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Page: 1/210

**Trade Policy Review Body  
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## **TRADE POLICY REVIEW**

SWITZERLAND AND LIECHTENSTEIN

MINUTES OF THE MEETING

*Addendum*

*Chairperson: H.E. Mr. Villalobos (Mexico)*

This document contains the advance written questions and additional questions by WTO Members, and replies provided by Switzerland and Liechtenstein.<sup>1</sup>

**Organe d'examen des politiques commerciales  
18 et 20 mai 2022**

## **EXAMEN DES POLITIQUES COMMERCIALES**

SUISSE ET LIECHTENSTEIN

COMPTE RENDU DE LA RÉUNION

*Addendum*

*Président: S.E. M. Villalobos (Mexique)*

Le présent document contient les questions écrites communiquées à l'avance par les Membres de l'OMC, leurs questions additionnelles, et les réponses fournies par la Suisse et le Liechtenstein.<sup>1</sup>

**Órgano de Examen de las Políticas Comerciales  
18 y 20 de mayo de 2022**

## **EXAMEN DE LAS POLÍTICAS COMERCIALES**

SUIZA Y LIECHTENSTEIN

ACTA DE LA REUNIÓN

*Addendum*

*Presidente: Excmo. Sr. Villalobos (México)*

En el presente documento figuran las preguntas presentadas anticipadamente por escrito y las preguntas adicionales de los Miembros de la OMC, así como las respuestas facilitadas por Suiza y Liechtenstein.<sup>1</sup>

<sup>1</sup> In English only./En anglais seulement./En inglés solamente.

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**Contents**

<b>1 KINGDOM OF SAUDI ARABIA .....</b>	<b>3</b>
<b>2 BRAZIL.....</b>	<b>4</b>
<b>3 COLOMBIA .....</b>	<b>5</b>
<b>4 HONG KONG, CHINA.....</b>	<b>12</b>
<b>5 CANADA .....</b>	<b>15</b>
<b>6 SINGAPORE.....</b>	<b>19</b>
<b>7 UNITED STATES .....</b>	<b>22</b>
<b>8 NORWAY .....</b>	<b>32</b>
<b>9 CHILE .....</b>	<b>33</b>
<b>10 ISRAEL .....</b>	<b>40</b>
<b>11 AUSTRALIA .....</b>	<b>41</b>
<b>12 THAILAND .....</b>	<b>45</b>
<b>13 CHINA .....</b>	<b>48</b>
<b>14 EU .....</b>	<b>53</b>
<b>15 COSTA RICA .....</b>	<b>74</b>
<b>16 JAPAN .....</b>	<b>76</b>
<b>17 PHILIPPINES .....</b>	<b>77</b>
<b>18 KOREA, REP. OF.....</b>	<b>100</b>
<b>19 ARGENTINA.....</b>	<b>101</b>
<b>20 NEW ZEALAND.....</b>	<b>110</b>
<b>21 MEXICO .....</b>	<b>114</b>
<b>22 RUSSIAN FEDERATION.....</b>	<b>124</b>
<b>23 UNITED KINGDOM.....</b>	<b>131</b>
<b>24 MALAYSIA .....</b>	<b>143</b>
<b>25 OMAN .....</b>	<b>150</b>
<b>26 UKRAINE .....</b>	<b>152</b>
<b>27 TÜRKIYE.....</b>	<b>158</b>
<b>28 ICELAND .....</b>	<b>159</b>
<b>29 URUGUAY .....</b>	<b>160</b>
<b>30 VIET NAM.....</b>	<b>164</b>
<b>31 ECUADOR .....</b>	<b>165</b>
<b>32 KAZAKHSTAN .....</b>	<b>169</b>
<b>33 MOLDOVA.....</b>	<b>170</b>
<b>34 INDIA.....</b>	<b>171</b>
<b>35 INDONESIA .....</b>	<b>185</b>
<b>36 LIECHTENSTEIN'S RESPONSES TO ADVANCED WRITTEN QUESTIONS BY WTO MEMBERS.....</b>	<b>188</b>

## SWITZERLAND'S RESPONSES TO ADVANCED WRITTEN QUESTIONS BY WTO MEMBERS

### 1 KINGDOM OF SAUDI ARABIA

#### Secretariat Report (WT/TPR/S/425)

#### 4 TRADE POLICIES BY SECTOR

##### 4.1 Agriculture

##### 4.1.1 Overview and recent policy developments

##### Page 117, paragraph 4.10

"The food supply industry in Switzerland has a significant carbon footprint. In 2018, it was responsible for 23% of greenhouse gas (GHG) emissions generated by the economy as a whole. In addition, the largest share of total methane and nitrous oxide emissions were caused by agriculture, in particular from livestock farming and fertilizer use. During the review period, Switzerland increased efforts to further integrate sustainability measures into sectoral policies, including in agriculture. Furthermore, in June 2021, the Federal Council adopted its 2030 Sustainable Development Strategy, which sets out the path Switzerland intends to take to implement the UN 2030 Agenda for Sustainable Development. The Strategy is an instrument to coordinate and increase coherence between policies to make sustainable development a core component of the numerous federal sectoral activities. The Federal Council in particular highlights the need for a food systems transformation through its priority area 'sustainable consumption and production', which includes four objectives related to healthy and sustainable diets, consumption modes with regard to the reduction of GHG emissions, sustainable agricultural production, and reduction of food losses and waste."

#### Question 1:

*Could you please elaborate more on the 2030 Sustainable Development Strategy?*

#### Switzerland's answer:

*In its 2030 Sustainable Development Strategy (2030 SDS), the Federal Council outlines the priorities it intends to set to implement the 2030 Agenda of the United Nations (2030 Agenda) over the next ten years. The 2030 SDS and the associated 2021–2023 Action Plan were adopted by the Federal Council on 23 June 2021.*

*The 2030 SDS is first and foremost an instrument to coordinate between different policy areas, and serves as a supporting instrument to promote Switzerland's efforts to implement the 2030 Agenda. As a transversal strategy, it formulates guidelines for federal policy and sets goals for the period up to 2030, as well as strategic directions for domestic and foreign policy with corresponding political priorities.*

*The strategy sets out three priorities of the Federal Council's sustainability policy for areas where there is a particular need for action and coordination in order to implement the 2030 Agenda: "sustainable consumption and production"; "climate, energy and biodiversity"; and "equal opportunities and social cohesion". Among other things, the SDS contains a dedicated chapter on promoting the transformation to sustainable food systems in Switzerland and abroad.*

*The 2021–2023 Action Plan includes five measures with particular relevance for food systems and trade:*

- 1) Reduction of inevitable food waste;*
- 2) Updating the agricultural climate strategy;*
- 3) Determination of the number of farms, which produce in a particularly environmentally and animal-friendly manner using specific public and private sustainability programmes;*
- 4) Dialogues for a sustainable food system;*
- 5) Updating Switzerland's foreign economic policy strategy.*

*The measures 1) to 4) above form the basis of Switzerland's National Pathway for Food Systems Transformation, which was developed and submitted in the context of the 2021 UN Food Systems Summit.*

## 2 BRAZIL

### **Question 1:**

*Paragraph 3.149 of the Secretariat Report mentions that "enterprises with market power may submit their planned price increases to the Price Supervisor" and that the Price Supervisor "may also act on its own initiative or upon information from the public to determine whether there are indications of abusive pricing". Has Switzerland considered possible undesirable side-effects of these policies? Has it considered the possibility of these initiatives being used as price levels to be followed by the companies in the market and, as such, encourage cartelization?*

### **Switzerland's answer:**

*According to law, the price supervisor can only take action if two conditions are met: (1) the company in question is powerful on the market and (2) there is no competition. Negative competition effects due to the price supervisor's activities are therefore not to be expected and have also not been observed in practice to date. Should however, contrary to expectations, a cartel be formed, the Competition Commission could take action against it according to the Cartel Act.*

### 3 COLOMBIA

#### INFORME DE LA SECRETARÍA - DOCUMENTO WT/TPR/S/425 RESUMEN

Párrafo 22: "Suiza es una de las economías más innovadoras del mundo y un exportador neto de propiedad intelectual. Durante el período objeto de examen, Suiza adoptó nuevas medidas para aplicar la legislación "Swissness". Reforzó la protección de la designación "Suiza" mediante la introducción de modificaciones en la Ley Federal de Protección de Marcas de Fábrica o de Comercio y en la Ley Federal de Protección del Escudo Nacional y demás Insignias Públicas y mediante la adopción de órdenes que amplían el alcance de la reglamentación "Swissness" a otros productos, incluidos los relojes y los productos alimenticios. La Ley Federal de Derecho de Autor y Derechos Conexos se revisó para reflejar los avances tecnológicos y hacer frente de manera más eficaz a la piratería en línea. Además de ALC que incluyen disposiciones amplias sobre propiedad intelectual y un acuerdo sobre indicaciones geográficas concluidos con Georgia, Suiza pasó a ser parte en el Acta de Ginebra del Arreglo de Lisboa relativo a las Denominaciones de Origen y las Indicaciones Geográficas (diciembre de 2021), el Tratado de Marrakech para facilitar el acceso a las obras publicadas a las personas ciegas, con discapacidad visual o con otras dificultades para acceder al texto impreso (mayo de 2020) y el Tratado de Beijing sobre Interpretaciones y Ejecuciones Audiovisuales (mayo de 2020). Como consecuencia de la unión aduanera entre Suiza y Liechtenstein, el sistema de propiedad intelectual de Liechtenstein está profundamente integrado e interconectado con el sistema de propiedad intelectual de Suiza. Liechtenstein modificó la legislación de derechos de autor para aplicar dos directivas de la UE".

#### **Question 1:**

*Respecto de la modificación a la ley de derechos de autor de Liechtenstein para incluir dos directivas de la Unión Europea. Colombia quisiera pedir claridad sobre el alcance de dicha modificación, y si la misma se ajusta integralmente a lo previsto en los artículos 3 y 4 del Acuerdo Sobre Aspectos de los Derechos de Propiedad Intelectual Relacionados con el Comercio de la OMC.*

Párrafo 23: "Suiza es un importador neto de productos agropecuarios y alimenticios. A pesar del tamaño pequeño del sector agrícola, tanto por su contribución al PIB (0.7% en 2020) como al empleo total (2.7%), Suiza concede gran importancia a este sector debido a su carácter multifuncional en lo que respecta, entre otras cosas, a la seguridad alimentaria, la protección del medio ambiente y la preservación de los paisajes cultivados. En 2017, se adoptó un nuevo artículo en la Constitución Federal en el que se exige que se garanticen suficientes suministros alimenticios para la población suiza a largo plazo. Se sigue aplicando un conjunto complejo y amplio de instrumentos comerciales, entre ellos la ayuda interna y las medidas en frontera, con miras a asegurar la viabilidad de la agricultura suiza. En 2018, las autoridades decidieron suprimir las subvenciones a la exportación de productos agropecuarios, y las contribuciones conexas se asignaron a los productores que reunían las condiciones necesarias como medida de sostenimiento de los precios del mercado para los cereales y la leche comercializada. En Liechtenstein, la agricultura es marginal, y Suiza actúa en su nombre en cuestiones relacionadas con la unión aduanera, como las relativas a las importaciones y exportaciones de productos agropecuarios".

#### **Question 2:**

*Colombia desearía precisar sobre la aplicación de instrumentos comerciales, incluidas medidas de apoyo interno y en frontera, con miras a garantizar la viabilidad de la agricultura Suiza. ¿Estos incluyen subvenciones recurribles según el artículo 5 del Acuerdo de Subvenciones de la OMC? ¿Estos incluyen subvenciones prohibidos en los términos de los artículos 9, 10 y 13 Acuerdo de Agricultura?*

#### **Switzerland's answer:**

*Switzerland's domestic support measures are in conformity with both the WTO Agreement on Agriculture and the WTO Agreement on Subsidies and Countervailing Measures. All export subsidies have been eliminated as of 2019.*

### 3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS

#### 3.3 Medidas que afectan a la producción y al comercio

##### 3.3.3 Prescripciones sanitarias y fitosanitarias

Párrafo 3.128: "Durante el período objeto de examen, Suiza elaboró un nuevo reglamento sobre sanidad vegetal. Las reglamentaciones fitosanitarias de Suiza y la UE están armonizadas y, por lo

tanto, la nueva legislación suiza se ajusta a las disposiciones del Reglamento fitosanitario (Reglamento (UE) 2016/2031), que entró en vigor en 2016 y es aplicable desde el 14 de diciembre de 2019, y sustituyó a la Directiva 2000/29/CE. Las disposiciones fundamentales suizas figuran en la Orden sobre Protección de los Vegetales contra Organismos Nocivos Especialmente Peligrosos, de 21 de octubre de 2018 (RS 916.20), que entró en vigor en 2020. Sustituyó a la Orden sobre Protección de los Vegetales (RS 916.20), de 27 de octubre de 2010, e introdujo prescripciones más estrictas y más medidas preventivas. Sus disposiciones de aplicación se establecen en la Orden sobre Sanidad Vegetal, de 14 de noviembre de 2019 (RS 916.201), en la que se enumeran las plagas cuarentenarias y las plagas no cuarentenarias reglamentadas, y productos básicos cuya importación desde terceros países está prohibida o debe ir acompañada de un certificado o pasaporte fitosanitario, u otros documentos pertinentes específicos. En la Orden sobre Medidas Fitosanitarias para la Agricultura y la Horticultura Productiva, de 29 de noviembre de 2019 (RS 916.202.1), y en la Orden sobre Medidas Fitosanitarias Forestales, de 29 de noviembre de 2017 (RS 916.202.2), se establecen en particular medidas fitosanitarias para prevenir la introducción y propagación de plagas cuarentenarias, así como de organismos que puedan cumplir las prescripciones para ser reglamentados como plagas cuarentenarias".

**Question 3:**

*Colombia desearía indagar sobre la nueva regulación Suiza sobre sanidad vegetal. ¿cómo resulta compatible esta nueva regulación con los artículos 5 y 6 del Acuerdo sobre Medidas Sanitarias y Fitosanitarias o con los artículos 2.1 y 2.2 del Acuerdo sobre Obstáculos Técnicos al Comercio?*

**Switzerland's answer:**

*With regard to Article 5 and 6 of the SPS Agreement as well as Article 2.2 of the TBT Agreement, Switzerland refers to the Risk Assessment, including the adaptation to regional conditions, done by the European Food Safety Authority (EFSA) and the European and Mediterranean Plant Protection Organization (EPPO) according to IPPC Standards.*

*The Ordinance on the Protection of Plants against Particularly Dangerous Organisms (Plant Health Ordinance, SR 916.20) regulates the import, export and transit of plants and plant material, quarantine and control measures and plant production with the aim of protecting Switzerland against the spread of plant pests and diseases.*

*Switzerland and the European Union (EU) have agreed a set of bilateral trade agreements covering tariff and non-tariff issues, including an Agreement on trade in agricultural products (entry into force on 1 June 2002). Under this agreement, Switzerland has harmonized its provisions with those of the EU, including on plant protection. Switzerland and Liechtenstein are part of the common phytosanitary area in which plants and plant products can, in principle, be traded freely.*

**3.3.4 Política de competencia y controles de precios**

**3.3.4.1 Política de competencia – Suiza**

Párrafo 3.139: "El segundo aspecto de las medidas adoptadas por la Asamblea Federal modifica la Ley Federal de Competencia Desleal, de 22 de octubre de 1992. Con arreglo a la modificación, las medidas de bloqueo geográfico adoptadas por empresas privadas (es decir, las que no sean impuestas por el Estado) se consideran desleales y, por lo tanto, ilícitas. Esto significa que, en situaciones de venta a distancia (es decir, ventas por Internet, teléfono o catálogo) ya no es posible discriminar a los clientes suizos en lo que concierne a las condiciones de pago, salvo que exista una razón objetiva. Esta modificación no es aplicable a determinados sectores exentos enumerados, entre los que se incluyen los servicios no lucrativos, los servicios de transporte público, los servicios de salud y los servicios de comunicaciones electrónicas".

**Question 4:**

*Colombia agradecería conocer con mayor detalle en qué consisten las citadas medidas de bloqueo geográfico.*

**Switzerland's answer:**

*Le nouvel article 3a de la loi fédérale contre la concurrence déloyale (LCD) ([https://www.fedlex.admin.ch/eli/cc/1988/223\\_223\\_223/fr](https://www.fedlex.admin.ch/eli/cc/1988/223_223_223/fr)) a introduit une interdiction du blocage géographique (geoblocking) en Suisse. Cette disposition a pour objectif d'empêcher les discriminations dans le commerce à distance.*

- *Pour les clients suisses, il doit être techniquement possible d'accéder à d'autres boutiques en ligne spécifiques à un pays (par ex. .fr, .de, .at) et de consulter les offres.*

- *Les clients suisses ne doivent pas être automatiquement redirigés vers une boutique en ligne en .ch s'ils souhaitent consulter une autre boutique en ligne spécifique à un pays (avec leur accord, la redirection est en revanche autorisée).*
- *Une offre en ligne étrangère (y compris le prix, les conditions de livraison) est en principe également valable pour les consommateurs suisses. Cela ne signifie toutefois pas qu'il existe une obligation de livraison en Suisse : Le fournisseur peut déterminer lui-même la zone de livraison et n'est pas contraint de prévoir la livraison de ses produits en Suisse.*

#### **4 POLÍTICAS COMERCIALES, POR SECTORES**

##### **4.1 Agricultura**

##### **4.1.1 Panorama general y evolución reciente de la política**

Párrafo 4.8: "Mediante un referendo celebrado en 2017 el electorado suizo adoptó un nuevo artículo sobre seguridad alimentaria en la Constitución suiza (artículo 104a). Establece que, a fin de garantizar el suministro de alimentos a la población, la Confederación creará condiciones para: i) la preservación de las bases de la producción agrícola, en particular de las tierras agrícolas; ii) una producción de productos alimenticios adaptada a las condiciones locales y que utilice los recursos de manera eficiente; iii) una agricultura y un sector agroalimentario que respondan a las exigencias del mercado; iv) unas relaciones comerciales transfronterizas que contribuyan al desarrollo sostenible del sector agroalimentario; y v) una utilización de los productos alimenticios que preserve los recursos naturales. El nuevo artículo exige que se garanticen suficientes suministros alimenticios para la población suiza a largo plazo. Esta garantía se basa en la producción nacional y las importaciones, teniendo en cuenta toda la cadena de valor. Junto con el artículo relativo a la agricultura (artículo 104), el artículo sobre seguridad alimentaria define objetivos amplios para las políticas agrícolas y conexas".

##### **Question 5:**

*Colombia desearía indagar sobre las medidas tomadas por Suiza a raíz del referendo sobre seguridad alimentaria. ¿Estas medidas incluyen subvenciones recurribles según el artículo 5 del Acuerdo de Subvenciones de la OMC? ¿Estas medidas incluyen subvenciones prohibidos en los términos de los artículos 9, 10 y 13 Acuerdo de Agricultura?*

##### **Switzerland's answer:**

*Switzerland's domestic support measures – including measures implemented with an aim of ensuring food security – are in conformity with both the WTO Agreement on Agriculture and the WTO Agreement on Subsidies and Countervailing Measures.*

Párrafo 4.15: "Tras el estallido de la pandemia de COVID-19, las autoridades suizas adoptaron medidas de apoyo financiero con miras a garantizar el suministro de alimentos a la población y prevenir una bajada de los precios en el mercado agropecuario. Se asignó un total de CHF 3 millones para el almacenamiento de carne de vaca, ternera y cabra, cuya demanda disminuyó tras el cierre de los restaurantes. El Gobierno suizo también aprobó una orden por la que se concede asistencia financiera excepcional por valor de CHF 10 millones para la reclasificación como vinos de mesa de los vinos con denominación de origen controlada. En virtud de este régimen de financiación, los viticultores tenían derecho a recibir CHF 2 por cada litro de vino reclasificado con denominación de origen controlada. También se exigió a los viticultores que redujeran la producción máxima para la cosecha de 2020. Se permitió un máximo de 1,2 kg por metro cuadrado en el caso del vino blanco y de 1 kg por metro cuadrado en el del vino tinto. Los agricultores de Liechtenstein no pudieron beneficiarse directamente de la asistencia financiera excepcional para la reclasificación como vinos de mesa de los vinos con denominación de origen controlada. Si bien los agricultores de Liechtenstein no tuvieron derecho a beneficiarse de la ayuda de Suiza en el contexto de la COVID-19, las autoridades cambiaron las fechas de los pagos directos a los agricultores, que normalmente se efectúan en tres tramos a lo largo del año. En 2020, el segundo tramo parcial, que se suele pagar en agosto, se adelantó a junio, y consistió en el 40% de la ayuda anual (en lugar del 33% habitual)".

##### **Question 6:**

*Colombia desearía profundizar en el alcance del apoyo a la industria vinícola y otros productores agropecuarios por más de CHF 3 millones en Suiza. ¿Estas medidas incluyen subvenciones recurribles según el artículo 5 del Acuerdo de Subvenciones de la OMC? ¿Estas medidas incluyen subvenciones prohibidos en los términos de los artículos 9, 10 y 13 Acuerdo de Agricultura?*

**Switzerland's answer:**

*Switzerland's domestic support measures – including the support to the wine industry – are in conformity with both the WTO Agreement on Agriculture and the WTO Agreement on Subsidies and Countervailing Measures.*

**3.3.7.5 Derecho de autor y derechos conexos**

3.195. El proceso legislativo de Suiza se ha ocupado de las cuestiones relacionadas con Internet y las nuevas tecnologías. Una decisión de 2010 del Tribunal Supremo de Suiza que proponía la adopción de medidas legislativas para "adaptar la protección del derecho de autor a las nuevas tecnologías" y diversas mociones parlamentarias conexas llevaron a la creación del Grupo de Trabajo para la Mejora de la Gestión Colectiva del Derecho de Autor y los Derechos Conexos (AGUR12) para evaluar la necesidad de revisar la legislación en materia de derecho de autor en respuesta a la evolución del entorno digital, con especial hincapié en la necesidad de frenar la piratería en línea, velar por que los artistas y los titulares del derecho de autor reciban una compensación adecuada y mejorar el acceso público a las obras.

**Question 7:**

*Podrían ampliar la información respecto a cuales fueron las medidas adoptadas en la reforma de la Ley de Derechos de Autor Suiza encaminadas a "adaptar la protección del derecho de autor a las nuevas tecnologías"; haciendo especial referencia a las medidas encaminadas a la lucha contra la piratería en línea.*

**Switzerland's answer:**

*One main objective of the revision to the Copyright Act was to enhance the efficiency of the fight against online piracy. To this end, the revised Copyright Act contains two measures:*

- A) a "stay down" obligation that specifically targets piracy platforms and*
- B) a clarification that data processing is permissible for the criminal prosecution of copyright infringement.*

*Some copyright infringements on the Internet are accidental, resulting from a lack of understanding copyright. In such cases, a mere notice and take down suffices as a remedy: Swiss hosting providers rapidly remove affected content in cases of copyright infringement via their servers. Self-regulation is paramount, which already works successfully today. The situation is different with regard to hosting providers that facilitate piracy. In such cases, the infringement is intentional. In these instances, the revised Copyright Act requires a "stay down" to offset the increased repeat infringement risk. Pursuant to the revised Copyright Act, hosting providers must ensure that copyright infringing content, once taken down, is not re-uploaded.*

*The piracy tracking provision simply confirms existing law. Its introduction was a necessary clarification due to an ambiguous passage in a 2010 decision rendered by the Swiss Federal Supreme Court (Logistep decision - DFT 136 II 508). The main issue in that case was the interplay between privacy rules and intellectual property. Under Swiss privacy law, a general monitoring of web activities is incompatible with the protection of privacy. The Logistep decision resulted in different views regarding the enforceability of the right of making available to the public in the limited context of sharing over peer-to-peer networks. The revised Copyright Act explicitly states that the processing of data for the prosecution of copyright infringement is permissible.*

*In addition to the measures aimed at fighting against online piracy, the revised Copyright Act also includes further measures modernising the law: an inventory index privilege for the benefit of users and consumers, an exception for scientific purposes (text and data mining), as well as a regulation on the use of orphan works. For creative artists, the revised Copyright Act contains an extension to the period of protection for related rights, a protection for photographs lacking individuality and a remuneration for authors and performers for video-on-demand uses. Finally, the revised law also introduces the instrument of extended collective licensing, improvements in the tariff approval process, as well as electronic user notification for the collective rights management organizations.*

**Question 8:**

*Del mismo modo en caso de contar con cifras sobre el tema, podrían indicar cuál ha sido la eficacia de las medidas adoptadas.*



**Switzerland's answer:**

*A recent report of the Federal Council on the effectiveness of the amendments to the Copyright Act shows that the goals set for the revision are being achieved.*

*Moreover, recent feedback from the state prosecution offices and the rights holders indicates that there has been hardly any enforcement action in courts. Thus, the new measures seem to have the desired deterrent effect on online copyright infringement. This finding is supported by the fact that the criticism of the rights holders regarding the enforcement possibilities has largely ceased since the revision has come into force.*

**3.3.7.5 Derecho de autor y derechos conexos**

3.196. Tras siete años de trabajos legislativos, la Asamblea Federal adoptó el 27 de septiembre de 2019 una revisión de la Ley de Derecho de Autor de Suiza. La Ley revisada fortalece los derechos de los creadores culturales y de la economía cultural. Además de incluir medidas contra la piratería en línea, amplía la duración de la protección concedida a los artistas intérpretes o ejecutantes y a los productores de 50 a 70 años y también aporta importantes innovaciones para los fotógrafos, en particular la protección de todas las fotografías, tanto analógicas como digitales, sean fotografías profesionales o de aficionados. El criterio de individualidad ya no es un requisito previo para la protección del derecho de autor en el caso de las fotografías. La ampliación de la protección de las fotografías es uno de los cambios más importantes de la Ley revisada, que también facilita el acceso a las obras, por ejemplo, mediante un privilegio de inventario, una reglamentación sobre la utilización de obras huérfanas y una excepción con fines científicos en relación con el uso de tecnologías de minería de textos y datos.

**Question 9:**

*Frente a la revisión de la Ley de Derecho de Autor de Suiza adoptada el 27 de septiembre de 2019, agradecemos si pueden brindar mayor información sobre la reglamentación de la utilización de obras huérfana y la excepción con fines científicos en relación con el uso de tecnologías de minería de textos y datos?*

**Switzerland's answer:**

*The revised provision on orphan works applies to all kinds of orphaned works which have Swiss ties and which are physically located in the collections of memory institutions (e.g. libraries and museums). The aim of this provision is to prevent works which are culturally and historically important for Switzerland from falling into oblivion due to lack of use. The use of orphan works is subject to remuneration. This ensures that rights owners who were initially unidentified or untraceable, but are later identified or make themselves known receive remuneration for previous uses of their works. In this case, the work ceases to be orphaned and any new use requires the consent of the rights owner.*

*The new exception for scientific purposes explicitly allows the automated creation of work copies that are necessary for analysis by text and data mining techniques. No remuneration is due for such use, since the data that lies at the core of such use is not protected, as such, by copyright. This provision applies to works to which researchers have lawful access, e.g. where a copy of the work has been acquired by the researcher or is available from a library.*

**INFORME DEL GOBIERNO - DOCUMENTO WT/TPR/G/425****1 INFORME DE SUIZA****1.4 Política comercial****1.4.2 OMC**

Párrafo 1.67: "Cuando no es posible alcanzar un acuerdo entre todos los Miembros de la OMC, las iniciativas plurilaterales son una alternativa prometedoras. A este respecto, Suiza observa con satisfacción la reciente conclusión de la negociación sobre la reglamentación nacional en el ámbito del comercio y los servicios y la adopción a finales de 2020 de un conjunto de recomendaciones en favor de las mipymes. El buen trabajo realizado en el marco de las iniciativas relacionadas con declaraciones conjuntas debe continuar. El objetivo es reforzar el marco general en materia de comercio electrónico, facilitación de las inversiones para el desarrollo, mipymes, comercio y sostenibilidad ambiental, y comercio y cuestiones de género. Todas estas cuestiones son pertinentes para la modernización de la OMC".

**Question 10:**

Colombia agradecería conocer cómo se conforma actualmente el marco general en materia de protección al consumidor del comercio electrónico en Suiza y de qué manera, o a través de qué herramientas jurídicas, se pretende reforzar el mismo.

**Switzerland's answer:**

La protection des consommateurs est réglementée dans plusieurs lois et ordonnances. Il est à relever que le droit suisse est rédigé de manière technologiquement neutre. Partant, il est à la fois applicable pour le commerce stationnaire et le commerce en ligne. A l'instar de ce qui s'est fait à l'étranger et en particulier au sein de l'Union européenne, des dispositions spécifiques ont toutefois été adoptées pour le commerce en ligne si une réglementation plus poussée s'avérait nécessaire. Il y a notamment les lois et ordonnances suivantes qui contiennent des dispositions relatives à la protection des consommateurs:

- Loi fédérale contre la concurrence déloyale ([https://www.fedlex.admin.ch/eli/cc/1988/223\\_223\\_223/fr](https://www.fedlex.admin.ch/eli/cc/1988/223_223_223/fr)): La loi fédérale contre la concurrence déloyale a pour objet de garantir une concurrence loyale pour tous les acteurs économiques (fournisseur, concurrents, commerçants, consommateurs, etc.). Est notamment déloyale et illicite tout comportement ou pratique qui est trompeur. Si des intérêts collectifs sont en jeu la Confédération, représentée par le SECO, peut intervenir. La LCD contient des dispositions qui réglementent spécifiquement le commerce en ligne: Sont concernées la vente en ligne et l'interdiction du spamming;
- Loi sur les télécommunications ([https://www.fedlex.admin.ch/eli/cc/1997/2187\\_2187\\_2187/fr](https://www.fedlex.admin.ch/eli/cc/1997/2187_2187_2187/fr)): La loi sur les télécommunications stipule que toutes les mesures techniquement possibles soient prises contre le spamming;
- Ordonnance sur l'indication des prix ([https://www.fedlex.admin.ch/eli/cc/1978/2081\\_2081\\_2081/fr](https://www.fedlex.admin.ch/eli/cc/1978/2081_2081_2081/fr)). Cette ordonnance se limite à la protection des consommateurs dans le domaine de l'indication des prix;
- Loi fédérale sur le crédit à la consommation (<https://www.fedlex.admin.ch/eli/cc/2002/593/fr>);
- Loi fédérale sur l'information des consommatrices et consommateurs ([https://www.fedlex.admin.ch/eli/cc/1992/910\\_910\\_910/fr](https://www.fedlex.admin.ch/eli/cc/1992/910_910_910/fr)). Cette loi édicte des prescriptions concernant la déclaration sur les biens et les services et règle l'aide financière aux organisations de consommateurs;
- Loi fédérale sur la protection des données ([https://www.fedlex.admin.ch/eli/cc/1993/1945\\_1945\\_1945/fr](https://www.fedlex.admin.ch/eli/cc/1993/1945_1945_1945/fr)): La loi fédérale sur la protection des données a été révisée. La date d'entrée en vigueur n'a pas encore été déterminée. La révision totale adapte la LPD aux nouvelles conditions technologiques et sociales;
- Code des obligations ([https://www.fedlex.admin.ch/eli/cc/27/317\\_321\\_377/fr](https://www.fedlex.admin.ch/eli/cc/27/317_321_377/fr)). Il contient notamment d'une part des dispositions générales sur les contrats, dont celles relatives à la signature qui réglementent par exemple la signature électronique, et d'autre part des dispositions spécifiques sur divers contrats;
- Loi sur les produits thérapeutiques (<https://www.fedlex.admin.ch/eli/cc/2001/422/fr>);
- Loi fédérale sur les denrées alimentaires et les objets usuels (<https://www.fedlex.admin.ch/eli/cc/2017/62/fr>);
- Loi fédérale sur la sécurité des produits (<https://www.fedlex.admin.ch/eli/cc/2010/347/fr>);
- Loi fédérale sur la responsabilité du fait des produits ([https://www.fedlex.admin.ch/eli/cc/1993/3122\\_3122\\_3122/fr](https://www.fedlex.admin.ch/eli/cc/1993/3122_3122_3122/fr));
- Loi fédérale sur les voyages à forfait ([https://www.fedlex.admin.ch/eli/cc/1993/3152\\_3152\\_3152/fr](https://www.fedlex.admin.ch/eli/cc/1993/3152_3152_3152/fr));
- Loi fédérale sur le contrat d'assurance ([https://www.fedlex.admin.ch/eli/cc/24/719\\_735\\_717/fr](https://www.fedlex.admin.ch/eli/cc/24/719_735_717/fr));
- Loi fédérale sur les services financiers (<https://www.fedlex.admin.ch/eli/cc/2019/758/fr>).

**1.4.5 Comercio y Desarrollo**

Párrafo 1.89. "(...) Junto con la Organización Internacional del Trabajo (OIT), Suiza ha promovido la observancia de las normas fundamentales en materia laboral, en particular en el sector de los textiles (programa BetterWork), ha apoyado a las mipymes por medio del Programa SCORE (Promoviendo

Empresas Competitivas, Responsables y Sostenibles), y ha fomentado el trabajo digno y el empleo productivo a través del Programa de Ecosistemas de Productividad para el Trabajo Decente. En el período examinado Suiza también ha pasado a ser uno de los principales donantes del Programa sobre Comercio Electrónico y Economía Digital (ECDE) de la UNCTAD, cuyo objetivo es establecer un marco propicio y reforzar la capacidad en materia de comercio electrónico."

**Question 11:**

*Colombia tiene interés en conocer qué avances se han logrado, tanto en materia normativa como en cuestiones de soft law, bajo el marco de la participación de la Autoridad suiza en el Programa sobre Comercio Electrónico y Economía Digital (ECDE) de la UNCTAD.*

**Switzerland's answer:**

Switzerland's contribution to the ECDE Programme was formalised in September 2021. The Swiss contribution will, in part, be used to finance an e-Trade Readiness Assessments (reference here: <https://unctad.org/topic/ecommerce-and-digital-economy/etrade-readiness-assessments-of-LDCs>) in three partner countries. These and other assessments conducted under the ECDE will help to define the current state of play in developing countries with regards to the seven pillars of the eTrade for All initiative (i.e., e-commerce strategy, ICT infrastructure, payment solutions, trade facilitation and logistics, legal and regulatory frameworks, skills development and access to finance) and will issue recommendations for a conducive policy framework. Switzerland will leverage other development cooperation programmes to support the implementation of these recommendations and will take them into account in the design of new programmes/projects. A first Swiss-financed e-Trade Readiness Assessment will be started this year in Peru. Further information on the ECDE Programme and its results so far can be found on the UNCTAD's website (<https://unctad.org/topic/ecommerce-and-digital-economy/etrade-readiness-assessments-of-LDCs>).

## **2 INFORME DE LIECHTENSTEIN**

### **2.2 Entorno de la política comercial y económica**

#### **2.2.2 Los sectores económicos**

Párrafo 2.35. "Habida cuenta del rápido ritmo y las grandes posibilidades de desarrollo de la tecnología de la cadena de bloques y sus ámbitos de aplicación, la Ley de Cadenas de Bloques de Liechtenstein está formulada de manera lo suficientemente abstracta como para garantizar que pueda seguir aplicándose a tecnologías posteriores. Esta es la razón por la que la ley utiliza el término "sistemas de transacción basados en tecnologías fiduciarias". Dado que la tecnología de la cadena de bloques se utiliza activamente en Liechtenstein, la nueva ley aclara los requisitos aplicables a las actividades importantes en esos sistemas (servicios basados en tecnologías fiduciarias). Además, mejora la protección de los consumidores y establece obligaciones en materia de diligencia debida a fin de garantizar el cumplimiento de las normas internacionales y luchar de forma general y eficaz contra el blanqueo de capitales." (Sección 2.2.2. Los sectores económicos - página 27, párrafo 2.35)

**Question 12:**

*Teniendo en cuenta que la normatividad de Liechtenstein en materia de servicios tecnológicos, específicamente cadenas de bloques, ha reforzado la protección de los consumidores que interactúan con este tipo de servicios, Colombia quisiera conocer con más detalle de qué manera la "Ley de Cadenas de Bloques" logra mejorar la protección de los consumidores.*

## 4 HONG KONG, CHINA

### Trade Policies and Practices by Measure

#### Competition policy - Switzerland

(WT/TPR/S/425: Page 24, paragraph 1.25, Pages 94-96, paragraphs 3.136-3.145)

Switzerland is a "high price island" due to remaining restrictions on the openness of the economy and a high purchasing power. Prices are on average 59% higher than in the European Union. In 2017, a popular initiative "Against the high-prices island – For fair prices" was proposed to counter abuses of dominant position and restrictions on competition. The initiative was ultimately withdrawn in favour of the counter project approved by the Federal Assembly in 2021 (Section 3.3.4.1).

#### Question 1:

*Noting the competition policy and measures taken as set out in Section 3.3.4.1 (e.g. regulating competition, merger control, amendments of the Cartel Act), do the Swiss authorities consider the current measures sufficient to counter the high prices in Switzerland? Are there further measures being considered? Are there any reviews or thresholds to quantify "high prices" for consideration of further measures?*

#### Switzerland's answer:

*The Swiss authorities consider the current competition policy measures (including the newly introduced on 1 January 2022) and the planned amendment to merger control to be sufficient to address high prices in Switzerland. Furthermore, Switzerland will remove tariffs on industrial products as of 1 January 2024. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened. Switzerland remains committed to reducing unnecessary trade barriers, but no concrete further measures are currently planned. There are no reviews or thresholds to quantify "high prices" in order to consider further measures.*

### Trade Policies by Sector

#### Telecommunications services

(WT/TPR/S/425: Page 150, paragraph 4.141)

The main regulatory changes stem from the revision of the Telecommunications Law that was adopted by the Federal Assembly on 22 March 2019 and entered into force on 1 January 2021, together with its accompanying ordinances. The main amendments to the telecom regime brought about by this revision include the following:

To improve traceability in the event of abuses, the provision of value-added services with Swiss numbers is now conditioned by the localization of the headquarters in Switzerland.

#### Question 2:

*As regards the new requirement for the localization of headquarters in Switzerland for providing value-added services with Swiss numbers, could Switzerland share with us more implementation details about this new amendment? Would it indirectly discourage the participation of foreign operators in the provision of telecommunications value-added services?*

#### Switzerland's answer:

*As regards the new requirement for the localization of headquarters in Switzerland for providing value-added services with Swiss numbers, could Switzerland share with us more implementation details about this new amendment? Would it indirectly discourage the participation of foreign operators in the provision of telecommunications value-added services?*

*In the past, there has been a lot of abuse in the area of value-added services. This was entirely to the detriment of consumers. At the same time, confidence in the telecommunications industry as such in Switzerland also suffered as a result.*

*In this respect, it became necessary to take measures to restore the smooth functioning of the industry and consumer confidence. Providers of value-added services do not necessarily have to have their head office in Switzerland. A permanent establishment is also sufficient in this regard. A general decline in the supply of such services due to the new condition could not be detected. The suppliers found economically viable solutions to continue operating profitably in the Swiss market.*

**Banking services****(WT/TPR/S/425: Page 162, paragraph 4.193)**

For Swiss branches of foreign banks, the Swiss Financial Market Supervisory Authority (FINMA) will grant a licence only if: (i) the foreign bank is appropriately organized, employs adequately qualified staff, and has financial resources to operate a branch in Switzerland; (ii) the foreign bank and branch are subjected to adequate supervision; (iii) the competent foreign supervisory authorities make no objection to the establishment of a branch; (iv) the competent foreign supervisory authorities state that they will immediately inform FINMA if circumstances arise that may seriously jeopardize the interests of the bank's creditors; (v) the competent foreign supervisory authorities are able to provide FINMA with official support; (vi) the licensing requirements set out in Article 3*bis*, paragraph 1, of the Banking Law are met (reciprocity and adequate company name); (vii) the branch meets the licensing requirements of the Banking Law and has a regulation that precisely defines its business activities and provides adequate organization; and (viii) the foreign bank provides evidence that the company name of the branch qualifies for entry in the Commercial Register.

**Question 3:**

*We note that quite a number of additional conditions and criteria have to be met for granting a licence for foreign banks to set up a Swiss branch. We are interested to know the approval rate for banking licence applications by foreign banks in recent years. We would also like to know if Switzerland has any plan to relax some of the requirements with a view to attracting more foreign banks to enter the market.*

**Switzerland's answer:**

*There have been no formal rejections of applications by foreign banks to set up a Swiss branch in recent years. There are currently no plans to alter the authorisation requirements for banks.*

**Railway transport services****(WT/TPR/S/425: Page 175, paragraph 4.268)**

Unlike many European countries, Switzerland has never had a regime of public monopoly in rail services. Instead, a large public company (SBB-CFF-FFS) coexists with several private companies, the number of which has diminished over time through mergers. In addition to the three major Swiss network-owning companies, several foreign railways freight companies, most of them of German nationality, have created subsidiaries in Switzerland, and obtained an authorization of access to the Swiss network and the correlative safety certificate.

**Question 4:**

*We are interested to know the current share of private companies in the railway transport services market. In the light of Switzerland's policy of transferring cross-alpine transport of goods from road to rail, are there any measures to encourage participation of foreign railways freight companies in this field?*

**Switzerland's answer:**

*The Swiss rail freight market is completely liberalized and access is open to all companies. This means that for all rail freight undertakings the same rules and conditions apply. All companies currently operating in Switzerland are privately organized (even though some railway undertakings are in part publicly owned). Therefore, the share of private companies in rail freight is 100%.*

*The confederation ensures equal market conditions for all railway undertakings to guarantee open access to the Swiss railway network, no matter whether trans-alpine transport or freight traffic all throughout Switzerland: there are no specific measures to encourage participation of foreign railways.*

**Pipeline transport services****(WT/TPR/S/425: Pages 175-176, paragraph 4.272)**

The Swiss gas market is only rudimentarily regulated. In 2012, industry associations and the gas industry established network access for large consumers under private law with the so-called "Associations' Agreement". Legal regulation of network access is planned with a new Gas Supply Law, which was in public consultation in 2019-2020. Until now, there are few third-party suppliers, and the local utilities remain the largest suppliers.

**Question 5:**

*What is the outcome of the public consultation, and the current status of the new Gas Supply Law? Would there be any plans to introduce more competition, particularly through foreign third-party suppliers?*

**Switzerland's answer:**

*The Federal Council has not yet commented on the further procedure following the consultation on the Gas Supply Act. However, the adoption of the bill by parliament is a goal for the current year 2022. The consultation bill provided for regulated market access for customers with a consumption of over 100 MWh/year - the choice was independent of whether suppliers were foreign or domestic.*

## 5 CANADA

### SECTION I: QUESTIONS REGARDING THE SECRETARIAT REPORT

#### PART 3 – TRADE POLICIES AND PRACTICES BY MEASURE: 3.3.1.2 INDIRECT TAXES

##### Page 84, Article 3.91

The Secretariat Report notes that small alcohol producers can benefit from a lower tax rate as outlined in Article 24 of the Ordinance of 15 September 2017 on Alcohol.

##### **Question 1:**

*Are international producers eligible for the small-producer tax reduction? If so, what process would foreign small producers need to go through in order to qualify?*

##### **Switzerland's answer:**

*Non, le statut de petit producteur n'est accordé qu'aux producteurs non-industriels d'eaux-de-vie de fruits et de déchets de fruits indigènes, dont les matières premières proviennent exclusivement de leur propre production ou ont été récoltées par leur soin à l'état sauvage en Suisse (article 14, al. 1 et art. 22, al. 2 de la loi fédérale sur l'alcool du 21 juin 1932).*

##### **Question 2:**

*Does the program differ based on the origin of the producer, if so how?*

##### **Switzerland's answer:**

*Comme indiqué dans la réponse à la question 1, le statut de petit producteur est lié au lieu de production et non-à l'origine du producteur.*

##### **Question 3:**

*What percentage of Swiss producers qualify for the small-producer tax reduction listed in Article 24 of the Ordinance?*

##### **Switzerland's answer:**

*Le pourcentage de petits producteurs bénéficiant de la réduction d'impôt en Suisse s'élève à un peu plus de 70%. Ce chiffre doit toutefois être relativisé pour deux raisons. La première, c'est que la production totale des petits producteurs ne représentait que 20% du total de la production indigène pour la période de production 2020-2021. La deuxième, c'est qu'en 2021, la production indigène totale n'atteignait que 2.2% des quantités d'alcool pour mises sur le marché en Suisse, le 97.8% étant importé.*

#### PART 3 – TRADE POLICIES AND PRACTICES BY MEASURE: 3.3.3 SANITARY AND PHYTOSANITARY REQUIREMENTS

##### Pages 91 to 94, paragraphs 3.121 to 3.135

The Secretariat Report notes the main legislation covering SPS measures, including legislation relating to sanitary and phytosanitary measures and the main sanitary and phytosanitary requirements and procedures.

##### **Question 4:**

*Do Switzerland and Liechtenstein have any planned upcoming sanitary and phytosanitary regulatory initiatives not referenced in the TPR reports?*

##### **Switzerland's answer:**

*Switzerland is currently modifying its interdepartmental (EAER and DETEC) Ordinance on the Plant Health Ordinance of 14 November 2019 (SR 916.201) and will notify this change of legislation to the WTO Members according to the SPS Agreement.*

### **PART 3 – TRADE POLICIES AND PRACTICES BY MEASURE: 3.3.6.1 GOVERNMENT PROCUREMENT (SWITZERLAND)**

#### **Page 103, paragraph 3.171**

The Secretariat Report indicates that some federal or cantonal contracts "may be awarded using open or selective tendering, and in some cases by direct award."

#### **Question 5:**

Could Switzerland please specify in what circumstances a procuring entity would (1) use selective tendering and (2) directly award contracts?

#### **Switzerland's answer:**

Articles 17 to 21 of the revised federal law on public procurement (<https://www.fedlex.admin.ch/eli/cc/2020/126/fr>) define the circumstances under which a contracting authority can choose the type of the procurement procedure. Articles 19 and Articles 21 address the specific circumstances of the selective respectively direct award procedures. Such circumstances rely on the respective provisions of the WTO GPA. The cantons apply the same principles within their intercantonal Agreement on government procurement.

#### **Page 103, paragraph 3.173**

The Secretariat Report indicates the following: "[...] Complaints relating to government procurement procedures may be lodged with the Federal Administrative Court (in the case of federal government procurement) or an independent cantonal authority (in the case of cantonal government procurement)."

#### **Question 6:**

Could Switzerland please specify what appeal procedures are available to aggrieved parties in the case of (1) federal-government procurements and (2) cantonal-government procurements?

#### **Switzerland's answer:**

The rules and procedures regarding the right to appeal differentiate between procurement covered by international agreements and procurement outside the scope of international agreements. Effective legal protection is provided on procurement covered by international agreements. A decision by a federal contracting authority might be appealed to the Federal Administrative Court, while a decision by a cantonal contracting authority might be appealed to the Cantonal Administrative Court of the canton in question.

### **PART 4 – TRADE POLICIES BY SECTOR: 4.14 AGRICULTURE (EXPORT SUBSIDIES)**

#### **Page 127, paragraph 4.61**

The Secretariat Report outlines that "[a]s an accompanying measure, new non-export-linked domestic support instruments for producers of cereals and marketed milk have been introduced [...]"

#### **Question 7:**

Are these measures intended to be temporary/transitory? If yes, is there any expected timeline to end these measures?

#### **Switzerland's answer:**

No, these measures are neither temporary nor transitory.

### **PART 4 – TRADE POLICIES BY SECTOR: 4.14 AGRICULTURE (EVOLUTION OF SUPPORT)**

#### **Page 128, paragraph 4.67**

The Secretariat Report outlines that "Switzerland is in line with the trends in the OECD and the European Union in making reforms towards less trade-and-production-distorting measures (Chart 4.1). However, PSE accounted for 51.9% of gross farm revenues in 2020, meaning that



almost over a half of farmers' revenues were due to support policies. In relative terms, Swiss farmers received over twice as much support as EU farmers (PSE of 19.3%) and OECD average (18.2%)."

**Question 8:**

*Can Switzerland describe how it plans to continue reforms to its agriculture sector in order to be less reliant on trade-distorting government support and more responsive to market conditions?*

**Switzerland's answer:**

*Can Switzerland describe how it plans to continue reforms to its agriculture sector in order to be less reliant on trade-distorting government support and more responsive to market conditions?*

*Within our agricultural policy framework for 2014-2017, subsequently extended to 2022, Switzerland continues to focus on the deregulation of agricultural markets as well as on improving our direct payment scheme in order to be more efficient and effective (e.g. continuation of environmental cross-compliance conditions, abolition of general area payments, reallocation of payments related to specific agricultural practices). Another step in the reform process was the abolition of all remaining export subsidies in 2019.*

*Switzerland has always been engaged to the continuation of the reform process following Article 20 of the WTO Agreement on Agriculture. In this context, Switzerland is ready to take its engagements, preferably in the scope of larger negotiating packets.*

*Discussions concerning future development of the Swiss agricultural policy are continuing.*

**PART 4 – TRADE POLICIES BY SECTOR: 4.2.2.1 SWITZERLAND (ECONOMIC DEVELOPMENTS)**

**Page 134, paragraph 4.82 and page 135, paragraph 4.85**

The Secretariat Report notes the growth in electricity production, as well as changes in the make-up of energy sources, including doubling of the share of renewable energy sources, primarily in solar but marginally in wood and biofuels. The Report also notes Switzerland's Energy Strategy 2050 on page 135, paragraph 4.85.

**Question 9:**

*Can Switzerland indicate to what extent the Energy Strategy 2050 prioritizes or supports the deployment of biofuels as an energy source?*

**Switzerland's answer:**

- *Biofuels are promoted via tax breaks (Exemption from mineral oil tax until 2030)*
- *Producers or importers of fossil motor fuels are obliged to partially compensate for the CO2 emissions caused by transport. This can be done via biofuels.*
- *The production of biofuels itself is currently not promoted.*
- *The technology for biofuels production can be specifically promoted via energy research and innovation promotion projects.*

**PART 4 – TRADE POLICIES BY SECTOR: 4.2.2.2 SWITZERLAND (POLICY DEVELOPMENTS)**

**Page 136, paragraph 4.86**

The Secretariat Report notes the availability of investment grants for various renewable energy technology installations, including among others, biomass.

**Question 10:**

*Can Switzerland detail the uptake of such investment grants to date by eligible beneficiaries, and by which technology area?*

**Switzerland's answer:**

*Beneficiaries: the investment contribution are entitled to all beneficiary types (private persons, firms, public sector). There is no limitation in that regard.*

*Technologies supported so far: hydropower (small and large), solar pv (small and large, rooftop and open space plants), biomass (wood and sewage and waste), geothermal plants.*

*Additional technologies supported starting January 2023: biomass (biogas) and wind power.*

**Question 11:**

*Is there a ceiling for the "20% of investment costs" amount available for biomass projects?*

**Switzerland's answer:**

*Starting 2023 the ceiling for biomass project in the Energy Act is 60% of the investment costs. For some types of plants the contribution is going to be lower.*

**Question 12:**

*Are foreign firms eligible for the aforementioned investment grants, or does this policy target domestic companies?*

**Switzerland's answer:**

*The investment needs to be done in Switzerland. The investors can be also foreign firms.*

**PART 4 – TRADE POLICIES BY SECTOR: 4.4.4.2 LIECHTENSTEIN (OVERVIEW OF ECONOMIC AND REGULATORY DEVELOPMENTS IN THE FINANCIAL SERVICES SECTOR)**

**Page 169, paragraph 4.233**

The Secretariat Report notes the following: "Banks and investment firms from outside the EEA may in principle offer their services in Liechtenstein only through a local subsidiary. The establishment of such a subsidiary requires a licence granted by the FMA. Investment firms and banks domiciled in another EEA Member State may offer their services in Liechtenstein under the freedom to provide services ("cross-border") or the right to establishment (branch) subject to relevant EEA law, provided that the services offered are covered by their national authorization."

**Question 13:**

*Does Liechtenstein have foreign equity caps applying to financial institutions and financial companies? If so, what sub-sectors do they apply to (i.e. banking, insurance, asset management)?*

## 6 SINGAPORE

### PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

#### QUESTIONS:

#### 4.2.2 Energy

#### Page 136, paragraph 4.86

##### Question 1:

*The WTO Secretariat Report states that "energy consumption per capita should diminish by 16% in 2020 and 43% in 2035." Besides energy efficiency, does Switzerland have other measures in place to manage demand growth?*

##### Switzerland's answer:

Besides measures targeting energy efficiency directly (like for example the buildings programme that supports structural energy-efficiency measures in the buildings sector), Switzerland promotes research and innovation in the energy domain (for example through the technology fund (<https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/reduction-measures/technology-fund.html>) that promotes innovative technologies or the research and Pilot and demonstration programmes of the SFOE (<https://www.bfe.admin.ch/bfe/en/home/research-and-cleantech/research-and-cleantech.html>)).

##### Question 2:

*The WTO Secretariat Report notes that Switzerland has offered feed-in tariffs and subsidies for renewables such as rooftop solar PV. What were the impacts on the market and grid, and how were they managed?*

##### Switzerland's answer:

Thanks to the support mechanism the rooftop solar PV market is growing fast (new installed capacity in 2019: 320 MWh; new installed capacity in 2021: 750 MWh). The contributions are up to 30% of the investment costs. For small installations the contributions are currently 15-20%.

At the moment as the share of solar power in the electricity mix is still relatively low (about 5%) there is no notable impact on the grid. In the future the grid is going to need some upgrades and reinforcement. Although thanks to smart solutions the grid is going to be able to integrate a large share of solar pv without having stability issues.

##### Question 3:

*The WTO Secretariat Report states that Switzerland is extending the "one-off investment grants" to new beneficiaries including photovoltaic installations. These subsidies would be available until 2030 at the latest. Would Switzerland be able to share at this point if there are other plans to continue incentivising renewable plants beyond 2030 after the subsidies are no longer in place?*

##### Switzerland's answer:

Yes, a revision of the Energy Act is currently being discussed by the Parliament. In the revision is foreseen to extend the support mechanism for renewable power plants until 2035.

#### Page 137, paragraph 4.89

##### Question 4:

*The WTO Secretariat Report states that "importers will be allowed to pass on the tax up to CHF 0.05 per litre to consumers". What were the considerations behind (i) allowing cost passthrough of the carbon tax from fuel importers to consumers and (ii) imposing a cap on the amount of cost that could be passed to consumers? How was the amount of "CHF 0.05 per litre" derived?*

##### Switzerland's answer:

- 1) The compensation obligation laid down in the CO<sub>2</sub> Act was preceded by a voluntary measure on the part of fuel importers. The cap of CHF 0.05 underlines that the compensation obligation anchored in the CO<sub>2</sub> Act does not equal a CO<sub>2</sub> tax on fuel, but

rather is a continuation of the previously voluntary measures. By allowing a price surcharge on fuel, this very continuation was facilitated.

- 2) The cap of CHF 0.05 was the result of the negotiations on the CO<sub>2</sub> Act post 2012 between the political actors. It reflects an upper bound on the surcharge importers are allowed to pass on to consumers. Importers use the revenues from this surcharge to fulfil their compensation obligation. The amount of CHF 0.05 per litre (maximum) was calculated to cover the expected expenditures to finance the required compensation projects.

#### **Question 5**

The WTO Secretariat report states that importers "will continue to have their tax reimbursed if they pledge to diminish their emissions by an additional 2% per year". How is the 2% reduction in emissions measured? Is this at the point of consumption?

#### **Switzerland's answer:**

The text is probably referring to enterprises that are exempt from the CO<sub>2</sub>-tax (see: <https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/reduction-measures/co2-levy/exemption.html>). The 2% is measured at the point of consumption as indicated in the respective monitoring reports of the enterprises.

#### **Page 137, paragraph 4.91**

#### **Question 6:**

The WTO Secretariat Report states that "electricity imports have accounted for a growing share of Switzerland electricity demand in recent winters". How does Switzerland ensure energy security while importing electricity from other countries? In the event of disruption in imports, what are some strategies to procure adequate reserves to account for a potential energy shortfall?

#### **Switzerland's answer:**

Switzerland is highly interconnected with the electricity systems of its neighbouring countries. The high volumes of exchanges as well as the flexibility of Switzerland's hydroelectric production parc contribute significantly to its electricity security of supply. In order to ensure a good level of security of supply also for the future Switzerland intends to rely on several pillars: energy efficiency, ramping up of renewable production, increase of storage capacities and strategic reserves for emergency situations. The increase in renewable electricity production furthermore decreases overall import dependency.

### **PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT**

#### **QUESTION:**

#### **1.3.2 Emerging from the COVID-19 crisis and long-term growth policy**

#### **Page 10, paragraph 1.37**

#### **Question 7:**

What are Switzerland's key levers to boost its economy in the wake of COVID-19 while maintaining an "effective and efficient environmental and climate policy"?

#### **Switzerland's answer:**

Along the six areas of action mentioned in paragraph 1.37, there are various projects which will contribute to a sustainable recovery after the crisis, while maintaining an effective and efficient environmental policy. Key projects to mention are the message regarding a Business Relief Act (<https://www.seco.admin.ch/seco/fr/home/seco/nsb-news.msg-id-83285.html>), which will anchor important principles for good regulatory practice in the law so that the administrative burden of new regulations is minimised. Such principles are also of great importance in environmental policy, to ensure a high level of acceptance by the population and business. Various projects are dedicated to improve the conditions for a productivity enhancing digitalisation. The Federal Council intends for instance to submit consultation proposals on the introduction of a digital ID (<https://www.bj.admin.ch/bj/fr/home/staat/gesetzgebung/staatliche-e-id.html>), which would facilitate digital identification procedures for business but as well for exchange between private actors and government. Regarding the digitalisation of government services, the

*transformation programme to digitalize and simplify customs procedures (<https://www.bazg.admin.ch/bazg/en/home/topics/dazit.html>) is also a high priority for the Federal Council.*

## 7 UNITED STATES

### Part I. Questions based on the Secretariat Report (WT/TPR/S/425)

#### SUMMARY

##### Question 1:

Page 12, paragraph 24: What incentives are provided under the Energy 2050 Strategy for investment in renewable energy production?

##### Switzerland's answer:

- Investment contributions from 20 to 60% for renewable energy plants: water-, biomass-, wind-, geothermal- and solar power plants;
- Reduction of administrative procedures in particular for water and wind power plants.

#### 1 ECONOMIC ENVIRONMENT

##### Question 2:

Page 24, paragraph 1.25: The report notes that competition in the domestic market and external openness of the economy were among the economy's weaknesses. The recent strengthened market position of retail chains from other countries is welcome in this regard. How does Switzerland intend to continue increasing competition among limited retail chains?

##### Switzerland's answer:

There are several projects of relevance to increase competition in the retail sector. To mention is for instance the project to liberalize the mail order business with non-prescription medicines: In fulfilment of the postulate Stahl (19.3382) "Mail order trade in non-prescription medicinal products", the Federal Council has examined the possibilities for a safe and high-quality mail order trade in non-prescription medicinal products. Mail-order sales of medicinal products are generally prohibited in Switzerland. However, the cantons can authorize it for pharmacies if the order is accompanied by a doctor's prescription. Given today's widely available technological possibilities such as video telephony, the wider use of smartphones and the experience gained in the pandemic, the Federal Council decided on 24 November 2021 to submit a proposal to simplify the mail order trade in non-prescription medicines, while ensuring patient safety and the quality of the medicines at all times. The opening of the consultation on a corresponding revision of the Therapeutic Products Act is expected to take place in 2023.

Another project is the message on the Gas Supply Act: To date, there is no uniform, nationwide framework for functioning competition in the gas market. Although the Associations' Agreement of 2012 regulated network access for gas supplies to large industrial customers, it did not grant other end consumers the right to freely choose their supplier. In 2020, the Competition Commission decided that smaller end consumers should also be able to freely choose their supplier. The Gas Supply Act (GasVG) is now intended to define uniform, clear rules so that an efficient gas market can emerge.

#### 2 TRADE AND INVESTMENT REGIMES

##### Question 3:

Page 34, paragraph 2.2: The referendum on a trade agreement with Indonesia passed by a very narrow margin. Does this signal a growing scepticism on free trade on the part of the Swiss population?

##### Switzerland's answer:

The Federal Council is satisfied that Swiss voters approved the Comprehensive Economic Partnership Agreement between the EFTA States and Indonesia. The discussion leading up to the vote and the relatively narrow margin of acceptance highlighted that it is crucial to continue to demonstrate with solid data and concrete examples the importance of stable and non-discriminatory access to international markets for Swiss companies of all sizes. The information generated in the framework of the analysis of preference utilization (cf. WT/TPR/S/425, paragraph 2.17) will be useful in this context.

The result of the vote further showed how important credible solutions on trade and sustainable development are in order to safeguard continued public support for such agreements. Switzerland,

together with its EFTA partners, will therefore continue to include comprehensive provisions on trade and sustainable development in all its free trade agreements.

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### Question 4:

Page 59, paragraph 3.20: Switzerland will abolish industrial tariffs on imports effective January 2024.

Have Switzerland's free trade partners signalled any perceptions that this unilateral abolition of tariffs will diminish the value of existing FTAs?

#### Switzerland's answer:

Up to now, there have been no negative reactions of Switzerland's free trade partners. Some FTA partners have reacted positively due to reduced administrative costs.

- What will Switzerland's strategy be for negotiating new FTAs given there will be no industrial tariffs for any country, yet barriers to access in agriculture remain high?

#### Switzerland's answer:

In November 2021, Switzerland published its latest Foreign Economic Policy Strategy. Central areas of action numbers 3 and 4 outline more information on the question of FTAs. The Strategy is available in French ([https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/aussenwirtschaftspolitik/aws.html](https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/aussenwirtschaftspolitik/aws.html)) and English ([https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/aussenwirtschaftspolitik/aws.html](https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/aussenwirtschaftspolitik/aws.html)) in addition to German and Italian.

Switzerland will continue to extend and update its already vast network of free trade agreements and will continue to negotiate broad agreements, containing not only goods, but also services, investment, etc.

In Switzerland applied tariffs on industrial products are already generally low today at an average of 1.7% of the product value. Hence, the focus of trade partners in Switzerland's and Liechtenstein's goods negotiations has already been on agricultural products in the past.

#### Question 5:

Page 93, paragraph 3.134: Switzerland states that "special regulations apply to products that are, contain, or are derived from GMOs. An authorization is required for placing these products on the market. After the authorization from the FSVO has been delivered, the manufacturers must regularly demonstrate to the FSVO that the characteristics of the authorized GMO have not changed".

Please provide further detail on the criteria by which Switzerland determines which products are, contain, or are derived from GMOs and what authorization is required for placing these products on the market.

#### Switzerland's answer:

Switzerland distinguishes between products that are, contain or are derived from GMOs and products that are produced through GMOs. In the first category fall products such as GMO food (e.g. GMO plants intended as foodstuff), food containing GMOs (e.g. protein bars containing GMO soya) or food derived from GMOs (e.g. a protein extract from a GMO plant). The second category, instead, refers to the so-called fermentation products, meaning products that are produced through a genetically modified microorganism in a closed system (fermenter), isolated, purified and chemically refined. These can be vitamins, enzymes or other kind of products. Important is that no GMO trace is contained in the product anymore (e.g. DNA).

Products that are, contain, or are derived from GMOs underlie an authorization procedure led by the FSVO. Applicants need to confirm that the product poses no risk for human health upon consumption, and eventually submit the dossier to the Federal Office of Environment (FOEN), which then evaluates the potential risks for the environment. If no reservations have been made by the concerned Federal Offices, the product can be authorized by the FSVO.

Fermentation products, instead, underlie a simplified authorization procedure. Either they are already classified and authorized as novel food in the European Union, and then are automatically legally marketable in Switzerland, or the FSVO leads the authorization procedure without need of consulting other Federal Offices.



For further information, see: <https://www.blv.admin.ch/blv/en/home/lebensmittel-und-ernaehrung/rechts-und-vollzugsgrundlagen/bewilligung-und-meldung/gentechnisch-veraenderte-organismen-gvo.html>.

- Please clarify how often manufacturers must demonstrate to the FSVO that characteristics of the authorized GMO product have not changed, and which criteria are used to so demonstrate.

**Switzerland's answer:**

Upon authorization, manufacturers need to provide regular demonstration that the genetic modification within the product is stable and has not changed over time. These data usually imply the analysis of samples of the product or the GMO raw material. Furthermore, it has to be shown that the environmental aspects are safe. This means that the manufacturer also needs to take samples around the manufacturer's facility (if located in Switzerland) and have them analyzed.

It is not regulated how often these data need to be provided. The authorization for products that are, contain or are derived from GMOs is valid for 10 years. The updated data need to be resubmitted at the latest by the time of renewal.

**Question 6:**

Page 104, section 3.3.7: The Secretariat Report does not address the protection of trade secrets. Please summarize the protection regime for trade secrets and identify the relevant statutory authority. Please also provide information on the number and outcome of trade secret disputes before civil, administrative, or criminal courts in 2020 and 2021, if available.

**Switzerland's answer:**

The Swiss legal framework does not provide for a specific trade secrets act. Rather, in Switzerland, trade secrets are protected by various provisions, which are contained in different statutes, and thereby ensure an appropriate and differentiated level of protection, in line with the TRIPS-Agreement. The most relevant statutes under Swiss law are the Unfair Competition Act, the Swiss Criminal Code and the Swiss Code of Obligations, in particular its section on employment law. Swiss unfair competition law prohibits the exploitation or use of trade secrets entrusted to someone, without the permission to further use or disclose it, or which have been stolen or unlawfully obtained. It also prohibits any conduct inducing employees to betray or unlawfully acquire any trade secrets of their employer. Swiss criminal provisions provide that anyone who divulges a trade secret that he is under a statutory or contractual duty not to reveal, or anyone who unlawfully exploits a trade secret for himself or another, is committing a criminal offense. Furthermore, employment law provisions set out that an employee must not exploit or reveal trade secrets obtained while in the employer's service. Also, to note is that the Swiss Civil Procedure Code provides provisions for comprehensive protection of trade secrets in legal proceedings.

Swiss law provides for enforceable remedies against trade secret infringements. Civil remedies include damages and handing over of profits. Regarding criminal remedies, any person who betrays a manufacturing or trade secret that he is under a statutory or contractual duty not to reveal is liable on complaint to a custodial sentence not exceeding three years or to a monetary penalty. The competent authorities are the police and the attorney general for the prosecution, and the competent criminal or civil courts for the trial.

There are no official and comprehensive statistics of cases available concerning trade secrets.

Please see also the comprehensive information provided by Switzerland on its intellectual property protection and enforcement laws in its responses to the Checklist of Issues on Enforcement, as revised on 4 March 2022, and contained in document IP/N/6/CHE/3.

**Question 7:**

Page 105, paragraph 3.177: The Secretariat Report states that "[Switzerland's] Federal Law on Copyright and Related Rights was partially revised to adapt it to the latest technological developments and to make the fight against online piracy more effective".

- Have there been any reported cases applying the new law on copyright and related rights? If so, please summarize those cases and their outcomes.
- Please provide statistics on use of the revised law or examples of how the revised Federal Law has had an impact on fighting online piracy.



**Switzerland's answer:**

Recent feedback from the State prosecution offices and the rights holders indicates that there are hardly any enforcement actions in courts. Thus, the new measures seem to have the desired deterring effect on online copyright infringement. This finding is supported by the fact that the criticism of the rights holders regarding the enforcement possibilities has largely ended since the revision has come into force.

**Question 8:**

Page 107, paragraph 3.184: Will the cantonal "patent box" system still be available after the implementation of the new OECD Base Erosion and Profit Shifting (BEPS) regime?

**Switzerland's answer:**

Following the adoption of the OECD Base Erosion and Profit Shifting (BEPS) regime, Switzerland plans to introduce a supplementary tax, which will be a new, additional federal tax. It is limited to companies that fall within the scope of the new rules i.e. that have a worldwide turnover of at least EUR 750 million and fall below the minimum taxation of 15%. The current profit tax by the federal government and the cantons will continue to apply unchanged for all companies. Thus, cantonal patent boxes will remain available under the new tax regime.

**Question 9:**

Page 112, paragraph 3.202:

- Please clarify what "not requiring registration" for "general protection of [geographical indications] GIs under the Trademark Law for all products and services" means?
- Does it mean that there is no GI registration available for trademarks protected under the Trademark Law?
- Or, does it mean there is GI protection under the Trademark Law both for registered marks and unregistered marks?
- For unregistered marks to be protected as GIs, what evidence must be submitted to show the mark is a protectable GI?
- Please provide examples of goods and services that have been protected as GIs by the Swiss Federal Institute of Intellectual Property (FIIP).

**Switzerland's answer:**

The Swiss Federal Act on the Protection of Trademarks and Indications of Source covers the two kinds of distinctive signs mentioned in its title. Contrary to trademarks, there is no general principle of registration for indications of source. However, a sui generis system of registration is available for geographical indications, which are a subcategory of indications of source. Therefore, a GI can be protected as a registered IP title, or, if it has not been registered (or protected through an international agreement), it will be protected according to the general protection granted to indications of source without registration.

The courts are competent for the enforcement of the protection of unregistered indications of source. If a case is brought to a court, Article 51a of the Swiss Trade Mark Protection Act provides that the user of an indication of source has the burden to prove that it is correct. The very limited number of cases adjudicated by courts during the last number of years mainly focused on the place of processing of processed foodstuffs, such as beer.

There exists no recent cases on indications of source that revolve around a geographical indication in the sense of the TRIPS definition.

**Question 10:**

Page 112, paragraph 3.203:

- Please explain Switzerland's experience with examining, publishing for opposition, and granting protection to non-agricultural GIs.
- Did any non-European entities successfully receive protection for non-agricultural GIs in Switzerland?

**Switzerland's answer:**

Since its entry into force in 2017, no application, whether from Switzerland or a third country, has been submitted for entry in the register for non-agricultural GIs. Therefore, Switzerland has not yet

gathered practical experience with treating such applications (including examination, publication for opposition and registration).

Article 8 of the Ordinance on the Register for Appellations of Origin and Geographical Indications for Non-Agricultural Products provides for publication in two steps: 1) after the application has been received, the denomination or denominations concerned, the name and address of the group or authority responsible for the country of origin as well as their representative where applicable, the category of the requested registration (appellation of origin or geographical indication) and the date of receipt of the application are published; 2) after the application has been approved by the IPI, the same information plus the product specification and name and address of the bodies or authorities responsible for verifying compliance with the applicable product specification before the products are placed on the market are published. The IPI grants approval in accordance with the requirements set out by law, taking opinions from experts and other public authorities into account. Once an approved application has been published, objections can be submitted during a period of three months on any grounds (Article 9). In case of an objection, the IPI will make a decision. Appeals may be filed against such decisions, and such appeals may be taken as far as the Federal Supreme Court. Protection is granted for an unlimited duration once the denomination is entered in the register as a protected appellation of origin or protected geographical indication, if there has been no objection within the specified time limit and any objections and appeals have been rejected (Article 11).

#### 4 TRADE POLICIES BY SECTOR

##### **Question 11:**

Page 134, paragraph 4.82 and chart 4.3: What energy mix do you now forecast for 2025?

##### **Switzerland's answer:**

Several scenarios have been calculated for the evolution of the energy mix. According to one of these scenarios we consider the following electricity mix in 2025:

Hydro:	57.7%
Nuclear:	31.4%
Thermal power:	3.4%
Solar PV:	6.1%
Wood:	0.4%
Biofuel:	0.5%
Wind:	0.5%
Total:	70,136 GWh

- Will hydro power decrease further due to gains in other renewable energies such as solar?

##### **Switzerland's answer:**

No. Even if other renewable energies grow, it is assumed that hydroelectricity will also be developed.

- Has the conflict in Ukraine resulted in any efforts to reduce reliance on natural gas more quickly?

##### **Switzerland's answer:**

The move away from fossil fuels has been a goal of Swiss energy policy for years, and with the share of renewable energies increasing over the years, it has been successful. The Ukraine crisis, on the other hand, has shown Switzerland how heavily it is still dependent on fossil fuels. Various initiatives are currently pending in parliament that call for an intensification of the efforts to quickly replace fossil heating systems.

##### **Question 12:**

Page 137, paragraph 4.92: Switzerland depends on EU electricity imports in winter. But the EU has suggested Swiss access to EU electricity markets may eventually suffer due to the lack of an Institutional Framework Agreement. How does Switzerland intend to close the gap between supply and demand in winter to ensure security of the electricity supply?

**Switzerland's answer:**

*In order to ensure a good level of security of supply also for the future Switzerland intends to rely on several pillars: energy efficiency, ramping up of renewable production, increase of storage capacities and strategic reserves for emergency situations.*

**Question 13:**

Page 140, paragraph 4.108: What steps does the Swiss Government take to ensure that Swissgas AG imports gas from reliable sources that meet Switzerland's need for security of supply?

**Switzerland's answer:**

*The energy industry is responsible for security of supply. The Federal Council has no influence on the selection of gas suppliers. To secure the gas supply in the winter of 2021-2022, the Federal Council has set up a task force of the gas industry. The solutions of the task force are intended to contribute to the diversification of the countries of origin and supply routes.*

**Question 14:**

Page 150, paragraph 4.141: On 3 December 2021, the Swiss government released a draft of its first-ever national security regulations on telecommunications networks. The new regulation does not include measures analogous to the EU's "5G Toolbox" to protect telecommunications infrastructure and consumers from untrusted vendors. How is the Swiss Government ensuring effective self-regulation regarding network security?

