« This examination example is provided for your reference and is not updated for changes in the legal basis »

Examination
Required Knowledge of Swiss Law
(Section 4 par. 2 let. d AOA; section 6 and 34 AOO)

Please note that:

- You have 150 minutes to solve this exam. Of course, you are free to plan the allocated time.
- **You must answer directly on the answers form (blue document)**.
- Use only a black or blue pen.
- At the end of the exam, all the sheets must be returned (including the following question sheets).
- In order to ensure equal treatment, no explanation will be given concerning the questions before or during the examination.

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1. Oversight of Auditors

Question 1

Which of the following statements is **wrong**?

A) Only audit firms under state oversight are within the scope of FAOA inspections.
B) Audit firms under state oversight are subject to inspections every five years.
C) The oversight authority issues a written report on the results of the inspection to the attention of the highest supervisory or governing body of the audit firm.
D) If the oversight authority discovers infringements of legal duties, it reprimands in writing the audit firm under state oversight, issues instructions to restore an orderly situation and sets a time limit of maximum twelve month.

Question 2

Which of the following statements is **wrong**?

A) Unlicensed auditors ("lay auditors" / "Laienrevisoren") can provide audit services which are not mandatorily prescribed by law.
B) The persons which according to Art. 6 (1) lit. b RAG ["Revisionsaufsichtgesetz": Auditor Oversight Act] are involved in the "provision of audit services" are the lead auditor, members of the audit team as well as all other persons who carry out audit procedures or support such procedures.
C) The license for natural persons / individuals as audit expert must be renewed after 7 years.
D) Temporary license holders are not required to inform clients or third parties about the status of their licensing process.

2. Swiss Contract law

Question 3

Among the following statements, which one is **correct**?

A) Under Swiss law, the parties must choose one of the types of contracts provided for in the Code of obligations.
B) There exist relatively few mandatory rules in Swiss contract law and the parties are generally free to determine the content of their agreement.
C) Under Swiss law, a contract must be made in writing to be valid.
D) Under Swiss law, contracts between salesmen and contracts relating to business goods or services are always governed by specific provisions.

Question 4

Under Swiss law, a contract may be cancelled, within a certain limit of time, by the affected party if (select the **wrong** answer)?

A) when entering into the contract, this party was acting under material error.
B) this party entered into the contract while being under material duress unlawfully caused by the other party.
C) when entering into the contract, this party undertook to provide a service which was illegal.
D) the performance promised by this party was clearly disproportionate to the consideration promised by the other party and this disproportion results from the exploitation of the inexperience of the affected party by the other party.

Question 5

Trustaudit Ltd is the statutory auditor of the listed company WhiteUnicorn Ltd. No representative of Trustaudit Ltd was present at the ordinary general meeting of shareholders of WhiteUnicorn Ltd contrary to what had been discussed and agreed. Which of the following statements is **correct**?

A) WhiteUnicorn Ltd can sue Trustaudit Ltd for contractual breach if WhiteUnicorn Ltd actually incurred a damage as a result of the absence of Trustaudit Ltd.
B) In order to be able to sue Trustaudit Ltd, WhiteUnicorn Ltd must first summon Trustaudit Ltd to fulfill its contractual obligations.
C) Trustaudit Ltd was allowed to inform WhiteUnicorn Ltd ten (10) minutes before the general meeting of shareholders that it terminated its mandate as auditor without triggering any risk of having to indemnify WhiteUnicorn Ltd for any damage the latter may incur as a result of such termination.
D) Since there was no written contract between the parties, Trustaudit Ltd was under no contractual obligations to send a representative at the general meeting of shareholders and cannot therefore be sued by WhiteUnicorn Ltd.

Question 6

Statements relating to the employment agreement (Art. 319 et seq. CO) and the mandate agreement (Art. 394 et seq. CO) under Swiss law:

1) A mandate agreement may be terminated at any time without prior notice whereas, except when termination for cause, an employment agreement can only be terminated with a minimum prior notice.
2) The salary due to the employee and the fees due to the agent become barred by the statute of limitations after ten (10) years.
3) The decisive criterion for distinguishing an employment agreement from a mandate agreement is whether or not there is a subordinate relationship between the parties.
4) The employee incurs no liability towards his/her employer contrary to the agent towards the principal.

