

# Welcome to Vaud Canton



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# Welcome to Vaud Canton

**You can find everything that Switzerland has to offer in Vaud Canton. The diversity of the landscape is stunning, ranging from the peaceful shores of Lake Geneva and the vineyards of the Lavaux region, now a UNESCO world heritage site, to the rolling slopes of the Jura Mountains and the snow-clad peaks of the Alps. Vaud also has a rich cultural heritage and a vibrant economy, not to mention wonderful culinary traditions.**

In addition, the region is extremely well connected to the rest of Switzerland and the world, with a dense road and rail network and an international airport nearby.

Banque Cantonale Vaudoise (BCV) is Vaud Canton's community bank. We have been serving the people and businesses of Vaud for over 170 years – so we understand long-term, quality relationships.

As a cantonal bank, we have a deep connection with Vaud, and take playing a positive role in the local economy and being a good corporate citizen very seriously. That is why, in addition to our banking activities, we are committed to helping develop all areas of the Vaud economy and are closely involved in the social and cultural life of our canton.

Our robust business model, consistently strong financial performance, and solid balance sheet make us one of the few banks in the world not backed by a government guarantee to boast a AA rating from Standard & Poor's.

As one of Switzerland's largest banks, we offer a comprehensive range of financial products and services. We are therefore well positioned to help you handle all the financial aspects of life here in Vaud. Our extensive on-the-ground presence means we are never far away when you need us, and our resources and reach allow us to respond to even the most complex financial needs.

Thanks to our expertise and our strong client relationships, we are also one of the leading wealth management institutions in Switzerland.

The following pages provide some practical tips – financial and otherwise – on living in this region.

One out of every  
two Vaud residents  
banks with BCV



One out of every two  
businesses counts on BCV



BCV is Vaud's leading  
home-financing  
provider





# The Swiss banking system

**Banks in Switzerland differ widely in terms of size, range of services, geographical reach and legal status.**

BCV is the cantonal bank of Vaud and part of a network of cantonal banks with which it shares certain services. The advantage of being a cantonal bank is that all decisions are made in the canton by people who live there and know the region well. We believe that the best way to serve our customers is to always be close at hand and to know their needs. This is the reason why we have a dense network of nearly 70 branches and 230 ATMs in the region.

## **Cantonal banks**

Switzerland is divided into 26 independent regions known as cantons. 24 of these cantons have their own cantonal bank, an autonomous institution that is either fully- or majority-owned by the cantonal government. Apart from banking activities, the cantonal banks have a social and economic responsibility towards their clients, employees and canton.

## **Countrywide full-service banks**

These banks offer the full range of services and operate throughout Switzerland, and in some cases around the world as well.

## **Private banks and private bankers**

These institutions specialize in wealth management for individual and institutional clients. Private banks are limited companies, while private bankers' legal status is one of either sole ownership or limited partnership (which means that at least one partner bears unlimited personal liability for assets held).

## **Regional banks and savings banks**

These banks focus on traditional savings-and-loan activities, such as mortgage and corporate lending on the one hand and savings deposits and investments on the other. Their activities are generally restricted to one region.

## **Foreign banks**

A bank is classed as a foreign bank if more than 50% of its capital is held by foreign groups. These institutions tend to focus on international operations and wealth management.

## **Other banks**

These include commercial banks, consumer credit banks or other institutions specializing in activities such as stock market transactions, wealth management or securities issuance.

# Day-to-day banking

In Switzerland, your salary is normally paid each month straight into your personal account (also known as “current account” in Switzerland, and typically called a *compte privé* or *compte courant* in French). Swiss banks often charge an account management fee for this service, but they also pay interest on the account balance.

Your BCV personal account comes as part of a banking pack, which is a comprehensive suite of accounts and services designed to meet your day-to-day banking needs. Along with the personal account, the pack includes a savings account, Visa Debit card, and online banking. We offer three banking packs to choose from:

- the **Direct banking pack**, if you wish to bank exclusively online
- the **Classic banking pack**, for a more traditional approach to banking
- the **Premium banking pack**, the key to flexible banking.