**Switzerland's answer:**

*The revision of the Ordinance on Telecommunications Services (OTS; SR 784.101.1), which was submitted for public consultation on 3 December 2021, comprises three sections on the security of the telecommunications infrastructure. It regulates:*

- *Fault reporting*
- *Manipulation of telecommunications installations*
- *Security of 5G mobile radio networks and services.*

*The third point is closely based on the EU's "5G Toolbox". A second revision stage, which is already being prepared, provides for increased hardening of the mobile radio networks against power failures. Based on these revisions and the cooperation of the telecommunications service providers with the National Cyber Security Centre (NCSC), which already exists today, effective regulation of network security will be ensured.*

**WTO TPR: Switzerland and Liechtenstein****Part II. Questions based on the Government Report (WT/TPR/G/425)****Question 15:**

*Neither Switzerland nor Liechtenstein provided any information regarding intellectual property protections or enforcement under their laws. Please provide a summary of civil and criminal enforcement of intellectual property enforcement, including trade secrets, and identify relevant statutory authorities. Please also provide information on the number and outcome of civil, administrative, and criminal cases in 2020 and 2021, if available.*

**Switzerland's answer:**

Criminal enforcement: *The intentional infringement of, inter alia, designs, copyright, patents, trademarks and geographical indications is a criminal offence under the laws of Switzerland. On complaint from the right holder, any person who willfully infringes the intellectual property right of another is liable to a custodial sentence not exceeding one year or a monetary penalty. If the offender acts for commercial gain, he shall be prosecuted ex officio. The penalty is a custodial sentence not exceeding five years or a monetary penalty of up to CHF 1 million. The relevant authorities are the police and the attorney general for the prosecution, and the competent criminal courts for the trial.*

Civil enforcement: *A right holder whose intellectual property right has been infringed or threatened may request the competent civil court:*

- *To prohibit an imminent infringement;*

- To remedy an existing infringement;
- To require the defendant to provide information on the origin and extent of unlawfully manufactured items in his possession, and to name the recipients and disclose the extent of any distribution to commercial customers.

The right holder may also bring action for damages, including handing over of profits. Further measures include action for a declaratory judgment and action for assignment. The right holder may also request preliminary measures, including injunctive relief.

Trade secrets are protected by several laws in Switzerland, including the Unfair Competition Act and the Swiss Criminal Code. Civil remedies include damages and handing over of profits. Any person who betrays a manufacturing or trade secret that he is under a statutory or contractual duty not to reveal, is liable, on complaint, to a custodial sentence not exceeding three years, or to a monetary penalty.

There are no official and comprehensive statistics on cases concerning intellectual property or trade secrets available.

Please see also the comprehensive information provided by Switzerland on its intellectual property protection and enforcement laws in its responses to the Checklist of Issues on Enforcement, as revised on 4 March 2022, and contained in document IP/N/6/CHE/3.

## 1 REPORT BY SWITZERLAND

### **Question 16:**

Page 9, paragraph 1.32: Switzerland "seeks opportunities to strengthen international cooperation in the area of critical goods from a supply perspective". How is Switzerland planning to strengthen the supply of semiconductors?

#### **Switzerland's answer:**

Switzerland's policy regarding supply chain resilience focuses on essential goods and services as defined in the Federal Act on National Economic Supply of 17 June 2016. These do not include goods viewed as strategically important in terms of industrial policy but rather relate to basic subsistence needs of its population (energy, medical goods, food). Semiconductors are not considered a crucial for subsistence and are hence not listed in Article 4 of that Act. The general policy to increase Switzerland's supply chain resilience lays emphasis on creating well-suited framework conditions that allow economic actors to diversify – both geographically and in terms of suppliers and customers – as mentioned in its foreign economic policy strategy (2021, p.6).

### **Question 17:**

Page 9, paragraph 1.32: "Switzerland is committed to the creation of international rules for digital trade and the free flow of data." How is Switzerland dealing with regulatory differences between key trading partners such as the EU, the United States and China?

#### **Switzerland's answer:**

As laid out in the revised Foreign Economic Strategy adopted in November 2021, Switzerland is concerned by the increasing regulatory fragmentation of the global digital economy and its implications for the development of cross-border digital trade. In order to bridge potential regulatory differences, Switzerland is engaged in numerous efforts to establish, wherever possible, common standards and rules for digital trade. Switzerland is a strong supporter of the WTO Joint Statement Initiative on Electronic Commerce, which has the potential to establish such common rules.

In a similar vein, Switzerland aims at strengthening e-commerce rules in its FTAs. Switzerland would like to see comprehensive rules on digital trade become an integral part of economic partnership agreements, with existing agreements being modernized accordingly. It is also engaged in other fora, such as the OECD to build a common understanding of digital issues and ensure a holistic approach to establishing common standards.

The Swiss Federal Act on Data Protection was revised and its amended version is scheduled to enter into force on 1 September 2023. Building on the existing legal framework, it will offer various mechanisms to transfer personal data across jurisdictions, such as Adequacy Decisions, Standard Contractual Clauses or Intra-Corporate Rules.

**Question 18:**

Page 11, paragraph 1.42: *Switzerland's debt brake mechanism has resulted in structural surpluses in the government budget. Lower government spending in turn depresses imports and helps maintain a very high trade surplus. In the interest of reducing structural external imbalances, does Switzerland intend to adjust the way its debt brake mechanism is applied so that budgets are balanced over the long run, rather than producing structural surpluses?*

**Switzerland's answer:**

*The constitutional article on the debt brake was accepted in the referendum of 2 December 2001. The debt brake is designed to avert (chronic) structural imbalances and a deficit bias in federal government finances and is intended to stabilize nominal debt in the long term. The debt brake addresses two classical objectives of fiscal policy: ensuring sustainable public finances and evening out economic cycle and growth fluctuations. The debt brake is laid down in Article 126 of the Federal Constitution, whereas the details are set out in Articles 13 to 18 of the Financial Budget Act (SR 611.0).*

*Experience to date of fiscal policy management with the debt brake shows that the desired objectives have been achieved. During mostly favourable economic conditions, debt has been reduced in nominal terms thanks to structural surpluses from 2005 to 2019. Moreover, the debt brake demonstrated that it provides the necessary flexibility for the Confederation to react appropriately and quickly to crises as seen during the Covid-19 pandemic.*

*The structural surpluses have not been budgeted but resulted from higher than budgeted revenue or lower spending. On the revenue side, mainly the withholding tax contributed to unexpected surpluses in the past, but this budget component has arguably a limited effect on economic activity. Since 2012, an improved method is used for the budget estimates for the withholding tax and estimation errors have been markedly reduced and will cancel out over time. Measures have also been taken to limit spending underruns from 2023 onwards. Parliament has amended the Financial Budget Act in March 2021 to simplify procedures for supplementary budgets and to reduce incentives for safety margins. In addition, provisions will be included in the debt brake; this will further reduce underruns.*

*We do not consider that the introduction of the debt brake in 2003 and the structural surpluses generated over the last years have had a significant impact on imports. This is largely due to the fact that Switzerland is a small and very open economy. Fiscal multipliers are very low for this reason. In addition, a contractionary fiscal stance was due, to a substantial extent, to revenue items which have an even lower fiscal multiplier in the first place, i.e. the withholding tax. This said, the overall policy stance of Swiss economic policy was mainly accommodative during the past years. (See also section 1.3.4 Fiscal Policy of the government report in WT/TPR/G/425)*

**2 REPORT BY LIECHTENSTEIN****Question 19:**

Page 19, paragraph 2.2: *Liechtenstein is in a customs union with Switzerland, yet Liechtenstein is also a member of the European Economic Area, while Switzerland is not.*

- *Does this result in any conflicts between the two systems with regard to trade and economic policy?*
- *How are these conflicts managed?*

**Follow-up question****Part I. Questions based on the Secretariat Report (WT/TPR/S/425)****Question 7:**

*Page 105, paragraph 3.177: The Secretariat Report states that "[Switzerland's] Federal Law on Copyright and Related Rights was partially revised to adapt it to the latest technological developments and to make the fight against online piracy more effective".*

- *Have there been any reported cases applying the new law on copyright and related rights? If so, please summarize those cases and their outcomes.*
- *Please provide statistics on use of the revised law or examples of how the revised Federal Law has had an impact on fighting online piracy.*

**Switzerland's answer:**

*Recent feedback from the State prosecution offices and the rights holders indicates that there are hardly any enforcement actions in courts. Thus, the new measures seem to have the desired deterring effect on online copyright infringement. This finding is supported by the fact that the criticism of the rights holders regarding the enforcement possibilities has largely ended since the revision has come into force.*

**U.S. Follow-up to Question 7:**

*Question 7 of the U.S. government's advanced written questions requested Switzerland to identify any cases that apply the new law on copyright and related rights. In response, Switzerland state that "feedback from the State prosecution and the rights holders indicates that there are hardly any enforcement actions in court".*

- *Can Switzerland clarify what "hardly any" enforcement actions refers to and whether that means no enforcement actions have taken place in court, thus far, that apply the revised copyright law?*

**Switzerland's answer:**

*Recent feedback by rights holders in this context indicates that they have not taken any action to enforce the new stay-down obligation in court. Accordingly, feedback from the state prosecution offices referred to in Switzerland's initial response indicates that the new stay-down obligation has not yet led to enforcement actions by right holders. With respect to the new piracy tracking regulation, feedback from the state prosecution offices reports three cases in which IP addresses have been processed for the criminal prosecution of copyright infringement.*

- *Please provide any statistics or studies related to copyright protection, including, for example, administrative statistics such as reports of unjustified technological protection measures, results of studies or consultations with SUISA or other collective management entities, any data of orphan works being used or ownership claimed under the new regime, and any ECL "opt outs" granted.*

**Switzerland's answer:**

*Reports of misuse of technological measures are assessed by the Monitoring Office for Technological Measures (OTM); its investigations and reports are available (in German, French and Italian) at <https://www.ige.ch/en/protecting-your-ip/copyright/monitoring-office-otm/investigations-and-reports>. Information on granted ECL is available on the website of the collective management organization Prolitteris at <https://prolitteris.ch/nutzer-tarife/erweiterte-kollektivlizenzen/>. Contrary to other regulations on orphan works, Swiss legislation does not require an orphan works register. Hence, further information is not available and Switzerland is not in a position to provide any data from private industry actors.*

- *The response states that the "criticism of the rights holders regarding the enforcement possibilities has largely ended" since the revision has come into force. How is Switzerland tracking whether criticism is still taking place: is Switzerland engaging with stakeholders, taking surveys, or otherwise proactively engaging to ensure that there are no concerns?*

*How can Switzerland ensure that the absence of criticism is not just a sign that stakeholders have determined that lodging criticisms is futile?*

**Switzerland's answer:**

Switzerland is indeed proactively engaged in a continuous stakeholder dialogue, and draws its conclusions primarily from that dialogue. A recent report by the Federal Council on the effectiveness of the amendments to the Copyright Act shows that the goals set for the revision are generally being achieved. Rights holders' feedback in that context states their reluctance to be the first plaintiff to undertake judicial action that may constitute a pilot trial, with possibly significant legal costs. Having said this, the revised legislation provides for the adequate legal means for right holders to take action.

- Are there any statistics concerning copyright cases available, even if not "official and comprehensive"?

**Switzerland's answer:**

Statistics on criminal enforcement of Copyright Law are available from the Federal Statistical Office: <https://www.bfs.admin.ch/bfs/en/home/statistics/crime-criminal-justice/criminal-justice.assetdetail.22665268.html>.

The IPI is regularly informed of court judgments on intellectual property and it makes this information available here: Statistics decisions 2020 (in German: [https://www.ige.ch/fileadmin/user\\_upload/dienstleistungen/Statistiken/d/Statistik\\_Entscheide\\_20\\_20.xlsx](https://www.ige.ch/fileadmin/user_upload/dienstleistungen/Statistiken/d/Statistik_Entscheide_20_20.xlsx)). These statistics are not exhaustive: they only cover the decisions that the IPI has been informed of.

- To the extent that no statistics or data exists, is the Swiss government using proxies to measure success of the implementation of the law? What would these be – e.g. private industry sources, records from cultural institutions? To the extent such data is not currently being collected, what plans are there to develop more formal metrics or engagement in the future?

**Switzerland's answer:**

Beside the report by the Federal Council on the effectiveness of the amendments to the Copyright Act mentioned above, no data are available concerning the implementation of the Copyright Act and there are no plans in that regard.

- What statistics do you have from Internet service providers (ISPs) or other private industry actors regarding the efficacy of the new online enforcement regime?

**Switzerland's answer:**

The effectiveness of the amendments to the Copyright Act, including the new measures against online piracy, is assessed in the report by the Federal Council mentioned above. Switzerland is not in a position to provide any data from ISPs or other private industry actors.

## 8 NORWAY

### **Question 1:**

*With reference to the report from secretariat on Switzerland, paragraph 4.287 on page 178, Norway would appreciate additional information on the plans for a maritime strategy, including possible measures - such as tonnage tax - to strengthen the competitiveness, employment and value creation of the Swiss maritime transport sector.*

### **Switzerland's answer:**

*The Federal Council commissioned by the end of 2022 from the administration a comprehensive maritime strategy. The strategy is intended to provide an overview of Switzerland's interests in the maritime sector and to set out benchmarks, goals and measures. Draft legislation on international shipping under the Swiss flag is to be drawn up in order to enhance the long-term effectiveness of Swiss legislation in this area and make Swiss shipping more competitive and sustainable.*

*Ref.*

<https://www.admin.ch/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id-87209.html>.

*The Federal Council also submitted a draft amendment to the tax legislation to parliament in May 2022, which provides for the taxation of seagoing vessels according to their tonnage.*

*Ref.*

[https://www.estv.admin.ch/estv/fr/accueil/afc/medien-news/nsb-news\\_list.msg-id-88638.html](https://www.estv.admin.ch/estv/fr/accueil/afc/medien-news/nsb-news_list.msg-id-88638.html).



## 9 CHILE

### WT/TPR/S/425 – Informe de Secretaría OMC

#### 2 TRADE AND INVESTMENT REGIMES

#### 2.3 Trade Agreements and Arrangements

#### 2.3.2 Regional trade agreements (RTAs)

#### Paragraph 2.16, p. 42

"As at January 2022, Switzerland had RTAs in force with 73 economies, comprising its customs union with Liechtenstein; its bilateral accords with the European Union; its participation in EFTA with Liechtenstein, Iceland, and Norway; EFTA's RTAs with 39 economies; and Switzerland's bilateral RTAs with the Faroe Islands, Japan, China, and the United Kingdom (Table A2.1). Liechtenstein's network of RTAs is the largely the same, as it is a member of EFTA. However, its relationship with the European Union is governed by its participation in the EEA; its relationship with the United Kingdom in areas other than goods is governed by the EFTA-EEA members' RTA with the United Kingdom, and Liechtenstein applies only the goods aspects of Switzerland's bilateral agreements. Almost all RTAs that have been notified to the WTO have been considered by the Committee on Regional Trade Agreements (CRTA) (Table A2.1)."

#### Pages 193-194

**Table A2.1 Switzerland and Liechtenstein's RTAs in force, January 2022**

RTA name	Coverage goods and services	Other selected issues	Date of signature (entry into force)	WTO consideration process <sup>a</sup> (WTO doc. series)
<b>EEA agreements</b>				
EEA	Goods, services		02.05.1992 01.07.1994	FA issued (WT/REG138)
EEA-EFTA States-United Kingdom	Goods, services	Investment liberalization, environment, labour, SMEs, e-commerce	08.07.2021 01.12.2021	Awaiting data from parties (WT/REG459)
<b>EFTA agreements</b>				
EFTA	Goods, services		04.01.1960 and 21.06.2001 (03.05.1960 and 01.06.2002)	Report adopted (WT/REG154)
EFTA-Türkiye (as revised in 2021)	Goods (and services)	(labour, environment)	10.12.1991 (01.04.1992) 25.06.2018 (01.10.2021)	Report adopted (WT/REG86)
EFTA-Israel	Goods		17.09.1992 (01.01.1993)	FA issued (WT/REG14)
EFTA-Palestine	Goods		30.11.1998 (01.07.1999)	No factual presentation (WT/REG79)
EFTA-Morocco	Goods	SMEs	19.06.1997 (01.12.1999)	FA issued (WT/REG91)
EFTA-Mexico	Goods, services	SMEs	27.11.2000 (01.07.2001)	FA issued (WT/REG126)
EFTA-North Macedonia	Goods		19.06.2000 (01.05.2002)	FA issued (WT/REG117)
EFTA-Jordan	Goods	Investment liberalization	21.06.2001 (01.09.2002)	FA issued (WT/REG133)
EFTA-Singapore	Goods, services	Investment liberalization	26.06.2002 (01.01.2003)	FA issued (WT/REG148)
EFTA-Chile	Goods, services	Investment liberalization, SMEs	26.06.2003 (01.12.2004)	FP issued (WT/REG179)
EFTA-Tunisia	Goods	Environment	17.12.2004 (01.06.2005)	FP issued (WT/REG201)

RTA name	Coverage goods and services	Other selected issues	Date of signature (entry into force)	WTO consideration process <sup>a</sup> (WTO doc. series)
EFTA-Republic of Korea	Goods, services	Investment liberalization, environment	15.12.2005 (01.09.2006)	FP issued (WT/REG217)
EFTA-Lebanon	Goods	SMEs	24.06.2004 (01.01.2007)	Awaiting data from parties (WT/REG224)
EFTA-Egypt	Goods	Environment, SMEs	27.01.2007 (01.08.2007)	FP issued (WT/REG232)
EFTA-SACU <sup>b</sup>	Goods	Environment, SMEs	26.06.2006 (01.05.2008)	FP issued (WT/REG256)
EFTA-Canada	Goods	SMEs	26.01.2008 (01.07.2009)	FP issued (WT/REG271)
EFTA-Serbia	Goods	Environment, Labour, SMEs	17.12.2009 (01.10.2010)	FP issued (WT/REG290)
EFTA-Albania	Goods	Environment, SMEs	17.12.2009 (01.11.2010)	FP issued (WT/REG292)
EFTA-Colombia	Goods, services	Investment liberalization, e-commerce, SMEs	25.11.2008 (01.07.2011)	FP issued (WT/REG299)
EFTA – Gulf Cooperation Council <sup>c</sup>	Goods, services		22.06.2009 (01.07.2014)	Not notified
EFTA-Peru	Goods	Investment liberalization, environment, e-commerce, SMEs	24.06.2010 (01.07.2011)	FP issued (WT/REG295)
EFTA-Ukraine	Goods, services	Investment liberalization, environment, SMEs	24.06.2010 (01.06.2012)	FP issued (WT/REG315)
EFTA-Montenegro	Goods	Environment, labour	14.11.2011 (01.09.2012)	FP issued (WT/REG323)
EFTA-Hong Kong, China	Goods, services	Investment liberalization, environment, labour	21.06.2011 (01.10.2012)	FP issued (WT/REG322)
EFTA-Central America (Costa Rica and Panama)	Goods, services	Investment liberalization, environment, labour, e-commerce, SMEs	24.06.2013 (19.08.2014)	FP issued (WT/REG357)
EFTA Bosnia and Herzegovina	Goods	Environment, labour	24.06.2013 (01.01.2015)	FP issued (WT/REG360)
EFTA-Georgia	Goods, services	Investment liberalization, environment, labour, SMEs	27.06.2016 (01.09.2017)	FP issued (WT/REG386)
EFTA-Philippines	Goods, services	Environment, labour	28.04.2016 (01.06.2018)	FP issued (WT/REG394)
EFTA-Ecuador	Goods, services	Investment liberalization, environment, labour	25.06.2018 (01.11.2020)	Not notified
EFTA-Indonesia	Goods, services	Investment liberalization, environment, labour	16.12.2018 (01.11.2021)	Not notified
<b>Bilateral agreements</b>				
Switzerland-EU			22.07.1972 (01.01.1973)	WPR issued (WT/REG94)
Faroe Islands-Switzerland	Goods		12.01.1994 (01.03.1995)	FA issued (WT/REG24)
Japan-Switzerland	Goods, services	Investment liberalization, environment, labour, e-commerce	19.02.2009 (01.09.2009)	FP issued (WT/REG273)
China-Switzerland	Goods, services	Environment, labour, SMEs	06.07.2013 (01.07.2014)	FP issued (WT/REG351)
UK-Switzerland-Liechtenstein	Goods		11.02.2019 (01.01.2021)	FP being drafted (WT/REG437)

a FP (Factual Presentation), FA (Factual Abstract), WPR (Working Party Report).

b SACU comprises Botswana, Eswatini, Lesotho, Namibia, and South Africa.

c The GCC comprises the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Oman, and the State of Kuwait.

Source: WTO RTA database. Viewed at: <https://rtais.wto.org>; and EFTA, Free Trade Agreements and Trade Relations by Partners. Viewed at: <https://www.efta.int/free-trade/free-trade-agreements>.

**Question 1:**

Paragraph 2.16 address Switzerland and Liechtenstein participation in regional and bilateral FTAs and preferential trade agreements. In addition, Table A2.1 indicates Switzerland and Liechtenstein's RTAs in force. Regarding the Agreements of these sections, Chile would appreciate if Switzerland and Liechtenstein could share information of the process through which they are incorporated to its national legislation.

In addition, Chile would appreciate if Switzerland and Liechtenstein could share information regarding the process of incorporation of the decisions made by the Administrative Bodies of these Agreements, to Switzerland and Liechtenstein national legislation.

**Switzerland's answer:**

Once approved by Switzerland, an international legal norm becomes an integral part of Swiss law and must be applied by and complied with by all state organs. In contrast to what would happen in a dualist system, there is no need to pass additional legislation, for example a specific act of parliament, for an international legal instrument to become part of Swiss law. An international legal provision which is binding upon Switzerland is automatically valid under national law.

It is the competence of the Federal Assembly to approve treaties (i.e. bilateral FTAs) with the exception of those that are concluded by the Federal Council under a statutory provision or a treaty or which are of limited scope. The Federal Council requests this approval from the Federal Assembly. The treaty can only be approved or rejected as a whole. At most, the Federal Assembly may make its approval dependent upon the formulation of a reservation provided this does not conflict with the treaty. Approval is provided by means of the adoption of a federal decree.

As FTAs contain important legislative provisions, they are subject to an optional referendum on treaties. If 50,000 citizens eligible to vote or any eight cantons request it within 100 days of the official publication of the enactment, the FTA shall be submitted to a vote of the Swiss people. The Federal Council is only authorized to ratify the treaty if the treaty is accepted in the ballot. A treaty rejected in a referendum cannot be ratified and does not therefore enter into force for Switzerland. A popular ballot is organised without a request from citizens and cantons for treaties for which the Constitution foresees a mandatory referendum (i.e. treaties that provide for an accession to organisations for collective security or to supranational communities), however this does not apply for FTAs.

In all its FTAs, Switzerland has created a Joint Committee, which serves as the Administrative Body of these Agreements. Any decision by the Joint Committee that provides for an amendment of the FTA needs to go through the same procedure of approval as described above. If the amendments concern more technical matters, (e.g. technical amendments of the rules of origin), they are more likely to be considered as being of limited scope and can be approved by the Federal Council.

**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.1 Measures Directly Affecting Imports****3.1.5 Anti-dumping, countervailing, and safeguard measures****Page 72, paragraphs 3.51 and 3.52**

"Switzerland reserved the right to use the special agricultural safeguard under Article 5 of the Agreement on Agriculture for 1,176 tariff lines but has not invoked it for any product since 1999.

As noted in previous Reviews, in cases of emergency or when the national interest is at stake, the legislation provides for changes in tariff rates or the imposition of non-tariff measures. These provisions have not been used during the review period."

**Question 2:**

Regarding paragraphs 3.51 and 3.52, Chile would appreciate if Switzerland could share how would it assess the need to changes in tariff rates or the imposition of non-tariff measures, based on cases of emergency or when the national interest is at stake, as indicated in paragraph 3.52.

**Switzerland's answer:**

As indicated in FN 42 of the Secretariat Report, the Swiss legislation allows for changes in tariff rates or the imposition of non-tariff measures, if the requirements of the relevant provisions are fulfilled. The Federal Council is competent for these measures, which are of a temporary nature. Measures provided for under Article 7 of the Federal Law of October 1986 on Customs Tariffs and Article 1 of the Federal Law on External Economic Measures aim to protect Switzerland's essential economic

interests in case measures taken abroad or extraordinary conditions prevailing there affect Switzerland's foreign trade.

Article 11 of the Federal Law of October 1986 on Customs Tariffs provides for a safeguard clause for agricultural products. Such measures must be within the limits of the safeguard clauses contained in international agreements. In urgent cases, the decision may be taken at the level of the Federal Department of Economic Affairs, Research and Education.

Beyond these provisions, the Swiss legislation does not provide for any further specific formal or substantive requirements. Decisions on such measures would be taken on a case-by-case basis and taking into account the macroeconomic interests. Under current WTO law, Switzerland has so far ordered urgent safeguard measures only once, in 1999, concerning pork meat.

### **3.3 Measures Affecting Production and Trade**

#### **3.3.2 Standards and other technical requirements**

##### **Pages 87-88, paragraphs 3.106 – 3.109**

Switzerland has concluded an MRA with the European Union and the EEA/EFTA States (which include Liechtenstein). Both Switzerland and the EEA/EFTA States have concluded MRAs with Canada and with Türkiye. Under an MRA, the importing country will recognize the conformity assessment carried out in the exporting country, thus concerned products will benefit from facilitated placing of goods on the market. The MRA reduces technical barriers to trade by helping companies avoid duplicate conformity assessments. The MRA concluded with the European Union and the EEA/EFTA States in 2002 is based on harmonized technical regulations in 20 sectors, which represented around two thirds of the total bilateral trade with the European Union in 2020. The Parties maintain a list of all conformity assessment bodies notified and recognized under the Agreement.

While the Switzerland-EU/EEA MRA was updated in 2017 to maintain the mutual market access in 11 of its 20 sectors, the inability to reach agreement on the Swiss-EU institutional framework agreement in May 2021 (Section 2.3.2.4) questions the future of the MRA. The Federal Council announced that it intends to continue updating the MRA, as it is in both parties' interests to sustain the Agreement. Swiss and EU technical regulations for medical devices are fully harmonized. Nevertheless, new EU standards for medical devices were introduced in May 2021, and the European Union declined the update of the chapter on medical devices in the MRA to reflect those changes and agree on the trade-facilitating effects. As a result, the MRA no longer covers medical devices in accordance with the Medical Devices Regulation (MDR) of the European Union. Medical devices from the European Union and from Switzerland must now comply with regulations applicable to third countries to enter both markets.

An MRA was developed between Switzerland and the United Kingdom to continue to facilitate trade in goods, where possible, following the United Kingdom's departure from the European Union. It covers 3 of the 20 sectors included in the Switzerland-EU/EEA MRA and replicates the same rights and obligations on motor vehicles, good laboratory practices, and good manufacturing practice inspection for medicinal products and batch certification. These product areas were chosen as the standards underlying their technical regulations were developed by international organizations to which both Switzerland and the United Kingdom are members.

Liechtenstein, along with Iceland and Norway, has also concluded an MRA with New Zealand, which entered into force in 2000, with Australia (2000, an updated version of 2018 has yet to enter into force), and with the United States (2006).

#### **Question 3:**

*Paragraphs 3.106 to 3.109 address Switzerland and Liechtenstein's mutual recognition agreements (MRAs) celebrated with several WTO Members and States. In this regard, Chile would appreciate if Switzerland and Liechtenstein could share more information regarding these MRAs, particularly those related with medical devices and medicinal products. In addition, Chile would appreciate further explanation whether those MRAs are binding commitments subject to WTO dispute settlement mechanism, or if they are applied on a voluntary basis.*

#### **Switzerland's answer:**

Further information concerning the MRA concluded by Switzerland (including the text, the coverage and the functioning of these agreements) are available at: [https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Technische\\_Handelshemmnisse/Mutual\\_Recognition\\_Agreement\\_MRA0.html](https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Mutual_Recognition_Agreement_MRA0.html) (in French).

*Although based on Article 6.3 of the WTO TBT Agreement, which encourages members to enter into negotiations for the conclusion of agreements for the mutual recognition of results of each other's conformity assessment, the MRAs concluded by Switzerland are binding agreements for the contracting parties. As such they are subject to the dispute settlement mechanisms provided for in these agreements.*

#### **4 TRADE POLICIES BY SECTOR**

##### **4.4 Services**

##### **4.4.1 Telecommunications services**

##### **4.4.1.1 Switzerland**

##### **Pages 150-151, paragraph 4.141**

The main regulatory changes stem from the revision of the Telecommunications Law that was adopted by the Federal Assembly on 22 March 2019 and entered into force on 1 January 2021, together with its accompanying ordinances. The main amendments to the telecom regime brought about by this revision are the following:

(...)

- To improve traceability in the event of abuses, the provision of value-added services with Swiss numbers is now conditioned by the localization of the headquarters in Switzerland.

(...)

##### **Question 4:**

*According to paragraph 4.141, one of the main amendments to the telecom regime brought about by the revision of the Telecommunications Law – adopted by the Federal Assembly on 22 March 2019 and entered into force on January 2021 – is "to improve traceability in the event of abuses, the provision of value-added services with Swiss numbers is now conditioned by the localization of the headquarters in Switzerland". In this regard, Chile would be grateful if Switzerland can indicate how this provision is compatible with modern no forced localization of computer facilities disciplines in trade agreements.*

##### **Switzerland's answer:**

*In the past, there has been a lot of abuse in the area of value-added services. This was entirely to the detriment of consumers. At the same time, confidence in the telecommunications industry as such in Switzerland also suffered as a result.*

*In this respect, it became necessary to take measures to restore the smooth functioning of the industry and consumer confidence. The suppliers found economically viable solutions to continue operating profitably in the Swiss market. The measure does not force any provider to locate any technical installations in Switzerland.*

##### **4.4.2 Financial services**

##### **4.4.2.1 Switzerland**

##### **4.4.2.1.1 Overview of the economic evolution and of the market structure of the financial services sector**

##### **Page 156, paragraph 4.171**

Switzerland has a sophisticated and mature financial services sector with a developed and somewhat concentrated internal market. The sector serves a population with high savings and that is very well insured, as well as international clients and markets attracted by Switzerland's political stability and the vast array of services proposed by this global financial hub. The share of financial services in GVA and employment declined slightly during the review period (Table 4.22), which is mainly explained by developments in banking services and securities and stock exchange services. More generally, there has been long-term decline in the share of financial services in GDP since the 2008 financial crisis. According to the Federal Council, this can be explained "by the changing conditions in the international tax framework and the global wealth management business, the contraction of big banks' investment banking business and increased pressure on margins caused by the low interest rate environment".

**Question 5:**

Paragraph 4.171. indicates that there has been long-term decline in the share of financial services in GDP since the 2008 financial crisis. In this context, Chile would appreciate if Switzerland could share how the new strategy for the financial services sector, issued by the Federal Council, seeks to counter this decline. In addition, Chile would appreciate if Switzerland could indicate which are the specific targets and timeframes, in that regard.

**Switzerland's answer:**

The strategy for the financial services sector is also available in English: <https://www.sif.admin.ch/sif/en/home/finanzmarktpolitik/strategy.html>. It is worth noting that the declining trend is observable in relative terms only but not in absolute terms. The strategy identifies the fintech sector and sustainable finance as opportunities for future growth. The strategy does not specify quantitative targets or timeframes.

**WT/TPR/G/425 – Informe del Gobierno de Suiza y Liechtenstein<sup>2</sup>****1.2 Entorno económico****1.2.1 Competitividad y entorno exterior****Página.4, párrafo 1.10**

"Al ser una economía de tamaño medio que apenas posee recursos naturales, Suiza depende en gran medida del comercio exterior, ya sea en forma de importaciones de materias primas y bienes intermedios o de una economía de exportación dinámica. En este contexto, la economía suiza ha logrado muy buenos resultados en la transformación de productos y la generación de una parte considerable de valor añadido nacional en los productos de exportación. Alrededor del 75% de las exportaciones suizas de mercancías y servicios corresponden a creación de valor nacional. El 25% restante es imputable a los insumos importados. Conocida por la exportación de mercancías de muy alta calidad y productos de nichos de mercado especializados, Suiza está sólidamente integrada en las cadenas de valor mundiales. En cuanto al valor añadido, se estima que, en los 15 últimos años, la parte del PIB correspondiente a las exportaciones de mercancías se situó en promedio en torno al 40%. Esa fuerte orientación al exterior de su economía es uno de los pilares del crecimiento suizo desde hace muchos años".

**Question 6:**

En la sección 1.2.1 del informe de Gobierno, en particular su párrafo 1.10, se establece que: "Suiza depende en gran medida del comercio exterior, ya sea en forma de importaciones de materias primas y bienes intermedios o de una economía de exportación dinámica. En este contexto, la economía suiza ha logrado muy buenos resultados en la transformación de productos y la generación de una parte considerable de valor añadido nacional en los productos de exportación (...) Suiza está sólidamente integrada en las cadenas de valor mundiales...". Al respecto, Chile agradecería a Suiza compartir información sobre la existencia de políticas públicas o programas de gobierno que hayan facilitado o promocionado la agregación de valor en sus exportaciones.

**Switzerland's answer:**

Switzerland Global Enterprise (S-GE) is responsible for supporting export-orientated SMEs in Switzerland and Liechtenstein in exporting their products and services. The organization does not prioritize the promotion of specific sectors or products, but offers its services to all interested export-oriented SMEs from Switzerland and Liechtenstein. With regard to the Swiss Export Risk Insurance (SERV), exporters must demonstrate a certain minimum Swiss value added in order for coverage to be granted.

**1.2.2 Evolución de la situación económica****Página 7, párrafo 1.20**

"La fuerte recuperación de la economía mundial, que infló la demanda de productos industriales, acompañada de la limitación de la capacidad productiva en ciertos países durante la pandemia, causó importantes estrangulamientos en las cadenas de valor mundiales. A partir del segundo semestre de 2021, una gran parte de las empresas industriales de Suiza indicaron que su producción se veía limitada por la falta de materias primas y bienes intermedios. La fabricación de productos metálicos,

<sup>2</sup> Preguntas basadas en la versión en español del informe.



el sector de la maquinaria y la producción de productos electrónicos están especialmente afectados por estas dificultades. Aunque los problemas de suministro empiecen a remitir paulatinamente, todavía podrían perdurar durante varios trimestres".

**Question 7:**

*El párrafo 1.20 hace referencia a los importantes estrangulamientos o cuellos de botella (bottlenecks) en las cadenas globales de valor y la falta de materias primas/insumo para la producción industrial. En este contexto, Chile agradecería a Suiza indicar si existe por parte del gobierno suizo un plan o política pública que busque reducir los impactos negativos de los mencionados cuellos de botella. Asimismo, Chile agradecería si Suiza pudiera informar si ha evidenciado algún proceso de relocalización de parte de sus empresas producto de las interrupciones en las cadenas de suministro.*

**Switzerland's answer:**

*The newly released foreign economic policy strategy (2021, p.6) acknowledges supply chain resilience as one of its nine central areas of action. The focus is on Switzerland creating well-suited framework conditions that allow economic actors to diversify, both geographically and in terms of suppliers and customers. Switzerland seeks opportunities for enhanced international cooperation in the supply of critical goods. It generally refrains from government-controlled repatriation of production processes. Integration in global markets reinforces interdependencies in the global financial and economic system. To contribute to the stability of this system, Switzerland promotes the resilience of developing countries and emerging markets.*

*Academic and private market surveys have shown that Swiss companies have viewed supply chain disruptions as their main worry since the Covid-19 pandemic. While some have indicated relocating parts of its supply chain, the main response seems to have been an increase of stockkeeping.*

## 10 ISRAEL

### Secretariat Report. Summary paragraph 12

**Question 1:**

*Can Switzerland please elaborate on the rationale behind the recently announced elimination of duties on industrial goods by 1 January 2024. We would appreciate more information on the expected objectives and how this measure will assist in achieving them.*

**Switzerland's answer:**

*The abolition of applied tariffs on industrial products is a measure aimed at facilitating trade and boosting Switzerland's attractiveness as a business location in the medium - and long - term.*

*The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened.*

**Question 2:**

*Can Switzerland provide information on whether there are any intentions to reduce tariff duties on fresh and/or processed agricultural products to reduce the cost of food products in the domestic market?*

**Switzerland's answer:**

*Switzerland does not foresee a general reduction of tariff duties on fresh or processed agricultural products in a manner analogous to the foreseen elimination of duties on industrial goods by 1 January 2024.*

### Secretariat Report. Paragraph 3.110

**Question 3:**

*Israel would like to know if the Swiss government has done (or is aware of) any study to analyze whether there has been a positive impact on domestic prices due to the Cassis de Dijon principle and whether imports from EU countries have increased as a result.*

**Switzerland's answer:**

*The most important benefit of the Cassis de Dijon principle is that it prevents and dismantles unnecessary deviations from the technical regulations of our most important trading partner. It also promotes harmonization with the technical regulations of our most important trading partner. No current studies of this principle are available.*

### Secretariat Report. Paragraph 3.34

**Question 4:**

*Can Switzerland please explain why its regime of guarantee fund contributions in some cases exceeds Switzerland's bound commitments on several tariff lines. Also, can Switzerland please provide a complete list of these cases if these are not fully included in the Secretariat's report?*

**Switzerland's answer:**

*To ensure national supply in times of shortages, Switzerland has a system of compulsory stocks of essential goods. These stocks are under the responsibility of the private sector. So-called "guarantee funds" administered by private organizations have been put in place by some economic sectors to cover storage costs and to compensate for fluctuations in the price of the goods stored. In this case, companies which do not themselves hold compulsory reserves pay guarantee fund contributions to the organization in order to finance the compulsory stocks. For some products, these organizations levy guarantee fund contributions only on imports.*

*Switzerland remains aware that guarantee fund contributions in conjunction with applied customs duties exceed the bound rates for certain tariff lines. In 2019, Switzerland launched a project to modify the compulsory reserve regime for rice and coffee. This project has not been finalised. Reflections on National Economic Supply are on-going and a revision of the legal basis is in preparation, following the COVID-19 crisis and a planned reorganization of the Federal Office for National Economic Supply.*



## 11 AUSTRALIA

### Report by the Secretariat (WT/TPR/S/425)

#### 3 TRADE POLICIES AND PRACTICES BY MEASURE

##### 3.1 Measures Directly Affecting Imports

##### 3.1.3 Tariffs

##### 3.1.3.1 Applied MFN tariff

#### Page 59, paragraph 3.20

The report states that the Swiss Federal Assembly plans to abolish industrial tariffs (HS Chapters 25-97) on 1 January 2024, with the exception of certain tariff lines within Chapters 35 and 38.

#### Question 1:

*Can Switzerland please identify the specific tariff lines that will be excluded in these Chapters, and the reason why these products will not be subject to tariff elimination?*

#### Switzerland's answer:

Switzerland eliminates its applied tariffs for industrial goods.

The lifting of industrial tariffs concerns all goods under Chapters 25–97 of the Harmonized System (HS) (<https://xtares.admin.ch/tares/main/mainFormFiller.do;jsessionid=Tz3ds3VduXnV-G3pA3ZST9Jimaog035eb6Iji1PHRyOLdTenFfgb!-22935399?l=en&chemicalSearchType=cas&headdata.date=09.02.2022&headdata.direction=import&headdata.userCountryIso2Code=EN&headdata.countryIso2Code=EN>), with the exception of certain products under HS Chapters 35 and 38, that are classified as agricultural products in Switzerland:

Exceptions concern the following tariff lines of the Swiss customs tariff: 3501.1010, 3501.1090, 3501.9011, 3501.9019, 3501.9091, 3501.9099, 3502.1110, 3502.1190, 3502.1910, 3502.1990, 3505.1010, 3505.1090, 3505.2010, 3506.9910, 3809.1010, 3823.1110, 3823.1210, 3823.1910, 3824.1010, 3824.9991, and 3825.9010.

Moreover, fish and fish products (HS Chapter 3) are also not covered by the lifting of industrial tariffs.

#### Question 2:

*Further, can Switzerland please clarify why agricultural products (HS Chapters 01-24) have been excluded from the scope of the tariff eliminations planned for 1 January 2024?*

#### Switzerland's answer:

The decision by Parliament relates to industrial goods only. The agricultural tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.

#### Page 60, table 3.3

Table 3.3 details the structure of Switzerland's MFN tariffs. Average applied 2021 MFN tariffs in manufacturing were reduced from 7.8% to 5.8%.

#### Question 3:

*Can Switzerland outline the key product areas where MFN tariffs exceed that 5.8% average figure?*

#### Switzerland's answer:

Calculations have been performed by the WTO Secretariat. Switzerland has only specific duties and does not calculate ad valorem equivalents. Thus, Switzerland is not in a position to indicate which key products have MFN tariffs above 5.8%.

### 3.1.3.2 Tariff rate quotas

#### Page 61, paragraph 3.29

The report discusses Tariff Rate Quotas (TRQs) in the agricultural space.

#### **Question 4:**

*Does Switzerland have any non-agricultural TRQs? If so, could a list be provided?*

#### **Switzerland's answer:**

*No, Switzerland does not have any non-agricultural TRQs.*

## 4 TRADE POLICIES BY SECTOR

### 4.1 Agriculture

#### 4.1.1 Overview and recent policy development

#### Page 118, paragraph 4.12

The report states that the Swiss agricultural policy (AP) for the years 2022-2025 has been suspended. In parallel, the Federal Council was required by both chambers of the Federal Assembly to submit a report on the future direction of the AP to the Federal Assembly by 2022 at the latest.

#### **Question 5:**

*Could Switzerland please provide an update on when the AP is due for release?*

#### **Switzerland's answer:**

*The Federal Council is expected to adopt the report on the future agricultural policy in mid-June 2022. This report will indicate in more detail the direction of Swiss agricultural policy in the medium term.*

#### Page 118-119, paragraph 4.15

The report outlined the measures introduced to support the Swiss hospitality sector during COVID-19 related lockdowns, the government provided CHF 3 million for the storage of beef, veal and goat meat.

#### **Question 6:**

*Can Switzerland please provide additional details of this arrangement? Did the meat remain the property of the owner, with the funding covering the cost of storage, or did the government both purchase and store the meat? If the latter, would Switzerland please explain how the meat was disposed of by the government?*

#### **Switzerland's answer:**

*The meat remained the property of the owner and the amount of the contributions was based on the loss of quality and weight as well as the costs of storage. The contributions were limited to at most one third of the market value of the meat at the time of storage (see Article 13 in <https://www.fedlex.admin.ch/eli/cc/2003/791/fr>).*

### 4.1.2 Domestic Support

#### 4.1.3.1 Direct payments

#### Page 122, paragraph 4.37

The report states that the level of direct payments to farms remains relatively high in Switzerland, accounting for around 50% of support to farmers. Australia notes that this is almost three times the OECD average.

#### **Question 7:**

*Will this policy framework result in a change in the level of Switzerland's overall trade-distorting support?*

**Switzerland's answer:**

*Within our agricultural policy framework for 2014-2017, subsequently extended to 2022, Switzerland continues to focus on the deregulation of agricultural markets as well as on improving our direct payment scheme in order to be more efficient and effective (e.g. continuation of environmental cross-compliance conditions, abolition of general area payments, reallocation of payments related to specific agricultural practices). In December 2021, Parliament increased the overall budget for agricultural policy slightly to a total of CHF 14 billion for the period 2022-2025.*

*Discussions on the future development of the agricultural policy are ongoing. The Federal Council is expected to adopt the report on the future agricultural policy in mid-June 2022. This report will indicate in more detail the direction of Swiss agricultural policy in the medium term.*

**Page 122, paragraph 4.40**

The report also states the farmland payments' have the objective of maintaining a cultivated agricultural landscape in the hilly and mountainous areas. Four of the six measures are per-hectare payments tiered according to the slope of the terrain. The higher the location of the farm, the higher the direct payment.

**Question 8:**

*Could Switzerland please elaborate on what the maximum payment under this scheme is?*

**Switzerland's answer:**

*There exists no limit for farmland payments. Since they are paid on an area basis, they are limited by the existing area only.*

**5 APPENDIX TABLES****Table A1.7 FDI by economic activity, 2016-2020****Page 189**

The table in the report details capital flows.

**Question 9:**

*Can Switzerland provide a breakdown of Swiss direct investment in manufacturing and services by destination country?*

**Switzerland's answer:**

*A further breakdown of the main FDI-aggregates by manufacturing/services is currently only available for regions (i.e. EU, Europe, America, Asia, Africa and Australia/Oceania) but not for countries. This is due to confidentiality reasons. The additional breakdowns can be downloaded here: <https://data.snb.ch/en/warehouse/ZAST/facets>.*

**Table A4.2 WTO tariff quotas for agricultural products****Page 202-203**

Table A4.2 provides data that shows that Switzerland operates multiple tariff rate quotas which have fill rates above 100%. Interrogation of this data reveals that fill rates for some quotas exceed 200% (for example, some live animal quotas CHEQ02 and CHEQ04). Consulting Switzerland's MA: 2 submissions for 2019 (G/AG/ N/CHE/103) and 2018 (G/AG/ N/CHE/98) reveals that these quotas, and others, are regularly exceeded.

**Question 10:**

*Does Switzerland have any plans to reform its quota system?*

**Switzerland's answer:**

*The quota system is a result of the Uruguay Round and has been very well used by operators since then. The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

**Report by Switzerland and Liechtenstein (WT/TPR/G/425)**

**1.4 TRADE POLICY**

**1.4.4.2 Free trade partners**

**Page 16, paragraph 1.84**

The Report outlines the new EFTA FTAs signed during the period of review.

**Question 11:**

*Can Switzerland provide the percentage of trade covered for Indonesia, Türkiye and United Kingdom free trade agreements?*

**Switzerland's answer:**

*Please refer to the calculations made by the WTO secretariat.*

**12 THAILAND**

<b>Document</b>	<b>Questions</b>
WT/TPR/S/425 Page 12, paragraph 24	<p><b>Question 1:</b> <i>With regard to Switzerland's Energy 2050 Strategy, what are the incentives offered to promote investment in renewable energy production?</i></p> <p><b>Switzerland's answer:</b></p> <ul style="list-style-type: none"> <li>• Investment contributions from 20 to 60% for renewable energy plants: water-, biomass-, wind-, geothermal- and solar power plants</li> <li>• Reduction of administrative procedures in particular for water and wind power plants.</li> </ul>
WT/TPR/S/425 Page 51, paragraph 2.46	<p><b>Question 2:</b> 1) <i>As the Swiss Federal Council is drafting a law on the control of foreign investments, how does Switzerland ensure that the law would not create a barrier to FDI flows in Switzerland?</i></p> <p><b>Switzerland's answer:</b> <i>The open policy towards investments from abroad is of central importance for Switzerland as a business location and thus also for the prosperity of the population in Switzerland. This policy ensures a sufficient inflow of capital and knowledge for Swiss companies and thus contributes to value creation and the preservation and creation of jobs. For these reasons, when introducing investment control, the Federal Council will ensure that Switzerland's openness to foreign investment and its attractiveness as an investment location are preserved. Care is also taken to ensure that investment control is compatible with Switzerland's obligations under international law. The aim of investment control will be to avert possible threats to public order or security.</i></p> <p>2) <i>What are the criteria and the two-stage test procedure by SECO for the control of foreign investment?</i></p> <p><b>Switzerland's answer:</b> <i>As the Federal Council has not yet launched the consultation on the corresponding draft law, it is not possible to provide detailed information on this project at the present time. The start of the public consultation is planned for May 2022.</i></p> <p>3) <i>Pursuant to paragraph 2.46 of the report by the Secretariat concerning the draft law on the possible investment control mechanism aimed at controlling direct investments from abroad in Swiss companies, could Switzerland provide more details of the relevant provisions in the draft law on the investment control mechanism, particularly as to (1) how foreign state or state-affiliated investors involving in takeovers will be treated under such controlling mechanism, and (2) whether there are any differences in treatments applicable to those foreign state or state-affiliated investors, on the one hand, and other private investors, on the other.</i></p> <p><b>Switzerland's answer:</b> <i>According to the parameters for the control of foreign investments set on 25 August 2021 by the Federal Council, takeovers by foreign state or state-related investors should be subject to approval in all sectors (applying a de minimis threshold). However, as the Federal Council has not yet launched the consultation on the corresponding draft law, it is not possible to provide further information on this project at the present time. The start of the public consultation is planned for</i></p>

	May 2022.
WT/TPR/S/425 Page 71, paragraph 3.48	<p><b>Question 3:</b> Could Switzerland provide the list of imported animals and animal products that require authorization from the Federal Food Safety and Veterinary Office (FSVO) as well as the procedure on how to obtain such authorization from FSVO?</p> <p><b>Switzerland's answer:</b> The list is available at <a href="https://www.blv.admin.ch/blv/en/home/import-und-export/import/importe-aus-drittstaaten.html">https://www.blv.admin.ch/blv/en/home/import-und-export/import/importe-aus-drittstaaten.html</a> under "Links" - "Approved third country establishments".</p>
WT/TPR/S/425 Page 73, paragraph 3.56	<p><b>Question 4:</b> Since the FOCBS may charge a fee for some services, such as customs clearance outside of office hours, are there any other services with a fee that businesses should be aware of?</p> <p><b>Switzerland's answer:</b> L'OFDF prélève des émoluments selon l'ordonnance sur les émoluments de l'Office fédéral de la douane et de la sécurité des frontières (<a href="https://www.fedlex.admin.ch/eli/cc/2007/255/fr">https://www.fedlex.admin.ch/eli/cc/2007/255/fr</a>).</p>
WT/TPR/S/425 Pages 76-77, paragraphs 3.66 – 3.67	<p><b>Question 5:</b> Are foreign businesses in Switzerland and Liechtenstein eligible for the support measures introduced in response to the COVID-19 pandemics?</p> <p><b>Switzerland's answer:</b> A business is eligible for the introduced COVID-19 support measures if the requirements for acceptance of the insurance are fulfilled. Please find the detailed requirements on our website: <a href="https://www.serv-ch.com/en/products/requirements-for-acceptance-of-the-insurance/">https://www.serv-ch.com/en/products/requirements-for-acceptance-of-the-insurance/</a>. Switzerland Global Enterprise (S-GE) is mandated to support interested SME exporters domiciled in Switzerland and Liechtenstein in positioning themselves in new markets. Foreign companies that are not domiciled in Switzerland or Liechtenstein cannot obtain export promotion services, including those aimed at Covid support from S-GE and the Swiss Export Risk insurance.</p>
WT/TPR/G/425 Page 8, section 1.3	<p><b>Question 6:</b> 1) How does the Government of Switzerland promote an access of SMEs to international market, i.e. providing government funding, soft loan or other forms of assistance?</p> <p><b>Switzerland's answer:</b> Swiss Export Risk Insurance SERV insures political and del credere risks involved in exporting goods and services. SERV insurance and guarantees protect Swiss exporters from default and facilitate export financing. SERV's solutions also help companies to obtain low-interest loans or higher credit limits from private banks in order to conserve liquidity when exporting goods and services. Especially counter guarantees and working capital insurance (liquidity products) are important for SMEs. SERV works as an economically viable insurance and has to charge risk-oriented premiums in individual cases.</p> <p>Furthermore, Switzerland supports Swiss companies in developing their international business through the federally mandated export promoter Switzerland Global Enterprise (S-GE) as well as through its representations abroad. The export promotion programme executed by S-GE is intended to supplement private initiative by identifying and exploiting market opportunities abroad, positioning Swiss exporters as internationally competitive providers and supporting access of Swiss companies to foreign markets.</p> <p>2) Does Switzerland have a policy that allows foreign SMEs in green business to participate in domestic business in order to accomplish sustainable development goals?</p>

	<p><b>Switzerland's answer:</b>  Switzerland's investment promotion programme supports foreign companies, which may include SMEs from the green business sector, in setting up operations in Switzerland. The services include the provision of information on key location factors and conditions as well as on local business opportunities and research collaborations. This may also include measures and opportunities which contribute to the SDGs.</p>
WT/TPR/G/425 Page 13, paragraph 1.58	<p><b>Question 7:</b>  Would Switzerland remove tariffs on industrial products in her schedules of concessions under WTO? Moreover, could Switzerland provide the list of the industrial products on which the tariffs will be removed as of 1 January 2024?</p> <p><b>Switzerland's answer:</b>  Switzerland eliminates its applied tariffs for industrial goods. WTO bound tariffs (Switzerland's consolidated tariff schedules) are not altered.</p> <p>The lifting of industrial tariffs concerns all goods under Chapters 25–97 of the <a href="#">Harmonized</a> System (HS), with the exception of certain products under HS Chapters 35 and 38, that are classified as agricultural products in Switzerland:</p> <p>Exceptions concern the following tariff lines of the Swiss customs tariff: 3501.1010, 3501.1090, 3501.9011, 3501.9019, 3501.9091, 3501.9099, 3502.1110, 3502.1190, 3502.1910, 3502.1990, 3505.1010, 3505.1090, 3505.2010, 3506.9910, 3809.1010, 3823.1110, 3823.1210, 3823.1910, 3824.1010, 3824.9991, and 3825.9010.</p> <p>Moreover, fish and fish products (HS Chapter 3) are also not covered by the lifting of industrial tariffs.</p>
WT/TPR/S/425 Page 123, paragraph 4.44	<p><b>Question 8:</b>  Could Switzerland elaborate further about the "transitional payments". What are they and how are they relevant to agricultural measures?</p> <p><b>Switzerland's answer:</b>  Transitional payments (paid per farm) are intended to make the change to the new direct payments system (effective since 2014) socially acceptable. The payments are intended to compensate farmers, who receive less direct payments under the new system. These payments are scheduled to decrease gradually.</p>
WT/TPR/S/425 Page 72, paragraph 3.51	<p><b>Question 9:</b>  Could Switzerland elaborate further about the 1,176 tariff lines that Switzerland reserved the right to use the special agricultural safeguard under Article 5 of the Agreement on Agriculture?</p> <p><b>Switzerland's answer:</b>  Switzerland has reserved its right to invoke the Special Agricultural Safeguard in accordance with Art. 5 of the Agreement on Agriculture during the negotiation of its schedule of commitments in the Uruguay round.</p>



## 13 CHINA

### PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

#### Page 69, paragraph 3.44

As at the time of the previous Review, Switzerland and Liechtenstein continue to apply import prohibitions largely for reasons of security, health, and protection of the environment (Table 3.10).

#### **Question 1:**

*Please elaborate on the considerations and standards for setting import prohibitions related to environmental protection.*

#### **Switzerland's answer:**

*Switzerland bases its import prohibitions related to environmental protection on its international obligations, such as the CITES, the Minamata Convention. Additional information can be found in the Swiss Notification pursuant to the Decision on Notification Procedures for Quantitative Restrictions 2020-2022 in document G/MA/QR/N/CHE/3.*

#### Page 89, paragraph 3.113

In 2021, the association of Switzerland's cantonal chemists and Liechtenstein expressed concern that labelling of food products from online sellers was not satisfactory, with information missing on 78% of online shops. According to the Federal Law on Food Products, information available online should be identical to that figuring on the label of food sold physically.

#### **Question 2:**

*How does Switzerland deal with non-compliance with regulations for labelling of food sold online? Please provide information on relevant administrative measures.*

#### **Switzerland's answer:**

*In Switzerland, the same legal requirements apply to food sold online as to food sold on-site: With regard to the availability of information on foods offered online, Article 44 of the Ordinance on Foodstuffs and Utility Articles (Foodstuffs Ordinance) stipulates:*

*If pre-packaged foodstuffs are offered online, consumers must have access to the same information that is to be made available when they are dispensed on-site.*

*The following applies:*

- a. At the time of the offering of the goods, all details required by the food law shall be available and shall appear on the material supporting the distance selling transaction or be made available free of charge by other appropriate means which shall be clearly indicated, with the exception of the best-before date and the lot number.*
- b. All the details required by the food law shall be available at the time of delivery of the goods.*

*In case of non-compliance, the competent enforcement authority issues a complaint in accordance with Article 33 of the Foodstuffs Act, FSA (SR 817.0: <https://www.fedlex.admin.ch/eli/cc/2017/62/en>). Together with the complaint, the authority orders the measures necessary to restore legal conformity (in accordance with Art. 34 - 37 of the FSA ([https://www.fedlex.admin.ch/eli/cc/2017/62/en#art\\_34](https://www.fedlex.admin.ch/eli/cc/2017/62/en#art_34))). With regard to labelling of food sold online, this means in particular the adaptation of information contained on a website.*

#### Page 11, paragraph 19

Switzerland's regime of price surveillance and prevention of abusive pricing by public and private monopolies or enterprises with market power remained unchanged. Under the Law on Price Surveillance, the Price Supervisor is responsible for observing price developments and preventing abusive price increases or abusive price maintenance in any market where the price level is not the consequence of effective competition. At the federal level, Switzerland maintains



administrative prices for medicines, electricity, gas, water, basic telecommunications services, airport taxes, and notary services. Liechtenstein maintains price controls on public transport, telecommunications, postal and medical services, and drugs and medical equipment.

**Question 3:**

*Does Switzerland maintain administrative prices for traditional Chinese medicine?*

**Switzerland's answer:**

*In Switzerland are only the prices of medicines figuring on the "list of specialities" set by the state covered for payment by the health insurance funds. Since there are no corresponding medicines included in the list of specialties, there are no official prices for medicines of traditional Chinese medicine in Switzerland. Because so far, the Federal Office of Public Health has not received any applications for the inclusion of medicinal products of traditional Chinese medicine.*

**Question 4:**

*Does Liechtenstein maintain price controls on traditional Chinese medicine?*

**Page 83, paragraph 3.90**

The tobacco tax is levied in Switzerland and Liechtenstein on imported and domestically produced cigarettes, cigars, and other tobacco products.

**Question 5:**

*Please provide details on the tax rate policies for imported cigarette products and new tobacco products in Switzerland.*

**Switzerland's answer:**

*L'impôt sur le tabac pour les cigarettes importées ou produites en Suisse se monte à 11,832 centimes par pièce et à 25% du prix de vente au détail, mais au moins à 21,210 centimes par pièce. Les tabacs manufacturés destinés à être chauffés importés ou indigènes sont soumis à l'impôt sur le tabac à hauteur de 12% du prix de vente au détail. Toutes les cigarettes électroniques ne sont pas actuellement soumises à l'impôt.*

**Page 11, paragraph 15**

During the period under review, Switzerland and Liechtenstein implemented new reforms to comply with international standards on corporate income tax.

**Question 6:**

*Please elaborate on the main contents of the new reforms on corporate income tax in Switzerland and the specific situation of corporate income tax before and after the new reforms.*

**Switzerland's answer:**

*Switzerland used to offer privileged taxation for holding, domiciliary, and mixed companies (jointly denoted as status companies). Status companies were largely exempt from sub-federal corporate income taxes (but not from federal corporate income taxes), provided that they engaged in no or only limited business activities in Switzerland. These tax regimes lowered the companies' corporate income tax rate, depending on the canton, from around 20% to around 10%. The OECD has labelled these tax regimes as "harmful tax practices" under Action 5 of the Base Erosion and Profit Shifting (BEPS) project. Switzerland abolished them by 1 January 2020.*

*To counteract the implied tax increase resulting from the abolition of these tax privileges, the following internationally common tax relief measures were introduced. Note that all tax relief measures apply to cantonal taxation only. The federal corporate income taxes have remained unchanged.*

**Patent box**

*Corporate income derived from patents and comparable intellectual property rights can be partially exempt from corporate income taxes. Cantons are obliged by federal law to grant this tax relief. They can set the extent to which they provide relief for corporate income that qualifies for the patent box to no more than 90%.*

The patent box is based on current international standards. Hence, qualified income can benefit from the tax regime only to the extent that it is based on R&D carried out in Switzerland or by third parties abroad.

### **Additional deductions for R&D expenditures**

Cantons have the possibility to grant firms additional deductions for R&D expenditure of up to 50%. The measure is aimed at domestic research and development. For reasons of practicability, the additional deductibility shall be calculated based on labor expenditure only. To take into account other types of R&D expenditure, a 35% uplift is granted. That is, the expenditure eligible for additional deductions is R&D labor expenditure plus 35%.

### **Deduction for equity-financing (notional interest deduction, NID)**

Cantons can provide for a notional interest deduction (NID) provided that the effective corporate income tax burden in the cantonal capital is at least 18.03%. The NID is a deduction of imputed interest on so-called surplus equity capital. At the time of writing, only the canton of Zurich offers a deduction for corporate equity-financing.

### **Cantonal corporate tax rate reductions**

Most cantons lowered their corporate income tax rates to further counteract the tax increases implied by the abolition of the status company privileges. To cushion the shortfall in cantonal corporate tax revenue, the share of the federal corporate income tax which is retained by the cantons was increased from 17% to 21.2%. That is, for every Swiss franc that companies pay in federal income taxes, cantons retain 21.2 cents (instead of 17 cents) and transfer 78.8 cents (instead of 83 cents) to the confederation.

### **Relief restriction**

The total tax relief stemming from the aforementioned relief measures is limited to 70% of corporate income. Cantons can set a lower relief restriction. In other words, provided the cantonal relief restriction is X%, the corporate income tax base is the maximum of corporate income after tax relief and  $1 - X\%$  of corporate income before tax relief.

### **Additional measures**

#### **Dividend taxation and capital contribution principle**

- Increased dividend taxation to 70% for the Confederation and at least 50% for the cantons (cantons can also make provision for a higher level of taxation);
- Adjustments to the capital contribution principle – restriction of the tax-exempt distribution of capital contribution reserves.

### **CHF 2 billion additional funding for the HAVE**

The corporate tax reform was supplanted by additional funding of CHF 2 billion per year for the pay-as-you-go retirement system (AHV). The financial situation of the AHV is deteriorating because expenditure is rising faster than revenue. Of the additional revenue, the federal government contributes around CHF 800 million. The remaining CHF 1.2 billion stem from increased contribution rates ("social security contributions") by 0.3% (split half-half between employers and employees).

The overall 2020 effective statutory corporate income tax rate before the tax reform was between 12% and 24% and after reform between 12% and 22% respectively (depending on the company's location of corporate residence - cantonal capital - in Switzerland). Assuming that relief measures are applied up to the relief restriction the effective statutory corporate income tax rate is between 9% and 14%. Note that the afore-mentioned rates might change in the near future. The Federal Council plans to implement the effective minimum tax of 15% in accordance with Pillar 2 of the G20/OECD corporate tax reform as of 1 January 2024.

### **Page 12, paragraph 22**

Switzerland is one of the world's most innovative economies and a net exporter of intellectual property.

**Question 7:**

*Please provide details on the preferential tax policies and the implementation effects in encouraging enterprises innovation in Switzerland.*

**Switzerland's answer:**

*Corporate income derived from patents and comparable intellectual property rights can be partially exempt from corporate income taxes at the cantonal level. Cantons are obliged by federal law to grant this tax relief. They can set the extent to which they provide relief for corporate income that qualifies for the patent box to no more than 90%.*

*Cantons have the possibility to grant firms additional deductions for R&D expenditure of up to 50%. The measure is aimed at domestic research and development. For reasons of practicability, the additional deductibility shall be calculated based on labor expenditure only. To take into account other types of R&D expenditure, a 35% uplift is granted. That is, the expenditure eligible for additional deductions is R&D labor expenditure plus 35%.*

*At the federal level, Switzerland only allows the building of reserves for future R&D contracts with third parties, up to a maximum of 10% of taxable profits, but not exceeding CHF 1 million in total. Overall, Switzerland can be regarded as being competitive with regard to tax policies concerning enterprise innovation. However, this is primarily due to competitive overall corporate tax rates. Targeted R&D tax incentives, however, are modest by international comparison.*

**Page 12, paragraph 24**

In 2020, Switzerland updated its Nationally Determined Contribution under the Paris Agreement to commit to reduce greenhouse gas emissions by at least 50% by 2030, compared to 1990 levels, and to achieve climate neutrality by 2050. Following the rejection by the Swiss electorate in June 2021 of a comprehensive revision of the Swiss CO<sub>2</sub> Law, the Federal Assembly in December 2021 adopted a partial amendment to temporarily prolong some limited and unchallenged aspects of the CO<sub>2</sub> Law during the period 2022-2024. A new proposal for a comprehensive revision of the CO<sub>2</sub> Law to continue to reduce greenhouse gas submissions beyond this period is currently the subject of consultations.

**Page 12, paragraph 25**

In 2020, Liechtenstein adopted a new Energy Strategy 2030 and Energy Vision 2050, the purpose of which is to further increase the use of energy from renewable sources. Liechtenstein's CO<sub>2</sub> Law derives directly from the Swiss CO<sub>2</sub> Law but differs with respect to the allocation of the revenues from the CO<sub>2</sub> tax.

**Question 8:**

*Please elaborate on the provisions in the current CO<sub>2</sub> Law on the taxation of CO<sub>2</sub> and the allocation of related tax revenues in Switzerland and Liechtenstein.*

**Switzerland's answer:**

*Under the current CO<sub>2</sub> law, CO<sub>2</sub> taxation amounts to CHF 120 per Tonne of CO<sub>2</sub> in Switzerland. The CO<sub>2</sub> levy is imposed on all fossil thermal fuels (e.g. heating oil, natural gas); transport fuels are not covered. From 2022 it will be set at CHF 120 per tonne of CO<sub>2</sub>. The CO<sub>2</sub> levy is indicated on invoices for purchases of thermal fuels. Two thirds of the revenue from the levy is redistributed annually to the population and the economy regardless of the amount of energy consumed. One third (max. CHF 450 million) is invested in the buildings programme to promote CO<sub>2</sub>-effective measures such as energy-efficient renovations or renewable energies. Another CHF 25 million goes into the technology fund. More information is provided on the following website: CO<sub>2</sub> levy (admin.ch).*

*Unlike in Switzerland, the revenues from the CO<sub>2</sub> tax in Liechtenstein are not returned to the population, but only to the economy (see Page 83, paragraph 3.88 for more details).*

**PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT****Page 17, paragraph 1.92**

Switzerland participates actively in the negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS).

**Question 9:**

*Please elaborate on the efforts of Switzerland to cope with climate change, improve ecological environment protection, and promote sustainable development when actively participating in the negotiations on the ACCTS.*

**Switzerland's answer:**

*Switzerland, together with Costa Rica, Fiji, Iceland, New Zealand and Norway, is participating in the ACCTS negotiations. The aim of this initiative is to demonstrate how trade and environmental policy can support and complement each other, thus making a systemic contribution to the debate on trade and the environment. The opportunity to join the agreement will be open to all WTO Members.*

*The participants to the ACCTS negotiations are currently negotiating four substantive chapters. It includes 1) the removal of tariffs on environmental goods; 2) the establishment of new and binding commitments for environmental services and environmentally-related services; 3) the establishment of disciplines to eliminate harmful fossil fuel subsidies; and 4) the establishment of guidelines to inform the development and implementation of voluntary eco-labelling programs and mechanisms.*

*Switzerland is convinced that international trade policy can make an important contribution to climate and environmental challenges and the sustainable development of all countries. In this sense, Switzerland is not only participating in ACCTS negotiations but also actively supports the work of the CTE and the plurilateral environmental initiatives at the WTO.*

**Page 7, paragraph 1.23**

In general, the economic risks for the next few years are on the decline. Uncertainty remains very high, particularly in relation to how the pandemic might develop. Although there are increasing signs that the coronavirus is becoming endemic, which would mean the end of the pandemic, further waves of infection cannot be ruled out in the near future. Possible highly restrictive health measures would then have a serious impact on the recovery.

**Question 10:**

*Please elaborate on the contents of health measures taken in Switzerland related to traditional Chinese medicine.*

**Switzerland's answer:**

Switzerland has not taken any specific COVID-19 measures related to traditional Chinese medicine.

**PART III. OTHER QUESTIONS****Question 11:**

*Please provide details on the trade policies related to the import and export of tobacco machinery and equipment in Switzerland.*

**Switzerland's answer:**

*Switzerland has no trade policy related specifically to tobacco machinery and equipment.*

**14 EU****WT/TPR/S/425 – WTO Secretariat report****Page 10, paragraph 11**

In the Secretariat's report it is mentioned that tariff quotas apply to a number of agricultural products, comprising 3.7% of all tariff lines in 2021 down from 3.8% in 2016.

**Question 1:**

*Could Switzerland explain the reason for this decrease in the number of tariff lines?*

**Switzerland's answer:**

*The report of the Secretariat does not state that the number of tariff lines has decreased, but its proportion. The exact figures for 2016 are a proportion of  $316 / 8,299 = 3.81\%$  and for 2021 a proportion of  $320 / 8,525 = 3.75\%$ . The reduction of the proportion is related to the increase of 226 (+2.7%) tariff lines at the 8-digit level between 2016 (HS2012) and 2021 (HS2017).*

**Page 10, paragraph.11 ; Page 50, paragraph.2.45 and; Page 12, paragraph.23**

In the Secretariat's report it is mentioned that high tariffs prevail on agricultural products with tariffs ranging from 0% to 671.3%. Moreover, the WEF singled out Switzerland's trade regime as a key area where there is room for improvement, due to high trade barriers (in agriculture) and tariff complexity. Finally, in a 2017 referendum, the Swiss electorate adopted a new article on food security in the Swiss Constitution (Article 104a). The new article calls for a guarantee for sufficient food supplies for the Swiss population in the long term. This guarantee is based on both domestic production and imports, taking into account the entire value chain.

**Question 2:**

*Could Switzerland explain how such high and complex import tariffs help ensuring the guarantee of sufficient food supplies for the Swiss population, as provided by the new Article 104a on food security in the Federal Constitution?*

**Switzerland's answer:**

*Objectives for Switzerland's agricultural sector are defined by the Federal Constitution (Article 104). Those are manifold and cover, inter alia, several objectives linked to sustainable agricultural production, functioning of remote rural areas, biodiversity, landscape quality, animal-friendly production systems and quality level of food-stuff production. The Federal Constitution has recently been adapted to include a new article on food security to guarantee sufficient food supplies to the Swiss population in the long term based on both domestic production and imports, considering the entire value chain. In order to guarantee its national food security, Switzerland relies on a variety of different policies, including domestic support measures and tariffs in order to guarantee a reasonable level of domestic production.*

**Page 46, paragraph 2.34**

"Liechtenstein continues to maintain a Market Control and Surveillance Mechanism (MCSM) to comply with Swiss import requirements in cases where customs tariffs or non-tariff requirements are different in Switzerland and the EEA for certain products. This system ensures the parallel marketability of goods in Liechtenstein under Swiss and EEA rules, as required by Liechtenstein's membership in both the Customs Union with Switzerland and the EEA (Box 2.1). The institutional responsibilities and fines for infringing MCSM provisions that are part of this system are set by the Act on the Marketability of Goods (LR 947.1)."

**Question 3:**

*Since we assume that controls of final destination (either to Switzerland or Liechtenstein) of goods under their free movement within the Customs Union must be made on a random basis as a deterrent, can Switzerland provide data on how often sanctions are imposed?*

**Switzerland's answer:**

*The control is executed on the basis of the provided import declarations. So far, there have not been imposed any sanctions.*

*Due to the Bilateral Agreements between Switzerland and the EU, only very few EEA-products are derogating from the prescriptions of the Swiss Market. Furthermore, Economic Operators (EO) in Liechtenstein are very active in the Swiss Market, as it is extremely strong interlaced with Liechtenstein. It is also for that reason, that EO import goods corresponding to the prescriptions and requirements of the Swiss Market.*

**Page 48, paragraph 2.38**

"In May 2021, the Federal Council decided not to sign an institutional framework agreement with the European Union that would have established an institutional framework for five of the bilateral agreements in place. According to the authorities, the key areas of concern for Switzerland related to the Citizens' Rights Directive (CRD), with provisions on wage protection and state aid not producing the outcomes needed by the Swiss. For Switzerland to have incorporated the CRD into the Agreement on the Free Movement of Persons, exemptions would have been needed to ensure rights enjoyed by persons accorded freedom of movement would not be extended, since this would result in higher social security costs. This impasse has had an immediate impact on the pending update of the Switzerland-EU/EEA mutual recognition agreement with respect to medical devices (Section 3.3.2).<sup>55</sup> Moreover, negotiations ongoing at the time of Switzerland's previous Review in areas of the electricity market, public health, and food security have been stalled since 2018. In 2021 the European Commission decided to treat Switzerland as a non-associated third country in the EU 2021-2027 Framework Programme for Research and Innovation, Horizon Europe, and its related programmes and initiatives (the Euratom programme, the International Thermonuclear Experimental Reactor programme, and the Digital Europe Programme). This means that Switzerland can participate in a limited way in around two thirds of calls for proposals, with Switzerland providing funding of the participation of its research and innovation actors."

