

MEMORANDUM

Bearer shares - Federal Act on the Implementation of Recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes

On 1st November 2019, the Federal Act on the Implementation of Recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes will enter into force.

As of this date, Swiss companies will no longer be able to issue bearer shares, subject to the following cases:

- The company has equity securities listed on stock exchanges;
- Bearer shares are structured as intermediated securities.

On 1st May, 2021, all unauthorized bearer shares will be converted into registered shares. Following this conversion, shareholders will have to announce themselves with the company in order to be entered in the share register. If the participation exceeds the threshold of 25% of the share capital or voting rights, any beneficial owner must also be announced.

If a shareholder does not comply with the obligation to register, he runs the risk of losing his economic rights and having his social rights suspended. On 1st November, 2024, the shares of the shareholder who has not announced himself or herself will be cancelled.

Criminal provisions have been adopted to sanction companies and shareholders who intentionally violate the obligations to announce the beneficial owner of the shares. Failure to keep one of the registers required by corporate law will also be punished by a fine.

Companies and shareholders concerned by bearer shares are encouraged to inform themselves and take the measures required by the entry into force of this act.