



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

www.cashmanagement.bnpparibas.com/cg



BNP PARIBAS

The bank
for a changing
world

Disclaimer

This document has been prepared by BNP PARIBAS for informational purposes only. Although the information in this document has been obtained from sources which BNP PARIBAS believes to be reliable, we do not represent or warrant its accuracy, and such information may be incomplete or condensed. This document does not constitute a prospectus or solicitation.

All estimates and opinions included in this document constitute our judgement as of the date of the document and may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

This document is confidential and is being submitted to selected recipients only. It may not be reproduced (in whole or in part) to any other person without the prior written permission of BNP PARIBAS.

Make sure to always check the latest updates on the [Atlas website](#)

Switzerland is a federal republic consisting of 26 highly independent regions (cantons) and four official languages German, French, Italian and Romansh. The Confederation is responsible for defence, the currency, postal services and telecommunications, immigration policy, foreign relations, civil and criminal law, and customs duties. The Federal government (Council) is made up of seven members, each of which heads a department. Decisions are made jointly. The Council is elected by members of both houses of parliament for a period of four years. From among the seven federal councillors, the parliament also elects the President of the Confederation for a one-year term of office.

This mode of government has served the country well. It is one of the most prosperous in the world, with GDP per capita in terms of purchasing power 70% higher than the EU average. The country pursues a neutral policy and is home to many international organisations, such as the European headquarters of the United Nations, which it joined only in 2002, the World Trade Organisation, the Red Cross and the Olympic Committee. Although not a member of the European Union, the Swiss Confederation has adopted various provisions of European Union law and pays into the European budget in order to participate in the Union's single market. The country is a member of the European Free Trade Association (EFTA), but has not ratified the Agreement on a European Economic Area with the EU. In 2020, Switzerland pulled out of negotiations with the EU on an Institutional Framework Agreement, which would have enhanced bilateral relations. This could complicate cooperation with the EU, in particular in new areas.

The majority of Swiss workers are employed in the service sector, mostly in business and finance and tourism. Chemical and pharmaceutical production and mechanical engineering/metals are the main branches of the industrial sector. Thanks to business-friendly legislation, low tax rates, and tax deductions for R&D, Switzerland has become a preferred destination for R&D activities. The importance of agriculture for the economy is in diminishing.

The Swiss National Bank (SNB) is tasked with ensuring price stability, while taking due account of economic developments. The SNB's monetary policy strategy consists of three elements: a definition of price stability, a medium-term inflation forecast and the SNB policy rate. The SNB implements its monetary policy by setting the SNB policy rate. In doing so, it seeks to keep the short-term Swiss franc money market rates close to the SNB policy rate.

The Swiss Average Rate Overnight (SARON) represents the overnight interest rate of the secured money market for Swiss franc (CHF). It is based on transactions and quotes posted in the Swiss repo market, a pivotal part of the Swiss Value Chain.

Summary

BNP Paribas presence

BNP Paribas has been present in Switzerland since 1872, and ranks amongst the top three international banks in Switzerland. The bank provides a full range of services including wealth management, structured finance and corporate banking, with business centres in Geneva and Zurich and locations in Lugano and Basel employing over 1,200 local staff. In addition, the Global Trade Solutions (GTS) Team in Switzerland consists of trade managers located in Geneva and Zürich, as well as 2 operation centres with 130 dedicated professionals in Geneva and Basel. BNP Paribas has a comprehensive cash management offering in Switzerland, covering both domestic and international cash management and trade finance requirements.

Currency

Currency

- Switzerland uses the Swiss franc (CHF).

Exchange rates

	2019	2020	2021	2022	2023
Exchange rate CHF per USD	0.99	0.94	0.91	0.95	0.90

Source: IMF, International Financial Statistics, June 2024.

Central Bank

- Switzerland's central bank is the Swiss National Bank (SNB – www.snb.ch).
- Clearing:
The Swiss Interbank Clearing (SIC) payment system is Switzerland's central payment system, operated by SIX Interbank Clearing Ltd (SIC Ltd) on behalf of the Swiss National Bank. The SIC system processes large value transactions, as well as retail payments connected with services provided by financial market participants (bank transfers, card payments, direct debits, etc.).

link: <https://www.snb.ch/de/the-snb/mandates-goals/payment-transactions/swiss-interbank-clearing>

Bank Supervision

- Swiss banks are supervised by the Swiss Financial Market Supervisory Authority (FINMA – www.finma.ch).
- The Swiss banking sector is self-regulatory via the Swiss Bankers' Association (www.swissbanking.org).

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Switzerland if has a registered office or its place of effective management is located there.

Bank accounts for resident entities

	Within SWITZERLAND	Outside SWITZERLAND
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.

