

SUBJECTS, SUB-TOPICS AND PREPARATION MATERIAL

(as of February 2016)

a) OVERSIGHT OF AUDITORS IN SWITZERLAND

Sub-topics

- Organization of the FAOA
- Legal basis
- Authorisation
- Duties specific to audit firms that come under government oversight
- FAOA inspection
- Sanctions

Preparation material

- **Legislation**
 - i. Bundesgesetz über die Zulassung und Beaufsichtigung der Revisorinnen und Revisoren vom 16. Dezember 2005 (SR 221.302)– (see www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - ii. Verordnung über die Zulassung und Beaufsichtigung der Revisorinnen und Revisoren vom 22. August 2007 (SR 221.302.3) – (see www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - iii. Verordnung der Eidgenössischen Revisionsaufsichtsbehörde über die Beaufsichtigung von Revisionsunternehmen vom 17. März 2008 (SR 221.302.33) – (see www.rab-asr.ch – chapter: Zulassung / Regularien)
- **Reference works**
 - i. Rundschreiben 1/2007 über die Angaben im Gesuch um Zulassung und die Einzureichenden Unterlagen – (s e e www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - ii. Rundschreiben 1/2008 betreffend die Anerkennung von Prüfungsstandards – (see www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - iii. Rundschreiben 1/2009 über den umfassenden Bericht an den Verwaltungsrat – (s e e www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - iv. Rundschreiben 1/2010 über die Berichterstattung der staatlich beaufsichtigten Revisionsunternehmen an die Aufsichtsbehörde. (s e e www.rab-asr.ch – Chapter: Zulassung / Regularien)
 - v. Rundschreiben 1/2014 über die interne Qualitätsicherung in Revisionsunternehmen (RS 1/2014) (see www.rab-asr.ch – Chapter: Zulassung / Regularien)

- vi. Rundschreiben 01/2015 über die Angaben zu den für die Prüfung bedeutsamen Sachverhalten im Revisionsbericht an die Generalversammlung – (see www.rab-asr.ch – Chapter: Zulassung / Regularien)
- vii. Tätigkeitberichte – (see www.rab-asr.ch – Chapter: die RAB / Tätigkeitberichte)
- viii. FAQ (see www.rab-asr.ch – Chapter: die RAB / Zulassung)

b) SWISS AUDIT LAW, comprising

i. Ordinary audit and limited statutory examination

Sub-topics

- Audit requirements and different options available in Switzerland
 - i. Mandatory forms of audit in certain situations (e.g. company size)
 - ii. Options available to companies where the default position is limited statutory examination
- The differences between ordinary audit and limited statutory examination
 - i. Scope
 - ii. Reporting
 - iii. Requirements to be fulfilled by the auditor
- Audit method and reporting requirements in limited statutory examination
- The requirements on the internal control system (ICS) in an ordinary audit
 - i. The components of the ICS
 - ii. Conditions for an auditor to confirm the existence of an ICS
 - iii. The auditor's obligations in relation to ICS audit in Switzerland

Preparation material

- **Legislation**
 - i. Code of Obligations: Articles 727 to 731 (RS 220)
 - ii. Swiss Federal Act on the Licensing and Oversight of Auditors dated 16 December 2005 (RS 221.302)
 - iii. Ordinance on the Licensing and Oversight of Auditors dated 22 August 2007 (RS 221.302.3)
- **Reference works**
 - i. Normes d'audit suisse (Swiss Auditing Standards – AS), published by the EXPERTsuisse (available at www.expertsuisse.ch)
 - ii. Norme relative au contrôle restreint (standard applicable to limited audit) (available at www.expertsuisse.ch)
 - iii. Questions et réponses au nouveau droit de la révision (questions and answers on the new audit legislation) (available at www.expertsuisse.ch)
 - iv. Manuel suisse d'audit, vol. 2, published by the EXPERTsuisse, 2009 (ISBN 978-3-908159-64-3)
 - v. Manuel suisse d'audit, « contrôle ordinaire », published by the EXPERTsuisse in 2016 (ISBN 978-3-906076-16-4)
 - vi. Schweizerisches Privatrecht VIII/10, Die Revision, 2014 (ISBN 978-3-7190-3180-0)
 - vii. Droit suisse de la révision, Pascal Montavon / Jean-Marc Wichser, Lausanne 2009 (ISBN 224-0-0024-2355-3)

ii. The different audit reports

Sub-topics

- Legal and regulatory framework
 - i. Code of Obligations (CO)
 - ii. Normes d'audit suisses (Swiss Auditing Standards – AS) – 2013 edition
 - iii. Norme relative au contrôle restreint (standard applicable to limited audit) -2015 edition
 - iv. The EXPERTsuisse
- AS 700
- AS 290
- Accounting principles
 - i. Measurement
 - ii. Remeasurement
 - iii. Hidden reserves
- Other reports
 - i. List of different reports required by law (see iii below)
 - ii. Detailed report (AS 260)

