



Switzerland and United States agree on mutual exchange of financial account data

Bern, 27.06.2024 - Switzerland and the United States signed a new FATCA agreement in Bern on 27 June 2024. Switzerland currently provides financial account data to the United States on a unilateral basis. In the future, it will also receive corresponding information from the United States within the framework of an automatic exchange of information. The change of model is expected to apply from 2027.

The Foreign Account Tax Compliance Act (FATCA) is a set of US regulations that has applied worldwide for all countries since 1 January 2014. It requires foreign financial institutions to disclose information on US accounts to the Internal Revenue Service or levy a tax.

FATCA implementation in Switzerland is currently based on Model 2, which means that Swiss financial institutions disclose account details directly to the US tax authority with the consent of the US clients concerned. Where US clients do not give their consent, the United States has to request this data through normal administrative assistance channels. By contrast, no account data is transmitted from the United States to Switzerland.

The Federal Council decided to introduce the automatic exchange of information in October 2014. Consequently, it instructed the Federal Department of Finance (FDF) to enter into negotiations with the United States to switch from Model 2 to Model 1. In the case of Model 1, the tax authorities of both countries mutually exchange information on account data automatically. This means that Switzerland will also receive account data from the United States in the future. Swiss financial institutions will no longer provide the required data to the US authorities, but rather to the Federal Tax Administration (FTA), which will then transmit it to the Internal Revenue Service.

Implementation of the FATCA agreement requires national law to be amended. In Switzerland, the Federal Assembly will decide on this. According to the current schedule, Switzerland's change of model should come into force on 1 January 2027.

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Documents

 [FATCA agreement](#) (PDF, 1 MB)

Publisher

Federal Department of Finance
<https://www.efd.admin.ch/en>