Which of the above statements are **correct**?

A) / 2 / 3
B) 1 / 3
C) 1 / 4
D) 2 / 4

3. Swiss VAT

Question 7

Bauinfo AG offers architecture services as well as trainings (exempt from VAT liability according to article 21 paragraph 2 number 11 letter a of VAT Law, no option).

For calendar and financial year 201x, (condensed) income statement is as follows:

Income statement line item	**Amount in CHF excl. VAT**	**Additional information**
Architecture services in Switzerland	2'000'000	Land located in Switzerland
Architecture services abroad	100'000	Land located abroad
Trainings held in Switzerland	120'000	
Trainings held abroad	50'000	
Total income	**2'270'000**	
Material purchases	50'000	Used for architecture services only.
Services provided by 3rd parties	500'000	In connection with architecture services only.
Purchases of books for trainings	25'000	Used for trainings held in Switzerland and abroad only.
Salaries and social contributions	1'000'000	
Other expenses	600'000	Other expenses (VAT is deductible; 50%) are as follows: 80% for architecture services 10% for trainings held in Switzerland 10% for trainings held abroad
Total expenses	**2'175'000**	
Result	**95'000**	

Which of the following statements is **right**?

A) Architecture services provided in Switzerland are only subject to VAT at a rate of 7.7% when land is located abroad.

B) Architecture services provided abroad are not subject to Swiss VAT.

C) Architecture services provided abroad are always subject to Swiss VAT when the architect is based in Switzerland.

D) Trainings held abroad are also subject to Swiss VAT when trainees in Switzerland attend them.

Question 8

Where is the place of supply of goods and services (in Switzerland / abroad)?

Note: The supplier is VAT taxable and VAT registered.

On 15 February 201x Jewelry Bucherer sells jewels and watches for CHF 55'000 to Mike Miller, an English tourist. He leaves Zermatt and therefore Switzerland on 22 February 201x to go back to England.

Which of the following statements is **right**?

A) Place of delivery is Zermatt/Switzerland where jewels and watches have been bought and jewels made.
B) Place of delivery is abroad because the client lives in England. Bucherer can directly issue an invoice without VAT.
C) Delivery is subject to Swiss VAT. According to article 23 paragraph 5 of VAT Law, delivery of private goods to be transported abroad can be exempt from VAT liability.
D) Place of delivery is abroad due to the fact that Zermatt does not belong to Swiss VAT area.

Question 9

Building A in Berne was built in 1997. In November 2015 Y AG which is VAT registered plans to sell Building A for CHF 11'000'000 (including land for CHF 1'000'000) to Z AG which is also VAT registered. Selling price is without any VAT.

Investments of CHF 1'065'000 incl. VAT of 6.5% were made in 1999 on Building A. Related VAT was deducted by then. Further investments or other expenses increasing the value of Building A were not made.

Both parties have to check following possibilities in terms of VAT:
a) Acquisition / disposal without option
b) Acquisition / disposal with option

What are the consequences of the acquisition / disposal of Building A from a VAT point of view if Y AG will use it for purposes not exempt from VAT (for example for own use or rent both with option) and, starting April 2018, for purposes exempt from VAT (for example rent without option)?

Note: land is not included in purchase price.

Which of the following statements is **wrong**?

A) In case of an acquisition / disposal without option, VAT cannot be transferred to the buyer who cannot deduct it.
B) In case of an acquisition / disposal with option, VAT of 7.7% of CHF 10‘000‘000 (without land) = CHF 770’000 must be transferred to the buyer who can deduct VAT in this amount.
C) Due to the change of utilisation in 2018 buyer must correct VAT initially deducted.
D) Once deducted VAT has not to be corrected.

