

# Switzerland

This guide covers only the taxation of digital services. If you sell goods, this guide does not apply.

## VAT Standard rate

The standard VAT rate in Switzerland in 2023 is 8,1%.

## VAT Reduced rate

2.6% – electronic newspapers, magazines, and books without advertising characters.

## Threshold

Currently, a foreign established business operating in Switzerland is liable for VAT registration in Switzerland when its turnover resulting from transactions located in Switzerland exceeds CHF 100'000 per year.

From 1st January 2018, the threshold will be CHF100,000 of worldwide turnover from sales of e-services, with at least CHF1 of sales to customers located in Switzerland.

## E-services list

The services liable to Swiss VAT include:

### *E-services:*

- Electronic provision of databases, music, films, and games including gambling and lotteries;

- Electronic provision of software and its updates;

- Electronic provision of images, text, and information (e.g. stock quotes, weather forecasts, schedules of public transport);

- Provision of databases;

- Downloads of music, movies, and podcasts;

- Downloads of programs, games (incl. gambling and lotteries), and other applications;

- Downloads of graphics, text, information, etc.;

- Provision of websites and web-hosting, provision of storage space on the Internet (hosting of internet sites or servers, etc.);

- Remote maintenance of programs and equipment.

## **Broadcasting and telecom services**

Radio and television broadcasting services (technical services that enable the transmission, emission, or reception of signals, text, images, and sound).

Procurement of access rights to fixed and mobile networks and satellite communications, as well as other information networks.

Provision and assurance of data transmission capacities.

Transfer of:

- Speech (telephone, teleconference, mobile phone services);

- Text (telefax, telegraphy, telex, and e-mail services);

- Images;

- Sound;

- Other similar transfers;

- The mere transmission services that are provided to operators of radio and television programs;

- Transmission services on behalf of other suppliers (e.g. roaming services) as well as a guarantee of the transmission capacities for data on leased lines or via satellite;

- Access to the Internet or other information networks;

- Fees for the procurement of access to networks such as subscription fees or interconnection services;

- One-time services for the connection of telecommunications equipment as an ancillary service to procuring the right of access to a network;

- The procurement of access to cable or satellite television such as subscriptions to cable operators;

- Internet access (analog modem, ISDN, ADSL, WiFi, WLAN);

- Telephony over the Internet;

- Teleconferencing via the Internet;

- Internet TV.

## **Registration procedure**

Any business or person that meets the requirements for paying VAT must register voluntarily with the Federal Tax Administration (FTA) within 30 days of the date on which tax liability begins.

The designation of a fiscal representative is mandatory for a foreign company.

Moreover, the tax authorities may require a bank guarantee.

## **VAT returns filing date**

VAT returns are submitted quarterly.

The Swiss VAT return filing is due at the end of each quarter + 2 months.

Q1 VAT filing: May 31;  
Q2 VAT (or 1st half year) filing: August 31;  
Q3 VAT filing: November 30;  
Q4 VAT (or 2nd half year) filing: February 28.

## **VAT payment date**

The same date as for filling (see above).

## **Penalties**

Interest at a rate of 4.5% a year may be assessed for late payment of VAT.

Penalties may be also assessed for the late submission of a VAT return.



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