

Cryptocurrencies instead of fiat salary?

Many start-ups use cryptocurrencies as salary components.
What about you?

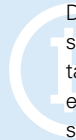
Mind the gap...



Do you know how the token you allocated to an employee is treated for Swiss tax and social security purposes?



Are you reporting the correct figures and information on your salary certificates? Even in cross-border circumstances?



Do cryptocurrency salary payments reflect tax-deductible business expenses for your start-up's corporate tax purposes?



As an employer are you compliant and paying the correct amounts to the tax and/or social security authorities?

Blockchain is maturing, making token allocation an interesting tool for tech start-ups to attract, retain and incentivize top talent. This is particularly the case during initial coin offerings (ICO). Due to the complexity and fast growth of this business, withholding and reporting obligations can be a pitfall potentially involving substantial and unexpected tax and social security payments due in Swiss francs. KPMG helps companies ensure compliance and structure efficient setups.

KPMG's approach

One-stop shop

Our multidisciplinary approach – covering all relevant tax, social security, legal and accounting aspects – ensures compliance, supports your business goals and increases cost efficiency. We offer you our experience and insights into best practice. We help you to evaluate, implement and manage the allocation of tokens to your founders, developers or employees in line with your business needs.

Evaluation workshop

Whether you want to focus on your legal framework setup for cryptocurrency payments or the analysis of allocations made in the past or even before establishing a legal entity, we can help. We work together with you to determine issues and/or optimization potential in tailored workshops. Our analysis will help you secure the best solutions and responses.

Legal framework

In line with your needs and budget, we will tailor the contractual and legal design of your cryptocurrency payments. We'll also ensure that the legal framework is fit for purpose, meets the regulatory requirements and is well received by your employees.

Ongoing compliance

In order to monitor risks, avoid compliance failures and remain attractive, the terms and conditions when allocating tokens to founders, employees and/or developers must regularly be reviewed and compared against potential changes in practice and your evolving business model. KPMG performs seamless status checks to make sure that all relevant tax, legal, social security, payroll and accounting aspects are up to date. We can also support you with regard to your founders', developers' or employees' personal tax and social security matters.

KPMG's offering

	Service	Price
Evaluation workshop	<p>We answer questions on how to efficiently fix the past and proceed in a smart way in the future:</p> <ul style="list-style-type: none">– Define reporting and withholding obligations for token allocations during or prior to ICOs– Propose efficient tax and social security approaches to allocate tokens in the future– Outline impact on the financial statements and related corporate tax aspects– Evaluate civil/labor law aspects to be taken care of	CHF 5,000
Implementation of compensation model	<ul style="list-style-type: none">– Assess your requirements and purpose of paying cryptocurrency or allocating tokens to founders, developers and/or employees– Draft contracts or regulations in order to ensure a structured and steady procedure– Review potential accounting, tax, social security and legal consequences– Support you in preparing annexes to the Swiss salary certificates– Develop tracking systems for cross-border circumstances (if necessary)– Prepare binding rulings with the competent authorities to attain full transparency and legal certainty	Standard rates
Ongoing compliance	<ul style="list-style-type: none">– Provide ad hoc advice on all matters related to the allocation of tokens or cryptocurrency payments to your founders, developers or employees– Support preparation of founders', developers' or employees' Swiss tax returns– Review the tax and social security compliance of ongoing plans and projects	Standard rates

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