4. Audit Reports & Other Obligatory Examinations

Question 10

Which of the following statement(s) is/are **wrong**:

1. If the auditor modifies its audit opinion with regard to the financial statement, the audit report needs to have a paragraph which explains the circumstances which have lead to the modification. This paragraph is added immediately after the audit opinion.
2. The management report on accordance with CO 961c is not part of the financial statement and therefore not covered with the audit report.
3. If the Notes to the Financial statements are missing, the Swiss Auditing Standards do not allow to issue a clean opinion on the audit report as these are an integral part of the Financial Statements.
4. Swiss Auditing Standards 706 allow other matter paragraph in the audit report for matters which do not have to be disclosed in the financial statement, but could be relevant for the reader of the financial statement.

Which of the above statements is/are **wrong**?

A) 1
B) 2 / 3
C) 1 / 3
D) 2 / 4

Question 11

Brainstorm AG is in negotiation about a management buy out and as per December 31, 2017 they have prepared their financial statements as follows (in kCHF):

Cash	200
Other receivables	840
Receivables – group	800
Inventory	1'000
Total	**2'840**

Payables – third party	1000
Other liabilities	780
Provision	1000
Share capital	100
General legal reserve from earnings	100
Accumulated loss	-140
Total	**2'840**

1. The company is in breach with CO 680 if the group receivable is not at arm's length
2. The company has suffered a loss of capital in accordance CO 725,1
3. The company is overindebted in accordance with CO 725, 2
4. Loss of capital in accordance with CO 725,1 is if kCHF 100 share capital and kCHF 50 general legal reserve are not covered anymore

Which of the above statements are **wrong**?

A) 1 / 2
B) 3 / 4
C) 1 / 2 / 4
D) 1 / 3 / 4

Question 12

1. A company having its financial statement audited with a voluntary ordinary audit (it does not meet the thresholds) does not have to prepare a cash flow statement.
2. Capitalized costs for the incorporation of the company must be written off within 5 years. In rare circumstances an immediate write off to P&L is possible if the situation is properly disclosed within the Notes to the financial statements.
3. If a company exceeds the thresholds for a consolidation, the consolidated accounts have to be prepared and be audited with an ordinary audit in all circumstances.
4. In subsequent valuation, assets and liabilities with a stock exchange price or another observable market price in an active market may be valued at that price as of the balance sheet date, even if this price exceeds the nominal value or the acquisition value.

Which of the above statements are **wrong**?

A) 1 / 2
B) 3 / 4
C) 1 / 2 / 4
D) 2 / 3 / 4

Question 13

1. Key audit matters are part of the audit opinion with reference to specific audit matters
2. Each significant audit risk is also a key audit matter.
3. Is a modification pertaining to a key audit matter needed as a result of a misstatement, then the auditor shall not describe these matters in the key audit matter section of the auditor's report.
4. Guidelines for key audit matters are also applicable for listed holding companies for the standalone financial statement, even if the audit report to the (published) consolidated accounts already includes key audit matters.

Which of the above statements are **wrong**?

A) 1 / 2
B) 3 / 4
C) 1 / 2 / 4
D) 1 / 3 / 4

Question 14

Which one of the following statements is **wrong** in connection with the incorporation of a share corporation (*société anonyme, Aktiengesellschaft*)?

A) The issuance of shares below its par value is not allowed.
B) "*Incorporation by take-over of assets*" (*"fondation avec reprise de biens" / "Sachübernahmegründung"*) means that a company incorporated by cash contribution acquires assets from shareholders or from a person closely affiliated to them, or if it intends to acquire such assets.
C) The incorporation by take-over of assets requires on the one hand a written report which accounts for the nature and condition of the acquisition of assets and the adequacy of their valuation as well as, on the other hand, a confirmation of examination from a licensed auditor who examines the founders' report and confirms its completeness and accuracy.
D) If the founders waive the audit requirement at the founders' meeting of a share corporation ("Opting-Out"), the confirmation of examination by the licensed auditor of the founders' report in the course of a qualified incorporation (incorporation by contribution in kind or take-over of assets) is not necessary either.

Question 15

Which one of the following statements is **correct** in connection with the capital decrease of a share corporation (*société anonyme, Aktiengesellschaft*)?