When you open an account with us, we will provide you with an international bank account number (IBAN). You will need this to transfer money to and from Switzerland.

You can also open a foreign currency account if you wish to deposit money in a currency other than Swiss francs.

## Withdrawing money

ATMs (*bancomats*) are widely available throughout Switzerland, enabling you to take out cash at any time using your Visa Debit card. BCV has the largest ATM network in Vaud Canton, through which you can also deposit funds and view your account balance and recent transactions.

## Paying for goods and services

The **Visa Debit** card gives you full control over your spending, since each payment is debited directly from your account. You can use it to make secure in-store and online purchases. It also allows you to withdraw cash from ATMs. Transaction amounts are debited directly from your account as long as you have sufficient funds.

With the **World Mastercard®/Visa** credit card, you can make hassle-free payments around the world (for unplanned purchases, vacations, etc.)



## Paying your bills

Service providers (such as utility, insurance, and phone companies) will bill you using QR bills. On 1 October 2022, QR bills will permanently replace red (BV) and orange (BVR) payment slips in Switzerland. Checks are not used in Switzerland.



QR bills provide the following information:

- a QR code containing all of the payment information
- a breakdown of the payment information, including the beneficiary's account number and address, a reference number, the amount to be paid, and the payment due date.

### There are four ways to pay bills:



- online using **BCV-net**, our online banking service
- with our **BCV Mobile** app, which offers a quick and easy way of scanning the QR codes
- by sending the QR bill to BCV along with a payment order (**BCV-Top**)
- by using **eBill**, an online payment system that enables you to receive certain bills directly in BCV-net, download them at any time, and pay them quickly and easily.

### In addition, you can make recurring payments:

- by obtaining a direct debit request form (LSV) from the biller, filling it out, and sending it to your bank
- by setting up a standing order in BCV-net, over the counter, or by mail.



[www.bcv.ch/en/twint](http://www.bcv.ch/en/twint)

### BCV TWINT, your digital wallet

Use your BCV TWINT digital wallet to make quick, secure payments at all TWINT-equipped points of sale in Switzerland. By linking BCV TWINT to your BCV account, you will no longer need a credit or debit card to make purchases, and you will qualify for special deals at a number of stores. Plus, the app makes it easy to transfer money between friends, family members and coworkers, from smartphone to smartphone.









# Finding somewhere to live

## Renting

If you decide to rent an apartment or house, you will have to sign a rental agreement. This contract (*bail à loyer*) will specify the rent, utility charges and the number of rooms in your home. It will also be signed by the landlord or rental agency. Make sure you have all the required documents (e.g., residence permit and recent pay slips) when you submit the rent application.

You will be asked to pay a rent guarantee, equivalent to three months' rent, to cover costs in the event of damage to the property or unpaid rent. This amount is deposited in a special blocked savings account at BCV (**Security Deposit account**) that you hold jointly with the rental agency, and only the interest earned can be withdrawn as long as the rental agreement is in effect. The funds are released when you vacate the property, in accordance with local law. At BCV, there is no annual fee for a Security Deposit account.

Alternatively, a number of companies offer rent guarantee insurance. The advantage is that you do not have to block a significant sum of money in a rent guarantee account.

## Buying

Buying a house is an important step that should be considered carefully. Your BCV advisor will help you every step of the way, including working out your budget and getting your downpayment together. In Switzerland, mortgage loans generally cover 80% of the total value of the property, so you need to provide the remaining 20% yourself in the form of a downpayment. At least 10% of the downpayment must be paid in cash, but you can use your Swiss occupational and private pension assets to finance the rest.

Your advisor can explain the tax advantages and disadvantages of owning your own home in Switzerland and, should you decide to buy, develop the best mortgage solution for you.

