



1. INTRODUCTION This article seeks to analyse the ruling of the Swiss Federal Supreme Court (“FSC”) in the case of [Lux Bank] Sarl v. Swiss Federal Tax Administration² (“the Ruling”). The key issue dealt with in this Ruling concerned the beneficial ownership of certain dividend payments made in the tax year 2009 by certain Swiss companies to a taxpayer resident of Luxembourg. The tax treaty involved in this decision is the Switzerland–Luxembourg Income and Capital Tax Treaty entered into in 1993 (“the Swiss–Lux Tax Treaty”) and the relevant article of the Swiss–Lux Tax Treaty interpreted in this decision is Article 10(2). Article 10(2) reserves the right to tax for the State of the source of dividends, i.e., the State in which the company paying the dividends is a resident². The rate of tax tha.....