order to maintain the rights and social protection of frontier workers as well as the applicable tax regime (see Holistik Check of April 2020).

French residence <--> Swiss activity

Social security charges for cross-border workers: flexible application until 31.12.2020

Tax liability rules in accordance with the European recommendations : flexible application extended until 31.12.2020.

And pursuant to the provisional amicable agreement of May 13, 2020:

"Exceptionally and provisionally, and for persons not benefiting from the aforementioned regime, it is accepted that, for the application of 1 of Article 17, the days worked in the State of residence, at home and for account of an employer located in the other Contracting State, due to the measures taken to combat the spread of COVID-19 are considered to be days worked in the State in which the person would have exercised his employment source of wages, salaries and other similar remuneration ("income") in the absence of such measures."

NEWS FROM HOLISTIK

Holistik is now Holistik Ltd

Conference "Sustainability and Swiss regulation: impacts on local economy?"
Club of Thursdays, 5/11/2020

Conference "Objective: Switzerland, world centre for sustainable finance"
Coninco MasterClasses, 12/11/2020

Publication "Global Handbook of Impact Investing" Wiley & Sons, 12/2020.



BREXIT : RELOCATING FROM A THIRD-COUNTRY?

International taxation (as of October 31, 2020)

The Brexit transitory period expires on 31 December 2020, which will have major consequences as a result from switching the UK from an EU status to a third country status.

► For UK nationals that may wish to relocate abroad, this change will have direct financial and tax impacts.

The so-called expenditure-based taxation (also referred to as lump-sum taxation) has been an attractive and stable instrument for foreign families relocating to Switzerland.

EU/EFTA nationals may take up residence in Switzerland based on the bilateral agreement on the free movement of persons.

Non-EU/EFTA nationals are subject to the more restrictive requirements of Swiss immigration rules.

One aspect of this taxation is to allow foreign nationals to benefit from a stable and determined taxes on their foreign assets and income while keeping the full disposal of these items.

Compared to EU/EFTA nationals, non-EU/EFTA lump-sum taxpayers may end up paying a tax burden that may amount to a multiple thereof.

► UK nationals planning on retiring in Switzerland and claiming the application of the expenditure-based taxation should have transferred their residence ideally by the end of 2020.

A transfer of residence should be carefully planned including advice on options available and on anticipated tax consequences from both a Swiss and UK standpoints with respect to the circumstances.