## House hunting

The website newhome.ch lists sale and rental properties all over Switzerland, making your search for the perfect home that much easier. Its listings come from BCV and 17 other cantonal banks.



# Planning your retirement

The Swiss pension system comprises three different types of coverage, referred to as pillars. The first pillar, which is compulsory, is standard social security, also known as AVS/AHV. The second pillar consists of occupational benefits provided in conjunction with your employer. Finally, you may choose to supplement the first two pillars with personal, third-pillar retirement assets.

The Swiss pension system is designed to allow you to maintain your standard of living when you retire or if you become unable to work.

First pillar	Second pillar	Third pillar
<ul style="list-style-type: none"> <li>• AVS (<i>Assurance-vieillesse et survivants</i>): old-age and survivors' insurance</li> <li>• AI (<i>Assurance-invalidité</i>): disability insurance</li> </ul> <p>AVS and AI together represent the government-funded social security system.</p> <p>Managed by cantonal and professional compensation funds.</p>	<p>LPP (<i>Loi sur la prévoyance professionnelle</i>): occupational pension</p> <p>Managed by the employer's pension fund.</p>	<p>Individual pension savings</p> <p>Blocked pension assets (3a):</p> <ul style="list-style-type: none"> <li>• Personal retirement savings account (Epargne 3)</li> <li>• Personal retirement portfolio account (Portfolio 3)</li> <li>• Linked life insurance policies</li> </ul> <p>Unrestricted pension assets (3b) such as investments and savings accounts.</p>
Compulsory for all individuals residing or working in Switzerland.	Compulsory for all employees subject to AVS and whose salary exceeds a defined minimum amount.	This coverage is optional. Payments into a blocked (3a) pension plan are tax-deductible.
<p>Covers basic needs relative to:</p> <ul style="list-style-type: none"> <li>• old age (retirement pension)</li> <li>• disability (disability pension)</li> <li>• death of partner or parent (survivors' pension or orphans' pension).</li> </ul>	<p>Supplements the first pillar and is designed to help maintain the individual's standard of living.</p>	<p>Allows individuals to:</p> <ul style="list-style-type: none"> <li>• fill in any gaps in compulsory coverage</li> <li>• protect themselves in the event of death or disability</li> <li>• reduce their tax burden each year</li> <li>• build up savings that can be used for the downpayment on a property or for self-employment purposes</li> <li>• indirectly repay a mortgage loan.</li> </ul>
Financing: contributions are based on employees' full salary.	Financed by both employees (deducted from salary) and employers. The employer must finance at least 50% of the company's occupational pension fund. The applicable contribution rate for employees is indicated in the company's pension fund regulations.	With 3a accounts, individuals can choose how much to pay in each year, up to the limit set forth under Swiss law. For 3b products, there is no legal limit on payments.
Benefits are calculated on the basis of a capped annual salary and depend on the number of years that contributions have been made. They are paid in the form of a pension.	Benefits vary depending on the pension fund. However, there is a legal minimum. Please refer to your pension fund insurance certificate and the pension fund regulations for more information.	The benefits received depend on the amount invested and the interest rate paid. For life insurance policies, the death and disability risk premium is deducted from the invested amount. When the policy expires or capital is withdrawn, a one-off tax is paid.

The legal retirement age in Switzerland is 64 for women and 65 for men.



### Filling any gaps in coverage

The benefits provided under the first and second pillars are not always sufficient to cover your needs. But you can count on your advisor to help you find the pension solution best suited to you and your family.

### Your AVS number

When you start working, you will receive an AVS card (or certificate) from your employer. This card shows your AVS number, which allows the authorities to process your contributions accurately and calculate the pension benefits to which you are entitled.



# Saving and investing

## Building up your savings

If you want to put some money aside for a big purchase or simply for a rainy day, the **BCV Savings account** and the **BCV e-Savings account** are ideally suited for this purpose.