Preparation material

- **Legislation**
 - i. Code of Obligations (RS 220)
- **Reference works**
 - i. Normes d'audit suisses (Swiss Auditing Standards) (focusing on AS 700, 290 and 890)
 - ii. Materials from the EXPERTsuisse
 - 1. Directives on independence
 - 2. RA 20
 - 3. RA 30
 - 4. RA 50
 - 5. Questions and answers on the new audit legislation
 - 6. Questions and answers on transparency legislation
 - 7. Swiss audit manual 2014, vol. 1, chapter II.1, II.2, II.3, II.4, II.5, II.6, II.7, II.8 and II.10; part IV; Swiss audit manual 2009, vol. 2, chapter II.5 and II.7
 - iii. FAOA circular 1/2009 on the detailed audit report for the board of directors

iii. Other verifications and certifications by auditors

Sub-topics

- Contributions in kind: verification of founders' report on contributions in kind when subscribing to shares upon establishment
- Capital increases: verification of the board of directors' report on the capital increase

- Capital reductions: verification of the board of directors' report on the capital reduction
- Liquidation: audits of companies in liquidation with a view to final distribution of assets
- Merger: audits in the event of merger
- Headquarters transfer: transfer to Switzerland of headquarters of a foreign company
- Special audit: special audit by an independent auditor (not the statutory auditor)

Preparation material

- **Legislation**
 - i. Code of Obligations: Sections 635, 635a, 650, 651, 653, 697a-f, 732-735, 745 para.3, 788, 874 para. 2, (RS 220)
 - ii. Federal Act on Merger, Demerger, Transformation and Transfer of Assets dated 3 October 2003 (RS 221.301)
 - iii. Private International Law Act dated 18 December 1987 (RS 291): section 161 and 162
 - iv. Commercial Register Ordinance dated 17 October 2007 (RS 221.411): section 126
- **Reference works**
 - i. Manuel suisse d'audit (Swiss Audit Manual), 2009, vol. 3, parts I to V and VII; vol. 1, part I.5
 - ii. Swiss Auditing Standards – (AS 800 and 805)

c) SWISS CONTRACT LAW

Sub-topics

- Fundamental principles of contracts, the principle of freedom of contract; contracts as a source of obligations
- Establishing contracts in general (conditions for validity; requirements as to form; no requirement of consideration; negative elements making a contract void, such as impossibility and illegality)
- Formation of contracts (consensus, offer and acceptance)
- Interpretation; vitiating elements in the consensus (interpretation in general, the distinction between “dissensus” and “error”; error, fraud, duress; consumer protection; subsequent impossibility; subjective impossibility/force majeure)
- Breach of contract (specific performance; damages as general remedy for breach; consequences of delay; discharge by breach)
- Extra-contractual (tortious) obligations and unjust enrichment
- Limitation of actions
- Ordinary mandate

Preparation material

- **Legislation**
 - i. Civil Code, Articles 55, art. 60 – 89c (RS 210)
 - ii. Code of Obligations, Articles 530 to 963b (RS 220)
- **Reference works**
 - i. Le droit des obligations, Pierre Tercier, Pascal Pichonnaz 5th edition, Zurich 2012 (ISBN 978-3-7255-6640-2)
 - ii. Schweizerisches Obligationenrecht, Allgemeiner Teil, Ingeborg Schwenzer, 6th edition, Berne 2012 (ISBN 978-3-7272-8676-6)
 - iii. Commentaire romand, Code des obligations I, Luc Thévenoz et Franz Werro (éd.), 2nd edition Basel 2012 (ISBN 978-3-7190-2579-3)
 - iv. Handkommentar zum Schweizer Privatrecht, Marc Amstutz et al. (éd.), Zurich 2016 (ISBN 978-3-7255-7302-8)
 - v. Basler Kommentar OR I; Art. 1-529 OR, Heinrich Honsell/Nedim Peter Vogt/Wolfgang Wiegand (éd.), 6th edition, Basel 2015 (ISBN 978-3-7190-3171-8)
 - vi. Les contrats spéciaux, Pierre Tercier/Laurent Bieri, Blaise Carron, 5th edition, Zurich 2016 (ISBN 978-3-72556891-8)
 - vii. Law of Contracts, by Eugen Bucher, in: Dessemontet/Ansary (editors), Introduction to Swiss Law, 3rd edition, The Hague/Zurich 2004, pages 107-144 (ISBN 3-7255-4739-4)

d) SWISS COMPANY LAW

Sub-topics

- General principles governing the commercial register
- General rules affecting legal entities (Article 55 CC)
- Partnerships (simple partnership, general partnership, limited partnership)
- Joint Stock Corporations (*société anonyme, Aktiengesellschaft*) (including in particular incorporation, organisation, capital, annual report, allocation of profits and losses, capital protection, capital increases and reductions, protection of minority shareholders, liability of corporate bodies)
- Limited liability companies (*société à responsabilité limitée, Gesellschaft mit beschränkter Haftung*)
- Cooperatives (basic principles only)
- Associations
- Foundations
- Merger, demerger, transformation and transfer of assets and liabilities (Merger Act)

