

# Switzerland

## VAT Standard rate

VAT standard rate in Switzerland in 2023 is 7,7%. It applies to supplies of goods and import.

Since 1 January 2024, the VAT rate in Switzerland will be increased to 8,1%.

## VAT Reduced rate

There is also a reduced rate of 2,5% in Switzerland, which usually applies to grocery, grain, seed, as well as animal and fish farming products.

## VAT registration threshold

VAT threshold in Switzerland is CHF 100,000 (approx. EUR 104,000). Once the business has exceeded the annual turnover of CHF 100,000 it must register for VAT purposes in Switzerland. If the business is a non-resident, it must be registered if its annual worldwide turnover exceeds CHF 100,000. Tax representative is mandatory for businesses who want to carry their tax activity in Switzerland and obligated to register for VAT.

## Deductible VAT

Businesses can reclaim input tax by deducting it from output tax. Expenses that are not relevant to the business cannot be claimed for deduction. Input tax related to exempt supplies is not recoverable.

## **Registration procedure**

Businesses need to file and submit an application form electronically 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 and payment date**

Business must submit returns and pay VAT in Switzerland on quarterly basis. The deadline for filing and payment is the last day of the second month following the reporting period.

## **Penalties in Switzerland**

For late filing and payment of VAT in Switzerland, a penalty of 4,5% per year may be charged.

Penalty for errors – up to CHF 20,000 (approx. EUR 21,000).

Penalty for fraud – up to CHF 800,000 (approx. EUR 830,000).