## Managing your wealth

Switzerland has a time-honored tradition of managing private wealth and enjoys a worldwide reputation for excellence in private banking. The professionalism and discretion of Swiss wealth managers are underpinned by the country's political and social stability. In addition to these advantages, those who entrust their assets to Swiss wealth managers benefit from the country's strongly international culture and economy, as well as the Swiss banking sector's modern, highly evolved regulatory and legal framework.

The private banking market offers a wide range of investment vehicles for every type of client. No matter how much you wish to invest, your wealth manager will help you find the solution that is best suited to your personal requirements, bringing to bear a solid understanding of your risk tolerance, investment objectives, and financial capacity, as well as your financial knowledge and experience.

### Your involvement in the investment process as a BCV client

There are three possible ways to manage your investments:

- **Do-it-yourself investing:** You manage your portfolio on your own based on the financial information that we make available to you.
- **Advisory management:** You are in the driver's seat, making all investment decisions yourself while drawing on personalized advice and recommendations from your advisor.
- **Discretionary management:** You leave the management of your portfolio to our specialists, who aim to deliver the best possible performance. And if you are a Private Banking client, you will be able to call on a single advisor for all your questions.

### Solutions tailored to your needs

BCV ranks among the leaders in Switzerland's wealth management industry. As a universal bank with a strong local presence, we provide global solutions that we design on the basis of our own investment policy while adopting an open architecture approach (i.e., seeking the best products available on the market). We offer a full range of products and services, including investment funds and discretionary management tools (management mandates and proactive counseling by dedicated experts) as well as structured products.



BCV-net, our online banking platform, enables you to manage your portfolio online. You can download financial market data and portfolio information, place stock market orders, etc.

Your advisor will help you identify your goals, your risk tolerance, and the type of investment management best suited to your needs. The aim is for you and your advisor to develop a close relationship that is based on trust.



# Taxes in Switzerland and in Vaud Canton

## The Swiss tax system

As Switzerland has a federal system of government, taxes are levied at three different levels: federal, cantonal and local.

Certain aspects of taxation are the same in all 26 cantons. But some differences among the cantons remain, in areas such as wealth tax, estate tax, gifts, and real estate gains. This means that if you have come to Vaud from another Swiss canton, the system might not be exactly the same.

You will be subject to Swiss taxation on all your income and personal assets from the day you take up residence here until the day you leave the country permanently.

Switzerland has bilateral tax agreements with more than 90 countries (including all OECD countries) in order to avoid double taxation. (You might however still have to file a tax return in your country of origin, even if you pay taxes here.)

If you have an L or B permit and you earn more than CHF 120,000 a year, you own real estate in Switzerland, or your net assets reach a certain threshold, you will have to file a tax return. Your taxes will continue to be withheld, but the amount withheld will then be offset against the actual amount due.

## Two types of taxation

Depending on your situation, your Swiss taxes will either be withheld from your salary or you will pay them on the basis of a tax return.

### Withholding

In Vaud Canton, if you have an L or B permit, your employer will deduct federal, cantonal, and local taxes directly from your salary each month in accordance with a special scale covering all three categories.

In this case, you are generally not required to file a tax return. However, you can file a simplified tax return until March 31 of the following year to request a refund in view of additional deductions provided for by law, such as private pension contributions or occupational pension fund purchases.



## Tax return

Your taxes will not be withheld – meaning that you will have to file a tax return – if you are or become:

- a C permit holder
- a Swiss national
- married to a Swiss national or a C permit holder
- a cross-border worker (e.g., living in France and working in Switzerland)
- self-employed.

In the tax return, you have to declare all your income and personal assets. Income includes money earned inside or outside Switzerland such as salary, pension, interest and dividend payments and any rental income. However, one of the main tax advantages in Switzerland is that capital gains on privately held securities are not subject to tax. Income tax rates are progressive and can reach 41.5% (federal, cantonal, and local taxes included).