Bank accounts for non-resident entities

	Within SWITZERLAND	Outside SWITZERLAND
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Not applicable.

Lifting fees






- Lifting fees are not applied on payments between resident and non-resident accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	
Cheque collections	
Direct debit collections	
Domestic incoming transfers	
Virtual IBAN	
Virtual accounts	
International incoming transfers	
Card acquiring	

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	

Virtual cards	✓
International outgoing transfers	✓
SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	●
Card issuing	✓

Channels

Local e-Banking	✓
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

Electronic credit transfers are predominantly used by companies to make and receive payments.

The latest survey conducted by the Swiss National Bank between May and July 2023 found that nearly 43% of one-off payments are still made with cash, card payments are increasingly used by consumers. Overall, payment against invoice (87%) and transfers (79%) are the most frequently used payment methods by companies for non-recurring payments. These are followed in third and fourth place by credit cards (46%) and cash (43%).

An electronic invoicing service, eBill, is offered by SIX for both B2B and B2C invoicing.

Online and mobile banking services are widely used with many of the country's retail banks offering mobile banking apps. There are a number of digital banks operating in Switzerland, including N26, Revolut and bunq.

Payment Systems

SIC	Type	<ul style="list-style-type: none"> Real-time gross settlement.
	Participants	<ul style="list-style-type: none"> 321 SIC. 193 euroSIC.
	Transaction types processed	<ul style="list-style-type: none"> High-value and urgent CHF- and EUR-denominated domestic and cross-border credit transfers. Low-value and non-urgent credit and debit payments. Paper-based payments (cheques and credit transfers) which must be truncated into electronic items before processing. SEPA payments (credit transfers, direct debits and card payments). Net obligations from PostFinance. Incoming Instant Payments
	Operating hours	<ul style="list-style-type: none"> Almost 24 hours, Monday to Friday, from 19:00 CET on the previous day to 18:15 CET. It closes between 12:00 CET on Saturday to 18:00 CET on Sunday.
	Clearing cycle details (e.g cut-off times)	<ul style="list-style-type: none"> Payments are cleared and settled on a same-day or next-day basis. Customer payment cut-off time = 17:00 CET. Interbank payment cut-off time = 18:00 CET.
	System holidays	<ul style="list-style-type: none"> SIC is closed at weekends and on all Swiss bank holidays. Swiss bank holidays in 2024 are: 1, 2 January, 29 March, 1 April, 1, 9, 20 May, 1 August, 25, 26 December <p>https://www.six-group.com/en/market-data/news-tools/trading-currency-ho...</p>
POST FINANCE	Type	<ul style="list-style-type: none"> Bilateral clearing system for retail payments.
	Participants	<ul style="list-style-type: none"> All banks in Switzerland.

	Transaction types processed	<ul style="list-style-type: none"> • CHF-denominated credit and debit payments.
	Operating hours	<ul style="list-style-type: none"> • 24 hours a day, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Cut-off time for same-day settlement = 13:00 CET. • Most payments are cleared bilaterally through PostFinance accounts.
	System holidays	<ul style="list-style-type: none"> • PostFinance is closed at weekends and on all Swiss bank holidays. • Swiss bank holidays in 2024 are: <ul style="list-style-type: none"> • 1, 2 January, 29 March, 1 April, 1, 9, 20 May, 1 August, 25, 26 December • https://www.six-group.com/en/market-data/news-tools/trading-currency-ho...

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- The biggest Swiss banks are required to be able to process instant payments, with the remaining banks following suit by 2026.
- High-value and urgent CHF and EUR-denominated domestic and cross-border credit transfers can be settled on a same-day basis via SIC.
- High-value cross-border credit transfers in EUR can also be settled via euroSIC's connection to T2 (linked to Germany's T2 component). Payments are cleared via swisseuroGATE.
- High-value and urgent cross-border credit transfers can also be settled with end-of-day value via the Euro Banking Association's (EBA) EURO1 system (accessed indirectly via international networks).
- Low-value and non-urgent credit transfers can be settled on a next-day basis via SIC.
- Low-value and non-urgent EUR-denominated cross-border transfers can be processed via the EBA's STEP1 or STEP2 payment systems.
- The QR-bill was introduced in 2020 as part of efforts to harmonise and digitalise the Swiss payment transactions ecosystem. All financial institutions in Switzerland have discontinued processing legacy red and orange payment slips effective September 30, 2022.
- SEPA credit transfers can be settled via STEP2 or via correspondent banking networks. Approximately 188 banks in Switzerland participate in the SEPA credit transfer scheme.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds.

- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

Switzerland supports both local direct debit schemes, as well as SEPA direct debits.

Cheques

- Cheques are rarely used in Switzerland.