A) The resolution of the board of directors re the capital decrease shall state the findings of the audit report of the licensed expert auditor.
B) Upon termination of the 2-months waiting period, the licensed expert auditor confirms in an audit report that claims against the company are fully covered in spite of the reduction of the share capital.
C) The capital decrease is only legally effective upon registration with the Commercial Register.
D) The share capital may only be reduced below CHF 100'000 if the reduction is explicitly allowed by a written confirmation of a licensed expert auditor.

Question 16

Which of the following statements is **wrong** re the capital increase of a share corporation (*société anonyme, Aktiengesellschaft*)?

A) Even if the company has waived the audit requirement („opting-out“), a written confirmation of verification by a licensed expert auditor is required in case of a conditional capital increase.
B) If the contribution for the new shares is made in cash, no confirmation of verification by a licensed expert auditor is required as long as the share capital increase is not for the purpose of funding an acquisition in kind and subscription rights are not restricted or cancelled
C) In the course of an authorized capital increase, the shareholders' meeting authorizes the board of directors by amendment of the articles of incorporation to increase the share capital within a period of no longer than two years.
D) According to art. 652g CO the resolution and the ascertainments of the board of directors re the capital increase shall be made in the form of a public deed (notarized). Upon issuance of the public deed, the capital increase is legally effective and the company is entitled to issue the new shares.

Question 17

Which one of the following statements is **correct** in connection with a merger according to the Swiss Merger Act?

A) The publication of the creditor calls can be waived by the merging companies if a licensed expert auditor confirms that there are no known or expected claims, which cannot be satisfied by freely available assets of the legal entities involved.
B) No examination by the auditor of the merger agreement and merger report is required if the board of directors of all merging entities have waived the audit requirement.
C) No examination by the auditor of the merger agreement and merger report is required if all merging entities have previously waived their audit requirement ("Opting-Out").
D) If a company is over-indebted (in accordance with art. 725 para. 2 CO) it may not merge at all with another company.

5. Ordinary Audit & Limited Statutory Examination

Question 18

1) The subject matter of a limited statutory examination must not necessarily be a company's historical financial statements.
2) If the same audit company performs the limited statutory examination and is involved in the bookkeeping of the same company, this fact must be disclosed in the auditor’s report to the General Meeting on the financial statements.
3) There is no difference between a review (in accordance with Swiss PS 910) and a limited statutory examination with regards to audit process and audit procedures.
4) In the event of a limited statutory examination, the auditors must include a recommendation on whether or not to approve the submitted financial statements when reporting to the General Meeting on the financial statements.

Which of the above statements is/are **correct**?

A) 2, 3 and 4
B) 1 and 4
C) 2
D) None of the above

Question 19

1) The auditor is considered to be a governing body of the company and must be registered in the Swiss commercial register and is subject to associated liabilities; regardless if the auditor carries out a limited statutory audit or an ordinary audit.
2) If the conditions for the audit are simple/straight-forward and the associated audit risks are deemed not be significant, a limited statutory examination can be performed for a company which meets the criteria for an ordinary audit.
3) If the conditions for the audit are simple/straight-forward and the associated audit risks are deemed not to be significant, a report to the board of directors must not always be submitted to the board of directors of a company which meets the criteria for an ordinary audit
4) A statutory auditor is required to determine whether an internal control system is effective when performing an ordinary audit.

Which of the above statements is/are **correct**?

A) 1, 2 and 3
B) 1
C) 1 and 2
D) None of the above

6. Swiss Company Law

Question 20

Which of the following statements is **incorrect**?

A) The name and domicile of the beneficial owners of shareholdings exceeding 25% of the share capital of a corporation (*société anonyme, Aktiengesellschaft*) must be registered in the commercial register.

B) A corporation (*société anonyme, Aktiengesellschaft*) has shares with voting privileges if certain shares have the same voting power than others, but a different nominal value.

C) Shareholders who fail to comply with their obligation to disclose their beneficial owner see their voting and dividend rights suspended for as long as the non-compliance continues.