Swiss wealth tax is levied at the cantonal and local levels on your personal assets. This includes the net value of any financial investments – including bank accounts and securities held outside Switzerland – and property you own. You will have to declare any property you own outside Switzerland as well, as this is taken into account to determine your tax rate. Wealth tax is calculated on the assets you hold on 31 December of each year or on the date that you leave Switzerland permanently. Wealth tax rates are progressive and can reach up to 0.8%.

In Vaud Canton, each town sets its own rate relative to the Canton's base rate. Local tax rates thus vary from town to town.

The tax rate applied takes into account your family situation, including marital status and number of children. Additional deductions are allowed for children and other persons in your care.

The return is based on information – such as marital status, number of children under 18, any older children still in school, and place of residence – valid as of 31 December of the year in question.

# Health insurance

Everyone living in Switzerland is required to buy health insurance (*assurance maladie*). New arrivals must sign up for a health insurance plan within three months of moving here. You are free to choose your insurer.

There are two types of insurance: basic compulsory coverage and optional additional coverage.

## Accident insurance

This type of insurance covers you in the event of an accident in or out of the workplace. If you work more than eight hours a week, you are included in your employer's policy. Otherwise, you must take out private accident insurance.

## Basic compulsory insurance (LAMal)

This insurance ensures access to good quality care and a broad range of services. It covers costs in the event of:

- illness (doctors' fees and prescriptions)
- pregnancy
- an accident (unless you have accident insurance through your employer)
- certain specific treatments (such as vaccines, spa cures and homecare services).

Hospital costs are only covered in the canton in which you live. Dental fees are currently only covered in the event of serious illness. Medical costs incurred outside Switzerland are covered only in the event of an emergency.

## Optional additional coverage

You can take out additional coverage (*assurance complémentaire*) if you have any particular personal needs (e.g., a private or semi-private room in the hospital) and/or if you wish to be covered for other supplementary services (e.g., hospitalization throughout Switzerland and services provided by dentists, opticians, osteopaths and naturopaths).

The price of these extras depends on your insurer and the services you wish to have covered. Coverage is granted on the basis of a medical questionnaire.

## The cost of medical insurance

You will have to pay the following:

- **a premium:** the amount will depend on your insurer, your place of residence and, for additional coverage, your age.
- **an annual deductible and co-payments:** the deductible is the initial amount of medical expenses up to which the insurer does not reimburse you; i.e., the amount that you have to pay yourself. After the annual deductible has been used up, you only have to cover the co-payment, which is a fixed percentage defined by law (10%). The co-payment is limited to CHF 700 for adults and CHF 350 for children.

The insurer reimburses costs and fees that exceed the amount of the deductible and co-payments. You can reduce your monthly premium by accepting a higher deductible.

## How to pay less for medical insurance

Insurers offer several alternative plans to reduce the amount of your premium.

This plan can save you up to 25% on your premium.

### **Health maintenance organizations (HMOs) – mainly in urban areas:**

You can choose to be treated only by HMOs. This means that for a lower premium you relinquish your right to freely choose your doctor or hospital, except in emergencies.

You can save between 5% and 20% on your premium with a GP plan.

### **General practitioners (GPs):**

Under a GP plan, you agree to consult your GP first in the event of illness, except in emergencies. Your insurer will either offer you a list of GPs to choose from or leave the choice up to you. The doctor chosen is in charge of your medical file and will refer you to a specialist whenever necessary.

This plan lets you save up to 15% on your premium.

### **Telmed:**

With this plan, you must phone a medical advice center before going to the doctor. The professionals at the center will give you advice on how to deal with the problem or instruct you to go to a doctor, hospital, or therapist for treatment.





# Insuring your belongings

There are a number of other compulsory insurance policies in Switzerland:

- If you own a car, you must have comprehensive liability insurance.
- If you own a motorcycle, you must have the appropriate insurance.
- If you own a building, it must be insured.
- Whether you own or rent your home, you must have fire insurance (issued by ECA, the cantonal insurance office), personal liability insurance, and household insurance.



