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**FDF Ordinance  
on the Deduction of Special Professional Expenses  
by Expatriates for the purposes of Direct Federal Taxation<sup>1</sup>  
(Expatriates Ordinance, ExpatO)**

of 3 October 2000 (Status as of 1 January 2021)

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*The Federal Department of Finance (FDF),*

on the basis of Article 26 of the Federal Act of 14 December 1990<sup>2</sup>  
on Direct Federal Taxation (DFTA)

as well as Article 1 letter a of the Ordinance of 18 December 1991<sup>3</sup>  
on the Delegation of Powers on Direct Federal Taxation to the  
Department of Finance,

*ordains:*

**Art. 1<sup>4</sup> Principle**

<sup>1</sup> Management employees and specialists with specific professional qualifications that are posted temporarily to Switzerland by their foreign employer (expatriates) may, for the purposes of direct federal taxation, deduct special professional expenses in addition to professional expenses in accordance with the Professional Expenses Ordinance of 10 February 1993<sup>5</sup>. These special professional expenses are deemed to be other professional expenses as defined in Article 26 paragraph 1 letter c DFTA.

<sup>2</sup> «Temporarily» means a period limited to a maximum of five years' employment.

<sup>3</sup> The entitlement to deduct special professional expenses ceases in the event that temporary employment is replaced by permanent employment.

AS 2000 2792

<sup>1</sup> Amended by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS 2015 311).

<sup>2</sup> SR 642.11

<sup>3</sup> SR 642.118

<sup>4</sup> Amended by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS 2015 311).

<sup>5</sup> SR 642.118.1

**Art. 2** Special professional expenses

<sup>1</sup> Special professional expenses of expatriates resident abroad are:

- a. the necessary costs of travelling between their foreign place of residence and Switzerland;
- b. reasonable living expenses in Switzerland where they retain a dwelling abroad for permanent personal use.<sup>6</sup>

<sup>2</sup> Special professional expenses of expatriates resident in Switzerland are:

- a. the necessary costs of moving to Switzerland and back to their previous foreign country of residence, as well as the necessary travel costs incurred by the expatriate and his or her family at the start and at the end of the period of employment;
- b. reasonable living expenses in Switzerland where they retain a dwelling abroad for permanent personal use;
- c. tuition fees at foreign language private schools for their minor children whose first language is a foreign language, where public schools do not offer tuition in the language concerned.<sup>7</sup>

<sup>3</sup> The deduction of special professional expenses under paragraphs 1 and 2 is permitted if they are paid by the expatriate himself or herself and the employer:

- a. does not refund them;
- b. refunds them in the form of a flat-rate payment. This flat-rate payment must be added to the gross taxable salary.

<sup>4</sup> No deduction of special professional expenses under paragraphs 1 and 2 is permitted if they:

- a. are paid directly by the employer;
- b. are first paid by the expatriate and then refunded by the employer on submission of the receipt.

<sup>5</sup> Any payment of special professional expenses by the employer must be indicated on the annual salary certificate.

**Art. 3** Non-deductible costs

The following in particular are not deemed to be deductible professional expenses:

- a. the costs of the permanent dwelling abroad;
- b. expenditure for furnishing the dwelling and for service charges on dwellings in Switzerland;
- c. additional expenditure due to the higher cost of living or the higher tax burden in Switzerland;
- d. the costs of obtaining legal or tax advice.

<sup>6</sup> Amended by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS **2015** 311).

<sup>7</sup> Amended by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS **2015** 311).

**Art. 4<sup>8</sup>**            Claiming special professional expenses

<sup>1</sup> Where a person has the right to deduct living expenses under Article 2 paragraph 1 letter b or paragraph 2 letter b, he or she may deduct a flat-rate amount of 1,500 francs per month instead of the actual expenses under Article 2 paragraph 1 or paragraph 2 letters a and b.

<sup>2</sup> In the procedure for deducting tax at source, for the purpose of calculating the tax due the employer shall reduce the gross salary by the flat-rate deduction under paragraph 1. The expatriate may claim any actual costs that are higher by requesting a retrospective ordinary assessment (Art. 89, 89a and 99a DFTA).<sup>9</sup>

**Art. 4a<sup>10</sup>**            Transitional provision to the Amendment of 9 January 2015

Persons who at the time that the Amendment of 9 January 2015 comes into force qualify as expatriates under Article 1 paragraph 1 in its version of 3 October 2000<sup>11</sup> retain this status until the end of their temporary period of employment.

**Art. 5**                Commencement

This Ordinance comes into force on 1 January 2001.

<sup>8</sup> Amended by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS **2015** 311).

<sup>9</sup> Second sentence amended by Art. 26 of the Taxation at Source Ordinance of 11 April 2018, in force since 1 Jan. 2021 (AS **2018** 1829).

<sup>10</sup> Inserted by No I of the FDF O of 9 Jan. 2015, in force since 1 Jan. 2016 (AS **2015** 311).

<sup>11</sup> AS **2000** 2792

