

The logo for 'kr facts' is displayed in a large, bold, white font against a dark red background. The letters 'kr' are significantly larger than 'facts'. The background features a blurred image of a modern building with glass windows and dark structural elements.

Important legal changes as of January 01 / July 01, 2021

Changes to various federal decrees will come into force on 01 January / 01 July 2021. We have selected the most important changes and summarized them briefly for you.

Paternity leave

The federal vote of September 27, 2020 showed Swiss voters speaking out in favor of changing the law on compensation for loss of earnings and thus introducing a two-week paid paternity leave. The legal changes - particularly in the Act on Compensation for Loss of Income (EOG) and the Code of Obligations (OR) - will come into force January 1, 2021.

Fathers whose children are born after December 31, 2020 are entitled to paid paternity leave. The two-week paternity leave must be taken within six months after the birth of the child. The leave can be taken flexibly in weeks or days.

In principle, the employer is not obliged to continue to pay wages. The employee is compensated through the compensation for loss of earnings. The compensation corresponds to 80% of the average income. Accordingly, the claim of the employee is assessed according to the provisions of the EOG. It is important to note that in order to finance paternity leave, the EO contribution rate will be increased from 0.45 to 0.5 percent as of January 1, 2021.

Taking paternity leave can lead to tensions between the interests of the employer and the employee. In addition, complex legal questions may arise depending on the constellation. In such case, we recommend to contact us in good time.

Entry into force of the federal law on the support of care-giving relatives

The new federal law on improving the compatibility of employment and family care will be passed in two stages. The first stage, which comes into force on January 1, 2021, regulates, among other things, the continued payment of wages during short absences from work.

Employees are now entitled to a maximum of three days paid leave per case and a maximum of ten days per year to care for sick or injured family members or partners.

In the second stage, which comes into force on July 1, 2021, the 14-week paid leave for the care of seriously ill or injured children will come into force. This leave will be compensated by the income compensation scheme.

New traffic rules and signalization regulations

As of January 1, 2021, various new road traffic regulations will come into force.

For example, the zipper merging principle will now apply in rolling traffic, i.e. motorists must allow vehicles to enter from the diminishing lane.

A new regulation will also be created, according to which motorists in traffic jams will have to form an escape route between the left and right lanes for rescue vehicles.

In the future, it will also be permitted to drive past on the right-hand side of the freeway in parallel convoy traffic. However, overtaking on the right, i.e. swiveling out into the right lane and then immediately swiveling in again, will still be prohibited.

In slow-moving traffic, cyclists and moped drivers will now be allowed to turn right at red lights, provided this is indicated accordingly. Children up to 12 years of age may use the sidewalk with their bicycle, as long as there is no cycle path or cycle lane. Up until now, this was only permitted for kindergarten children.

In addition, the scope of application "Parking for a fee" will be extended to all vehicles, so that fee-paying parking spaces can also be introduced for motorcycles, mopeds and fast e-bikes. The maximum speed limit for light motor vehicles with trailers up to 3.5 tons will also be increased. Up to now it was 80 km/h and will now be increased to 100 km/h.

In zones where the speed limit is 30 km/h it is now possible to deviate from the principle of right of way and to establish priority cycle lanes.

Federal law and ordinance on public procurement (BöB/VöB) will be revised

The revised Federal Procurement Law will come into force on January 1, 2021. The main feature of the revised law and ordinance is the paradigm shift from price competition to quality competition. An example of this is the new Art. 41 BöB, according to which the contract is no longer to be awarded to the "most economically advantageous" bid, as was previously the case, but to the "most advantageous" bid. This change means a departure from the favoring of the price criterion to a holistic evaluation of the offer.

The award criteria are also renewed in the new Art. 29 BöB, with particular emphasis on sustainability, innovative content, plausibility of the bid and reliability of the price. The future will show how the individual criteria are to be applied in specific cases.

Modernization of the commercial register

In future, the AHV insurance number will be used in the commercial register to identify natural persons. In addition, the new regulations provide simplifications for companies. For example, the so-called "Stampa declaration" as a separate document will be abolished. In addition, the assignment of Stampa shares of a GmbH between shareholders is partially exempted from formal requirements.

In the future, the cost and equivalence principle will apply to the commercial register with regard to the levying of fees. As a result, the fees will be reduced by about one-third. From now on, authorized persons (in particular lawyers) can also submit a registration for a legal entity.

In addition, as part of the proposal to modernize the commercial register, numerous provisions were transferred from the Commercial Register Ordinance to the relevant laws. The revised Commercial Register Ordinance, which comes into force on January 1, 2021, will be leaner and limited to the implementing provisions.

Further information on the revision of the commercial register can be found in the current issue of *krfacts* "Revision of the Commercial Register Law: New Regulations from January 1, 2021", which is available for download on our website.

Revised Expropriation Act

As of January 1, 2021, new provisions in the Federal Law on Expropriation will come into force. The new provisions take, among other things, the changed circumstances in the expropriation procedure into account. As expropriation under federal law is currently almost exclusively assessed in connection with planning approval procedures, the independent expropriation procedure is hardly ever applied.

The compensation for cultivated land is newly three times the maximum value of the compensation according to the farmers' land law. This price has been increased so that agricultural land is not expropriated too cheaply in the interests of economic management.

Modernization in civil protection and civil defense

The totally revised Civil Protection Act and the ordinances on population protection and civil defence strengthen leadership, coordination and operational capability of civil protection in the event of a crisis. For civil protection, it entails in particular a reduction in compulsory service and a more flexible service system. The totally revised Federal Act and the associated ordinances will come into force on January 1, 2021.

Changes to the withholding tax

Changes in the levying of withholding taxes will also come into force on January 1, 2021. The changes are of particular importance for employers, since in the future it will no longer be possible to deduct tax in the employer's canton of domicile, but rather in the employee's canton of residence.

International automatic exchange of information in tax matters

The amendments to the Federal Act (AIAG) and the Ordinance (AIAV) on the International Automatic Exchange of Information in Tax Matters are based on the recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum). The amendments include the abolition of the exemption for condominium ownership associations and an adjustment of the applicable due diligence obligations. In addition, the amounts are now reported in US dollars and a document retention requirement is introduced for reporting Swiss financial institutions. The amendments to the AIAG and the AIAV will come into force on January 1, 2021.

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