Card payments

- Card payments are increasingly popular, especially for retail transactions.
- Visa, Maestro and Postcard-branded debit cards are widely issued.
- Visa, MasterCard, American Express and Diners Club credit cards are available.
- Card payments are typically cleared via SIC.
- All cards are SEPA-compliant with EMV chips.

ATM/POS

- There were 6,864 ATMs in Switzerland at the end of April 2021.
- There were 347,330 EFTPOS terminals in Switzerland at the end of 2019.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Payments with a mobile device such as a cell phone, tablet, or smartwatch are now the third largest payment method, accounting for 21 percent of the total number of transactions.
- MasterCard's MasterPass electronic wallet payment platform facilitates online purchases by MasterCard, Visa and American Express card holders in Switzerland using PCs and mobile devices.
- The SwissWallet electronic wallet payment platform is connected to MasterPass and may also be used by MasterCard, Visa and American Express card holders for online purchases.
- Mobile payment schemes, including TWINT (the country's most popular mobile payment service), Swatch Pay, Garmin and Apple Pay, are available and widely used.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents but are rarely used.

Demand deposits

- Demand deposits are available for residents and non-residents.

Time deposits

- Time deposits are available in CHF, EUR or major foreign currencies for terms ranging from one day to more than one year. Maturities of between three and six months are the most common.

Certificates of deposit

- Certificates of deposit are not popular short-term instrument forms. They are typically issued by domestic banks for terms greater than 12 months.

Treasury (government) bills

- The SNB issues money market debt register claims on behalf of the Swiss government. These are issued in denominations of CHF 50,000 for terms of three, six, nine or 12 months.

- SNB bills in CHF are issued in denominations of CHF 1 million. SNB CHF bills are issued with terms ranging from one week to a year.
- SNB USD bills are issued in denominations of USD 500,000. SNB USD bills are issued with terms of one, three or six months.

Commercial paper

- Domestic commercial paper is not issued.
- Some Swiss companies and financial institutions issue in the European commercial paper market.

Money market funds

- Domestic money market funds are available.

Repurchase agreements

- Repurchase agreements are available in Switzerland.

Banker's acceptances

- Banker's acceptances are not used in Switzerland.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
-----------------	---

Standby letters of credit	✓
---------------------------	---

Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	✓
Connexis Guarantee	✓
SWIFTnet Supply Chain	✓

Backed by the strong rating and excellent reputation of BNP Paribas and supported by a strong European hub in charge of the execution of import/ export letters of credit, collections and guarantees, it leverages on the strengths of a worldwide network of 250 specialists (plus additional local or regional back office/ operations departments) located in over 100 Trade Centres across more than 60 countries, which provides close contact points and expertise everywhere, advantageous prices through network synergy, a recognised execution capacity and expertise confirmed by recurring awards as well as large capacities to confirm L/Cs or re-issue guarantees.

International trade

Import / export volumes

		2020	2021	2022	2023	
Exports	- goods USD m	353,461	438,369	475,905	492,699	
	- services USD m	120,582	140,642	151,883	168,929	
Imports	- goods USD m	289,797	322,248	355,690	361,947	
	- services USD m	139,896	159,022	160,824	192,411	
						3.7

Source: IMF, International Financial Statistics, June 2024.

Regulatory requirements

Reporting regulations

- The SNB uses a survey-based system to collate balance of payments statistics. The SNB selects companies to complete forms to record their cross-border transactions. Cross-border current account transactions are recorded by the use of quarterly partial sample surveys. Financial account items are recorded by the use of both quarterly and annually partial sample surveys.

- Companies are required to report current account transaction data if the transaction value exceeds CHF 100,000 in the quarter under review; and are required to report financial account data if their financial assets and liabilities or direct investment exceed CHF 10 million in the period under review.

Reporting method

- Any resident entity required to complete a quarterly survey by the SNB must complete and return it within one month after the end of the reference period. Annual surveys must be returned within three months after the end of the reference period.
- Banks may submit transaction data to the SNB on behalf of their corporate clients.

Exchange controls

- Switzerland does not apply exchange controls.
- Reciprocal currency swap arrangements are currently in place between the SNB, the European Central Bank, the Bank of England, the Bank of Canada, the Bank of Japan, and the Federal Reserve.
- A bilateral currency swap arrangement is in place between the SNB and the People's Bank of China.
- Restrictions apply to foreign investment in specific industries (Swiss shipping and airlines, real estate, film distribution, media broadcasting, and some energy sectors).

Taxation

Resident / non-resident

- Companies are considered to be resident in Switzerland if their seat (registered office) or place of effective management is located in Switzerland.

Tax authorities

- Federal, Cantonal and Communal Tax Administrations.