# Getting around Vaud Canton

## Driver's license

The driving age in Switzerland is 18. You can use a foreign license for up to 12 months, during which time you must apply for a Swiss license. To do this, you need the following documents:

- a permit application form, which is available from your local motor vehicle department (*Service des Automobiles et de la Navigation – SAN*). You need to complete and sign the form and have it stamped and countersigned by the local registration office (*Contrôle des habitants*)
- an identity document (either your identity card, passport or residence permit)
- a recent color passport photo with your full name written on the back
- your original driver's license (an official translation may be required)
- an eye test certificate signed by the optician or ophthalmologist.

## Vehicle registration

When you buy a new or used car, it does not have license plates. You obtain these from your local motor vehicle department, where they will be registered in your name. If your car is registered and insured in another country, you may drive it for a short period, but you must get Swiss plates.

## Traffic regulations

Speed limits:

Principal highways: 120 km/h

Secondary highways: 100 km/h

Major roadways: 80 km/h

Built-up areas: 50 km/h

Residential areas: 30 km/h

Pedestrian priority zones: 20 km/h

In Switzerland, highway signs are green and major roadway signs are blue.

## Highway tax

In order to drive on highways in Switzerland, you need to display a tax sticker (*vignette autoroutière*) on your car. It costs CHF 40 and is available at border crossings, post offices and service stations. It is valid for 14 months, from 1 December to 31 January.



## Drinking and driving

The blood-alcohol limit in Switzerland is 0.05%.

## Parking

Yellow areas: no parking allowed

White areas (except those with parking meters): free parking

Metered areas: paid parking, using coins or your bank card

Blue areas: free parking for a limited time, parking disk required

## Other useful information

You must have a car seat for children under 1.5m tall.

It is forbidden to use a mobile phone when driving unless you have a hands-free set.

## Public transport

Switzerland has a dense rail network with trains that are known for being reliable and punctual. As a result, the Swiss are among the most frequent train users in the world. A variety of rail cards and discount fares are available.

Lausanne has a bus and trolleybus network and a metro with two lines.

The CGN (*Compagnie Générale de Navigation*) runs regular boat services on Lake Geneva between Lausanne and a number of other towns.

## Car sharing

If you only need a car for occasional use, there are several car-sharing companies that have vehicles available in most towns across the country. You can sign up for this service and reserve a car over the internet.



**Important legal information**

Waiver of liability. While we make every reasonable effort to use reliable information, we make no representation or warranty of any kind that all information contained in this document is accurate or complete. We disclaim all liability or responsibility for any loss, damage or injury that may result directly or indirectly from this information. The information and opinions presented herein may be changed at any time, and we shall have no obligation to inform you of such changes. No offer or recommendation. The sole purpose of this document is to provide information. It does not constitute an offer or a personalized investment recommendation to buy or sell specific products. Interest rates and other amounts indicated are meant to be examples and may not reflect current market conditions. The conditions governing the services described are subject to contractual terms that are available upon request and that may be changed at any time. Please contact a BCV advisor if you would like a personalized offer. Distribution restrictions. Distribution of this document is only authorized in Switzerland, and the sale of the products described is subject to restrictions. Telephone calls. Telephone calls to BCV (particularly to the numbers listed in this document) may be recorded. By using this means of communication, you accept this procedure. Referenced sites. BCV disclaims all liability relative to the content of other websites mentioned in this document. Trademarks and copyright. The BCV logo and trademark are protected. This document is subject to copyright and may not be reproduced unless the reproduction mentions its author, copyright and all the legal information it contains. Prior written authorization from BCV is required to use this document for public or commercial purposes.



## Need more information?

Don't hesitate to call our advisors.

## Are you ready to start banking with BCV?



[www.bcv.ch/en/bankwithBCV](http://www.bcv.ch/en/bankwithBCV)



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