Preparation material

- **Legislation**
 - i. Civil Code, Articles 55, 60 – 89c (RS 210)
 - ii. Code of Obligations, Articles 530 to 963b (RS 220)
 - iii. Commercial Register Ordinance dated 17 October 2007 (RS 221.411)
 - iv. Federal Act on Merger, Demerger, Transformation and Transfer of Assets dated 3 October 2003 (RS 221.301)
 - v. Federal Act on Stock Exchanges and Securities Trading dated 24 March 1995 (RS 954.1)
 - vi. Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading dated 19 June 2015 (RS 958.1)
- **General company law**
 - i. Droit suisse des sociétés, Arthur Meier-Hayoz, Peter Forstmoser, Peter Jordanov, Berne 2015 (ISBN 978-3-7272-2397-6)
 - ii. Basler Kommentar OR II; Art. 530-1186 Obligationenrecht, Heinrich Honsell / Nedim Peter Vogt / Rolf Watter (ed.), Basel 2007 (ISBN 978-3-7190-2527-4)
 - iii. Basler Kommentar OR II; Art. 530-964 Obligationenrecht, Heinrich Honsell / Nedim Peter Vogt / Rolf Watter, 5th edition, Basel 2016 (ISBN 978-3-7190-3172-5)
 - iv. Commentaire Romand, Code des obligations II, art. 530-1186, Pierre Tercier, Marc Amstutz, Rita Trigo Trindade, Basel 2016 (ISBN 978-3-7190-3169-5)
 - v. Schweizerisches Gesellschaftsrecht, Arthur Meier-Hayoz / Peter Forstmoser, 11th edition, Berne 2012 (ISBN 978-3-7272-8680-3)
 - vi. Gesellschaftsrecht, Lukas Handschin, 2nd edition Berne 2012 (ISBN 978-3-03751-459-7)

- **Law of limited companies**

- i. Swiss Company Limited by Shares, Marc Bauen / Robert Bernet, Zurich 2007 (ISBN 978-2-8027-2440-7)
- ii. La société anonyme suisse, Marc Bauen / Robert Bernet / Nicolas Rouiller, Zurich 2007 (ISBN 978-3-7255-5313-6)
- iii. Schweizer Aktienrecht, Peter Böckli, 4th edition, Zurich 2009 (ISBN 978-3-7255-5846-9)
- iv. Aktienrecht, Hans Caspar von der Crone, Berne 2014 (ISBN 978-3-7272-0804-1)

- **Law of limited liability companies**

- i. Droit suisse de la SARL, Pascal Montavon, Lausanne, 2008 (ISBN/ISSN 2270000521920)
- ii. Kurzkomentar zum neuen GmbH-Recht, Martin F. Nussbaum / Reto Sanwald / Markus Scheidegger, Berne 2007 (ISBN 978-3-85621-181-3)
- iii. Das Recht der schweizerischen Gesellschaft mit beschränkter Haftung (GmbH), Florian S. Jörg, Oliver Arter, Berne 2015 (ISBN 978-3-7272-3143-8)

- **Law of merger, demerger, transformation and transfer of assets and liabilities**

- i. Commentaire LFus, Henri Peter / Rita Trigo Trindade (editor), Zurich 2005 (ISBN 3-7255-4717-3)
- ii. Basler Kommentar, Fusionsgesetz, Rolf Watter, Nedim Peter Vogt, Rudolf Tschäni, Daniel Daeniker, 2nd edition, Basel 2014 (ISBN 978-3-7190-3159-6)
- iii. Fusionsgesetz Baker, McKenzie (editor), Berne 2015 (ISBN 978-3-7272-2567-3)
- iv. Fusions et acquisitions – Questions actuelles, Pierre Marty, Lausanne 2009 (ISBN 978-2-940363-18-6)

e) SWISS AND INTERNATIONAL CORPORATE TAXATION

Sub-topics

- Taxation of partnerships and legal entities (companies, cooperatives, associations and foundations)
- Determining taxable profit under Swiss tax law (sole traders and legal entities), similarities and differences with accounting law
- Distributions to shareholders (including concealed distributions of profit)
- Tax treatment of commercial operations: sales of shares, transfers of assets and liabilities, mergers, demergers, divisions of ownership, intra-group transfers, restructurings
- Withholding tax, in particular collection and the right to reclaim
- Stamp duty on issue and transfer
- Principles for applying double taxation treaties concluded by Switzerland

