



# VAT

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# General and definition



# Definition

- The Value Added Tax, or VAT is a general broadly based consumption tax assessed on the value added to goods and services.
- Legal bases
  - Art 130 et 196 n. 14' of the Constitution
  - VAT Law (LTVA)
  - Ordinance on VAT

# Who is liable to VAT?

Who carries on an entrepreneurial activity:

- Independently performs a professional or commercial activity,
- acts externally under its own name and
- Has the aim of sustainably earning income from supplies of goods and services

# Who is liable ?

If turnover exceeds the following:

- For all companies or businesses with a turnovers < 100'000 CHF
- For non-profit, voluntarily-run sporting or cultural associations: < 150'000CHF (from 1st of January 2023: < 250'000 CHF)

# Systeme de perceptions



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

FTA = Federal tax administration



Turnover tax in Switzerland

Import tax



Acquisition tax





# Import of goods and services

## For individuals

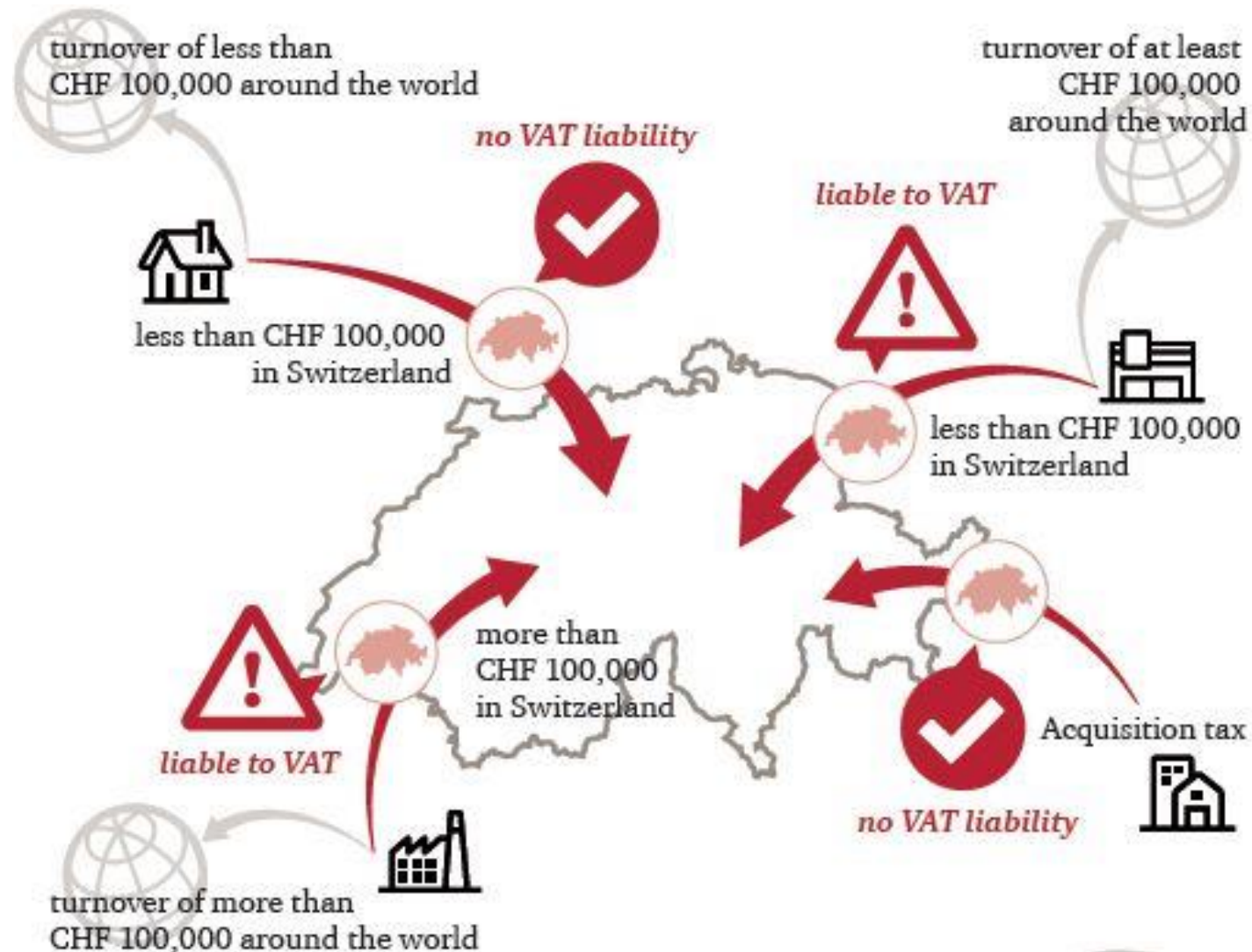
- Going through customs
- Distance Purchase

