

Follow-up audit of the implementation of main recommendations with regard to ruling queries

Federal Tax Administration

Key facts

At the beginning of 2018, the Swiss Federal Audit Office (SFAO) published audit no. 16463, "Management of tax rulings". In its audit report, the SFAO issued the Federal Tax Administration (FTA) and the Federal Department of Finance (FDF) with a total of four recommendations. Recommendation 3 was accorded the highest priority (Priority A). With Priority A recommendations, the SFAO subsequently carries out a systematic follow-up audit. This is aimed at identifying which measures have been taken, and whether and how the recommendation has been implemented.

The audit revealed that not only recommendation 3 but also the other three recommendations had been implemented.

Tax rulings are the FTA's day-to-day business

An advance tax ruling is binding information from the tax authority on the tax treatment of a planned, specific and tax-relevant matter, and is issued in response to a corresponding query from a taxpayer. The tax authority providing the information must be responsible for this. The FTA is primarily responsible for rulings on value added tax (VAT), withholding tax and stamp duty.

Only in the case of VAT does the VAT Act contain a legal provision requiring the FTA to provide information in response to a written query from a taxpayer.

In 2021, the Main Value Added Tax Division (Main VAT Division) received 6,020 queries. In the same year, the Main Division for Federal Direct Tax, Anticipatory Tax and Stamp Duty (DAS Main Division) received 2,624 queries.

The highest-priority recommendation has been implemented

During the audit, the SFAO had observed that incoming queries were not properly channelled. The SFAO therefore recommended that the FTA ensure that incoming written ruling queries are identified in a timely manner.

In 2019, the Main VAT Division and the DAS Main Division each set up a centralised office to record incoming queries. Regardless of how queries reach the FTA (by post or electronically, directly to the defined contact address or to a specialist division), it is always the responsible unit which first enters the query into the system. The Main VAT Division and the DAS Main Division each have their own system, in which all queries are recorded.

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