**Question 4:**

*How does Switzerland make sure that the measures enacted to address potential wage dumping by foreign services providers or detached workers do not hinder the provision of services disproportionately?*

**Switzerland's answer:**

*Since 2005, the number of notifiable cross-border service provision to Switzerland has tripled. On average, it has recorded an annual growth of 8% (excl. year 2020). The flanking measures have not slowed down this strong growth. The majority of cross-border service provision to Switzerland is from neighbouring countries (77%) (Germany, Italy, France, Austria).*

*Since their introduction, the flanking measures have been continuously developed to respond to the respective developments and emerging challenges. The various legal adjustments and numerous improvements in enforcement have made law enforcement more effective, efficient and risk-based. An important milestone in recent years was the Action Plan. It addressed an increased risk orientation of controls and a reduction of processing time. So that in recent years, the intensity and the amount of controls on posted workers has decreased (50% to 30%) although the rate of violations has remained the same.*

*In order to reduce the bureaucratic burden and the administrative hurdles of posting workers, an information platform and an online notification procedure were implemented (the latter is currently being optimized). A model process for the enforcement bodies was established, with the aim of harmonizing enforcement in the cantons.*

*In order to discuss and pragmatically solve problems arising from the cross-border provision of services, Switzerland is in close contact with our neighbouring countries Germany, Austria and France. Regular exchanges also take place with other EU member states. The solutions found in this context benefit all service providers from the EU Member States.*

**Question 5:**

*Are there any modifications planned concerning the sanctions regime for non-compliance with the conditions set for temporary services and the related exclusion lists?*

**Switzerland's answer:**

*The criticism that the sanctions and control costs were disproportionately high was addressed by means of sanction recommendations to the cantonal authorities and a de minimis recommendation. No further adjustments are currently being considered.*

**Page 51, paragraph 2.46**

Switzerland does not have a specific law governing investment and, so far, there is no investment screening mechanism in place. {...} On 25 August 2021, the Federal Council defined the parameters for the control of foreign investments. {...} The draft law is expected to be published for consultations at the end of March 2022, and following the consultation and redrafting processes, the revised draft law will be submitted to the Federal Assembly.

**Question 6:**

*What is the current state of affairs? Can you comment on the draft law? What is the expected/desired outcome of the procedure?*

**Switzerland's answer:**

*As the Federal Council has not yet launched the consultation on the corresponding draft law, it is not possible to provide detailed information on this project at the present time. The start of the public consultation is planned for May 2022. According to the parameters for the control of foreign investments set on 25 August 2021 by the Federal Council, the aim of investment control will be to avert possible threats to public order or security.*

**Page 59, paragraph 3.21**

Switzerland-Liechtenstein's tariffs schedule consists exclusively of specific duties that are generally based on gross weight.

**Question 7:**

*Does Switzerland consider adopting the ad valorem tariffs used by OECD countries in particular in light of the lack of predictability of the current system which consists of specific rates and of the fact that in some cases, for example under the GSP schemes, the ad valorem equivalent may be higher than the ad valorem equivalent of the MFN imports because imports from GSP recipients have lower unit prices than the MFN imports?*

**Switzerland's answer:**

*Switzerland does not foresee to adopt the ad valorem tariffs. Switzerland considers specific duties as transparent and offering the necessary predictability to ensure a smooth functioning of the import regime. An ad valorem regime will pose other challenges.*

**Page 64, paragraph 3.34**

As at the time of the previous Review, since ODCs are bound at zero and applied tariffs often equal the bound rates, it is possible that the sum of tariff and guarantee fund contributions may exceed Switzerland's bound commitments on several tariff lines.

**Question 8:**

*What measures does Switzerland take to avoid applied tariffs being above the bound rates? Could Switzerland provide more information on the consultations on new rules concerning reserve stocks for coffee and rice? In 2019, such consultations were started but apparently never led to a change in legislation.*

**Switzerland's answer:**

*In order to ensure that applied rates remain below bound rates, competent offices of the Swiss administration are systematically consulted whenever a policy instrument affects applied rates. In 2019, Switzerland launched a project to modify the compulsory reserve regime for coffee and rice. This project has not been finalised. Reflections on National Economic Supply are on-going and a revision of the legal basis is in preparation, following the COVID-19 crisis and a planned reorganization of the Federal Office for National Economic Supply.*

**Page 66, paragraph 3.39**

Paragraph 3.39, page 66: states that "under the customs union between Switzerland and Liechtenstein, all goods are freely traded between the two countries. However, they remain subject to the Market Control and Surveillance Mechanism (Section 2.3.2.3). The bilateral agreements between the European Union and Switzerland and the EEA Agreement (for Liechtenstein) provide for free trade in most non-agricultural products with a valid certificate of origin."

**Question 9:**

*Technical requirements for non-agricultural imports can lead to discrepancies of treatment within the Customs Union of Switzerland and Liechtenstein, given that through membership of the European Economic Area (EEA) Liechtenstein has full equivalence and mutual recognition with the EU whereas Switzerland as a European Free Trade Association (EFTA) member does not. How did the unilateral decision by the Swiss Government to abandon negotiations on a new bilateral relationship with the EU, which was based on the text of the Institutional Framework Agreement that had been discussed since 2014, impact this divergence between Switzerland and Liechtenstein?*

**Switzerland's answer:**

*With respect to technical regulations for industrial products, the relationship between Switzerland and the EU is governed by the Mutual Recognition Agreement (MRA). This Agreement remains in effect after the end of the negotiations on an institutional agreement. The Federal Council has since reiterated its commitment to preserve and even expand the existing bilateral agreements with the EU, including the MRA. Technical regulations for industrial products covered by the MRA are still fully equivalent with those of the EU, the EEA and Liechtenstein.*

**Page 76, paragraph 3.66**

"In April 2020, in response to the COVID-19 pandemic, SERV temporarily simplified its internal processes for applications for export transactions until the end of the Q1 2021. It also accepted applications for export transactions with a maximum risk duration of up to 24 months to EU Member States, Australia, Iceland, Japan, Canada, New Zealand, Norway, and the United States, which were declared temporarily "non-marketable" for private-sector providers. As indicated by the authorities, for these "non-marketable" risks, an insurance offer from SERV with premiums in line with the market is possible on an exceptional basis if the policyholder can submit two refusals from private export credit insurers."

**Question 10:**

*Can Switzerland confirm that its agricultural sector did not benefit from the 24-month risk duration in a way that would be a breach of the Nairobi Ministerial Decision on export competition?*

**Switzerland's answer:**

*Demand for SERV-coverage of export transactions in the agricultural sector is small and the few transactions that are supported are in compliance with the Nairobi Ministerial Decision.*

**Page 78, paragraph 3.73**

"The recent dynamic of more intense competition between cantons to attract more corporations through lower taxes and new incentives will likely be hindered by the future implementation of the international corporate tax agreement. In July 2021, a representative from the Swiss Government noted that the reform was not advantageous for the country, but that Switzerland could not prevent it from occurring. The OECD framework, agreed on in 2021, plans a minimum taxation rate of 15% for multinational enterprises whose annual revenues exceed EUR 750 million (approximately CHF 780 million). As the OECD also defines the tax base, all cantons could be affected by this change. The date of 1 January 2024 has been proposed by the Federal Council for implementation in Switzerland. In this context, potential measures proposed by the Government to maintain the attractiveness of the country for companies are a reform of the withholding tax, and the introduction of a tonnage tax. Under the Economic Transition Strategy COVID-19 established by the Federal Council in June 2021, the third phase on "revitalization" also details measures to strengthen the attractiveness of Switzerland as a business location."

**Question 11:**

*In this context, could Switzerland explain the impact of the referendum held on 13 February that rejected the bill on the abolition of the withholding and stamp duty taxes?*

**Switzerland's answer:**

*In the national referendum on 13 February 2022, the abolition of the issuance tax on equity was rejected with 62.7% of the votes. Thus, no change to the law enters into force, the issuance tax on equity remains in place. Please note that the "Amendment of the Withholding Tax Act (Strengthening the Bond Market)" was not the subject and part of this vote. However, a referendum against the*



reform was successfully launched. The national referendum will take place in September or November 2022.

**Question 12:**

Could you give a more precise assessment of the impact the new corporate income tax will have on Switzerland? How will the new OECD taxation framework be implemented in Switzerland? Will the proposed date of implementation be kept?

**Switzerland's answer:**

The Federal Council plans to amend the constitution to enable Switzerland to tax corporate income as a market jurisdiction (Pillar 1) and to ensure an effective tax rate of at least 15% for internationally operating companies (Pillar 2). Find the Federal Council's press release with the outline of the implementation plan on Pillar 2 here: <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-86783.html> (available in English). On Pillar 1, the so-called Multilateral Convention on the technical details is still being worked out in the bodies at the OECD and the Inclusive Framework. Thus, at the time of writing, the Federal Council has not yet crafted an implementation plan.

According to the Federal Council's implementation plan, cantons shall levy a top-up tax to ensure that an in-scope MNE reaches the minimum of 15% in Switzerland. Out-of scope companies (e.g. companies below the EUR 750 million revenue threshold) will not be affected by the reform. The Income Inclusion Rule and the Undertaxed Payment Rule (UTPR) are also part of the implementation plan. Based on the new constitutional provision a temporary ordinance will ensure that the minimum tax enters into force on 1 January 2024. Thereafter, legislation would be prepared without time pressure to replace the ordinance.

The public consultation procedure on the implementation plan started in March and ended in April 2022. Parliamentary deliberation is scheduled for the second half of 2022. The compulsory referendum on the constitutional amendment is planned for June 2023. Subsequently, the Federal Council will proceed to implement the 15% minimum tax by ordinance.

The financial impact cannot be reliably estimated. The data situation is limited and individual reform elements cannot be quantified. Initial rough estimates indicate short-term additional revenue of around CHF 1 - 2.5 billion. However, if Switzerland loses attractiveness as a business location, this additional revenue is not guaranteed in the medium and long term.

**Page 88, paragraph 3.110**

"Foodstuffs are in principle covered by the Cassis de Dijon principle but are subject to specific requirements, namely that foodstuffs fulfilling EU-EEA requirements but not Swiss requirements need to be authorized by the Federal Veterinary Office before being placed on the market."

**Question 13:**

Will the Swiss authorities dismantle the remaining exceptions that hamper the full use in Switzerland of the benefits deriving from the Cassis Dijon principle, as reflected in a report by the Swiss State Secretariat for Economic Affairs (SECO)?<sup>3</sup>

**Switzerland's answer:**

It was intended to facilitate the application of the Cassis Dijon principle for foodstuffs. However, the public consultation revealed further difficulties, so that the procedure for foodstuffs according to the Cassis Dijon principle – which is comparable to that in other EU member states – was retained.

**Page 92, paragraph 3.126**

"The specific label requirements for organic food are determined by the Federal Department of Economic Affairs, Education and Research (EAER), and are set in the Ordinance of 22 September 1997 on Organic Farming and the Labelling of Organically Produced Products and Foodstuffs (RS 910.18) as amended in 2021. Imported products may be labelled as organic if they

have been produced and prepared in accordance with rules equivalent to those detailed in the Ordinance and that production is subject to an inspection procedure also equivalent to that laid out in the Ordinance. A list of countries that are able to guarantee that their products meet these conditions was established by the FOAG. Since 2020, a "GMO free" label is available for food of animal origin, to help consumers make more informed choices. According to the Ordinance of 26 November 2003 on the Declaration of Agriculture Products From Non-Permitted Productions Methods in Switzerland (RS 916.51) as amended in 2020, food imports produced in a manner prohibited in Switzerland must be labelled as such. Food products destined for exportation that are not compliant with Swiss requirements must be clearly labelled as meant for exportation."

**Question 14:**

*Is Switzerland planning to legislate clear, non-discriminatory rules for the awarding of organic food labels or to create such a labelling system in its legislation?*

**Switzerland's answer:**

*Switzerland does neither intend to implement new legislation on organic labelling nor to put in place any kind of official logo or label for organic products. Furthermore, all issues regarding the current equivalency arrangement between Switzerland and the EU on organics are discussed in the relevant common working group on organic agriculture established in the framework of the Agricultural Agreement.*

**Question 15:**

*How does Switzerland plan to assure non-discrimination of imported baked goods due to the new labelling obligation, which supports the private establishment of Swiss labels that mostly exclude bakery and preliminary products from third countries?*

**Switzerland's answer:**

*Switzerland is aiming to find a regulation for a declaration of origin that allows consumers to identify the country of production of bakery products at any time, also for products sold over the counter.*

**Page 95, paragraph 3.141**

Paragraph 3.141, page 95 describes that between 2017 and 2020, COMCO opened 20 investigations concerning anti-competitive agreements or abuse of a dominant position. We are also aware of new investigations regarding abuse of dominant position in high-speed internet provision have been launched in 2021 against Swisscom.

**Question 16:**

*What were the outcomes of past investigations into Swisscom's potential abuse of the dominant market position? Do the investigations suffice to ensure adequate competition?*

**Switzerland's answer:**

*The new investigation regarding the abuse of dominant position against Swisscom addresses the construction of its fiber infrastructure. In 2020 Swisscom announced to change its strategy for the construction of its fiber infrastructure from a point-to-point network to a point-to-multipoint network. The investigation shall show if the restrictions of effective competition caused by this change of strategy can be justified by reasons of economic efficiency. In the past, Swisscom was sanctioned because of the application of a price-squeeze in the B2C and the B2B landline telecommunication market. In the last ten years, all decisions of COMCO against Swisscom were confirmed by the courts. Nevertheless, Swisscom did not fundamentally change its strategy in the market. This led to new investigations against Swisscom. The interventions of COMCO improve the competition situation. However, it appears that the interventions of COMCO in the past were not sufficient to ensure effective competition.*

**Page 95, paragraph 3.141**

A duopoly exists in the Swiss food retail distribution sector, as acknowledged also on the official government website ([https://www.eda.admin.ch/aboutswitzerland/en/home/wirtschaft/taetigkeitsgebiete/detailhandel.html#:~:text=Two%20cooperatives%2C%20Migros%20\(CHF%2027.7,of%20the%20Swiss%20retail%20market\)](https://www.eda.admin.ch/aboutswitzerland/en/home/wirtschaft/taetigkeitsgebiete/detailhandel.html#:~:text=Two%20cooperatives%2C%20Migros%20(CHF%2027.7,of%20the%20Swiss%20retail%20market))) of the Federal Department of Foreign Affairs (FDFA) (<https://www.eda.admin.ch/eda/en/fdfa.html>).

**Question 17:**

*Can Switzerland provide information on competition cases launched in Switzerland in the food retail distribution sector and, does Switzerland plan to take any measures to limit the impact of this extremely high market concentration on imports?*

**Switzerland's answer:**

*The COMCO and its Secretariat continuously monitor developments in the Swiss food retail sector and thus also the behaviour of the two largest food retailers, Migros and Coop, which was repeatedly the subject of our investigations and consultations:*

- *Within the framework of an investigation, the COMCO examined whether Coop was abusing a possible dominant position in the market with the CoopForte bonus of 0.5%, which it deducted from the invoice amount for its suppliers. In the course of the proceedings, however, it was possible to dispel the competition law concerns by means of an amicable settlement, so that the question of whether Coop held a dominant position and, if so, abused it by charging the CoopForte bonus, was left open.*
- *In a market observation in 2021, the Secretariat examined whether the retailer Migros had engaged in conduct that was inadmissible under cartel law in the context of price negotiations with its suppliers, but found no corresponding indications.*
- *Currently, a preliminary investigation is currently underway to examine possible abusive behaviour on the part of Coop regarding the payment processing of Coop's suppliers.*

*Moreover, various mergers in the food retail sector were examined and approved. In particular, Migros/Denner and Coop/Carrefour were approved with conditions after an in-depth examination. Under the existing Swiss Cartel Act, a merger can only be prohibited if it creates or strengthens a dominant position that could eliminate effective competition. Therefore, the introduction of the SIEC test in the Swiss Cartel Act is being discussed.*

**Page 99, paragraph 3.158**

"At the federal level, Switzerland has **five state-owned enterprises (SOEs) that are wholly or majority-owned by the Confederation**. They fall under the category of "market services" among the activities outsourced by the Federal Council. Each is managed by the Federal Council according to strategic objectives reviewed and renewed every four years. The five companies are RUAG Holding AG (operating in the aerospace and defence sector), the Swiss Federal Railways (SBB), Swiss Post, Skyguide (Swiss Air Navigation Services), and Swisscom (telecommunications). No recent data are available on companies majority-owned by cantons. According to a 2017 study, cantons held shares in more than 500 companies."

**Question 18:**

*How are the prices for the products and services offered by these SOEs fixed and do the Swiss authorities plan to privatize these companies?*

**Switzerland's answer:**

*The five companies are RUAG Holding AG (operating in the aerospace and defence sector), the Swiss Federal Railways (SBB), Swiss Post, Skyguide (Swiss Air Navigation Services), and Swisscom (telecommunications). Regarding RUAG and Swisscom the federal government only sets strategic goals, but has no direct influence on prices (see here for RUAG and here for Swisscom). Swiss Post has to set the prices of their services according to economic principles, taking into account the financing of the universal service (Article 47 Postal Service Act). Regarding the SBB, it is the SBB that set public transport fares in accordance with Article 15 of the Passenger Transport Act (PTA). In order to make direct travel available across the whole of the Swiss network (SBB but also other public transport companies), fares and tickets are not set by the individual transport companies but by the branch organization Alliance SwissPass. The 18 regional associations organize themselves separately for direct transport within their network (see also Federal Office of Transport FOT Fares (admin.ch)). Regarding Skyguide Article 3 of the ordinance on the air navigation service stipulates that the standards and recommendations of the International Civil Aviation Organization (ICAO) in Annexes 1-4, 6 and 7, 10-15, 17 and 19 to the Chicago Convention and the associated supplementary procedures are directly applicable to the provision of air navigation services and their charging arrangements. The Federal Council is currently seeking to privatize PostFinance. PostFinance is a subsidiary of Swiss Post.*

**Page 100, paragraph 3.160**

"E-commerce led to an increase in package shipments". If the revenue of a foreign supplier is under CHF 100,000 and the supplier is thus not VAT taxable in Switzerland, the suppression of the de minimis rule for VAT may have the following impact: invoices of less than CHF 65 (CHF 5 VAT at 8%) or of less than CHF 200 (CHF 5 VAT at reduced 2.5%) will face high custom procedures costs. This may be at the expense of e-commerce."

**Question 19:**

*Does Switzerland intend to introduce simplification measures to facilitate e-commerce, especially for micro-shipments ("Kleinstbestellungen") where VAT would be under CHF 5?*

**Switzerland's answer:**

Switzerland has already a simplified custom procedure for small consignments. Further information can be found here: Simplified customs declaration for small consignments using the ACee procedure (admin.ch) (<https://www.bazg.admin.ch/bazg/en/home/customs-declaration/declaration-companies/e-dec-import/simplified-customs-declaration-for-small-consignments-using-the-.html>). Other measures are currently not planned.

**Page 102, paragraph 3.168**

"At the federal level, Switzerland revised its Federal Law on Public Procurement and the implementing Federal Ordinance. Both the revised Law and the revised Ordinance entered into force on 1 January 2021. Besides implementing the GPA 2012, the objective of the revisions was to achieve greater harmonization between the federal and cantonal laws governing government procurement."

**Question 20:**

*Does Switzerland consider these new provisions to be compatible with its GPA obligations and if so, could Switzerland provide further details on the harmonization achieved?*

**Switzerland's answer:**

Both the revised federal law on government procurement and the revised intercantonal concordate on government procurement implement, among others, the revised GPA 2012 as well as Switzerland's obligations arising from other international agreements in the area of government procurement. Therefore, the respective provisions are fully compatible with GPA obligations. One major objective of the revision of the federal and cantonal legislation was to allow for harmonization among the (previously heterogeneous) cantonal procurement regimes on one side and between the federal and the cantonal level on the other side. Such harmonization is supposed to strengthen competition, to simplify and modernize public procurement procedures, to increase the legal security and to facilitate the application of public procurement law (both for procurement covered by international agreement and for procurement not covered by international agreements) throughout the national territory.

**Question 21:**

*Based on the new measures, what tools do the Swiss federal authorities have to ensure that canton legislation does not go against the international commitments by Switzerland, as was the case in Ticino?*

**Switzerland's answer:**

In the field of government procurement, the Swiss cantons enjoy autonomy and can enact their own legislation, while respecting the international obligations of Switzerland. It is understood that in case of divergences the primacy of international law applies. The representatives of the Confederation and the Cantons dealing with government procurement meet on regular basis within the Public Procurement Commission for the Confederation and the Cantons. The main task of such Commission is to ensure the consistent implementation of Switzerland's international commitments in the field of public procurement at all national levels.

**Page 102, paragraph 3.170**

"The main changes introduced in the revised Federal Law on Public Procurement concern the increased emphasis on quality and sustainability aspects in public procurement, the definition of

technical terms and the scope of application, the regulation of additional/subsequent procurement, the prevention of corruption, and the introduction of more flexible instruments such as dialogue, framework agreements, electronic procurement, electronic auctions, and shorter timelines. To ensure reasonable access to judicial review, the latter has been further expanded and is now available for complaints involving contract values of at least CHF 150,000 (for supplies and services) and CHF 2,000,000 for construction services."

**Question 22:**

*How does Switzerland plan to assure that companies do not misuse the new sustainability criteria in the public procurement law to promote the domestic economy and exclude third countries?*

**Switzerland's answer:**

*Switzerland's revised procurement legislation sets an economic use of public funds that has sustainable economic, ecological and social effects as one of its main objectives. Sustainable development is also explicitly mentioned as a possible awarding criteria, provided that it bears a direct relation to the object of procurement and is defined with sufficient clarity. It is understood that participation conditions and awarding criteria related to sustainability shall not, as any other condition or awarding criteria, have for purpose or effect to create unnecessary obstacles to trade and observe the principles of transparency, equal treatment and non-discrimination. Specific recommendations and guidelines on sustainable public procurement for contracting authorities explicitly reiterates such principles.*

**Page 103, paragraph 3.172**

"Under the Federal Law on Public Procurement, contracts are awarded to the supplier having submitted the most advantageous offer, except for standardized supplies for which the lowest price offer may be selected."

**Question 23:**

*Are there any monitoring instruments in place to analyze whether the integration of the different price level provision in the new Public Procurement Law is disadvantaging third countries through the so-called purchasing power differentiation?*

**Switzerland's answer:**

*According to the revised federal law on government procurement, the different price levels in the countries where the service is provided may be taken into account in the evaluation of tenders, provided that it is applied – like any other awarding criteria- taking into account Switzerland's international commitments, in particular the GPA. Since there is no experience on this issue, the Federal Office for Construction and Logistics as competent authority responsible for the implementation of the revised federal law is prepared to carry out a pilot project. However, it has not been possible to identify a suitable project so far.*

**Page 105, paragraph 3.177**

"Since the last Review in 2017, developments in IP have played an important role both in Switzerland's domestic legislative activity as well as in its international trade policy. Since 2017, the "Swissness legislation" strengthens the protection of the "Swiss Made" designation and the Swiss cross. It provides clear rules for the use of Swiss indications of source when used for marketing purposes, which in turn contributes to preventing wrongful use of the "Swiss Made" brand, ensuring its long-term value. In this context, besides the revision of the Federal Law on the Protection of Trademarks and Indications of Source and of the Federal Law on the Protection of Coats of Arms and other Public Signs, several ordinances were adopted to extend this regulation to watches, food products, cosmetics, and non-agricultural products. Similarly, on 1 April 2020, the Federal Law on Copyright and Related Rights was partially revised to adapt it to the latest technological developments and to make the fight against online piracy more effective."

**Question 24:**

*Could you provide a quantitative estimate on the effect on imports of inputs, especially as regards foods and beverages and the price levels after the extension of the "Swissness" rule to cover more products?*

**Switzerland's answer:**

*The "Swissness legislation" provides the rules for the use of Swiss indications of source for industrial and food products. It includes revised Federal laws and several ordinances.*

*Studies commissioned by the Federal Council confirm that the legal criteria for the long-term protection of "Swissness" fulfill their purpose. According to the Swiss businesses surveyed, the new legislation has a significant positive influence on the "Swissness" price premium. The companies estimate that the price premium would be around one quarter lower without the new legislation - due to misuse and corresponding loss of reputation. The calculated net macroeconomic benefit, i.e. after deducting the newly incurred costs for compliance with the legal requirements, is at least 0.2 percentage points of the Swiss GDP. In absolute terms, this corresponds to CHF 1.4 billion. For the most part, the new legislation has not caused companies to change their value chains. In this regard, only 6% to 10% report having implemented or are planning changes to their value chains. Overall, the effects on imports are hard to quantify on a macroeconomic level, also due to a lack of data. In addition, and with regard to foods and beverages, instruments such as tariffs as well as fluctuating exchange rates may have an impact.*

**Page 110, paragraph 3.195**

"Issues linked to the Internet and new technologies affecting copyright have occupied the Swiss legislative process. [...] led to the establishment of the "Working Group for the Optimization of Collective Management of Copyrights and Neighbouring Rights" to assess the need for revising the copyright legislation in response to the digital environment, with a particular focus on the need to curb online piracy [...]."

**Question 25:**

*Concerning enforcement in the digital environment, could Switzerland provide additional information on possible amendments to ISP liability provisions and improvement of the "notice and take-down procedure"? Do reforms tackle the issue of "right to information" for the identification of the infringer in the context of on-line piracy? Follow-up: Could Switzerland clarify whether civil enforcement is included in the legal basis relating to the right of information? Could Switzerland provide more information as to the regulation of "safe harbours" for ISP?*

**Switzerland's answer:**

*Swiss law does not provide for a specific liability regime for internet service providers (ISP), nor for specific "safe harbour" provisions. ISPs are subject to the general liability rules. They can thus be held liable for copyright infringements committed by their users.*

*Hosting providers usually react quickly to notifications from rights owners by taking down copyright-infringing content from their servers. The new stay down obligation complements the existing, self-regulated notice and take-down procedure, and specifically targets hosting providers that facilitate piracy. While Switzerland is open to reassess its NTD-system, there is currently no indication that the system needs improvement.*

*The right to information for the identification of the infringer, in the context of on-line piracy, has been confirmed in the last copyright law revision. Rights holders can assert civil claims either at the same time as criminal proceedings, or following the criminal proceedings, once the law enforcement authorities have identified the IP-address subscriber. According to the feedback from the interested circles, civil claims are sometimes asserted simultaneously during the criminal proceedings (see report of the Federal Council on the effectiveness of the amendments to the Copyright Act).*

**Page 111, paragraph 3.196**

The revised Swiss Copyright Act facilitates access to works, for example, through an index privilege, a regulation on the use of orphan works, and an exception for scientific purposes in relation to the use of text and data mining technologies. After seven years of legislative work, the Federal Assembly adopted on 27 September 2019 a revision of the Swiss copyright law.

**Question 26:**

*Could Switzerland specify whether the exception on T&DM mentioned in the Report or other exceptions are subject to compensation to the right-holders?*

**Switzerland's answer:**

*The aim of this provision is to bring legal certainty with respect to the use of text and data mining techniques. These techniques are employed to analyze the data contained in a work, not to use the*

*work per se. This data itself is not protected by copyright and thus cannot be taken into consideration for determining remuneration. Moreover, as researchers require lawful access to the works, rights holders are in a position to receive remuneration for the work itself. For this reason, the use of works pursuant to the provision on scientific research is not subject to remuneration.*

**Question 27:**

*What mechanisms under the 2019 Swiss law have copyright owners been able to utilize to protect their copyrighted works in the digital environment?*

**Switzerland's answer:**

*Swiss copyright law does not contain an exhaustive list of rights, but rather an all-encompassing protection: "The author has the exclusive right to decide whether, when and how his work is used." (Article 10 paragraph 1 of the Copyright Act). This protection is technologically neutral and allows copyright owners to prevent any unauthorized acts and seek legal redress in the digital environment as well.*

*The 2019 revision contains two measures to step up the fight against online piracy: a "stay down" obligation that specifically targets piracy platforms, and a piracy tracking regulation.*

*Recent feedback from the State prosecution offices and the rights holders indicates that there are hardly any enforcement actions in courts. Thus, the new measures seem to have the desired deterring effect on online copyright infringement. This finding is supported by the fact that the criticism of the rights holders regarding the enforcement possibilities has largely ended since the revision has come into force.*

**Page 119, paragraph 4.16**

Paragraph 4.16, page 119: Reads that Switzerland's applied MFN tariff on agricultural products (WTO definition) – based on ad valorem equivalents – averaged an estimated 25.4% in 2021, down from 30.8% in 2016. Meat and dairy products benefit from the highest levels of tariff protection. High MFN tariffs in import-competing sectors contrast with free trade in a range of products, such as cotton, where there is no or little domestic production.

**Question 28:**

*Could Switzerland explain more in detail the reason for this reduction in average import duties? Is it due to increased import prices, change in import mix, effects of new FTAs or other reasons?*

**Switzerland's answer:**

*Switzerland applies only specific duties. Ad valorem equivalents recognized by the Swiss government have been calculated for the purpose of the Doha Round market access negotiations only and therefore represent only a spot impression of the level of tariffs at a certain point in time. A profound analysis of tariffs cannot be undertaken by simple averages based on ad valorem equivalents. In general, changes in import prices and imported products, as well as new FTAs can be contributing factors.*

**Page 119, paragraph 4.17,**

There are about 500 tariff-protected products where import protection may not be necessary (e.g. 0704.9080 Non-headed kale), and approximately another 500 tariff lines where high or prohibitive tariffs are maintained mainly for historical reasons – these tariff peaks may offer scope for tariff cuts without compromising agricultural policy objectives.

**Question 29:**

*Is Switzerland planning to simplify those parts of the tariff allocation system that undermine the pursued commitments by tariff quotas to facilitate trade for certain products?*

**Switzerland's answer:**

*The tariff allocation system is regularly reviewed. Currently, there are no plans to implement changes to the tariff allocation system.*

**Page 121, paragraph 4.31**

Switzerland's WTO tariff-quota commitments cover 28 product categories. Some of them, including for dairy products and grains, are divided into sub-quotas.

**Question 30:**

*Does Switzerland consider merging certain sub quotas in the milk sector if they belong to the same category of products as was done for wine in 2001?*

**Switzerland's answer:**

*There are currently no intentions to merge sub quotas.*

**Page 121, paragraph 4.33**

Paragraph 4.33, page 121 explains the different allocation procedures for tariff quotas as follows:

"The predominant allocation procedures are on a first-come, first-served basis, auctioning, past imports, and prise en charge (under which the allocation of tariff quota is contingent upon local purchase), and unlimited access at the bound in-quota tariff. When domestic supplies are insufficient, the tariff quotas may also be increased autonomously, resulting in fill ratios greater than 100% (capped at 100%, Table A4.2). The FOAG publishes the tariff quota allocation on its website. The auction results (including accepted bids and the names of buyers) are also published on the FOAG website. The daily fill rates of first-come, first-served, "at the border" tariff quotas are published by the Federal Office for Customs and Border Security (FOCBS) (formerly known as the Federal Customs Administration)."

**Question 31:**

*Given that the auctioning system used for allotting the tariff quotas is especially harmful for the imports into Switzerland of certain products such as cured ham, do the Swiss authorities plan to change the current system (for example, in favour of a purely "first in, first served" basis?*

**Switzerland's answer:**

*The tariff administration system is regularly reviewed. Currently, there are no plans to implement changes to the tariff administration system. The auctioning method is an efficient, market-based and transparent procedure for the stakeholders. The utilization rate of the quotas concerned shows that the system works and does not represent a barrier to trade. Auctioning is also a fair distribution method. In particular, it allows, for example, smaller or new players to participate in the import regime according to their needs.*

**Page 121, paragraph 4.33**

According to the Secretariat's report as well as based on the WTO agricultural notifications (MA: 2 notification on tariff quota fill) when domestic supplies are insufficient, the tariff quotas may also be increased autonomously, resulting in fill ratios greater than 100%. The EU noticed that there are several quotas (e.g. TRQ 1, TRQ 2, TRQ 4, TRQ 5, TRQ 7, etc.) which are year after year over-filled, with percentages going up to 6.485% fill rate.

**Question 32:**

*Has Switzerland considered increasing the volumes of these tariff rate quotas permanently instead of yearly and autonomously opening for more volume? Could Switzerland specify at which moment in a year and for how long it decides to increase autonomously the quantity of a certain agricultural product that can enter their territory at lower, in-quota duty?*

**Switzerland's answer:**

*The quota system is a result of the Uruguay Round and has been very well used by operators since then. There are currently no plans to change the system i.e. by increasing the volumes of these tariff rate quotas permanently.*

*The Government monitors market conditions closely and has the authority to authorize imports beyond the consolidated tariff quota. In general, tariff quotas are autonomously increased, when the internal production together with the consolidated quantity of the quota is not sufficient to satisfy the internal demand. The autonomous increase applies until the end of the respective calendar year.*

**Page 121, paragraph 4.35**

In June 2021, the Federal Assembly decided to maintain the 2022-2025 financial envelope at the same level as under AP 2018-2021, totalling CHF 13,957 million. The expenditure ceiling for the measures to support the production base will amount to CHF 552 million, for the measures to



support production and marketing CHF 2,156 million, and for the allocation of direct payments CHF 11,249 million. Under AP 2022-2025, expenditures to improve the production base and social measures include direct support to farm investments, as well as general support for infrastructure improvement, social aid to farmers, breeding promotion, and advisory services. Production and marketing expenditures mainly support dairy producers via three types of payments: (i) for milk delivered for cheese processing; (ii) for milk production without silage feed; and (iii) for marketed milk (introduced in 2019) (Section 4.1.2.2). In addition, area payments apply to oilseeds, protein crops, grain (introduced in 2019), and sugar beet. Some expenditures under this heading also provide funds for general services to the sector, including marketing and product promotion. Public expenditures to farmers aim to meet the demand for, inter alia, food security, environment protection (landscape, biodiversity, sustainable use of resources), and animal welfare. These payments are subject to environmental cross-compliance conditions (Section 4.1.3.1). The last report on Swiss Agricultural Policy by the OECD (2021) and a 2020 report by Avenir Suisse highlighted several trade-distorting elements.

**Question 33:**

*Are Switzerland and Liechtenstein taking steps to reduce the most trade distorting elements of its agricultural support policy as highlighted by these reports? In particular, can Switzerland explain how it will prevent trade distortion in the wine sector stemming from a possible new obligation for Swiss restaurants to offer at least 50% Swiss wine and in light of the rising financial support for Swiss viticulture?*

**Switzerland's answer:**

*Within our agricultural policy framework for 2014-2017, subsequently extended to 2022, Switzerland continues to focus on the deregulation of agricultural markets as well as on improving our direct payment scheme in order to be more efficient and effective (e.g. continuation of environmental cross-compliance conditions, abolition of general area payments, reallocation of payments related to specific agricultural practices). Another step in the reform process was the abolition of all remaining export subsidies in 2019.*

*Switzerland has always been engaged to the continuation of the reform process following Article 20 of the WTO Agreement on Agriculture. In this context, Switzerland is ready to take its engagements, preferably in the scope of larger negotiating packets.*

*Discussions concerning future development of the Swiss agricultural policy are continuing.*

*With regard to the wine sector, there are no government plans to prescribe an obligation for Swiss restaurants to offer at least 50% Swiss wines. A respective proposal was furthermore rejected by parliament. The budget for the years 2022 to 2025 for wine production and marketing support has not been increased.*

**Page 126, paragraph 4.52**

Paragraph 4.52, page 126 states that "As an accompanying measure to the abolition of export subsidies under the "Schoggigesetz" (Chocolate Law), the Swiss authorities introduced an additional non-export linked aid for marketed milk (supplement for marketed milk) at the rate of 0.045 CHF/kg, as of 1 January 2019 (0.05 CHF/kg as of January 2022) for all producers of marketed milk in Switzerland. As stated by the Liechtenstein authorities, the same measure is in place for Liechtenstein milk producers."

Although the revised legislation formally includes the abolition of export subsidies as well as accompanying measures to preserve value creation and jobs in food production, 'hidden' export-side subsidies seem to have been implemented. The support payments seem to have been shifted from the export contributions budget to an agricultural fund from which food exporters can obtain payments, depending on the quantity and type of foodstuffs exported. The present support payments seem indeed to be financed by shifting the previous export contributions into the agricultural budget. The way it works seems to be that the State subsidizes every litre of milk a farmer produces with about 4.5 centime (5 centime from 2022). The processors of milk then take this contribution right back from the farmers and transfer it to a fund. Finally, food exporters have to register their products and report how much they export. They then receive money from the fund accordingly. A total of about CHF 95 million annually has been earmarked for this purpose by the government. This seems to be a state subsidy to the exports of Swiss food processing industry.

**Question 34:**

*Could Switzerland and Liechtenstein confirm whether our understanding is correct? Could Switzerland and Liechtenstein also explain why the new measure does not in their view amount to an export subsidy using a different financial structure as explained above?*

**Switzerland's answer:**

*Since 1 January 2019 Switzerland has eliminated all remaining export subsidies.*

*Producers of marketed milk and cereals are paid directly a fixed amount on the basis of the size of their crop fields for cereals and for milk on the basis of their output (per kilogram). Apart from general eligibility conditions, the government pays the contributions to the producers without any specific conditions and independently of exports of processed goods. Furthermore, the government is in no way involved in any promotional measures by the private sector.*

*Since 2019, the supplement for marketed milk is paid to all milk producers. In 2021, the total budget for the milk supplement was CHF 149.4 million. Until the end of 2021, the allowance was 4.5 cents per kilogram of marketed milk and was increased to 5 cents per kilogram as of 1 January 2022. Since 2019, the supplement for cereals is paid to all producers of cereal. In 2021, the amount of the grain supplement was CHF 124 per hectare, with a total budget of CHF 15.7 million. The total size of payments will vary from year-to-year depending on the actual total crop area and total milk output.*

**Page 126, paragraph 4.55**

Paragraph 4.55, page 126: explains that the Swiss interbranch organization for milk, l'Interprofession du Lait (IP Lait), continues to implement a standard milk delivery contract for its members. This contract contains various provisions regarding quantities and prices. However, the determination of prices and quantities remains a matter for the individual milk sellers and milk buyers. On 1 July 2013, the Federal Council decided to make the delivery contract compulsory for all milk producers including those outside IP Lait until 31 December 2017. The contract was subsequently extended to the end of 2021, and recently until 31 December 2025.

The pricing policy for raw milk deliveries is based on market segmentation. The "A segment" comprises domestic sales of milk products that benefit from tariff protection and domestic support (cheese subsidy). The "B segment" includes world market exports of skimmed-milk powder (milk protein) and domestic sales of butter (milk fat). The "unsupported C segment" comprises world market exports of butter and skimmed-milk powder. In 2020, 82.1% of milk deliveries were in the A segment, 17.1% in the B segment, and 0% in the C segment.

**Question 35:**

*This "support" has not been notified to the WTO. Does Switzerland intend to notify this measure as Market Price Support?*

**Switzerland's answer:**

*The determination of prices and quantities for milk is a matter between individual milk sellers and buyers, and there is no market price support measure by the Government that would need to be notified to the WTO.*

**Page 126, paragraph 4.56**

The pricing policy for raw milk deliveries is based on market segmentation. The "A segment" comprises domestic sales of milk products that benefit from tariff protection and domestic support (cheese subsidy). The "B segment" includes world market exports of skimmed-milk powder (milk protein) and domestic sales of butter (milk fat). The "unsupported C segment" comprises world market exports of butter and skimmed-milk powder. In 2020, 82.1% of milk deliveries were in the A segment, 17.1% in the B segment, and 0% in the C segment.

**Question 36:**

*What is the total production for the C-segment milk over the last three years?*

**Switzerland's answer:**

*In 2019-2021, no milk was produced in the C-segment.*

**Page 127, paragraph 4.59**

In 2019, 56% of the total crop premiums were allocated to sugar beets. The payment rate for sugar beets was temporarily increased from CHF 1,800 per hectare to CHF 2,100 per hectare and a minimum border protection of at least CHF 70 per tonne of sugar came into force for the period from 1 January 2019 to 30 September 2021. According to the authorities, the Federal Council decided on these temporary measures to enable the Swiss sugar industry to increase its competitiveness in view of the difficult situation on the sugar market, notably low sugar beet prices and new diseases. These temporary measures were also a response to Parliamentary Initiative No. 15,479, which proposes to adapt border protection to guarantee a minimum sugar price. In September 2021, the Federal Assembly extended the measures until 2026 and an additional premium of CHF 200 per hectare was put in place for organic or integrated sugar production.

**Question 37:**

*Could the Swiss authorities detail the reasons why the border protection of at least CHF 70 per tonne of sugar was prolonged until 2026? Moreover, could Switzerland provide clarification on what is the actual range (i.e. maximum amount) for this border protection measure, and details on the factors that are considered for the calculation of this amount?*

**Switzerland's answer:**

*The border protection for sugar results from the difference between EU and world market prices. In view of the low world market prices, Parliament decided to prolong the temporary continuation of the minimum border protection. The modalities for assessing border protection for sugar are regulated in Article 5 of the Agricultural Import Ordinance (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>). The maximum amount is the WTO bound rate of CHF 610 per tonne.*

**Page 160, paragraph 4.180,**

"Third, there were changes to the legal and regulatory framework regarding money laundering and financing of terrorism. These included a revision of the self-regulatory Code of Conduct on Due Diligence for Banks of the Swiss Bankers Association, a revision of the anti-money Laundering Ordinance, and the adoption by the Federal Assembly in March 2021 of amendments to the Anti-Money Laundering Law of 1997 that imposes special due diligence obligations on financial intermediaries. The revision of the Anti-Money Laundering Law includes, inter alia, amendments in relation to: (i) customer due diligence (CDD) (verification of the identity of the beneficial owner and measures to ensure that data collected under CDD process are kept up to date); (ii) the framework to report suspicious transactions to the Financial Intelligence Unit; and (iii) associations at risk of being abused for money laundering or terrorist financing."

**Question 38:**

*Switzerland recently amended its legal AML/CFT framework to bring it closer to international (FATF) standards. Are further legal initiatives foreseen in the near future to align the Swiss framework with international standards, in particular with regard to the sector of Designated Non-Financial Businesses and Professions?*

**Switzerland's answer:**

*As you are aware, the Federal Council had proposed to extend the AML/CFT Act to cover certain activities of DNFBPs linked with the creation, operation or management of legal persons or arrangements. The Parliament however rejected this proposal in the revision of the AML/CFT adopted in March 2021. That said this subject remains a priority. We plan to take it up again in a future revision of the AML/CFT Act to discuss it again at the Parliament. The exact timing and framework have not yet been determined, but discussions with the relevant DNFBPs are planned for this year in order to develop a joint proposal that could be acceptable for the Parliament.*

*The Swiss administration is also currently working on the implementation of the revised FATF-Recommendation 24 on transparency of legal persons. It is planned to submit implementation options to the Federal Council before the end of 2022, with a view to send a draft proposal to public consultation in 2023.*

**Page 167, paragraph 4.221**

"In September 2020, the Federal Assembly adopted the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (DLT), which is a blanket law that triggered adaptations in 10 different laws."

**Question 39:**

*Could you share Switzerland's experience with the introduction of DLT into its regulatory framework? Has Switzerland already implemented all the necessary ensuing adaptations?*

**Switzerland's answer:**

*Switzerland continuously assesses its regulatory framework as regards suitability for technological innovation while mitigating related risks. As regards virtual currencies, already in 2015 anti-money laundering legislation was amended to explicitly include virtual currencies. In the course of 2021, a package of legislative changes entered into force to make Swiss legislation suitable for DLT based applications and mitigate corresponding risks. The most important amendments include (i) introducing ledger-based securities in securities law, (ii) introducing a claim for surrender of crypto-based assets in bankruptcy law, (iii) introducing the DLT Trading Facility as new authorization category for multilateral trading of DLT securities in financial markets infrastructure law and (iv) amending anti-money laundering legislation for recent developments as regards digital currencies. Further, the Swiss Federal Council has adopted in early 2022 a report setting out the opportunities and risks identified in relation to the digitization of the financial market which, inter alia, sets the basis for further analysis of collective investment schemes legislation's suitability for the use of DLT.*

**Page 172, paragraph 4.253**

In 2019, Liechtenstein became the first country in the world to adopt comprehensive legislation on an emerging type of financial service providers, trustworthy technology ("TT") service providers.

**Question 40:**

*Could you share Liechtenstein's experience so far? Does the new, pioneering arrangement meet your initial expectations? What works well? What doesn't?*

**Page 174, paragraph 4.261**

"The legal regime for the provision of road transport services remained largely unchanged during the review period. The domestic conditions of establishment and operation are liberal. Established operators need to obtain a licence (other than a driving licence) to create a national road freight business (other than for transporting dangerous goods or goods for which sanitary assurances are required). These licences are granted based on technical, professional, and financial fitness and compliance with public safety requirements. The main regulatory change was the entry into force in January 2016 of new provisions of the Federal Law on Road Transport Undertakings 153 The key changes made by these provisions are the extension of the licensing requirement to vehicles of more than 3.5 tonnes (previously 6 tonnes) and the introduction of the term "transport manager". The authorities indicate that these new rules on the "transport manager" are equivalent to EU rules 154 In addition, the amendments created the legal basis for entering specific data in an electronic register to verify the reliability of a transport manager."

**Question 41:**

*In the framework of the licensing process for vehicles of more than 3.5 tonnes under the new provisions of the Federal Law on Road Transport Undertaking, could Switzerland explain what specific procedure and requirements operators need to fulfil in order to obtain a license? Could Switzerland explain whether the regime set by the new provisions treat Swiss and foreign operators in a similar way?*

**Switzerland's answer:**

*Equivalent to the EU rules Swiss operators need to fulfill the requirements of good repute, appropriate financial fitness and professional competence as well as establishment in Switzerland. The carrier has to submit the relevant documents to the Federal office of Transport (OFT). After examination and if it has been established that the carrier fulfills the requirements, the OFT issues the licence and certified copies. Since carriers need to be established in Switzerland to receive a*

*licence, foreign operators without establishment cannot receive a Swiss licence. But Switzerland accepts EU licences as equivalent to Swiss licences.*

**Page 176, paragraph 4.277**

"Two hundred sixty-six Swiss-registered vessels operate on the Rhine. There is no preferential treatment or regime for preferential treatment in relation to any vessels calling to the Ports of Switzerland in Basel, irrespective of their registration or other criteria. However, as passage through Basel requires special knowledge and skills due to very narrow bridges, depending on the water level, pilotage services or proof of route knowledge are mandatory depending on the size of the vessel."

**Question 42:**

*Could Switzerland explain whether pilotage services or proof of route knowledge are mandatory for all operators in a similar fashion and irrespective of their flag? Could Switzerland also give more information on the costs and the procedure linked to these pilotage services and the criteria used to assess the "proof of route knowledge"?*

**Switzerland's answer:**

*Between "Basel, Mittlere Rheinbrücke" and "unterer Schleusenvorhafen Augst", pilotage services are mandatory for all Rhine vessels longer than 110 meter, irrespective of their place of registration and thus also their flag.*

*It is the obligation of the master to acquire information about legal pilotage obligations in the respective area he enters. The disposition of the pilots is carried out by the district control centre. The corresponding fee is charged in accordance with the applicable fee tariff.*

*Proof of special route knowledge is required for all masters who navigate the section from "Basel, Mittlere Rheinbrücke" to "Rheinfelden". The special route knowledge is a measure to minimise risk when passing through the nautically demanding fairway in the Basel urban area (radius of bends in the Rhine current, varying water levels, bridges at close intervals, yaw cable ferries). This provision is independent of the vessel length and/or its place of registration/flag.*

*Proof of the required route knowledge on the High Rhine, analogous to the international CCNR Rhine between Iffezheim and Spyck'sche Fähr, must be provided on the basis of practical experience (certain number of route trips) as well as theoretical knowledge of the specific legal provisions of the section concerned.*

**WT/TPR/G/425 – Government report**

**Page 13, paragraph 1.59**

"On 1 January 2018, Switzerland embarked on the DaziT programme: a large-scale programme to transform its customs procedures. In order to facilitate trade and ease the burden on the economy, the DaziT programme provides for the systematic simplification and full digitalisation of all customs procedures by the end of 2026. New applications simplify, inter alia, the customs clearance of goods in tourist traffic and enable mobile payment of the flat-rate fee for heavy goods traffic. The successful implementation of DaziT requires close collaboration with national and international partners. Discussions with neighbouring countries' customs administrations and European authorities are under way to simplify and speed up border crossings."

**Question 43:**

*As regards the modernization of the Swiss Customs, the DaziT programme is aimed to provide for the full digitalization of all customs procedures. How will be the data protection issues connected with the full digital environment ensured and what are the measures planned in relation to the protection of personal data as regards the relevant customs processes with neighboring countries?*

**Switzerland's answer:**

*The DaziT transformation program has two pillars: (1) process simplification and digitalization and (2) organizational refinement. Both pillars of DaziT have implications for data protection. The DaziT transformation program is accompanied by a legislative process. The proposed legal act regulates data processing related to the digitalization of the customs procedures. The draft for the so-called Federal Office for Customs and Border Security Enforcement Tasks Act and the corresponding implementing ordinance for data processing contain detailed rules for the permissible processing of personal data. There will be a clear legal framework depicting for the different customs*

*procedures the purpose of data processing, the required personal data, the storage period and potential disclosures of the data, limits for the access to the data by employees of the Swiss customs and rules for the control of the data processing. Only data processing operations within this legal framework are lawful.*

### **EU (Follow-up question)**

#### **Page 92, paragraph 3.126**

"The specific label requirements for organic food are determined by the Federal Department of Economic Affairs, Education and Research (EAER), and are set in the Ordinance of 22 September 1997 on Organic Farming and the Labelling of Organically Produced Products and Foodstuffs (RS 910.18) as amended in 2021. Imported products may be labelled as organic if they have been produced and prepared in accordance with rules equivalent to those detailed in the Ordinance and that production is subject to an inspection procedure also equivalent to that laid out in the Ordinance. A list of countries that are able to guarantee that their products meet these conditions was established by the FOAG. Since 2020, a "GMO free" label is available for food of animal origin, to help consumers make more informed choices. According to the Ordinance of 26 November 2003 on the Declaration of Agriculture Products From Non-Permitted Productions Methods in Switzerland (RS 916.51) as amended in 2020, food imports produced in a manner prohibited in Switzerland must be labelled as such. Food products destined for exportation that are not compliant with Swiss requirements must be clearly labelled as meant for exportation."

#### **Question 15:**

*How does Switzerland plan to assure non-discrimination of imported baked goods due to the new labelling obligation, which supports the private establishment of Swiss labels that mostly exclude bakery and preliminary products from third countries?*

#### **Switzerland's answer:**

*Switzerland is aiming to find a regulation for a declaration of origin that allows consumers to identify the country of production of bakery products at any time, also for products sold over the counter.*

#### **Follow-Up to Question to 15:**

*Thank you for the explanation concerning the importance of a Swiss regulation for a declaration of origin. Has Switzerland already introduced any measures or is planning to introduce measures to ensure the non-discrimination of third-country bakery goods in the framework of such a regulation?*

#### **Switzerland's answer:**

*Switzerland has not introduced or is planning to introduce such measures since the planned regulation for a declaration of origin would be designed in a non-discriminatory manner.*

#### **Page 95, paragraph 3.141**

Paragraph 3.141, page 95 describes that between 2017 and 2020, COMCO opened 20 investigations concerning anti-competitive agreements or abuse of a dominant position. We are also aware of new investigations regarding abuse of dominant position in high-speed internet provision have been launched in 2021 against Swisscom.

#### **Question 16:**

*What were the outcomes of past investigations into Swisscom's potential abuse of the dominant market position? Do the investigations suffice to ensure adequate competition?*

#### **Switzerland's answer:**

*The new investigation regarding the abuse of dominant position against Swisscom addresses the construction of its fiber infrastructure. In 2020 Swisscom announced to change its strategy for the construction of its fiber infrastructure from a point-to-point network to a point-to-multipoint network. The investigation shall show if the restrictions of effective competition caused by this change of strategy can be justified by reasons of economic efficiency. In the past, Swisscom was sanctioned because of the application of a price-squeeze in the B2C and the B2B landline telecommunication market. In the last ten years, all decisions of COMCO against Swisscom were confirmed by the courts. Nevertheless, Swisscom did not fundamentally change its strategy in the market. This led to new investigations against Swisscom. The interventions of COMCO improve the competition*

situation. However, it appears that the interventions of COMCO in the past were not sufficient to ensure effective competition.

**Follow-Up to Question 16:**

*If you acknowledge that the interventions of COMCO do not appear to be sufficient to ensure effective competition, could you elaborate if there are any plans that would establish healthy competition, especially in the telecommunication sector (considering also the majority stake of the federation in Swisscom)?*

**Switzerland's answer:**

While it appears that the interventions of COMCO in the past have not been sufficient to ensure effective competition, COMCO continues to intervene where it is necessary in order to protect effective competition. In the new investigation, COMCO imposed interim measures which were upheld by the courts. Further, COMCO expects that a recent acquisition in the telecom sector will stimulate competition (<https://www.weko.admin.ch/weko/fr/home/medien/communiqués-de-presse/nsb-news.msg-id-76531.html>). As far as can be seen, there are no further legislative plans in the telecommunication sector.

**Page 126, paragraph 4.52**

Paragraph 4.52, page 126 states that "As an accompanying measure to the abolition of export subsidies under the "Schoggigesetz" (Chocolate Law), the Swiss authorities introduced an additional non-export linked aid for marketed milk (supplement for marketed milk) at the rate of CHF 0.045/kg, as of 1 January 2019 (0.05/kg as of January 2022) for all producers of marketed milk in Switzerland. As stated by the Liechtenstein authorities, the same measure is in place for Liechtenstein milk producers."

Although the revised legislation formally includes the abolition of export subsidies as well as accompanying measures to preserve value creation and jobs in food production, "hidden" export-side subsidies seem to have been implemented. The support payments seem to have been shifted from the export contributions budget to an agricultural fund from which food exporters can obtain payments, depending on the quantity and type of foodstuffs exported. The present support payments seem indeed to be financed by shifting the previous export contributions into the agricultural budget. The way it works seems to be that the State subsidizes every litre of milk a farmer produces with about 4.5 centime (5 centime from 2022). The processors of milk then take this contribution right back from the farmers and transfer it to a fund. Finally, food exporters have to register their products and report how much they export. They then receive money from the fund accordingly. A total of about CHF 95 million annually has been earmarked for this purpose by the government. This seems to be a State subsidy to the exports of Swiss food processing industry.

**Question 34:**

*Could Switzerland and Liechtenstein confirm whether our understanding is correct? Could Switzerland and Liechtenstein also explain why the new measure does not in their view amount to an export subsidy using a different financial structure as explained above?*

**Switzerland's answer:**

Since 1 January 2019 Switzerland has eliminated all remaining export subsidies.

Producers of marketed milk and cereals are paid directly a fixed amount on the basis of the size of their crop fields for cereals and for milk on the basis of their output (per kilogram). Apart from general eligibility conditions, the government pays the contributions to the producers without any specific conditions and independently of exports of processed goods. Furthermore, the government is in no way involved in any promotional measures by the private sector.

Since 2019, the supplement for marketed milk is paid to all milk producers. In 2021, the total budget for the milk supplement was CHF 149.4 million. Until the end of 2021, the allowance was 4.5 cents per kilogram of marketed milk and was increased to 5 cents per kilogram as of 1 January 2022. Since 2019, the supplement for cereals is paid to all producers of cereal. In 2021, the amount of the grain supplement was CHF 124 per hectare, with a total budget of CHF 15.7 million. The total size of payments will vary from year-to-year depending on the actual total crop area and total milk output.

**Follow-Up to Question 34:**

As to our understanding, Switzerland publicly finances all producers of milk with 0.05/kg independently from their activity as an exporter. Meanwhile, processors of the milk products

contribute the same amount to an agricultural fund (80% raw material cheapening, 20% regulation) managed by the private milk sector organization. Hence, the agricultural fund supports the reduction of raw material costs only for milk exporters. Both the public support for all milk producers and the private agricultural fund for exporters are managed by the same trust company (TSM).

Could Switzerland confirm the correctness of the aforementioned mechanisms? Could Switzerland explain whether they are aware of any direct financial flows between the producers of milk and the processors of milk equalling the amount of the general public support (possibly also in relation or under management of the common trust company) or whether producers of milk have reduced the prices of their products equalling to the amount of received public support? How does Switzerland assure that the public support for milk producers is not intermingled with the private agricultural fund as both are managed by the same trust company?

**Switzerland's answer:**

The Federal Office for Agriculture (FOAG) pays the supplement for marketed milk directly to all milk producers on a monthly basis. The administrative body provides the data on the marketed milk volume per producer required for the payment. This is currently the TSM Treuhand GmbH, which has a respective mandate from the FOAG. Thus, TSM does not manage the public support. The government is not involved in any promotional measures by the private sector. Any such measure is administered purely under private law.

**Page 127, paragraph 4.59**

In 2019, 56% of the total crop premiums were allocated to sugar beets. The payment rate for sugar beets was temporarily increased from CHF 1,800/ha to CHF 2,100/ha and a minimum border protection of at least CHF 70 per tonne of sugar came into force for the period from 1 January 2019 to 30 September 2021. According to the authorities, the Federal Council decided on these temporary measures to enable the Swiss sugar industry to increase its competitiveness in view of the difficult situation on the sugar market, notably low sugar beet prices and new diseases. These temporary measures were also a response to Parliamentary Initiative No. 15,479, which proposes to adapt border protection to guarantee a minimum sugar price. In September 2021, the Federal Assembly extended the measures until 2026 and an additional premium of CHF 200 per hectare was put in place for organic or integrated sugar production.

**Question 37:**

Could the Swiss authorities detail the reasons why the border protection of at least CHF 70 per tonne of sugar was prolonged until 2026? Moreover, could Switzerland provide clarification on what is the actual range (i.e. maximum amount) for this border protection measure, and details on the factors that are considered for the calculation of this amount?

**Switzerland's answer:**

The border protection for sugar results from the difference between EU and world market prices. In view of the low world market prices, Parliament decided to prolong the temporary continuation of the minimum border protection. The modalities for assessing border protection for sugar are regulated in Article 5 of the Agricultural Import Ordinance (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>). The maximum amount is the WTO bound rate of CHF 610/t.

**Follow up to Question 37:**

In their reply, the Swiss authorities indicate that "In view of the low world market prices, Parliament decided to prolong the temporary continuation of the minimum border protection."

Is the border protection applied to sugar imports from the EU when EU prices are above the world market prices OR when EU prices are below world market prices?

**Switzerland's answer:**

The minimum border protection is levied regardless of EU and world market prices. The tariff is fixed at CHF 7/100 kg.

What happens with the border protection (i.e. adjusted upward, downward) when the EU prices are higher than the world market prices "majorés des droits de douane et des contributions au fonds de garantie", as indicated in Article 5 of the Agricultural Import Ordinance?



**Switzerland's answer:**

The price of imported sugar, including border protection and guarantee fund contributions, is set according to the Agricultural Import Ordinance so that it corresponds to the EU price. If this price is within a certain range, there is no adjustment of border protection. The range is exceeded if prices deviate more than CHF 3/100 kg upwards or downwards from EU prices, thus border protection is adjusted respectively. Until 2026, the minimum border protection together with the guarantee fund contributions amounts to CHF 7/100 kg (see Article 5, RS 916.01 Ordonnance sur les importations agricoles, OIAgr, <https://www.fedlex.admin.ch/eli/cc/2011/770/fr>).

Is the border protection applied to sugar imports from the EU when the EU prices are higher than the world market prices "majorés des droits de douane et des contributions au fonds de garantie"? If yes, why?

**Switzerland's answer:**

Border protection is applied to all imports regardless of origin, except those under the Preferential Tariff ordinance. Importers are free to choose the origin.

In their reply the Swiss authorities indicate "The border protection for sugar results from the difference between EU and world market prices." Is the border protection applied even when the difference between EU prices and "les prix du sucre importé, majorés des droits de douane et des contributions au fonds de garantie" is below CHF 70 per tonne of sugar?

**Switzerland's answer:**

Yes, minimum border protection is also applied if the difference between EU market and world market price is less than CHF 70 per tonne.

Under which conditions would the border protection be suspended for the sugar imports from the EU according to the rules currently in force ?

**Switzerland's answer:**

The minimum border protection will be applied until the end of 2026 according to the current law. There are no exceptions foreseen.

Is the amount of the border protection amount published? Where can the amount currently applicable be found?

**Switzerland's answer:**

The minimum border protection is CHF 7/100 kg until 2026 (see Article 5, RS 916.01 Ordonnance sur les importations agricoles, OIAgr, <https://www.fedlex.admin.ch/eli/cc/2011/770/fr>). The réservesuisse cooperative publishes the guarantee fund contributions here <https://www.reservesuisse.ch/tariffs-of-the-guarantee-fund-contributions/?lang=en>.

Is the procedure for the calculation of the amount of the border protection (in accordance with Article 5 of the Agricultural Import Ordinance) by OFAG published? If published, where it can be found? If not published, how is the transparency of the calculation of the amount of the border protection by OFAG ensured?

**Switzerland's answer:**

The calculation of the border protection is not published.

## 15 COSTA RICA

### Informe de Suiza

#### Página 14, párrafo 1.59

1.59. El 1 de enero de 2018, Suiza puso en marcha un importante programa para transformar los procedimientos aduaneros, el programa DaziT. Para facilitar los intercambios comerciales y reducir las cargas, el programa DaziT prevé la simplificación sistemática y la digitalización plena de todos los procedimientos aduaneros de aquí a finales de 2026. Las nuevas aplicaciones simplifican, entre otras cosas, el despacho de mercancías en el tráfico turístico y permiten el pago por móvil del derecho fijo aplicado a los vehículos pesados. Para que el programa DaziT pueda aplicarse con éxito es necesario que exista una estrecha colaboración con los interlocutores nacionales e internacionales. Se están manteniendo conversaciones con las administraciones aduaneras de los países vecinos y con las autoridades europeas para simplificar y agilizar los cruces de frontera.

#### Question 1:

- Suiza implementa, a partir del 1 de enero de 2018, el programa DaziT para la transformación de los procesos aduaneros. ¿Se enmarca este programa dentro de los compromisos asumidos para la implementación del AFC, y cuál ha sido su hoja de ruta?
- Con respecto a la simplificación sistemática y digitalización de los procedimientos aduaneros, ¿podría Suiza por favor detallar cuáles acciones se han llevado a cabo hasta el momento y cuáles están pendientes de implementarse?

#### Switzerland's answer:

*Partie 1: La simplification systématique et la numérisation intégrale des processus de l'OFDF ont officiellement débuté avec le lancement du programme DaziT le 1<sup>er</sup> janvier 2018 et se poursuivront jusqu'à la fin 2026. L'OFDF recourt à des méthodes agiles pour la mise en œuvre du programme DaziT. Depuis 2019, il utilise le modèle-cadre SAFE pour la coordination générale. Les principaux jalons de mise en œuvre sont publiés sur le site internet de l'OFDF: <https://www.bazg.admin.ch/bazg/fr/home/themes/dazit/zeitplan.html>.*

#### Partie 2:

- Au cours des quatre premières années du programme DaziT (2018-2021), l'OFDF a pu mettre en service une vingtaine d'applications et de services informatiques de base.
- De nouvelles apps pour smartphone permettent un dédouanement numérique des marchandises dans le trafic touristique (QuickZoll (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-particuliers/declarer-des-marchandises/importation-en-suisse/anmelden-per-app.html>)), un acquittement par voie mobile de la redevance forfaitaire sur le trafic des poids lourds (Via (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-entreprises/transport--document-de-voyage--redevances-routieres/redevances-sur-le-traffic-des-poids-lourds--rplp-et-rplf-rplf-pour-vehicules-immatricules-a-l-etranger/via.html>)) ainsi qu'une activation automatique de la déclaration en douane lors du passage de la frontière (Activ (<https://www.bazg.admin.ch/bazg/fr/home/declaration-en-douane/declaration-pour-entreprises/activ.html>) et Periodic (<https://www.bazg.admin.ch/bazg/fr/home/declaration-en-douane/declaration-pour-entreprises/periodic.html>)). En outre, des applications utilisées à l'interne permettent au personnel de l'OFDF d'effectuer des interrogations de contrôle plus efficaces, d'encaisser des recettes de façon mobile et d'annoncer l'entrée en service et la fin de celui-ci au moyen d'un smartphone. La sécurité et l'efficacité des engagements s'en trouvent ainsi considérablement renforcées. Les services numériques de l'OFDF sont mis en ligne sur l'ePortal (<https://eportal.admin.ch/start>) par étapes. L'enregistrement et la gestion des administrateurs sont fondés sur le principe du libre-service (selfcare) et sont donc accessibles partout et en tout temps. Grâce à DaziT, les données de base sont désormais saisies dans une plateforme centrale (SAP MDG).
- Dans le trafic des marchandises de commerce, les premières composantes du nouveau système de gestion des marchandises "Passar" ont été implémentées. Les applications E-Begleitdokument et E-Com (<https://www.bazg.admin.ch/bazg/fr/home/declaration-en-douane/declaration-pour-entreprises/e-begleitdokument.html>) ainsi que Chartera Output (<https://www.bazg.admin.ch/bazg/fr/home/declaration-en-douane/declaration-pour-entreprises/chartera-output.html>) permettent d'interagir sans contact avec la douane. A l'automne 2021, l'OFDF a été la première autorité douanière en Europe à tester l'utilisation

de la télématique (<https://www.bazg.admin.ch/bazg/fr/home/actualites/forumd/nah-dran/telematik0.html>) en vue d'une activation entièrement automatisée des déclarations en douane à la frontière. Il recourt pour cela aux interfaces existantes des systèmes de gestion de la flotte.

- La numérisation de la perception d'autres redevances progresse également. L'imposition de la bière (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-entreprises/impots-et-redevances/importation-en-suisse/redevances-sur-l-alcool-et-tea/impot-sur-la-biere.html>) est, grâce à Biera (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-entreprises/impots-et-redevances/importation-en-suisse/redevances-sur-l-alcool-et-tea/impot-sur-la-biere.html>), presque entièrement informatisée. Le raccordement de la Suisse au service européen de télépéage SET (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-entreprises/transport--document-de-voyage--redevances-routieres/redevances-sur-le-traffic-des-poids-lourds--rplp-et-rplf/rplf---vehicules-immatricules-a-l-etranger.html>) constitue la première étape du renouvellement complet du système de saisie RPLP. L'automatisation progressive de la perception des redevances sur la circulation contribue de manière décisive à accélérer le passage de la frontière.
- La participation au système européen Import Control System 2 (<https://www.bazg.admin.ch/bazg/fr/home/actualites/forumd/fuer-fachleute/ics2-fragen-und-antworten-aus-schweizer-sicht.html>) améliore quant à elle l'analyse des risques. En effet, avec l'introduction d'ICS2 dans le trafic postal, les données douanières concernant le commerce en ligne sont transmises dès l'envoi depuis des pays tiers.

Les applications principales seront mises en service entre 2022 et 2025:

- Le nouveau système de gestion du trafic des marchandises Passar (2023/2025);
- Le nouveau système de contrôle aux frontières et les derniers développements de l'acquis de Schengen et de Dublin (2022/2023);
- La nouvelle génération du système de saisie RPLP pour les poids lourds indigènes (2024).

**16 JAPAN****Report by the Secretariat (WT/TPR/S/425)****4 TRADE POLICY BY SECTOR****4.4 Service****4.4.1.1 Switzerland****Question 1:****Pages 147-150, paragraph 4.141**

*According to the Report, "the provision of value-added services with Swiss numbers is now conditioned by the localization of the headquarters in Switzerland." Japan would like to hear Switzerland's view on how Switzerland ensures the consistency of this condition with its commitments in Enhanced/Value-added Telecommunications services, where MA and NT are largely committed for Mode 1.*

**Switzerland's answer:**

*The area of value-added services has unfortunately experienced a very high level of abuse in Switzerland in the past. This was to the disadvantage of consumers and to the detriment of the Swiss telecommunications market, as confidence in this market suffered greatly at times. The new regulation aims to limit this substantial abuse, which has unfortunately taken place in the past. Unfortunately, providers who were very much to the benefit of consumers and the telecommunications market in Switzerland also suffered from these negative effects. It was essential to offer legal certainty in the area of value-added services to all providers in the Swiss market and also to consumers. A general decline in the supply of such services due to the new condition could not be detected. The suppliers found economically viable solutions to continue operating profitably in the Swiss market.*

## 17 PHILIPPINES

### PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

#### I. ECONOMIC ENVIRONMENT

##### Page 24, paragraph 1.26

Openness and fair competition are also leverages for productivity. One of Switzerland's main strengths is its high level of productivity and innovation. Over the review period, Switzerland maintained its ranking as the most innovative country in the world from the Global Innovation Index, and tertiary attainment has continued to grow. According to the International Labour Organization, Switzerland ranks 8<sup>th</sup> worldwide for labour productivity. However, low productivity growth is perceived as a source of concern. For the period 2010-2018, Switzerland's rank on labour productivity growth was 25<sup>th</sup> out of 36 member States examined by the OECD. The 2019 Report of the Federal Council on the Swiss Economy noted that other countries have been catching up on productivity while the contribution of labour productivity to growth has diminished. The association of research-based pharmaceutical companies in Switzerland echoed this concern in its 2021 report, acknowledging that while labour productivity in the pharmaceutical industry has increased substantially in the past 25 years, other countries were becoming stronger competitors. According to the report, the COVID-19 pandemic will increase competition even further. In February 2022, the Federal Council's report on strengthening the Swiss economic position noted that measures taken to foster a dynamic competition in the domestic market should increase Swiss companies' productivity growth.

##### **Question 1:**

*Could Switzerland elaborate on its proactive initiatives on adaptation to digitalization under the Digital Switzerland Strategy, as it relates to addressing the low productivity growth of the country?*

##### **Switzerland's answer:**

*Switzerland has been accompanying digitalization with its horizontal umbrella strategy "Digital Switzerland" for many years. The strategy contains an action plan with around 160 measures. Current top priorities are environmental aspects as well as challenges related to data policy. The Swiss strategy is based on a multi-stakeholder approach (inclusion of the economy, science and civil society) and is updated regularly. The implementation of the strategy is currently coordinated by a high-ranking interdepartmental committee.*

*Switzerland is focusing primarily on creating optimal framework conditions for various types of business models, including the digital economy. In connection with digitisation, we do not provide targeted subsidies for industries and/or technologies. In order for the economic potential of digitisation to be fully exploited, we think that particular attention must be paid to the framework conditions in the following areas: Education and further education (digital skills etc.), the research environment, data protection (legal security), cyber risks and efficient and secure ICT infrastructures (e.g. telecommunication and electricity). In addition, Switzerland is committed to making all necessary legislative adjustments to allow digital business models to flourish (e.g. Fintech). Finally, Switzerland is striving to further expand digital government services.*

##### **Question 2:**

*What are the reasons for Switzerland's low productivity growth? Please share information on the Government's plan to address these problems.*

##### **Switzerland's answer:**

*There are several potential reasons for Switzerland's comparatively low productivity growth. First of all, the level of labour productivity is already very high and the economy is very capital intensive, which makes further high growth rates difficult. More policy relevant is however, that the domestically oriented sectors show below-average productivity growth, while the export-oriented sectors continue to have strong growth. For this reason, reforms in Switzerland aim, where possible, to create a dynamic competitive environment through appropriate framework conditions. A wide variety of projects contribute to this. On 16 February 2022 the Federal Council submitted a report summarizing the major projects (available in French, German and Italian here (<https://www.admin.ch/gov/fr/accueil/documentation/communiques.msg-id-87208.html>)). Key*

projects to mention are the message regarding a Business Relief Act (<https://www.seco.admin.ch/seco/fr/home/seco/nsb-news.msg-id-83285.html>), which will anchor important principles for good regulatory activity in the law so that the administrative burden of new regulations is minimised. Furthermore the Federal Council intends to revise the cartel act in order to modernise the merger control. By changing from the current and permissive qualified market dominance test to the significant impediment to effective competition test (SIEC test), the standard of review of the Competition Commission (ComCo) is to be adapted to international practice. This means that in future mergers that significantly impede competition can be addressed and not only those that completely eliminate competition. Various projects are dedicated to improve the conditions for a productivity enhancing digitalization. The Federal Council intends for instance to submit consultation proposals on the introduction of a digital ID (<https://www.bj.admin.ch/bj/fr/home/staat/gesetzgebung/staatliche-e-id.html>), which would facilitate digital identification procedures for business but for exchange between private actors and government as well. Regarding the digitalisation of government services, the transformation programme to digitalize and simplify customs procedures (<https://www.bazg.admin.ch/bazg/en/home/topics/dazit.html>) is also a high priority for the Federal Council.

### **Page 26, paragraph 1.31**

In January 2021, the Government unveiled its long-term policy strategy on climate change to be carbon neutral by 2050. It notably aims at reducing carbon emissions along entire value chains in Switzerland but also taking into consideration goods and services imported, applying the principle of circular economy to the extent possible. Three quarters of the total Switzerland carbon footprint is created abroad. The Government thus promotes sustainability provisions in free trade agreements. After the rejection of the revised CO2 Act by popular vote in 2021, the Government submitted a new proposal on 17 December 2021 to meet the objectives of its long-term climate strategy (Section 4.2.2.1.3).

#### **Question 3:**

*Could Switzerland and Liechtenstein elaborate on plans to achieve its climate change targets?*

#### **Switzerland's answer:**

The legal basis for Switzerland's climate policy is the CO2 Act. Following the rejection of the revision of the CO2-Act in June 2021, the Federal Council opened the consultation on a new proposal for a revision of the CO2 Act for the period from 2025 to 2030 in December 2021. Its purpose is to halve greenhouse gas emissions by 2030 and thus achieve the 2030 climate target. For the period after 2030, a new revision of the CO2-Act will be required. The Federal Council decided in August 2019 that Switzerland should aim for net zero greenhouse gas emissions by 2050. The net zero target is also the subject of the Glacier Initiative submitted in November 2019. The Federal Council has made a direct counter-proposal in response to the initiative and submitted the corresponding message to parliament on the 11 August 2021. In the meantime, Parliament has decided to elaborate an indirect counter-proposal, i.e. not an amendment to the Constitution, but an amendment to the act in question, or (as in this case) even a new act. Discussions in Parliament are currently on-going.