## For businesses

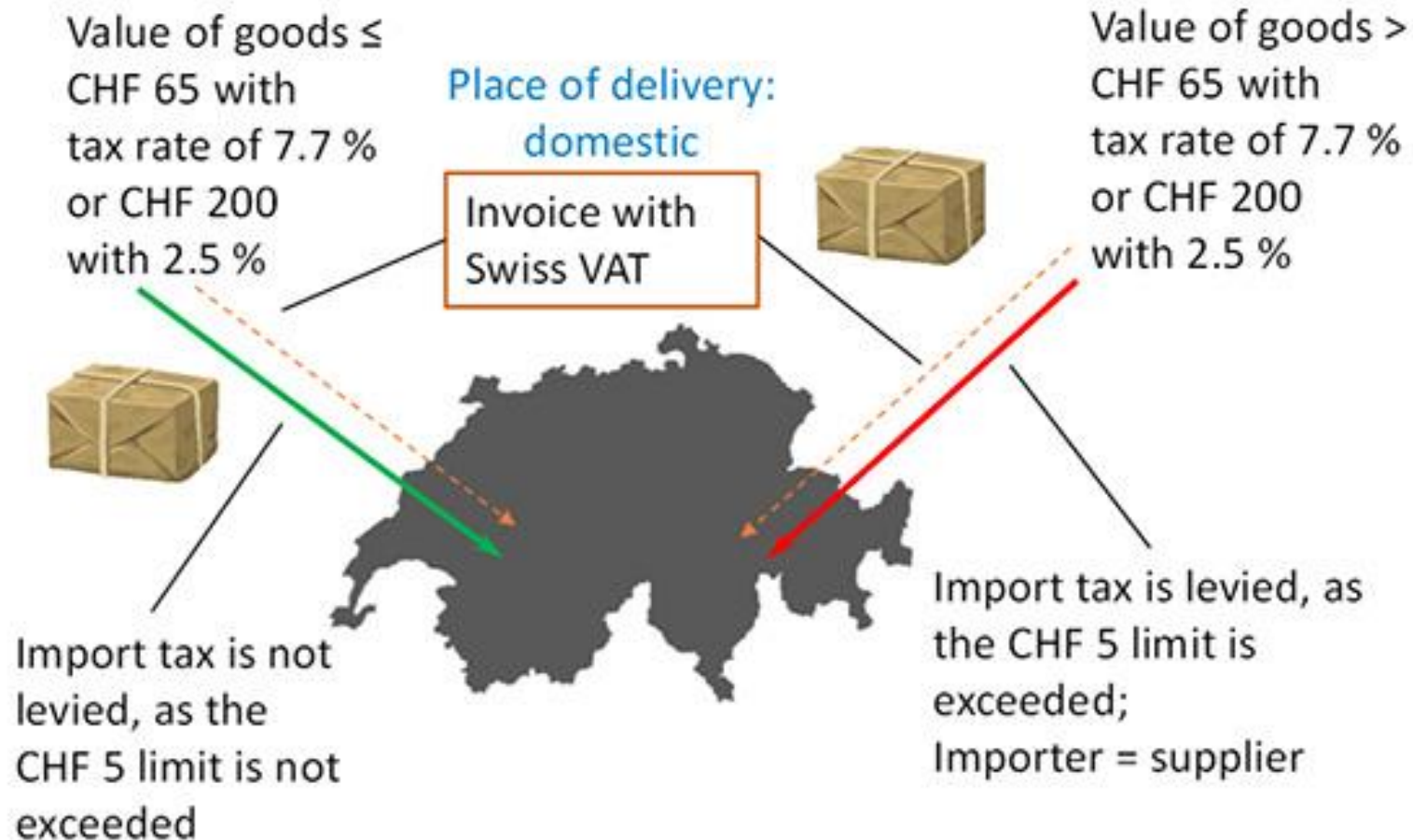
- Customs declaration by the carrier or by the company itself



