

## Rulings practice

*Dr Alexander Ressos, TEP*  
*Attorney-at-Law (Switzerland), Solicitor (Hong Kong),*  
*Solicitor (England & Wales)*

Swiss tax practice has long relied on advance rulings. A taxpayer describes a planned transaction or structure to the cantonal tax administration, or to the Federal Tax Administration for federal taxes, and receives a binding confirmation of its tax treatment, provided that the facts are presented completely and accurately.<sup>1</sup> Rulings provide legal certainty for complex restructurings, the qualification of special status under the former regimes, transfer pricing arrangements and the application of the new instruments such as the patent box.

Until 2017, rulings were confidential. With the introduction of the spontaneous exchange of information under BEPS Action 5, Swiss authorities must now transmit information on certain categories of rulings to the tax authorities of the states concerned. These categories include rulings on preferential regimes, unilateral advance pricing agreements and rulings that provide for a downward adjustment of profits.<sup>2</sup> The European Commission's state aid investigations into tax rulings granted by member states, which affected several large multinationals in the period from 2014, contributed to a general climate in which rulings were regarded with suspicion. Switzerland, as a non-member, was not subject to these investigations. The transparency obligations nonetheless transformed rulings from a confidential instrument of cantonal competition into a document that foreign administrations may review.

For Basel-Stadt, rulings remain an important part of the relationship with large taxpayers. The step-up rules introduced by STAF, under which hidden reserves of companies losing their special status could be disclosed and amortised at a reduced tax cost over several years, required careful agreement between companies and the administration. In Basel-Stadt, the transition took place in the special form of a separate tax rate on the realisation of hidden reserves that had accumulated under the former status.<sup>3</sup> The amortisation of these reserves reduces the taxable profit of the

companies concerned for a number of years after the reform. The full fiscal effect of the reform on the canton therefore became visible only gradually.

## 1 Notes

1. On the legal basis of advance tax rulings in Switzerland, which rests on the constitutional principle of good faith (Art. 9 of the Federal Constitution) and administrative practice, see the case law of the Federal Supreme Court and the literature on the protection of legitimate expectations in tax law. To be verified. ↩
2. See the Ordinance on International Administrative Assistance in Tax Matters (StAhiV, SR 651.11), Arts. 8–9, which list the categories of rulings subject to spontaneous exchange; the obligation covers rulings issued since 1 January 2010 that were still in force on 1 January 2018. To be verified. ↩
3. StHG, Art. 78g (transitional provision on the separate taxation of hidden reserves) and the cantonal implementing provisions of Basel-Stadt; on the use of rulings in the transition, see practitioner literature from 2019–2021. To be verified. ↩

---

*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

Online version: [helveticaregister.com/basel-rulings-practice](https://helveticaregister.com/basel-rulings-practice)