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LEAFLET

Guidelines for Tax Relief

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1. Tax Holidays

a) In General

The cantonal government grants tax holidays up to a maximum of ten years to (1) companies established in the canton of Aargau starting a new business activity and (2) to companies moving to the canton of Aargau. Tax Holidays are, in particular, granted if the following requirements are met:

- investments and employment creation fulltime jobs within the first two business years in the canton of Aargau;
- innovative strategy;
- focus on international markets;
- importance for local/national economy;
- competitive market conditions; and
- no competitive relation.

Actual duration and kind of tax relief are subject to individual negotiations. The maximum relief is a full exemption from cantonal and municipal income and net worth taxes for a period of 10 years.

b) For Group Coordination Centers and Domiciliary Companies

Tax holidays are generally awarded to companies performing business activities in Switzerland only. Thus, tax holidays may not be granted to Domiciliary Companies. While Group Coordination Centers may apply for tax holidays, the actual tax holidays granted are, however, less extensive than those granted to companies that are subject to ordinary taxation.

c) Taxation as Domiciliary Company or Group Coordination Center

The tax status of a company is part of the income tax assessment and, thus, lies within the competence of the tax authorities of the canton of Aargau (Kantonales Steueramt Aargau, Sektion Juristische Personen, Tellstrasse 67, Postfach 2531, 5001 Aarau).

d) Check list

The application for a tax relief must be submitted to the cantonal tax office. The request shall be in letter form and contain the following information:

1. Name of the company
2. Name of the directors of the board and the general management
3. Structure of the company; distribution of ownership
4. Auditor
5. Envisaged company location (community or region)
6. Scheduled date of company establishment in the canton of Aargau
7. Object of the company
8. Description of the products/services provided by the company
9. Competitors in the canton of Aargau (if known)
10. Markets and development potential
11. Planned investments within the next 5 years
12. Envisaged creation of jobs and trainee positions within the next 5 years
13. Short business plan for 5 years which consists of the information demanded in this check list