D) A corporation (*société anonyme, Aktiengesellschaft*) may have privileged shares entitled to receive twice as much dividend and liquidation proceeds as ordinary shares.

Question 21

Which of the following statements is **correct**?

A) The name of an LLC may only be chosen in the Swiss official language applicable at the seat of the company.

B) The law requires a general partnership (*société en nom collectif, Kollektivgesellschaft*) to be registered in the commercial register.

C) The share capital of a limited liability company (Sàrl, GmbH) may amount to CHF 40'000, paid up at 50%.

D) A corporation (*société anonyme, Aktiengesellschaft*) may have a share capital of CHF 100'000 divided into 100'000'000 shares of CHF 0.001 each.

Question 22

X SA, a corporation (*société anonyme, Aktiengesellschaft*), has a share capital of CHF 100,000, divided into 10.000,000 shares of CHF 0.01 par value each, a general reserve of CHF 50,000 and carried forward profits of CHF 150,000. X SA contemplates setting up an employee stock option plan. For that purpose (select the **correct** statement):

A) X SA can increase its share capital by a maximum of CHF 75,000 through authorized capital increase.

B) X SA can increase its share capital by a maximum of CHF 75,000 through conditional capital increase.

C) X SA can increase its share capital by a maximum of CHF 50,000 through conditional capital increase.

D) X SA can increase its share capital without any maximum limit in respect of a plan designed to allow employees to participate in the company's capital.

Question 23

The articles of incorporation of an LLC (*société à responsabilité limitée, Gesellschaft mit beschränkter Haftung*) may provide that (select the **incorrect** statement):

A) The members of the LLC shall have an obligation to make additional financial contributions, in case of overindebtedness, up to any amount required to cover the amount of the overindebtedness.
B) Shares of the LLC are freely transferable without approval of the members' meeting.
C) Certain members of the LLC have a veto right over certain resolutions of the general meeting.
D) The members of the LLC are prohibited from competing with the LLC.

Question 24

In a corporation (*société anonyme, Aktiengesellschaft*), (select the **correct** statement):

A) The board of directors may decide to fully delegate the organisation of the accounting and financial control systems as well as the preparation of the business reports (including the financial statements) to the chief financial officer (CFO);
B) The board of directors may request a vote of the shareholders' meeting on an important business decision such as a strategic acquisition; in this case, the vote of the shareholders' meeting will be binding for the board of directors;
C) The board of directors may delegate the day to day management of the company to the management, provided it has enacted internal regulations.
D) A member of the board of directors may disclose business secrets to the shareholder he/she represents if he/she deems it to be in such shareholder's best interest.

Question 25

The balance sheet as of 31 December 2017 of Y SA, a corporation (*société anonyme, Aktiengesellschaft*), shows assets of CHF 1'200'000, liabilities of CHF 1'500'000, a share capital of CHF 300'000 and carried forward losses of CHF 600'000. Y SA has 15 employees. Y SA has regularly been in financial trouble. Its management estimates that, in the first 9 months of the fiscal year 2018, it has incurred an additional loss of CHF 150'000. Mr. A, Y SA's main shareholder, has financed the company over the years through loans amounting to a total of CHF 800'000. Y SA has decided to sell some of its assets, which is expected to generate a profit of CHF 400'000. Mr. A has agreed in writing that his loans be repaid to him only after all other debts of the company have been paid, upon the condition however that the sale of assets is closed no later than 30 April 2019. The board of directors of Y SA is confident that the sale will occur within the next 4 months, because two potential buyers have already expressed interest. How should the auditor act in this situation? (Select the **correct** statement)

A) Notify the judge without any delay.
B) Do nothing, as the company is only subject to limited audit.
C) Do nothing, as an important creditor has subordinated its claim for an amount that is higher than the overindebtedness and there are good prospects of improvement.
D) Advise the board of directors to establish two balance sheets, one at continuation and one at liquidation values. If both balance sheets show manifest overindebtedness, notify the judge if the board of directors fails to do so.