Tax year/filing

- The tax year is usually the calendar year. If a company's financial year is different, the company's profit and capital in the financial year ending in that calendar year are taxed.
- There is combined tax return filing for both federal and cantonal income tax purposes. A self-assessment procedure applies. Filing deadlines depend on the canton.
- Consolidated returns are not permitted; each company is required to file a separate return.

Financial instruments

- There are no specific tax rules that determine the tax treatment of financial instruments; general principles apply instead.

Interest and financing costs

- Interest deduction is denied in cases where the tax authorities identify a tax avoidance scheme (e.g. a merger of an acquisition vehicle and its target company for the sole purpose of saving taxes by a debt push-down).

Foreign exchange

- In general, foreign exchange rate gains are subject to ordinary taxation together with other income.
- The Swiss Federal Court has decided that for a corporation with a functional currency other than the Swiss franc (CHF), translation gains/losses are not taxable/deductible.

Advance tax ruling availability

- Advance rulings may be obtained from the tax authorities on various Swiss matters.

Capital gains tax

- There is no specific capital gains tax levied at the federal level.
- Capital gains on the sale of assets are treated as ordinary income (and losses are deductible), regardless of the length of time the assets have been held.
- If assets are sold to a shareholder or related corporation at a price below market value, gains may be reassessed for tax purposes.
- Capital gains derived from the sale of a participation of at least 10% in a resident or non-resident company benefit from participation relief if the participation has been held for more than one year.

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	0%/35%	35%	None	None

Non-resident entities	0%/ 35%	0%/ 35%	None	None
-----------------------	---------	---------	------	------

- Dividends: a federal withholding tax of 35% is levied on dividends paid to resident and non-resident companies. Resident companies can apply for a refund of the 35% withholding tax based on Swiss law. Under the Switzerland-EU savings agreement, which provides Switzerland access to benefits similar to those in the EU Parent-Subsidiary Directive, withholding tax is reduced to 0% on cross-border payments of dividends between related companies residing in EU member states and Switzerland when the capital participation is 25% or more and certain other criteria are met. In addition, many tax treaties provide for reduced rates for qualifying investments. The repayment of nominal share capital and capital surplus is exempt from withholding tax.
- No withholding tax is levied on interest. Exceptions apply to interest derived from deposits with Swiss banks, bonds and bond-like loans, which are subject to a 35% withholding tax at the federal level. Interest paid to a non-resident on receivables secured by Swiss real estate is subject to tax at source. The 35% withholding tax and the tax at source levied under domestic law can be reduced under a tax treaty.

Tax treaties / tax information exchange agreements (TIEAs)

- Switzerland currently has Double Taxation Agreements (DTA) with over 100 countries and is seeking to extend its agreement network further. Double taxation typically occurs when two states tax the same income or assets of a taxpayer. Most of the provisions of a DTA are dedicated to avoiding double taxation by giving the contracting states the right to tax the individual types of income and assets.
- Switzerland usually implements the AEOI according to the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information (MCAA). Bilateral treaties on the AEOI have been concluded with the EU, Hong Kong and Singapore.
- Switzerland implemented Country-by-Country reporting and introduced the OECD minimum tax rate as of January 1st 2024.

Thin capitalisation

- Safe haven thin capitalisation rules require a minimum equity ratio for each asset class (e.g. receivables may be debt financed by 85%, investments by 70% and intellectual property by 70%). In addition, safe haven interest rates apply.

Transfer pricing

- Switzerland has no specific transfer pricing regulations, but follows the general OECD transfer pricing guidelines and therefore applies the arm's-length principle to all related-party transactions.

- The same principles are applied for federal and cantonal/communal purposes, irrespective of whether the transaction is domestic or international.
- There are no formal documentation requirements or specific penalty regimes for transfer pricing adjustments.

Stamp duty

- A 1% stamp duty is levied on contributions to the equity of a Swiss company, whether in cash or in kind. A CHF 1 million exemption threshold applies to the issuance of shares. Re-organisations, such as mergers, spin-offs of corporate assets, or transfers of a company's domicile from abroad to Switzerland typically are exempt from stamp duty.
- Transfer stamp duty is levied on the transfer of ownership in securities, provided one of the parties to the transaction or one of the intermediaries is a Swiss securities dealer. The transfer stamp duty is calculated on the consideration and amounts to 0.15% for securities issued by a Swiss resident and 0.3% for securities issued by a foreign resident.

Cash pooling

- Since 1 August 2010, intra-group loans should fall outside the scope of collective fund borrowing, which in turn excludes intra-group cash pooling activities from stamp duty and interest withholding tax.

Financial transactions / Banking services tax

- Other than transfer stamp duty, there is no special tax on financial transactions.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 (www.deloitte.com)



BNP PARIBAS

The bank
for a changing
world