

Input

Swiss-African IPA, DTA, FTA: Benefits and status quo.



The value of IPA (Investment Protection Agreements)

- international law protection from non-commercial risks associated with investments made the nationals and companies of the partner countries. Such risks include:
 - state discrimination against foreign investors in favour of local ones;
 - unlawful expropriation;
 - unjustified restrictions on payments and capital flows.
- Benefits:
 - minimum rule of law guarantee;
 - minimum equal treatment guarantee;
 - Minimum investment protection.

IPA serve the purpose to provide for a minimum legal stability that encourages for foreign direct investments.

The value of DTA (Double Taxation Agreement) (1 / 2)

- Double taxation means:
 - the same value;
 - is taxed more than once;
 - by the same type of tax.
- Benefit of a DTA: Reduction or exclusion of double taxation.

DTA encourage and facilitate

- the creation subsidiaries or to make private equity or private debt investments;
- the financial conditions of expats.

The value of DTA (Double Taxation Agreement) (2 / 2)

Annual Profit: USD 135,000

	No DTA	DTA Switzerland-Ghana
<div style="display: flex; align-items: center;"> <div style="text-align: center;"> <div style="background-color: #003366; color: white; padding: 5px; width: 150px; margin: 0 auto;">Subsidiary Ltd in Zurich</div> <div style="text-align: center; margin: 5px 0;"> Dividend payment: USD 100,000 </div> <div style="background-color: #003366; color: white; padding: 5px; width: 150px; margin: 0 auto;">Headquarter Ltd in Accra</div> </div> </div>	Profit tax CH on USD 135'000 profit: USD 33,200 (24.5%)	Profit tax CH on USD 135'000 profit: USD 33,200 (24.5%)
	Withholding tax on USD 100,000 dividend USD 35,000 (35%)	Withholding tax on USD 100,000 dividend USD 35,000 <i>Claim-back 30% due to DTA</i> (USD 30,000) Remainder: USD 5,000 (5%)
	Ghana corporate income tax on USD 65,000 arriving dividend USD 16,250 (25%)	Ghana corporate income tax on USD 65,000 arriving dividend USD 16,250 (25%) <i>Remainder of CH withholding tax accredited</i> (USD 5,000) Remainder: USD 11,250
	Total tax amount: USD 84,450 Total taxation on original profit: 62.5%	Total tax amount: USD 49,450 Total taxation on original profit: 36.6%

The value of FTA (Free Trade Agreements) (1 / 2)

- Free trade agreements contain provisions on:
 - market access;
 - reduction or avoidance of customs duties;
 - product recognition.

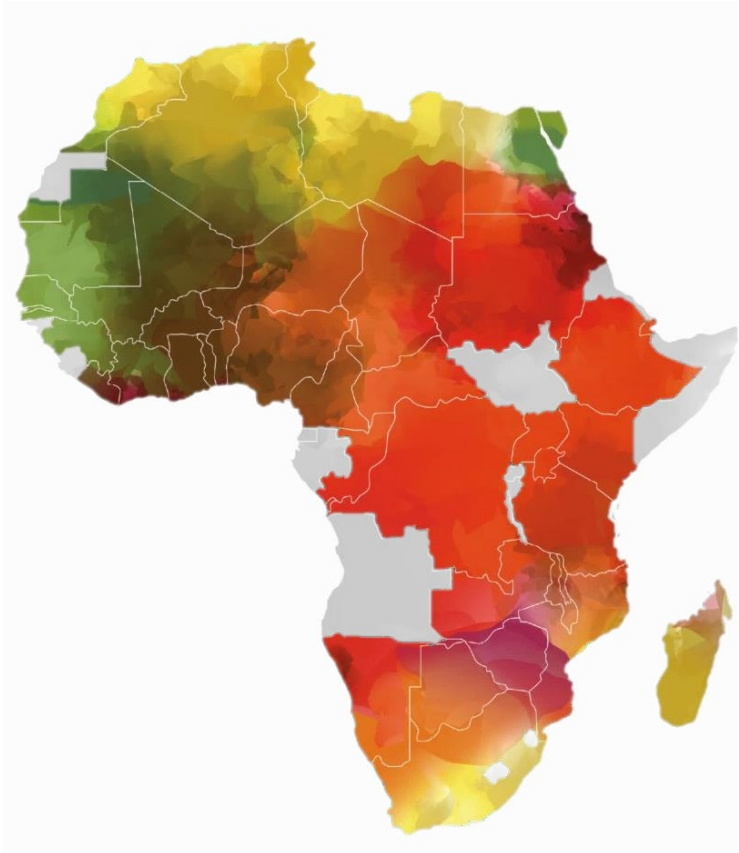
FTA encourage and facilitate international trade relationships (imports and exports).