#### **Question 4:**

*Please share details on the sustainability provisions in Switzerland' FTAs, particularly specific commitments by governments and businesses.*

#### **Switzerland's answer:**

A full description of Switzerland's provisions on trade and sustainable development in FTAs is available under the following

webpage: [https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/nachhaltigkeit.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/nachhaltigkeit.html).

#### **Question 5:**

*How is the government's policy strategy different/similar to the EU Green Deal policy?*

#### **Switzerland's answer:**

Switzerland's targets and the targets of the EU Green Deal are similar. Both aim for net-zero greenhouse gas emissions in 2050. Switzerland's ETS is linked with the EU-ETS, and the

*CO2-regulations for new vehicles (CO2 regulations for vehicles (admin.ch)), introduced in 2012, follow the regulations in the EU. These measures contribute to reaching the targets for 2030. However, Switzerland has not yet detailed the measures to reach the 2050 target. A detailed comparison is therefore not possible at this point. Given the close relations between Switzerland and the EU, it is likely that measures will continue to be aligned and coordinated whenever possible, especially in trade-intensive sectors.*

### **Page 32, paragraph 1.48**

In 2019, there were 52,163 exporting companies. Large companies (at least 250 employees) dominated merchandise exports, with a share of 58%, while medium-sized companies (50-249 employees) accounted for 29%. While 84% of Swiss exporting companies are small companies (fewer than 50 employees), they accounted for only 13% of merchandise exports. The shares of large and medium-sized companies in Swiss merchandise imports were, respectively, 39% and 32%, while small companies (94% of the total number of importing companies) accounted for 27% of imports.

#### **Question 6:**

*It is evident that MSMEs comprise a large percentage in Switzerland's export companies; however, it only accounted for 13% of merchandise exports. What are the specific problems faced by the MSMEs to fully integrate in the GVCs?*

#### **Switzerland's answer:**

*Due to their sizes and limited resources, MSMEs are disproportionately affected by trade barriers and face greater difficulties to navigate in the complex global trading environment. Thus, inter alia issues related to access to information, technical barriers to trade, tariffs are hurdles that prevent MSMEs from fully integrate GVCs.*

#### **Question 7:**

What measures have been implemented to help MSMEs to maximize their export capacity?

#### **Switzerland's answer:**

*Dans le cadre de la révision totale de la législation douanière, les simplifications et modifications suivantes sont rendues possibles. Elles sont en principe à la disposition de toutes les entreprises qui ont des échanges avec l'OFDF. Les simplifications suivantes soutiennent l'autonomie des PME (Liste non-exhaustive):*

- *Une recherche d'informations plus efficace et plus conviviale.*
- *Grâce à des simplifications techniques et juridiques, les entreprises seront en mesure d'établir elles-mêmes la déclaration de marchandises.*
- *Un délai d'opposition prolongé.*
- *Les processus pour les entreprises doivent être sans rupture de média et réduire les redondances de données et de fonctions.*
- *Outre les adaptations générales des processus, les entreprises qui remplissent des conditions spécifiques (solvabilité, respect des exigences réglementaires, etc.) doivent pouvoir bénéficier d'autres allégements spécifiques.*

*La possibilité de participer à un pool de PME pour aider à adapter le nouveau système de circulation des marchandises de l'OFDF aux besoins des PME.*

*Voir également le chapitre 1.3.5 MSMEs du rapport du gouvernement WT/TPR/G/425.*

## **II. TRADE AND INVESTMENT REGIMES**

### **Page 42, paragraph 2.17**

A study was recently commissioned by SECO to assess the extent to which Swiss companies use the tariff preferences available through RTAs (both with respect to their imports and exports). The findings were that overall in 2018, free trade agreements (FTAs) enabled Swiss importers to save CHF 2.5 billion in customs duties (corresponding to an average utilization rate of 73% for imports). With respect to exports, the utilization rate was 80% in 2018, representing savings of CHF 1.8 billion in customs duties. A monitor has been developed for each trading



partner, with data for 2019. A second study mandated by SECO examined, in greater depth, the savings on duties accruing to different categories of importers. It found that both SMEs and large companies benefited equally from FTAs during the period 2016-2019, enjoying duty savings of 87% and 86%, respectively, when compared to the duties that would have been paid in the absence of FTAs. The average savings on duties for all categories of importers was 84% for the same period. Based on these results, SECO conducted a survey of importing companies to identify the reasons for non-utilization of RTAs by some Swiss firms. Reportedly, the main reason was that companies are not sufficiently informed about the conditions that must be met in order to benefit from FTAs. The fulfilment of rules of origin also seemed to play a significant role. The authorities indicate that SECO is continuing to analyse the results of this questionnaire with a view to determining if further work can help promote increased use of Switzerland's FTAs by businesses.

**Question 8:**

*Please provide updates with regard to SECO's analysis of the mentioned questionnaire?*

**Switzerland's answer:**

SECO conducted two surveys, one with importers and one with exporters. The survey with importers confirmed that companies are not sufficiently informed about the conditions that must be met in order to benefit from FTAs. See also the following publication: <https://dievolkswirtschaft.ch/fr/2021/10/accords-de-libre-echange-les-importateurs-paient-trop-de-droits-de-douane/>.

The survey with exporters is currently being evaluated by SECO.

**Question 9:**

*What is Switzerland's target FTA utilization rate increase? How will the increase in FTA utilization be achieved?*

**Switzerland's answer:**

Switzerland does not have a target FTA utilization rate. By concluding FTAs, Switzerland aims to ensure stable and easy access to foreign markets for the Swiss economy and to improve the framework conditions in economic relations with economically important partners. In this regard, Switzerland initiated extensive work to identify the factors that lead to incomplete use of FTAs. The aim is to identify measures to further increase the use of FTAs, especially for products with high tariff saving potential.

**Question 10:**

*How does it plan to address the concerns raised by importing companies?*

**Switzerland's answer:**

Switzerland is currently evaluating measures to increase the use of FTAs for importing and exporting companies. Switzerland will unilaterally eliminate applied import duties for industrial products as of 1 January 2024. This will further facilitate imports into Switzerland.

**Page 44, paragraph 2.25**

The RTA between EFTA and the Philippines entered into force on 1 June 2018, at which point Switzerland and Liechtenstein abolished customs duties on all imports of non-agricultural products and some imports of agricultural products. There are 1,491 agricultural tariff lines (at the 8-digit level) that remain dutiable.

**Question 11:**

*What are the benefits of the EFTA-PH Agreement to both Switzerland and Liechtenstein?*

**Switzerland's answer:**

The FTA enables Switzerland to strengthen economic and trade relations with the Philippines. It improves access for Swiss goods and services to the Philippine market, which offers significant growth potential; it facilitates trade, strengthens the protection of intellectual property, generally improves legal certainty for economic exchanges and contributes to sustainable development. It also makes it possible to anticipate, in part, potential discrimination on the Philippine market resulting in particular from a possible future FTA between the Philippines and the EU and the possible accession of the Philippines to the TPP.



**Question 12:**

*Can you share any difficulties that Switzerland and Liechtenstein face in accessing PH markets? How do you think PH can better improve/address these difficulties?*

**Switzerland's answer:**

*The EFTA-PH FTA works generally well. A delayed entry into force of the agreement led Swiss exporters to request retroactive reimbursement of unduly collected customs duties. Both parties are currently dealing with this difficulty and Switzerland remains confident that it will be solved in the near future.*

**III. TRADE POLICIES AND PRACTICES BY MEASURE****Page 55, paragraph 3.1**

Since 1 January 2022, the Federal Office for Customs and Border Security (FOCBS) has been implementing customs procedures in Switzerland; it replaced the Federal Customs Administration (FCA). Customs is undergoing a digital and organizational transformation from 2018 to 2026 under the DaziT framework, the objective of which is to meet future challenges of increased traffic and trade as well as to take advantage of digitalization opportunities. Benefits are expected to include reduced regulatory costs, more efficient collection of receipts, and increased security through effective controls. Certain concrete trade facilitation initiatives have already been undertaken (see below).

**Question 13:**

*What measures do the government undertake to fully integrate exporters, especially MSMEs in a digitalized customs procedure?*

**Switzerland's answer:**

*Le nouveau système de circulation des marchandises PASSAR est indépendant. Pour avoir accès à Passar, il est nécessaire de s'enregistrer en tant que partenaire commercial sur l'ePortal. La déclaration des marchandises et des moyens de transport peut être effectuée soit via une interface B2B, soit via une application web mise à disposition par l'OFDF. Les entreprises peuvent définir elles-mêmes le degré d'intégration souhaité.*

*En plus: L'OFDF a créé un pool de PME afin que les besoins concrets des PME soient pris en compte dès le début du développement: Formalités douanières trop complexes pour les PME? (<https://www.bazq.admin.ch/bazq/fr/home/actualites/forumd/fuer-fachleute/kmu-pool.html>).*

**Question 14:**

*What are the challenges faced by the government during this transition process? How does the government address these challenges? Please elaborate.*

**Switzerland's answer:**

*Contrairement aux transitaires et aux prestataires de services logistiques, de nombreuses PME sont moins familiarisées avec les processus douaniers et les actes législatifs douaniers en vigueur, car le dédouanement ne fait généralement pas partie de leurs tâches principales. En outre, les PME sont souvent soumises à une pression plus forte en termes de coûts et de délais que les grandes entreprises. Avec le Pool PME, l'OFDF a créé un instrument qui permet d'associer les PME au développement des nouveaux processus douaniers en fonction de leurs besoins, tout en garantissant une information et une sensibilisation en temps utile de la part de l'OFDF en ce qui concerne les changements à venir.*

**Page 107, paragraph 3.184**

In 2019, Swiss citizens voted in favour of the Federal Act on Tax Reform and AHV Financing, which introduced as from 1 January 2020 the cantonal "patent box" regime, which provides tax reductions for qualifying IP income and associated local R&D costs. The goal is to maintain and enhance the attractiveness of Switzerland as a hub for R&D-intensive industries. However, in 2016 Liechtenstein eliminated the IP box regime foreseen in its fiscal code, which applied only to companies that carried out R&D work primarily in Liechtenstein as it was considered that the previous regulation was incompatible with Action 5 harmful tax practices included in the Base Erosion and Profit Shifting (BEPS) of the OECD.

**Question 15:**

*How effective was the patent box regime in Switzerland?*

**Switzerland's answer:**

*The first year in which a possible tax reduction based on the new patent box legislation could be claimed was 2020. Since the initial application of the patent box rules required additional effort on the part of the companies, these tax declarations were received only towards the end of 2021. The cantonal tax offices are currently in the process of reviewing these tax declarations. It is therefore still too early to make any remarks as to how the system is operating in practice.*

**Page 110, paragraph 3.193**

During the review period, Switzerland actively participated in the TRIPS Council discussions on, inter alia, supporting micro, small and medium-sized enterprises (MSMEs) to take advantage of IPRs for their business activity, and co-sponsored several initiatives such as the promotion of public-private collaborations in IP innovation and commercialization and the societal value of IP in the new economy.

**Question 16:**

*Can Switzerland and Liechtenstein provide information on their best practices in promoting IPRs to their MSMEs?*

**Switzerland's answer:**

*The Swiss IP office offers several services that help MSMEs to manage and make the most of their IP. The most prominent of these services are the assisted patent searches. For CHF 300, a Swiss SME or academic institution can meet with a patent expert for half a day to search an invention and obtain a first impression as to whether such invention may be patentable. Other services include a special SME IP homepage<sup>4</sup> (<https://sme.ipi.ch/>) with tailor-made information on IP and SMEs, the IP Advisory Network, which provides free initial consultation on issues relating to patent protection and software copyright protection. Another example is our training department<sup>5</sup> (<https://www.ige.ch/en/services/training-and-courses>), which offers various courses explicitly tailored to the needs of SMEs.*

*The Swiss IP office cooperates closely with institutions dealing with SMEs, such as regional innovation promotion agencies, chambers of commerce, (patent) attorneys, etc., as these "intermediaries" know the relevant needs of SMEs very well.*

**Page 111, paragraph 3.196**

After seven years of legislative work, the Federal Assembly adopted on 27 September 2019 a revision of the Swiss copyright law. The revised Copyright Act strengthens the rights of cultural creators and the cultural economy. In addition to measures against online piracy, it extends the term of protection for performers and producers from 50 to 70 years and also brings important innovations for photographers, namely the protection of all photographs, both analogue and digital, whether they are professional or amateur photographs. The criterion of individuality is no longer a prerequisite for copyright protection for photographs. The extension of the protection of photographs is one of the most important changes in the revised law. The revised Copyright Act facilitates access to works, for example, through an index privilege, a regulation on the use of orphan works, and an exception for scientific purposes in relation to the use of text and data mining technologies. Along with the revision, the Federal Assembly also approved two WIPO agreements: the Beijing Treaty on Audiovisual Performances and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled. The revised Copyright Act entered into force on 1 April 2020.

**Question 17:**

*Can Switzerland provide more information on the new regulation as regard the use of orphan works and the new exception for text and data mining?*

<sup>4</sup> See: <https://www.ige.ch/en/intellectual-property/sme-portal>.

<sup>5</sup> See: <https://www.ige.ch/en/services/training-and-courses>.

**Switzerland's answer:**

*The revised provision on orphan works applies to all kinds of orphaned works which have Swiss ties and which are physically located in the collections of memory institutions (e.g. libraries and museums). The aim of this provision is to prevent works, which are culturally and historically important for Switzerland, from falling into oblivion due to lack of use. The use of orphan works is subject to remuneration. This ensures that rights owners, who were initially unidentified or untraceable but are later identified or make themselves known, receive remuneration for previous uses of their works. In such cases, the work ceases to be orphaned and any new use requires the consent of the rights owner.*

*The new exception for scientific purposes explicitly allows the automated creation of work copies that are necessary for analysis by text and data mining techniques. No remuneration is due for such use, since the data that lies at the core of such use is not protected, per se, by copyright. This provision applies to works to which researchers have lawful access, e.g. where a copy of the work has been acquired by the researcher or is available from a library.*

**Page 112, paragraph 3.199**

As regards services, under the 2017 "Swissness legislation" a company can offer Swiss services as long as its headquarters are located in Switzerland and the company is actually administered from Switzerland. Exceptions apply with respect to subsidiaries of Swiss parent companies.

**Question 18:**

*Can Switzerland further expound on the "Swiss service" mentioned in this paragraph?*

**Switzerland's answer:**

*Services, like goods, have a geographical origin. The Swissness legislation sets the legal criteria for establishing the Swiss origin of a service. According to this legislation, a company may promote its services as being Swiss, provided that its headquarters are situated in Switzerland and that the significant activities of the company and the significant decisions, which have a direct influence on the company, are taken at the place of the actual headquarters.*

**Page 113, paragraph 3.203**

In addition to the creation of the geographical mark, the "Swissness legislation" also introduces a new register for GIs for non-agricultural products, similar to the existing register for agricultural products and processed agricultural products maintained by the FOAG, which will permit the registration of GIs for goods such as watches and textiles. The new register will be maintained by the FIIP.

**Question 19:**

*Does the new register on GIs for non-agricultural products cover only limited products (watches and textiles)? If so, are there plans to expand the covered list?*

**Switzerland's answer:**

*The register for non-agricultural GIs, established in 2017, covers any product that is not covered by the register for agricultural and processed agricultural products (including forestry products).*

**IV. TRADE POLICIES BY SECTOR****Pages 116-117, paragraphs 4.1, 4.3, 4.4, 4.5, 4.6, 4.9 and 4.10****Question 20:**

*Consistent with the System of National Accounts of other countries, the accounting and reporting of Switzerland's forestry's contribution to the economy is lumped together with those of agriculture and fisheries sectors (paragraph 4.1). According to the World Bank's collection of development indicators, forest area (% of land area) in Switzerland was reported at 32.12% in 2020. Another source, ([https://knoema.com/atlas/Switzerland/topics/Land\\_Use/Area/Forest\\_area](https://knoema.com/atlas/Switzerland/topics/Land_Use/Area/Forest_area)) states that forest area of Switzerland increased from 12,000 km<sup>2</sup> in 2001 to 12,691 km<sup>2</sup> in 2020 growing at an average annual rate of 0.29%. These imply that there are important considerations why said country is putting so much importance in placing so much land under forest cover. Yet, the discussions presented in the cited paragraphs above do not contain anything about forestry activities and forestry related policies and legislation. For example, the Timber Forecast*

Questionnaire of the United Nations Economic Commission for Europe (UNECE) estimated that in 2020, the country produced 1.85 million m<sup>3</sup> of coniferous logs, of which 345 thousand m<sup>3</sup> were exported. It also estimated that imports of the same amounted to 55 thousand m<sup>3</sup> which means that Switzerland has an apparent consumption of 1.56 million m<sup>3</sup> of said product that can be turned into other value-added wood-based products. The question is, with the absence of forestry activities and policies in the Secretariat Report, does it mean that its contribution is so insignificant that it does not merit attention in the document?

**Switzerland's answer:**

The Secretariat is solely responsible and has full flexibility in choosing and structuring the topics it wishes to cover in the Secretariat report. As such, the WTO Secretariat is in a better position than Switzerland to address the question.

**Question 21:**

Paragraph 4.10 states that the food supply industry has significant carbon footprint generating 23% of greenhouse gas (GHG) emissions of the whole economy in 2018. Based on the extent of forest cover in Switzerland, it can be surmised that it has substantial carbon sequestration capacity. The questions are: 1) Is the food supply industry a subset of the agriculture sector; 2) If yes, since the report lumped forestry and agriculture together, is the figure of 23% already net of carbon sequestration potential of the lumped sectors?

**Switzerland's answer:**

The emissions of the food supply industry include agricultural emissions. The 23% could only be right if agricultural emissions were a subset, as agricultural emissions are 12% of total Swiss emissions. Further, agricultural emissions are neither in this report nor in the GHGI lumped with forestry. Forestry is a large net sink of 1.6 million tons per year versus 6 million tons per year emissions from agriculture.

**Page 116, paragraph 4.2**

In the context of this Review, the authorities indicate that Switzerland's agriculture tends to be uncompetitive internationally due to its high production costs, mainly with high labour costs. In addition, they note that Switzerland's small agricultural land per inhabitant leads to a low degree of self-sufficiency (approximately 55%). As a consequence, Switzerland relies on budgetary support measures to ensure a certain level of domestic production.

**Question 22:**

What measures were undertaken by the government to address the issues on its agricultural sector?

**Switzerland's answer:**

Enhanced competitiveness, ensuring food security and providing positive externalities are goals of the current agricultural policy. Switzerland's agricultural policy is oriented towards a long-term strategy and built upon stable, foreseeable and coherent conditions for farming which permits mid- and long-term improvements of competition parameters such as efficiency and effectiveness of the sector as a whole.

**Question 23:**

Please expound on the budgetary support measures which the government implements.

**Switzerland's answer:**

Current agricultural policy follows three pillars of budgetary support.

Pillar 1 direct payment system that comprises several categories of payments, each targeted to a specific policy objective;

Pillar 2 quality and sales promotion with instruments that create framework conditions that enable Swiss agriculture to achieve the highest possible added value on domestic and foreign markets through sustainable and high-quality production;

Pillar 3 contained of structural improvement and social measures that aim to promote rural development as a long-term process.

**Page 117, paragraph 4.10**

The food supply industry in Switzerland has a significant carbon footprint. In 2018, it was responsible for 23% of greenhouse gas (GHG) emissions generated by the economy as a whole. In addition, the largest share of total methane and nitrous oxide emissions were caused by agriculture, in particular from livestock farming and fertilizer use. During the review period, Switzerland increased efforts to further integrate sustainability measures into sectoral policies, including in agriculture. Furthermore, in June 2021, the Federal Council adopted its 2030 Sustainable Development Strategy, which sets out the path Switzerland intends to take to implement the UN 2030 Agenda for Sustainable Development. The Strategy is an instrument to coordinate and increase coherence between policies to make sustainable development a core component of the numerous federal sectoral activities. The Federal Council in particular highlights the need for a food systems transformation through its priority area "sustainable consumption and production", which includes four objectives related to healthy and sustainable diets, consumption modes with regard to the reduction of GHG emissions, sustainable agricultural production, and reduction of food losses and waste.

**Question 24:**

*Could Switzerland share information on efforts taken during the review period to further integrate sustainability measures into sectoral policies?*

**Switzerland's answer:**

The action plan 2021-2023 (available online in French, German and Italian: [https://www.are.admin.ch/dam/are/fr/dokumente/nachhaltige\\_entwicklung/publikationen/aktionsplan2021-2023.pdf.download.pdf/Plan%20d%E2%80%99action%202021-2023%20relatif%20%C3%A0%20la%20Strat%C3%A9gie%20pour%20le%20d%C3%A9veloppement%20durable%202030.pdf](https://www.are.admin.ch/dam/are/fr/dokumente/nachhaltige_entwicklung/publikationen/aktionsplan2021-2023.pdf.download.pdf/Plan%20d%E2%80%99action%202021-2023%20relatif%20%C3%A0%20la%20Strat%C3%A9gie%20pour%20le%20d%C3%A9veloppement%20durable%202030.pdf)) includes details on specific measures in different policy areas corresponding to all priority themes of the 2030 Sustainable Development Strategy (2030 SDS, available in English (<https://www.are.admin.ch/are/en/home/sustainable-development/strategy/sds.html>)) and all 17 SDGs. Concerning food and trade it includes amongst others: developing an action plan on food waste, updating the climate strategy for agriculture and food, defining the baseline for the amount of farms producing particularly environment- and animal friendly and convening dialogues for a sustainable food system. In 2024 a new action plan with new measures will be implemented with a duration of three years until 2027.

**Question 25:**

*Since the implementation, what is the effect of these particular efforts on the country's overall carbon footprint as well as at the sectoral level?*

**Switzerland's answer:**

The 2030 SDS has been adopted by the Federal Council in June 2021. Since the implementation of the action plan 2021-2023 is ongoing, it is at the moment not possible to identify direct causalities between 2030 SDS's policy actions and the reduction of Switzerland's overall reduction of its carbon footprint until today.

**Page 118, paragraph 4.11**

On 27 January 2021, the Federal Council adopted the Long-Term Climate Strategy for Switzerland, whose target for the agricultural and food sector is to bring the GHG footprint of the food sector in line with the net-zero target and to avoid any further transfers of GHG emissions abroad by 2050. According to the Strategy, by 2050, GHG emissions from domestic agricultural production are to be at least 40% below 1990 levels and Swiss agriculture should contribute at least 50% to the country's food supply.

**Question 26:**

*What are the measures or initiatives implemented by Switzerland to meet its targets of GHG emission reduction for the agricultural and food sector? Are there any unintended outcomes and how did the Switzerland government address these?*

**Switzerland's answer:**

In response to the Paris Agreement, the Federal Council adopted the long-term climate strategy for Switzerland on 27 January 2021. The long-term climate strategy shows how greenhouse gas

*emissions in Switzerland can be reduced in order to achieve the net-zero target. The strategy defines strategic goals for the individual sectors. By 2050 greenhouse gas emissions from domestic agricultural production need to be reduced by at least 40% compared to 1990. Additionally, the greenhouse gas footprint of food should be decreased in line with the net-zero target by the promotion of sustainable food systems. Both objectives prevent a shifting of greenhouse gas emissions abroad.*

*By taking a systemic perspective, synergies and trade-offs of this development are monitored regularly, policies are adjusted if necessary, thus the risk of unintended results is minimized.*

**Page 118, paragraph 4.14**

On 6 September 2017, the Federal Council adopted the Action Plan for Risk Reduction and the Sustainable Use of Plant Protection Products. The Action Plan seeks to reduce such risks and encourage alternatives to chemical phytosanitary protection, by improving existing measures and introducing new ones. Fifty-one concrete measures are identified to achieve these goals, of which 29 were fully implemented at the end of 2021. Since the Action Plan's adoption in 2017, a progress report is published on an annual basis with a brief description of the status of implementation of all measures.

**Question 27:**

*Up to what extent does Switzerland require the conformity with measures mitigating/reducing the risk and sustainable use of plant protection products on imported agricultural and food products?*

**Switzerland's answer:**

*The measures of the action plan concern only Swiss production. There are no measures for imported agricultural and food products.*

**Page 120, paragraph 4.25**

A similar tariff mechanism exists for MFN sugar imports. It was introduced following Switzerland's bilateral agreement with the European Union on processed agricultural products (2005), which provides for bilateral free trade in sugar-containing products. Under the mechanism, Switzerland aims at approximate price parity with EU sugar prices in order not to hamper the competitiveness of the Swiss food industry. MFN tariffs are examined, normally every month, and adjusted if necessary, so that duty-inclusive reference prices are aligned with EU sugar market prices (with a tolerance band of more or less than CHF 30 per tonne). In 2019, a minimum border protection of at least CHF 70 per tonne of sugar came into force for the period from 1 January 2019 to 30 September 2021. On 3 November 2021, the Federal Assembly decided to maintain the current minimum border protection until 2026 (Section 4.1.3.4). In addition, it decided to maintain the current support measures for organic sugar beet farming.

**Question 28:**

*While the goal of protecting local sugar farmers is common for both countries, the Philippines tariff mechanism is less complex than what is being implemented in Switzerland. Switzerland's mechanism is also advanced as it extends even to sugar-containing products. What is the institutional mechanism established by Switzerland which enables it to monthly adjust MFN tariffs for sugar and sugar-containing products, estimate reference or parity prices and determine how much minimum border protection to impose?*

**Switzerland's answer:**

*The border protection for sugar results from the difference between EU and world market prices. In view of the low world market prices, Parliament decided to prolong the temporary continuation of the minimum border protection. The modalities for assessing border protection for sugar are regulated in Article 5 of the Agricultural Import Ordinance (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>).*

**Question 29:**

*Considering that this measure affects the competitiveness of Swiss food and beverage manufacturing companies which heavily use sugar, how does the Swiss government manage complaints/dissatisfaction (if any)?*



**Switzerland's answer:**

*The impact on the competitiveness of Swiss food and beverage manufacturing companies has been part of the political debate that preceded the introduction of this measure. In the end, Parliament decided to give greater weight to other factors and adopted the measure.*

**Page 120, paragraph 4.27**

Switzerland levies seasonal tariffs on 95 agricultural products (unchanged since 2016), all of which are fresh fruit, vegetables, or cut flowers. The seasonal tariffs are applied in combination with tariff quotas for most domestically produced fruit and vegetables.

**Page 121, paragraph 4.30**

No tariff quotas are opened during the harvest season if domestic supplies are sufficient to satisfy demand ("full supply period"). In this case, imports in unlimited quantities are allowed at reduced out-of-quota tariffs. The periods when reduced out-of-quota tariffs are applicable are published on the FOAG's website or by means of circular letters. The reduced out-of-quota tariffs are set out in the Ordinance on Imports of Agricultural Products (RS 916.01) and published in the Tares. Clearances at the reduced out-of-quota rates are carried out at the request of the declarant. These reduced rates are not included in the Secretariat's tariff analysis, since Switzerland notifies its MFN tariffs to the WTO Integrated Database as applied on 1 January of each year.

**Question 30:**

*Related to the prior question, what is the institutional mechanism established by Switzerland in regularly determining whether there is sufficient local demand?*

**Switzerland's answer:**

*With regard to the cut flower sector, the tariff quota is not administered and therefore imports within the quota can occur in unlimited quantities at the in-quota tariff. Local demand is thus no longer registered. With regard to fresh fruits and vegetable, the local demand is established on the basis of previous years and according to a monitoring of the private sector.*

**Page 122, paragraph 4.37**

The level of direct payments to farms remains relatively high in Switzerland. According to the OECD, they account for around 50% of support to farmers. Most are general area payments to all agricultural land, payments to maintain farming in less favourable conditions, and payments to farmers who voluntarily apply stricter farming practices related to environmental and animal welfare. Direct payments averaged CHF 71,000 per farm in 2020 and contributed on average to 21% of farmers' revenues. Under AP 2018-2021, total direct payments expenditures were maintained at a level of about CHF 2.8 billion per year, broadly unchanged from spending under the previous four-year plan.

**Page 125, paragraph 4.48**

Price support is relatively significant in Switzerland. The OECD estimates that it accounts for 50% of total producer support, and domestic prices were on average 46% above world prices in 2018-2020. In addition to tariff rate quotas with high out-of-quota tariffs, Switzerland also provides complementary market support measures. Such expenditures mainly support dairy producers. In addition, area payments apply to oilseeds, protein crops, grain, and sugar beet.

**Question 31:**

*Apart from various direct payment schemes for farmers and price support, does Switzerland also simultaneously grant tax exemptions?*

**Switzerland's answer:**

*In general, farmers are subject to the same tax laws as all other taxable persons in Switzerland. Similar to a few other sectors, fuel taxes are partially refunded to agriculture. The refund is paid based on the amount of fuel normally consumed under average conditions per unit of area and type of crop (standard consumption).*

**Page 129, paragraph 4.68**

Save for a marginal exploitation of salt, Switzerland is virtually devoid of any mineral resources and therefore does not have a mining industry per se. It is, however, a major global hub for mineral products trading as explained in the maritime transport section.

**Page 129, paragraph 4.69**

There are no mining activities in Liechtenstein.

**Question 32:**

*Both Switzerland and Liechtenstein have no mining activities given the absence of mineral resources. With this scenario, the countries will appear to be reliant on importing mineral products to sustain demand. What measures or policies are in place in order to ensure steady supply of mineral products at reasonable prices? Do both countries plan to develop policies toward building and/or strengthening the mid to downstream mineral processing given that Switzerland is a major global hub of mineral products trading?*

**Switzerland's answer:**

*The IEA is in the process of establishing a compulsory stockpile system with interested countries. Switzerland is not participating because our demand for such raw materials is marginal, according to a survey conducted by Obs/Seco after the US approached us on the subject. Swiss companies produce high-precision/small devices that require very little raw materials.*

**Page 137, paragraph 4.90**

In December 2021, the Federal Council submitted for public consultation a new comprehensive revision of the CO<sub>2</sub> Law for the period 2025-2030. This proposed revision contains the following main new measures: (i) funding for removing fossil heating systems; (ii) lowering of the emission ceilings for new cars and new trucks sold on the Swiss market to be similar to the ceilings applied by the European Union; (iii) funding for new charging infrastructure for electric vehicles; (iv) blending obligations for aviation fuel suppliers similar to the obligations applied by the European Union; (v) crediting of carbon capture and storage in the emissions trading scheme; and (vi) reporting requirements of the financial risks of climate change for the Swiss National Bank (SNB) and the financial supervisory authority. Contrary to the version of the CO<sub>2</sub> law that was rejected in June 2021, the new draft submitted by the Federal Council in December does not provide for new taxes.

**Question 33:**

*What is the rationale for the proposed revisions of the CO<sub>2</sub> Law? By how much will the CO<sub>2</sub> emissions be reduced with these measures in place?*

**Switzerland's answer:**

*The purpose of the proposal submitted for public consultation is to halve greenhouse gas emissions by 2030 and thus achieve the 2030 climate target. The Federal Council is dispensing with instruments that contributed to the rejection of the last revision (e.g. the tax on airplane tickets). The new CO<sub>2</sub> Law is based on supplementing the existing CO<sub>2</sub> tax with effective incentives as well as targeted promotion and investment, and on supporting ongoing developments. The focus is on measures that enable the population to reduce CO<sub>2</sub> emissions in everyday life.*

**Page 137, paragraphs 4.92 and 4.93**

From a geographical and technical point of view, Switzerland is deeply integrated in the European electricity network. The electricity flows passing through its borders exceed the country's production and consumption. Switzerland is third to Germany and France in its importance as a major electricity transit country. Switzerland's extensive hydro-pumped storage and reservoir capacity are of strategic importance to the European Union. The country is instrumental in supporting the growing share of variable renewable electricity in Europe and contributing to ensuring grid stability by offering balancing services.

Still, there is no formal agreement between the European Union and Switzerland on electricity and, according to the authorities, conclusion of such an agreement is unlikely in the foreseeable



future, as negotiations on an Institutional Framework Agreement (IFA) ended unsuccessfully in May 2021 and the European Union had made the Electricity Agreement conditional on the IFA.

**Question 34:**

*Does Switzerland plan to still pursue an electricity agreement with the European Union?*

**Question 35:**

*If not, what are its plans to secure long-term energy supply as it phases out nuclear power, a known baseload energy source?*

**Question 36:**

*Switzerland's extensive hydro-pumped storage and reservoir capacity are of strategic importance to the European Union. However, according to the report, there is no formal agreement between the European Union and Switzerland on electricity. How does the government of Switzerland address this scenario and how do they address it?*

**Switzerland's answer:**

*The Swiss Federal Council reiterates Switzerland's interest in continuing the bilateral approach with the EU so as to maintain good, stable and mutually beneficial relations.*

*In order to ensure a good level of electricity security of supply also for the future Switzerland intends to rely on several pillars: energy efficiency, ramping up of renewable production, increase of storage capacities and strategic reserves for emergency situations.*

**Page 145, paragraph 4.124**

The contribution of manufacturing in total employment declined during the period under review from 15.8% in 2015 to 15.4% in 2020 (Table 4.15). The largest employers after pharmaceuticals are the subsectors of computer, electronic and optical products; watches and clocks (2.6% in 2020), followed by metal products (2.2% in 2020), and food and tobacco products (1.9%).

**Question 37:**

*Are there any specific Swiss policies which aim to increase the contribution of the manufacturing sector to total employment?*

**Switzerland's answer:**

*Switzerland does not pursue an industrial policy in the sense of promoting certain sectors. The best "industrial policy" is strengthening competition by stimulating competition in the internal market and opening up the economy. Economic policy focuses therefore on improving the general framework conditions in a sector-neutral and technology-neutral way. This includes a flexible labour market, the protection of private property rights; investment in education, skills, basic research and high-quality infrastructure as well as the provision of low taxes, entrepreneurial freedom and low administrative burdens.*

**Page 147, paragraph 4.136**

The Federal Commission on Communications (ComCom) acknowledged in May 2021 that by international standards the prices of mobile telecommunications remained among the highest, though the gap tends to narrow with other OECD countries.

**Question 38:**

*How did the Federal ComCom address the high prices of mobile telecommunications in Switzerland? Were there any policies/laws being implemented to lower the price? BOI would like to request a copy, if any, for reference.*

**Switzerland's answer:**

*Dans un marché libéralisé, les tarifs de gros sont une composante essentielle des prix de détail facturés pour la prestation des services de télécommunication. En matière de réglementation de l'accès (y compris l'interconnexion), on relèvera que la Suisse applique un régime dit ex post. Concrètement, cela signifie que le régulateur – à savoir dans le cas précis la Commission fédérale de la communication ou ComCom – ne peut intervenir sur le marché de gros qu'à la demande d'un fournisseur de services de télécommunication et uniquement pour la détermination des*

*conditions d'accès litigieuses (i.e. prix de gros ou autres modalités d'accès aux infrastructures et aux services) dans ce cas précis. Donc, au départ, les tarifs de terminaison sur réseaux mobiles sont librement négociés entre les fournisseurs de services de télécommunication et c'est seulement si les deux parties à la négociation ne parviennent pas à s'entendre et que l'une d'entre elles en fait la demande qu'il reviendra à la ComCom de fixer les conditions d'accès, et ce après avoir consulté les autorités en charge de la concurrence. On relèvera que de telles demandes sur le marché de gros mobile sont rarissimes et qu'aucune n'a débouché sur la fixation de prix de gros mobiles par la ComCom depuis la libéralisation survenue le 1<sup>er</sup> janvier 1998. Pour que le régulateur puisse directement intervenir sur des prix jugés trop élevés, il faudrait changer la réglementation et adopter une approche de type ex ante ou ex officio.*

*Par ailleurs, le régulateur ne dispose d'aucun instrument lui permettant d'intervenir sur les prix des communications mobiles exigés sur le marché de détail. On remarquera également que la prise en compte de la parité de pouvoir d'achat donne une image un peu plus nuancée de la situation.*

#### **Page 149, paragraph 4.139**

In terms of market structure, the market is mature, and there has been little change both in terms of market shares and of actors, foreign ownership and state ownership, save the take-over of Orange by NJJ Capital in 2015 and its renaming as Salt. The trend towards a switch from prepaid offers to contracts also continued during the period under review as the proportion of users with contracts reached 75% in 2020 from 56% in 2010.

#### **Question 39:**

*BOI notes that Switzerland has two (2) telecom companies that are 100% foreign owned. It may be noted that the Philippines recently amended the Public Service Act that allows 100% foreign ownership in telecommunications, railways, subways and airlines.*

*Based on the experience of Switzerland, please describe the effect of the liberalization of the telecoms market on the overall service quality and competitiveness in the sector. What are the advantages/disadvantages?*

#### **Switzerland's answer:**

*En libéralisant le marché des télécommunications, le législateur est parti du principe que le marché était plus à même qu'un monopole d'Etat d'assurer aux particuliers et aux entreprises des services de télécommunication variés, avantageux, de qualité et concurrentiels. Vingt-cinq ans après la libéralisation complète du marché, ce postulat s'est révélé tout à fait correct et aucun désavantage particulier n'a été identifié. Au contraire, l'on ne peut que se réjouir des avantages de la libéralisation. Les infrastructures ont été déployées grâce aux investissements réalisés par plusieurs acteurs privés et publics et la concurrence s'est mise en place puis s'est développée, entraînant tout un cortège d'effets positifs: offres nombreuses et diversifiées satisfaisant mieux les besoins des consommateurs, baisse substantielle des prix et amélioration de la qualité. La demande étant au rendez-vous, un cercle vertueux s'est enclenché. L'innovation, à la fois technique et commerciale, a été stimulée.*

#### **Page 150, paragraph 4.141**

The main regulatory changes stem from the revision of the Telecommunications Law that was adopted by the Federal Assembly on 22 March 2019 and entered into force on 1 January 2021, together with its accompanying ordinances. The main amendments to the telecom regime brought about by this revision are the following:

- To improve traceability in the event of abuses, the provision of value-added services with Swiss numbers is now conditioned by the localization of the headquarters in Switzerland.
- More public authorities (e.g. military and competent authorities to carry out searches in case of emergency or searches for convicted persons) are now allowed to manage telecom facilities aimed at guaranteeing public security (e.g. to fight against jammers and bugs).

**Questions 40:**

*With regard to the revisions of Switzerland's Telecommunications Law, to what extent are public authorities able to manage telecom facilities for public security?*

**Switzerland's answer:**

*Based on Article 48a of the revised Telecommunications Act, a revision of the Ordinance on Telecommunications Services (OTS; SR 784.101.1) was sent out for public consultation on 3 December 2021. This comprises three sections on the security of the telecommunications infrastructure. It regulates:*

- Fault reporting*
- Manipulation of telecommunications installations*
- Security of 5G mobile radio networks.*

*A second revision stage, which is already being prepared, provides for increased hardening of the mobile radio networks against power failures. Based on these revisions and the cooperation of the telecommunications service providers with the National Cyber Security Centre (NCSC), which already exists today, effective regulation of network security is ensured. This regulation is based on corresponding obligations of the telecommunications service providers, and not on the competence of the public authorities to directly manage telecom facilities.*

**Question 41:**

*Given that the revisions also include improved traceability, how will principles of privacy and free speech be balanced against this?*

**Switzerland's answer:**

*Enhanced traceability with respect to value added services is to be understood in a procedural sense and does not involve further processing of personal data in order to trace natural or legal persons for this purpose.*

*The obligation to have a headquarters or a permanent establishment in Switzerland serves to ensure that legal action can be taken against a provider of value-added services in Switzerland if it infringes Swiss law.*

*It goes without saying that providers of value-added services, like all other legal entities, are granted all the fundamental rights applicable in Switzerland, including basic principles of procedural law, data protection and the right to free speech.*

**Page 154, paragraph 4.151**

In terms of market structure, the leading fixed telecom operator is Telecom Liechtenstein AG (59% market share in 2020, down from 72% in 2016 for Internet broadband service). For mobile telephones services, the main providers had in 2019 a respective market share of 45% for Salt (Liechtenstein) AG/Salt Mobile SA, 34% for Swisscom (Schweiz) AG and 21% for Telecom Liechtenstein AG. All mobile providers maintain their own network in Liechtenstein. Swisscom (Schweiz) AG and Salt Mobile SA have a significant number of cross-border customers living in Liechtenstein, who subscribe to their Swiss mobile networks (with Swiss number and contracts subject to Swiss legislation over which the National Regulatory Authority of Liechtenstein has no jurisdiction). These foreign subscriptions had a market share of 67% in 2020. Some two thirds of all registered enterprises are fully or partly owned by foreigners. Salt (Liechtenstein) AG and Swisscom (Schweiz) AG are 100% foreign-owned.

**Page 154, paragraph 4.158**

The regulatory framework for telecommunications has partially autonomously transposed the EU Telecoms Package 2009 (Directives 2009/136/EC and 2009/140/EC as well as Regulation (EC) 1211/2009). Currently, Liechtenstein is in the process of transposition of the European Electronic Communications Code EECC (directive (EU) 2018/1972 of 11 December 2018) and of several delegated legal acts linked to the EECC, such as the Eurorate delegated regulation (EU) 2021/654 of 18 December 2020. Furthermore, Liechtenstein is currently preparing the incorporation of the new Roaming Regulation into the EEA Agreement.

**Page 155, paragraph 4.162**

Number portability is a new regulatory feature that was implemented during the period under review respectively in 2019 for fixed telephony and in 2020 for mobile numbers, by regulatory

decision of August 2018 based on the Communications Act after a consultation procedure that had shown that reasons justifying exemptions from portability obligations did not exist anymore.

**Page 155, paragraph 4.166**

The Office for Communications remains the competent national regulatory authority. Regarding licensing the 2006 Communication Act eliminated the licensing system. All activities in electronic communication are licence-free; however, a notification to the Liechtenstein Office for Communications, the national regulatory authority, is required.

**Page 156, paragraph 4.169**

Open Internet and abolition of roaming were instituted in 2015 following EEA transposition intervened during the period covered by the previous TPR report. With regulation (EU) 2015/2120 and several successive regulations, which are effective from 15 June 2017, roaming services at conditions like at home were introduced as from 15 June 2017, and retail charges for the consumption of regulated retail roaming services in excess of any fair use limits were reduced, most relevantly for data roaming from EUR 7.7 per gigabyte of data transmitted in June 2017 to currently EUR 2.5 per gigabyte (valid from 1 January 2022 to 30 June 2022).

**Page 156, paragraph 4.170**

Finally, regarding spectrum management, the Liechtenstein Frequency Allocation Plan (FAP) consists of several parts, including the principles of spectrum management. These principles are described with a transparent approach on both national and international levels. The integral components of FAP are: frequency ranges and radio interface requirements, as well as comprehensive lists of specific assignments and harmonized frequency ranges. All the relevant European Conference of Postal and Telecommunications Administrations or European Commission decisions are also listed and referenced in the FAP.

**Question 42:**

*Based on the experience of Liechtenstein, how did the 1) liberalization of the telecoms market; 2) EU Telecoms Package 2009; 3) roll out of mobile number portability program; 4) elimination of the licensing system; and 5) EEA transposition that opened the Internet and abolished the roaming services, affect the overall service quality and competitiveness in the sector? Further, how did the Frequency Allocation Plan (FAP) affect the overall spectrum management of the country? What may be the disadvantages?*

**Switzerland's answer:**

**Pages 156-157, paragraphs 4.171-4.172**

*4.171. Switzerland has a sophisticated and mature financial services sector with a developed and somewhat concentrated internal market. The sector serves a population with high savings and that is very well insured, as well as international clients and markets attracted by Switzerland's political stability and the vast array of services proposed by this global financial hub. The share of financial services in GVA and employment declined slightly during the review period, which is mainly explained by developments in banking services and securities and stock exchange services. More generally, there has been long-term decline in the share of financial services in GDP since the 2008 financial crisis. According to the Federal Council, this can be explained "by the changing conditions in the international tax framework and the global wealth management business, the contraction of big banks' investment banking business and increased pressure on margins caused by the low interest rate environment".*

*4.172. On 4 December 2020, the Federal Council issued a new strategy for the financial services sector that is based on three pillars: innovation, interconnection, and sustainability. To achieve these three goals, the strategy defines nine specific areas of action: (i) using the data economy for the financial centre; (ii) integrating new financial market players; (iii) digitalizing access to financial market authorities; (iv) strengthening the competitiveness of the financial centre; (v) increasing the exportability of Swiss financial services by improving market access abroad; (vi) assisting to shape the international financial system; (vii) ensuring*

resilience; (viii) increasing transparency for sustainable investment; and (ix) combating financial crime.

**Question 43:**

*Given that the Federal Council issued a new strategy for the financial services sector that is based on innovation, interconnection, and sustainability, how did this strategy help mitigate the impact of the pandemic?*

**Switzerland's answer:**

*The strategy was issued towards the end of the first year of the pandemic and does not focus on mitigating the impact of the pandemic. It is also available in English: <https://www.sif.admin.ch/sif/en/home/finanzmarktpolitik/strategy.html>.*

**Pages 163-164, paragraphs 4.195, 4.198**

4.195. The main regulatory changes during the period under review concerning insurance relate to consumer protection and to supervision as well as to bilateral relations.

**Question 44:**

*BOI would like to inquire on the other strategies used by Switzerland to increase insurance inclusion, especially for the most vulnerable sectors affected by the COVID-19.*

**Switzerland's answer:**

*Recent reforms in the area of insurance regulation are not related to the pandemic. Switzerland does not pursue specific strategies to further increase private insurance inclusion, which is generally high in Switzerland. During the early stage of the pandemic there were some issues regarding insurance policies that covered epidemics but not pandemics. Some insurers took over costs of previously insured policy holders as a gesture of goodwill. However, an eventual court ruling came to the conclusion that the exclusion of pandemics was justified. Analyses and discussions have subsequently been conducted on creating a pandemic insurance for companies. However, the concept was not further pursued. Owing to the limited potential to diversify such risks, such an insurance would only be feasible if it were mandatory.*

*Coverage of some social (i.e. public) insurance systems was temporarily widened during the pandemic (e.g. unemployment insurance), but this does not relate to the regulatory reforms on private insurances covered by the chapter in question.*

**Page 167, paragraphs 4.221-4.223**

4.221. In September 2020, the Federal Assembly adopted the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (DLT), which is a blanket law that triggered adaptations in 10 different laws. The three main changes brought about by this law are: (i) the Swiss civil law is amended to allow for a new ledger-based security that provides legal certainty for issuing and transferring securities on the blockchain; (ii) the Swiss insolvency law is amended to provide for a claim for surrender of crypto-based assets in case of bankruptcy; and (iii) the introduction of the DLT Trading facility as a new authorization type in Swiss financial markets supervisory law.

4.222. The so-called fintech-licence (officially named "person according to Article 1b Banking Law") entered into force on 1 January 2019. It defines the holders of these licences, whom it assimilates mutatis mutandis to banks, as "persons principally active in the financial service sector and who (a) accept professionally public deposits up to CHF 100 million or crypto assets designated by the Federal Council and (b) neither invest nor remunerate these assets". The Federal Council has designated crypto-assets as part of the larger DLT legislation, more specifically in Article 5a of the Banking Ordinance. Typically, institutions under the fintech-licence are active as payment service providers (including the issuing of debit cards). These payment services can be offered to retail customers as well as on a B2B basis (i.e. payment services for SMEs). Institutions under the fintech licence are subject to substantially similar requirements as banks regarding anti-money laundering and terrorist financing.

4.223. During the licensing process, FINMA evaluates requirements such as adequate organization, qualification and reputations of management (fit and proper), corporate governance, risk management and compliance (including separation of functions), safekeeping of the deposits,

and fulfilling of capital requirements. A further focus is laid on mitigation of conflicts of interest. Capital requirements for institutions under the fintech licence are intentionally kept simple. The minimum capital amounts to 3% of the deposits or at least CHF 300,000. The capital must be fully paid in and is to be held continuously. In specific cases, FINMA may require additional capital.

**Question 45:**

*What were the determinants for the country's legislature to amend the Financial Market Infrastructure Law, the Financial Services Law, the Code of Conduct, and the FATCA?*

**Switzerland's answer:**

*Financial Market Infrastructure Act: The main motivation for this act was to adjust the regulation of financial market infrastructures and derivatives trading in line with market developments and international requirements in order to safeguard financial stability and the international competitiveness of the Swiss financial sector.<sup>6</sup>*

*Financial Services Act: Aside from creating uniform competitive conditions and strengthening the competitiveness of the Swiss financial centre, the Act serves primarily to improve client protection.<sup>7</sup>*

*Code of Conduct on Due Diligence for Banks of the Swiss Bankers Association: This strict self-regulation has been introduced to combat money laundering and terrorist financing long before the introduction of AML/CFT legislation in Switzerland. It is regularly revised together with the AML/CFT Ordinance of the FINMA. These two regulations have for example been amended in 2020 to implement recommendations from the forth FATF mutual evaluation report on Switzerland.*

*FATCA: This is a United States act and we have thus no information on its determinants. The administrative and financial burden associated with the implementation of FATCA is considerable for foreign financial institutions. The FATCA agreement reduces this burden as it makes provision for administrative simplifications for Swiss financial institutions.*

**Question 46:**

*What are the financial licenses and requirements for tech companies before they are allowed to conduct financial services business? Additional information on Switzerland's best practices in the Fintech sector including blockchain and crypto-base assets would also be appreciated.*

**Switzerland's answer:**

*Switzerland does not have specific requirements only for tech companies when conducting financial services business in or from Switzerland. Instead, Swiss regulation is based on a "same business, same risks, same rules" principle, meaning that any company conducting financial services business (e.g. banking, insurance) in or from Switzerland is subject to the same set of standards and rules. Where de-minimis thresholds apply for certain regulated activities, large tech companies may require a prudential license from the outset based on their existing customer base. Switzerland takes the same approach to fintech and blockchain wherever possible, i.e. applying the existing rules where the material risks are comparable (e.g. custody as a banking activity). So far, this approach has allowed Switzerland to address the emergence of crypto assets and related services with relatively minimal additional rule-making required. Where the existing rules fail to address identified material risks, amendments are implemented in due course (e.g. extension of payment services definition for certain crypto-related activities with shared custody setups).*

**Page 171, paragraphs 4.247-4.256**

4.247. The provision of e-money services (issuing of electronic money and provision of payment services by issuers of electronic money) is governed by the Electronic Money Law of 2011<sup>143</sup> and its corresponding Electronic Money Ordinance 144, as well as by new legislation adopted during the period under review, the Payment Services Law of 2019<sup>145</sup> and its corresponding Payment

<sup>6</sup> [Federal Council adopts dispatch on Financial Market Infrastructure Act \(admin.ch\)](#)

<sup>7</sup> [Federal Council adopts dispatch on Financial Services Act and Financial Institutions Act \(admin.ch\)](#)

Services Regulation 146 All of these legal instruments are based on EU Directives 2009/110/EG (E-MoneyDirective) 147 and (EU) 2015/2366 (Payment Services Directive II).

4.248. The Electronic Money Law lays down the prudential requirements for taking up the business of e-money institutions. Issuing electronic money requires a licence granted by the FMA. The Payment Services Law governs the provision of payment services and the operation of payment systems. To obtain a licence, e-money institutions must fulfil various conditions, inter alia, being a legal person and having their registered office and head office in Liechtenstein. The members of the board of directors may have their domicile outside of Liechtenstein, if they fulfil the obligations of their functions; they must be authorized to fully represent their company. The minimum required fully paid-up initial capital is CHF 350,000.

4.249. Depending on the licensed activity in question, there are different capital requirements. Under the Electronic Money Law, e-money institutions are required to hold the minimum required fully paid-up initial capital of CHF 350,000. Under the Payment Services Law, the minimum capital requirements for payment institutions differ depending on the type of payment services provided and authorized.

4.250. As of 31 December 2020, four e-money institutions were licensed in Liechtenstein with a total of CHF 27.7 million in assets and CHF 7 million in e-money issued.

4.251. Subject to relevant EEA law, e-money institutions from Liechtenstein, as well as from any other EEA Member State, may offer their services across the EEA under the freedom to provide services ("cross-border") or the right to establishment (branch). E-money institutions from outside the EEA may in principle offer their services in Liechtenstein only through a local subsidiary. The establishment of such a subsidiary requires a licence granted by the FMA.

4.252. Like the Payment Services Law and the Banking Law, the Electronic Money law contains provisions on qualifying holdings in an e-money institution, own funds requirements, requirements for safeguarding funds received from their customers, outsourcing of functions, the use of third parties or agents, external auditing, information exchange, cooperation between competent authorities, and FMA administrative and criminal sanctioning powers.

4.253. In 2019, Liechtenstein became the first country in the world to adopt comprehensive legislation on an emerging type of financial services providers, trustworthy technology ("TT") service providers. The Token and TT Service Provider Law 149 entered into force on 1 January 2020 together with the Ordinance on Tokens and TT Service Providers. This is autonomous legislation that does not derive from an EEA transposition of the EU acquis as the EU regulation in that respect is still under discussion.

4.254. The new law divides TT service providers into 10 categories: (i) Token Issuers: persons professionally offering tokens to the public in the name of third parties; (ii) Token Generators: persons who create original tokens on behalf of third parties; (iii) TT Key Depositaries and TT Token Depositaries: persons who safeguard tokens or private keys for third parties, e.g. in a safe or a collective wallet; (iv) TT Protectors: persons who hold tokens on TT systems in their own name on account of third parties; (v) Physical Validators: persons who ensure the enforcement of rights in accordance with the agreement, in terms of property law, to goods represented in tokens on TT systems; (vi) TT Exchange Service Providers: persons who exchange legal tender for tokens and vice versa as well as tokens for tokens; (vii) TT Verifying Authorities: persons who verify the legal capacity and the requirements for the disposal over a token; (viii) TT Price Service Providers: persons who provide TT system users with aggregated price information on the basis of purchase and sale offers or completed transactions; (ix) TT Identity Service Providers: persons who identify the person in possession of the right of disposal related to a token and who record it in a directory; and (x) TT Agent: a person who professionally distributes or provides TT services on behalf of and for the account of a foreign TT service provider.

4.255. TT Service Providers must hold a registration by the FMA prior to taking up business activities. An exception exists for persons who publicly offer tokens in their own name (own issuance) if the value of the tokens issued during 12 months does not exceed CHF 5 million. The registration obligation exists regardless of whether another licence has already been granted by the FMA. A bank licensed in Liechtenstein that safeguards tokens for clients must therefore

additionally register as a TT Token Depositary. By the end of 2021, 18 TT providers had registered with the FMA, applying for 39 different TT services.

4.256. TT service providers are not subject to ongoing prudential supervision in the same way as licensed financial intermediaries (e.g. transparency obligations, comprehensive reporting obligations, or periodic external audits), but rather to event-driven supervision.

**Question 47:**

*Is Liechtenstein open for investments in terms of fintech and e-payments? What are the requirements or licenses needed?*

**Page 174, paragraph 4.264**

Data on the Swiss ECMT 156 multilateral quota show that Switzerland's international fleet of trucks is essentially composed of environmentally efficient vehicles.

**Question 48:**

*Did Switzerland implement a policy mandating the transition of the country's international fleet of trucks to be environmentally-friendly or was the modernization of fleets an industry-led initiative?*

**Switzerland's answer:**

*In Switzerland, a performance-related heavy vehicle fee (HVF) is levied for transport motor vehicles and trailers with a total weight of over 3.5 tonnes each. Its purpose is to cover unpaid road costs and the external costs of this traffic, which triggers damage to the environment, human health etc. The HVF is a key element of the Swiss modal shift policy and is enshrined internationally in the Land Transport Agreement with the EU. The graded tariffs provide incentives for using modern, environmentally friendly lorries.*

**Page 175, paragraph 4.268**

Unlike many European countries, Switzerland has never had a regime of public monopoly in rail services. Instead, a large public company (SBB-CFF-FFS) coexists with several private companies, the number of which has diminished over time through mergers. This explains in part that Switzerland has developed mutual access to network legislation comparable, mutatis mutandis, to that of Japan and the United States. In addition to the three major Swiss network-owning companies, several foreign railways freight companies, most of them of German nationality, have created subsidiaries in Switzerland, and obtained an authorization of access to the Swiss network and the correlative safety certificate.

**Question 49:**

*The Philippines recently amended a law that will allow the entry of foreign investors in public services such as railway operations. Did the liberalized policy of Switzerland on rail services contribute to the development of an advanced railways network? Does the Swiss Government impose additional regulations on foreign operators compared to local operators?*

**Switzerland's answer:**

*Liberalization only concerned the freight sector and encouraged existing and new companies to offer additional services (using open access). Rail infrastructure and passenger transport are subsidized and there is no interest for investments by private companies. And there wouldn't be any private freight transport, if they had to pay for the full infrastructure costs. Freight only pays the marginal costs.*

**PART II: QUESTIONS REGARDING THE GOVERNMENT REPORT**

**1.1 INTRODUCTION**

**Page 3, paragraph 1.9**

Switzerland attaches high importance to reducing gaps in the level of development between nations, to promoting the further integration of developing countries into the global economy, and to the need to make economic development more sustainable. The Government also takes seriously public concerns about the negative impact of globalization and structural changes in the economy. In this context, Switzerland strongly supports the United Nations 2030 Agenda for



Sustainable Development and measures that promote socially and environmentally sustainable economic growth.

**Questions 50:**

*What concrete actions has Switzerland done to support the United Nations 2030 Agenda for Sustainable Development?*

**Switzerland's answer:**

- Switzerland participates in international reporting on the implementation of the 2030 Agenda. The country report provides an overview of Switzerland's progress in implementing the 2030 Agenda at both the national and international levels. It also outlines the main challenges and opportunities for achieving the 17 Sustainable Development Goals (SDGs). Please find hereby a link with the report in French, German and Italian versions: Rapport national à l'attention de l'ONU (admin.ch) (<https://www.eda.admin.ch/agenda2030/fr/home/strategie/nationale-berichterstattung.html>);
- This overview is published on the Homepage - SDGital2030 (<https://www.sdgital2030.ch/>) website as well. It allows the public to see where Switzerland stands in the implementation of the 17 SDGs and 169 targets.

**Question 51:**

*How does it plan to support its advocacies on reducing gaps in the level of development between nations, further integrating developing countries into the global economy, advancing sustainable economic development and addressing the ills of globalization?*

**Switzerland's answer:**

The Swiss strategy for cooperation in the field of economic development aims at two target outcomes. Firstly, the promotion of reliable economic framework conditions, which is realized via the support of growth-promoting economic policy, a rules-based trade system, an innovative business environment and the support to an integrated urban development and infrastructure services. Secondly, the promotion of innovative private-sector initiatives, which is realized via the support for improved access to finance, their integration in value chains, the promotion of corporate social responsibility and the support of the development of market-oriented skills in the labour force. In all of Switzerland's activities the transversal themes of gender equality as well as climate and resource efficiency are systematically considered, as they are considered important prerequisites for sustainable economic growth and sustainable prosperity.

### 1.3 ECONOMIC POLICY

**Page 8, paragraph 1.29**

In recent years, the global economic, geostrategic, technological and social environment has changed significantly. Rivalry between the major economic powers or the trend towards the formation of regional blocs are on the rise. The COVID-19 pandemic has also reinforced underlying protectionist tendencies and accentuated the challenges related to the resilience of global production and supply chains. Lastly, foreign economic policy issues are increasingly diverse: on the one hand, growing digitalization is creating new opportunities and calls for new regulatory approaches. On the other hand, Switzerland is committed to achieving climate neutrality by 2050, with the goal of sustainability requiring a "horizontal" integration of environmental and social issues.

**Question 52:**

*Do Switzerland and Liechtenstein have plans to implement carbon pricing policies? If so, how will this affect the inflation? Will it also affect agricultural and fishery products?*

**Switzerland's answer:**

Switzerland and Liechtenstein already have implemented carbon pricing policies. They are detailed in Page 82, paragraph 3.86 and on the following website CO2 levy (admin.ch) (Switzerland) and in Page 83, para 3.88 (Liechtenstein). They are not expected to affect inflation, and they do not cover agricultural and fishery products.

## 1.4 TRADE POLICY

### Page 13, paragraph 1.58

It is important for Switzerland to improve conditions to promote open markets. Thus, Switzerland will remove tariffs on industrial products as of 1 January 2024. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened.

#### **Question 53:**

*What industrial products are covered in the tariff removal effective 1 January 2024? Please specify.*

#### **Switzerland's answer:**

The lifting of industrial tariffs concerns all goods under Chapters 25–97 of the Harmonized System (HS) (<https://xtares.admin.ch/tares/main/mainFormFiller.do;jsessionId=Tz3ds3VduXnV-G3pA3ZST9Jima0q035eb6Ji1PHRyOLdTenFfgb!-22935399?l=en&chemicalSearchType=cas&headdata.date=09.02.2022&headdata.direction=import&headdata.userCountryIso2Code=EN&headdata.countryIso2Code=EN>), with the exception of certain products under HS Chapters 35 and 38, that are classified as agricultural products in Switzerland:

Exceptions concern the following tariff lines of the Swiss customs tariff: 3501.1010, 3501.1090, 3501.9011, 3501.9019, 3501.9091, 3501.9099, 3502.1110, 3502.1190, 3502.1910, 3502.1990, 3505.1010, 3505.1090, 3505.2010, 3506.9910, 3809.1010, 3823.1110, 3823.1210, 3823.1910, 3824.1010, 3824.9991, and 3825.9010.

Moreover fish and fish products (HS Chapter 3) are also not covered by the lifting of industrial tariffs.

#### **Question 54:**

*What is the compliance requirement in line with the removal of tariffs, specifically on the application of the proof of origin on industrial products, and how will the process apply to the preferential and the non-preferential origins application?*

#### **Switzerland's answer:**

From 1 January 2024, the MFN-applied rate of duty for industrial products imported into Switzerland will be zero. Therefore, companies in Switzerland importing industrial products, which at the time of import are expected to remain or be consumed in Switzerland, no longer need to apply any free trade agreements (FTAs) or the Generalized System of Preferences (GSP). This means that for companies exporting to Switzerland there will be no need to provide preferential proofs of origin for such imports. However, in cases where companies in Switzerland intend to apply cumulation of origin on the export side, the supplier's proofs of origin will still be required when importing the goods concerned.

#### **Question 55:**

*What are the changes to the customs clearance requirements?*

#### **Switzerland's answer:**

The lifting of industrial tariffs does not change the customs clearance processes. There will still be an obligation to declare imports, including the correct tariff headings for the goods in question.

### Page 14, paragraph 1.65

WTO reform should enhance the Organization's three functions. First, as regards the negotiating function, the WTO must demonstrate its ability to conclude multilateral agreements that respond to current challenges, such as the digitalisation of the economy and environmental sustainability. The continuation of the moratorium on customs duties on electronic transmissions and reaching a tangible agreement on fisheries subsidies are outcomes that will contribute to the WTO's

credibility. The matters of special and differential treatment and a level field of competition must be included in the reform.

**Question 56:**

*Do Switzerland and Liechtenstein have plans to impose additional tax on countries that give certain forms of fisheries subsidies? If so, will this affect the volume of trade of fishery products in both countries given that they are land-locked areas?*

**Switzerland's answer:**

*No Switzerland does not plan to impose any additional tax on countries that give certain forms of fisheries subsidies.*

*Illegal, unreported and unregulated (IUU) fishing is a global problem that threatens marine ecosystems and sustainable fishing. It can lead to the collapse of local fisheries, with small-scale fisheries in developing countries proving especially vulnerable. IUU fishing thus jeopardizes food security, exacerbates poverty and disadvantages those who fish legally. The import of products from IUU fishing is prohibited in Switzerland.*

*In Switzerland, the "Ordinance on control of the lawful origin of imported marine fishery products (<https://www.fedlex.admin.ch/eli/cc/2016/272/fr>)" (IUU Ordinance, RS 453.2 - Ordonnance du 20 avril 2016 sur le contrôle de l'origine licite des produits de la pêche maritime importés (admin.ch) (<https://www.fedlex.admin.ch/eli/cc/2016/272/fr>)) has been legally binding since 1 March 2017. It stipulates that marine fishery products may be imported only if a valid catch certificate certifying the lawful origin of the products is presented.*

**Page 17, paragraph 1.93**

During the period under review, as mentioned above, all Switzerland's FTAs with its EFTA partners include a chapter on trade and sustainable development. Dialogue is taking place with a number of partner countries on the implementation of the related commitments.

**Question 57:**

*How will this provision apply to the EFTA partners before the period under review?*

**Switzerland's answer:**

*The first model chapter on trade and sustainable development was developed in 2010. All FTAs concluded since then include such provisions. In modernization processes of older agreements concluded prior to 2010, and which therefore do not contain such provisions, Switzerland and the other EFTA Members systematically propose to include a dedicated chapter on trade and sustainable development to the partner in question.*

**Question 58:**

*What would be the commitments required from existing trade partners; and how would this apply to the removal of tariffs?*

**Switzerland's answer:**

*Agreements with FTA partners that were concluded before 2010 do not contain a chapter on trade and sustainable development. As indicated under 1), it is Switzerland's aim to include a dedicated chapter on trade and sustainable development in all agreements that do not yet contain such provisions. The commitments under the chapter on trade and sustainable development are in general not directly linked to tariffs.*

## **2.2.3 STATE ACTIVITIES**

**Page 25, paragraph 2.36**

In order to further facilitate the interaction with the public administration, the Government is currently advancing the digitalization of most public services, for example including identification and payment services. For that purpose, a "Digitalization Roadmap for the Liechtenstein Public Administration" was developed in 2020. The Roadmap, which includes more than 100 digitalization projects across 29 public offices, is to be implemented in the coming years. In its e-Government Act, the government has stipulated that from 2023 onwards, all communication between companies and public authorities must be conducted electronically.

**Question 59:**

Can you share some key policies, projects, or activities set out in Liechtenstein's Digitalization Roadmap?

**18 KOREA, REP. OF****PART I: Questions Regarding the Secretariat Report****Page 48, paragraph 2.38**

*In May 2021, the Federal Council decided not to sign an institutional framework agreement with the European Union that would have established an institutional framework for five of the bilateral agreements in place. According to the authorities, the key areas of concern for Switzerland related to the Citizens' Rights Directive (CRD), with provisions on wage protection and state aid not producing the outcomes needed by the Swiss. For Switzerland to have incorporated the CRD into the Agreement on the Free Movement of Persons, exemptions would have been needed to ensure rights enjoyed by persons accorded freedom of movement would not be extended, since this would result in higher social security costs.<sup>54</sup> This impasse has had an immediate impact on the pending update of the Switzerland-EU/EEA mutual recognition agreement with respect to medical devices (Section 3.3.2).*

**Page 48 footnote 55**

*This update would have been needed by 26 May 2021, at which time the European Union's Medical Device Regulation and the corresponding new Swiss law were to become applicable. Since the update could not be carried out, the Federal Council adopted measures on 19 May 2021 to ensure market surveillance for medical devices as well as their safe future supply.*

**Question 1:**

*As of 26 May 2021, the Mutual Recognition Agreement between Switzerland and the EU is no longer applicable to medical devices. It requires manufacturers to re-register through a Swiss certification agency in order to distribute their medical devices in the Swiss market, regardless of whether or not they have received CE certification, which is a heavy burden on foreign companies in terms of cost and time. The Swiss Federal Council described these supplementary measures, which adopted on 19 May 2021, as "transitional provisions". Is there any possibility for further revision or any discussion about this?*

**Switzerland's answer:**

*The MRA is based on the equivalence of the legislation between Switzerland and the EU. The new Swiss Medical Devices Ordinance (MedDO) is therefore equivalent to the new EU Medical Devices Regulation (MDR). The MedDO entered into force also on 26 May 2021. The measures taken by the Federal Council on 19 May 2021 mainly foresee transitional periods to implement certain requirements in Switzerland.*

## 19 ARGENTINA

### Preguntas de Argentina al Informe de la Secretaría WT/TPR/S/425

#### 2.2 Formulación y objetivos de la política comercial

Según el párrafo 2.10 del Informe de la Secretaría (WT/TPR/S/425): "la política comercial también se guiará por la nueva Estrategia de Política Económica Exterior de Suiza, que el Consejo Federal adoptó el 24 de noviembre de 2021. Si bien no representa un cambio fundamental de rumbo en la política económica exterior de Suiza, la nueva Estrategia se centra en la integración en los mercados mundiales y los objetivos de política comercial ocupan un lugar destacado en los ámbitos de acción prioritarios. Trata de garantizar que la política exterior preserve y aumente la prosperidad del país, lograr los Objetivos de Desarrollo Sostenible, tener en cuenta la evolución del entorno geopolítico y la emergencia percibida de nuevas tendencias proteccionistas, y satisfacer las necesidades de desarrollo sostenible y de la creciente digitalización. También se elaboran políticas comerciales en el contexto de otras estrategias nacionales, como la Estrategia de Desarrollo Sostenible para 2030 y su Plan de Acción asociado para 2021-2023, adoptado en junio de 2021."

#### Question 1:

*En relación a este aspecto, ¿cómo evalúa Suiza la interacción entre las nuevas tendencias proteccionistas y la estrategia de integración a los mercados mundiales?*

#### Switzerland's answer:

*As a medium-sized national economy with few natural resources, Switzerland relies on foreign markets and being integrated into international value chains. It is committed to the international rules-based system, access to international markets and sustainable economic relations as a means of safeguarding the population's prosperity. Consequently, the framework conditions must also be adapted on a regular basis to take account of social, political, technological and economic developments. The revised foreign economic policy strategy defines the main areas of action designed to ensure that the policy of openness adopted in recent decades continues to deliver benefits. Multilateral approaches remain essential. Switzerland endeavours to keep both the import and export trade as open and regulated as possible and seeks access to geographically diversified and resilient markets, thus strengthening the country's ability to withstand crises.*

#### 2.4 Régimen de inversiones y entorno comercial

El párrafo 2.45 establece: "Por otro lado, el Foro Económico Mundial ha señalado que hay margen de mejora en una esfera clave, su régimen comercial, habida cuenta de los elevados obstáculos al comercio (en el sector agropecuario) y de la complejidad de los aranceles."

#### Question 2:

*¿Está Suiza considerando actualmente políticas para mejorar estos dos aspectos señalados por el Foro Económico Mundial, los obstáculos al comercio agrícola y la complejidad de los aranceles?*

#### Switzerland's answer:

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

## 3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS

### 3.1 Medidas que afectan directamente a las importaciones

#### 3.1.1 Procedimientos y requisitos aduaneros y valoración en aduana

En el punto 3.2 se indica que durante el período objeto de examen se han introducido varios cambios en la reglamentación aduanera, ninguno de los cuales ha repercutido de forma directa en los procedimientos aduaneros. Las leyes y procedimientos aduaneros de Suiza son similares al Código Aduanero de la Unión Europea; establecen los mismos regímenes (salvo el régimen de uso final y el aplicado a las zonas francas) y emplean una terminología y unas definiciones similares.

#### Question 3:

*¿Podría Suiza detallar los cambios introducidos en la reglamentación aduanera y explicar las razones de dichos cambios?*

**Switzerland's answer:**

*Les modifications sont détaillées dans l'ordonnance suivante: RS 631.013 Ordonnance de l'OFDF du 4 avril 2007 sur les douanes (OD-OFDF): Modifications et Abrogations (<https://www.fedlex.admin.ch/eli/cc/2007/253/fr/changes>).*

*Il ne s'agit en général que d'adaptations mineures (formelles, organisationnelles, etc.) qui ne touchent pas la procédure de déclarations en tant que telle.*

En el inciso 3.10 se menciona que en Suiza y Liechtenstein todos los aranceles son derechos específicos y no requieren valoración en aduana, pues para calcular el derecho se toma como referencia el peso bruto (peso de las mercancías más el embalaje). Por lo que respecta al impuesto sobre el valor añadido (IVA) y otros impuestos, como los derechos sobre los automóviles, que se recaudan en frontera sobre la base del valor, se emplea como criterio el valor facturado.

**Question 4:**

*¿Podría Suiza detallar todos los impuestos a los que se refiere como "otros impuestos"?*

**Switzerland's answer:**

*L'impôt sur le tabac est perçu en se basant sur le prix de vente au détail, soit le prix payé par le consommateur.*

- *Automobile Tax: The Federal Office for Customs and Border Security levies automobile duty of 4% of the vehicle's value on light commercial vehicles with a unit weight of no more than 1,600 kg, as well as on passenger vehicles. The duty is payable on the importation of automobiles into the domestic territory and the delivery and own use of automobiles produced domestically.*
- *L'impôt sur le tabac est un impôt à la consommation spécial et il est perçu par l'Office fédéral de la douane et de la sécurité des frontières.*

*Sont soumis à l'impôt:*

- *les tabacs manufacturés fabriqués industriellement en Suisse et prêts à la consommation, ainsi que les tabacs manufacturés importés;*
- *les produits de substitution.*

*L'impôt est fixé:*

- *pour les cigarettes et les cigares, par pièce et en pour-cent du prix de vente au détail;*
- *pour le tabac à coupe fine et le tabac pour pipe à eau, par kilogramme et en pour-cent du prix de vente au détail;*
- *pour les autres tabacs manufacturés, en pour-cent du prix de vente au détail.*

**3.1.3 Aranceles**

En el punto 3.27 se indica que los tipos superiores al 100% solo se aplican a productos agropecuarios, principalmente a las hortalizas (SA07), la carne (SA02) y la leche y los productos lácteos (SA04). Dentro de los productos agropecuarios, los animales y productos del reino animal son, junto con la leche y los productos lácteos, los grupos de productos a los que se aplican los derechos de importación más altos. Algunos grupos de productos agropecuarios, como los animales y productos del reino animal, los productos lácteos, las frutas, hortalizas y plantas, presentan una mayor desviación típica, lo que significa que en esas categorías de productos los intervalos arancelarios son más amplios.