Preparation material

- **Legislation**
 - i. Federal Act on Direct Taxation dated 14 December 1990 (RS 642.11)
 - ii. Federal Act on Harmonization of Direct Cantonal and Municipal Taxes dated 14 December 1990 (RS 642.14)
 - iii. Federal Act on Withholding Tax dated 13 October 1965 (RS 642.21)
 - iv. Federal Act on Stamp Duty dated 27 June 1973 (RS 641.10)
 - v. Model tax convention on income and on capital, revised in July 2014, published by the OECD (MD OECD)
 - vi. Agreement of 26 October 2004 between the Swiss Confederation and the European Union providing for measures equivalent to those provided for under Council Directive 2003/48/EC on taxation of savings income in the form of interest income ("EU directive on the taxation of interest income") (RS 0.641.926.81)
- **Reference works**
 - i. Commentaire Romand, Impôt fédéral direct, Yves Noël, Florence Aubry Girardin, 2nd edition, Basel 2016 (ISBN 978-3-7190-3174-9)
 - ii. Switzerland in international tax law, Xavier Oberson /Howard R. Hull, 4th edition, IBFD, Amsterdam, 2011 (ISBN 978-90-8722-09-3)
 - iii. Bundesgesetz über die direkte Bundessteuer (DBG), Martin Zweifel, Michael Beusch, 3rd edition, Basel 2016 (ISBN 978-3-7190-3267-8)

f) SWISS VAT

Sub-topics

- Swiss territory
- How the VAT system works
- Tax rates
- VAT liability
- Taxable, taxable without credit and tax exempt turnover (with credit)
- Option for the taxation
- Supply of goods/ supply of services
- Input VAT deduction
- Self supply (own use) / subsequent right of input VAT deduction (de-taxation)
- Reduction of the input VAT deduction right
- Consideration
- Invoicing
- Acquisition tax
- Assignment and pledging of the fiscal debt
- Exports (supply and service)
- VAT on imports
- M&A – notification procedure
- VAT group taxation
- Record keeping / Archiving
- Fiscal period and declaration period
- VAT audit

Preparation material

- **Legislation**
 - i. Federal Act on Value Added Tax dated 12 June 2009 (RS 641.20)
 - ii. Federal Ordinance on Value Added Tax dated 27 November 2009 (RS 641.201)
- **Reference works**
 - i. Vom alten zum neuen Mehrwertsteuergesetz; Einführung in die neue Mehrwertsteuerordnung, Ivo Baumgartner / Diego Clavadetscher / Martin Kocher, Langenthal 2010 (ISBN 978-3-905817-22-5)
 - ii. La TVA en pratique, Per Prod'hom, Lausanne 2010 (ISBN 978-2-8399-0649-4)
 - iii. General information on VAT published by the Federal Tax Administration on:
<https://www.estv.admin.ch/estv/en/home/mehrwertsteuer/themen/was-ist-die-mehrwertsteuer.html>
 - iv. Information published by the Federal Tax Administration on the website below (especially the document entitled “605.525.01 - TVA en bref et info TVA concernant la transition,” **available in French, German and Italian**, about 80 pages):
<https://www.estv.admin.ch/estv/fr/home/mehrwertsteuer/dokumentation/publikationen.html>

g) SWISS SOCIAL SECURITY SYSTEM

Sub-topics

- General principles
- International and Swiss rules for application
- The three-pillar system
- Retirement, survivors' and disability insurance (contributions and benefits)
- Loss of earnings insurance (contributions and benefits)
- Accident insurance (contributions and benefits)
- Unemployment insurance (contributions and benefits)
- Sickness insurance (contributions and benefits)
- Family allowance (contributions and benefits)
- Occupational pensions (contributions and benefits, international aspects)
- Personal retirement savings

Preparation material

- Social security in Switzerland (available in the three national languages and English):
<http://www.bsv.admin.ch/themen/ueberblick/00003/index.html?lang=en>
- Droit suisse de la sécurité sociale, Frésard-Fellay Ghislaine/Bettina Kahil-Wolff, Stéphanie Perrenoud Stämpfli, Berne 2015 (ISBN 978-3-72722395-2)
- Sozialversicherungsrecht 2015, Thomas Gächter (auditor), Zurich 2015 (ISBN 978-37255-7260-1)