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Swiss / UK relations after BREXIT

Having both the European Union and the United Kingdom ratified the final withdrawal agreement, the United Kingdom is orderly leaving the Community on January 31, 2020.

During a 11-month transition period, the United Kingdom remains part of the EU single market and customs union, but without co-decision rights.

Until the 31st December 2020 (or until the end of a longer-term transition period that can be meanwhile decided), all bilateral agreements that Switzerland has with the EU will equally continue to apply to the United Kingdom, including the Agreement on the Free Movement of Persons. Therefore, British citizens wishing to relocate during the transition period can move to Switzerland and stay there under the terms of that agreement.

At present the very close relations enjoyed by Switzerland and the United Kingdom are largely based on bilateral agreements between Switzerland and the EU. But, after and of BREXIT's transition period, these agreements will have to be replaced by new ones. Switzerland wishes to ensure that the existing mutual rights and obligations in its relationship with the United Kingdom will continue to apply as far as possible after this latter leaves the EU, and to expand them where deemed necessary in certain areas.

Switzerland and the UK have already concluded 7 new continuity agreements, in the context of its 'Mind the gap' strategy, in order to secure and, where appropriate, extend mutual rights and obligations on trade, migration, road and air transport and insurances. Such continuity agreements will come into force at the expiration of the transition period.

For more detailed updated information, please see:

<https://www.gov.uk/world/brexit-ireland>

<https://www.eda.admin.ch/countries/united-kingdom/en/home/representations/embassy-in-london/embassy-tasks/political-affairs/brexit-faq.html>

https://www.sem.admin.ch/sem/it/home/themen/fza_schweiz-eu-efta/brexit.html

Although further agreements are to be negotiated, it should be remembered that both the bilateral conventions to avoid double taxation on income and on inheritance as entered between Switzerland and the United Kingdom remain in force, despite BREXIT.

On the other hand, tax provisions resulting from the implementation of Community Directives will no longer be applicable in relations among United Kingdom and all European member states after the transitional period mentioned: Interest and Royalties Directive (2003/49), Merger Directive (2009/133), Parent-Subsidiary Directive (2011/96). This will have the adverse tax consequence that flow of dividends, interests and royalties in intracompany relations -with involvement of a UK company- will in certain cases be not anymore tax neutral. Such tax neutrality is however assured, provided certain conditions are met, in a Swiss-UK intercompany relationship.

We are at your disposal for any question related to migration of persons from United Kingdom to Switzerland and on cross-border UK/Swiss fiscal issues.

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