**Question 5:**

*¿Tiene pensado el gobierno de Suiza y Liechtenstein abordar el problema de la ampliación de los intervalos arancelarios, así como también los elevados aranceles que aplica particularmente al sector agropecuario?*

**Switzerland's answer:**

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

### 3.1.3.2 Contingentes arancelarios

El párrafo 3.29 sostiene que se "aplican los contingentes arancelarios a varios productos agropecuarios, que en 2021 abarcaron el 3.7% de las líneas arancelarias (frente al 3.8% en 2016). Se trata sobre todo de hortalizas alimenticias, carne y despojos comestibles, jugos de frutas, frutas frescas, flores cortadas, animales vivos, productos lácteos, vino y determinados cereales. Los contingentes arancelarios se pueden aumentar de manera autónoma, principalmente para mitigar situaciones de escasez interna. El proceso de asignación de los contingentes varía según el producto".

#### Question 6:

*¿Podría explicar Suiza cómo se asignan los contingentes para carne y despojos comestibles y vino? ¿Hay posibilidades de autorizar importaciones más allá de los contingentes arancelarios en alguno de los sectores mencionados?*

#### Switzerland's answer:

*Details for the allocation of quotas can be found in the most recent Swiss notification G/AG/N/CHE/108.*

*The allocation procedures for the meat tariff quotas are auctioning and prise en charge (under which the allocation of tariff quota is contingent upon local purchase). The tariff quota for edible offal is not administered and imports can thus occur in unlimited quantities at the in-quota tariff. The quota for wine is allocated with the system of "first come, first served".*

*In general, tariff quotas are autonomously increased, when the internal production together with the consolidated quantity of the quota is not sufficient to satisfy the internal demand.*

### 3.1.3.3 Derechos consolidados

En el inciso 3.32. Los compromisos arancelarios de Suiza y Liechtenstein se han formulado como derechos específicos. Como resultado de la Ronda Uruguay, el 99% de las líneas arancelarias de Suiza y Liechtenstein está consolidado. Hay 83 líneas arancelarias que no están consolidadas (a nivel de 8 dígitos del SA) correspondientes al gas, el petróleo y los productos conexos.

#### Question 7:

*¿Podrían explicar el motivo por que existen 83 líneas arancelarias sin consolidar? ¿Piensa el gobierno consolidar esas líneas en algún momento?*

#### Switzerland's answer:

*At the moment the applied rates on these products are at 0%. However, an internal consumption tax is levied. Switzerland does currently not plan to bind these tariff lines.*

### 3.1.3.4 Otros derechos y cargas

El párrafo 3.34 establece: "Al igual que en el período abarcado por el anterior examen, dado que los demás derechos y cargas se han consolidado a un tipo nulo y los aranceles aplicados suelen ser iguales a los tipos consolidados, es posible que la suma de los aranceles y de las contribuciones al fondo de garantía exceda de los compromisos consolidados de Suiza en varias líneas arancelarias".

#### Question 8:

*¿Cómo tiene previsto Suiza evitar esta posible percepción por encima de los tipos consolidados?*

#### Switzerland's answer:

*In 2019, Switzerland launched a project to modify the compulsory reserve regime for coffee and rice. This project has not been finalised. Reflections on National Economic Supply are on-going and a revision of the legal basis is in preparation, following the COVID-19 crisis and a planned reorganization of the Federal Office for National Economic Supply.*

### 3.1.3.5 Exenciones y reducciones arancelarias

En el párrafo 3.35 del Informe de la Secretaría se indica que, en 2019, el Consejo Federal renovó y amplió una reducción temporal de los derechos de aduana aplicados a las materias textiles, que había estado en vigor desde 2015 hasta 2019. La Orden por la que se reducen temporalmente los



derechos de aduana sobre las materias textiles y los materiales intermedios (RO 2019 1611; RS 632.102.1) entró en vigor el 1 de julio de 2019 y estará vigente hasta el 31 de diciembre de 2023.

**Question 9:**

*¿Podrían informar cuales son los criterios y el procedimiento utilizado para la confección de dichos listados? ¿Existe la posibilidad de que se apliquen a otros productos, distintos de los textiles?*

**Switzerland's answer:**

*The Federal Council's decision was based on Article 4 of Switzerland's Customs Tariff Act (online at: 632.10 ([https://www.fedlex.admin.ch/eli/cc/1987/1871\\_1871\\_1871/en](https://www.fedlex.admin.ch/eli/cc/1987/1871_1871_1871/en))), that allows the Federal Council to order a temporary suspension of duties applicable to certain goods, if interests of the Swiss economy so require.*

El párrafo 3.42 del Informe de la Secretaría establece: "En 2020, casi el 60% de todas las importaciones realizadas en Suiza estuvo libre de derechos.

Aunque otro 36.9% de las importaciones podría haberse beneficiado de preferencias, solo se acogió a tipos arancelarios preferenciales poco más de la mitad de esa cifra (gráfico 3.3). La utilización de preferencias varía considerablemente entre los distintos beneficiarios; por ejemplo, en 2020 fue del 0% al 92.2% (cuadro A3.2)."

**Question 10:**

*¿A qué razones considera Suiza que podría deberse esta no utilización de las preferencias vigentes?*

**Switzerland's answer:**

*Switzerland initiated extensive work to identify the factors that lead to incomplete use of FTAs. SECO conducted two surveys, one with importers and one with exporters. The survey with importers confirmed that companies are not sufficiently informed about the conditions that must be met in order to benefit from FTAs. See also the following publication: <https://dievolkswirtschaft.ch/fr/2021/10/accords-de-libre-echange-les-importateurs-paient-trop-de-droits-de-douane/>. The survey with exporters is currently being evaluated by SECO. The aim is to identify measures to further increase the use of FTAs.*

### 3.1.4 Prohibiciones, restricciones y licencias de importación

El párrafo 3.47 del Informe de la Secretaría establece: "Se utilizan licencias no automáticas para la asignación de algunas partes de determinados contingentes arancelarios de productos agropecuarios a operadores autorizados; estas licencias pueden transferirse a otros operadores autorizados y tienen duración limitada. Según la notificación de Suiza, los contingentes arancelarios en cuestión son: animales vivos de la especie bovina (CHEQ002), animales para matadero (CHEQ005 y CHEQ006), algunos productos lácteos (CHEQ007), flores cortadas (CHEQ013), patatas (papas) (CHEQ014), legumbres y hortalizas frescas y congeladas (CHEQ015, CHEQ016) y frutas frescas (CHEQ017, CHEQ018, CHEQ019)."

**Question 11:**

*¿La transferencia de licencias a otros operadores autorizados se realiza a título oneroso?*

**Switzerland's answer:**

*The transfer of licences to other authorized operators is free of charge.*

### 3.1.5 Medidas antidumping, compensatorias y de salvaguardia

En el inciso 3.52 se indica que la legislación permite modificar los tipos arancelarios o imponer medidas no arancelarias en situaciones de emergencia o cuando puedan resultar afectados intereses nacionales. No se ha hecho uso de estas disposiciones en el período objeto de examen.

**Question 12:**

*¿Podrían explicar a qué se refiere con una "situación de emergencia o cuando puedan resultar afectados intereses nacionales"? ¿Se ha aplicado alguna vez esta medida? Si la respuesta es afirmativa, por favor indicar en qué casos específicamente.*



**Switzerland's answer:**

Measures provided for under Article 7 of the Federal Law of October 1986 on Customs Tariffs and Article 1 of the Federal Law on External Economic Measures, referred to in Fn 42 of the Secretariat's Report, aim to protect Switzerland's essential economic interests in case measures taken abroad or extraordinary conditions prevailing there affect Switzerland's foreign trade. Article 11 of the Federal Law of October 1986 on Customs Tariffs provides for a safeguard clause for agricultural products, indicating that such measures must be within the limits of the safeguard clauses contained in international agreements. Emergency measures are of a temporary nature.

Beyond these provisions, the Swiss legislation does not provide for any further specific formal or substantive requirements. Decisions on such measures would be taken on a case-by-case basis and taking into account the macroeconomic interests. Under current WTO law, Switzerland has so far ordered urgent safeguard measures only once, in 1999, concerning pork meat.

**3.3.4.3 Controles de precios – Suiza**

El párrafo 3.151 del Informe de la Secretaría establece: "Los precios de umbral para las importaciones agropecuarias constituyen un caso especial de control de precios o de precio administrado, ya que son, a la vez, un instrumento de protección de la agricultura (sección 4.1). Suiza aplica un sistema de precios de umbral para las importaciones de ciertos productos agrícolas básicos (cereales y semillas oleaginosas), a fin de mantener los precios (derechos de aduana incluidos) dentro de determinadas horquillas. Por medio de derechos de importación NMF variables, las autoridades pueden controlar y estabilizar los precios nacionales de esos productos agrícolas con objeto de mantenerlos en torno al nivel de los precios de umbral reglamentarios".

**Question 13:**

¿Qué parámetros emplea Suiza para determinar los precios de umbral de las importaciones de cereales y semillas oleaginosas?

**Switzerland's answer:**

Threshold prices are defined in the respective ordinance and correspond to the target import price (Annex 1 Agricultural Import Ordinance, RS 916.01 - Ordonnance du 26 octobre 2011 sur l'importation de produits agricoles (Ordonnance sur les importations agricoles, OIAgr) (admin.ch) (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>)). Changes to the Threshold prices are within the competence of the Federal Council.

**3.3.7.1 Derechos de propiedad intelectual relacionados con el comercio**

En el párrafo 3.171 del Informe de la Secretaría se establece: "Desde el anterior examen realizado en 2017, las novedades en materia de propiedad intelectual han desempeñado un papel importante tanto en la actividad legislativa interna de Suiza como en su política de comercio internacional. Desde 2017, la "legislación Swissness" fortalece la protección de la designación "Suiza" y la cruz suiza. Aporta normas claras para el uso de las indicaciones de procedencia suiza cuando se utilizan con fines publicitarios, lo cual a su vez contribuye a prevenir el uso indebido de la marca "Suiza", velando por su valor a largo plazo. En este contexto, además de la revisión de la Ley Federal de Protección de Marcas de Fábrica o de Comercio e Indicaciones de Origen y de la Ley Federal de Protección del Escudo Nacional y demás Insignias Públicas, se adoptaron varias órdenes para hacer extensiva esta reglamentación a los relojes, los productos alimenticios, los productos cosméticos y los productos no agropecuarios. De modo análogo, el 1 de abril de 2020, se revisó parcialmente la Ley Federal de Derecho de Autor y Derechos Conexos a fin de adaptarla a los últimos avances tecnológicos y hacer que la lucha contra la piratería en línea sea más eficaz."

**Question 14:**

¿Está actualmente bajo consideración del gobierno suizo la posibilidad de aplicar la "legislación Swissness" a nuevos sectores, en el mediano plazo?

**Switzerland's answer:**

La législation "Swissness" a pour but de protéger les consommateurs contre la tromperie et les producteurs contre la concurrence déloyale. Elle s'applique déjà à toutes les utilisations commerciales en lien avec tous les produits et services. Une application des règles "Swissness" à d'autres types d'utilisation, non-commerciales, n'est donc ni nécessaire ni envisagée.

En el párrafo 3.178 del Informe de la Secretaría, sobre Suiza se indica que este país "ha mantenido su estrategia de reforzar y extender su red de ALC bilaterales, que contienen amplias disposiciones sobre propiedad intelectual, y ha seguido participando activamente en el Consejo de los ADPIC, en particular dando a conocer su experiencia nacional en relación con el tema de la propiedad intelectual y la innovación".

**Question 15:**

*¿Podría la delegación Suiza indicar el procedimiento para el registro en Suiza de una Indicación Geográfica para vinos de un tercer país, de conformidad con las disposiciones del ADPIC?*

**Switzerland's answer:**

*Une indication géographique viticole d'un pays tiers peut faire l'objet, en Suisse, d'un enregistrement en tant que marque géographique en vertu des art. 27a et suivants de la Loi sur la protection des marques et des indications de provenance.*

**Question 16:**

*De no existir un procedimiento para un registro, ¿Cómo garantiza Suiza la protección de una indicación geográfica para vinos de un tercer país en su territorio?*

**Switzerland's answer:**

*Les indications géographiques viticoles de pays tiers peuvent être protégées, en Suisse, en vertu de différents instruments: i) la protection des indications de provenance sans enregistrement, en vertu des art. 47 et suivants LPM; ii) la protection en tant que marque géographique, en vertu des art. 27a et suivants LPM; iii) la protection en vertu d'un accord bilatéral ou de l'Acte de Genève de l'Arrangement de Lisbonne sur les appellations d'origine et les indications géographiques.*

#### **4.1 Agricultura**

##### **4.1.1 Panorama general y evolución reciente de la política**

En el párrafo 4.15 del Informe de la Secretaría se establece: "Tras el estallido de la pandemia de COVID-19, las autoridades suizas adoptaron medidas de apoyo financiero con miras a garantizar el suministro de alimentos a la población y prevenir una bajada de los precios en el mercado agropecuario. Se asignó un total de CHF 3 millones para el almacenamiento de carne de vaca, ternera y cabra, cuya demanda disminuyó tras el cierre de los restaurantes. El Gobierno suizo también aprobó una orden por la que se concede asistencia financiera excepcional por valor de CHF 10 millones para la reclasificación como vinos de mesa de los vinos con denominación de origen controlada. En virtud de este régimen de financiación, los viticultores tenían derecho a recibir CHF 2 por cada litro de vino reclasificado con denominación de origen controlada. También se exigió a los viticultores que redujeran la producción máxima para la cosecha de 2020. Se permitió un máximo de 1,2 kg por metro cuadrado en el caso del vino blanco y de 1 kg por metro<sup>2</sup> en el del vino tinto."

**Question 17:**

*¿Continúan en vigencia estas medidas de apoyo financiero?*

**Switzerland's answer:**

*The legal basis for storage contributions for beef and veal meat existed already before the COVID-19 pandemic and will continue to exist. In the context of COVID-19, the contribution was temporarily extended to include goat meat until the end of 2020. Furthermore, in response to the pandemic, the budget allocated to this contribution was temporarily increased. The measure for wine is no longer in force. It was limited to the year 2020.*

##### **4.1.2.1 Aranceles NMF aplicados**

En el párrafo 4.17 se señala que "el Arancel de Aduanas suizo contiene unas 2.466 líneas arancelarias de productos agropecuarios (al nivel de 8 dígitos del SA). Como se observó en el examen anterior, hay unos 500 productos protegidos por aranceles que tal vez no necesiten protección frente a las importaciones (por ejemplo, 0704.9080 - Coles rizadas sin repollar), y otras 500 líneas arancelarias aproximadamente con aranceles elevados o prohibitivos que se mantienen principalmente por razones históricas; es posible que esas crestas arancelarias ofrezcan margen para realizar recortes arancelarios sin comprometer los objetivos de la política agrícola."

**Question 18:**

*¿Existen posibilidades concretas de que se produzcan aperturas o flexibilizaciones? ¿Sobre qué productos agropecuarios?*

**Switzerland's answer:**

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

Asimismo, en el párrafo 4.17 del Informe de la Secretaría se señala: "Como se observó en el examen anterior, hay unos 500 productos protegidos por aranceles que tal vez no necesiten protección frente a las importaciones (por ejemplo, 0704.9080 - Coles rizadas sin repollar), y otras 500 líneas arancelarias aproximadamente con aranceles elevados o prohibitivos que se mantienen principalmente por razones históricas; es posible que esas crestas arancelarias ofrezcan margen para realizar recortes arancelarios sin comprometer los objetivos de la política agrícola."

**Question 19:**

*¿Está considerando actualmente Suiza reevaluar estas crestas arancelarias que se mantendrían principalmente por razones históricas?*

**Switzerland's answer:**

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

**4.1.3 Ayuda interna**

**4.1.3.1 Pagos directos**

El párrafo 4.37 del Informe de la Secretaría indica que el nivel de los pagos directos a explotaciones agropecuarias sigue siendo relativamente elevado en Suiza. Según la OCDE, representan alrededor del 50% de la ayuda a los agricultores. La mayor parte son pagos generales por superficie para todos los terrenos agrícolas, pagos para mantener la actividad agrícola en condiciones desfavorables y pagos a los agricultores que aplican voluntariamente prácticas agropecuarias más estrictas vinculadas a la protección del medio ambiente y los animales. En promedio, los pagos directos ascendieron a CHF 71.000 por explotación agropecuaria en 2020 y contribuyeron en alrededor del 21% a los ingresos de los agricultores. En el marco de la PA 2018-2021, el gasto total en pagos directos se mantuvo en un nivel de aproximadamente CHF 2.800 millones al año, por lo que apenas hubo cambios con respecto al gasto correspondiente al plan cuatrienal anterior.

**Question 20:**

*¿Piensa el gobierno reducir los pagos directos a los productores y adecuar al sector agrícola a la competencia internacional?*

**Switzerland's answer:**

*Switzerland's agricultural policy is oriented towards a long-term strategy and built upon stable, foreseeable and coherent conditions for farming which permits mid- and long-term improvements of competition parameters. Enhanced competitiveness of Swiss agriculture on global markets is a goal of the current agricultural policy. Reducing costs, innovative and market-oriented product differentiation as well as locally adapted and resource-efficient agricultural production systems for an optimal use of the natural production potential are key elements in achieving this.*

*The strategic focus areas for the next phase of the Swiss agricultural policy involve the agricultural markets, the agricultural enterprises and the environment. In this context Switzerland is evaluating different options toward an enhanced market-oriented agricultural policy. While all measures of agricultural policy are regularly reviewed, it is clear that direct payments will remain an integral part of Swiss agricultural policy. This enables the agricultural sector to fulfil its important contributions to maintaining food security, providing positive externalities such as environmental benefits, and preserving cultural landscapes, which are highly valued by Swiss society.*

El párrafo 4.45 del Informe de la Secretaría indica: "[...] está previsto ajustar el régimen de pagos directos en 2023. El propósito de la reforma es lograr diversos objetivos de reducción específicos mediante el aumento de las exigencias ambientales que deben cumplir los receptores de pagos directos (recuadro 4.1). Las exigencias adicionales que está previsto que se sumen a las exigencias ambientales actuales (prueba de eficiencia ecológica) se están sometiendo a consulta pública."

**Question 21:**

*¿Este ajuste incluiría los más de veinte tipos de pagos directos de que se beneficia la agricultura suiza (apartado 4.1.3.1), o sólo algunos?*

**Switzerland's answer:**

*The adjustment of our current direct payment system will include all types of direct payments. The proof of ecological performance (PEP) as the prerequisite to obtain direct payments, will be strengthened (e.g. nutrient balance). The direct payments for production systems will be enhanced by new programs for the reduction of pesticide use and the reduction of nutrient losses. Since the direct payment budget remains unchanged, the changes will be financed through reducing the budget for payments for ensuring food security.*

**4.1.3.2 Medidas de sostenimiento de los precios del mercado**

El párrafo 4.48 del Informe de la Secretaría indica: "El sostenimiento de los precios es relativamente significativo en Suiza. La OCDE estima que representa el 50% de la ayuda total a los productores, y los precios internos fueron en promedio 2018-2020 un 46% superiores a los precios mundiales en 2018. Además de los contingentes arancelarios con aranceles elevados fuera del contingente, Suiza también proporciona medidas complementarias de sostenimiento de los precios del mercado. Esos gastos se destinan principalmente a los productores de productos lácteos. Además, se realizan pagos por superficie para las semillas oleaginosas, las proteaginosas, los cereales y la remolacha azucarera."

**Question 22:**

*¿Está considerando actualmente Suiza modificaciones en sus medidas de sostenimiento de los precios de mercado, además de aquellas señaladas en el apartado 4.1.3 del EPC?*

**Switzerland's answer:**

*With the implementation of the AP 14-17, Switzerland eliminated all market price support except for tobacco. In relation to other product-specific support for the plant production, the following modifications are foreseen: The crop premium for grain legumes will no longer be limited to grain legumes for the production of animal feed. In addition, the scope of the contribution will be extended in order to include other legume species. With regard to product-specific support for dairy, there are currently no changes foreseen.*

**4.1.5 Evolución de la ayuda**

El párrafo 4.67 del Informe de la Secretaría indica: "Suiza sigue la tendencia de la OCDE y la Unión Europea a introducir reformas para reducir las medidas que distorsionan el comercio y la producción (gráfico 4.1). Sin embargo, la EAP representó el 51.9% de los ingresos agrícolas brutos en 2020, lo que significa que casi más de la mitad de los ingresos de los agricultores se debieron a políticas de ayuda. En términos relativos, los agricultores suizos recibieron más del doble de la ayuda prestada a los agricultores de la UE (EAP del 19.3%) y del promedio de la OCDE (18.2%)."

**Question 23:**

*¿Prevé Suiza mantener la tendencia a la reducción en las medidas que distorsionan el comercio y la producción agrícolas en el mediano plazo?*

**Switzerland's answer:**

*Within our agricultural policy framework for 2014-2017, subsequently extended to 2022, Switzerland continues to focus on the deregulation of agricultural markets as well as on improving our direct payment scheme in order to be more efficient and effective (e.g. continuation of environmental cross-compliance conditions, abolition of general area payments, reallocation of payments related to specific agricultural practices). Another step in the reform process was the abolition of all remaining export subsidies in 2019.*

*Switzerland has always been engaged to the continuation of the reform process following Article 20 of the WTO Agreement on Agriculture. In this context, Switzerland is ready to take its engagements, preferably in the scope of larger negotiating packets.*

*Discussions concerning future development of the Swiss agricultural policy are continuing.*

**Preguntas de Argentina al Informe País WT/TPR/G/425**

En el párrafo 1.52 se alude al Seguro Suizo contra los Riesgos de Exportación (SERV), organización de derecho público de la Confederación.

**Question 24:**

*¿Cómo se financia la actividad del SERV? ¿Su presupuesto incluye aportes gubernamentales?*

**Switzerland's answer:**

*The Federal Act on the Swiss Export Risk Insurance (FA-SERV) of 16 December 2005 (as of 1 January 2016) provides the framework conditions. SERV is an institution under public law with its own legal personality. It is independent in its organisation and management and keeps its own accounts (see FA-SERV Article 3). In the Principles of Business Policy (see FA-SERV Art. 6) SERV is tasked to work as an economically viable insurance for sovereign and private risks and has to charge risk-oriented premiums in individual cases. Therefore, SERV is self-funding via charging (OECD) Arrangement-conform premia.*

En el párrafo 1.58 se explica que Suiza eliminará los derechos de aduana aplicados a los productos industriales a partir del 1 de enero de 2024.

**Question 25:**

*¿Esta eliminación tendrá lugar íntegramente el 1 de enero de 2024 o se trata de una eliminación progresiva?*

**Switzerland's answer:**

*The lifting of industrial tariffs will be fully implemented on 1 January 2024 (no phasing out).*

En el párrafo 1.72 Suiza señala que ha eliminado las subvenciones a la exportación de productos agropecuarios, para lo que ha sido necesario modificar la legislación nacional.

**Question 26:**

*¿Cuáles normas suizas debieron modificarse para cumplimentar la decisión adoptada en la Décima Conferencia Ministerial, celebrada en Nairobi?*

**Switzerland's answer:**

*Switzerland has abolished all export subsidies as of 1 January 2019. The 1974 Federal Law on the Import and Export of Processed Agricultural Products, under which exports of processed agricultural products could be granted export contributions, was repealed and replaced by the Federal Law on the Import of Processed Agricultural Products (RS 632.111.72).*

## 20 NEW ZEALAND

### REPORT BY SWITZERLAND (WT/TPR/G/425)

#### SECTION 1.4.1

##### WT/TPR/G/425, page 13, paragraph 1.58

Section 1.4.1, paragraph 1.58 states "It is important for Switzerland to improve conditions to promote open markets. Thus, Switzerland will remove tariffs on industrial products as of 1 January 2024. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened."

##### **Question 1:**

*New Zealand welcomes the planned removal of tariffs on industrial products and would be interested to understand whether Switzerland also considers similar advantages as the ones listed in this section in regard to agricultural products?*

##### **Switzerland's answer:**

*The agricultural tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

##### WT/TPR/G/425, page 14, paragraph 1.72

Section 1.4.1, paragraph 1.72 states "With respect to agriculture, Switzerland will pursue its constructive engagement in negotiations, underlining the need to adequately take into account non-trade concerns."

##### **Question 2:**

*New Zealand understands that the new article on food security in the Swiss Constitution (Article 104a) requires the Swiss Government to guarantee the supply of food to the population based on a set of predefined criteria. Are there any further non-trade concerns that need to be taken into account in negotiations?*

##### **Switzerland's answer:**

*As a net-food importing country, food security is an important non-trade concern for Switzerland. This is reflected in Article 104a of the Federal Constitution. The Federal Constitution does also foresee other important non-trade concerns related to sustainable development such as the protection of the environment, rural development and animal welfare. Most importantly, it supports the concept of multifunctionality of our agricultural sector.*

##### WT/TPR/G/425, page 17, paragraph 1.96

Section 1.4.6, paragraph 1.96 states "Switzerland participates actively in the negotiations on the Agreement on Climate Change, Trade and Sustainability (ACCTS). This initiative aims to demonstrate the mutual support and complementarity of trade and environmental policies. The initiative thus provides a systemic contribution to the debate on trade and environment, including within the WTO."

##### **Question 3:**

*New Zealand commends Switzerland for its constructive support and collaboration on the Agreement on Climate Change, Trade and Sustainability, and its ongoing efforts to work towards a better multilateral nexus of trade and environmental policies.*

### REPORT BY THE WTO SECRETARIAT (WT/TPR/S/425)

#### SECTION 2.2

##### WT/TPR/S/425, page 37, paragraph 2.10

Section 2.2, paragraph 2.10, elaborates on the action areas identified in Switzerland's Foreign Economic Policy Strategy, stating that "For example, action areas identified in the strategy, inter

alia, include prioritization of a multilateral approach to asserting Switzerland's interests, keeping import and export trade as open and regulated as possible, focusing on main trading partners while maintaining an independent position in the changing geopolitical environment, and boosting resilience to crisis situations by enabling access to geographically diverse and resilient markets."

**Question 4:**

*How does Switzerland intend to maintain an independent position in the changing geopolitical environment, for example Russia's illegal and unjustified invasion of Ukraine?*

**Switzerland's answer:**

*Switzerland's foreign policy strategy is underpinned by the constitutional principles of freedom, the rule of law, equality of opportunity and sustainability. Regarding implementation, the focus is on universality, multilateralism and neutrality. Neutrality in particular is an important instrument in securing Switzerland's independence.*

*Switzerland continues to fully comply with its obligations as a neutral state and does not favor any warring party. However, Switzerland's neutrality policy affords a broad scope of action and extraordinary developments are taken into account. Switzerland has condemned Russia's military aggression against Ukraine and the corresponding violations of fundamental norms of international law in the strongest possible terms and has decided to adopt the EU sanctions against Russia. Fostering peace and security and the respect for international law are values that Switzerland, as a democratic country, supports and shares with its European neighbours.*

**SECTION 2.4.1**

**WT/TPR/S/425, page 51, paragraph 2.45**

Section 2.4.1, paragraph 2.45 states that Switzerland's "trade regime, with high trade barriers (in agriculture) and tariff complexity, has been singled out by the WEF as a key area where there is room for improvement."

**Question 5:**

*New Zealand would be interested to learn if Switzerland has any plans to reduce trade barriers and tariff complexity in agriculture, based on the WEF's recommendation?*

**Switzerland's answer:**

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

**SECTION 3.1.3.4**

**WT/TPR/S/425, page 63, paragraph 3.33**

Section 2.4.1, paragraph 2.46 elaborates on the Swiss system stockpiling certain commodities, with compulsory stock requirements in place for foodstuffs, energy, fertilizers, therapeutic products and gas. The section notes: "Compulsory stocks are also available to Liechtenstein. Over the review period, there have been no changes to the commodity groups subject to compulsory stockpiling."

**Question 6:**

*New Zealand would be interested to understand if there has been any analysis of the impact and role of the stockpiling system (national economic supply) in increasing Switzerland's resilience towards supply shortages and bottlenecks during the COVID-19 pandemic.*

**Switzerland's answer:**

*It is an ongoing task of the National Economic Supply to review the adequacy of compulsory stockpiling and to adapt it to the changing environment if necessary. Every four years, the Confederation conducts a review in close cooperation with the economic sectors concerned. In it, it shows the design of the compulsory stockpiling as well as the envisaged development of the individual products, ranges and quantities. With regard to products in short supply during the COVID-19 pandemic, an extraordinary inter-office review is currently taking place.*

**SECTION 3.3.4.3****WT/TPR/S/425, page 98, paragraph 3.151**

In Section 3.3.4.4, paragraph 3.151, the Secretariat notes that "Agricultural import threshold prices are a special case of price controls or administered prices, as they are also an instrument of agricultural protection". These import duties "allow the authorities to control and stabilize the domestic prices of the agricultural products concerned".

**Question 7:**

- *New Zealand notes that according to Section 1.4.1 of the Government Report "It is important for Switzerland to improve conditions to promote open markets. Thus, Switzerland will remove tariffs on industrial products as of 1 January 2024. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened."*
- *Has Switzerland considered applying a similar approach to agricultural tariffs to benefit consumers and strengthen competition?*

**Switzerland's answer:**

*Enhanced competitiveness is a goal of the current agricultural policy. Switzerland's agricultural policy is oriented to-wards a long-term strategy and built upon stable, foreseeable and coherent conditions for farming which permits mid- and long-term improvements of competition parameters such as efficiency and effectiveness of the sector as a whole. The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system*

**SECTION 4.1.2.1****WT/TPR/S/425, page 119, paragraph 4.16**

In Section 4.1.2.1, paragraph 4.16 of the secretariat report, Switzerland has reduced its applied MFN tariffs on agricultural products by 5.4% between 2016 and 2021. However, meat and dairy products benefit from the highest level of tariff protection.

**Question 8:**

- *New Zealand welcomes and appreciates Switzerland's commitment to reducing agricultural MFN tariffs. However, New Zealand notes that high tariffs remain for meat and dairy.*
- *Has Switzerland considered applying a similar approach to agricultural tariffs for meat and dairy to benefit consumers and strengthen competition?*

**Switzerland's answer:**

*Enhanced competitiveness is a goal of the current agricultural policy. Switzerland's agricultural policy is oriented to-wards a long-term strategy and built upon stable, foreseeable and coherent conditions for farming which permits mid- and long-term improvements of competition parameters such as efficiency and effectiveness of the sector as a whole. The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system for meat and dairy.*

**SECTION 4.1.1****WT/TPR/S/425, page 117, paragraph 4.8**

In Section 4.1.1, paragraph 4.8 of the secretariat report, a referendum is outlined in which "the Swiss electorate adopted a new article of food security in the Swiss Constitution" intended to guarantee the supply of food to the Swiss population.

**Question 9:**

- *New Zealand appreciates that maintaining food security is an important goal.*
- *Has Switzerland examined the role a more open trading system can play in terms of maintaining food security?*



**Switzerland's answer:**

*Switzerland is a net food-importing country and therefore relies on well-functioning trade relations in order to guarantee our national food security. This is reflected in our Article 104a of our Federal Constitution which stipulates that cross-border trade relations that contribute to the sustainable development of the agriculture and food sector are one of the elements necessary to ensure food security. Switzerland has always been engaged in the continuation of the reform process following Article 20 of the WTO Agreement on Agriculture.*

## 21 MEXICO

### Informe de la Secretaría (WT/TPR/S/425)

#### 1 ENTORNO ECONÓMICO

##### 1.1 Principales características de la economía

##### 1.3 Desafíos estructurales

##### Párrafo 1.28

##### PP.27

1.28. El envejecimiento de la población representa un peligro inminente para la productividad y el saldo fiscal del Gobierno. En 2021, el FMI recomendó encarecidamente la implementación de nuevas reformas de las pensiones. En 2021, la Asamblea Federal aprobó el aumento de la edad de jubilación de las mujeres a los 65 años, la misma edad que para los hombres. De todas maneras, las consecuencias del envejecimiento de la población en la economía y el gasto público serán sustanciales, y se están estudiando otras medidas sobre la reforma de las pensiones en el momento de redactar el presente documento.

#### **Pregunta 1:**

*¿Qué pasos o medidas se están evaluando para mitigar los impactos en la productividad y en el saldo fiscal del Gobierno asociados a los cambios demográficos en la población suiza (envejecimiento de la población)?*

*What steps or measures are being evaluated to mitigate the impacts on productivity and the government's fiscal balance associated with demographic changes in the Swiss population (ageing of the population)?*

#### **Switzerland's answer:**

*The Federal Department of Finance has recently published a report on the long-term sustainability of public finances in Switzerland (see report). If demographics and the economy develop as assumed in the report, there will be an additional burden for the public finances due to increased expenditure for the old-age and survivors' insurance (AVS), health- and long-term care. This will lead to an increase in the ratio of general government expenditure to GDP and the public-debt-to-GDP ratio. While the AVS affects the federal level, the sector of health- and long-term influences the budgets of cantons and municipalities. Demographic change is also likely contributing to a savings overhang of the economy, which tends to increase the current account surplus.*

*In relation to the AVS, the reform AVS 21 has passed Parliament in December 2021 (see Federal Social Insurance Office). The reform seeks to ensure the financial equilibrium of the AVS to safeguard the level of benefits in the AVS. Essentially, it involves standardizing the retirement age by raising the age for woman by one year to 65, in line with that for men. Extra funding is to be provided through VAT, which is to be increased by 0.4 percentage points. The public vote on the reform AVS 21 is expected to take place in autumn 2022. These legislative changes will enable the financial stabilization of the AVS until 2030; after that, further measures will be necessary.*

*Two reform packages have been recently put together by the federal government to contain cost growth in the mandatory health insurance (MHI), which would mitigate the pressure on cantonal health budgets simultaneously (see Federal Office of Public Health). The first package that the parliament has partly approved includes as key elements the fostering of flat-rate tariffs in ambulatory care and the option for cantons to implement pilot cost-containment schemes. The second package foresees inter alia the introduction of a gatekeeping system and a strengthening of coordinated care. Furthermore, the federal government has introduced a bill on budgetary targets to mitigate the cost growth of MHI to the Swiss parliament in November 2021 (see Swiss Parliament; Federal Office of Public Health; WP Federal Finance Administration No. 22). This bill should serve as a counter-proposal to the popular initiative "Cost Break for the MHI" by the parliamentary fraction "The Middle". However, both the counter-proposal and the popular initiative are highly contested in parliament. The final parliamentary decision regarding the recommendation on the popular initiative and its counter-proposal is outstanding.*

*The long-term perspectives for public finances assumes that the share of the labour force will decrease due to the ageing of the population. On the other hand, it is assumed that productivity can be maintained (according to the long-term average). If productivity were to fall as well, the impact on economic growth and thus on the tax revenues of public budgets would be stronger. On 16 February 2022, the Federal Council published an overview of measures to strengthen the economy (see press release; not available in English). To increase productivity, the focus is on*

*increasing competition in the domestic market. Moreover, shortages in labour supply are expected to provide incentives for labour-saving technical progress, for example, by digitalization.*

## **1 ENTORNO ECONÓMICO**

### **1.1 Principales características de la economía**

### **1.3 Desafíos estructurales**

#### **Párrafo 1.33**

#### **PP. 29**

1.33. La tasa de desempleo de Suiza es estructuralmente baja. Durante el período objeto de examen, se mantuvo en un máximo del 3.3%, frente a un promedio de entre el 6% y el 9% en la UE. De todas maneras, el desempleo está desequilibrado entre los ciudadanos suizos y los extranjeros. Entre enero de 2016 y septiembre de 2021, la tasa de desempleo mensual de los ciudadanos suizos osciló entre el 1.6% y el 2.5%, mientras que la de los extranjeros fue de entre el 3.5% y el 6.9%. Además, el mercado de trabajo se sigue caracterizando por desequilibrios de género: en 2018 (datos más recientes), el salario medio de las mujeres fue un 19% más bajo que el de los hombres. Si bien el 54.6% de esta diferencia obedece a factores objetivos como el puesto profesional o el nivel de educación, el 45.4% todavía no tiene explicación. La brecha de género es ligeramente inferior en el sector público que en el sector privado, y la proporción de factores no explicados, que reflejan una posible discriminación, es inferior en el sector público. Las autoridades indican que no esperan que la pandemia de COVID-19 tenga gran repercusión en la brecha salarial de género. En 2020, se actualizó la Ley Federal de Igualdad de Género, del 24 de marzo de 1995 (RS 151.1), para introducir el requisito obligatorio de que una entidad independiente analice la igualdad salarial en las empresas que emplean a más de 100 trabajadores. La Estrategia de Igualdad aprobada en 2021 se basa en cuatro pilares, y el segundo corresponde a la promoción continua de la igualdad en la vida profesional. El Consejo Federal tiene la intención de eliminar toda discriminación salarial basada en el género. Las correspondientes medidas deben adoptarse o aplicarse para 2023. Además de la discriminación salarial, las mujeres a veces se enfrentan a desincentivos para participar en la fuerza de trabajo, ya que la tributación conjunta de los ingresos da lugar a tipos impositivos marginales elevados para los segundos perceptores de ingresos en el caso de las parejas casadas. La introducción de la tributación individual aumentaría los incentivos para trabajar. El Consejo Federal tiene previsto llevar a cabo un procedimiento de consulta en otoño de 2022.

#### **Pregunta 2:**

*De acuerdo al Informe de la Secretaría se indica que la Estrategia de Igualdad aprobada en 2021 se basa en cuatro pilares, y el segundo corresponde a la promoción continua de la igualdad en la vida profesional. El Consejo Federal tiene la intención de eliminar toda discriminación salarial basada en el género y las correspondientes medidas deben adoptarse o aplicarse para 2023. Además de la discriminación salarial, las mujeres a veces se enfrentan a desincentivos para participar en la fuerza de trabajo, ya que la tributación conjunta de los ingresos da lugar a tipos impositivos marginales elevados para los segundos perceptores de ingresos en el caso de las parejas casadas. La introducción de la tributación individual aumentaría los incentivos para trabajar.*

*Al respecto, nos podría compartir Suiza mayor información sobre las acciones que señala en Informe de la Secretaría tiene previsto Suiza realizar este año.*

*/ According with the Report by the Secretariat, the Equality Strategy approved in 2021 is based on four pillars, the second being "continued promotion of equality in the professional life". The Federal Council intends to eliminate any gender-based salary discrimination and to implement measures should be adopted or put in place by 2023. In addition to salary discrimination, women sometimes face disincentives to participate in the labour force as joint taxation of income leads to high marginal tax rates for second earners in the case of married couples. The introduction of individual taxation would improve the incentives to work.*

*In this regard, could Switzerland share with us more information on the actions indicated in the Report by the Secretariat that Switzerland plans to carry out this year.*

#### **Switzerland's answer:**

*Individual taxation is intended to eliminate the "marriage penalty" (i.e. the additional tax burden on married couples compared to cohabiting couples in the same economic circumstances) in order to create employment incentives for second earners (usually women) and to improve equal opportunities for men and women. Income and assets of married couples are to be divided among the partners according to civil-law circumstances. In principle, married couples will be taxed in the same way as cohabiting couples.*

*It is expected that the Swiss Government will set parameters for a draft law in the 2<sup>nd</sup> quarter of 2022. The opening of the public consultation is planned for the second half of 2022. It is expected that the Swiss Government will submit the draft law to the Parliament towards the end of 2023.*

## **2 REGÍMENES DE COMERCIO E INVERSIÓN**

### **2.2 Acuerdos y arreglos comerciales**

#### **2.3.2 Acuerdos comerciales regionales (ACR)**

##### **Párrafo 2.17**

##### **PP. 42**

2.17. La SECO encargó recientemente un estudio para evaluar en qué medida las empresas suizas aplican las preferencias arancelarias disponibles a través de los ACR (tanto con respecto a sus importaciones como a sus exportaciones). Se constató que, en términos generales, en 2018, los acuerdos de libre comercio (ALC) permitieron a los importadores suizos ahorrar CHF 2.500 millones en derechos de aduana (lo que corresponde a una tasa de utilización media del 73% en el caso de las importaciones). En cuanto a las exportaciones, la tasa de utilización fue del 80% en 2018, lo que representa un ahorro de CHF 1.800 millones en derechos de aduana. Se ha establecido un sistema de seguimiento para cada interlocutor comercial con datos correspondientes a 2019. En un segundo estudio encargado por la SECO se examinó, en mayor detalle, el ahorro en derechos del que se beneficiaban las distintas categorías de importadores. Se constató que tanto las pymes como las grandes empresas se beneficiaron por igual de los ALC durante el período 2016-2019, al ahorrar en derechos un 87% y un 86%, respectivamente, en comparación con los derechos que habrían pagado sin ALC. El ahorro medio en derechos para todas las categorías de importadores fue del 84% en ese mismo período. A partir de esos resultados, la SECO llevó a cabo una encuesta a las empresas importadoras para averiguar por qué algunas empresas suizas no utilizaban los ACR. Según las informaciones, el principal motivo era que las empresas no estaban suficientemente informadas sobre las condiciones que debían cumplir para beneficiarse de los ALC. El cumplimiento de las normas de origen también parecía representar un factor importante. Las autoridades indican que la SECO sigue analizando las respuestas a ese cuestionario a fin de determinar si una labor adicional puede ayudar a promover que las empresas hagan mayor uso de los ALC de Suiza.

##### **Pregunta 3:**

*Resulta relevante la tasa de utilización del 80% de las preferencias arancelarias disponibles en los ACRs por parte de las empresas suizas. En ese sentido, ¿podría Suiza comentar y dar ejemplos acerca del tipo de políticas que han implementado para lograr que más empresas se beneficien de los ACRs?*

*/ The utilization rate of 80% of the tariff preferences available in the RTAs by Swiss companies is relevant. In that sense, could Switzerland comment and give examples about the type of policies that they have implemented to ensure that more companies benefit from RTAs?*

##### **Switzerland's answer:**

*Switzerland initiated extensive work to identify the factors that lead to incomplete use of FTAs. The aim is to identify measures to further increase the use of FTAs.*

## **2 REGÍMENES DE COMERCIO E INVERSIÓN**

### **2.2 Acuerdos y arreglos comerciales**

#### **2.3.2 Acuerdos comerciales regionales (ACR)**

##### **Párrafo 2.22**

##### **PP. 48**

##### **Párrafo 2.22**

2.22. Desde 2010, a raíz de la elaboración de un capítulo modelo sobre el comercio y el desarrollo sostenible por los Estados de la AELC, se han integrado disposiciones sobre la sostenibilidad en todos los nuevos ACR de Suiza. En 2019, el capítulo modelo se revisó para incluir nuevos temas, como la protección climática, la ordenación sostenible de los recursos forestales y marítimos, la preservación de la diversidad biológica, la agricultura sostenible, las cadenas de suministro sostenibles, la conducta responsable de las empresas y la igualdad de género y el comercio inclusivo. El mecanismo de solución de diferencias en esas esferas se reforzó con la incorporación de un grupo de expertos como instrumento complementario para resolver las diferencias.

**Pregunta 4:**

*Sobre la elaboración de un nuevo capítulo modelo sobre el comercio y el desarrollo sostenible por los Estados de la AELC, y su revisión en 2019 que contempló la inclusión de nuevos temas tales como: protección climática, agricultura sostenible, cadenas de suministro sostenibles, conducta responsable de las empresas, igualdad de género y comercio inclusivo ¿podría Suiza comentar con qué países en el marco de sus ACR, ya sea concluidos de negociar o implementados, ha incluido este capítulo, incluyendo la revisión y actualización con nuevas disciplinas?*

*/ Regarding the elaboration of a model chapter on trade and sustainable development by the EFTA States, and its review in 2019 that included new themes, such as: climate protection, sustainable agriculture, sustainable supply chains, responsible business conduct and gender equality and inclusive trade, could Switzerland comment with which countries in the framework of its RTAs, whether negotiated or implemented, has included this chapter, including revision and updating with new disciplines?*

**Switzerland's answer:**

*The first model chapter on trade and sustainable development was developed in 2010. All FTAs concluded by Switzerland since then include such provisions. In 2019, Switzerland and the other EFTA Members updated their model approach. Since then, the revised version of the model chapter is proposed in all negotiations for new agreements and in modernization processes of existing agreements. There are no agreements containing all the new areas covered in the model chapter yet.*

**2 REGÍMENES DE COMERCIO E INVERSIÓN****2.3 Acuerdos y arreglos comerciales****2.3.2 Acuerdos comerciales regionales (ACR)****2.3.2.4 Acuerdos bilaterales de Suiza con la Unión Europea****Párrafo 2.37****PP.53**

2.37. En 2017, entró en vigor para Suiza un acuerdo sobre el intercambio automático de información que sustituye al acuerdo en materia de fiscalidad de los rendimientos del ahorro de 2005. El acuerdo de 2017 se basa en la norma internacional sobre el intercambio automático de información adoptada por la OCDE y abarca el intercambio anual de información sobre cuentas financieras entre Suiza y los Estados miembros de la UE para afrontar la evasión fiscal. El acuerdo contiene esencialmente tres elementos: el intercambio automático de información según la norma internacional de la OCDE; el intercambio de la información que se solicite de conformidad con el artículo 26 del Modelo de Convenio Tributario de la OCDE de 2014; y la exención del impuesto en origen de los pagos transfronterizos de dividendos, intereses y regalías entre empresas asociadas (que ya formaba parte del acuerdo de 2005). Además, un nuevo acuerdo entre Suiza y la Unión Europea entró en vigor en enero de 2020 para combinar los regímenes de comercio de derechos de emisión de gases de efecto invernadero de la Unión Europea y Suiza, y se estableció un nuevo comité mixto de la UE y Suiza a ese respecto.

**Pregunta 5:**

*El informe de la Secretaría se informa que Suiza y la Unión Europea acordaron un nuevo acuerdo en enero de 2020 para combinar los regímenes de comercio de derechos de emisión de gases de efecto invernadero de la Unión Europea y Suiza. ¿Podría Suiza compartir información adicional sobre su experiencia y los resultados obtenidos en la vinculación de estos sistemas?*

*/ The Report by the Secretariat informed that Switzerland and the EU agreed a new agreement on January 2020 to couple the greenhouse gas emission allowance trading schemes of the EU and Switzerland, could Switzerland share additional information on its experience and the results obtained in linking these systems?*

**Switzerland's answer:**

*The Linking Agreement with the EU entered into force on 1 January 2020. Since then, the emissions trading systems of Switzerland and the EU are linked. The Linking Agreement does not affect the independent character of the Swiss and the EU ETS, but rather ensures the equivalence of the relevant qualitative requirements and considerations to safeguard the integrity of the linked carbon markets and the level playing field for operators.*

*As from 1 January 2020, emissions generated under either system can be covered by surrendering allowances issued in either system, meaning that the allowances are fully fungible. Therefore, operators of both systems can access a larger market, which may unlock efficiency gains.*

## 2 REGÍMENES DE COMERCIO E INVERSIÓN

### 2.4 Régimen de inversiones y entorno comercial

#### Párrafo 2.45

#### PP.56

2.45. Suiza sigue ofreciendo un entorno muy estable y propicio para los inversores y las empresas. Ello se refleja en el hecho de que este país ocupa los primeros puestos en diversos índices. Por ejemplo, figuraba en quinto lugar entre 141 economías en el índice de competitividad mundial de 2019 del Foro Económico Mundial; en cuarto lugar entre 178 economías en el índice de libertad económica de 2021 de la Heritage Foundation; en tercer lugar compartido en el índice de percepción de la corrupción de 2020 de Transparency International; en primer lugar entre 152 economías en el índice de comercio electrónico entre empresas y consumidores de la UNCTAD; y en primer lugar entre 64 economías en el índice de competitividad mundial de 2021 del Instituto Internacional para el Desarrollo de la Gestión. Sin embargo, se situó por debajo del promedio de la OCDE en el indicador de la OCDE de reglamentación de los mercados de productos en toda la economía de 2018. Suiza ha recibido, entre otras cosas, una calificación elevada en cuanto a su estabilidad macroeconómica, el buen funcionamiento y la estabilidad del mercado financiero, la mano de obra cualificada y el buen funcionamiento del mercado laboral, la capacidad de adaptación e innovación, la firme observancia de los derechos de propiedad y un sistema judicial equitativo e independiente. Por otro lado, el Foro Económico Mundial ha señalado que hay margen de mejora en una esfera clave, su régimen comercial, habida cuenta de los elevados obstáculos al comercio (en el sector agropecuario) y de la complejidad de los aranceles. La OCDE considera que el grado de propiedad pública de la economía constituye un obstáculo a la competencia. Liechtenstein no figura en esos índices.

#### **Pregunta 6:**

*Aunque Suiza ocupa los primeros puestos en diversos índices, se situó por debajo del promedio de la OCDE en el indicador de la OCDE de reglamentación de los mercados de productos en toda la economía de 2018. Por otro lado, el Foro Económico Mundial ha señalado que hay margen de mejora en una esfera clave, su régimen comercial, habida cuenta de los elevados obstáculos al comercio (en el sector agropecuario) y de la complejidad de los aranceles, ¿qué pasos o medidas están evaluando o implementado en materia de reglamentación de los mercados?*

*/ Notwithstanding Switzerland ranks high in various index, it ranked below the OECD average, specifically in the OECD's 2018 product market regulation economy-wide indicator. On the other side, the World Economy Forum has pointed out that there is room for improvement given its trade regimen, with high trade barriers (in agriculture) and tariff complexity, could Switzerland please share with us which steps or measures are evaluating or implementing in terms of market regulation?*

#### **Switzerland's answer:**

*The OECD index shows that Switzerland has an above-average number of state-owned companies. This particularly affects infrastructure markets such as the electricity market. It has to be taken into account, that such markets are strongly regulated due to network effects. However, the Federal Council is aware that state-owned enterprises can have distorting effects on competition. Switzerland therefore has comprehensive governance rules designed to mitigate any distortions of competition caused by state-owned enterprises. The OECD index does not fully take this into account. In order to lower potential distortions, the Federal Council is currently seeking to privatize PostFinance. PostFinance is a subsidiary of Swiss Post, which is state-owned. The Federal Council has also taken various other measures to strengthen competition in product markets. These measures include the revision of the cartel act in order to modernise the merger control. Furthermore, the Federal Council seeks to liberalize online sales of non-prescriptive pharmaceutical goods, which would increase competition in the market for pharmaceutical goods. Furthermore, Switzerland will abolish by 1 January 2024 all applied tariffs on industrial products as a measure to facilitating trade. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened.*

## 2 REGÍMENES DE COMERCIO E INVERSIÓN

### 2.4 Régimen de inversiones y entorno comercial

#### 2.4.1 Suiza

##### Párrafo 2.48

##### PP. 58

2.48. Suiza está abierta a la inversión, aunque persisten restricciones en algunas actividades en las que hay monopolios estatales (a saber, los servicios de transporte por ferrocarril, postales, de seguros y comerciales). También se aplican requisitos de domicilio en los ámbitos del transporte aéreo, el transporte marítimo, la energía hidroeléctrica y nuclear, la explotación de oleoductos y gasoductos y el transporte de materiales explosivos. Además, algunas profesiones están reguladas, especialmente en los ámbitos de la salud, la educación, los sectores técnicos y jurídicos; las autoridades suizas competentes han de reconocer los títulos de aptitud extranjeros antes de poder ejercer esas profesiones. Suiza impone restricciones a la adquisición de bienes inmuebles para vivienda/residencia, que en función de la nacionalidad y la residencia del comprador puede estar sujeta a autorización. Todos los ciudadanos extranjeros pueden adquirir bienes inmuebles para fines profesionales, comerciales o industriales sin necesidad de autorización (se aplican excepciones a los bienes inmuebles destinados a la construcción, el comercio o el alojamiento en régimen de alquiler). Las autoridades indican que desde enero de 2017 no se han impuesto nuevas restricciones a la IED. Los incentivos para apoyar a las empresas se describen en la sección 3.3.1.

#### **Pregunta 7:**

*¿Podría explicar en detalle las diferentes restricciones que se aplican a la inversión extranjera?*  
/ *Could Switzerland please explain in detail the different restrictions that apply to investment?*

#### **Switzerland's answer:**

*Restrictions to foreign or non-resident investors apply in the following sectors:*

- *Transport: Maritime transport and inland waterways: Swiss ownership, control & management are required for vessels to fly the Swiss flag, Swiss organisation and commercial presence are required to navigate inland waterways including the Rhine under the Mannheim convention. Air transport: obligation to be domiciled or on long term stay in CH to register aircrafts, authorisation to provide transport services in CH-Airspace is subject to domicile or permanent stay, unless regulated otherwise in air services agreements. Airborne internal transport requires authorisation or a concession, granted to enterprises incorporated in Switzerland with Swiss ownership, or as foreseen in bilateral agreements. Rail transport services and regular passenger road transport require a concession, reserved to enterprises incorporated in CH or with substantial CH ownership.*
- *Postal services: monopoly for letters.*
- *Public monopolies on fire and natural damages insurance.*
- *Commercial services: Sale of explosives is subject to authorisation and reserved to residents or firms incorporated in Switzerland.*
- *Energy: Pipelines (oil and gas): For foreign-owned or controlled companies a registered office and management presence in Switzerland is required. Nuclear Energy: New constructions of power plants are prohibited, a transfer of a general authorisation to operate a nuclear power needs an authorization. Hydroelectric power: Concession or authorisation is required for the use of water.*
- *Real estate and real estate services: Restrictions on purely financial investments in residential real estate.*

## 3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS

### 3.1 Medidas que afectan directamente a las importaciones

#### Párrafo 3.1

#### PP. 62

3.1. Desde el 1 de enero de 2022, el organismo encargado de aplicar los procedimientos aduaneros en Suiza es la Oficina Federal de Aduanas y Seguridad Fronteriza (FOCBS), que ha sustituido a la Administración Federal de Aduanas (FCA). En el marco del proyecto DaziT, la administración de aduanas está siendo objeto desde 2018 de un proceso de transformación digital y organizativa que se extenderá hasta 2026 y cuyo objetivo es hacer frente a los desafíos futuros asociados al aumento del tráfico y el comercio, así como aprovechar las oportunidades de digitalización. Entre los beneficios previstos figuran la reducción de los costos que acarrea la reglamentación, una

recaudación más eficiente de los ingresos y un aumento de la seguridad gracias a la implantación de controles eficaces. Ya se han emprendido algunas iniciativas concretas en materia de facilitación del comercio (véase infra). Además, en un futuro está previsto adoptar varias medidas, como el desarrollo de las fases 2 y 3 del Sistema de Control de la Importación (ICSa2) (en 2023 y 2024, respectivamente) y la introducción de un nuevo sistema de tráfico de mercancías (Passar) a partir de 2023 (véase infra). El despacho de aduana de las importaciones, las exportaciones y las mercancías en tránsito en Liechtenstein corre a cargo de la FOCBS, como se establece en el Tratado de la Unión Aduanera firmado entre los dos países en 1923. La Oficina de Asuntos Económicos de Liechtenstein se encarga de otros procedimientos aduaneros en el país, en particular de los relacionados con el comercio de mercancías con los países miembros del Espacio Económico Europeo (EEE), como la verificación posterior al despacho de aduana.

**Pregunta 8:**

*¿Cuáles son los principales cambios organizativos, institucionales o reglamentarios introducidos en la Oficina Federal de Aduanas y Seguridad Fronteriza que ha sustituido a la Administración Federal de Aduanas?*

*/ What are the main organizational, institutional or regulatory changes introduced in the Federal Office for Customs and Border Security that have replaced the Federal Customs Administration?*

**Switzerland's answer:**

*Le programme de transformation numérique de l'OFDF implique des changements à tous les niveaux de l'organisation.*

*Le nouveau profil professionnel de "spécialiste en douane et sécurité des frontières" regroupe les professions actuelles de spécialiste de douane et de garde-frontière. Tous ces spécialistes suivront une formation de base commune portant sur le contrôle global des marchandises, des personnes et des moyens de transport, et se spécialiseront ensuite dans au moins un de ces domaines. Le personnel opérationnel portera l'uniforme et sera armé en fonction de ses tâches. La première formation a débuté en août 2021. Pour le personnel existant de l'OFDF, des cours de formation ciblés sont proposés.*

*La structure organisationnelle a également été adaptée aux nouvelles exigences. L'accent est mis sur le renforcement des activités opérationnelles et la flexibilité de l'engagement des ressources. Depuis 2019, l'OFDF se divise en six domaines de direction: Opérations, Analyse des données et des risques, Bases, Poursuites pénales, Soutien, et Planification et pilotage. Le domaine de direction Opérations rassemble les unités actuelles de la Douane et du Corps des gardes-frontière (Cgfr) et se compose de six régions (niveau régional) et de 23 unités locales (niveau local).*

*Un remaniement en profondeur des bases légales est nécessaire pour uniformiser, simplifier et numériser les processus et systèmes de façon conséquente et offrir ainsi à l'OFDF la flexibilité nécessaire sur le plan organisationnel. Un projet de révision totale de la législation sur les douanes a été lancé à cet effet. L'économie et les organisations partenaires sont étroitement associées à ce processus.*

### **3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS**

#### **3.1 Medidas que afectan directamente a las importaciones**

##### **3.1.3.2 Contingentes arancelarios**

##### **Párrafo 3.29**

##### **PP. 70**

3.29. Se aplican contingentes arancelarios a varios productos agropecuarios, que en 2021 abarcaron el 3.7% de las líneas arancelarias (frente al 3.8% en 2016) (cuadro 3.3). Se trata sobre todo de hortalizas alimenticias, carne y despojos comestibles, jugos de frutas, frutas frescas, flores cortadas, animales vivos, productos lácteos, vino y determinados cereales. Los contingentes arancelarios se pueden aumentar de manera autónoma, principalmente para mitigar situaciones de escasez interna. El proceso de asignación de los contingentes varía según el producto (sección 4.1). Los contingentes arancelarios se gestionan mediante la presentación de una solicitud electrónica ("contingente electrónico") durante el proceso de declaración de aduanas.

**Pregunta 9:**

*¿Podrían explicar en qué otros casos concretamente se pueden autorizar importaciones por encima de los contingentes arancelarios y citar ejemplos de esos casos?*



/ Could Switzerland please explain in which other cases concretely imports above the tariff quotas can be authorized and cite examples of those cases?

**Switzerland's answer:**

The government monitors market conditions closely and has the authority to authorize imports beyond the consolidated tariff quota. In addition, there are several tariff rate quotas that are not administered and therefore imports within the quota can occur in unlimited quantities at the in-quota tariff.

In 2020, TRQs with imports beyond the tariff quota quantity were No. 1, 2, 4, 5, 7, 8, 12, 13, 14, 15 and 19. This information is contained in Switzerland and Liechtenstein's MA:2 notification G/AG/N/CHE/113.

### **3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS**

#### **3.1 Medidas que afectan directamente a las importaciones**

##### **Párrafo 3.110**

##### **PP.89**

3.110. Los productos de la UE y del EEE no abarcados por el ARM de la UE/EEE todavía pueden beneficiarse de la facilitación del acceso a los mercados en virtud del principio "Cassis de Dijon". Dicho principio, que Suiza y Liechtenstein vienen aplicando desde 2010, constituye un instrumento de política comercial para eliminar los obstáculos técnicos a las importaciones procedentes de la Unión Europea y la AELC, y aumentar así la competencia de las importaciones y contribuir a reducir los elevados precios vigentes en Suiza. En virtud de este principio, los productos puestos en circulación legalmente en los mercados de la Unión Europea y el EEE que cumplan las prescripciones técnicas de los mercados de la Unión Europea o el EEE (o las prescripciones de los Estados miembros de la UE/EEE en el caso de legislación parcialmente armonizada o sin armonizar) podrán comercializarse en los mercados de Suiza y Liechtenstein sin inspección previa ni otros procedimientos previos de evaluación de la conformidad, aun cuando los productos no estén comprendidos en el ámbito de aplicación de las prescripciones técnicas de Suiza. Se aplican exenciones por razones de interés público a los productos sujetos a permiso de importación; prohibición de importación; autorización; notificación de conformidad con la legislación suiza relativa a los productos químicos; o exención otorgada por el Consejo Federal (lista negativa 177). En principio, los productos alimenticios están abarcados por el principio "Cassis de Dijon", pero están sujetos a prescripciones específicas, en particular los productos alimenticios que cumplen las prescripciones de la UE/EEE — pero no las prescripciones suizas — deben ser autorizados por la Oficina Veterinaria Federal antes de comercializarse.

**Pregunta 10:**

¿Cómo se vincula el "Cassis de Dijon" con las normas internacionales del Codex? En virtud de que habla del etiquetado de venta on-line y en el mencionado organismo internacional, se está desarrollando una directriz sobre este tipo de etiquetado.

/ How is "Cassis de Dijon" linked to international Codex standards? By virtue of the fact that it refers to online sales labelling and in the aforementioned international organization, a guideline on this type of labelling is being developed.

**Switzerland's answer:**

Cassis de Dijon principle is a trade policy instrument to dismantle technical barriers to imports from the EU and EFTA arising due to different technical regulations. The EU/EEA as well as the Swiss legislation take into account international standards such as the Codex Alimentarius.

### **3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS**

#### **3.1 Medidas que afectan directamente a las importaciones**

##### **Párrafo 3.113**

##### **PP.102**

3.113. En 2021, la asociación de expertos químicos cantonales de Suiza y de Liechtenstein expresaron su preocupación por el hecho de que el etiquetado de productos alimenticios procedentes de vendedores en línea no fuera satisfactorio, ya que faltaba información sobre el 78% de las tiendas en línea. De conformidad con la Ley Federal de Productos Alimenticios, la información disponible en línea debe ser idéntica a la que figura en la etiqueta de los alimentos vendidos físicamente. Este requisito no se aplica a las plataformas en línea extranjeras que venden alimentos, que no están comprendidos en el ámbito de aplicación de la legislación suiza y deben estar controlados por sus

autoridades nacionales, por lo que los consumidores suizos que importan alimentos extranjeros lo hacen a su propio riesgo.

**Observación/pregunta 11:**

4 FSVO, Buying Food Online Viewed at: <https://bit.ly/3py0tqg>.

*Se señala que el enlace no funciona ¿Sería posible compartir otro enlace electrónico en el cual se pueda consultar mayor información sobre este esquema?*

*/ it is pointed out that the link does not work. Would it be possible to share another electronic link in which more information about this scheme can be consulted?*

**Switzerland's answer:**

Link in French: Achat d'aliments en ligne (admin.ch)  
(<https://www.blv.admin.ch/blv/fr/home/lebensmittel-und-ernaehrung/lebensmittelsicherheit/verantwortlichkeiten/lebensmittel-online-einkaufen.html>).

**3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS**

**3.1 Medidas que afectan directamente a las importaciones**

**Párrafo 3.117**

**PP.102**

3.117. No ha habido novedades en relación con el régimen jurídico de los procedimientos de evaluación de la conformidad en Suiza. El Servicio de Acreditación Suizo (SAS) depende administrativamente de la SECO, pero, por lo demás, es independiente y tiene un presupuesto propio; se encarga de la acreditación de laboratorios y organismos de inspección y de certificación, teniendo en cuenta las normas internas. Toda decisión sobre la asignación, denegación, suspensión o retirada de una acreditación se adopta sobre la base de la Orden de Acreditación y Designación, del 17 de junio de 1996 (RS 946.512). Las evaluaciones de la conformidad son realizadas por el fabricante o por un tercero independiente. El SAS también representa a Suiza ante las organizaciones internacionales de acreditación y evaluación de la conformidad.

**Pregunta 12:**

*¿Cómo funciona el esquema de evaluación de la conformidad por parte del fabricante o tercera parte?*

*/ How does the conformity assessment scheme by the manufacturer or a third-party work?*

**Switzerland's answer:**

*Before any product can be circulated, its conformity with the technical regulations must be assessed (conformity assessment). Conformity assessments are carried out either by the manufacturer (manufacturer's declaration of conformity); or by an independent third party (conformity assessment body). However, some products, such as medicine, may only be circulated after approval by the competent authority (certification). The legislator decides which procedure shall apply based on the potential risk presented by the product.*

*By an accreditation the conformity assessment bodies' technical and scientific competence is checked against specific international standards (EN 45000 and ISO 17000) in the process of accreditation. Accreditation ensures the competence of the conformity assessments bodies in designated areas. When accreditation is performed against international standards it facilitates the international recognition of conformity assessments. Accreditation in Switzerland is carried out by the Swiss Accreditation Service (SAS).*

**3 POLÍTICAS Y PRÁCTICAS COMERCIALES, POR MEDIDAS**

**3.1 Medidas que afectan directamente a las importaciones**

**Párrafo 3.120**

**PP.103**

3.120. Liechtenstein no dispone de un organismo nacional de normalización, pero se integra en el proceso de normalización respecto de las normas europeas armonizadas sobre la base del Reglamento (UE) N° 1025/2012 sobre normalización europea, y participa financieramente en los mandatos para su elaboración.

**Pregunta 13:**

*¿Cuál es el criterio para determinar si la revisión será a los 3 o 5 años? ¿La revisión para estándares actúa como "Comité Espejo" con la UE?*

*/ What is the criteria to determine whether the review will be at 3 or 5 years? Does the review for standards act as a "Mirror Committee" with the EU?*

## 22 RUSSIAN FEDERATION

### REPORT BY THE SECRETARIAT

#### 1 ECONOMIC ENVIRONMENT

##### 1.4 Developments in Trade and Investment

##### 1.4.2 Trends and patterns in FDI

##### Page 33, paragraph 1.52

FDI flows to Switzerland have fallen since 2015 and were negative in 2018-2020, reflecting net disinvestment as non-resident investors effected substantial withdrawals from resident companies, particularly by reducing equity capital as part of corporate restructuring. As in the case of the Netherlands, the recent negative FDI inflows to Switzerland reflect the conduit nature of Switzerland's annual FDI flows. Direct investment in Switzerland is made mainly through intermediate companies in European holding company locations. Most of the disinvestment occurred in the category of finance and holding companies. The amount of net disinvestment amounted to CHF 82 billion in 2018, CHF 105 billion in 2019, and CHF 153 billion in 2020 (Table A1.7). Inward FDI stock decreased by CHF 160 billion in 2020 to CHF 1,216 billion. Outward flows fell dramatically from 2016 to 2017 and turned negative in 2019. The net disinvestment abroad amounted to CHF 34 billion in 2020, compared to CHF 54 billion in 2019, and was due primarily to finance and holding companies (Table A1.7). Outward FDI stock increased slightly during the review period (Table A1.7). In 2020, outward FDI stock amounted to CHF 1,460 billion, a decline of CHF 17 billion compared to 2019.

#### Question 1:

*Could Switzerland please clarify the names and shares of the leading European companies through which FDI flows are carried out?*

#### Switzerland's answer:

*Concerning FDI data, the disclosure of individual enterprises is prohibited (Article 16 of the Federal Act of the Swiss National Bank). However, on an aggregate level it can be concluded that the large FDI-transactions observed vs. immediate counterparties in Europe were mainly driven by US-controlled enterprise groups.*

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures Directly Affecting Imports

##### 3.1.1 Customs procedures, valuation, and requirements

##### Pages 55-58

#### Question 2:

*What principle is behind the distribution of movement of commercial goods carried out at specific customs points? How is this process implemented technically and technologically? What software tools are involved? At what stages of customs clearance is such distribution valid (arrival, declaration, etc.)?*

#### Switzerland's answer:

*Des nombreux postes frontières de moindre importance ne sont en revanche occupés qu'à certains moments et quelques-uns ne sont même plus occupés du tout. Le dédouanement des marchandises de commerce est limité aujourd'hui à certains bureaux de douane et n'est possible que pendant les heures de bureau. Ceci pour des raisons de gestion d'entreprise, pour des raisons de trafic ou d'accords avec les administrations douanières des pays voisins.*

*Lien: Applications pour l'importation et l'exportation (aujourd'hui) (<https://www.bazq.admin.ch/bazq/fr/home/declaration-en-douane/declaration-pour-entreprises.html>).*

#### Question 3:

*How do the "ICS2" and "Passar" systems function in Switzerland?*

#### Switzerland's answer:

*ICS2 (Import Control System) est un système d'information de l'UE à grande échelle (avec la participation de la Suisse) qui prend en charge les processus suivants: dépôt de l'Entry Summary Declaration - ENS (informations préalables sur les marchandises) auprès des douanes, analyse de*

la sécurité et de la sûreté par les douanes, arrivée des moyens de transport et présentation des marchandises aux autorités douanières et contrôle des marchandises par les autorités douanières si nécessaire.

*PASSAR*: Le nouveau système de gestion du trafic des marchandises *Passar* est l'élément clé de la numérisation dans le trafic des marchandises de commerce. *Passar* remplacera progressivement les systèmes existants *NCTS* (transit et exportation) et *e-dec* (importation et exportation) à partir de la mi-2023. Pour avoir accès à *Passar*, il est nécessaire de s'enregistrer en tant que partenaire commercial sur l'ePortal. La déclaration des marchandises et des moyens de transport peut être effectuée soit via une interface B2B, soit via une application web mise à disposition par l'OFDF. Les entreprises peuvent définir elles-mêmes le degré d'intégration souhaité. Vous trouverez de plus amples informations sur *Passar* et la stratégie de transition dans la documentation technique (<https://www.bazg.admin.ch/bazg/fr/home/themes/dazit/vereinfachung-und-digitalisierung/dazit-und-wirtschaft/technische-informationen.html>).

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures Directly Affecting Imports

##### 3.1.4 Import prohibitions, restrictions, and licensing

##### Page 71, paragraph 3.46

An automatic import licence (general import licence (PGI)) is required for a wide range of agricultural products (some 650 tariff lines at the HS 8-digit level, including in-quota lines). It is obtained free of charge from the Federal Office of Agriculture (FOAG), and it is for an unlimited duration; it is used for statistical reasons and for the management of TQs. Additionally, under Switzerland's compulsory reserves framework (Section 3.1.3.4) a PGI must be obtained from CARBURA for imports of fuels and from Réservesuisse for imports of food and feedstuffs. Automatic licences are granted on the condition that the importer has a reserve stock contract or pays a contribution to the guarantee funds administered by CARBURA or Réservesuisse.

#### Question 4:

Please state the amount of such contribution.

#### Switzerland's answer:

Réservesuisse (foodstuffs)	
Animal feed	CHF 0.00-5.00/100 kg gross
Bread cereals/Durum wheat	CHF 0.00-5.00/100 kg gross
Coffee	CHF 0.00-8.85/100 kg gross
Durum wheat	CHF 1.20/100 kg gross
Edible fats and oil	CHF 0.00-18.00/100 kg gross
Rice	CHF 0.00-5.20/100 kg gross
Sugar	CHF 0.00-16.00/100 kg gross

CARBURA	
Petrol	CHF 3.30/m <sup>3</sup>
Kerosene	CHF 7.00/m <sup>3</sup>
Diesel	CHF 4.50/m <sup>3</sup>
Heating oils	CHF -15.00/m <sup>3</sup> (Pay-out in favour of importer)

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.1 Measures Directly Affecting Imports

##### 3.1.5 Anti-dumping, countervailing, and safeguard measures

##### Page 71, paragraph 3.50

As noted in previous Reviews, in cases of emergency or when the national interest is at stake, the legislation provides for changes in tariff rates or the imposition of non-tariff measures. These provisions have not been used during the review period.

#### **Question 5:**

*Please identify the conditions that might constitute "emergency" and "national interest" in such cases? What are the non-tariff measures that might be imposed?*

#### **Switzerland's answer:**

*Measures provided for under Article 7 of the Federal Law of October 1986 on Customs Tariffs and Article 1 of the Federal Law on External Economic Measures, referred to in Fn 42 of the Secretariat's Report, aim to protect Switzerland's essential economic interests in case measures taken abroad or extraordinary conditions prevailing there affect Switzerland's foreign trade. Article 11 of the Federal Law of October 1986 on Customs Tariffs provides for a safeguard clause for agricultural products, indicating that such measures must be within the limits of the safeguard clauses contained in international agreements. Emergency measures are of a temporary nature.*

*Beyond these provisions, the Swiss legislation does not provide for any further specific formal or substantive requirements. Decisions on such measures would be taken on a case-by-case basis and taking into account the macroeconomic interests. Under current WTO law, Switzerland has so far ordered urgent safeguard measures only once, in 1999, concerning pork meat.*

*Concerning non-tariff measures that might be imposed, Article 1 of the Federal Law on External Economic Measures provides that the Federal Council may, for as long as circumstances so require, monitor the import, export and transit of goods and services, and subject them to authorisation, limit them or prohibit them; or regulate payment traffic with certain countries and, if necessary, order the levying of charges to compensate for disturbances in prices or currency or which affect the traffic in goods, services and payments.*

### 3 TRADE POLICIES AND PRACTICES BY MEASURE

#### 3.2 Measures Directly Affecting Exports

##### 3.2.5 Export finance, insurance, and guarantees

##### Page 76, paragraph 3.64

In addition to private-sector export finance, insurance, and guarantees, Swiss Export Risk Insurance (SERV), which is owned by the Swiss Confederation, provides protection against non-payment, facilitates the financing of exports, and helps companies maintain their liquidity. It does not provide direct lending or policy cover for investments. SERV operates under the Federal Law of 16 December 2005 on Swiss Export Risk Insurance (RS 946.10) and the Ordinance of 25 October 2006 on Swiss Export Risk Insurance (RS 946.101). As indicated in the previous Review, these provide that:

- SERV should supplement and not replace insurance provided by the private sector by providing cover for risks that the private sector will not cover or for which there is an inadequate supply of insurance;
- SERV should be economically viable and not incur any long-term costs for the Swiss Confederation and;
- SERV should comply with foreign policy objectives concerning, inter alia, the environment, development, human rights, and democracy.