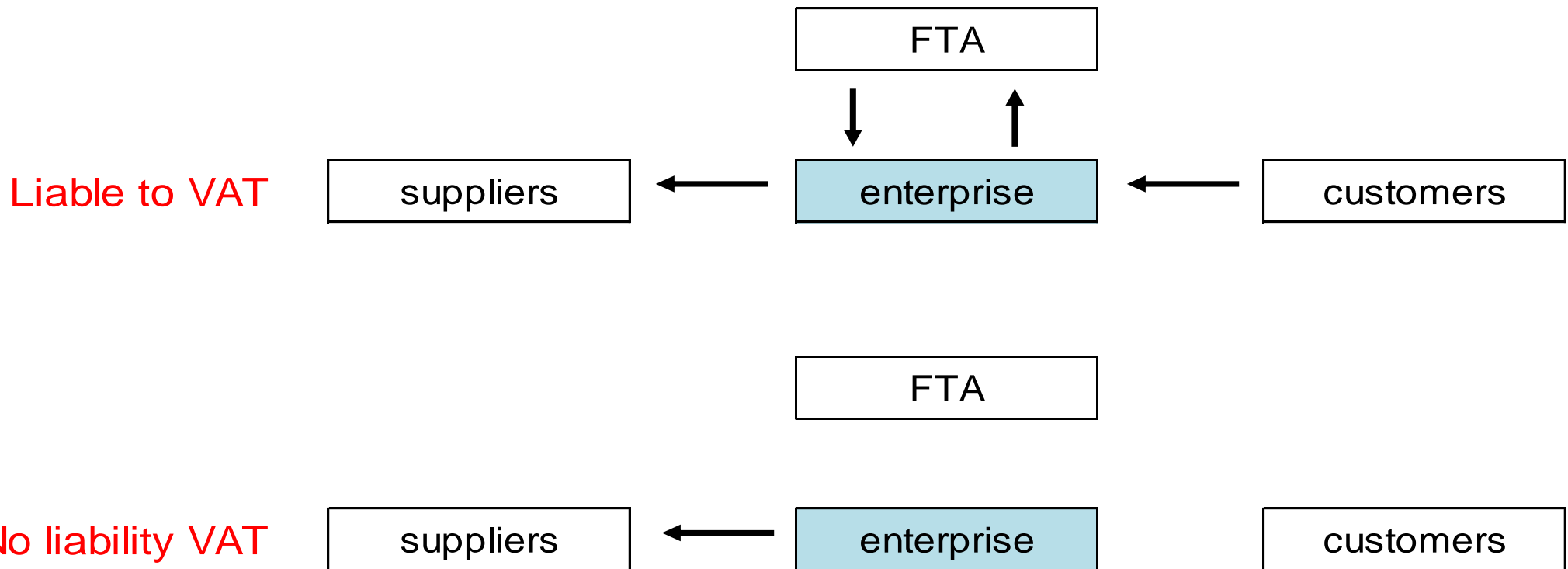
# VAT liability – foreign companies



# VAT invoicing

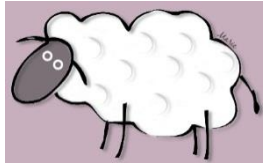


# Consequences



# How it works





Industrie A



Industrie B



Trader C



Consumer

# Industrie A

Selling Price	300.00
+VAT 7.7%	23.10
<b>Total price</b>	<b>323.10</b>

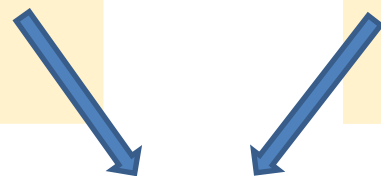
Purchases	
100.00	

Sales	
	300.00

Cash	
323.10	100.00
	7.70
	15.40

VAT refund	
7.70	

VAT due	
	23.10



15.40



Amount to be paid to FTA	
Custom (import)	7.70
Industrie A	15.40
<b>Total</b>	<b>23.10</b>

