

**MEMO# 36017**

February 11, 2025

## ICI 2025 Swiss Reclaims Survey

[36017]February 11, 2025TO:Global Tax Committee  
Tax CommitteeRE:ICI 2025 Swiss Reclaims Survey

**Please complete the [survey](#) on Swiss dividend tax withholding by February 28, 2025.**

**Background:** ICI is surveying members regarding their experience with dividend tax withholding reclaims in Switzerland. In recent years, US regulated investment companies (RICs) and collective investment trusts (CITs) have experienced difficulties claiming treaty benefits to which they are entitled. These difficulties have become more pronounced in the past five years or so after many years of relative calm following an agreement reached in 2001 between the ICI and the Swiss Federal Tax Administration ("SFTA").

### **RIC Shareholder Certification**

Specifically, Swiss officials have been taking inconsistent positions regarding how RICs are to establish their US ownership percentage. The 2001 agreement (as modified subsequently by the Swiss) allows a RIC to claim 100% of the treaty benefit so long as 95% or more of the shares are held by US residents. Extrapolation is permitted so long as at least 50% of the RIC shares are held directly on the RIC's books ("direct" shareholders). Among the methods for establishing US ownership percentages for indirect shareholders (who hold their shares through brokers or other intermediaries), the Swiss—until fairly recently—accepted investor residence data provided by a proxy solicitation firm. In some cases, the Swiss required that information to be provided on that firm's letterhead. Most of our discussions over the past five years have involved additional acceptable methods of establishing the US residence of a RIC's investors.

Similarly, CITs also experience difficulties claiming the withholding tax exemption provided to US pension plans by providing the CIT's Form 6166. Typically, the CIT will be structured with tiers—a single upper-tier (sometimes referred to as the "group trust arrangement" or "umbrella") and, at the lower tier, multiple vehicles (referred to as "trusts," "pools," or "sub-trusts"). These lower-tier vehicles typically offer different investment strategies for participant plans. Each lower-tier vehicle holds its own assets and is the beneficial owner; we refer to these lower-tier vehicles as the "security holders" (or the "security holder level").

### **CIT Shareholder Certification**

CITs generally attempt to claim the withholding tax relief provided by Switzerland to US

residents, including the exemption provided to US pension plans, by providing a Form 6166 at the upper-tier umbrella fund or security holder level. Switzerland has rejected many of these CIT filings and requires instead that the CIT provide a Form 6166 for each participating pension plan investing in the CIT. Last year, ICI met with the Swiss FTA and confirmed that CITs are not required to submit Forms 6166 for each US pension plan participant. Rather, this information could be requested by the SFTA on a case-by-case basis to periodically (i.e., spot checks) ensure that claimants meet their internal quality and risk management requirements. On December 5, 2024, the IRS and the Swiss FTA entered into a [competent authority agreement](#) formalizing the procedures for US CITs to file reclaims.

**The Survey:** The ICI is surveying members to assess the extent of these issues and gather information to guide future advocacy efforts. You will be asked to provide information about (1) claims which have been filed and remain outstanding ("pending claims"), and (2) claims that have been recovered ("successful claims") in Switzerland. Each member firm should respond on a complex-wide (aggregated) basis for RICs and CITs they manage and separately for RICs and CITs for which they administer and/or provide custody services. The actual amount of the claim and accrued or paid interest should be provided in Swiss Francs, as applicable.

The purpose of the survey is to inform ICI's advocacy efforts and discussions with policymakers. Participation in this survey is voluntary, and all responses should be directed to ICI only. Individual firm responses will be maintained as confidential, and survey results will be aggregated and anonymized consistent with that confidentiality. We are requesting the name and contact details for respondents so we can share the aggregated and anonymized survey responses as may be appropriate with survey participants and for any necessary follow-up.

**Please:**

- Limit responses to one per ICI member firm. Note, however, that you may complete a survey on behalf of funds your firm manages and a separate survey for funds that your firm administers or provides a custody service.
- Respond with respect to US RICs (ETFs and mutual funds), US CITs, or non-US funds, as applicable, that your firm administers, or that you administer or provide other services to on behalf of other funds and have insight regarding Swiss reclaims.
- **Respond by February 28, 2025**

**Click here to complete the survey:**

<https://www.surveymonkey.com/r/2025-SwissReclaims>

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