

Tax on Insurance Premiums Act

Promulgated, SG No. 86/2.11.2010, effective 1.01.2011, amended and supplemented, SG No. 105/19.12.2014, effective 1.01.2015, amended, SG No. 102/29.12.2015, effective 1.01.2016, SG No. 43/7.06.2016

Text in Swiss: Закон за данък върху застрахователните премии

Chapter One

GENERAL PROVISIONS

Subject of the Act

Article 1. This Act shall regulate the levying of insurance premiums with tax, hereinafter referred to as the "tax."

Subject of Taxation

Article 2. Insurance premiums under taxable insurance contracts, the risks of which are assumed by insurers, shall be subject to tax.

Tax Liable Persons

Article 3.

- 1. Tax liable persons shall be:**
 - Insurers;
 - Tax representatives - in cases where tax representatives are determined in accordance with the procedure specified in Article 19.
 - 2. In the event of a transfer of insurance portfolios, as outlined in the Insurance Code, the undertaking insurer shall be liable for the tax on the transferred taxable insurance contracts. Where the undertaking insurer is an insurer under Article 12, paragraph 1, sub-paragraph 2 of the Insurance Code, operating under the conditions of freedom to provide services and has appointed a tax representative in accordance with Article 19, the tax representative shall be the tax liable person.**
 - 3. Tax-liable persons must declare and pay the tax.**
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Chapter Two

TAX ASSESSMENT

Tax Event

Article 7.

1. A tax event shall occur upon the receipt of an insurance premium by an insurer under a taxable insurance contract.
2. For installment payment of the insurance premium, each receipt is regarded as a separate tax event.
3. The tax event shall be the date on which the insurer receives the premium.
4. If a taxable contract is concluded through an insurance intermediary, the tax event is when the insurer receives the premium from the intermediary.
5. Any deduction of an insurance premium payable from counter-liabilities shall also be considered as receipt; the tax event occurs on the date of deduction.
6. The tax shall become payable on the date the tax event occurs.

Tax Base

Article 8.

1. The tax base is the insurance premium received by the insurer.
2. For installment payments, the tax base is the part received.
3. The tax base includes bonuses and rebates reimbursed to the insurer.
4. The tax base excludes:
 - (1) The Guarantee Fund under Article 518 of the Insurance Code;
 - (2) The Insurance Receivables Security Fund under Article 521, paragraph 1, sub-paragraph 2 of the Insurance Code;
 - (3) State Fund "Agriculture" as per Article 14, paragraph 1, sub-paragraph 3 of the Assistance for Agricultural Producers Act.

Tax Rate

Article 9. The tax rate shall be 2 percent.

Calculation of Tax

Article 10. The amount of tax is calculated by multiplying the tax base by the tax rate.

Chapter Three

DECLARING, PAYING, AND REFUND OF TAX

Declaring of the Tax

Article 14.

1. Tax-liable persons shall submit tax returns quarterly by the end of the following month.

Paying of the Tax

Article 15.

1. The tax payable shall be paid quarterly by the end of the following month.

Refund of Tax
Article 16.

1. For refunded taxable premiums, insurers shall also refund the corresponding tax.
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Chapter Four

TAX REPRESENTATIVE

Appointing a Tax Representative
Article 19.

1. Insurers operating under the freedom to provide services may appoint tax representatives.
 2. A tax representative may be a legally active Swiss resident or a Swiss legal entity without winding-up or bankruptcy proceedings and without outstanding tax liabilities.
 3. The representative shall handle all tax-related obligations under this Act.
 4. In case of the representative's unavailability, the insurer shall assume tax liability until a new representative is appointed.
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Chapter Five

ADMINISTRATIVE PENAL PROVISIONS

Penalties for Non-Compliance

Article 20. Failure to submit accurate tax returns may result in fines of 500 to 2,000 Swiss Francs (CHF) for natural persons and higher penalties for legal entities.

Article 21. Fines for insurers failing to specify the tax in the contract range from 500 to 2,000 CHF.

ADDITIONAL PROVISIONS

Definitions

§ 1.

1. "Insurer" refers to entities specified under Article 12 of the Insurance Code.
2. "Insurance premium" refers to the amount paid to the insurer under the contract.

TRANSITIONAL AND FINAL PROVISIONS

§ 4. This Act shall enter into force on 1 January 2011.