#### **Question 6:**

*Please identify the environment, development, human rights, and democracy foreign policy objectives that SERV in its activities should comply with.*

#### **Switzerland's answer:**

*SERV is an institution under public law. According to the Federal Act on the Swiss Export Risk Insurance, SERV ensures that its business practices are compliant with the foreign policy objectives of the Swiss government regarding the environment, development, human rights, democracy and the peaceful co-existence of people. Assessments of the transactions are based on the following standards and guidelines: the OECD Arrangement on Officially Supported Export Credits, the various*

OECD recommendations and guidelines on official export credit support, the IFC Environmental and Social Performance Standards, the World Bank Safeguard Policies as well as specific Swiss foreign policy objectives (manifested in international treaties, positions in multilateral institutions, federal council decisions and statements etc.).

**Question 7:**

Please identify the certain criteria of those objectives.

**Switzerland's answer:**

Please see answer above. The criteria are either described in the relevant guidelines or are established on a case-by-case basis through a consultation mechanism between SERV and the Swiss government.

**3 TRADE POLICIES AND PRACTICES BY MEASURE**

**3.3 Measures Affecting Production and Trade**

**3.3.2 Standards and other technical requirements**

**Page 87, paragraph 3.104**

In principle, the Confederation has the exclusive authority for adopting technical regulations, while the cantons are mainly responsible for implementation and market surveillance. Federal Law of 6 October 1995 on Technical Barriers to Trade (RS 946.51) indicates that technical regulations are drafted in a way that should not hinder trade, are as transparent as possible, and require as little administrative burden as necessary. Technical regulations are elaborated by the competent entity in coordination with SECO, taking into account existing international standards to the extent possible. The Federal Council can conclude international agreements to facilitate, inter alia, trade and the recognition of conformity assessment results. Liechtenstein follows Swiss and the relevant EU technical regulations, and it does not have its own regulatory mechanism for technical regulations.

**Question 8:**

Please provide a link to a source of information with all technical regulations adopted in Switzerland, including products of the agro-industrial complex.

**Switzerland's answer:**

Switzerland's adopted legislation, including technical regulations, is publicly available in the Official Gazette: [https://www.fedlex.admin.ch/en/home?news\\_period=last\\_day&news\\_pageNb=1&news\\_order=desc&news\\_itemsPerPage=10](https://www.fedlex.admin.ch/en/home?news_period=last_day&news_pageNb=1&news_order=desc&news_itemsPerPage=10).

We would also like to draw your attention to our "import platform" which assists persons and enterprises in finding the applicable technical regulations for a product to be placed on the Swiss market: [https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Technische\\_Handelshemmnisse/Importplattform0.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Importplattform0.html).

**4 TRADE POLICIES BY SECTOR**

**4.1 Agriculture**

**4.1.2 Market access**

**4.1.2.1 Applied MFN tariffs**

**4.1.2.1.2 Adjustable tariffs**

**Page 120, paragraph 4.24**

Regarding imports of cereals of bread-making quality (e.g. wheat), a separate tariff mechanism is in place with the statutory target import price called the "reference price", which is determined in accordance with the Ordinance on the Importation of Agricultural Products to reflect the price of "excellent" quality wheat in neighboring countries. The levied tariffs are based on the tariffs of the grain, the standard flour yield, and an extra fixed tariff (industrial protection). The scheme works in combination with a tariff quota of 70,000 tonnes; the adjustable tariffs may not exceed the bound in-quota tariffs of the products concerned.

**Question 9:**

The Russian side is concerned with Switzerland's use of "reference price". Could Switzerland please explain how the "reference price" mechanism correlates with the methods of customs valuation established by the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994?

**Switzerland's answer:**

The reference price for bread grain corresponds to the targeted import price. Periodically, the prices franco Swiss border are reviewed and the border protection is adjusted if the conditions according to the Agricultural Import Ordinance (Article 6, RS 916.01 - Ordonnance du 26 octobre 2011 sur l'importation de produits agricoles (Ordonnance sur les importations agricoles, OIAgr) (admin.ch) (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>)) are met.

**Question 10:**

How do such reference prices affect the setting of the contract transaction price? What is the benchmark for "reference price"?

**Switzerland's answer:**

The contract transaction price is subject to the contractual relationship between private stakeholders. There is no direct link between the reference price and the contract transaction price. The benchmark for the reference price is defined in the Agricultural Import Ordinance and corresponds to the targeted import price.

**Question No 11:**

How exactly are neighboring countries treated: neighboring countries in relation to Switzerland or in relation to the exporting country?

**Switzerland's answer:**

The reference price and consequently the border protection remain the same, regardless of the geographical location of the origin of the goods.

**4 TRADE POLICIES BY SECTOR****4.1 Agriculture****4.1.4 Export subsidies****Page 127, paragraph 4.62**

Switzerland maintains an assistance programme for its farmers' organizations and interprofessional organizations to promote their agricultural products on the internal market and abroad. Each year, the organizations must apply for financial support of their promotional activities for the following year. Under the programme, the Confederation can co-finance up to a maximum of 50% of the costs for eligible organizations, but only for market research and the following communication instruments:

advertising (e.g. print, TV, radio, and online); new media (e.g. websites and social media); sales promotion (e.g. tastings, advertising material, and training); and public relations, events, fairs, sponsoring, and direct marketing. A large part of the financial support is dedicated to the promotion of cheese (38%), milk (14%), meat (9%), and fruit (3%). The marketing campaigns for organic products and for Protected Designation of Origin (PDO)/Protected Geographical Indication (PGI) products are also co-financed. Price-related activities (e.g. a price reduction on products) and distribution costs are not eligible for financial support.

**Question 12:**

Please provide the features and criteria of the agricultural products support on international markets.

**Switzerland's answer:**

Under the assistance program, financial support is limited to 50% of the costs (co-financing) and is only granted to representative organizations of the respective sector. Furthermore, the support is provided for a maximum duration of five years per project, either

- for market assessment (evaluation of the strategic prospects for success in new markets; consumer expectations, market framework conditions, market sizes, distribution structures and competitors); or
- for market development initiatives (only supported if they are subordinate to the strategic and market-specific objectives of the sector).



## **TRADE POLICY REVIEW REPORT BY SWITZERLAND AND LIECHTENSTEIN**

### **1 REPORT BY SWITZERLAND**

#### **1.4 Trade Policy**

##### **1.4.4 Preferential relations**

##### **1.4.4.2 Free trade partners**

##### **Page 16, paragraphs 1.82-1.85**

#### **Question 13:**

*What are the customs procedures simplifications in the framework of free trade agreements concluded by Switzerland with other countries?*

#### **Switzerland's answer:**

*Simplified customs procedures, which are intended to have a trade facilitating effect, are usually covered by a Trade Facilitation Chapter/Annex. Since the entry into force of the WTO TFA, Switzerland has been striving to incorporate trade facilitating provisions into its FTAs and to agree on WTO-plus elements. This applies in particular to the simplification of international trade procedures. Controls, formalities and the number of documents required for customs clearance shall be limited to those necessary and appropriate to ensure compliance with the legal requirements. An export declaration shall not be required by the importing Party. Furthermore, the Parties shall adopt or maintain procedures that provide for advance electronic submission and processing of information before the physical arrival of goods in order to expedite their clearance and allow importers to obtain the release of goods prior to meeting all import requirements of the importing Party.*

### **1 REPORT BY SWITZERLAND**

#### **1.4 Trade Policy**

##### **1.4.5 Trade and development**

##### **Page 17, paragraph 1.88**

In the period under review, Switzerland's trade promotion work focused on strengthening export capabilities of MSMEs in designated partner countries and on facilitating imports into target markets. Several initiatives aiming to improve institutional capacity to participate in international trade and value chains have been carried out in this framework. Similarly, climate change mitigation and adaptation and gender equality are important cross-cutting objectives. The projects, most of which were implemented with partner organizations, included:

- Provide assistance to customs administrations to strengthen compliance with international standards and best practices in the import, export and transit of goods. This assistance has been put into operation through the World Customs Organization's (WCO) Global Trade Facilitation Programme and the World Bank's Trade Facilitation Support Programme, in particular to help WTO members implement the Trade Facilitation Agreement;
- Building in-country export know-how (for example, on quality requirements, product labelling and border procedures), in partnership with the International Trade Centre (ITC), and supporting the work of ITC's Trade for Sustainable Development programme and the Standards Map database, which aims to provide transparency on voluntary sustainability standards;
- Assisting trade policy makers in partner countries to build their capacity in trade negotiations and implementation of trade agreements and unilateral trade policies;
- Assisting trade support organizations in partner countries in facilitating MSME exports to Switzerland and other European markets;
- Establishing local quality assurance systems to help MSMEs' comply with international standards;
- Developing investment climate programmes in some 30 countries, in cooperation with the International Finance Corporation (IFC).

#### **Question 14:**

*Could Switzerland please clarify the specific support measures implemented in order to promote export?*

**Switzerland's answer:**

*As indicated in the Report by Switzerland, Switzerland's trade promotion work includes different initiatives covering different aspects. More detailed information on the projects mentioned in the Report by Switzerland can be found under: SECO Cooperation | Trade system (admin.ch) (<https://www.seco-cooperation.admin.ch/secocoop/en/home/themes/markets-and-opportunities/trade-system.html>).*

**Question 15:**

*Please elaborate on the scheme and the partner countries that participate in the MSME exports facilitation programme.*

**Switzerland's answer:**

*The Swiss Import Promotion Programme (SIPPO) supports Trade Support Organisations through institutional strengthening and by improving export promotion services for SMEs. The programme is active in 11 countries worldwide, which belong to the priority countries of SECO's economic development and cooperation division.*

## 23 UNITED KINGDOM

### SECRETARIAT REPORT (S425)

#### Secretariat Report (S425)

#### 1 ECONOMIC ENVIRONMENT

##### 1.3 Structural challenges

##### 1.3.1 Switzerland

##### Paragraph 1.31

#### Question 1:

*How is Switzerland introducing measures to mitigate climate change (agriculture and other related industries) while ensuring trade is also supported?*

#### Switzerland's answer:

Switzerland's main trading partner is the EU. Industrial sectors with high greenhouse gas emissions (including cement, chemicals and pharmaceuticals, refineries, paper, district heating and steel) are covered by the emissions trading scheme (ETS). The ETS is linked to the EU-ETS since 1 January 2020. This ensures a level playing field. Additionally, to protect competitiveness, greenhouse gas-intensive plants that do not participate in the ETS are exempted from the CO<sub>2</sub> levy upon request if they commit to reducing their greenhouse gas emissions in return. The relevant sectors (sectors that would be heavily burdened by the CO<sub>2</sub> levy in relation to their value added and whose international competitiveness would be impaired) of the economy are referred to in Annex 7 of the CO<sub>2</sub> Ordinance.

### Secretariat Report (S425)

#### 1 ECONOMIC ENVIRONMENT

##### 1.4 Developments in Trade and Investment

##### 1.4.1 Trends and patterns in merchandise and services trade

##### Paragraph 1.44

#### Question 2:

*Does Switzerland see a shift in trade away from traditional partners in the EU and, if so, why? For example, the United States recently overtook Germany as Switzerland's largest trading partner.*

#### Switzerland's answer:

United States overtook Germany as Switzerland's largest trading partner with respect to its exports of goods in 2021. However, when considering total trade (sum of exports and imports), Germany remains – by far – Switzerland's first trading partner: In 2021, Germany made up for 22% of Switzerland's total trade against 13% for the USA.

To a large extent, the outstanding dynamism of Swiss exports of goods to the USA is due to the boom of the exports of chemical and pharmaceutical products. The United States surpassed Germany as the main export destination for this goods category already in 2015. Swiss exports of chemical and pharmaceutical products to the United States have increased more than fivefold between 2005 and 2021, while they only doubled to the rest of the world. However, even excluding pharmaceuticals, Swiss export growth to the United States was much higher than to the main European trading partners over the same period. Two important factors can explain this relative shift in export destination. First, demand for Swiss products has grown more strongly in countries with higher economic growth. Second, Swiss exports to the euro area have suffered from the various waves of appreciation of the Swiss franc against the euro. These factors largely explain why Swiss exports have grown more strongly to the United States, China and South-East Asia, and to many Eastern European countries, for example. On the other hand, the reduction in the export share of the EU does not mean an erosion of export volumes: Swiss exports to the EU in 2021 were more than 40% higher than in 2005 (compared with around 100% for the rest of the world).

Since the outbreak of the Covid-19 pandemic, the decline in the EU's share of exports has been reversed: driven in particular by the strong economic recovery in Europe compared to other trading partners such as China, the EU's and the euro area's shares have both increased by about 2.5% (to 50% and 46% respectively). Whether this trend will continue will depend on many factors, in particular whether economic growth will be sustained on the European continent.

**Secretariat Report (S425)**  
**2 TRADE AND INVESTMENT REGIMES**  
**2.1 General Framework**  
**2.1.1 Switzerland**  
**Paragraph 2.1**

**Question 3:**

*What steps does Switzerland take to ensure that the Cantons apply Federal law in a uniform manner? For example, on public procurement.*

**Switzerland's answer:**

*In the field of government procurement, the Swiss cantons enjoy autonomy and can enact their own legislation, while respecting the international obligations of Switzerland. It is understood that in case of divergences the primacy of international law applies.*

**Secretariat Report (S425)**  
**2 TRADE AND INVESTMENT REGIMES**  
**2.3 Trade Agreements and Arrangements**  
**2.3.2 Regional trade agreements (RTAs)**  
**2.3.2.4 Switzerland's bilateral agreements with the European Union**  
**Paragraph 2.38**

**Question 4:**

*How will Switzerland approach managing divergence with EU goods regulation if no agreement can be reached on the Institutional Framework Agreement? How will this affect the Customs Union with Liechtenstein?*

**Switzerland's answer:**

*With respect to technical regulations for industrial products, the relationship between Switzerland and the EU is governed by the Mutual Recognition Agreement (MRA). This Agreement remains in effect after the end of the negotiations on an institutional agreement. The Federal Council has since reiterated its commitment to preserve and even expand the existing bilateral agreements with the EU, including the MRA. Technical regulations for industrial products covered by the MRA are still fully equivalent with those of the EU, the EEA and Liechtenstein. The same applies to agricultural products, which are governed by the Switzerland–EU Agreement on Trade in Agricultural Products.*

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.1 Measures Directly Affecting Imports**  
**3.1.3 Tariffs**  
**3.1.3.1 Applied MFN tariff**  
**Paragraph 3.20**

**Question 5:**

*Following the announcement to abolish all industrial tariffs, how do Switzerland & Liechtenstein foresee future goods negotiations as part of the FTA programme? Will more focus be on non-tariff barriers and how will you approach this?*

**Switzerland's answer:**

*Switzerland's approach to free trade agreements also includes non-tariff measures. In November 2021, Switzerland published its latest Foreign Economic Policy Strategy. Central areas of action numbers 3 and 4 outline more information on the question of FTAs. The Strategy is available in French (*Stratégie de la politique économique extérieure* (admin.ch) ([https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/aussenwirtschaftspolitik/aws.html](https://www.seco.admin.ch/seco/fr/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/aussenwirtschaftspolitik/aws.html))) and English (Switzerland's foreign economic policy strategy (admin.ch) ([https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/aussenwirtschaftspolitik/aws.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/aussenwirtschaftspolitik/aws.html))) in addition to German and Italian.*

*In Switzerland applied tariffs on industrial products are already generally low today at an average of 1.7% of the product value (so-called nuisance duties). Hence, the focus of Switzerland's and Liechtenstein's goods negotiations has already been on agricultural products.*

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.3 Measures Affecting Production and Trade**  
**3.3.1 Taxation and incentives**  
**3.3.1.2 Indirect taxes**  
**3.3.1.2.1 VAT**

**Question 6:**

*What steps is Switzerland taking to ensure that the procedures for applying VAT on goods and services imported into Switzerland are as smooth as possible and that the required information is provided?*

**Switzerland's answer:**

*Consignments imported into Switzerland must be declared to Customs electronically. It makes no difference whether the imported goods were purchased on a platform or not. The only difference is that in the future, the platform will have to be referred to as the person liable to the payment of the import tax in the customs declaration. Contrary to what has been implemented in several countries and in the EU, the payment of a VAT at the point of sale will not replace the payment of an import tax at the border. Nor will the tax exemption for small value goods (good for which the import tax does not exceed CHF 5) be abolished.*

*This said, platforms will have the possibility to use the transfer procedure and declare the import tax to the Federal Tax Administration - electronically and in their standard VAT returns - , instead of paying it to the Federal Office for Customs and Border Security (FOCBS). In order for the FOCBS to grant the use of this procedure, the authorisation number of the platform must however be mentioned in the customs declaration.*

*In Switzerland, the customs authorities are not directly involved in the drawn up of the customs declaration. Usually the persons transporting the goods have to fill it in (e.g. the postal services or businesses like DHL or Fedex). The consignor already provides the transport service provider with information about the content and value of a consignment and which person has to be considered as the importer, regarding VAT. Nothing will change in this regard with the entry into force of the revised law. In the customs declaration, the customs declarant will only have to indicate the platform as the person liable to pay the import tax plus the authorisation number entitling the platform to use the transfer procedure.*

*The administration assumes that the involved parties will find the best possible way of transmitting the necessary information directly between themselves. Considering that those processes are already well established, the authorities should not interfere in this matter or set standards that will make the processes run less smoothly.*

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.3 Measures Affecting Production and Trade**  
**3.3.3 Sanitary and phytosanitary requirements**

**Question 7:**

*What steps does Switzerland take to ensure that goods (specifically fresh food covered by EU SPS rules) that transit into and out of Switzerland through the EU are facilitated as smoothly as possible?*

**Switzerland's answer:**

*Switzerland envisages no special measures for goods (including fresh food covered by EU SPS rules) that transit into and out of Switzerland through the EU.*

**Secretariat Report (S425)****4 TRADE POLICIES BY SECTOR****4.1 Agriculture****4.1.1 Overview and recent policy developments****Paragraph 4.12****Question 8:**

*What impact will the next Swiss agriculture policy (AP22+) have on trade because of its stricter phytosanitary measures? Do you anticipate significant changes in standards?*

**Switzerland's answer:**

*The new Swiss agricultural policy does not foresee the strengthening of phytosanitary import regulations.*

*Certain changes to the import regulations were implemented in 2020 due to the new phytosanitary legislation of the EU and based on the agricultural agreement Switzerland-EU. However, this is not directly related to the agricultural policy. No further strengthening of the phytosanitary import regulations are planned at present.*

**Secretariat Report (S425)****4 TRADE POLICIES BY SECTOR****4.1 Agriculture****4.1.3 Domestic support****4.1.3.1 Direct payments****Paragraph 4.37****Question 9:**

*Are any reductions in subsidies ("direct payments" Swiss terminology) or shifting of direct payments to ecological/biodiversity measures foreseen?*

**Switzerland's answer:**

*The direct payments regime is set to be adjusted in 2023. The reform aims to achieve some specific reduction targets, by the means of increased environmental requirements for direct payments recipients. This adjustment of the current direct payment system will include all types of direct payments. The proof of ecological performance (PEP) as the prerequisite to obtain direct payments, will be strengthened (e.g. nutrient balance). The direct payments for production systems will be enhanced by new programs for the reduction of pesticide use and the reduction of nutrient losses. Since the direct payment budget remains unchanged, the changes will be financed through reducing the budget for payments for ensuring food security.*

**Secretariat Report (S425)****4 TRADE POLICIES BY SECTOR****4.2 Mining and energy****4.2.2 Energy****4.2.2.1 Switzerland****4.2.2.1.1 Economic developments****Question 10:**

*How does Switzerland anticipate the evolution of its relations with the European Union to ensure the necessary energy resources for the country? Is a policy of strengthening relations foreseen?*

**Switzerland's answer:**

*Maintaining good relations with the European Union is important for Switzerland to secure the necessary energy resources. After the failure of an institutional agreement in 2021 exploratory talks on the future Swiss-EU relationship have resumed including the conclusion of a market access agreement in the electricity sector. Oil and gas supplies through the EU have been running smoothly. Switzerland is a major gas transit corridor. Yet, some gas issues regarding security of supply and access to storage may need to be clarified in the context of the EU's REPowerEU plan.*

**Secretariat Report (S425)**  
**4 TRADE POLICIES BY SECTOR**  
**4.4 Services**

**Question 11:**

*How are Switzerland & Liechtenstein planning on liberalising trade in cross-border services (Mode 1) to mitigate the trend of reduced business travel following the Covid-19 pandemic?*

**Switzerland's answer:**

*Switzerland actively suggests to its partners in multilateral, plurilateral and bilateral negotiations to improve and update Mode 1 commitments in a range of sectors. It also engages in negotiations on e-commerce. This policy takes into account technological changes. There was no significant change in policy related to Mode 4 during the period under review and Covid-19 related restrictions were temporary.*

**DEFRA (x3)**  
**Secretariat Report (S425)**  
**4 TRADE POLICIES BY SECTOR**  
**4.1 Agriculture**  
**4.1.1 Overview and recent policy developments**  
**Paragraph 4.13 Pesticides policy**

**Question 12:**

*On 14 October 2020, the Federal Council amended its Chemicals Risk Reduction Ordinance (ORRChem) in part to implement an export ban on five plant protection products (Annex 2.5157) which entered into force on 1 January 2021. Please could Switzerland explain or provide documentation that sets out the assessment completed that underpins why the decision was taken to ban these substances. Does Switzerland plan to prohibit the export of any further substances, if so, please could they provide further details?*

**Switzerland's answer:**

*n/a*

**Secretariat Report (S425)**  
**3 TRADE AND INVESTMENT REGIMES**  
**2.3 Trade Agreements and Arrangements**  
**2.3.2 Regional Trade Agreements**  
**2.3.2.2 European Free Trade Association**  
**Paragraph 2.27 (RTA between Switzerland and Indonesia)**

**Question 13:**

*Noting Switzerland's preferential tariff approach with Indonesia in the RTA on sustainably certified palm oil, are there plans to extend this approach to any other commodities in order to meet long term climate and environment aims?*

**Switzerland's answer:**

*The result of the public vote in Switzerland on the Comprehensive Economic Partnership Agreement between the EFTA States and Indonesia confirmed how important credible solutions on trade and sustainable development are in order to safeguard continued public support for such agreements. Switzerland, together with its EFTA partners, will therefore continue to include comprehensive provisions on trade and sustainable development in all its free trade agreements. The revised model chapter adopted in 2019 foresees inter alia new provisions on combating climate change, preserving biodiversity, and sustainable management of forest and marine resources.*

*In addition to this, Switzerland's revised Foreign Economic Policy Strategy, adopted in November 2021, states that in the case of goods whose production processes are potentially problematic from a sustainability point of view, the linking of market access concessions with sustainability criteria will be examined. Whether such an approach can be chosen in a particular agreement has to be examined on a case-by-case basis. A number of conditions have to be met in such a case, including, of course, assent by the negotiating partner.*

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.3 Sanitary and phytosanitary requirements****Paragraph 3.126 Declaration of Agriculture Products From Non-Permitted Productions Methods in Switzerland (RS 916.51)****Question 14:**

*What has the impact of animal-welfare related import labelling requirements for rabbit meat, eggs and egg-based products under the Agricultural Labelling Ordinance been on consumption and imports?*

**Switzerland's answer:**

*The strengthening of the Swiss animal welfare and farming regulations in the early 1990s, and in particular the ban on the use of cages for laying hens in Switzerland, caused a sharp decline in the demand of this type of eggs. Later, since the year 2000, higher consumer awareness and transparency for the consumers thanks to the compulsory declaration regarding egg production methods, practically led to the disappearance of cage eggs sold on the Swiss market. Per capita consumption of eggs remained stable at 195 eggs per person during the last 20 years.*

*Total rabbit meat consumption declined by half in the last 10 years. However, it cannot be confirmed whether this is due to new consumption patterns or to the new regulatory requirements, i.e. the compulsory declaration of the method of production.*

*Total rabbit meat consumption declined by half in the last 10 years. However, it cannot be confirmed whether this is due to new consumption patterns or to the new regulatory requirements, i.e. the compulsory declaration of the method of production.*

**DIT IP & Procurement (x6)****Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.170****Question 15:**

*Section 3.170 details the main changes introduced in the revised Federal Law on Public Procurement. These concern the increased emphasis on sustainability aspects in public procurement. Please could Switzerland provide further detail of the 'sustainability aspects' introduced?*

**Switzerland's answer:**

*Switzerland's revised procurement legislation sets an economic use of public funds that has sustainable economic, ecological and social effects as one of its main objectives. The revised legislation explicitly mentions sustainable development as a possible awarding criteria, provided it bears a direct relation to the object of procurement and is defined with sufficient clarity. The importance of "quality" among the awarding criteria has increased, thus offering an additional leeway to consider sustainability aspects in public procurement. Furthermore, the revised legislation foresees the possibility to specify technical specifications in a way to foster ecologic procurement or to require compliance with other important international labour standards. It is understood that participation conditions and awarding criteria shall not have for purpose or effect to create unnecessary obstacles to trade and observe the principles of transparency, equal treatment and non-discrimination.*

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.171****Question 16:**

*Section 3.171 suggests that Federal or cantonal contracts above the thresholds defined in applicable international trade agreements may be awarded using open or selective tendering, and in some cases by direct award. Please could Switzerland provide examples of when each tendering method would be employed?*



**Switzerland's answer:**

Articles 17 to 21 of the revised federal law on public procurement (<https://www.fedlex.admin.ch/eli/cc/2020/126/fr>) define the circumstances under which a contracting authority can choose the type of the procurement procedure. Articles 19 and articles 21 address the specific circumstances of the selective respectively direct award procedures. Such circumstances rely on the respective provisions of the WTO GPA. The cantons apply the same principles within their intercantonal Agreement on government procurement.

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.171****Question 17:**

Section 3.171 suggests that Federal or Cantonal contracts below international agreement thresholds may additionally be awarded using an invitation procedure. Please could Switzerland provide further detail regarding an invitation procedure and its process?

**Switzerland's answer:**

The invitation procedure applies to public contracts outside the scope of international treaties. The revised legislation on government procurement provides the circumstances and principles applying also to procurement not covered by international agreements. Under the invitation procedure the contracting authority decides which tenderers are to be invited to submit an offer without launching a public invitation. Wherever possible the contracting authority must obtain three tenders. Relevant rules and procedures of the revised federal law on public procurement also apply to the invitation procedure, i.e. the contract has to be awarded to the most advantageous tender.

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.172****Question 18:**

Section 3.172 suggests that under the Federal Law on Public Procurement, contracts are awarded to the most "advantageous" tender at the Federal Level and the most "economically advantageous" at the Canton level. Please could Switzerland provide detailed rationale behind how a tender would be defined as 'advantageous' at the Federal level and 'economically advantageous' at the Canton level?

**Switzerland's answer:**

The concept of "most advantageous" offer as used in the WTO GPA has been introduced in the federal revised law on Public procurement in the course of the parliamentary deliberations. By awarding the contract to tenderers with the "most advantageous" offer the legislator wished to emphasize that the quality and other award criteria were given more consideration beside the price in conformity with the purpose of ensuring the cost-efficient use of public funds in a manner that is economically, ecologically and socially sustainable as anchored in the revised law. Regarding the situation at cantonal level unfortunately paragraph 3.172 needs a clarification: during the deliberations regarding the revised intercantonal concordate on public procurement, the cantons also decided to take over the same concept of "most advantageous offer" for harmonisation purposes.

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.6 Government Procurement****Paragraph 3.174****Question 19:**

Section 3.174 suggests that under Switzerland's Law on Public Procurement, compliance with equal pay for men and women is a prerequisite for participation in public procurement. Federal procurement offices can conduct equal pay audits themselves or enlist external help. Please could

Switzerland provide further detail on both these processes and explain how they ensure these processes remain fair. Please could Switzerland explain how they check compliance by international suppliers and explain how it operates in the context of the GPA?

**Switzerland's answer:**

For goods, work and services to be provided in Switzerland, the contracting authority shall award a public contract only to tenderers that comply with the Public Procurement Law. This covers among others equal pay for men and women for services to be provided in Switzerland as place of performance. It is understood that participation conditions shall not have for purpose or effect to create unnecessary obstacles to trade and observe the principles of transparency, equal treatment and non-discrimination, as provided by the GPA and other international agreements. In practice, the contracting authority may request a self-declaration or evidence of compliance with the rules on equal pay for men and women that are anchored in the Federal Act on Gender Equality. The Federal Office for Gender Equality provides the relevant tool to check whether a company complies with the equal pay requirement (<https://www.ebg.admin.ch/ebg/en/home/topics/work/equal-pay/government-controls-in-public-procurement.html>).

**Secretariat Report (S425)**

**3 TRADE POLICIES AND PRACTICES BY MEASURE**

**3.3 Measures Affecting Production and Trade**

**3.3.6 Government Procurement**

**Paragraph 3.361**

**Question 20:**

The UK notes that there is not a section on Liechtenstein's government procurement. The UK requests Liechtenstein provides further detail on their procurement system in the vein of Switzerland's response.

**DIT Subsidies & Competition (x8)**

**Secretariat Report (S425)**

**3 TRADE POLICIES AND PRACTICES BY MEASURE**

**3.3 Measures Affecting Production and Trade**

**3.3.1 Taxation and Incentives**

**Paragraph 3.138 Competition law reform**

**Question 21:**

Could Switzerland please outline the objectives of its new prohibition of "abuse of relative market power", noting that an unlawful abuse of market power would not result in a direct sanction?

**Switzerland's answer:**

The popular initiative "Stop the high price island - for fair prices (Fair Price Initiative)", which requested the introduction of relative market power, expressly provided that companies with relative market power should be exempt from direct sanctions in the event of unlawful abusive conduct. The Federal Council welcomed the waiver of direct sanctions. According to the Federal Council, direct sanctions would have been excessive in these cases, this for the following reasons: First, cases of relative market power are basically disputes between two companies only, thus cases without any economic significance. Therefore, such cases are to be decided in the first instance by the civil courts. Administrative proceedings before the COMCO should be the exception. Moreover, it should be sufficient to oblige a company with relative market power to supply without discrimination. It would go too far to impose a sanction in addition to an injunction concerning non-discriminatory supply. Second, direct sanctioning could create a conflict with the principle of legality because a non-dominant company is less able than a dominant company to assess whether another company is dependent on it. However, it should be noted that a repeat offence would be sanctioned.

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.3 Measures Affecting Production and Trade**  
**3.3.1 Taxation and Incentives**  
**Paragraph 3.137 Competition law reform**

**Question 22:**

*Could Switzerland please outline the key elements in the proposed modernization of its merger control system?*

**Switzerland's answer:**

*The key element in the modernization of the merger control system is an adjustment of the intervention threshold. Currently, and the competition authority can only prohibit a concentration or authorize it subject to conditions and obligations if the concentration "creates or strengthens a dominant position liable to eliminate effective competition". Under the current standard of review, an intervention is only possible if a merger completely eliminates effective competition. It is envisaged intervention threshold is the so called SIEC-test, closely oriented at the EC Merger regulation. What will be relevant, therefore, is the impact on competition. Further, the consideration of efficiency advantages will be explicitly regulated. A prohibition or an authorization subject to conditions and obligations would be possible when the concentration significantly impedes the effective competition, in particular as a result of the creation or strengthening of a dominant position and does not result in efficiencies for demand-side customers that are demonstrated by the reporting companies to result specifically from the merger and offset the disadvantages of the significant impediment to competition.*

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.3 Measures Affecting Production and Trade**  
**3.3.1 Taxation and Incentives**  
**Paragraph 3.146 Competition law**

**Question 23:**

*Could Liechtenstein please provide further information on its domestic enforcement of EEA competition law, including the incorporation of EEA directive/regulations into national law and which competition matters fall within the jurisdiction of the Office of Economic Affairs as opposed to Liechtenstein's courts?*

**Secretariat Report (S425)**  
**3 TRADE POLICIES AND PRACTICES BY MEASURE**  
**3.3 Measures Affecting Production and Trade**  
**3.3.1 Taxation and Incentives**  
**3.3.1.3 Incentives and other assistance**  
**Paragraph 3.93 Periodic review of individual federal subsidies**

**Question 24:**

*Could Switzerland please provide clarity on what criteria it uses to evaluate the efficiency and effectiveness of individual subsidy programmes during their periodic reviews?*

**Switzerland's answer:**

*In accordance with Article 5 of the Federal Law of 5 October 1990 on Financial Aid and Compensation (RS 616.1) the Federal Council reviews the compliance of individual subsidy programmes in light of the principles established in Chapter 2 of the Law. The principles to be taken into account in the assessment of whether the criteria of efficiency and effectiveness are fulfilled, include those laid down in Article 7 of the Law, in particular whether (i) a subsidy is appropriate for a targeted activity; (ii) a subsidy is cost-effective and results in a minimal administrative burden; (iii) the amount of a subsidy correlates with the importance of the public interest; (iv) the beneficiary makes its own contributions to the extent that can be expected of him on the basis of its economic capacity; (v) the beneficiary exhausts other financing options for the fulfilment of the targeted activity; and (vi) the determination of the subsidy occurs in a way that allows for a cost-effective fulfilment of a targeted activity.*

**Secretariat Report (S425)**

**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.1 Taxation and Incentives****3.3.1.3 Incentives and other assistance****Paragraph 3.94 COVID-19 Pandemic-Related Subsidies****Question 25:**

*Could Switzerland please provide clarity on whether it has undertaken any assessment of potential trade effects associated with its COVID-19 pandemic-related subsidies, and if potential trade effects have been found to exist what actions has Switzerland undertaken to mitigate these effects?*

**Switzerland's answer:**

*The support measures during COVID-19 focused on support for individuals via short-time work compensation, an extension of the unemployment insurance scheme, allowances for loss of earnings for directly and indirectly affected self-employed persons, parents and persons in quarantine. The only other direct measure for companies has been the contributions to cover fix-costs for companies that have been closed due to covid or have loss in turnover above 40% (so called hardship aid) as well as loans and contributions in the cultural and sports sector, media and transport services. There are no assessment of potential trade effects. Direct trade effects are however unlikely especially as other countries took similar measures and the sectors most affected have been domestic oriented sectors such as accommodation, restaurants, the event industry, retail trade, travel agencies or local sport clubs and cultural institutions.*

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.5 State trading, state-owned enterprises, and privatization****Paragraph 3.160****Question 26:**

*Could Switzerland provide further information on the subsidies (including form, legal basis, policy objective and duration) provided to Swiss Post, Swiss Federal Railways (SBB), and Skyguide (Swiss Air Navigation Services)?*

**Switzerland's answer:**

*Swiss Post finances the universal service without subsidies. Yet the Swiss Post has the exclusive right to carry addressed domestic letters up to 50 grams. The Postal Services Act allows cross subsidies from this business area to the universal services (but not to other services). The federal government further subsidizes the delivery of newspapers with CHF 50 million. 2020 and 2021 it expanded this subsidy on the basis of the COVID-19 Ordinance.*

*The federal government finances the operation, maintenance and expansion of railway infrastructure through the Rail Infrastructure Fund (BIF). It further compensates for regional passenger transport services ordered jointly by the Confederation and the cantons and it subsidizes disability-related adaptations to existing buildings and vehicles. It also subsidizes services in rail freight transport, in particular the transalpine freight transport. The aim is to shift freight traffic from road to rail. In 2021 the federal government expanded several subsidies temporary.*

*The federal government compensates Skyguide for air navigation services in adjacent foreign airspace which are not fully compensated by the foreign country and for fee-exempt flights. 2020 and 2021 the federal government recapitalized Skyguide in total with CHF 350 million.*

**Secretariat Report (S425)****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and Trade****3.3.5 State trading, state-owned enterprises, and privatization****Paragraph 3.158****Question 27:**

*Could Switzerland please provide further information on entities owned at the federal level through minority and/or indirect ownership?*

**Switzerland's answer:**

The Swiss Confederation holds shares in about 70 entities. A list of all holdings is published in the federal financial statement (<https://www.efv.admin.ch/efv/de/home/finanzberichterstattung/finanzberichte/staatsrechnung.html>).

**Question 28:**

Could Switzerland please provide information on the strategic objectives of each majority owned federal state-owned enterprise?

**Switzerland's answer:**

The federal government leads the state-owned enterprises with strategic goals. For Swisscom, the strategic goals are published here (<https://www.uvek.admin.ch/uvek/de/home/uvek/bundesnahe-betriebe/swisscom/strategische-ziele.html>); for the Swiss Post here (<https://www.uvek.admin.ch/uvek/de/home/uvek/bundesnahe-betriebe/post/strategische-ziele.html>); for SBB here (<https://www.uvek.admin.ch/uvek/de/home/uvek/bundesnahe-betriebe/sbb/strategische-ziele.html>), for Skyguide here (<https://www.uvek.admin.ch/uvek/de/home/uvek/bundesnahe-betriebe/skyguide/strategische-ziele.html>).

**GOVERNMENT REPORT (G425)****Post/BTR (x1)****Government Report (G425)****1 REPORT BY SWITZERLAND****1.2 Economic context****1.2.1 Competitiveness and external environment****Question 29:**

What steps is Switzerland taking to remain competitive, for example in areas such as animal welfare in order to respond to the anticipated EU Green Deal (farm to fork)?

**Switzerland's answer:**

By way of introduction, it can be stated that Switzerland has very strict and detailed legislation in the area of animal welfare. Swiss animal welfare law is very detailed and regulates the handling, keeping and use of animals.

Switzerland is the only country in which the protection of the dignity of animals is also anchored in animal welfare law. In dealing with all animals, the dignity of the animal must be respected. Animal experiments are also very strictly regulated.

A comparison with other countries is possible thanks to the Animal Protection Index: The Animal Protection Index (API) rates 50 countries around the world according to their animal protection policies and legislation: World Animal Protection | Animal Protection Index (<https://api.worldanimalprotection.org/>).

Countries are ranked in 7 categories (A to E) based on an in-depth analysis. No country is ranked in category A. Only 6 countries (including Switzerland) are ranked in category B (Switzerland, Austria, United Kingdom, Sweden, Denmark and the Netherlands).

The Animal Welfare Act applies to all vertebrates, as well as to cephalopods and crayfish. One of the principles of the Animal Welfare Act is that no one may unjustifiably cause pain, suffering or harm to an animal, put it in fear or otherwise disregard its dignity.

The Ordinance on Animal Protection contains the minimum requirements for the keeping and use of animals. Among other things, it specifies minimum enclosure dimensions and equipment, employment opportunities and social contacts, outdoor exercise and the stable climate.

Switzerland is involved in bilateral and multilateral working groups and committees to introduce and promote Swiss standards. For example, Switzerland plays an important role in the OIE, the World Organisation for Animal Health (OIE) and is one of its founding countries. Through the FSVO's involvement in the OIE, Switzerland can contribute to animal and human health safety and animal welfare at the global level. In return, it benefits from the knowledge and experience of other countries and institutions.

A regular exchange also takes place with the European Commission.

*Switzerland is particularly committed to promoting animal welfare programmes that go beyond the provisions of animal protection legislation, and to guaranteeing consumers' freedom of choice by means of specific declarations of the origin of animal foodstuffs.*

*In order to be able to continue to act effectively in the future, Switzerland supports the strengthening and coherent implementation of the "One Health" approach, in particular through the "Tripartite Plus" agreement.*

*The transformation of food systems, taking into account the challenges of climate change, is another priority in the implementation of a coherent and sustainable farm to fork approach.*

**Government Report (G425)**

**1 REPORT BY SWITZERLAND**

**1.3 Economic policy**

**1.3.2 Emerging from the COVID-19 crisis and long-term growth policy**

**Question 30:**

*What lessons have been learned from the COVID-19 crisis regarding support to the export sector, maintaining competitiveness and trade policy??*

**Switzerland's answer:**

*As mentioned in answer to question 25 by the UK, support measures focused on support for individuals and rather domestic oriented sectors such as sport, culture, media and transportation services as well as support to the most affected companies especially in sectors like accommodation, restaurants, event industry, retail trade or travel agencies. As the export sector was hardly affected by closures or sanitary measures, this sector was not targeted by COVID-19 support measures.*

*However, Switzerland is convinced that in order to improve the competitiveness of its export sector it is of importance to further improve the good framework conditions. In this regard it is worth mentioning that Switzerland will remove tariffs on industrial products as of 1 January 2024. The removal of tariffs will benefit Swiss consumers and businesses by reducing the price of many consumer goods, production costs and the administrative burden on importing businesses. Trade relations will become more efficient, and competition will be strengthened.*

## 24 MALAYSIA

### SECRETARIAT REPORT

#### Page 33

#### 1.4.2 Trends and patterns in FDI

1.51. Switzerland continues to rank among the top 10 economies in terms of inward and outward FDI stock. Switzerland's inward FDI stock is heavily concentrated in services, particularly finance and holding companies (Table A1.7). Swiss outward FDI is also dominated by services but is somewhat more diversified, as manufacturing accounts for more than one third of the outward FDI stock (Table A1.7).

#### Question 1:

*What are the top 5 sectors for FDI in Switzerland?*

#### Switzerland's answer:

- According to Table A1.7 - FDI by economic activity (p. 189) - the top 5 sectors (recipients) for inward FDI during the period 2016 to 2020 were: Chemicals and plastics (total inflow of CHF 52 billion), other manufacturing and construction (17 billion), Trade (11 billion), Transportation and communications (7 billion), Metals and machinery (3 billion).
- For stocks the top 5 sectors by end of 2020 were: Finance and Holding companies (54% of total inward FDI stocks), Trade (20%), Other services and Chemicals and plastics (7% each) as well as Electronics, energy, optical and watchmaking (4%).

#### Question 2:

*Which top 5 countries are the highest contributors of FDI and in which sectors?*

#### Switzerland's answer:

- According to Table A1.8 - FDI by selected trading partners (p. 191) - the top 5 contributors for inward FDI during the period 2016 to 2020 were: Japan (total inflow of CHF 26 billion), Austria (19 billion), France (12 billion), Belgium (8 billion) and the United Kingdom (6 billion).
- For stocks the top 5 investors as per end 2020 were (immediate investors): Netherlands (27% of total inward FDI stocks), Luxembourg (23%), United States (13%), Ireland (8%) and the United Kingdom (5%).

#### Page 64

#### 3.1.3.5 Tariff exemptions and reductions

3.35. In 2019, the Federal Council renewed and expanded a temporary reduction on customs duties on textiles, which had been in place from 2015 to 2019. The Ordinance on the Temporary Reduction of Customs Duties on Textile Materials and Intermediate Materials (RO 2019 1611; RS 632.102.1) entered into force on 1 July 2019 and will have effect until 31 December 2023. It covers 522 tariff lines (at the HS 8-digit tariff line level) in Chapters 50, 51, 52, 53, 54, 55, 56, 58, 59, and 60, of which 15 tariff lines may not benefit from the suspension programme if these items are used for retail sale or are in ready-to-use form. All importers, irrespective of their origin, may benefit from tariff suspensions. This represents a significant increase in the number of duty-free tariffs compared with the previous regime (Table 3.7). It was put in place in response to a request from the Swiss Textiles Association, whose member companies rely heavily on imports of input and intermediary materials for production.

#### Question 3:

*Appreciate if Switzerland and Liechtenstein could provide list or reference to 15 tariff lines that may not benefit from the suspension programme if these items are used for retail sale or are in ready to use form? It will be better if we could have the list of the 15 tariff lines at HS 6-digit tariff line.*

#### Switzerland's answer:

The list of the 15 tariff lines is covered in Annex 1, Table 2 of the relevant regulation and may be consulted here (available only in French): RS 632.102.1 - Ordonnance du 1er mai 2019 sur la suspension temporaire des droits de douane sur les matières et matières intermédiaires textiles (admin.ch) (<https://www.fedlex.admin.ch/eli/cc/2019/311/fr>).



**Page 71****3.1.4 Import prohibitions, restrictions, and licensing**

3.49. Licences are also required for: (i) imports of species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora; (ii) reproductive forestry materials; (iii) organs, tissue, and cells of human origin intended to be transplanted; (iv) blood, blood products, and immunological products; (v) narcotics, psychotropic substances, and precursors used and marketed for legal purposes; (vi) war materials and arms; (vii) explosives and pyrotechnic articles for civilian use; (viii) nuclear fuels, residues, and wastes; radioactive materials; (ix) mercury; (x) dangerous waste; (xi) dual-use goods; (xii) certain dangerous chemical and pesticide goods; and (xiii) ozone-depleting substances.<sup>40</sup>

**Question 4:**

*The new Timber Trade Ordinance has been enforced in Switzerland starting from 1 January 2022 to prevent illegally harvested timber and timber products from entering Switzerland's market. What are the detailed requirements (i.e. due diligence, risk assessment, etc.) and scope of the new Timber Trade Ordinance?*

**Switzerland's answer:**

*Please refer to the following webpage: Timber Trade Regulation in Switzerland (admin.ch) (<https://www.bafu.admin.ch/bafu/en/home/topics/forest/info-specialists/strategien-und-massnahmen-des-bundes/timber-trade-regulation.html>).*

**Page 71-72****Anti-dumping, Countervailing and Safeguard Measures**

3.50 As at the time of their previous Review, neither Switzerland nor Liechtenstein has any specific legislation on contingency measures, they have no specialized authorities in place to initiate and conduct anti-dumping and countervailing investigations, and they have no anti-dumping, countervailing, or safeguard measures in place. In the context of this Review, the authorities indicate that no legislative reforms are under way to establish specific trade remedy regulations. However, they note that since the Agreement on Safeguards, the Anti-Dumping Agreement are integral parts of national law (under both Switzerland's and Liechtenstein's legal systems), these could serve as a legal basis for measures in the future.

3.51 Switzerland reserved the right to use the special agricultural safeguard under Article 5 of the Agreement on Agriculture for 1,176 tariff lines but has not invoked it for any product since 1999.

3.52 As noted in previous Reviews, in cases of emergency or when the national interest is at stake, the legislation provides for changes in tariff rates or the imposition of non-tariff measures. These provisions have not been used during the review period.

**Question 5:**

*Currently, how do the Governments of Switzerland and Liechtenstein defend the interest of their domestic industry against unfair trade practices or surge of imports or allegation of unwarranted subsidies which cause or threaten to cause injury to the domestic industry?*

**Switzerland's answer:**

*At the outset, it should be noted that Switzerland is not exposed to the concerns expressed in the question. A possible explanation is that Switzerland specializes in the production of high value-added products, such that it does not have to face intense international competition. Should such problems arise, Switzerland will privilege a diplomatic solution through increased dialogue, bilaterally or in international fora. Switzerland traditionally refrains from applying trade defence instruments (anti-dumping, safeguards, CVDs). However, Switzerland maintains the right to use such instruments if necessary and in accordance with WTO rules.*

**Question 6:**

*How does Switzerland and Liechtenstein defend the interest of its domestic industry with regards to trade remedy cases taken against them?*



**Switzerland's answer:**

*As soon as Switzerland and Liechtenstein are informed that a trade-remedy procedure that could affect their domestic industry has been initiated by a WTO Member, they first make sure that the industry receives the relevant information so that it can defend its interests in the investigation. Switzerland [and Liechtenstein] also make interventions, as appropriate, in the procedures concerned, via bilateral exchanges with the Member concerned or in relevant international fora, requesting that international obligations be respected, that possible trade-remedy measures that would be applied be least trade-restrictive and, if applicable, requesting that imports from Switzerland and Liechtenstein be exempted from the measures.*

**Question 7:**

*With reference to para 3.52, how do Switzerland and Liechtenstein define "in cases of emergency or when the national interest is at stake"? Following that, what are the legislations that provide for changes in tariff rates or the imposition of non-tariff measures? Please elaborate on the mechanism, i.e. tenure and examples of how the changes in tariff rates or imposition of non-tariff measures will/can be implemented.*

**Switzerland's answer:**

*As indicated in Fn 42 of the Secretariat Report, the Swiss legislation allows for changes in tariff rates or the imposition of non-tariff measures, if the requirements of the relevant provisions are fulfilled. The Federal Council is competent for these measures, which are of a temporary nature. Measures provided for under Article 7 of the Federal Law of October 1986 on Customs Tariffs and Article 1 of the Federal Law on External Economic Measures aim to protect Switzerland's essential economic interests in case measures taken abroad or extraordinary conditions prevailing there affect Switzerland's foreign trade.*

*Article 11 of the Federal Law of October 1986 on Customs Tariffs provides for a safeguard clause for agricultural products. Such measures must be within the limits of the safeguard clauses contained in international agreements. In urgent cases, the decision may be taken at the level of the Federal Department of Economic Affairs, Research and Education.*

*Beyond these provisions, the Swiss legislation does not provide for any further specific formal or substantive requirements. Decisions on such measures would be taken on a case-by-case basis and taking into account the macroeconomic interests. Under current WTO law, Switzerland has so far ordered urgent safeguard measures only once, in 1999, concerning pork meat.*

**Page 82****3 TRADE POLICIES AND PRACTICES BY MEASURE****3.3 Measures Affecting Production and****3.3.1 Taxation and incentives****3.3.1.2 Indirect taxes****3.3.1.2.2 Excises**

3.85. Biofuels, such as bioethanol or vegetable oils, can benefit from full tax relief if they meet environmental and social requirements. Biofuels must be traceable, and proof provided that their production was made on legally obtained land, respecting social norms, without altering the land, and that their production must be overall less harmful to the environment than mineral fuels. As per the customs union, these provisions also apply in Liechtenstein. To compensate tax losses due to tax reliefs on biofuels and to encourage the transition to "greener" fuels, the Federal Council decided in July 2020 to raise taxes on oil and diesel fuels, while maintaining a low tax burden on biofuels until the end of 2023. In 2020, biofuels represented 3.7% of total Swiss fuel consumption, unchanged from 2019.

**Question 8:**

*Biodiesel in Malaysia is mainly produced from sustainable palm oil with certifications such as MSPO, RSPO and ISCC. They are traceable, produced on legally obtained land, respect social norms without altering the land, and are less harmful to the environment than mineral fuels. Does Malaysia's palm biodiesel receive the same treatment of full tax relief as they meet these environmental and social requirements?*

**Switzerland's answer:**

*According to the Swiss mineral oil tax legislation biofuels can benefit if the full ecological life cycle assessment is significantly better than that of fossil fuels (more specifically petrol). Normally, these conditions are only met by biofuels made of waste or production residues. Biofuels gained directly from re-growing renewable sources in most cases cannot fulfil these conditions. The palm oil as described in the question appears to be made of such a re-growing renewable source and not of waste/residue origin. According to the conditions illustrated above, one must therefore assume that biodiesel made directly of palm oil would not qualify for full tax relief for biofuels in Switzerland. (see also question 15 from Malaysia).*

## **Page 101**

### **3.3.6 Government procurement**

#### **3.3.6.1 Overview**

3.167. The EEA Agreement establishes a single market in public procurement between Iceland, Liechtenstein, and Norway, and the European Union. A bilateral agreement concluded on 21 June 1999 between the European Union and Switzerland on certain aspects of public procurement filled the gap between the scopes of the GPA and the relevant provisions under the EEA.

#### **Question 9:**

*Appreciate if Switzerland can clarify what gaps of the GPA that has been fulfilled.*

#### **Switzerland's answer:**

*The 1999 Agreement between Switzerland and the European Union (EU) on public procurement expands the area of application of the WTO Agreement on Government Procurement (GPA), in particular by securing reciprocal access to purchases of products and services (including construction services) by local authorities (municipalities), by public and private entities operating on the basis of exclusive or special rights in the fields of railway transport and energy other than electricity (the latter being already covered by the GPA), as well as by private entities operating on the basis of exclusive or special rights in connection with drinking water, electricity, airports, ports, and urban transport. In this respect, at the time of its conclusion such a bilateral agreement contributed to realise a liberalisation level comparable to the European Economic Area.*

## **Page 103**

### **3.3.6.1 Switzerland**

3.172. Under the Federal Law on Public Procurement, contracts are awarded to the supplier having submitted the most advantageous offer, except for standardized supplies for which the lowest price offer may be selected. Under the Intercantonal Agreements of 2001 and 2019, contracts are awarded to the most economically advantageous tender.

#### **Question 10:**

*Are foreign companies supplying industrial products and medical products (incl. essential goods) allowed to participate in public procurement contracts in Switzerland?*

#### **Switzerland's answer:**

*Foreign suppliers coming from countries to which Switzerland has undertaken to grant market access on a contractual basis have the legal certainty to participate in Swiss public procurement, provided the countries concerned have given the same commitment to Switzerland. Outside the scope of international treaties or other type of bilateral arrangement foreign suppliers can participate in Swiss public procurement procedures if the contracting authority allows it, however there is no legal certainty that the offer will be taken into consideration.*

## **Page 104**

### **3.3.7 Intellectual property rights**

#### **3.3.7.4 International initiatives and WTO participation**

3.193. During the review period, Switzerland actively participated in the TRIPS Council discussions on, inter alia, supporting micro, small and medium-sized enterprises (MSMEs) to take advantage of IPRs for their business activity, and co-sponsored several initiatives such as the promotion of public-private collaborations in IP innovation and commercialization and the societal value of IP in the new economy.

**Question 11:**

*Appreciate if Switzerland can clarify what specific programs were implemented towards the promotion of public-private collaborations and the societal value of IP.*

**Switzerland's answer:**

*In Switzerland, at least two kinds of public-private collaborations in the field of IP promote the societal value of IP.*

*Firstly, the Swiss IP Office runs two public-private partnerships (PPP) together with industry representatives. The aim of "Stop Piracy" is to raise awareness among consumers about the dangers of counterfeit goods and to promote cooperation between the authorities and the business community. The other PPP is called "Swissness Enforcement". Its objective is to effectively combat the misuse of Swiss indications of source abroad, by establishing close coordination between the private and public sectors. The association intervenes where there are individual claims of misuse and where public and private interests are affected.*

*Secondly, Innosuisse<sup>8</sup> (<https://www.innosuisse.ch/inno/en/home.html>), one of the two state-funded organizations that support research in Switzerland, runs a program that co-finances research collaborations between universities of applied sciences and private enterprises. IP plays an important role in such cooperation. As a result of such cooperation contracts, the industrial partner may then commercialize the results of the cooperation, thereby, technology and know-how transfer from the university to industry and vice versa are enabled.*

**Page 125****4.1.3.2 Market support measures**

4.48. Price support is relatively significant in Switzerland. The OECD estimates that it accounts for 50% of total producer support, and domestic prices were on average 46% above world prices in 2018-2020. In addition to tariff rate quotas with high out-of-quota tariffs, Switzerland also provides complementary market support measures. Such expenditures mainly support dairy producers. In addition, area payments apply to oilseeds, protein crops, grain, and sugar beet.

4.49. Switzerland's market support measures are presented in Table 4.4. In its most recent notifications to the WTO Committee on Agriculture (calendar year 2019), which were jointly submitted with Liechtenstein, Switzerland indicated that price support through applied administered prices is in place only for tobacco. "Observed" prices as close as practicable to the first point of sale are used to calculate the support (i.e. prices observed by FOAG and price data provided by agricultural organizations). The notification shows a current total AMS of CHF 1,434 million, well below the bound total AMS commitment level of CHF 4,257 million.

**Question 12:**

*Appreciate if Switzerland could provide information on any additional support (besides the existing support) given to the oilseeds and vegetable oils sector during the COVID-19 pandemic?*

**Switzerland's answer:**

*No specific measures were adopted for oilseeds and vegetable oils in the context of the COVID-19 pandemic.*

**Page 129-130****4.2.2 Energy****4.2.2.1 Switzerland****4.2.2.1.1 Economic developments**

As illustrated by Table 4.7, which describes the balance of energy trade, during the period under review Switzerland imported more than 80% of its energy supply (oil and gas of which it is devoid, but also electricity for trading purposes), while it exported about half of its local production (electricity in summer months when demand is low and production of run of river is high at certain periods of the year and marginally refined oil). The local production of energy increased by 8.2% during the review period, though not in a linear manner. Within local production, the share of hydroelectricity oscillated around 50% (due to weather/climate conditions), the share of wood remained around 15%, and the share of other renewables (solar and wind) grew from 9.8% to 13.0%.

<sup>8</sup> See: <https://www.innosuisse.ch/inno/en/home.html>.

**Question 13:**

*Appreciate if Switzerland could provide information on any type of biomass being used to generate renewable energy.*

**Switzerland's answer:**

*Yes. Wood, communal waste (incineration plants), wastewater treatment plants and biogas generated from waste (no energy crops) are used to generate renewable energy.*

**Question 14:**

*Are there any incentives or supports given to the industry players involved in the production of renewable energy, especially from biomass?*

**Switzerland's answer:**

*Yes. For the electricity production there are investment contributions (up to 60%) for wood-fired plants, wastewater treatment plants and CHP with biogas. There is also a program supporting households that switch from a fossil to a renewable heating system (wood/heat pumps/solar)*

**Page 137****4 TRADE POLICIES BY SECTOR****4.2 Mining and Energy****4.2.2 Energy****4.2.2.1 Switzerland****4.2.2.1.2 Policy developments****4.2.2.1.2.1 Environmental issues**

4.89 Following the rejection by the Swiss population in June 2021 of this proposed revision of the CO<sub>2</sub> Law, a partial amendment was adopted in December 2021 in order to temporarily prolong some limited and unchallenged measures of the CO<sub>2</sub> Law and to avoid a legal void. The measures that will be prolonged for three more years (2022-2024) include the maintenance of emission targets for greenhouse gases (i.e. a reduction of 20% in 2020 compared to the 1990 basis and an annual reduction of 1.5%, three quarters of these reductions being realized in the Swiss territory (as opposed to compensations made abroad)) and the obligation for fuel importers to offset CO<sub>2</sub> emissions, in part, by investing in projects for climate protection. As before, importers will be allowed to pass on the tax up to CHF 0.05 per litre to consumers and will continue to have their tax reimbursed if they pledge to diminish their emissions by an additional 2% per year. Tax rebates on natural gas, liquid gas, and bio-fuels are maintained until 2024.

**Question 15:**

*Export of Malaysia's palm biodiesel to Switzerland was recorded at 4,015 tonnes in 2018, at 5,500 tonnes in 2019 and at 4,356 tonnes in 2020. However, zero export to Switzerland was recorded in 2021. Malaysia's palm biodiesel meets the environmental and social requirements, which are traceable, produced on legally obtained land, respect social norms, without altering the land, and are less harmful to the environment than fossil fuels. Does palm biodiesel enjoy the same import tax rebates as biofuel from other feedstock?*

**Switzerland's answer:**

*According to the Federal Office for Customs and Border Security there was no import of biodiesel from Malaysia in 2018, 2019 and 2020 into Switzerland. We would be interested in knowing how the numbers of the palm biodiesel to Switzerland were calculated. (See also question 8 from Malaysia)*

**Page 143****4.3 Manufacturing****4.3.1 Switzerland**

4.119. Switzerland remains one of the most industrialized countries among developed countries, thanks largely to its orientation towards high-end products and good framework conditions, notably regarding education and training, infrastructure, R&D, and taxation. The contribution of manufacturing to GVA (Table 4.14) even increased during the period under review, from 18.3% in 2016 to 18.7% in 2019-2020 and was not affected by the COVID-19 pandemic in 2020.

**Question 16:**

*What are the high-end promoted products under the manufacturing sector in Switzerland?*

**Switzerland's answer:**

*Switzerland Global Enterprise (S-GE) is responsible for supporting export-orientated SMEs in Switzerland and Liechtenstein in exporting their products and services. The organization does not prioritize the promotion of specific products, but generally offers its services to all export-oriented SMEs from Switzerland and Liechtenstein. At the same time, S-GE puts a special focus on areas with high export potential, including the Swiss mechanical, electrical and metal industry (MEM). Among others, S-GE promotes business opportunities for Swiss SMEs in the precision tools sector, the process technology and automation sector, the pump technology sector, the packaging machinery sector or the drone industry. The possible promotion of sub-sectors/ products is thereby usually determined from the point of view of the demand in the target markets.*

## 25 OMAN

### REPORT BY THE SECRETARIAT (WT/TPR/S/425)

#### Investment Regime

The secretariat report states that in paragraph 2.48. Switzerland is open to investment, although restrictions persist in a few activities where state monopolies operate (namely rail transport, postal, insurance, and commercial services).

#### Question 1:

*Please confirm whether the Government of Switzerland has any plan to reduce the restrictions on foreign investment on insurance and commercial services?*

#### Switzerland's answer:

*Public monopolies exist on fire and natural damages insurance in some cantons. In the area of commercial services the sale of explosives is subject to authorisation and reserved to residents or firms incorporated in Switzerland. The Government has currently no intention to abolish these monopolies or restrictions.*

#### 3.2.5 Export finance, insurance, and guarantees

The secretariat report states that in paragraph 3.65. Under normal circumstances, to qualify for export insurance from SERV, the goods or services being exported must be of Swiss origin or, in most cases, have a total foreign content of no more than 50%.

#### Question 2:

*Please explain how these programs are consistent with Switzerland's obligations under TRIMs Agreement?*

#### Switzerland's answer:

*Swiss Export Risk Insurance SERV insures political and commercial risks (<https://www.serv.ch/en/glossary/detail/term/delkredererisiko/>) involved in exporting goods and services. SERV insurance and guarantees protect Swiss exporters from default and facilitate export financing. SERV does not affect nor apply to imports. It is not an investment measure related to trade in goods and does not fall into the scope of the TRIMs agreement.*

### Government Report (WT/TPR/G/425)

#### 1 REPORT BY SWITZERLAND

##### 1.3.5 Micro, small and medium-sized enterprises (MSMEs)

The country report states in paragraph 1.35 that Switzerland Global Enterprise (S-GE) is the official Swiss export promotion organization has branches in 31 countries also provide assistance abroad.

#### Question 3:

*Could the Government of Switzerland elaborate more details on those abroad branches, in which countries they operate and what are the services provided?*

#### Switzerland's answer:

*Please find the countries/regions where S-GE branches (Swiss Business Hubs and Trade Points) are based under the following link: Global Network | S-GE (<https://www.s-ge.com/en/offices-around-world>). The S-GE abroad branches provide localized support to export-oriented SMEs from Switzerland and Liechtenstein. The services provided include, among others, market information, consulting, market and product analysis, search for distributors, organization of events and fact-finding missions or partners networking services.*

## **2 REPORT BY LIECHTENSTEIN**

### **2.2.2 The economic sectors**

The country report states in paragraph 2.32 that Liechtenstein. On 1 January 2020, implemented "Block chain Act." With this new law Liechtenstein was the first country to introduce a comprehensive regulation of the token economy.

#### **Question 4:**

*Could Government of Liechtenstein share the policy that have been put in place to implement such Act?*

## 26 UKRAINE

Ukraine is very grateful to Switzerland and Liechtenstein for standing with Ukraine in these terrifying times and not remaining indifferent in the face of the unprecedented and illegal aggression of the RF.

### PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT (WT/TPR/S/425)

#### 1 ECONOMIC ENVIRONMENT

##### 1.3 Structural Challenges

##### 1.3.1 Switzerland

##### Page 24, paragraph 1.25

The Report refers to Switzerland as a "high price island" due to remaining restrictions on the openness of the economy and a high purchasing power.

Ukraine notes that Switzerland is going to remove tariffs on industrial products since 1 January 2024 with the aim to promote open markets and to reduce the price of many consumer goods that will benefit Swiss consumers and importing businesses.

##### Question 1:

*Would Switzerland, please, clarify what sectors of the economy are subject to mentioned "remaining restrictions" and why such restrictions continue to be imposed?*

##### Switzerland's answer:

Multiple reasons explain the high level of prices in Switzerland. On the one hand, the price level is strongly driven by domestic wages and cost level; on the other hand, numerous tariff and non-tariff trade barriers allow companies to seal off the Swiss market and thus charge higher prices ("Swiss surcharge"). Remaining restrictions cover tariffs (in particular in the agricultural sector) and non-tariff restrictions as some product market regulations differ from product market regulations in other countries and in the EU, Switzerland's main trading partner. To limit such differences in the product market regulations which could result in trade restrictions Switzerland has the Cassis-de-Dijon principle. This principle stipulates that a product which complies with the technical regulations of the EU, a member state of the EU or that of the EEA, and is legally placed on the market in one of these member states, may in principle be placed on the Swiss market without any further controls (article 16a of the Law on Technical Barriers to Trade). Exceptions to the principle are only possible when overriding public interests are at stake. An indicative negative list is published here: [https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Technische\\_Handelshemmnisse/Cassis-de-Dijon-Prinzip.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelshemmnisse/Cassis-de-Dijon-Prinzip.html). In addition, Switzerland has also legally enshrined the principle of autonomous harmonisation (Article 2.2 WTO TBT agreement) with the technical regulation of its most important trading partners.

##### Question 2:

*Is there any strategy for lifting/easing such restrictions on the foreign trade in addition to the decision on the removal of tariffs on industrial products since 1 January 2024?*

##### Switzerland's answer:

Switzerland is constantly striving to tackle high prices and reduce remaining trade restrictions. In 2017, the Federal Council adopted a package of a wide range of measures to combat the high prices in Switzerland. Some of these measures are still being implemented. The abolition of industrial tariffs has already been adopted. As an overarching strategy the Federal Council approved on 24 November 2021 the foreign economic policy strategy. Also, the above mentioned exceptions to the Cassis-de-Dijon-principle are periodically reviewed to verify whether they are still justified.

#### 2 TRADE AND INVESTMENT REGIMES

##### 2.3 Trade Agreements and Arrangements

##### 2.3.2 Regional trade agreements (RTAs)

##### Page 42, paragraph 2.16

As at January 2022, Switzerland had RTAs in force with 73 economies, comprising its customs union with Liechtenstein; its bilateral accords with the European Union; its participation in EFTA with Liechtenstein, Iceland, and Norway; EFTA's RTAs with 39 economies etc.



Ukraine is convinced that regardless of the enormous negative impact of the RF's aggression on Ukraine's economy and the related challenges, we can continue developing our trade and economic relationships. We would require further significant support of the international community in rebuilding our country from the RF-brought destructions. We consider that the Ukraine – EFTA FTA is an important tool in this regard.

**Question 3:**

*Ukraine would appreciate if Switzerland could share its views on any further possible steps to extend coverage of agricultural goods, including processed agricultural products under the bilateral Agreements on Agriculture.*

**Switzerland's answer:**

*Switzerland, together with its EFTA partners, is currently engaged in processes seeking to update selected existing free trade agreements. When considering a revision of an existing agreement, Switzerland conducts a comprehensive assessment of the potential for further deepening the agreement concerned. This applies not only to market access conditions, including for agricultural products, but also to all other areas where measures to further facilitate bilateral trade can be identified.*

**Question 4:**

*Are there any plans to improve conditions and to deepen Switzerland's preferential trade relations with trade partners under existing FTAs, considering expected removal of tariffs on industrial products by Switzerland since 1 January 2024?*

**Switzerland's answer:**

*In Switzerland, applied tariffs on industrial products are already generally low today at an average of 1.7% of the product value. Hence, the focus of free trade partners often are not industrial tariffs. Switzerland's FTAs have a broad coverage and encompass many other areas such as agricultural goods, non-tariff measures, services, investment and government procurement. Switzerland and the other EFTA States are interested that existing FTAs remain relevant and are open to engage in discussions regarding the possible modernization of such agreements.*

**Page 42, paragraph 2.17**

According to the Report a study was recently commissioned by the State Secretariat for Economic Affairs (SECO) to assess the extent to which Swiss companies use the tariff preferences available through RTAs (both with respect to their imports and exports). In particular, SECO conducted a survey of importing companies to identify the reasons for non-utilization of RTAs by some Swiss firms. Reportedly, the main reason was that companies are not sufficiently informed about the conditions that must be met in order to benefit from FTAs. The fulfilment of rules of origin also seemed to play a significant role. The authorities indicate that SECO is continuing to analyse the results of this questionnaire with a view to determining if further work can help promote increased use of Switzerland's FTAs by businesses.

**Question 5:**

*Ukraine would be grateful for providing additional information on results of mentioned survey concerning utilization of Ukraine – EFTA FTA, if it was separately examined by SECO. Were there similar reasons assessed as lack of information about the conditions that must be met in order to benefit from FTAs or problems with the fulfilment of rules of origin?*

**Switzerland's answer:**

*SECO conducted two surveys, one with importers and one with exporters. The survey with importers confirmed that companies are not sufficiently informed about the conditions that must be met in order to benefit from FTAs. See also the following publication: <https://dievolkswirtschaft.ch/fr/2021/10/accords-de-libre-echange-les-importateurs-paient-trop-de-droits-de-douane/>.*

*The survey with exporters is currently being evaluated by SECO.*

*No country specific information on the use of the FTA between the Ukraine and EFTA have been reported in the surveys.*

**Question 6:**

*What measures do the authorities adapt to promote increased use of Switzerland's FTAs by businesses?*

**Switzerland's answer:**

Switzerland initiated extensive work to identify the factors that lead to incomplete use of FTAs. The aim is to identify measures to further increase the use of FTAs.

**3 TRADE POLICIES AND PRACTICES BY MEASURE****3.1 Measures Directly Affecting Imports****3.1.3 Tariffs****3.1.3.1 Applied MFN tariff****Page 59, paragraph 3.21**

The Report states that the Switzerland-Liechtenstein tariff schedule exclusively consists of specific duties that are generally based on gross weight (i.e. CHF 5 per 100 kg gross).

**Question 7:**

*Is the amount of such duties adjusted to the developments in the world prices for exports/imports? If yes, please describe the adjustment mechanism.*

**Switzerland's answer:**

Switzerland's specific duties are not adjusted to take into account world prices. . However, adjustable tariffs do exist for a selected number of agricultural products. Threshold prices are defined in the respective ordinance and correspond to the target import price (Agricultural Import Ordinance, RS 916.01 - Ordonnance du 26 octobre 2011 sur l'importation de produits agricoles (Ordonnance sur les importations agricoles, OIAgr) (admin.ch) (<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>)). Changes to the Threshold prices are within the competence of the Federal Council.

**Question 8:**

*Are the goods' quality indicators taken into account while applying the specific duties? If yes, what mechanism is used?*

**Switzerland's answer:**

The quality of an imported product does not affect the specific duty applied for a given tariff line. In isolated cases, the tariff delineates sub-headings based on the quality of a product (see for example, heading 1509, olive oil).

**3.3 Measures Affecting Production and Trade****3.3.1 Taxation and incentives****3.3.1.2 Indirect taxes****3.3.1.2.1 VAT****Page 80, paragraph 3.79**

The Report describes measures taken to revise the VAT system concerning mail order companies. It informs that on 24 September 2021 the Federal Council proposed a new change to the system that will make online platforms liable to pay the tax on all sales of goods they facilitate. Thus, the platform (deemed supplier) on which the sale has been concluded, and not the seller of the goods (underlying seller), has to impose the VAT. Foreign companies not using a platform, and which meet the CHF 100,000 threshold, will still remain liable to pay the VAT.

**Question 9:**

*Would Switzerland and Liechtenstein kindly provide more detailed information about prerequisites, expected results and practical implementation of VAT legislation changes, proposed by the Federal Council on 24 September 2021, in particular regarding liability of online platforms to pay the VAT on all sales which are concluded on such platforms?*

**Switzerland's answer:**

An online platform will be recognized as deemed supplier for the transactions it facilitates. The notion of "facilitating" is very close to the one developed in the European Union but does not include a limitation on the value of the goods.

A specific VAT liability threshold applies at present to all mail-order businesses. According to the law, a mail-order business (and in the future, a platform) is liable to register for VAT purposes in Switzerland if it generates more than CHF 100,000 turnover from small consignments imported onto

*Swiss territory (mail-order trade regulation). Small consignments are consignments where the import tax does not exceed CHF 5. If the aforementioned threshold is met, the platform will have to subject all its supplies of goods (B2B and B2C) destined to customers on Swiss territory to the domestic tax (at the point of sale) – whether it is acting in its own name or whether it has facilitated the sale. The platform will also be the person liable to pay the import tax if the import is not exempt (i.e. when the import tax exceeds CHF 5). However, the platforms will have the possibility to use the transfer procedure and will be able to declare the import tax electronically to the Federal Tax Administration, in their own VAT returns, instead of paying it to the Federal Office for Customs and Border Security when crossing the border. Additionally, the platforms will be able to deduct the declared import tax as input tax in the same VAT return.*

*Under the current law, the customs declarant (whom is in principle the person transporting the good(s)) has to specify in the customs declaration which person is the importer. In principle, the consignee of a consignment is the importer. However, if the consignor is a registered mail-order business (that exceeds the CHF 100,000 threshold from small consignments imported onto Swiss territory), it is the consignor, and not the consignee, that will be regarded as the importer.*

*Under the new law, the consignor will have to inform the customs declarant if the sale was made via an online platform and whether that platform is registered as a taxable person in Switzerland for VAT purposes. For example, he may use the invoice/order confirmation issued by the platform for the customer as an enclosed document (which might ideally also contain the authorisation number for the transfer procedure, if applicable, in addition to the VAT number of the platform). Alternatively, he can create a pro forma invoice as an accompanying document in which he shows to whom he has sold the goods (for tax purposes) and to whom he is sending them.*

### **3.3.7 Intellectual property rights**

#### **3.3.7.1 Trade-related intellectual property rights**

##### **Page 104, paragraph 3.176**

The Report emphasizes that Switzerland ranks as the world's most-innovative economy among 132 economies featured in the 2021 Global Innovation Index elaborated by the World Intellectual Property Organization (WIPO).