Question 26

In a corporation (*société anonyme, Aktiengesellschaft*), (select the **correct** statement):

A) The shareholders' meeting may grant discharge to the auditor, thus releasing the auditor from any risk of liability except for facts unknown to the shareholders at the time of the grant of discharge.

B) In case of manifest overindebtedness, the auditor will be released from any risk of liability if it has, in a timely manner, advised the board of its duty to notify the judge, even if the board does not react to such notification.

C) The auditor may be held liable by a shareholder of the company if such shareholder has acquired his/her shares relying on a company's valuation based on an audited balance sheet showing grossly erroneous values.

D) The auditor may limit its liability through an indication of an upper liability limit in the commercial register.

7. Swiss Social Security System

Question 27

Paul is a Swiss accountant working in Zurich and earning CHF 10’000 per month. He is living in Zug together with his unmarried partner Jane, a housewife, and their 21-year-old twins: Tom, a junior real estate agent with a salary of CHF 5’000 a month, and Ann, a student.

Who is subject to compulsory contributions to the old age pension benefits under the 2nd pillar scheme (BVG/LPP)? Select the **correct** statement.

A) Paul
B) Paul and Tom
C) Paul, Jane and Tom
D) Paul, Jane, Tom and Ann

Question 28

1. Every woman working in Switzerland is entitled to a minimum of 98 days maternity paid leave beginning from the day of the birth of her child.
2. Entitlement to a maternity allowance ends on the day the mother takes up again a gainful employment, whatever her occupation rate, but at the latest 98 days after the baby was born.
3. The self-employed are not entitled to any maternity benefits.
4. The maternity allowance corresponds to 80% of the average earned income prior to entitlement but amounts to maximum CHF 196 per day.

Which of the above statements in relation to allowances in case of maternity (EO/APG maternity) is/are **correct**?

A) 1 / 3 / 4
B) 2 / 4
C) 1 / 2 / 4
D) 3 / 4

Question 29

1) The self-employed are eligible for family allowances.
2) Family allowances are always paid to the mother.
3) Parents whose combined gross annual income exceeds CHF 148’200 are not eligible for family allowances.
4) Only one family allowance may be drawn per child; the law sets up priorities when both parents are eligible.

Which of the above statements in relation to family allowances (FamZ/AFam) is/are **wrong**?

A) 1 / 4
B) 2
C) 2 / 3
D) 1 / 2 / 3

8. Swiss and International Corporate Taxation

Question 30

A foreign company owns a property in Switzerland. How is the foreign company subject to taxation in Switzerland?

A) Unlimited tax liability at federal, cantonal and communal level
B) Limited tax liability at federal, cantonal and communal level
C) Limited tax liability at cantonal and municipal level
D) Unlimited tax liability in the property municipality

Question 31

A Swiss company has from previous years a tax relevant loss carry-forward of 220. The company further discloses a participation exemption of 50%. For the taxable year the company reports a profit of 140. What is the taxable profit and how much is the loss carried forward after taxation?

A) Taxable profit: 70 / loss carried forward: 220
B) Taxable profit: 30 / loss carried forward: 110
C) Taxable profit: 0 / loss carried forward: 150
D) Taxable profit: 0 / loss carried forward: 80

Question 32

A foreign partnership has a permanent establishment in Switzerland. The parties involved in the foreign partnership are two Frenchmen and one Jersey-based company. How does the Swiss tax liability present itself?

A) Only the Jersey-based company has a limited tax liability in Switzerland because of the permanent establishment.
B) All persons involved are subject to limited taxation in Switzerland; each according to their share of the foreign partnership.
C) The foreign partnership has due to the permanent establishment a limited tax liability in Switzerland and is taxed as a corporation.
D) Since the foreign partnership is treated as transparent, there is no tax liability in Switzerland. The total profit is taxed abroad.

Question 33

A Swiss company receives a contribution from her grandmother-company within the group without consideration and without issuance of shares. The Swiss company accounts for this contribution in its reserves. What are the tax consequences in Switzerland?