Switzerland: Global Trade Balance 2021



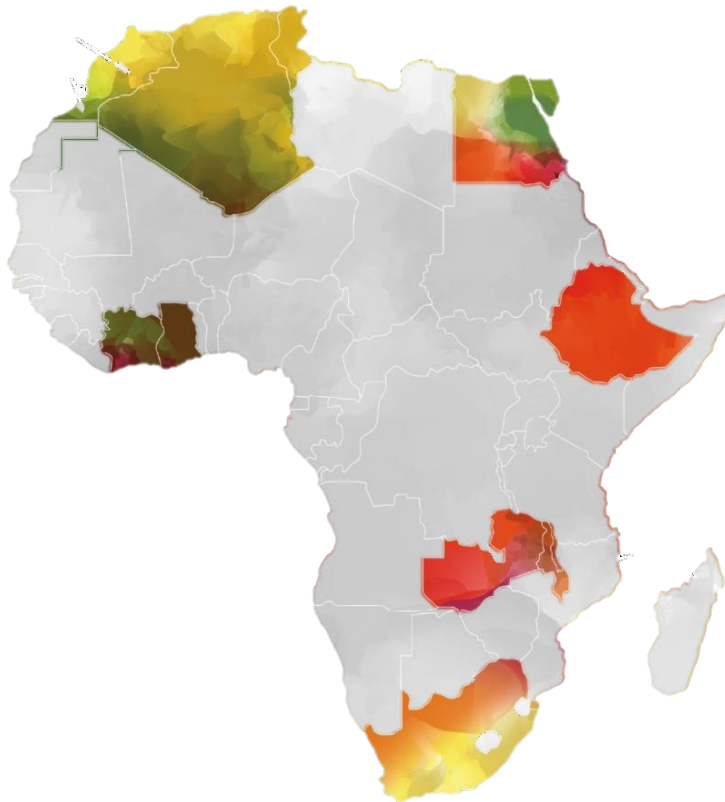
- | | |
|--|---|
| <ul style="list-style-type: none"> • Global precious metals and gemstones 2021: <ul style="list-style-type: none"> – Import: CHF 95.2bn ← 13.4% – Export: CHF 87.9bn ← 0.05% • Global other 2021: <ul style="list-style-type: none"> – Import: CHF 201.3bn ← 0.98% – Export: CHF 259.8bn ← 1.33% | <ul style="list-style-type: none"> • Africa precious metals and gemstones 2021: <ul style="list-style-type: none"> – Import: CHF 12.75bn – Export: CHF 0.04bn • Africa other 2021: <ul style="list-style-type: none"> – Import: CHF 1.97bn – Export: CHF 3.45bn |
|--|---|
- 647%

IPA between Switzerland and African Countries



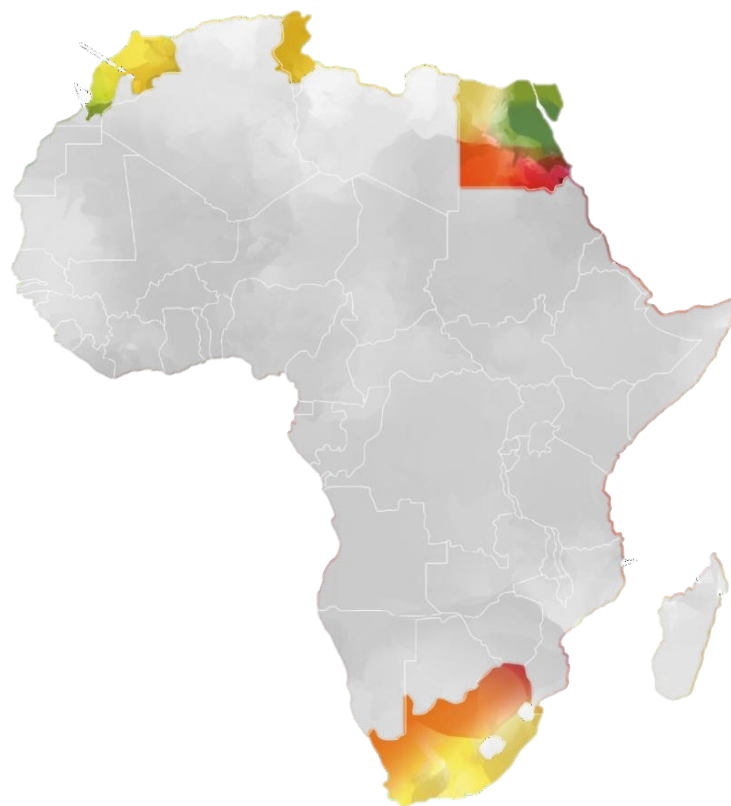
- 55 nations on the continent
- 38 with an investment protection agreement
 - 69% of all African nations
 - 99.51% (CHF 1.96bn) of the entire 2021 import value from Africa (99.74% or CHF 14.68bn incl. precious metals and gemstones)
 - 99.3% (CHF 3.42bn) of the entire 2021 export value to Africa (99.3% or CHF 3.46bn incl. precious metals and gemstones)

DTA between Switzerland and African Countries



- 38 IPA nations on the continent
- 10 with a double tax treaty (income and/or fortune) with Switzerland in force or close to be in force, which covers
 - 18.2% of all African nations
 - 50.9% (CHF 1bn) of the entire 2021 import value from Africa (52.1% or CHF 7.6bn incl. precious metals and gemstones)
 - 76.2% (CHF 2.6bn) of the entire 2021 export value to Africa (76.5% or CHF 2.7bn incl. precious metals and gemstones)

IPA, DTA and FTA between Switzerland and African Countries



- 10 IPA+DTA nations on the continent
- 4 with a free trade agreement with Switzerland in force or close to be in force, which covers
 - 7.3% of all African nations
 - 39.7% (CHF 0.78bn) of the entire 2021 import value from Africa (30.6% or CHF 3.46bn incl. precious metals and gemstones)
 - 66.97% (CHF 2.31bn) of the entire 2021 export value to Africa (67.32% or CHF 2.35bn incl. precious metals and gemstones)

Keep in touch



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