According to the WIPO, Switzerland and Liechtenstein are the most-innovative economies in the world. Ukraine is looking forward to engage constructively with Switzerland and Liechtenstein during the renovation of national IP system in the aftermath of the RF's aggression based on the experience and good practices available in Switzerland and Liechtenstein, with good use of their technical assistance and in full compliance with EU acquis.

#### **Question 10:**

*Would Switzerland and Liechtenstein kindly provide advice relating to possible ways of encouraging our collaboration in the areas of IP, sharing of know-how and technology between interested stakeholders for further development of IP system and for promotion of technological innovations in such sectors as manufacturing, construction, IT etc., which are extremely important for recovery of our economy?*

#### **Switzerland's answer:**

*Swiss technical cooperation in the area of intellectual property is generally funded by the Swiss State Secretariat for Economic Affairs (SECO) and implemented by the Swiss Federal Institute of Intellectual Property (IPI). Ukraine is a priority country of SECO and thus benefits from SECO-funded technical cooperation. SECO currently supports several projects in Ukraine in areas other than intellectual property; the focus of some of these activities had to be adapted due to the current circumstances. Should there be an interest from Ukraine for technical cooperation in the area of intellectual property, Ukraine is welcome to contact Switzerland and provide information on its specific needs and interests.*

*In addition, such information and needs can also be shared in the context of the EFTA-Ukraine FTA, which contains an article on technical cooperation (Article 13 of the IPR Annex).*

## **4 TRADE POLICIES BY SECTOR**

### **4.1 Agriculture**

#### **4.1.3 Domestic support**

##### **4.1.3.1 Direct payments**

##### **Page 123, paragraph 4.42**

The Report states that there are two types of biodiversity payments: (i) payments for quality and for certain lands that contribute to biodiversity; and (ii) payments for connectivity, which are granted only if the agricultural land complies with the guidelines of a regional connectivity project approved by the canton.

##### **Question 11:**

*Could Switzerland, please, provide the main criteria of the guidelines of a regional connectivity project, with which the agricultural land should comply to receive payments for connectivity?*

##### **Switzerland's answer:**

*Private biodiversity specialists elaborate a project and analyze the regional biodiversity in the project's perimeter, propose measures to promote endangered species identified in the perimeter and send the project to the canton for approval. Biodiversity promoting areas must be a substantial part of the landscape and must be exploited respecting the needs of endangered species present in the project's perimeter. Farmers sign a contract with the canton committing themselves to exploit the specific biodiversity promoting area during the duration of a connectivity project of 8 years with targeted measures, in order to maintain and improve populations of endangered species (e.g.: 10% non-harvested refugia in meadows, stones piles).*

##### **4.1.3.3 Milk**

##### **Page 126, paragraph 4.51**

The Report informs that in Liechtenstein milk production is constrained by a production quota system and, in the context of the previous Review, the authorities stated that the advantages of the milk quota outweigh its disadvantages, and that representatives from the milk sector have declined an exit from the milk quota system.

##### **Question 12: Liechtenstein**

*Could Liechtenstein, please, provide the main advantages of the milk quota system?*

##### **Question 13: Liechtenstein**

*What norms for milk yield and livestock number per one dairy farm does Liechtenstein use under the milk quota system?*

##### **4.1.3.4 Grains, oilseeds, and sugar**

##### **Page 127, paragraph 4.60**

Under the Report, sugar production in Switzerland and Liechtenstein is constrained by quotas agreed on a private basis between the sugar refineries and the sugar beet producers and there are surplus management that is handled by private actors.

##### **Question 14:**

*Could Switzerland and Liechtenstein, please, provide the information about the functional activities of the surplus management in the context of excess sugar production?*

##### **Switzerland's answer:**

*Private sugar refineries and sugar beet producers agree on yearly production quotas. However, in recent years these agreed quotas had no binding effect as the domestic production was significantly lower than the quota.*

## **PART II: QUESTIONS REGARDING THE REPORT BY SWITZERLAND AND LIECHTENSTEIN (WT/TPR/G/425)**

### **1 REPORT BY SWITZERLAND**

#### **1.3 Economic Policy**

##### **1.3.5 Micro, small and medium-sized enterprises (MSMEs)**

##### **Page 12, paragraph 1.53**

The Report mentions that Switzerland Global Enterprise (S-GE) is the official Swiss export promotion organization. In particular, it supports MSMEs in seeking and exploiting export opportunities abroad. S-GE reports on international market developments, offers advice, identifies international contacts, partners and business opportunities and helps to promote Swiss products and services abroad. The organization's branches in 31 countries also provide assistance abroad.

#### **Question 15:**

*Ukraine notes several effective instruments implemented by the Swiss government in support of national MSMEs. In this regard and given the extreme situation of Ukrainian MSMEs, could Switzerland consider possibility of extending some of the programmes or types of assistance to Ukrainian MSMEs?*

#### **Switzerland's answer:**

*Switzerland Global Enterprise (S-GE) is responsible for supporting export-orientated SMEs in Switzerland and Liechtenstein in exporting their products and services. Foreign companies that are not domiciled in Switzerland or Liechtenstein cannot obtain export promotion services from S-GE. Hence S-GE cannot provide import promotion for Ukrainian MSMEs into the Swiss market.*

*However, Ukraine is a priority country of Switzerland's transition cooperation with Eastern Europe. The Swiss Cooperation Programme in Ukraine, among other objectives, involves enhancing the competitiveness of small and medium-sized enterprises. Switzerland is also currently supporting MSMEs under the difficult situation, including, among others, the potential relocation to safer areas in Ukraine, access to finance as well as export promotion.*

### **2 REPORT BY LIECHTENSTEIN**

#### **2.2 Trade and Economic Policy Environment**

##### **2.2.3 State activities**

##### **Page 25, paragraph 2.39**

The Report informs about the Investor Summit Liechtenstein that helps to connect start-ups and MSMEs seeking capital with top-class investors and decision-makers. Company presentations are at the heart of these event which are sponsored by the Liechtenstein Government as well as numerous other partners. Capital-seeking start-ups and growth-oriented MSMEs are given the opportunity to present themselves to a high-calibre audience and make interesting contacts. Decision-makers and investors are thus given the opportunity to get to know a wide variety of interesting investment opportunities in a very short time.

#### **Question 16: Liechtenstein**

*Would Liechtenstein kindly clarify whether foreign start-ups and MSMEs can also participate in the Investor Summit Liechtenstein and present their companies (if so, please, inform on conditions of participation, place and dates of its holding)?*

## 27 TÜRKİYE

### THE GOVERNMENT REPORT (WT/TPR/G/425)

#### 2.2 Trade and Economic Policy Environment, 2.2.2 The economic sectors, 2.32, p. 24.

It is stated in the Government Report that "On 1 January 2020, the Token and Trusted Technology Service Provider Act (TVTG) – also known as the "Blockchain Act." – entered into force in Liechtenstein. With this new law, Liechtenstein was the first country to introduce a comprehensive regulation of the token economy. On the one hand, the law regulates civil law issues in relation to client and asset protection. On the other hand, adequate supervision of the various service providers in the token economy has been established. In addition, there are measures to combat money laundering by making service providers subject to rules on anti-money laundering and the combating of financing of terrorism. Furthermore, the law provides clarity and legal certainty with regard to digital securities."

#### **Question 1: Liechtenstein**

*Could Liechtenstein explain that what could be the profound implications of the Token and Trusted Technology Service Provider Act (TVTG) – also known as the "Blockchain Act"?*

### THE SECRETARIAT REPORT (WT/TPR/S/425)

#### 4.4.1.1 Switzerland, 4.141, p. 151

On page 151 of the Secretariat Report, it is stated that "To improve the market surveillance on products offered over the Internet (e-commerce), two new actors are created and their obligations defined, along the lines of the corresponding Regulation (EU) 2019/102078 on market surveillance."

#### **Question 2:**

*Could Switzerland give further information regarding Regulation (EU) 2019/102078 in terms of market surveillance?*

#### **Switzerland's answer:**

*The objective of Regulation (EU) 2019/1020 is to improve the functioning of the EU internal market by strengthening the market surveillance of products covered by EU harmonization legislation. This is to ensure that only compliant products that fulfil requirements providing a high level of protection of public interests, such as health and safety in general, health and safety in the workplace, the protection of consumers, the protection of the environment and public security and any other public interests protected by that legislation, are made available on the EU market.*

*This Regulation lays down rules and procedures for economic operators regarding products subject to certain EU harmonization legislation and establishes a framework for cooperation with economic operators. This Regulation also provides a framework for controls on products entering the EU market. This Regulation is also adding a new economic operator ("fulfilment service provider") and defining his responsibilities. The 'information society service provider' is now also asked to cooperate with market surveillance authorities to stop the placing on the market of non-compliant products. In summary, this Regulation provides market surveillance authorities new tools and empowerment to carry on market surveillance on products sold via Internet.*

## 28 ICELAND

### Question 1:

*What is the participation of women in the economy of Switzerland and Liechtenstein?*

#### **Switzerland's answer:**

*En 2020, 79% des femmes actives occupées âgées de 15 à 64 ans et ayant des enfants de moins de 15 ans travaillaient à temps partiel. Une grande partie d'entre elles a un taux d'occupation compris entre 20 et 69%. Une femme active occupée sur cinq, âgée de 15 à 64 ans et ayant des enfants en âge préscolaire ou scolaire, travaille à plein temps. La moitié de celles sans enfant de moins de 15 ans exercent une activité professionnelle à plein temps et près d'un tiers ont un taux d'occupation inférieur à 70%.*

### Question 2:

*Have specific barriers that limit women's participation in trade been identified?*

#### **Switzerland's answer:**

*La Suisse ne dispose pas d'études ayant identifié de barrières spécifiques. Cependant, comme souligné dans le cadre des discussions du groupe informel sur le commerce et l'égalité des genres à l'OMC, les femmes se heurtent encore à un large éventail d'obstacles qui les empêchent de tirer parti de possibilités commerciales, comme des normes socioculturelles sexistes, des obstacles tarifaires et non-tarifaires plus élevés, et un manque d'accès à la technologie ou au financement.*

### Question 3:

*Have Switzerland and Liechtenstein implemented any specific measures to encourage women's participation in trade and promote women's entrepreneurship, or are such measures being developed?*

### Question 4:

*Are the effects of trade policy on women and men measured and monitored, and if so, how?*

#### **Switzerland's answer to questions 3 and 4:**

*Since 1996, Switzerland has set up a procurement policy where government contracts are allocated only to companies that comply with equal pay requirements. The Federal Office of Gender Equality (FOGE) conducts independent controls to verify whether the companies are complying with equal pay requirements.*

*With regard to the private sector, since July 2020 companies with 100 or more employees are required to conduct an equal pay analysis within one year and to have it audited by an independent body until 30 June 2022. In addition, employees and shareholders must be informed of the results of the equal pay analysis. The first equal pay analysis was conducted in 30 June 2021. The audit will be performed before 30 June 2022. The analysis will be conducted every four years.*

*In order to help companies, a free tool Logib to evaluate companies' equal pay policies has been developed.*

*In 2021, the Swiss government adopted a national gender equality strategy (the 2030 gender equality strategy) aimed at promoting gender equality. It focuses on four central themes: promoting equality in the workplace, improving work-life balance, preventing violence, and fighting discrimination. More specifically, the Federal Council wants to eliminate gender-related pay discrimination in the public and private sectors and achieve a more balanced representation of women and men in the workforce.*



## 29 URUGUAY

### INFORME DEL GOBIERNO

#### Question 1:

De acuerdo a lo expuesto en el Informe del Gobierno en el apartado 1.3.5 sobre MIPYMES, se interpreta que el rol que juega el Foro de la Pymes, una comisión de expertos extraparlamentaria creada en 1998, tiene iniciativa legislativa y la función principal de monitoreo de la eficiencia del marco regulatorio de la Confederación sobre estas empresas. En el entendido que este Foro se ajusta a la "Recomendación ministerial sobre a promoción de la inclusión de las MIPYEMS en la elaboración de la reglamentación en la esfera del comercio" ubicada en el Anexo 4 de la "Declaración sobre las Microempresas y las pequeñas y medianas empresas" del Grupo de trabajo informal sobre MIPYMES de la OMC; resulta de interés conocer los criterios de selección de los miembros del Foro, si perciben honorarios adicionales y sus vínculos con el sector privado. Asimismo, mucho se agradece explicar el nivel de influencia que este Foro tiene sobre los legisladores y el poder ejecutivo, a la hora de implementar políticas y medidas más beneficiosas para este grupo de empresas.

#### Switzerland's answer:

Le processus de sélection des membres du Forum PME (<http://www.forum-pme.ch/>) se fait sur la base des résultats du monitoring de la bureaucratie ([https://www.seco.admin.ch/seco/fr/home/Publikationen/Dienstleistungen/Publikationen\\_und\\_Forumulare/Standortforderung/studien/Brokratiemonitor-2014.html](https://www.seco.admin.ch/seco/fr/home/Publikationen/Dienstleistungen/Publikationen_und_Forumulare/Standortforderung/studien/Brokratiemonitor-2014.html)), qui fournit périodiquement des indications sur les secteurs les plus touchés en Suisse par les charges administratives et les coûts de la réglementation. Les secteurs les plus touchés sont représentés au sein du Forum PME, qui a pour tâche de lutter contre la charge administrative qui pèse sur les PME. Les membres de la commission, qui doivent être des hommes et femmes entrepreneurs, sont en règle générale approchés via les organisations économiques des branches concernées. Les conditions de nomination sont définies aux articles 8b ([https://www.fedlex.admin.ch/eli/cc/1999/170/fr#art\\_8\\_b](https://www.fedlex.admin.ch/eli/cc/1999/170/fr#art_8_b)) et suivants de l'Ordonnance sur l'organisation du gouvernement et de l'administration. Toute commission extraparlamentaire doit se composer d'au moins 30% de femmes ou d'hommes et de représentants des principales langues nationales. Les membres du gouvernement et du Parlement ne peuvent être nommés membre d'une commission extraparlamentaire que dans certains cas justifiés. Le Conseil fédéral (gouvernement suisse) nomme les membres du Forum PME et détermine leurs fonctions, p.ex. celle de co-présidents. Les membres du Forum PME ont l'obligation de signaler leurs liens d'intérêts ([https://www.admin.ch/ch/f/cf/ko/Gremien\\_interessenbindung\\_10556.html](https://www.admin.ch/ch/f/cf/ko/Gremien_interessenbindung_10556.html)), qui sont publiés sur Internet. Ils doivent indiquer quelles sont leurs activités professionnelles, les fonctions qu'ils occupent au sein d'organes de direction, de surveillance ou de conseil dans des sociétés, établissements suisses ou étrangers, de droit privé ou de droit public. Les membres sont nommés pour quatre ans. Leur mandat peut être renouvelé jusqu'à un total de 12 ans. Les montants des indemnités versées aux membres des commissions extraparlamentaires sont fixés dans une ordonnance (voir annexe 2 ([https://www.fedlex.admin.ch/eli/cc/1999/170/fr#annex\\_2/lvl\\_d4e140/lvl\\_1/lvl\\_d4e144](https://www.fedlex.admin.ch/eli/cc/1999/170/fr#annex_2/lvl_d4e140/lvl_1/lvl_d4e144))) de l'OLOGA. Les indemnités des membres du Forum PME se montent à CHF 300 (environ USD 300) par séance. Il y a en moyenne six séances par année. Les membres de la commission peuvent recevoir des suppléments, conformément à l'article 8o ([https://www.fedlex.admin.ch/eli/cc/1999/170/fr#art\\_8\\_o](https://www.fedlex.admin.ch/eli/cc/1999/170/fr#art_8_o)) OLOGA, s'ils doivent p.ex. investir plus de temps que d'ordinaire à l'étude de dossiers. Les prises de position du Forum PME doivent représenter de manière équilibrée les intérêts de toutes les PME suisses. Des arbitrages doivent dans cette optique être effectués afin de trouver des compromis entre les différents intérêts. Les tâches, la composition et l'organisation du Forum PME sont définies aux articles 9 ([https://www.fedlex.admin.ch/eli/cc/2007/18/fr#sec\\_3](https://www.fedlex.admin.ch/eli/cc/2007/18/fr#sec_3)) et suivants de l'Ordonnance sur la coordination de la politique de la Confédération en faveur des petites et moyennes entreprises (OCPME). La commission a pour tâches : 1) de formuler, dans le cadre de procédures de consultation, des prises de position reflétant l'optique des PME, 2) d'analyser les réglementations existantes qui occasionnent une charge administrative importante aux entreprises et, 3) de proposer aux unités administratives compétentes des simplifications et des réglementations alternatives. Le Forum PME n'a pas de droit d'initiative législative, comme cela est indiqué dans le texte de votre question.

L'article 14 de l'OCPME prévoit que le Forum PME doit établir une fois tous les quatre ans un rapport d'activité ([https://www.seco.admin.ch/dam/seco/fr/dokumente/Standortfoerderung/KMU-Politik/KMU-Forum\\_KMU-Test/KMU-Forum/taetigkeitsbericht\\_fuer\\_die\\_amtsperiode\\_2016\\_2019.pdf.download.pdf/Rapport%20d'activi](https://www.seco.admin.ch/dam/seco/fr/dokumente/Standortfoerderung/KMU-Politik/KMU-Forum_KMU-Test/KMU-Forum/taetigkeitsbericht_fuer_die_amtsperiode_2016_2019.pdf.download.pdf/Rapport%20d'activi)



[ti%C3%A9%20version%20F.pdf](#)), dans lequel figure une rétrospective (dossiers examinés) avec les résultats atteints. L'analyse détaillée de l'évolution des projets réglementaires à propos desquels le Forum PME a formulé des recommandations montre que le taux de prise en compte des recommandations de la commission par le gouvernement et le Parlement a atteint près de 70% en moyenne ces dix dernières années. A noter qu'en vertu de l'article 13 ([https://www.fedlex.admin.ch/eli/cc/2007/18/fr#art\\_13](https://www.fedlex.admin.ch/eli/cc/2007/18/fr#art_13)) OCPPME, le Forum PME fait parvenir une copie de ses prises de position au Parlement. Ses membres se tiennent à la disposition des commissions parlementaires pour leur présenter les résultats de leurs travaux, si cela est souhaité. Le Forum PME contribue de manière appréciable, par ses travaux et prises de position, à l'amélioration des conditions-cadre en Suisse, principalement en matière de lutte contre les charges administratives. Ses coûts de fonctionnement se montent annuellement à environ CHF 200,000 (environ USD 200,000), alors que les allègements administratifs réalisés suite à ses interventions (bénéfices pour les PME concernées) se chiffrent à plusieurs dizaines de millions de francs suisses par année.

**Question 2:**

*En el párrafo 1.58 se indica que para Suiza es importante mejorar las condiciones generales que favorecen la apertura de los mercados y, por eso, el país eliminará los derechos de aduana aplicados a los productos industriales a partir del 1 de enero de 2024. Se estima que ello beneficiará a los consumidores y empresas suizas al reducir precios, costos y cargas administrativas. ¿Tiene Suiza planes de realizar reducciones arancelarias similares también en el caso de los productos agropecuarios, teniendo en cuenta que ello también favorecería la apertura de los mercados y beneficiaría a los consumidores y empresas suizas? En caso negativo, ¿podría Suiza explicar los motivos?*

**Switzerland's answer:**

*Switzerland's agricultural policy is oriented towards a long-term strategy and built upon stable, foreseeable and coherent conditions for farming which permits mid- and long-term improvements of competition parameters such as efficiency and effectiveness of the sector as a whole. The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

**Question 3:**

*En el párrafo 1.72 se establece que Suiza subrayará la necesidad de tener debidamente en cuenta las preocupaciones de carácter no comercial en las negociaciones agrícolas. ¿Podría Suiza enumerar las preocupaciones de carácter no comercial que considera relevante tener en cuenta en dichas negociaciones?. ¿Podría indicar, asimismo, ejemplos de cómo podrían ser tenidas en cuenta dichas preocupaciones en eventuales negociaciones de reducción de la ayuda interna y de los aranceles en materia agropecuaria?*

**Switzerland's answer:**

*The importance of non-trade concerns is enshrined in the Swiss Federal Constitution. To give one example, as a net-food importing country, food security is an important non-trade concern for Switzerland. This is reflected in Article 104a of the Federal Constitution. Other non-trade concerns reflected in the Constitution are related to sustainable development such as the protection of the environment, rural development and animal welfare. Most importantly, the Constitution supports the concept of multifunctionality of our agricultural sector. In negotiations at the WTO, they represent an overarching principle to be respected and define the policy space that has to be maintained. The details of their consideration cannot be stated in a general manner but have to be assessed based on specific negotiation proposals.*

**Question 4:**

*En el párrafo 1.84 se indica que EFTA ha concluido sustancialmente las negociaciones de un acuerdo con los Estados del MERCOSUR (2019). ¿Cuáles son las perspectivas de Suiza sobre la eventual suscripción y entrada en vigor de dicho acuerdo?*

**Switzerland's answer:**

*Switzerland attaches great importance to the agreement and is committed to finalize the remaining open questions in order to be able to sign the agreement. The agreement could then enter into force after successfully completing the internal approval processes.*

## INFORME DE LA SECRETARÍA

### Question 5:

En el párrafo 3.33 se indica que, pese a que Suiza y Liechtenstein han consolidado los demás derechos o cargas correspondientes a las líneas arancelarias comprendidas en su Lista de compromisos a tipos nulos, dos organizaciones de mantenimiento obligatorio de existencias del sector privado que satisfacen las prescripciones del Gobierno suizo en esta materia (a saber, CARBURA y Réservesuisse) aplican gravámenes únicamente a las importaciones para financiar los costos de almacenamiento y los riesgos asociados a través de sus denominados "fondos de garantía". Asimismo, en el párrafo 3.34 se establece que, dado que los demás derechos y cargas se han consolidado a un tipo nulo y los aranceles aplicados suelen ser iguales a los tipos consolidados, es posible que la suma de los aranceles y de las contribuciones al fondo de garantía exceda de los compromisos consolidados de Suiza en varias líneas arancelarias. ¿Podría Suiza explicar los párrafos anteriores a la luz de sus compromisos bajo los artículos II y III del GATT de 1994?

### Switzerland's answer:

To ensure national supply in times of shortages, Switzerland has a system of compulsory stocks of essential goods. These stocks are under the responsibility of the private sector. So-called "guarantee funds" administered by private organizations have been put in place by some economic sectors to cover storage costs and to compensate for fluctuations in the price of the goods stored. In this case, companies which do not themselves hold compulsory reserves pay guarantee fund contributions to the organization in order to finance the compulsory stocks. For some products, these organizations levy guarantee fund contributions only on imports.

Switzerland remains aware that guarantee fund contributions in conjunction with applied customs duties exceed the bound rates for certain tariff lines. In 2019, Switzerland launched a project to modify the compulsory reserve regime for rice and coffee. This project has not been finalized. Reflections on National Economic Supply are on-going and a revision of the legal basis is in preparation, following the COVID-19 crisis and a planned reorganization of the Federal Office for National Economic Supply.

### Question 6:

En el párrafo 4.37 del Informe de la Secretaría sobre pagos directos en las medidas globales de ayuda para productos agropecuarios, se afirma que según la OCDE el 50% de las ayudas a los agricultores entran dentro de esta categoría. Estos pagos ascienden hasta CHF 71.000 por unidad productiva, lo que significa el 21% de los ingresos de los agricultores suizos. Si bien los niveles de ayudas están dentro de los compromisos asumidos, el artículo 20 del Acuerdo sobre Agricultura establece un compromiso de reducción de estas herramientas en base a la "experiencia adquirida" y los "efectos...en el comercio mundial". Es por ello que se solicita conocer los resultados de los análisis nacionales de implementación, monitoreo y efectividad de los pagos directos en función a los objetivos propuestos y el eventual efecto distorsivo que pueda generar en el comercio nacional e internacional.

### Switzerland's answer:

Les paiements directs sont adaptés en permanence sur la base des expériences et des évaluations. Avec le train d'ordonnances récemment adopté par le Conseil fédéral pour la mise en œuvre d'une première partie de l'initiative parlementaire "Réduire le risque de l'utilisation de pesticides", les paiements directs sont davantage axés sur la prévention des effets négatifs sur l'environnement. La part des paiements directs dans le revenu total de l'exploitation agricole n'a cessé de diminuer ces dernières années, car les recettes du marché par exploitation ont augmenté plus fortement que les paiements directs. Comme les paiements directs encouragent principalement la fourniture d'une prestation d'intérêt général, l'impact sur le commerce n'est pas au centre des évaluations.

### Question 7:

El apartado 4.1.3.3 Leche hace referencia a las medidas de ayuda interna aplicables a la leche y los productos lácteos, incluyendo medidas como el suplemento para la leche comercializada y el suplemento para la leche transformada en queso. El párrafo 4.54 afirma que "las exportaciones de queso también se benefician de ayudas indirectas mediante la subvención por la transformación de leche en queso, aunque esta no está supeditada a las exportaciones". Según el documento "Participación de los Miembros en el Crecimiento Normal del Comercio Mundial de Productos Agropecuarios" (G/AG/W/32/Rev.20), Suiza continuó siendo el 7º exportador mundial de quesos en 2020, con un 2.3% en la participación de las exportaciones globales del producto. De acuerdo con la última notificación DS.1 de Suiza (G/AG/N/CHE/114), la ayuda de caja ámbar

*brindada a la producción de leche y productos lácteos en 2020 equivalió al 16.66% del valor de la producción de dichos bienes. El 52% de la ayuda brindada específicamente a estos productos correspondió a la subvención por la transformación de leche en queso. ¿Qué valoración realiza Suiza de la incidencia (o "ayuda indirecta", en los términos del informe de la Secretaría) de la ayuda de caja ámbar brindada a la producción de leche y productos lácteos, y en particular del suplemento para la leche transformada en queso, en sus exportaciones de quesos?*

**Switzerland's answer:**

*La Confédération verse un supplément de 5 centimes par kilogramme de lait commercialisé pour l'ensemble du lait commercialisé. Pour le lait transformé en fromage, un supplément de 10 centimes par kilogramme est également versé. Si le lait est produit sans ensilage et transformé en fromage au lait cru, un supplément pour non-ensilage de 3 centimes par kilo vient s'y ajouter. Aucun de ces suppléments n'est lié à une prestation d'exportation.*

### 30 VIET NAM

**Question 1:**

*Developing E-commerce and digital economy is one of Viet Nam's goals that the Vietnamese government wants to prioritize to promote. How will the strategies and policies of Switzerland and Liechtenstein to promote trade between the two sides on e-commerce platforms in the near future be implemented?*

**Switzerland's answer:**

*Switzerland is an open economy. As set forth in its new foreign economic policy strategy, Switzerland also strives for openness in the area of e-commerce. This is achieved, among other things, by means of suitable framework conditions, such as for cross-border trade.*

**Question 2:**

*How are Vietnamese small and medium sized enterprises will be benefited from the support and investment policies of Switzerland and Liechtenstein to develop conditions such as infrastructure, establish an environment and institutions in accordance with international regulations, and improve the capacity and understanding of enterprises?*

**Switzerland's answer:**

*Viet Nam has been a partner of the Swiss Economic Cooperation and Development for over 30 years and remains a priority country. The current Viet Nam Cooperation Programme 2021-2024 aims to support a more market-oriented, sustainable growth. The cooperation focusses on the improvement of the framework conditions, the strengthening of the competitiveness of local businesses, and the enhancement of urban resilience against climate risks.*

*The current Viet Nam Cooperation Programme promotes the e-commerce and digitalization in many ways. It supports the creation of e-commerce platforms and supports Business Support Organizations (BSOs) and SMEs in the use of e-commerce platforms. It also promotes the use of new digital technologies to trace products and improve transparency of production standards. Besides trade, the use of digital data is also an important element in our support in public finance management, the financial sector and urban planning.*

*For SMEs, the Vietnam Cooperation Programme offers assistance to improve productivity, quality of products and sustainability, with the aim of facilitating their exports and/or enhancing their potential role as suppliers within regional or global supply chains. In addition, it supports the expansion of supply chain finance instruments and mechanisms to facilitate access of SMEs to finance. As part of this cooperation, Vietnam also benefits from expertise provided by the International Trade Centre (ITC) for the preparation and implementation of the National Export Strategy 2021-2030.*

### 31 ECUADOR

#### PREGUNTAS DEL ECUADOR SOBRE LA BASE DEL INFORME DE LA SECRETARÍA (WT/TPR/S/425)

**De conformidad con la página 40, párrafo 2.5, con relación al impacto de las reglamentaciones y las etapas del proceso:**

**Question 1:**

*¿Podría indicarnos Suiza si ese impacto abarca a las reglamentaciones técnicas?*

**Switzerland's answer:**

*Yes. The RIA requirements described in paragraph 2.5 apply to all federal laws and regulations. Technical regulations are usually implemented into national law through federal laws or ordonnances (secondary legislations), which fall within the scope of the RIA requirements.*

**Question 2:**

*En lo que se refiere al numeral iv) de la lista recapitulativa de cuestiones (consecuencias para el conjunto de la economía), ¿se analiza el impacto para las mercancías importadas?*

**Switzerland's answer:**

*Yes. An important component of the required analyses on the economic effects of new regulations is the impact on competition and on international trade. This explicitly includes analysis of possible trade barriers for foreign competitors (e.g. through technical regulations) and thus also incorporates the impact of regulations on imported goods.*

**Question 3:**

*Si la respuesta al literal 2) es negativa, ¿cómo se considera el criterio de los operadores económicos externos para la evaluación de impacto de una reglamentación técnica?*

**Switzerland's answer:**

*n/a*

**De conformidad con la página 53, párrafo 2.36, con relación a:**

"La relación de Suiza con la Unión Europea sigue rigiéndose por más de 100 acuerdos bilaterales. Los principales acuerdos figuran en el cuadro 2.6. Muchos de estos acuerdos requieren actualizaciones periódicas, especialmente los que se basan en la armonización o equivalencia de los reglamentos pertinentes de Suiza y la Unión Europea".

**Por otro lado, en la página 107, párrafo 3.135, se establece que:**

"La armonización en materia sanitaria y fitosanitaria reviste suma importancia puesto que el 60% de todas las exportaciones suizas de productos agropecuarios se destina a la Unión Europea, mientras que el 77% de todas las importaciones suizas de productos agropecuarios procede de la Unión Europea."

Al respecto, podría indicarnos Suiza:

**Question 4:**

*¿Existe una hoja de ruta sobre las reglamentaciones técnicas o fitosanitarias que se armonizan con la Unión Europea?*

**Switzerland's answer:**

*Switzerland generally harmonizes technical regulations with those of its main trading partner, i.e. in principle the EU. This principle is enshrined in Article 4 of the Law on technical barriers to trade. Switzerland has equivalent legislation with the EU in the areas covered by the agriculture agreement, including in the areas of sanitary and phytosanitary measures.*

**Question 5:**

*¿Suiza ha considerado establecer alguna armonización en el ámbito del Pacto Verde Europeo?*

**Switzerland's answer:**

*The EU Green Deal is a package composed of several regulations. Some of the regulations may be covered by existing bilateral agreements, such as the Mutual Recognition Agreement. These would then be included in Swiss legislation when they will enter into application in the EU.*

**Question 6:**

*Si la respuesta al literal 5) es positiva, ¿a qué ámbitos se dirigiría esa posible armonización?*

**Switzerland's answer:**

**De conformidad con la página 67, párrafo 3.21, con relación al arancel de aduanas de Suiza y Liechtenstein que comprende exclusivamente tipos específicos:**

**Question 7:**

*¿Podría Suiza indicarnos si considera que la aplicación de un derecho específico permite mantener los compromisos previstos en su Lista de Concesiones Anexa a la OMC? Lo anterior, frente a una posible reducción de la paridad de su moneda respecto al nivel establecido a su ingreso al GATT/OMC.*

**Switzerland's answer:**

*Switzerland's tariff bindings are contained in its List of tariff concessions (LIX). The bindings are not adjusted according to exchange rates.*

**Question 8:**

*¿Cómo se maneja el valor de las concesiones frente a la variación de los tipos de cambio y precios internacionales, al tener aranceles específicos para las importaciones de bienes originarios de países con los que mantiene acuerdos comerciales?*

**Switzerland's answer:**

*Preferential tariff concessions are applied on the basis of two ordinances (Ordonnance sur le libre-échange 1, fedlex 632.421.0; Ordonnance sur le libre-échange 2, fedlex 632.319). These tariff concessions are also specific and, as is the case with Switzerland's tariff bindings contained in its List of tariff concessions (LIX), are not adjusted according to exchange rates.*

**De conformidad con la página 73, párrafo 3.35, con relación a las medidas unilaterales de suspensiones arancelarias de las que todos los importadores, con independencia de su origen, pueden beneficiarse:**

**Question 9:**

*Sin perjuicio del derecho de los Miembros de manejar su propia política arancelaria, ¿podría Suiza informarnos si en el marco de esas suspensiones se otorga alguna prioridad a los productos originarios de países con los que mantienen Acuerdos Comerciales?*

**Switzerland's answer:**

*Switzerland will remove its industrial tariffs on an MFN basis, i.e. Switzerland's MFN applied duties will be set to zero for all imports from third countries.*

**Question 10:**

*¿Existe algún mecanismo que permita evitar la erosión de las concesiones arancelarias otorgadas por Suiza a sus socios comerciales, que podría producirse a través de estas suspensiones?*

**Switzerland's answer:**

*Switzerland does not foresee any change to its FTAs following the unilateral removal of its import duties on industrial products. Switzerland's obligations under FTAs for duty-free treatment of industrial goods will remain relevant to ensure legal certainty for users of these agreements.*

**De conformidad con la página 105, párrafo 3.126, con relación a:**

*"De conformidad con la Orden sobre la Declaración de Productos Agropecuarios Procedentes de Métodos de Producción no Autorizados en Suiza, del 26 de noviembre de 2003 (RS 916.51), modificada en 2020, las importaciones de alimentos producidos de manera prohibida en Suiza deben etiquetarse como tales."*

Al respecto, podría indicarnos Suiza:

**Question 11:**

*¿Cómo esta medida cumple con el principio de no discriminación del Trato Nacional, al ser una prescripción que podría afectar la venta, compra y uso de los productos importados con relación a productos similares de producción nacional?*

**Switzerland's answer:**

*The declaration requirements apply to products produced with methods of production, which are prohibited in Switzerland by law. Consequently, the measure does not constitute a violation of the principle of national treatment or other principles of WTO law.*

**Question 12:**

*¿Se ha evaluado usar otra medida que cumpla con el objetivo de la citada Orden, sin afectar la venta y comercialización de los productos importados por la percepción que podrían tener los consumidores frente a esa etiqueta?*

**Switzerland's answer:**

*Switzerland has on several occasions evaluated import bans for products that have been produced using production methods that are banned in Switzerland. For example, meat and meat products produced with hormonal growth promoters or with non-hormonal growth promoters such as antibiotics. So far, a mandatory declaration has demonstrated to be the most suitable and the least trade-distorting option in each case, while still allowing the consumer to receive the information.*

**De conformidad con la página 113, párrafo 3.154, sobre:**

"El etanol y las bebidas espirituosas nacionales son producidas por entidades privadas (agricultores, productores industriales y pequeños productores) a las que, por motivos de control, la Confederación otorga una concesión."

Por otra parte, según el documento G/STR/N/18/CHE/Rev.1, parecería que esta concesión permite a dichas entidades comercializar sus productos directamente, una vez abonados los impuestos correspondientes, sin autorización previa de la Junta. Para las importaciones, sí sería necesaria esta autorización.

Al respecto, podría Suiza indicarnos:

**Question 13:**

*¿Cómo esa medida ayudaría al control y cómo se ajusta al principio de no discriminación si consideramos que se trata de una prescripción a favor de la producción nacional frente a bienes importados similares que requieren la autorización de la Junta?*

**Switzerland's answer:**

*La législation sur l'alcool vise principalement à protéger la santé publique. La Confédération remplit son mandat de politique sanitaire notamment en grevant les boissons distillées (éthanol et boissons spiritueuses) d'une charge fiscale afin de réduire la demande en la matière (voir article 131, al. 1, let. b, Cst.). Simultanément, la détention du monopole de l'alcool à l'intérieur du pays lui permet de réguler la production indigène. Depuis 2019, la Confédération a abandonné son monopole sur les importations. Autrement dit, l'importation en Suisse de boissons distillées n'est plus soumise à aucune restriction. Seule la charge fiscale doit être acquittée au moment de l'importation.*

*En résumé, un producteur étranger d'éthanol ou de boissons spiritueuses peut alimenter le marché indigène sans que lui-même ou l'importateur ne disposent d'une concession. Ce qui n'est pas le cas pour un producteur indigène qui doit lui obtenir préalablement une concession de la Confédération avant de pouvoir produire des boissons distillées.*

**De conformidad con la página 136, párrafos 4.20 y 4.21, con relación al tipo arancelario compuesto de un elemento fijo y otro variable para determinados productos agropecuarios:****Question 14:**

*¿Podría informarnos Suiza si la fórmula contempla algún elemento que preserve la consolidación arancelaria de esos productos según su Lista de Concesiones Arancelarias?*

**Question 15:**

*¿Cómo se realiza el cálculo del equivalente arancelario entre el componente fijo y el variable para verificar que se cumpla con el compromiso de consolidación arancelaria?*

**Question 16:**

*¿Cómo esta forma de cálculo del tipo arancelario aplicado a nivel de línea arancelaria, que podría resultar en un arancel variable, se ajusta al compromiso de no aplicar restricciones cuantitativas en el caso de bienes agrícolas?*

**Switzerland's answer:**

*These customs duties are composed of two elements: an industrial element and an agricultural element. Both elements are defined in Swiss francs per 100 kg gross. The customs duties levied on these processed agricultural products is the sum of the industrial and the agricultural elements. In case this sum exceeds the bound rate for a given tariff line, the bound rate applies. These customs duties cannot be regarded as quantitative restrictions. The adjustment of the agricultural element based on differences between Swiss and world market prices for relevant raw materials takes place periodically. Within these periods, customs duties are constant and no quantitative restrictions are applied. The customs duties are available online: [www.tares.ch](http://www.tares.ch).*



## 32 KAZAKHSTAN

### Paragraph 1.31 of the Secretariat Report

**Question 1:**

*Please explain how Switzerland's policy strategy is different/similar to the EU Green Deal policy?*

**Switzerland's answer:**

*Switzerland does not deem it appropriate to provide an analysis of the differences and similarities between its own policy and the policy of another WTO Member that is not under review.*

*For further information on Switzerland's long-term climate strategy, please visit the following webpage: <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-82140.html>.*

### Paragraph 3.50 of the Secretariat Report

**Question 2:**

*Please explain based on what legal framework and institutional mechanisms Switzerland and Liechtenstein defend the interests of their domestic industry against unfair trade practices or surge of imports that cause or threaten to cause injury to the domestic industry? How do Switzerland and Liechtenstein defend the interest of their local producers when trade remedy cases take place against them?*

**Switzerland's answer:**

*First part: At the outset, it should be noted that Switzerland is not exposed to the concerns expressed in the question. A possible explanation is that Switzerland specializes in the production of high value-added products, such that it does not have to face intense international competition. Should such problems arise, Switzerland will privilege a diplomatic solution through increased dialogue, bilaterally or in international fora. Switzerland traditionally refrains from applying trade defense instruments (anti-dumping, safeguards, CVDs). However, Switzerland maintains the right to use such instruments if necessary and in accordance with WTO rules.*

*Second part: As soon as Switzerland and Liechtenstein are informed that a trade-remedy procedure that could affect their domestic industry has been initiated by a WTO Member, they first make sure that the industry receives the relevant information so that it can defend its interests in the investigation. Switzerland [and Liechtenstein] also make interventions, as appropriate, in the procedures concerned, via bilateral exchanges with the Member concerned or in relevant international fora, requesting that international obligations be respected, that possible trade-remedy measures that would be applied be least trade-restrictive and, if applicable, requesting that imports from Switzerland and Liechtenstein be exempted from the measures.*

### Paragraph 1.53 of Switzerland's and Liechtenstein's Report

**Question 3:**

*Please provide more information on the foreign branches of Switzerland Global Enterprise, including the countries where they operate and the scope of the services rendered?*

**Switzerland's answer:**

*All relevant information is available on Switzerland Global Enterprise website: [S-GE is your first point of contact for internationalization](#) | [S-GE](#).*

### 33 MOLDOVA

#### Secretariat Report (WT/TPR/G/425 - Switzerland/Liechtenstein)

##### 3.3.5 State trading, state-owned enterprises, and privatization

3.154. Alcosuisse, the former profit Centre of the Swiss Alcohol Board and sole importer of ethanol products, was sold to a private Swiss company in 2018. This follows the partial revision of the Alcohol Law in 2016 and of the Ordinance on Alcohol and the Alcohol Law in 2017.

The Swiss Alcohol Board was integrated into the FCA (now the FOCBS). Alcosuisse's monopoly on the importation of ethanol was ended with the liberalization of the ethanol market in 2019.

Switzerland notified the WTO Working Party on State Trading Enterprises in December 2020 that the private sector is allowed to import ethanol and spirits without restriction and without any permit. The taxes, fixed by the Federal Council, have to be paid on imported goods as well as on domestic production. Domestically produced ethanol and spirits are produced by private-sector actors that, for control reasons, have been granted a concession by the Confederation (farmers, and industrial and professional producers).

##### **Question 1:**

*Question by RM: Please indicate the main concessions offered by the Confederation to the domestically produced ethanol and spirits produced by private-sector actors from Switzerland. Are international producers/importers eligible for these concessions?*

*What are the tax incentives/reductions offered by the Swiss Government to the local alcohol producers, particularly the producers of wine? If any, are the imported products subject to these tax reductions?*

##### **Switzerland's answer:**

*La législation sur l'alcool vise principalement à protéger la santé publique. La Confédération remplit son mandat de politique sanitaire (article 131, al. 1, let. b, Cst.) notamment en grevant les boissons distillées (éthanol et boissons spiritueuses) d'une charge fiscale et en régulant la production indigène via le monopole de l'alcool qu'elle détient à l'intérieur du pays.*

*La Confédération attribue trois types principaux de concessions: premièrement, les concessions pour les distillateurs professionnels produisant des boissons distillées pour leur propre compte; deuxièmement, les concessions pour les distilleries à façon distillant les matières premières de tiers, essentiellement des petits producteurs; et troisièmement, les concessions pour les distillateurs agricoles, transformant les matières premières de leur exploitation agricole en boissons spiritueuses. Depuis 2019, la Confédération a abandonné son monopole sur les importations. Autrement dit, l'importation en Suisse de boissons distillées n'est plus soumise à aucune restriction. Seule la charge fiscale doit être acquittée au moment de l'importation. En conséquence, une concession n'est d'aucune utilité pour un producteur/importateur produisant des boissons distillées à l'étranger.*

*S'agissant de la charge fiscale grevant les boissons spiritueuses, elle est identique pour les boissons spiritueuses indigènes et celles importées. Seuls les petits producteurs indigènes (production annuelle inférieure à 200 litres d'alcool pur) bénéficient d'une réduction de l'imposition de 30% sur les 30 premiers litres d'alcool pur produits à partir de matières premières provenant exclusivement de la récolte indigène du producteur ou qui ont été récoltées par ses soins à l'état sauvage dans le pays. Notez que la réduction de l'imposition accordée aux petits producteurs ne représente que 0.44% des quantités d'alcool pur mises sur le marché en Suisse en 2021. Les producteurs de vin ne bénéficient pas d'avantages particuliers.*

## 34 INDIA

### 1.9 WT/TPR/G/425 Page 3

Switzerland attaches high importance to reducing gaps in the level of development between nations, to promoting the further integration of developing countries into the global economy, and to the need to make economic development more sustainable.

**Question 1:**

*Can Switzerland substantiate steps/policies taken to integrate the developing countries into the global economy and outcomes thereof?*

**Switzerland's answer:**

*Voir section 1.4.5 du rapport du gouvernement (WT/TPR/G/425).*

### 1.15 WT/TPR/G/425 Page 4

Since 2020, the international economic environment has been characterized by a severe global economic crisis, triggered by the emergence of the COVID-19 pandemic in early 2020, which has hit world trade and the economies of Switzerland's main trading partners hard. To combat the spread of the virus, governments shut down entire sectors of the economy, leading to a collapse in demand and trade. At the same time, different governments introduced massive public aid programmes to support the affected sectors and the economy as a whole. Subsequently, further waves of the coronavirus occurred, triggering similar responses, particularly in Europe, although on a smaller scale than in the spring of 2020. Switzerland has successfully completed the process of revising national law on Government procurement.

**Question 2:**

*Explain the impact of COVID-19 pandemic in Switzerland in terms of loss of life, disruption in the domestic economy, as well as exports.*

**Switzerland's answer:**

*Voir section 1.2.1 du rapport du secrétariat (WT/TPR/S/425).*

### 1.36 WT/TPR/G/425 Page 10

In addition, the Swiss economy will face various challenges in the coming years. Due to changing demographics, the proportion of persons reaching retirement age is expected to rise from around 19% in 2022 to around 25% in 2045, which will be accompanied by a decrease in the share of the working population in the total population. Demographic changes will also lead to additional expenditure on health care and retirement provision, which will increase the pressure on ensuring sound public finances. Two other major challenges are the outstanding questions over future economic integration into the EU internal market and the implementation of a cost-effective climate policy.

**Question 3:**

*How does Switzerland propose to handle this demographic transition especially with respect to employment opportunities for expatriates from developing countries ? Does it propose to amend its extant immigration policy in this regard and if so, share the details thereof.*

**Switzerland's answer:**

*Toutes les informations pertinentes dans le rapport sur la migration 2021: <https://migration.swiss/fr/rapport-sur-la-migration-2021>.*

### 1.54 WT/TPR/G/425 Page 12

In 2016, Switzerland Innovation, a network of independent regional sites for research and innovation, bringing industry and academia together, was inaugurated. It is represented by two hubs centred on the two Federal Institutes of Technology in Zurich and Lausanne and four additional network locations. The network forms an ecosystem that enables innovative universities and businesses to collaborate and use their research results to develop new marketable products and services. Switzerland Innovation is now an important component of the Swiss innovation promotion

portfolio: it supplements federal instruments such as Innosuisse, the Swiss innovation agency, as well as regional and cantonal initiatives. Since its launch, the network has attracted around 240 companies, including 50 from abroad. Eight hundred new jobs have been created.

**Question 4:**

*Explain the measures initiated for bringing together industry and academia to promote innovation. What has been Switzerland's experience with this project?*

**Switzerland's answer:**

Voir le site de Switzerland Innovation : <https://www.switzerland-innovation.com/>, et les paragraphes 3.101 et 3.102 du rapport du secrétariat (WT/TPR/S/425).

**1.59 WT/TPR/G/425 Page 13**

On 1 January 2018, Switzerland embarked on the DaziT programme: a large-scale programme to transform its customs procedures. In order to facilitate trade and ease the burden on the economy, the DaziT programme provides for the systematic simplification and full digitalisation of all customs procedures by the end of 2026. New applications simplify, inter alia, the customs clearance of goods in tourist traffic and enable mobile payment of the flat-rate fee for heavy goods traffic. The successful implementation of DaziT requires close collaboration with national and international partners. Discussions with neighbouring countries' customs administrations and European authorities are under way to simplify and speed up border crossings.

**Question 5:**

*Can Switzerland provide information on the implementation status of the DaziT programme till 2022? Does this include a single window mechanism for Customs clearances? What is the current implementation status of Trade Facilitation Agreement? Can Switzerland share the best practices which helped it to achieve that level?*

**Switzerland's answer:**

Toutes les informations nécessaires se trouvent sur le site du programme DaziT : <https://www.efd.admin.ch/efd/fr/home/douanes/dazit.html#:~:text=Le%20programme%20DaziT%20vise%20%C3%A0,et%20des%20processus%20de%20contr%C3%B4le.>

**1.65 WT/TPR/G/425 Page 14**

WTO reform should enhance the Organization's three functions. First, as regards the negotiating function, the WTO must demonstrate its ability to conclude multilateral agreements that respond to current challenges, such as the digitalisation of the economy and environmental sustainability. The continuation of the moratorium on customs duties on electronic transmissions and reaching a tangible agreement on fisheries subsidies are outcomes that will contribute to the WTO's credibility. The matters of special and differential treatment and a level field of competition must be included in the reform.

**Question 6:**

*How does Switzerland perceive Special & Differential Treatment under various WTO Agreements and its effectiveness?*

**Switzerland's answer:**

*The issue of special and differential treatment (S&DT) is one of the key elements of the WTO. From Switzerland's perspective, it appears that any homogenous and wide-ranging derogation applicable to all developing Members would be detrimental to making progress in current and future negotiations with a view to strengthening the multilateral trading system and improving the three functions of the WTO. There are many ways and approaches to differentiate levels of engagement in a pragmatic way. It should be possible to find pragmatic solutions taking into account the particular circumstances of each negotiation and of each Member. Except in the special case of LDCs, it is not the categorization that matters, but rather the binding commitments that each Member is able to make in the various areas that are - or will be - negotiated.*

**1.72 WT/TPR/G/425 Page 14**

With respect to agriculture, Switzerland will pursue its constructive engagement in negotiations, underlining the need to adequately take into account non-trade concerns. During the period under review, Switzerland has demonstrated its commitment by eliminating export subsidies on agricultural products, in accordance with the decision adopted at the Tenth Ministerial Conference (MC10) in Nairobi, which required the national legislation to be amended.

**Question 7:**

*Can Switzerland provide information on export subsidies on agricultural products which have been eliminated under the previous review period and the details of roadmap in this regard for future?*

**Switzerland's answer:**

*Switzerland has eliminated all remaining export subsidies as of January 2019.*

**1.73 WT/TPR/G/425 Page 14**

Switzerland has successfully completed the process of revising national law on Government procurement to harmonize federal and cantonal legislation and to transpose the requirements of the revised WTO plurilateral Agreement on Government Procurement (GPA). In force since 1 January 2021, the revised federal legislation on Government procurement and the revised GPA provides a modernized regulatory framework that improves legal certainty and simplifies the application of the law, while offering new opportunities to SMEs.

**Question 8:**

*What is the composition of vendor's origin in terms of tenders awarded under the Government procurement:*

- i. Awarded to suppliers based in Switzerland;*
- ii. Awarded to suppliers based in EU;*
- iii. Awarded to suppliers based outside EU and Switzerland.*

**Switzerland's answer:**

*Relevant information regarding government procurement statistics notified by Switzerland under the WTO GPA are available on the WTO website [https://www.wto.org/english/tratop\\_e/gproc\\_e/notnat\\_e.htm#statPro](https://www.wto.org/english/tratop_e/gproc_e/notnat_e.htm#statPro). Switzerland's notification under the GPA 1994 provides data of GPA covered procurement awarded at federal and cantonal level according to the place of origin of the supplier (Switzerland, EU, USA and other countries).*

**2.36 WT/TPR/G/425 Page 25**

The Government of Liechtenstein provides neither traditional export subsidies or guarantees, nor subsidies to companies, with the exception of the agricultural sector, which mainly consists of family-owned micro-businesses. The main features of the playing field set by the Government's economic policy are free trade agreements, stability, durability and reliability of the policy measures, maintaining a high-quality educational system, a business-friendly tax regime, low administrative burden and a lean and customer-oriented public administration. In order to further facilitate the interaction with the public administration, the Government is currently advancing the digitalisation of most public services, for example including identification and payment services. For that purpose, a "Digitalisation Roadmap for the Liechtenstein Public Administration" was developed in 2020. The Roadmap, which includes more than 100 digitalisation projects across 29 public offices, is to be implemented in the coming years. In its e-Government Act, the government has stipulated that from 2023 onwards, all communication between companies and public authorities must be conducted.

**Question 9:**

*Can Liechtenstein provide information on subsidies provided to the agricultural sector from previous review period?*

**Summary paragraph 2WT/TPR/S/425 Page 9**

Switzerland has recorded fiscal surpluses in most years since 2016. The application of a debt brake rule has meant that government spending and liabilities remain far below the average OECD level. The impact of the COVID-19 pandemic resulted in a change from a fiscal surplus of 1.3% in 2019 to a fiscal deficit of 2.8% in 2020. In recent years, the Swiss National Bank pursued a very accommodative monetary policy, mainly through a negative interest rate and, where necessary, foreign exchange market interventions. It played an important role in crisis management in the context of the COVID-19 pandemic, for example, by intervening more strongly in foreign exchange markets to counter the upward pressure on the Swiss franc. Issues that have been raised regarding Swiss monetary policy include the increasing difficulty of achieving the price stability objective and the need to address certain structural factors that account for the persistent appreciation pressures.

**Question 10:**

*Can Switzerland list out the structural factors that account for persistent appreciation pressures? Would it not lead to distortion in patterns of trade?*

**Switzerland's answer:**

*The main reason for the appreciation pressure on the Swiss Franc is its reputation as a "safe haven" in times of high uncertainty (for instance geopolitical risks, pandemic risks).*

*This reputation is probably the result of investors' confidence in the Swiss financial sectors as well as Swiss general social, political and institutional stability.*

*Another factor driving the appreciation pressure in the last years are the reduced interest rate differentials caused by the expansionary measures taken by major foreign central banks (under the condition of historical low level of interest rates). Further, inflation differentials with respect to the major trading partners have widened, which also requires an appreciation (according to the purchasing power theorem).*

**Summary Paragraph 4 WT/TPR/S/425 Page 9**

Switzerland's current account remained in surplus but overall declined steadily between 2016 and 2019 and registered a very sharp decline in 2020. The long-term evolution of the structure of Swiss merchandise exports reveals a growing specialization in certain product sectors that are relatively unaffected by exchange rate movements. Chemical and pharmaceutical products now account for more than half of Swiss merchandise exports. While the trade goods balance reached a record surplus in 2020, the services trade balance continued its long-term decline. Europe continues to account for more than 70% of Swiss merchandise imports and more than 50% of its merchandise exports, although in the long term its share in Swiss merchandise imports and exports has declined somewhat. In the case of Liechtenstein, 78% of merchandise imports (excluding trade with Switzerland) originate in Europe and 61% of merchandise exports (excluding trade with Switzerland) are destined for Europe. Switzerland ranks among the world's top 10 economies in terms of inward and outward foreign direct investment (FDI) stock, with an inward FDI stock that is heavily concentrated in services. FDI inflows to Switzerland have fallen since 2015 and were negative in 2018-2020. The recent negative FDI inflows reflect the conduit nature of Switzerland's annual FDI inflows, as FDI in Switzerland is made mainly through intermediate companies in European holding companies.

**Question 11:**

*Can Switzerland give an account of such products and sectors where "growing specialization in certain product sectors that are relatively unaffected by exchange rate movements"?*

**Switzerland's answer:**

*Nous proposons d'adresser cette question directement au Secrétariat de l'OMC qui est l'auteur du rapport WT/TPR/S/425.*

**Summary Paragraph 14 WT/TPR/S/425 Page 10**

No export taxes or duties are levied. Switzerland Global Enterprise, a private non-profit association mandated by the State Secretariat for Economic Affairs, continues to help SMEs in Switzerland and Liechtenstein to export their products and services; over the review period, it formed new partnerships and expanded its services. Swiss Export Risk Insurance (SERV) continues - to provide export finance and insurance services to companies registered in Switzerland where there is a gap

in private-sector provision; in response to the COVID-19 pandemic, it simplified certain processes to assist exporters. Export finance, insurance, and guarantees are provided only by the private sector in Liechtenstein.

**Question 12:**

*What are Specific measures undertaken to assist SMEs specifically in terms of exports after the last TPR period?*

**Switzerland's answer:**

*Voir section 1.3.5 du rapport du gouvernement (WT/TPR/G/425).*

**Summary Paragraph 8 WT/TPR/S/425 Page 10**

Both Switzerland and Liechtenstein are open to investment, with few restrictions on FDI, although state monopolies operate in a few areas. The Swiss Federal Council is drafting a law on the control of foreign investments, which will be published for consultations at the end of March 2022.

**Question 13:**

*In which areas state monopolies operate in Switzerland and Liechtenstein and is there any proposed roadmap for introducing competition in such sectors in future?*

**Switzerland's answer:**

*Switzerland is very open to foreign investment and restrictions may apply to only a few sectors. This is the case for some passenger transport companies, some specific postal services, and compulsory insurance against fire and natural damage. These state monopolies are clearly defined in the Swiss constitution. The imports of ethanol (a previous state monopoly) has been liberalized in 2019.*

**Summary Paragraph 10 WT/TPR/S/425 Page 10**

A major customs reform initiative is ongoing in Switzerland; its objective is to meet future challenges of increased traffic and trade as well as to take advantage of digitalization opportunities. This will result in, inter alia, enhanced customs security measures and the introduction of a fully-fledged single window system (Passar) to replace the existing systems (e-dec and the New Computerized Transit System (NCTS)). Switzerland undertakes customs clearance operations, including the collection of taxes and duties, at Liechtenstein's customs posts on its behalf.

**Question 14:**

*Can Switzerland give an account of what major Customs reforms are being taken and what are its components along with its compliance with Trade Facilitation Agreement?*

**Switzerland's answer:**

*Toutes les informations nécessaires se trouvent sur le site du programme DaziT : <https://www.efd.admin.ch/efd/fr/home/douanes/dazit.html#:~:text=Le%20programme%20DaziT%20vise%20%C3%A0,et%20des%20processus%20de%20contr%C3%B4le>.*

**Summary Paragraph 11 WT/TPR/S/425 Page 10**

The Switzerland-Liechtenstein tariff is fully composed of specific rates. The simple average tariff in 2021 was 7.2% based on AVE estimates. High tariffs prevail on agricultural products (simple average applied tariff of 25.4%, with tariffs ranging from 0% to 671.3%). Highest tariffs apply to out-of-quota imports of fresh or chilled lollo lettuce. Tariff quotas apply to a number of agricultural products, comprising 3.7% of all tariff lines in 2021 (down from 3.8% in 2016). Seasonal tariffs apply to 95 products and are levied mostly on fruits and vegetables produced domestically, and most of which are also subject to tariff quotas. As at the time of the previous Review, applied MFN tariffs may exceed bound rates for certain goods due to fees levied on imports by compulsory stock organizations.

**Question 15 (a):**

*What does compulsory stock organisations imply here?*

**Switzerland's answer:**

*Voir section 3.1.3.4 du rapport du secrétariat (WT/TPR/S/425).*



**Question 15 (b):**

*Is there any scope of reduction in fees levied on imports by compulsory stock organisations?*

**Switzerland's answer:**

*Switzerland is aware that guarantee fund contributions together with applied customs duties may exceed the bound rates for certain tariff lines. In 2019, Switzerland launched a project to modify the compulsory reserve regime for rice and coffee. This project has not been finalised, yet. Reflections on National Economic Supply are on-going and a revision of the legal basis is in preparation, following the COVID-19 crisis and a planned reorganization of the Federal Office for National Economic Supply.*

**Summary Paragraph 12 WT/TPR/S/425 Page 10**

During the review period, temporary tariff reductions were granted on certain feed items, medical goods, and textiles and intermediate materials to respond to emergency situations or respond to industry needs. The Swiss Government has announced that all duties on industrial goods will be eliminated on 1 January 2024.

**Question 16:**

*Can Switzerland and Liechtenstein give an account of products, countries imported from and period for which temporary tariff reductions were given and are they still applicable?*

**Switzerland's answer:**

*Temporary elimination of import tariffs on certain personal protective equipment and medical goods (HS Chapters 28; 38; 39; 40; 48; 61; 62; 63; 65; 90), due to the COVID-19 pandemic (Effective from 10 April 2020 to 9 October 2020). See also WTO document G/MA/W/154, 27 May 2020.*

**Summary Paragraph 13 WT/TPR/S/425 Page 10**

As at the time of the previous Review, Switzerland and Liechtenstein apply import and export prohibitions and restrictions largely for reasons of security, health, and protection of the environment. Additionally, some import and export prohibitions are applied related to sanctions. Temporary export controls were introduced between March and June 2020 for certain goods related to the COVID-19 pandemic. Neither Switzerland nor Liechtenstein has any specific legislation on contingency measures; they have no specialized authorities in place to initiate and conduct anti-dumping and countervailing investigations; and they have no anti-dumping, countervailing, or safeguard measures in place.

**Question 17:**

*Can Switzerland and Liechtenstein give an account of products on which it had applied prohibitions and restrictions? Are they still applicable?*

**Switzerland's answer:**

*Voir section 3.2.3 du rapport du secrétariat (WT/TPR/S/425).*

**Summary Paragraph 14 WT/TPR/S/425 Page 10**

No export taxes or duties are levied. Switzerland Global Enterprise, a private non-profit association mandated by the State Secretariat for Economic Affairs, continues to help SMEs in Switzerland and Liechtenstein to export their products and services; over the review period, it formed new partnerships and expanded its services. Swiss Export Risk Insurance (SERV) continues Switzerland and Liechtenstein - 11 - to provide export finance and insurance services to companies registered in Switzerland where there is a gap in private-sector provision; in response to the COVID-19 pandemic, it simplified certain processes to assist exporters. Export finance, insurance, and guarantees are provided only by the private sector in Liechtenstein.

**Question 18:**

*Can Switzerland give an account of heads under which Switzerland Global Enterprise helps the SME's?*



**Switzerland's answer:**

Toutes les informations pertinentes se trouvent sur le site de Switzerland Global Enterprise : S-GE is your first point of contact for internationalization| S-GE (<https://www.s-ge.com/en>).

**Summary Paragraph 15 WT/TPR/S/425 Page 11**

During the period under review, Switzerland and Liechtenstein implemented new reforms to comply with international standards on corporate income tax. Consequently, the European Union withdrew both countries from its taxation grey list. While competitive corporate tax regimes have been one of the countries' strengths, both Governments raised concerns about the implementation of the future international corporate tax framework. However, they indicated that other features of their economies and additional measures will maintain their attractiveness for companies. Switzerland and Liechtenstein apply similar excise taxes on products causing a risk to human health or to the environment.

**Question 19:**

*What are the new reforms implemented in corporate income tax?*

**Switzerland's answer:**

The Federal Council plans to amend the constitution to enable Switzerland to tax corporate income as a market jurisdiction (Pillar 1) and to ensure an effective tax rate of at least 15% for internationally operating companies (Pillar 2). Find the Federal Council's press release with the outline of the implementation plan on Pillar 2 <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-86783.html> (available in English). On Pillar 1, the so-called Multilateral Convention on the technical details is still being worked out in the bodies at the OECD and the Inclusive Framework. Thus, at the time of writing, the Federal Council has not yet crafted an implementation plan.

**Summary Paragraph 17 WT/TPR/S/425 Page 11**

In June 2017, Switzerland notified to the WTO the framework of legislative acts that entered into force along with its new food legislation, intended to harmonize Swiss law with EU law. Switzerland also applied a new regulation on plant health, which is aligned with the updated EU regulation. Under the Customs Union Treaty, Liechtenstein applies Switzerland's sanitary and phytosanitary measures. No STCs were raised during the review period regarding Switzerland's or Liechtenstein's sanitary and phytosanitary measures.

**Question 20:**

*Can Switzerland give an account of new regulation on plant health?*

**Switzerland's answer:**

Switzerland is currently modifying its interdepartmental (EAER and DETEC) Ordinance on the Plant Health Ordinance of 14 November 2019 (SR 916.201) and will notify this change of legislation to the WTO Members according to the SPS Agreement.

**Summary Paragraph 23 WT/TPR/S/425 Page 12**

Switzerland is a net importer of agricultural and food products. Despite the small size of its agriculture sector, both in terms of its contribution to GDP (0.7% in 2020) and total employment (2.7%), Switzerland places great importance on agriculture due to its multifunctionality in terms of, inter alia, food security, environmental protection, and the maintenance of its cultural landscapes. In 2017, a new article was adopted in the Federal Constitution calling for a guarantee of sufficient food supplies for the Swiss population, in the long term. A complex and comprehensive set of trade instruments, including domestic support and border measures, continues to be implemented, with a view to ensuring the viability of Swiss agriculture. In 2018, the authorities decided to abolish export subsidies for agricultural products, and the related contributions were allocated to eligible producers as a market support measure for cereals and marketed milk. In Liechtenstein, agriculture is marginal, and Switzerland acts on its behalf on Customs Union matters, such as with respect to imports and exports of agricultural products.

**Question 21:**

*Can Switzerland give account of any policy it has introduced for guarantee of sufficient food supplies for the Swiss population? What are these trade instruments of domestic support for ensuring the viability of Swiss agriculture? What is the status of the implementation for this decision?*

**Switzerland's answer:**

*Objectives for Switzerland's agricultural sector are defined by the Federal Constitution (Article 104). Those are manifold and cover, inter alia, several objectives linked to sustainable agricultural production, functioning of remote rural areas, biodiversity, landscape quality, animal-friendly production systems and quality level of food-stuff production. The Federal Constitution has recently been adapted to include a new article on food security to guarantee sufficient food supplies to the Swiss population in the long term based on both domestic production and imports, considering the entire value chain. In order to guarantee its national food security, Switzerland relies on a variety of different policies, including domestic support measures and tariffs in order to guarantee a reasonable level of domestic production.*

**Summary Paragraph 29 WT/TPR/S/425 Page 13**

Switzerland's financial services sector is mature and sophisticated, but its share in GDP has declined since the 2008 financial crisis due to factors such as changes in the international taxation framework and the global wealth management business and low interest rates. In view of this more challenging competitive environment, the Federal Council launched a new strategy for the financial services sector in 2020 that rests on three main pillars: (i) the creation of more favourable conditions for innovation; (ii) the promotion of international interconnectedness and open markets; and (iii) more emphasis on sustainability. The review period witnessed many changes in the general regulatory framework for financial services, with the adoption of the Financial Market Infrastructure Law, which entered into force in 2016, the Financial Services Law and the Financial Institutions Law, which both entered into force in 2020, and changes to legislation in the areas of money laundering and the financing of terrorism. In addition, there were changes in regulations that pertain more specifically to each of the subsectors of the financial services industry. For example, in banking, steps were taken to align Swiss legislation with the Basel III international banking standards.

**Question 22:**

*Kindly provide details regarding the impact of changes in the international taxation framework which had an adverse effect on the Swiss financial sector? Please provide the possible solutions being considered for addressing the impact on the financial sector, if any?*

**Switzerland's answer:**

*The Federal Council plans to amend the constitution to enable Switzerland to tax corporate income as a market jurisdiction (Pillar 1) and to ensure an effective tax rate of at least 15% for internationally operating companies (Pillar 2). Find the Federal Council's press release with the outline of the implementation plan on Pillar 2 <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-86783.html> (available in English). On Pillar 1, the so-called Multilateral Convention on the technical details is still being worked out in the bodies at the OECD and the Inclusive Framework. Thus, at the time of writing, the Federal Council has not yet crafted an implementation plan.*

*According to the Federal Council's implementation plan, cantons shall levy a top-up tax to ensure that an in-scope MNE reaches the minimum of 15% in Switzerland. Out-of scope companies (e.g. companies below the EUR 750 million revenue threshold) will not be affected by the reform. The Income Inclusion Rule and the Undertaxed Payment Rule (UTPR) are also part of the implementation plan. Based on the new constitutional provision a temporary ordinance will ensure that the minimum tax enters into force on 1 January 2024. Thereafter, legislation would be prepared without time pressure to replace the ordinance.*

*The public consultation procedure on the implementation plan started in March and ended in April 2022. Parliamentary deliberation is scheduled for the second half of 2022. The compulsory referendum on the constitutional amendment is planned for June 2023. Subsequently, the Federal Council will proceed to implement the 15% minimum tax by ordinance.*

*The financial impact cannot be reliably estimated. The data situation is limited and individual reform elements cannot be quantified. Initial rough estimates indicate short-term additional revenue of*

around CHF 1 - 2.5 billion. However, if Switzerland loses attractiveness as a business location, this additional revenue is not guaranteed in the medium and long term.

**Paragraph 3.110, page 88**

"Foodstuffs are in principle covered by the Cassis de Dijon principle but are subject to specific requirements, namely that foodstuffs fulfilling EU-EEA requirements but not Swiss requirements need to be authorized by the Federal Veterinary Office before being placed on the market."

**1.7 WT/TPR/S/425 Page 18**

Thus, the economy had favourable pre-existing conditions to weather the worldwide disruption brought by the COVID-19 pandemic. The Government's prompt response also contributed to this overall positive assessment. In its latest Article IV Consultation Report on Switzerland, the International Monetary Fund (IMF) commended the Government's early, strong, and sustained response. For 2020, the Confederation approved a total of expenditure and guarantees of 10% of GDP19, mostly aiming at avoiding job losses, and maintaining employees' wages and companies' liquidity. In practice, actual support was below the maximum approved support, and totalled CHF 15 billion in expenditure and CHF 17,5 billion in guarantees. Specific sectors particularly hit by the pandemic benefited from targeted measures: professional and mass sports, culture, print media, public transport, aviation, and tourism. Cantons also granted additional support measures such as funding short-time work, loan guarantees, interest-free loans, or granting more flexibility to pay utility fees. Together, cantons' and communes' pandemic-related expenditures totalled CHF 3 billion for 2020.<sup>23</sup> For the year 2021, the Confederation did not grant support in the form of sureties and guarantees but only through expenditures, which amounted to CHF 14 billion.

**Question 23:**

*Has any help been given to agricultural sector under the Covid-19 response package and if yes, share details thereof?*

**Switzerland's answer:**

*Toutes les mesures prises par la Suisse en réponse à la pandémie de la Covid-19 sont rapportées dans le rapport de la Directrice générale sur les développements liés au commerce (WT/TPR/OV/W/14).*

**3.21WT/TPR/S/425 Page 59**

The Switzerland-Liechtenstein tariff schedule exclusively consists of specific duties that are generally based on gross weight (i.e. CHF 5 per 100 kg gross) As indicated in previous Reviews, the authorities consider this to be efficient in terms of processing times and the number of staff involved, allowing for swift and accurate assessment of individual consignment .They also consider specific duties as transparent and offering the necessary predictability to ensure the smooth functioning of the import regime. They indicate that Switzerland does not plan to move to an ad valorem regime. However, during previous Reviews, various WTO Members expressed concerns about the transparency of specific duties and recommended that adopting an ad valorem regime should be considered.

**Question 24:**

*Can Switzerland enumerate measures that it has taken in order to assuage the concerns of nations who have complained against the specific tariff imposition?*

**Switzerland's answer:**

*Switzerland does not envisage changing its tariff system. In our view, this system is simple, transparent and predictable, since it is invariant to a number of factors including exchange rates fluctuations and raising prices for agricultural products.*

**3.31WT/TPR/S/425 Page 63**

Seasonal tariffs apply to 95 products and are levied mostly on fruits and vegetables produced domestically, most of which are also subject to TQs.

**Question 25:**

*Can Switzerland give list of the items included under the products mentioned above?*

**Switzerland's answer:**

*Tous les tarifs saisonniers concernent des légumes frais, des fruits frais et des fleurs coupées qui font parties des produits listés aux chiffres 8, 10 et 12 de l'annexe 1 de l'ordonnance sur les importations de produits agricoles (RS 916.01, OIAgr)*  
<https://www.fedlex.admin.ch/eli/cc/2011/770/fr>.

**3.43 WT/TPR/S/425 Page 69**

Within the framework of the GSP (Section 2.3.3.1), Switzerland and Liechtenstein grant non-reciprocal preferential tariff treatment for goods originating in beneficiary countries (71 developing countries and 48 LDCs benefit from such preferences, with LDCs benefitting from duty-free and quota-free access for all products). Over the review period, the Philippines and Georgia were removed from the list of GSP beneficiaries in 2018, as were Ecuador in 2020 and Indonesia from 2021. Preferences given to non-LDC GSP countries are more limited, especially for agricultural products, where the average tariff rate under the GSP is 23.8% compared to an average applied MFN rate of 25.4% (Table 3.9). According to data provided by the Swiss authorities, in 2020, CHF 5,974.1 million of imports from GSP beneficiaries (excluding GSP economies that have RTAs with Switzerland and Liechtenstein and LDCs) were eligible for tariff preferences and the preference utilization rate was 21.2%. Taking LDCs alone, approximately CHF 1,191.7 million of imports were eligible for preference and the preference utilization rate was 21.3% (Table A3.2).