A) The contribution is not subject to profit tax. No issuance stamp tax is levied. However, no for tax purposes recognised capital contribution reserves can be accounted for.
B) The contribution is subject to profit tax, since it does not stem from the direct shareholder. However, no issuance stamp tax is levied and no for tax purposes recognised capital contribution reserves can be accounted for.
C) The contribution is not subject to profit tax. However, issuance stamp tax is levied and therefore for tax purposes recognised capital contribution reserves can be accounted for.
D) The contribution is not subject to profit tax. No issuance stamp tax is levied. But for tax purposes recognised capital contribution reserves can be accounted for.

Question 34

A Swiss company has a permanent establishment in Jersey. Switzerland has not concluded a double taxation agreement with Jersey. Which of the following statements is **correct**?

A) All profit generated in the permanent establishment in Jersey is taxed in Switzerland due to the lack of a double taxation agreement between Jersey and Switzerland.
B) Switzerland assigns all profit generated in the permanent establishment to taxation in Jersey, because of unilateral provisions in the Swiss tax law.
C) Switzerland clarifies first, whether the profit of the permanent establishment is taxed in Jersey. If the profit is not taxed in Jersey, Switzerland will tax the profit.
D) Jersey and Switzerland have to reach an agreement about what is taxed where.

Question 35

A Swiss company discloses in the fiscal year 2014 a taxable profit of 1,600. In this profit, a net dividend of 320 is included. This dividend stems from a 100% subsidiary, which was acquired in 2010 and that has a market value of 800,000. What are the tax consequences in Switzerland?

A) The Swiss company is taxed on the entire profit as the market value of the subsidiary is below one million.
B) The Swiss company has to pay taxes on the entire profit and may apply a participation exemption of 20%. However, the participation exemption is applicable at the federal tax level only.
C) The Swiss company has to pay taxes on the entire profit and may apply a participation exemption of 20% for federal-, cantonal- and municipal taxes.
D) The net dividend accounts for less than 2/3 of the total profit. Therefore the Swiss company cannot apply a participation exemption at the federal level.

Required knowledge of Swiss Law

		A	B	C	D
Oversight of auditors	Question 1	❑	**❑**	❑	❑
	Question 2	❑	❑	**❑**	❑
Swiss contract law	Question 3	❑	**❑**	❑	❑
	Question 4	❑	❑	**❑**	❑
	Question 5	**❑**	❑	❑	❑
	Question 6	❑	**❑**	❑	❑
Swiss VAT	Question 7	❑	**❑**	❑	❑
	Question 8	❑	❑	**❑**	❑
	Question 9	❑	❑	❑	**❑**
Audit Reports & Other Obligatory Examinations	Question 10	❑	❑	**❑**	❑
	Question 11	❑	**❑**	❑	❑
	Question 12	❑	❑	❑	**❑**
	Question 13	**❑**	❑	❑	❑
	Question 14	❑	❑	❑	**❑**
	Question 15	❑	❑	**❑**	❑
	Question 16	❑	❑	❑	**❑**
	Question 17	**❑**	❑	❑	❑
Ordinary Audit & Limited Statutory Examination	Question 18	❑	❑	**❑**	❑
	Question 19	❑	**❑**	❑	❑
Swiss Company Law	Question 20	**❑**	❑	❑	❑
	Question 21	❑	**❑**	❑	❑
	Question 22	❑	❑	**❑**	❑
	Question 23	**❑**	❑	❑	❑
	Question 24	❑	❑	**❑**	❑
	Question 25	❑	❑	❑	**❑**
	Question 26	❑	❑	**❑**	❑
Swiss Social Security System	Question 27	**❑**	❑	❑	❑
	Question 28	❑	**❑**	❑	❑
	Question 29	❑	❑	**❑**	❑
Swiss and International Corporate Taxation	Question 30	❑	**❑**	❑	❑
	Question 31	❑	❑	❑	**❑**
	Question 32	❑	❑	**❑**	❑
	Question 33	**❑**	❑	❑	❑
	Question 34	❑	**❑**	❑	❑
	Question 35	❑	❑	**❑**	❑