

Notes on your tax statement

The tax statement is intended for natural persons and legal entities whose tax domicile is Switzerland. It includes all account and custody account assets belonging to the specified portfolio number and held with our bank. Please note that the tax statement is a tool to be used for preparing your tax return and we accept no liability for its completeness or accuracy.

Summary

This summary statement shows taxable assets (tax value) and associated taxable income (gross income), broken down into categories A (assets subject to Swiss federal withholding tax) and B (assets exempt from Swiss federal withholding tax). **These totals should be copied into the statement of securities in your tax return and documented using this tax statement. Debit balances and debit interest should also be included for record-keeping purposes. These items should be entered in the schedule of debts in your tax return.**

List of fees

Tax-deductible costs for the management of movable private assets – that is, securities and investments – by third parties are included under this heading. The rules governing the deduction of permitted asset management costs vary from canton to canton. These costs are generally deductible, provided they are necessary for asset preservation (rather than asset growth) purposes. A lump sum can be deducted in most cantons. Information on the practice in your canton of residence can be found in the official guidance accompanying the tax return. In the case of asset management mandates, the deductible portion of the custody account fee contained in the all-in fee is specified. In the case of investment advisory solutions, the investment fee is shown. This fee also includes non-deductible elements.

Taxable values

The taxable values published by the Federal Tax Administration (FTA) are used for the valuation, provided they were known to the bank when this statement was produced. The valuation of unlisted securities normally corresponds to the respective year-end rate. If no value is available at that time, the taxable value is stated as CHF 0.00. Any deductions for shares with restricted transferability and minority interests are not taken into account in the tax statement.

Negative interest

Negative interest levied on account balances is shown in the tax statement as a deductible asset management cost (list of fees).

Trailer fees

Trailer fees (product retrocessions) are included in taxable income in category B (assets exempt from Swiss federal withholding tax). These are specified in the corresponding credit account and are not included in the gross income under category B.

Interest from derivatives and discount notes

Calculation of the interest income from derivatives and discount notes is based on the directives of the Federal Tax Administration (Circular no. 15). As a result, differential taxation may lead to negative income from these types of investments. In terms of the return, however, they can only be deducted to the extent that there is positive income from the same types of instruments within the same assessment period. Negative IUP income with no withholding tax entitlement (bonds predominantly involving one-off interest) is not shown in the total gross income in category B. Your local tax office will decide whether positive and negative IUP income with no withholding tax entitlement can be netted. If securities were deposited in your custody account in the calendar year, the taxable income in the event of repayment or sale cannot be calculated because we do not have the purchase prices.

Securities with refundable foreign withholding tax or US tax retention

The income on foreign securities is often liable to foreign withholding tax. With regard to the portion of withholding tax to be reimbursed in Switzerland, the flat-rate tax credit (DA-1) or – in the case of US securities – the reimbursement of additional tax retained in the USA, can be applied for using the tax statement. If you have such securities in your custody account, you will find the relevant totals in the summary under “DA-1” and “USA-values”.

Electronic tax statement

You can now upload your tax statement in electronic form into your declaration software, provided it is supported by your tax authority. To do so, please use the PDF file you will find in e-banking among the documents under the heading “Tax-relevant documents”. The schedule of bank balances and securi-

ties is automatically completed by the declaration software when the file is uploaded. We recommend that you briefly check the data uploaded into the statement, noting the relevant information provided in the tax declaration guide. The taxable values and taxable income published in the Federal Tax Administration’s price list can be queried online; these may differ from those in the tax statement. You cannot use a tax statement you have received on paper as an electronic tax statement. If you require further information, please contact your tax authority.

Any questions about your tax statement?

We are always happy to help. Please contact us on 041 709 11 11 or via service@zugerkb.ch.