**Question 26:**

*Can Switzerland provide reasons why it removed the following countries from GSP beneficiaries list and does it intend to extend benefits to any other country?*

**Switzerland's answer:**

*Switzerland in principle grants GSP preferences to all developing countries according to the OECD DAC list of ODA recipients. The four countries were removed from the list of GSP beneficiaries, when the Free Trade Agreements between the EFTA states and those countries entered into force and replaced the GSP preferences.*

**3.71 WT/TPR/S/425 Page 78**

In Switzerland, corporate income tax is levied at the federal, cantonal, and communal levels.<sup>64</sup> since the last Review, the federal tax has remained unchanged, at a flat rate of 8.5% on profits after tax. In contrast, noticeable changes occurred at the cantonal level with corporate income taxes having dropped in all but three cantons since 2017. In 2017, total corporate income tax (federal + cantonal + communal) on pre-tax profit ranged from 12.32% in Lucerne to 24.16% in Geneva. In 2021, the lowest rate of 11.85% applied in Zug, and the highest in Bern at 21.04%. The cantons' average of 14.87% is among the lowest in Europe and is very competitive in international

**Questions 27:**

*What reasons does Switzerland ascribe to lowering of taxes corporate income taxes on the cantonment level?*

**Switzerland's answer:**

*The trend towards lower cantonal corporate tax rates is explained by the competition of cantons to attract businesses. This tax competition was not in a steady state, because in 2020 a federal act adapted Swiss tax to evolving international standards and prohibited the preferential tax status that cantons had given to holdings and domiciliary companies. As a result of this reform, tax competition among cantons has shifted towards the general cantonal profit tax rates.*

**3.110 WT/TPR/S/425 Page 88**

EU and EEA goods not covered by the EU/EEA MRA can still benefit from facilitated market access under the Cassis de Dijon principle. Applied since 2010 by Switzerland and Liechtenstein, the Cassis de Dijon principle is a trade policy instrument to dismantle technical barriers to imports from the European Union and EFTA, and thereby enhance import competition and help reduce the high prices prevailing in Switzerland. Under the principle, products that are lawfully put on the market in the European Union and the EEA and comply with the technical requirements of the European Union or the EEA markets (or those of the EU/EEA member States in case of partially or non-harmonized

legislation) may be placed on the Swiss and Liechtenstein markets without any prior inspection or other conformity assessment, even if the products do not fall under Swiss technical requirements. Exemptions apply to protect public interest for products that are subject to an import permit, import prohibition, authorization, notification pursuant to the Swiss legislation concerning chemicals, or an exemption granted by the Federal Council (negative list). Foodstuffs are in principle covered by the Cassis de Dijon principle but are subject to specific requirements, namely that foodstuffs fulfilling EU-EEA requirements but not Swiss requirements need to be authorized by the Federal Veterinary Office before being placed on the market.

**Question 28:**

*Explain about the de Dijon principle. How does it operate? Why is it applied only in the case of removing barriers to imports from the EU and EFTA and not to imports from other countries?*

**Switzerland's answer:**

*The "Cassis de Dijon" principle is an autonomous measure taken by Switzerland. According to this principle, products that comply with EU technical requirements can be freely marketed in Switzerland without any further controls. Exceptions to this principle are justified by public interests, such as the protection of health, humans, animals and the environment. Exceptions are periodically reviewed to reassess their justification. The Cassis de Dijon principle applies exclusively to products from the European Union and the European Economic Area. However, it also benefits non-European producers, if they meet the technical requirements of the European Union.*

**3.151 WT/TPR/S/425 Page 98**

Agricultural import threshold prices are a special case of price controls or administered prices, as they are also an instrument of agricultural protection (Section 4.1). For certain basic agricultural products (grains and oilseeds), Switzerland applies a system of threshold prices on imports to keep the duty-inclusive prices within certain price ranges. Variable MFN import duties allow the authorities to control and stabilize the domestic prices of the agricultural products concerned around the level of the statutory threshold prices.

**Question 29:**

*How do you ensure that it is compatible with the WTO commitments?*

**Switzerland's answer:**

*Switzerland's agricultural policy is fully in compliance with Switzerland's WTO rights and obligations.*

**4.48 WT/TPR/S/425 Page 125**

Price support is relatively significant in Switzerland. The OECD estimates that it accounts for 50% of total producer support, and domestic prices were on average 46% above world prices in 2018-2020. In addition to tariff rate quotas with high out-of-quota tariffs, Switzerland also provides complementary market support measures. Such expenditures mainly support dairy producers. In addition, area payments apply to oilseeds, protein crops, grain, and sugar beet.

**Questions 30:**

*Do any of these subsidies fall under the Amber box?*

**Switzerland's answer:**

*Yes. Details on the classification of Swiss domestic support measures can be found in the most recent DS:1 notification (G/AG/N/CHE/114).*

**Summary Paragraph 22 WT/TPR/S/425 Page 12**

Switzerland is one of the world's most innovative economies and a net exporter of intellectual property. During the review period, Switzerland took further steps to implement its "Swissness" legislation. It reinforced the protection of the "Swiss Made" designation through amendments to the Federal Law on the Protection of Trademarks and to the Federal Law on the Protection of Coats of Arms and Other Public Signs and by adopting ordinances that extend the scope of the Swissness regulation to additional products, including watches and food products. The Federal Law on Copyright and Related Rights was revised to reflect technological developments and to address online piracy more effectively. In addition to FTAs with comprehensive provisions on

intellectual property and an agreement on geographical indications concluded with Georgia, Switzerland became a party to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (December 2021), the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (May 2020), and the Beijing Treaty on Audio-visual Performances (May 2020). As a result of the customs union between Switzerland and Liechtenstein, Liechtenstein's intellectual property system is deeply integrated and intertwined with the Swiss intellectual property system. Liechtenstein amended its copyright law to implement two.

**Question 31:**

*When does Switzerland plan to bring permanent law in exchange for ordinance for extending the scope of the Swissness to additional products?*

**Switzerland's answer:**

*The "Swissness" legislation applies to all products under the permanent and current law. Moreover, there are currently two ordinances that specify the "Swissness" conditions for specific categories of products (namely for watches and cosmetics). However, these two ordinances do not extend the scope of Swissness: they simply outline, in more details, the Swissness requirements for watches and cosmetics. These ordinances are permanent and unlimited in time.*

**Summary Paragraph 29 WT/TPR/S/425 Page 13**

Switzerland's financial services sector is mature and sophisticated, but its share in GDP has declined since the 2008 financial crisis due to factors such as changes in the international taxation framework and the global wealth management business and low interest rates. In view of this more challenging competitive environment, the Federal Council launched a new strategy for the financial services sector in 2020 that rests on three main pillars: (i) the creation of more favourable conditions for innovation; (ii) the promotion of international interconnectedness and open markets; and (iii) more emphasis on sustainability. The review period witnessed many changes in the general regulatory framework for financial services, with the adoption of the Financial Market Infrastructure Law, which entered into force in 2016, the Financial Services Law and the Financial Institutions Law, which both entered into force in 2020, and changes to legislation in the areas of money laundering and the financing of terrorism. In addition, there were changes in regulations that pertain more specifically to each of the subsectors of the financial services industry. For example, in banking, steps were taken to align Swiss legislation with the Basel III international banking standards.

**Question 32:**

*Can Switzerland give information on what changes have been made in areas of money laundering and the financing terrorism?*

**Switzerland's answer:**

*For measures taken by Switzerland following its 4th FATF mutual evaluation report of 2016, please refer to the FATF 3<sup>rd</sup> enhanced follow report and technical compliance re-rating of Switzerland of January 2020: <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Report-Switzerland-2020.pdf>.*

*After this report, Switzerland took the following measures to further improve its AML/CFT framework:*

*At the legislative level, two important packages were adopted by the Parliament:*

- *A package of measures to further enhance the fight against terrorism and its financing as well as organised crime entered into force on 1 July 2021. This package, which is linked with the approval and implementation of the Council of Europe Convention on the Prevention of Terrorism and its additional protocol, revises among others the Swiss Criminal Code, the Swiss Criminal Procedure Code, the AML/CFT Act and the Federal Act on International Mutual Assistance in Criminal Matters. It aims at improving the prevention and prosecution of terrorist acts on the one hand, and international cooperation on the other hand. Amongst others, the following measures have been adopted:*
  - *A new provision on recruiting, training and travelling with a view to committing a terrorist offence has been introduced into the Swiss Criminal Code (Article 260<sup>sexies</sup>). This provision explicitly represses, on the one hand, the recruitment and training of*

terrorists, as well as travel for terrorist purposes, and, on the other hand, the financing of such activities.

- The provision on criminal organisations (Article 260<sup>ter</sup>) has been extended to explicitly cover terrorist organisation and the maximum penalty (custodial sentence) for participating in such an organisation has been increased from five to ten years.
- The AML/CFT ACT (Article 11<sup>a</sup>) has been revised to allow the Swiss FIU, MROS, to cooperate with its counterparts fully in line with the FATF standards (Rec. 40), thus removing an important obstacle to the international cooperation of the Swiss FIU.
- In the field of mutual legal assistance, a new provision allowing for the early transmission of information and evidence in order to avert a serious and immediate danger, and in particular the commission of a terrorist offence, has been introduced into the Federal Act on International Mutual Assistance in Criminal Matters (Article 80d<sup>bis</sup>). New provisions allowing for the appointment of a joint investigation team have also been adopted (art. 80d<sup>ter</sup> and following).
- In March 2021, the parliament adopted a revision of the AML/CFT Act and further acts. The revision includes, among others, measures in relation to CDD (verification of the identity of the beneficial owner and measures to ensure that data collected under CDD process are kept up-to-date), the framework to report suspicious transactions to the FIU and associations at risk of being abused for money laundering or terrorist financing. The necessary implementing provisions at the level of ordinances have been submitted to public consultation from 1 October 2021 to 17 January 2022. It has not been decided yet when the revised AML/CFT Act and the implementing provisions will enter into force. The Federal Council should take the decision after the Summer break.

On 1 August 2021 the Federal Council brought into force changes in the AML/CFT Ordinance with regard to crypto assets. The Ordinance now covers financial intermediaries that assist the transfer of virtual currencies to a third party, insofar as they have a long-term business relationship with the customer or insofar as they have power of disposal over virtual currencies for the customer. This expands the range of subordinated financial intermediaries in order to take into account the technological developments and changing risks.

Switzerland also published several sectorial risk assessments since its national risk assessment report of 2015 (non-profit organizations, legal persons, crypto assets and crowdfunding, use of cash, corruption, fraud and phishing). In addition, an update to the national risk assessment report has been published by the end of October 2021.

### **1.11 WT/TPR/S/425 Page 20**

In 2020, direct federal tax accounted for one third of federal revenues, followed by VAT on domestic goods and services (16.6%) and VAT on imports (14.1%) (Chart 1.3). Import duties account for 1.7% of federal revenues. It is noteworthy that while the share of agriculture in total imports is only 5%, agricultural products generated 57% of customs duties levied in 2020.

#### **Question 33:**

*Can Switzerland give clarification on why it continues to apply such high tariffs on agriculture products when their import percentage is low. Is it not being used as an instrument of revenue generation?*

#### **Switzerland's answer:**

*The tariff system is regularly reviewed. Currently, there are no plans to implement changes to the tariff system.*

### **3.23 WT/TPR/S/425 Page 87**

SECO assumes responsibility, on behalf of the Swiss Government, for implementing the WTO Agreement on Technical Barriers to Trade. Any questions concerning Switzerland's implementation of the Agreement and requests for consultation should be addressed to SECO, which has assigned to the Swiss Information Centre for Technical Rules (switec) the task of setting up and managing Switzerland's WTO enquiry point. It provides information on all current and proposed technical regulations stemming from the Federal Government, local institutions, or non-governmental bodies. Switzerland made 54 regular notifications to the Committee on Technical Barriers to Trade (TBT Committee) during the period 2017-January 2022 (Table 2.4). Switzerland regularly supports



specific trade concerns (STCs) in the TBT Committee to raise concerns regarding planned or adopted measures of trading partners. Neither Switzerland nor Liechtenstein was subject to an STC during the review period.

**Question 34:**

*What is the status of STCs raised by Switzerland and Liechtenstein on other trade partners?*

**Switzerland's answer:**

*La Suisse privilégie une approche diplomatique des résolutions d'irritants commerciaux spécifiques (Specific Trade Concerns, STCs). En parallèle, suivant une logique de transparence à l'OMC, la Suisse soulève parfois des STCs dans les comités réguliers. Pour ces STCs, la Suisse rapporte régulièrement sur les derniers développements pertinents.*

**3.106 WT/TPR/S/425 Page 87**

Switzerland has concluded an MRA with the European Union and the EEA/EFTA States (which include Liechtenstein). Both Switzerland and the EEA/EFTA States have concluded MRAs with Canada and with Türkiye. Under an MRA, the importing country will recognize the conformity assessment carried out in the exporting country, thus concerned products will benefit from facilitated placing of goods on the market. The MRA reduces technical barriers to trade by helping companies avoid duplicate conformity assessments. The MRA concluded with the European Union and the EEA/EFTA States in 2002 is based on harmonized technical regulations in 20 sectors, which represented around two thirds of the total bilateral trade with the European Union in 2020. The Parties maintain a list of all conformity assessment bodies notified and recognized under the Agreement.

**Question 35:**

*What reason does Switzerland ascribe to having a MRA with Canada and Türkiye?*

**Switzerland's answer:**

*Afin de faciliter le commerce avec nos partenaires commerciaux, y inclus la Türkiye et le Canada.*

**3.63 WT/TPR/S/425 Page 76**

Neither Switzerland nor Liechtenstein has export processing zones. Goods may be temporarily imported duty-free or with a duty drawback right for inward processing, and in certain cases VAT may be exempt upon importation.

**Question 36:**

*What are the criteria for duty free import mentioned above?*

**Switzerland's answer:**

*Le trafic de perfectionnement actif (<https://www.bazg.admin.ch/bazg/fr/home/infos-pour-entreprises/exonerations--allegements--preferences-tarifaires-et-contributio/importation-en-suisse/trafic-de-perfectionnement-actif.html>) est soumis à autorisation. En cas d'apurement en bonne et due forme du trafic de perfectionnement actif, les marchandises sont définitivement exonérées de droits de douane. Le trafic de perfectionnement actif est réputé apuré en bonne et due forme dès que les marchandises ont été placées sous le régime du perfectionnement sur le territoire douanier, correctement réexportées hors du territoire douanier dans le délai d'exportation et décomptées dans le délai de décompte.*



## 35 INDONESIA

### PART I: QUESTIONS REGARDING THE SECRETARIAT REPORT

#### SUMMARY

#### Page 12, paragraph 24

Switzerland's Energy 2050 Strategy results from a decision taken in the early 2010s to progressively phase out nuclear energy and to promote energy efficiency and the production of renewable energy. To implement the strategy, a completely revised Federal Energy Law entered into force in January 2018 that sets out targets for energy production and consumption, defines energy efficiency standards, and provides incentives for investment in renewable energy production. As part of an Electricity Networks Strategy, a new Federal Law on the Conversion and Expansion of the Electricity Grid was adopted; most of its provisions entered into force in June 2019, and aim to facilitate the development of electricity networks. In 2020, Switzerland updated its Nationally Determined Contribution under the Paris Agreement to commit to reduce greenhouse gas emissions by at least 50% by 2030, compared to 1990 levels, and to achieve climate neutrality by 2050. Following the rejection by the Swiss electorate in June 2021 of a comprehensive revision of the Swiss CO<sub>2</sub> Law, the Federal Assembly in December 2021 adopted a partial amendment to temporarily prolong some limited and unchallenged aspects of the CO<sub>2</sub> Law during the period 2022-2024. A new proposal for a comprehensive revision of the CO<sub>2</sub> Law to continue to reduce greenhouse gas submissions beyond this period is currently the subject of consultations. Although Switzerland is closely integrated in the European electricity network, the conditions for electricity trade with the European Union are suboptimal because of the absence of a formal agreement with the European Union.

#### Question 1:

*Please describe the definition of energy efficiency standards as supported by the 2018 revision of the Federal Energy Law.*

#### Switzerland's answer:

Further information can be found under the Links below:

- Measures for increasing energy efficiency (admin.ch): <https://www.bfe.admin.ch/bfe/en/home/policy/energy-strategy-2050/initial-package-of-measures/measures-for-increasing-energy-efficiency.html>.
- CO<sub>2</sub> emission regulations for new cars and light commercial vehicles (admin.ch): <https://www.bfe.admin.ch/bfe/en/home/efficiency/mobility/co2-emission-regulations-for-new-cars-and-light-commercial-vehicles.html>.
- Energy labels and efficiency requirements (admin.ch): <https://www.bfe.admin.ch/bfe/en/home/efficiency/energy-labels-and-efficiency-requirements.html>.
- Buildings (admin.ch): <https://www.bfe.admin.ch/bfe/en/home/efficiency/buildings.html>.

#### Question 2:

*Does Switzerland have additional details on the scope of their new proposal for a comprehensive revision of the CO<sub>2</sub> Law, as well as the timetable for the consultation?*

#### Switzerland's answer:

From 17 December 2021 to 4 April, the Swiss Federal Council held a consultation on the revised CO<sub>2</sub> Act for the period from 2025 to 2030. This proposal is intended to replace the transitional extension of the CO<sub>2</sub> Act until 2024, which was adopted by the Parliament on 17 December 2021. The revised CO<sub>2</sub> Act was designed to reduce greenhouse gas emissions by 50% by 2030 and thus to meet the 2030 climate target. In the new draft, the Federal Council has chosen not to include the measures that contributed to the rejection of the last revision. Rather, the new bill focuses on combining the existing CO<sub>2</sub> levy with strong incentives and targeted support and investments, as well as on backing up ongoing new developments. The focus is on measures that help the Swiss population to reduce CO<sub>2</sub> emissions in their everyday lives.

**2.3.2.2 European Free Trade Association (EFTA)****Page 44, paragraph 2.27****Question 3:**

*The RTA between EFTA and Indonesia entered into force on 1 November 2021. Please provide statistics on the utilization of the Certificate of Origin from the Indonesian-EFTA preferences by HS code and globally.*

**Switzerland's answer:**

*Please see the raw data in the appended excel file. Data must be interpreted with caution as the observation period is relatively short (6 months from November 2021 to April 2022). Additionally only November 2021 and December 2021 contain final figures. A more in-depth analysis should be carried out at a later stage. For further information, please see Use of free trade agreements (admin.ch) ([https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/nutzung\\_freihandelsabkommen.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/nutzung_freihandelsabkommen.html)).*

**2.3.2.4 Switzerland's bilateral agreements with the European Union****Page 47, paragraph 2.37**

Additionally, a new agreement between Switzerland and the European Union entered into force in January 2020 to couple the greenhouse gas emission allowance trading schemes of the European Union and Switzerland, and a new EU-Switzerland Joint Committee was established in this regard.

**Question 4:**

*Are there any possibilities that the Swiss Federal Energy Law implementation measures would be aligned and coordinated with EU related measures, such as the EU Green Deal?*

**Switzerland's answer:**

*Switzerland's targets and the targets of the EU Green Deal are similar. Both aim for net-zero greenhouse gas emissions in 2050. Switzerland's ETS is linked with the EU-ETS, and the CO<sub>2</sub>-regulations for new vehicles (CO<sub>2</sub> regulations for vehicles (admin.ch)), introduced in 2012, follow the regulations in the EU. These measures contribute to reaching the targets for 2030. However, Switzerland has not yet detailed the measures to reach the 2050 target. A detailed comparison is therefore not possible at this point. Given the close relations between Switzerland and the EU, it is likely that measures will continue to be aligned and coordinated whenever possible, especially in trade-intensive sectors.*

**4.2.2.1.2 Policy developments****4.2.2.1.2.1 Environmental issues****Page 135-136, paragraph 4.86**

Since the new Energy Law was drafted to a large extent before the period under review, its then future provisions were described extensively in the previous TPR report. However, some of its elements have been prolonged or amended. Its main elements consist of:

- Creating stricter standards of energy efficiency for buildings, machines, vehicles, and other equipment; introducing new energy labels; and extending publicity campaigns and vocational training programmes on energy efficiency;

**Question 5:**

*Please describe the new energy labels as mentioned above and the products they cover.*

**Switzerland's answer:**

*Toutes les informations pertinentes se trouvent sur ce site : <https://newlabel.ch/fr/>.*

**Follow-up questions**

**Question 1:**

*Is there any job opportunity for Indonesian Migrant Workers especially on Health (Nurse and Midwife), Hospitality and Manufacturing sector to work in Switzerland and Liechtenstein? Considering that Indonesia has a surplus of workers from those sectors.*

**Switzerland's answer:**

*n/a.*

**Question 2:**

*Is there any domestic regulation or policy regarding foreign workers as well as possibility for bilateral cooperation between Indonesia and Swiss/Liechtenstein through Government to Government (G to G) scheme for the placement of Skilled Indonesian Migrant Workers? In this regard, Indonesian Migrant Workers Protection Agency (BP2MI) already has a bilateral cooperation with Germany regarding the placement of Indonesian Nurses. The same cooperation is being processed with the Netherland.*

**Switzerland's answer:**

*n/a.*

### 36 LIECHTENSTEIN'S RESPONSES TO ADVANCED WRITTEN QUESTIONS BY WTO MEMBERS

Member State	Reference to the relevant passage in the Secretariat Report/ Government Report	Question	Answer
Colombia	<u>Paragraph 22 (Secretariat Report)</u> : "Switzerland is one of the world's most innovative economies and a net exporter of intellectual property. During the period under review, Switzerland took further steps to implement the "Swissness" legislation. It strengthened the protection of the designation "Swiss" by introducing amendments to the Federal Law on the Protection of Trademarks and the Federal Law on the Protection of the National Coat of Arms and Other Public Insignia and by adopting orders extending the scope of the Swissness regulation to other products, including watches and foodstuffs. The Federal Law on Copyright and Related Rights was revised to reflect technological developments and to deal more effectively with online piracy. In addition to FTAs including comprehensive IP provisions and an agreement on geographical indications concluded with Georgia, Switzerland became party to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications (December 2021), the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (May 2020) and the Beijing Treaty on Audio-visual Performances (May 2020). As a consequence of the customs union between Switzerland and Liechtenstein, Liechtenstein's IP system is deeply integrated and interconnected with the Swiss IP system. Liechtenstein amended its copyright legislation to implement two EU directives".	<i>Regarding the amendment to Liechtenstein's copyright law to include two EU directives. Colombia would like to seek clarity on the scope of this amendment, and whether it is in full compliance with Articles 3 and 4 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.</i>	<i>The aim of Directive (EU) 2019/790 is to enable more choice and easier access to digitally available content and to create a fair and sustainable market for authors, the press, cultural and creative industries. Exceptions are being made to improve online access to works protected by copyright. Exceptions for text and data mining or for the use of out-of-commerce works favour areas of research, innovation, education and preservation of cultural heritage. The position of right holders is strengthened by liability regulations from online service providers for the use of content on their platforms. The introduction of an ancillary copyright for press publishers is intended to strengthen the position of rights holders to negotiate remuneration for their works. Directive (EU) 2019/789 aims to simplify the acquisition of licenses for the distribution of television and radio programs online. Among other things, it should be made easier for broadcasters to expand their online offering across borders. This takes account of the interests of rights holders, broadcasters and retransmission services. The amendments to the law required to implement both directives are to be made by a new law (Copyright Service Provider Act) and by amendments to the Copyright Act (URG; LGBL. 1999 Nr. 160) and the Collecting Societies Act (VGG; LGBL. 2018 Nr. 111)). The revisions are in line with the TRIPS Agreement.</i>
Colombia	<u>Paragraph 2.35 (Secretariat Report)</u> : "In view of the fast pace and great potential for development of blockchain technology and its areas of application, the Liechtenstein Blockchain Act is formulated in a sufficiently abstract manner to ensure that it can continue to be applied to subsequent technologies. This is the reason why the law uses the term "transaction systems based	<i>Taking into account that Liechtenstein's regulations on technological services, specifically blockchain, have strengthened the protection of consumers interacting with this type of services, Colombia would like to know in more detail how the "Blockchain Law" manages to improve the protection of consumers.</i>	<i>The TVTG (Blockchain act) regulates, on the one hand, the civil law questions regarding tokens, the representation of rights via tokens, and the transfer of tokens, and, on the other hand, the supervision and the rights and obligations of TT service providers. All persons that are headquartered or reside in Liechtenstein and who provide TT services on a professional basis in Liechtenstein are required</i>

Member State	Reference to the relevant passage in the Secretariat Report/Government Report	Question	Answer
	on trust technologies". As blockchain technology is actively used in Liechtenstein, the new law clarifies the requirements applicable to significant activities in such systems (services based on trust technologies). In addition, it enhances consumer protection and establishes due diligence obligations in order to ensure compliance with international standards and to comprehensively and effectively combat money laundering." (Section 2.2.2. The economic sectors - page 27, paragraph 2.35).		<i>to register with the Financial Market Authority of Liechtenstein (FMA). The registration requirement guarantees that every TT service provider has to fulfil a set of requirements and qualifications (TT service providers will be registered only if they have full capacity to act, are trustworthy, are professionally competent; dispose over the necessary minimum capital, appropriate organizational structure, control mechanisms and the obligation to create and publish basic information in advance before offering tokens to the public, etc.). The requirements in turn ensure competent actors and protection and information for the consumers and users. Lastly it promotes confidence in digital legal transactions and actors.</i>
Canada	<u>Pages 91 to 94, paragraphs 3.121 to 3.135 (Secretariat Report):</u> The Secretariat Report notes the main legislation covering SPS (Sanitary and Phytosanitary) measures, including legislation relating to sanitary and phytosanitary measures and the main sanitary and phytosanitary requirements and procedures.	<i>Do Switzerland and Liechtenstein have any planned upcoming sanitary and phytosanitary regulatory initiatives not referenced in the TPR reports?</i>	<i>No further sanitary measures are planned in the area of animal husbandry. The Swiss animal health legislation, which is applicable in Liechtenstein and Switzerland, is to be adapted to the new provisions of the EU Animal Health Law.</i>
Canada	<u>Page 169, paragraph 4.233 (Secretariat Report):</u> The Secretariat Report notes the following: "Banks and investment firms from outside the EEA may in principle offer their services in Liechtenstein only through a local subsidiary. The establishment of such a subsidiary requires a licence granted by the FMA. Investment firms and banks domiciled in another EEA Member State may offer their services in Liechtenstein under the freedom to provide services ("cross-border") or the right to establishment (branch) subject to relevant EEA law, provided that the services offered are covered by their national authorization."	<i>Does Liechtenstein have foreign equity caps applying to financial institutions and financial companies? If so what sub-sectors do they apply to (i.e. banking, insurance, asset management)?</i>	<i>There are no foreign equity caps foreseen in Liechtenstein as regards financial institutions and financial companies.</i>
United States		<i>Neither Switzerland nor Liechtenstein provided any information regarding intellectual property protections or enforcement under their laws. Please provide a summary of civil and criminal enforcement of intellectual property enforcement, including trade secrets, and identify relevant statutory authorities. Please also provide information on the number and</i>	<ul style="list-style-type: none"> <li>• <i>Criminal cases in 2020 and 2021: no law cases in 2020/2021.</i></li> <li>• <i>Summary of Civil and Criminal Enforcement of IP Enforcement, including trade secrets:</i> <ul style="list-style-type: none"> <li>◦ <i>Gesetz vom 12. Dezember 1996 über den Schutz von Marken und Herkunftsangaben (Markenschutzgesetz; MSchG), LGBI. 1997 Nr. 60</i></li> </ul> </li> </ul>

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		outcome of civil, administrative, and criminal cases in 2020 and 2021, if available.	<a href="https://www.gesetze.li/konso/pdf/199706000?version=9">https://www.gesetze.li/konso/pdf/199706000?version=9</a> Civil Enforcement: Article 49a ff Criminal Enforcement: Article 59 ff <ul style="list-style-type: none"> <li>o Gesetz vom 11. September 2002 über den Schutz von Design (Designgesetz; DesG), LGBl. 2002 Nr. 134  <a href="https://www.gesetze.li/konso/pdf/2002134000?version=4">https://www.gesetze.li/konso/pdf/2002134000?version=4</a>            Civil Enforcement: Article 35 ff            Criminal Enforcement: Article 43 ff</li> <li>o Gesetz vom 19. Mai 1999 über das Urheberrecht und verwandte Schutzrechte (Urheberrechtsgesetz, URG); LGBl. 1999 Nr. 160  <a href="https://www.gesetze.li/konso/pdf/1999160000?version=9">https://www.gesetze.li/konso/pdf/1999160000?version=9</a>            Civil Enforcement: Article 56 ff            Criminal Enforcement: Article 61 ff</li> <li>o Gesetz vom 22. Oktober 1992 gegen den unlauteren Wettbewerb (UWG)  <a href="https://www.gesetze.li/konso/pdf/1992121000?version=11">https://www.gesetze.li/konso/pdf/1992121000?version=11</a>            Civil Enforcement: Article 12 ff            Criminal Enforcement: Article 22 ff            Trade Secrets: Article. 16 ff</li> <li>• Relevant statutory authorities:               <ul style="list-style-type: none"> <li>o Office of Economic Affairs</li> <li>o Fürstliches Landgericht (Court)</li> </ul> </li> </ul>
United States	Page 19, paragraph 2.2 (Government Report): Liechtenstein is in a customs union with Switzerland, yet Liechtenstein is also a member of the European Economic Area, while Switzerland is not.	Does this result in any conflicts between the two systems with regard to trade and economic policy?  How are these conflicts managed?	In case of a conflict, the Customs Treaty foresees that EEA law would prevail in Liechtenstein. Due to the applicable "dual marketability for goods", combined with the respective Market Control and Surveillance Mechanism, no conflicts occurred in the last 25 years.
Chile		Paragraph 2.16 (Bericht WTO-Sekretariat) address Switzerland and Liechtenstein participation in regional and bilateral FTAs and preferential trade agreements. In addition, Table A2.1 indicates Switzerland and Liechtenstein's RTAs in force. Regarding the Agreements of these sections, Chile would appreciate if Switzerland and Liechtenstein could share information of the process through which they are incorporated to its national legislation.	The signed RTAs are submitted to Parliament, with an explanatory report of the Government, for approval. After approval by Parliament and in case no popular vote on the RTA is called for through the collection of the necessary signatures of voters within a period of 30 days, the ratification document is submitted to the Hereditary Prince for signature and for co-signature to the Head of Government. After the entry into force of the RTA for Liechtenstein

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		<i>In addition, Chile would appreciate if Switzerland and Liechtenstein could share information regarding the process of incorporation of the decisions made by the Administrative Bodies of these Agreements, to Switzerland and Liechtenstein national legislation.</i>	<i>it is published in the Liechtenstein Legal Gazette and thereby becomes directly applicable in Liechtenstein. Decisions adopted by the Joint Committees established under the RTAs are submitted to the Government for approval. After approval by the Government, the document of acceptance is submitted to the Hereditary Prince for signature and for co-signature to the Head of Government. After their entry into force, the Joint Committee decisions are published in the Liechtenstein Legal Gazette for direct application.</i>
Chile	<u>Pages 87-88, paragraphs 3.106 – 3.109 (Secretariat Report):</u> Switzerland has concluded an MRA with the European Union and the EEA/EFTA States (which include Liechtenstein). Both Switzerland and the EEA/EFTA States have concluded MRAs with Canada and with Turkey. Under an MRA, the importing country will recognize the conformity assessment carried out in the exporting country, thus concerned products will benefit from facilitated placing of goods on the market. The MRA reduces technical barriers to trade by helping companies avoid duplicate conformity assessments. The MRA concluded with the European Union and the EEA/EFTA States in 2002 is based on harmonized technical regulations in 20 sectors, which represented around two thirds of the total bilateral trade with the European Union in 2020. The Parties maintain a list of all conformity assessment bodies notified and recognized under the Agreement. While the Switzerland-EU/EEA MRA was updated in 2017 to maintain the mutual market access in 11 of its 20 sectors, the inability to reach agreement on the Swiss-EU institutional framework agreement in May 2021 (Section 2.3.2.4) questions the future of the MRA. The Federal Council announced that it intends to continue updating the MRA, as it is in both parties' interests to sustain the Agreement. Swiss and EU technical regulations for medical devices are fully harmonized. Nevertheless, new EU standards for medical devices were introduced in May 2021, and the European Union declined the	<i>Paragraphs 3.106 to 3.109 address Switzerland and Liechtenstein's mutual recognition agreements (MRAs) celebrated with several WTO Members and States. In this regard, Chile would appreciate if Switzerland and Liechtenstein could share more information regarding these MRAs, particularly those related with medical devices and medicinal products. In addition, Chile would appreciate further explanation whether those MRAs are binding commitments subject to WTO dispute settlement mechanism, or if they are applied on a voluntary basis.</i>	<i>Article 6.3 of the TBT Agreement encourages WTO Members to enter into mutual recognition agreements with respect to conformity assessment procedures. The conclusion of such agreements is voluntary. Once the agreements have entered into force, they create binding obligations on the parties to the agreement to accept or recognize the results of conformity assessment procedures carried out in another party. The agreements do not entail mutual acceptance of the standards or technical regulations of the parties or mutual recognition of the equivalence of such standards or technical regulations, unless otherwise specified in a sectoral annex. The basis of the MRAs of the EEA/EFTA States is Protocol 12 of the EEA Agreement. The EEA/EFTA states make parallel equivalent MRAs to the EU MRAs with the states where there is an economic interest. In the sectors with an MRA, products can circulate freely within the EEA/EFTA States and the EU. According to Protocol 12 of the EEA Agreement, any disputes in relations with third countries (MRA Contracting Parties) are settled according to the relevant provisions of the EEA Agreement. So far, there has not been a case concerning dispute settlement.</i>



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	<p>update of the chapter on medical devices in the MRA to reflect those changes and agree on the trade-facilitating effects. As a result, the MRA no longer covers medical devices in accordance with the Medical Devices Regulation (MDR) of the European Union. Medical devices from the European Union and from Switzerland must now comply with regulations applicable to third countries to enter both markets.</p> <p>An MRA was developed between Switzerland and the United Kingdom to continue to facilitate trade in goods, where possible, following the United Kingdom's departure from the European Union. It covers 3 of the 20 sectors included in the Switzerland-EU/EEA MRA and replicates the same rights and obligations on motor vehicles, good laboratory practices, and good manufacturing practice inspection for medicinal products and batch certification. These product areas were chosen as the standards underlying their technical regulations were developed by international organizations to which both Switzerland and the United Kingdom are members.</p> <p>Liechtenstein, along with Iceland and Norway, has also concluded an MRA with New Zealand, which entered into force in 2000, with Australia (2000, an updated version of 2018 has yet to enter into force), and with the United States (2006).</p>		
Thailand	<u>Pages 76-77, paragraphs 3.66 – 3.67 (Secretariat Report)</u>	<i>Are foreign businesses in Switzerland and Liechtenstein eligible for the support measures introduced in response to the COVID-19 pandemics?</i>	<i>In Liechtenstein, foreign businesses are not eligible for such support measures.</i>
China	<u>Page 69, paragraph 3.44 (Secretariat Report)</u>  As at the time of the previous Review, Switzerland and Liechtenstein continue to apply import prohibitions largely for reasons of security, health, and protection of the environment (Table 3.10).	<i>Please elaborate on the considerations and standards for setting import prohibitions related to environmental protection.</i>	<i>Liechtenstein adopts these import prohibitions from Switzerland via the Customs Treaty. Liechtenstein therefore kindly asks to refer to the answer provided by Switzerland for further information.</i>
China	<u>Page 11, paragraph 19 (Secretariat Report):</u> Switzerland's regime of price surveillance and prevention of abusive pricing by public and	<i>Does Liechtenstein maintain price controls on traditional Chinese medicine?</i>	<i>Liechtenstein does not maintain a separate system of price controls.</i>



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	private monopolies or enterprises with market power remained unchanged. Under the Law on Price Surveillance, the Price Supervisor is responsible for observing price developments and preventing abusive price increases or abusive price maintenance in any market where the price level is not the consequence of effective competition. At the federal level, Switzerland maintains administrative prices for medicines, electricity, gas, water, basic telecommunications services, airport taxes, and notary services. Liechtenstein maintains price controls on public transport, telecommunications, postal and medical services, and drugs and medical equipment.		
China	<p><u>Page 12, paragraph 24 (Secretariat Report):</u> In 2020, Switzerland updated its Nationally Determined Contribution under the Paris Agreement to commit to reduce greenhouse gas emissions by at least 50% by 2030, compared to 1990 levels, and to achieve climate neutrality by 2050. Following the rejection by the Swiss electorate in June 2021 of a comprehensive revision of the Swiss CO2 Law, the Federal Assembly in December 2021 adopted a partial amendment to temporarily prolong some limited and unchallenged aspects of the CO2 Law during the period 2022-2024. A new proposal for a comprehensive revision of the CO2 Law to continue to reduce greenhouse gas submissions beyond this period is currently the subject of consultations.</p> <p><u>Page 12, Para 25 (Secretariat Report):</u> In 2020, Liechtenstein adopted a new Energy Strategy 2030 and Energy Vision 2050, the purpose of which is to further increase the use of energy from renewable sources. Liechtenstein's CO2 Law derives directly from the Swiss CO2 Law but differs with respect to the allocation of the revenues from the CO2 tax.</p>	<i>Please elaborate on the provisions in the current CO2 Law on the taxation of CO2 and the allocation of related tax revenues in Switzerland and Liechtenstein.</i>	<i>In Liechtenstein, revenue from the CO2 tax on fuels is allocated according to the amounts paid by the population and the economy. Consequently, it is first determined which shares of the revenue were paid by the economy and the population. The population's share is entirely used to finance environmental policy measures. Two-thirds of the share of the economy are redistributed in accordance to the relevant salary of the employees via the Liechtenstein old-age and survivors' insurance (AHV). One third of the industry's share is used to finance environmental policy measures.</i>

EU	<p><u>Page 172, paragraph 4.253 (Secretariat Report)</u>: In 2019, Liechtenstein became the first country in the world to adopt comprehensive legislation on an emerging type of financial service providers, trustworthy technology ("TT") service providers.</p>	<p><i>Could you share Liechtenstein's experience so far? Does the new, pioneering arrangement meet your initial expectations? What works well? What doesn't?</i></p>	<p><i>With the TVTG (Blockchain Act), Liechtenstein aimed to achieve several goals:</i></p> <p>1) <i>Protection of consumers/users</i>  <i>This goal has been reached by creating a civil law fundament and the registration obligation of service providers. The civil law fundament is crucial for the treatment of tokens in the legal system (clarification of ownership/possession, the possibility to declare tokens to be stolen (hacked) with the police, the legal fundament for the tokenization of rights and the synchronisation of tokens and rights). The civil law fundament has been intensively discussed in academia and in practice and has been accepted as a far-reaching, suiting and comprehensive way to create legal certainty. The protection of consumers by the registration of TT service providers has also proven to be the right way. Registration creates a certain level of trust, by checking the qualification and properness of the responsible persons and the quality of the internal processes. In case of problems, the FMA is able to withdraw the registration to prevent further damage and thus protect costumers. The legal obligations for token and key custodians to segregate the tokens in the case of insolvency are also an important pillar of consumer protection. Nevertheless, in practice we have experienced problems to fulfil this duty by custodians which use foreign service providers/servers for the storage of tokens/keys. At the moment, Liechtenstein is the only country in the world, where all tokens are by law segregated in the case of insolvency.</i></p> <p><i>The duty to publish a white paper for ICO, combined with a legal liability for due diligence has also proven to be essential for consumer protection.</i></p> <p><i>In future, Liechtenstein recognizes a great need to further education of consumers to demonstrate the potential harms in the Blockchain ecosystem.</i></p> <p>2) <i>Legal Clarity for Service Providers</i></p>
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			<p><i>The hurdle for market entry is higher than in many other countries where token-related services are still largely unregulated. The TVTG - and thus the location Liechtenstein - has therefore become interesting for companies that value legal and planning security and consciously want to present themselves to their customers as a "regulated TT service provider". Already in 2016 with the start of the conception of the TVTG, it was apparent that international regulation, including in particular standards in the areas of anti-money laundering and counter-terrorism financing, as well as international tax cooperation, were evolving relatively rapidly and would soon include blockchain applications. Companies that have dealt with increased regulatory requirements early on are thus one step ahead and will have an easier time in the future.</i></p> <p><i>What has proven to be essential for success is an open communication channel and discussions between the financial market authority, market participants and regulator and to apply a risk-based and market-oriented approach.</i></p> <p>3) <i>Support of the authorities</i>  <i>The civil law and the legal definitions provided in the TVTG have proven to be an important basis for the work of all authorities (like police, state prosecutor, courts, Financial Intelligence Units, and most importantly for the FMA). Liechtenstein has realized that there is a great need for establishing knowledge about the new technologies in the authorities in order to clearly identify and understand the risks and challenges as a sound fundament for their work.</i></p> <p>4) <i>Fostering the development of the token economy and the manifold applications of blockchain in Liechtenstein.</i>  <i>One important goal of the Government was to foster the development and the transfer</i></p>
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			<i>of knowledge about the blockchain technology in Liechtenstein, to both support the private sector as well as the authorities. The Liechtenstein ecosystem has evolved strongly, including the University of Liechtenstein with research and education, private experts and initiatives, as well as the public agencies (SFID and FMA).</i>
Philippines	<u>Page 26, paragraph 1.31:</u> In January 2021, the Government unveiled its long-term policy strategy on climate change to be carbon neutral by 2050. It notably aims at reducing carbon emissions along entire value chains in Switzerland but also taking into consideration goods and services imported, applying the principle of circular economy to the extent possible. Three quarters of the total Switzerland carbon footprint is created abroad. The Government thus promotes sustainability provisions in free trade agreements. After the rejection of the revised CO2 Act by popular vote in 2021, the Government submitted a new proposal on 17 December 2021 to meet the objectives of its long-term climate strategy (Section 4.2.2.1.3).	<ol style="list-style-type: none"> <li>1) <i>Could Switzerland and Liechtenstein elaborate on plans to achieve its climate change targets?</i></li> <li>2) <i>How is the government's policy strategy different/similar to the EU Green Deal policy?</i></li> </ol>	<ol style="list-style-type: none"> <li>1) <i>Liechtenstein has set different goals and measures in 2020 to reduce its carbon footprint as part of the energy strategy 2030. These goals and measures (e.g. reduction of the energy demand and increase of renewable energies) aim at the energy sector due to its big portion of the total emissions.</i></li> <li>2) <i>Liechtenstein is part of the EEA and therefore implements all the relevant EU acts from the EU Green Deal.</i></li> </ol>
Philippines	<u>Page 44, paragraph 2.25:</u> The RTA between EFTA and the Philippines entered into force on 1 June 2018, at which point Switzerland and Liechtenstein abolished customs duties on all imports of non-agricultural products and some imports of agricultural products. There are 1,491 agricultural tariff lines (at the 8-digit level) that remain dutiable.	<ol style="list-style-type: none"> <li>1) <i>What are the benefits of the EFTA-PH Agreement to both Switzerland and Liechtenstein?</i></li> <li>2) <i>Can you share any difficulties that Switzerland and Liechtenstein face in accessing PH markets? How do you think PH can better improve/address these difficulties?</i></li> </ol>	<i>Besides improved market access for goods and services, the FTA provides enhanced legal certainty and facilitates exchanges between economic operators from Liechtenstein and the Philippines. We are currently not aware of any difficulties for exporters from Liechtenstein to access PH markets.</i>
Philippines	<u>Page 110, paragraph 3.193:</u> During the review period, Switzerland actively participated in the TRIPS Council discussions on, inter alia, supporting micro, small and medium-sized enterprises (MSMEs) to take advantage of IPRs for their business activity, and co-sponsored several initiatives such as the promotion of public-private collaborations in IP innovation and commercialization and the societal value of IP in the new economy.	<i>Can Switzerland and Liechtenstein provide information on their best practices in promoting IPRs to their MSMEs?</i>	<i>For companies in Liechtenstein, IP protection is very important. That is why IP innovation and commercialisation is an important issue in Liechtenstein. The value of IP is widely known and therefore no special promotion activities are necessary or planned.</i>

Philippines	<p><u>Page 154, paragraph 4.151 (Secretariat Report):</u> In terms of market structure, the leading fixed telecom operator is Telecom Liechtenstein AG (59% market share in 2020, down from 72% in 2016 for Internet broadband service). For mobile telephones services, the main providers had in 2019 a respective market share of 45% for Salt (Liechtenstein) AG/Salt Mobile SA, 34% for Swisscom (Schweiz) AG and 21% for Telecom Liechtenstein AG. All mobile providers maintain their own network in Liechtenstein. Swisscom (Schweiz) AG and Salt Mobile SA have a significant number of cross-border customers living in Liechtenstein, who subscribe to their Swiss mobile networks (with Swiss number and contracts subject to Swiss legislation over which the National Regulatory Authority of Liechtenstein has no jurisdiction). These foreign subscriptions had a market share of 67% in 2020. Some two thirds of all registered enterprises are fully or partly owned by foreigners. Salt (Liechtenstein) AG and Swisscom (Schweiz) AG are 100% foreign-owned.</p> <p><u>Page 154, paragraph 4.158:</u> The regulatory framework for telecommunications has partially autonomously transposed the EU Telecoms Package 2009 (Directives 2009/136/EC and 2009/140/EC as well as Regulation (EC) 1211/2009). Currently, Liechtenstein is in the process of transposition of the European Electronic Communications Code EECC (directive (EU) 2018/1972 of 11 December 2018) and of several delegated legal acts linked to the EECC, such as the Eurorate delegated regulation (EU) 2021/654 of 18 December 2020. Furthermore, Liechtenstein is currently preparing the incorporation of the new Roaming Regulation into the EEA Agreement.</p> <p><u>Page 155, paragraph 4.162:</u> Number portability is a new regulatory feature that was implemented during the period under review respectively in 2019 for fixed telephony and in 2020 for mobile numbers, by regulatory decision of August 2018 based on the Communications Act after a</p>	<p><i>Based on the experience of Liechtenstein, how did the 1) liberalization of the telecoms market; 2) EU Telecoms Package 2009; 3) roll out of mobile number portability program; 4) elimination of the licensing system; and 5) EEA transposition that opened the Internet and abolished the roaming services, affect the overall service quality and competitiveness in the sector? Further, how did the Frequency Allocation Plan (FAP) affect the overall spectrum management of the country? What may be the disadvantages?</i></p>	<p><i>In Liechtenstein a highly competitive market has developed. The mainstay of this development is the liberalization of the telecom market, since 2006 on the basis of the Communications Act, which transposed the 2002 EU framework. Based on general authorisation, operators and providers must notify identity and services (no other requirements) before entry of the market. The 2009 package had a rather punctual role, regarding the general development of competition. The introduction of the obligation to offer number portability was important in both the mobile and fixed market. In the fixed telephone market, the portability obligation was a basic requirement for the alternative providers of VoIP-wholesale offers, who entered the Liechtenstein market and initiated high competition in the fixed telephone market. The vertical separation for the network infrastructure from the provision of services is very unique and has proved to be the major driver of market entries and competition. [In short: The infrastructure of national coverage is built by the national utility LKW, which offers passive infrastructure (copper and fibre, backhaul fibre, collocation, ducts) to notified providers, with no other offers of active services to the wholesale or retail market. There is no other fixed network infrastructure of national coverage; the incumbent and all alternative providers rent infrastructure from the utility]. The access to the physical network infrastructure is regulated (price caps, standard offers), based on the EU 2002 framework. All other regulations related to significant market power of service providers have been lifted or are insignificant and are about to be lifted. The roam-like-at-home regulation strengthened the competitiveness of the Liechtenstein MNO offerings vs. Swiss MNO offerings, which have a significant market share, and the roam-like-at-home regulation resulted in intense competition leading to high increases of included data, voice and SMS volumes. The frequency allocation plan (FAP) provided for an efficient overall spectrum management, there are no drawbacks.</i></p>
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	<p>consultation procedure that had shown that reasons justifying exemptions from portability obligations did not exist anymore.</p> <p><u>Page 155, paragraph 4.166:</u> The Office for Communications remains the competent national regulatory authority.<sup>82</sup> Regarding licensing the 2006 Communication Act eliminated the licensing system. All activities in electronic communication are licence-free; however, a notification to the Liechtenstein Office for Communications, the national regulatory authority, is required.</p> <p><u>Page 156, paragraph 4.169:</u> Open Internet and abolition of roaming were instituted in 2015 following EEA transposition intervened during the period covered by the previous TPR report. With regulation (EU) 2015/2120 and several successive regulations, which are effective from 15 June 2017, roaming services at conditions like at home were introduced as from 15 June 2017, and retail charges for the consumption of regulated retail roaming services in excess of any fair use limits were reduced, most relevantly for data roaming from EUR 7.7 per gigabyte of data transmitted in June 2017 to currently EUR 2.5 per gigabyte (valid from 1 January 2022 to 30 June 2022).</p> <p><u>Page 156, paragraph 4.170:</u> Finally, regarding spectrum management, the Liechtenstein Frequency Allocation Plan (FAP) consists of several parts, including the principles of spectrum management. These principles are described with a transparent approach on both national and international levels. The integral components of FAP are: frequency ranges and radio interface requirements, as well as comprehensive lists of specific assignments and harmonized frequency ranges. All the relevant European Conference of Postal and Telecommunications Administrations or European Commission decisions are also listed and referenced in the FAP.</p>		
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Member State	Reference to the relevant passage in the Secretariat Report / Government Report	Question	Answer
Philippines	<p><u>Page 171, paragraphs 4.247 – 4.256 (Secretariat Report):</u></p> <p>4.247. The provision of e-money services (issuing of electronic money and provision of payment services by issuers of electronic money) is governed by the Electronic Money Law of 2011<sup>143</sup> and its corresponding Electronic Money Ordinance, as well as by new legislation adopted during the period under review, the Payment Services Law of 2019<sup>145</sup> and its corresponding Payment Services Regulation. All of these legal instruments are based on EU Directives 2009/110/EG (E-Money Directive)<sup>147</sup> and (EU) 2015/2366 (Payment Services Directive II).</p> <p>4.248. The Electronic Money Law lays down the prudential requirements for taking up the business of e-money institutions. Issuing electronic money requires a licence granted by the FMA. The Payment Services Law governs the provision of payment services and the operation of payment systems. To obtain a licence, e-money institutions must fulfil various conditions, inter alia, being a legal person and having their registered office and head office in Liechtenstein. The members of the board of directors may have their domicile outside of Liechtenstein, if they fulfil the obligations of their functions; they must be authorized to fully represent their company. The minimum required fully paid-up initial capital is CHF 350,000.</p> <p>4.249. Depending on the licensed activity in question, there are different capital requirements. Under the Electronic Money Law, e-money institutions are required to hold the minimum required fully paid-up initial capital of CHF 350,000. Under the Payment Services Law, the minimum capital requirements for payment institutions differ depending on the type of payment services provided and authorized.</p>	<p><i>Is Liechtenstein open for investments in terms of fintech and e-payments? What are the requirements or licenses needed?</i></p>	<p><i>Liechtenstein is open for investments in terms of fintech and e-payment. Since 2016, the Government is fostering this development regarding digital transformation in the financial sector and has established several processes and resources (such as the Regulatory Laboratory and the Fintech-Competence Team at the Financial Market Authority and the Office for Financial Market Innovation and Digitalisation). Fintechs might fall under financial market regulation, which is harmonized within the European Union/European Economic Area. Depending on the activity, a fintech-company might be licensed as a bank, payment service provider, e-money institute, securities firm, asset manager, exchange, insurance company, etc. Fintechs often fall under the scope of the TVTG, the Liechtenstein block-chain act.</i></p>

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	<p>4.250. As of 31 December 2020, four e-money institutions were licensed in Liechtenstein with a total of CHF 27,7 million in assets and CHF 7 million in e-money issued.</p> <p>4.251. Subject to relevant EEA law, e-money institutions from Liechtenstein, as well as from any other EEA Member State, may offer their services across the EEA under the freedom to provide services ("cross-border") or the right to establishment (branch). E-money institutions from outside the EEA may in principle offer their services in Liechtenstein only through a local subsidiary. The establishment of such a subsidiary requires a licence granted by the FMA.</p> <p>4.252. Like the Payment Services Law and the Banking Law, the Electronic Money law contains provisions on qualifying holdings in an e-money institution, own funds requirements, requirements for safeguarding funds received from their customers, outsourcing of functions, the use of third parties or agents, external auditing, information exchange, cooperation between competent authorities, and FMA administrative and criminal sanctioning powers.</p> <p>4.253. In 2019, Liechtenstein became the first country in the world to adopt comprehensive legislation on an emerging type of financial services providers, trustworthy technology ("TT") service providers. The Token and TT Service Provider Law entered into force on 1 January 2020 together with the Ordinance on Tokens and TT Service Providers. This is autonomous legislation that does not derive from an EEA transposition of the EU acquis as the EU regulation in that respect is still under discussion.</p> <p>4.254. The new law divides TT service providers into 10 categories: (i) Token Issuers: persons professionally offering tokens to the public in the name of third parties; (ii) Token Generators: persons who create original tokens on behalf of</p>		



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	<p>third parties; (iii) TT Key Depositaries and TT Token Depositaries: persons who safeguard tokens or private keys for third parties, e.g. in a safe or a collective wallet; (iv) TT Protectors: persons who hold tokens on TT systems in their own name on account of third parties; (v) Physical Validators: persons who ensure the enforcement of rights in accordance with the agreement, in terms of property law, to goods represented in tokens on TT systems; (vi) TT Exchange Service Providers: persons who exchange legal tender for tokens and vice versa as well as tokens for tokens; (vii) TT Verifying Authorities: persons who verify the legal capacity and the requirements for the disposal over a token; (viii) TT Price Service Providers: persons who provide TT system users with aggregated price information on the basis of purchase and sale offers or completed transactions; (ix) TT Identity Service Providers: persons who identify the person in possession of the right of disposal related to a token and who record it in a directory; and (x) TT Agent: a person who professionally distributes or provides TT services on behalf of and for the account of a foreign TT service provider.</p> <p>4.255. TT Service Providers must hold a registration by the FMA prior to taking up business activities. An exception exists for persons who publicly offer tokens in their own name (own issuance) if the value of the tokens issued during 12 months does not exceed CHF 5 million. The registration obligation exists regardless of whether another licence has already been granted by the FMA. A bank licensed in Liechtenstein that safeguards tokens for clients must therefore additionally register as a TT Token Depositary. By the end of 2021, 18 TT providers had registered with the FMA, applying for 39 different TT services.</p> <p>4.256. TT service providers are not subject to ongoing prudential supervision in the same way</p>		

Member State	Reference to the relevant passage in the Secretariat Report/ Government Report	Question	Answer
	as licensed financial intermediaries (e.g. transparency obligations, comprehensive reporting obligations, or periodic external audits), but rather to event-driven supervision.		
Philippines	<p><u>Page 25, paragraph 2.36 (Government Report):</u> In order to further facilitate the interaction with the public administration, the Government is currently advancing the digitalisation of most public services, for example including identification and payment services. For that purpose, a "Digitalisation Roadmap for the Liechtenstein Public Administration" was developed in 2020. The Roadmap, which includes more than 100 digitalisation projects across 29 public offices, is to be implemented in the coming years. In its e-Government Act, the government has stipulated that from 2023 onwards, all communication between companies and public authorities must be conducted electronically.</p>	<p><i>Can you share some key policies, projects, or activities set out in Liechtenstein's Digitalization Roadmap?</i></p>	<p><u>Introduction:</u> The e-government strategy has the goal to provide all public services digitally. Citizens and companies (both referred to as customers) can access their data and use it in administrative and business processes, using the "once-only" principle. Efficiency, convenience, automation, service and data security play a key role here. In Liechtenstein, for example, the eID (electronic identity) has been available since 2020. By authenticating with their eID, customers gain access to their personalized citizen account where they can access their personal data and use it in administrative and business processes. For example, a physical signature is no longer necessary in dealings with the authorities. With the eID, applications can be completed online and submitted directly in digital form. Regardless of opening hours, many services are available 24/7. Although the state administration is relying heavily on e-government to facilitate access to administrative services and make business processes more efficient, citizens and companies continue to have non-electronic access to all administrative services.</p> <p><u>Digitalisation Roadmap:</u> Based on the strategic and legal requirements, a digitalization roadmap was developed for the Liechtenstein National Administration. The aim of the digitalization roadmap is to prioritize and consolidate the projects in the individual offices and staff units, to distribute the available resources appropriately, and to build up digitalization expertise among all those involved.</p> <p><u>Organization:</u> Since the digitalization of the state administration is not a standard IT project, the aim is for the offices</p>

Member State	Reference to the relevant passage in the Secretariat Report/Government Report	Question	Answer
			<p>and staff units to drive forward their projects as independently as possible and to use technological options to design processes and procedures in such a way that the goals of the Digital Agenda and the eGovernment Strategy can be met. For this reason, defining responsibilities and roles and planning resources while taking bottlenecks and dependencies into account is very important.</p> <p>Success monitoring and annual updating of the digitalisation roadmap In order to obtain an overview of the status of the respective projects, a portfolio management was developed in order to be able to carry out an ongoing progress control (success control).</p> <p>In order to ensure up-to-date planning for the coming years and a realistic budgeting basis, the digitalisation roadmap is updated annually so that it can be taken into account during the annual budgeting process.</p>
Argentina	Paragraph 2.36 (Government Report): indicates that Liechtenstein does not grant traditional export subsidies or guarantees, or subsidies to companies, with the exception of those granted to the agricultural sector.	What do these subsidies to the agricultural sector consist of?	The subsidies to the agriculture sector, also known as direct payments, consist of income supplements, environmental and animal welfare payments and payments for countryside stewardship in hilly and mountainous regions as indicated in the report by the secretariat for Switzerland Liechtenstein (Table 4.3 on page 126).
Mexico	3.120. (Secretariat Report): Liechtenstein does not have a national standardisation body, but is integrated in the standardization process with regard to harmonised European standards on the basis of Regulation (EU) No. 1025/2012 on European standardisation, and participates financially in the mandates for their development.	What is the criterion for determining whether the review will be at 3 or 5 years? Does the review for standards act as a "mirror committee" with the EU?	Liechtenstein has not developed its own criteria for the time frame of the reviews. It is up to the EU to decide whether a review takes place after 3 or 5 years.
UK	Secretariat Report (S425) 4 TRADE POLICIES BY SECTOR 4.4 Services	How are Switzerland & Liechtenstein planning on liberalising trade in cross-border services (Mode 1) to mitigate the trend of reduced business travel following the Covid-19 pandemic?	In the context of the Covid-19 pandemic, no specific liberalisations are foreseen in the area of cross-border services (Mode 1). However, Liechtenstein is participating in the Joint Statement Initiative on E-Commerce at the WTO. Global disciplines for digital trade will promote the cross-border provision of services regardless of any trend of reduced business travel.

Member State	Reference to the relevant passage in the Secretariat Report/Government Report	Question	Answer
UK	<u>Secretariat Report (S425)</u> 3 TRADE POLICIES AND PRACTICES BY MEASURE 3.3 Measures Affecting Production and Trade 3.3.6 Government Procurement Paragraph 3.361 (Seite 101 ff. im Sekretariatsbericht)	<i>The UK notes that there is not a section on Liechtenstein's government procurement. The UK requests Liechtenstein provides further detail on their procurement system in the vein of Switzerland's response.</i>	<p>1.1. In Liechtenstein, in addition to the GPA 2012, the EFTA Convention and FTAs concluded by EFTA, government procurement is governed by relevant EEA rules (EU Directives and directly applicable EU regulations). The threshold values are those set by the EEA. In 2018, four EU directives (2014/24/EU, 2014/25/EU, 2014/23/EU and 2014/55/EU) were incorporated into national law and Liechtenstein's legislation on public procurement was updated. The two relevant pieces of legislation are the Law on Sectoral Public Procurement, which concerns public works contracts and supply and services contracts concluded by public utilities on water, energy, transport, and postal services and the Law on Public Procurement, which governs all other public purchases).<sup>9</sup> The Law on Public Procurement applies to public purchases and to projects jointly undertaken by public and private entities when the financial contribution of the public contracting entity exceeds 50%.</p> <p>1.2. Contracts above the EEA thresholds (which are lower than GPA 2012 thresholds) are awarded according to international rules; they are announced in the EU electronic government procurement system. The available procurement methods as set by Article 21-29 Law on Public Procurement are open or non-open procedures and, in extraordinary circumstances, competitive dialogue or a negotiation procedure with or without prior notice. For contracts below the EEA thresholds, contracting authorities usually use open or selective tendering. Under specified circumstances, a negotiation procedure or direct award may be used. Since 2018, a contracting authority may also use a procedure termed the "innovation partnership". This procedure has not yet been used in practice. There are no preferences for local suppliers. A joint declaration by Liechtenstein and certain neighbouring Swiss cantons enables suppliers from the latter to participate in tenders (on a reciprocal basis) for contracts below the EEA</p>

<sup>9</sup> See Law of 19 June 1998 on Public Procurement (LR 172.051). Viewed at: <https://www.gesetze.li/konso/1998.135>; and Law of 21 September 2005 on Sectoral Public Procurement. Viewed at: <https://www.gesetze.li/konso/2005.220>.

Member State	Reference to the relevant passage in the Secretariat Report/Government Report	Question	Answer																																			
			<p>thresholds. For statistical information on internationally awarded contracts, see Table 3.4 below.</p> <p>1.3. Under the two domestic laws mentioned above, contracts are awarded to the most economically advantageous tender, which must be identified on the basis of the price or cost, using a cost-effectiveness approach, such as life-cycle costing, and may include the best price-quality relationship. The authority responsible for government procurement is the Specialised Unit for Public Procurement, which is a department of the Government Chancellery. Complaints relating to government procurement procedures may be lodged with the Complaints Commission in Administrative Matters, the Administrative Court, or with the EFTA Surveillance Authority if EEA provisions are at issue.</p> <p><b>Table 3.36.1 Government procurement in Liechtenstein, 2016-2020</b></p> <table><tr><th colspan="5">Government contracts awarded and covered by the GPA the GPA 2012 thresholds)</th></tr><tr><th>Year</th><th>Open tendering</th><th>Restricted tendering</th><th>Negotiated procedures</th><th>As a percentage of the total value of all government contracts awarded</th></tr><tr><td>2016</td><td>97%</td><td>2%</td><td>1%</td><td></td></tr><tr><td>2017</td><td>85%</td><td>4%</td><td>11%</td><td></td></tr><tr><td>2018</td><td>75%</td><td>11%</td><td>14%</td><td></td></tr><tr><td>2019</td><td>89%</td><td>0%</td><td>11%</td><td></td></tr><tr><td>2020</td><td>88%</td><td>1%</td><td>11%</td><td></td></tr></table> <p>Note: The terms "open tendering", "selective tendering" and "limited tendering" are used here as they have been defined in Article I:h), m) and q) of the GPA 2012.</p>	Government contracts awarded and covered by the GPA the GPA 2012 thresholds)					Year	Open tendering	Restricted tendering	Negotiated procedures	As a percentage of the total value of all government contracts awarded	2016	97%	2%	1%		2017	85%	4%	11%		2018	75%	11%	14%		2019	89%	0%	11%		2020	88%	1%	11%	
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UK	<p><u>Secretariat Report (S425)</u></p> <p>3 TRADE POLICIES AND PRACTICES BY MEASURE</p> <p>3.3 Measures Affecting Production and Trade</p> <p>3.3.1 Taxation and Incentives</p> <p>Paragraph 3.146 Competition law</p>	<p><i>Could Liechtenstein please provide further information on its domestic enforcement of EEA competition law, including the incorporation of EEA directive/regulations into national law and which competition matters fall within the jurisdiction of the Office of Economic Affairs as opposed to Liechtenstein's courts?</i></p>	<p>Liechtenstein has neither a national cartel law or a national merger control law nor a national competition authority. Competition issues are dealt with mainly under the EEA- and EFTA-treaties. The Act of 23 May 1996 regarding the Implementation of the Competition Rules in the EEA regulates the implementation of the competition rules of the EEA Agreement (Articles 53 to 60 of the EEA Agreement and its Annex XIV; in particular, Articles 53 and 54 which mirror Articles 101 and 102 of the Treaty on the Functioning of the European Union). According to Article 2 paragraph 1 of this Act, the Office of Economic Affairs is responsible for the implementation of the European competition rules by supporting the EFTA Surveillance Authority (or the European Commission) unless the Act does not determine jurisdiction of the courts. The legal jurisdictions of the Office of Economic Affairs are exemplary listed in Article 2 paragraph 2 of the Act, e.g. administrative assistance in the cases of Article 55 paragraph 1 of the EEA Agreement. On the other hand, to give an example, the Court (Landgericht) decides to conduct a house research at the request of the Office of Economic Affairs, see Article 4 of the Act of 23 May 1996.</p> <p>The Act of 22 October 1992 on unfair competition is aimed at clarifying consumers' rights and simplifying cross-border trade. It was amended in 2008 to implement EC Directive No. 2005/29/EC on unfair business-to-consumer commercial practices. On 1 June 2022, the latest revision comes into law implementing the Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure and the Regulation (EU) 2018/302 of the European Parliament and of the Council of 28 February 2018 on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market and amending Regulations (EC) No 2006/2004 and (EU) 2017/2394 and Directive 2009/22/EC. The</p>
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Member State	Reference to the relevant passage in the Secretariat Report/ Government Report	Question	Answer
			<i>prosecution of infringements of the provisions of the Act on unfair competition (imposition of fines) falls within the jurisdiction of the Court (Landgericht), whereas the Office of Economic Affairs is responsible for alternative dispute resolution for consumer disputes and for cases according to Art. 8 of the Regulation (EU) 2018/302 (see Act of 4 November 2016 on alternative dispute resolution in consumer matters).</i>
Oman	<u>2.2.2 The economic sectors</u> The country report states in paragraph 2.32 that Liechtenstein, on 1 January 2020, implemented "Block chain Act." With this new law Liechtenstein was the first country to introduce a comprehensive regulation of the token economy.	<i>Could the Government of Liechtenstein share the policy that have been put in place to implement such Act?</i>	<i>The Liechtenstein Government has always understood governance as forward-looking and shaping rather than administering. With its 2019 financial center strategy, the Government has created a guiding framework for the future positioning of the financial center in international competition.</i>
Ukraine	<u>3.3.1.2.1 VAT</u> <u>Page 80, paragraph 3.79 (Secretariat Report)</u>  The Report describes measures taken to revise the VAT system concerning mail order companies. It informs that on 24 September 2021 the Federal Council proposed a new change to the system that will make online platforms liable to pay the tax on all sales of goods they facilitate. Thus, the platform (deemed supplier) on which the sale has been concluded, and not the seller of the goods (underlying seller), has to impose the VAT. Foreign companies not using a platform, and which meet the CHF 100,000 threshold, will still remain liable to pay the VAT.	<i>Would Switzerland and Liechtenstein kindly provide advice relating to possible ways of encouraging our collaboration in the areas of IP, sharing of know-how and technology between interested stakeholders for further development of IP system and for promotion of technological innovations in such sectors as manufacturing, construction, IT, etc., which are extremely important for recovery of our economy?</i>	<i>No answer provided by Liechtenstein, because the competent authority does not understand the question and its relation to the text passage of the secretariat's report referred to.</i>
Ukraine	<u>4.1.3.3 Milk</u> <u>Page 126, paragraph 4.51 (Secretariat Report)</u>  The Report informs that in Liechtenstein milk production is constrained by a production quota system and, in the context of the previous Review, the authorities stated that the advantages of the milk quota outweigh its disadvantages, and that representatives from the milk sector have declined an exit from the milk quota system.	<i>Could Liechtenstein, please, provide the main advantages of the milk quota system?</i>  <i>What norms for milk yield and livestock number per one dairy farm does Liechtenstein use under the milk quota system?</i>	<i>The main advantages of the milk quota system are the avoidance of milk overproduction and the adaption of milk delivery to selling conditions. A fixed milk quota combined with a fixed milk price supports the agricultural income. In addition, Liechtenstein is by this means exempted to contribute to the surplus disposal of milk by Switzerland, which forms a customs union with Liechtenstein. In recent years, the importance of the global milk quota in Liechtenstein has declined since for several reasons, less milk is produced and thus the milk quota is not used up.</i>

Member State	Reference to the relevant passage in the Secretariat Report/ Government Report	Question	Answer
			<p>In 1988 Liechtenstein introduced individual milk quotas because domestic milk production exceeded domestic milk consumption. Originally the allocation of individual milk quota depended on the number of cow stalls and was limited to 225,000 kg of milk. In 2000 the individual milk quotas were replaced by a global quota of milk produced in Liechtenstein, which provided much more flexibility to allocate individual milk quotas. Today the allocation of individual milk quota within the global quota is regulated in the ordinance about milk yield (<a href="https://www.gesetze.li/konso/2009199000?search_text=mmr&amp;search_loc=abk_list&amp;lrr=&amp;lqblid_von=&amp;observe_date=27.04.2022">https://www.gesetze.li/konso/2009199000?search_text=mmr&amp;search_loc=abk_list&amp;lrr=&amp;lqblid_von=&amp;observe_date=27.04.2022</a>).</p> <p>Today, the flexibility of individual milk quota is very high and in practice each farm can produce its preferred milk yield because the global milk quota is barely achieved.</p>
Ukraine	<p><u>4.1.3.4 Grains, oilseeds, and sugar</u> Page 127, paragraph 4.60 (Secretariat Report)</p> <p>Under the Report, sugar production in Switzerland and Liechtenstein is constrained by quotas agreed on a private basis between the sugar refineries and the sugar beet producers and there are surplus management that is handled by private actors.</p>	<p><i>Could Switzerland and Liechtenstein, please, provide the information about the functional activities of the surplus management in the context of excess sugar production?</i></p>	<p>In Liechtenstein farmers receive an additional contribution for sugar beets used for sugar production under the condition that they have a supply contract with a sugar factory in Switzerland (<a href="https://www.gesetze.li/konso/2010067000?search_text=lev&amp;search_loc=abk_list&amp;lrr=&amp;lqblid_von=&amp;observe_date=27.04.2022">https://www.gesetze.li/konso/2010067000?search_text=lev&amp;search_loc=abk_list&amp;lrr=&amp;lqblid_von=&amp;observe_date=27.04.2022</a>).</p> <p>There is no sugar surplus produced in the customs union between Liechtenstein and Switzerland.</p>
Ukraine	<p><u>2.2 Trade and Economic Policy Environment</u> <u>2.2.3 State activities</u> Page 25, paragraph 2.39 (Government Report)</p> <p>The Report informs about the Investor Summit Liechtenstein that helps to connect start-ups and MSMEs seeking capital with top-class investors and decision-makers. Company presentations are at the heart of these event which are sponsored by the Liechtenstein Government as well as numerous other partners. Capital-seeking start-ups and growth-oriented MSMEs are given the opportunity to present themselves to a high-calibre audience and make interesting contacts. Decision-makers and investors are thus given the opportunity to get to know a wide</p>	<p><i>Would Liechtenstein kindly clarify whether foreign start-ups and MSMEs can also participate in the Investor Summit Liechtenstein and present their companies (if so, please, inform on conditions of participation, place and dates of its holding)?</i></p>	<p>Foreign start-ups and MSMEs can participate under the same conditions as Liechtenstein companies. However, the focus is on regional start-ups and MSMEs. Investors come from all over Europe.</p>



Member State	Reference to the relevant passage in the Secretariat Report/ Government Report	Question	Answer
Turkey	<p>variety of interesting investment opportunities in a very short time.</p> <p>2.2 Trade and Economic Policy Environment, 2.2.2 The economic sectors, 2.32, p. 24.</p> <p>It is stated in the Government Report that "On 1 January 2020, the Token and Trusted Technology Service Provider Act (TVTG) – also known as the "Blockchain Act." – entered into force in Liechtenstein. With this new law, Liechtenstein was the first country to introduce a comprehensive regulation of the token economy. On the one hand, the law regulates civil law issues in relation to client and asset protection. On the other hand, adequate supervision of the various service providers in the token economy has been established. In addition, there are measures to combat money laundering by making service providers subject to rules on anti-money laundering and the combating of financing of terrorism. Furthermore, the law provides clarity and legal certainty with regard to digital securities."</p>	<p><i>Could Liechtenstein explain that what could be the profound implications of the Token and Trusted Technology Service Provider Act (TVTG) – also known as the "Blockchain Act.?</i></p>	<p><i>The substantial difference to other regulation approaches in other jurisdiction is that the TVTG offers an holistic and comprehensive legal framework for the entire token economy. It is a technology-neutral and principal-based approach that warrants that it is flexible and stays applicable also to changing business models and potential future applications. It has created a legal basis and framework not just for digital assets (such as Bitcoin) but also for the tokenization of analogue assets and the whole of the digital economy.</i></p>
Iceland		<p><i>What is the participation of women in the economy of Switzerland and Liechtenstein?</i></p>	<p><i>The participation rate of women in Liechtenstein is 68% (2019).</i></p>
Iceland		<p><i>Have specific barriers that limit women's participation in trade been identified?</i></p>	<p><i>No specific barriers have been identified in Liechtenstein, so far.</i></p>
Iceland		<p><i>Have Switzerland and Liechtenstein implemented any specific measures to encourage women's participation in trade and promote women's entrepreneurship, or are such measures being developed?</i></p>	<p><i>In Liechtenstein, no such specific measures are in place. However, it is worth to mention that the quota of self-employed women in Liechtenstein is 6.5% (2015) whereas 6.1% of all men are self-employed. Women's entrepreneurship and participation in trade are already widespread in Liechtenstein because most economic activities are related to cross-border trade.</i></p>
Iceland		<p><i>Are the effects of trade policy on women and men measured and monitored, and if so, how?</i></p>	<p><i>In Liechtenstein, a set of statistical indicators on gender equality is published on a regular basis by the Office of Statistics. The indicator system includes a series of economic indicators:</i></p> <ul style="list-style-type: none"> <li><i>• Participation rate</i></li> <li><i>• Wage differences</i></li> <li><i>• Self-Employment</i></li> <li><i>• Working hours</i></li> </ul>

Member State	Reference to the relevant passage in the Secretariat Report/Government Report	Question	Answer
			<ul style="list-style-type: none"> <li>• <i>Types of professions</i></li> <li>• <i>Unemployment rate</i></li> <li>• <i>Senior management positions</i></li> </ul> <p><i>This set of indicators is an important tool to measure and monitor women's economic participation, and therefore also participation in trade activities.</i></p>