# Industrie B

## Invoice from Industrie A

Purchase price	300.00
+VAT 7.7%	23.10
<b>Total price</b>	<b>323.10</b>

## Invoice sent to Trader C

Selling price	700.00
+VAT 7.7%	53.90
<b>Total price</b>	<b>753.90</b>

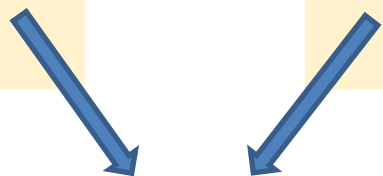
Purchases	
300.00	

Sales	
	700.00

Cash	
753.90	323.10
	30.80

VAT refund	
23.10	

VAT due	
	53.90



30.80

## Amount to be paid to FTA

Custom (import)	
Industrie A	7.70
Industrie B	15.40
Industrie B	30.80
<b>Total</b>	<b>53.90</b>



# Trader C

## Invoice from Industrie B

Purchase price	700.00
+VAT 7.7%	53.90
<b>Total price</b>	<b>753.90</b>

## Invoice sent to end consumer

Selling price	1000.00
+VAT 7.7%	77.00
<b>Total price</b>	<b>1077.00</b>

Purchases	
700.00	

Sales	
	1000.00

Cash	
1077.00	753.90
	23.10

VAT refund	
53.90	

VAT due	
	77.00

## Amount to be paid to FTA

Custom (import)	
Industrie A	7.70
Industrie B	15.40
Trader C	23.10
<b>Total</b>	<b>77.00</b>

23.10

# Taxable transactions

- Proceeds of sales
- Services
- Imports of goods
- Acquisition of services from abroad
- Self sales & services
- And !



# Tax refund

- Tax refund on:
  - Purchases of goods
  - Investments
  - Operating costs/expenses

# Transactions

- Exempt  $\Rightarrow$  tax refund right
- Excluded  $\Rightarrow$  no tax refund

# Administrative part and rates



# VAT rates

Since 1.1.2018

- 7.7%
- 2,5%
- 3,7%



# Special rates for hospitality

- 3,7% overnight stays with breakfast in the hotel and accomodation business
- 70/30 for Half Board
- 65/35 for Full Board
- 55/45 for seminar



# Reporting VAT

- Must be submitted within 60days of the end of the corresponding reporting period (each quarter)

**4%  
interest if  
late**





Période de décompte:  
 A remettre et à payer jusqu'au:  
 Valeur (intérêts moratoires à partir du):  
 N° TVA:  
 N° de réf.:

**Electronic settlement from  
 01.01.2020 "mandatory"**

**1/3 electronic  
 2/3 paper (60% of the  
 reporting is not correct)**

**I. CHIFFRE D'AFFAIRES** (les articles cités se réfèrent à la loi sur la TVA du 12.06.2009)

Total des contre-prestations convenues ou reçues, y c. de prestations imposées par option, de transferts par procédure de déclaration, de prestations à l'étranger (ch. d'affaires mondial)

Contre-prestations déclarées sous ch. 200 qui proviennent de prestations exclues du champ de l'impôt (art. 21) pour lesquelles il a été opté en vertu de l'art. 22

**Déductions:**  
 Prestations exonérées (p. ex. exportations, art. 23), prestations exonérées fournies à des institutions et à des personnes bénéficiaires (art. 107, al. 1, let. a)  
 Prestations fournies à l'étranger (lieu de la prestation à l'étranger)

Transferts avec la procédure de déclaration (art. 38, veuillez, s.v.p., joindre le formulaire n° 764)

Prestations exclues du champ de l'impôt (art. 21) fournies sur le territoire suisse pour lesquelles il n'a pas été opté selon l'art. 22

Diminutions de la contre-prestation telles que rabais, escomptes, etc.

Divers (p. ex. valeur du terrain, prix d'achat en cas d'imposition de la marge)

**Total du chiffre d'affaires imposable** (ch. 200 moins ch. 289)

Chiffre	Chiffre d'affaires CHF	Chiffre d'affaires CHF
200		
205		
220		
221 +		
225 +		
230 +		
235 +		
280 +		289
289		

**II. CALCUL DE L'IMPÔT**

Taux	Prestations CHF dès le 01.01.2018	Impôt CHF / ct. dès le 01.01.2018	Prestations CHF jusqu'au 31.12.2017	Impôt CHF / ct. jusqu'au 31.12.2017
Normal	302	7,7%	301	8,0%
Réduit	312	9,5%	311	2,5%
Spécial pour l'hébergement	342	8,7%	341	3,8%
Impôt sur les acquisitions	382		381	
<b>Total de l'impôt dû</b> (ch. 301 à 382)				399
Impôt préalable grevant les coûts en matériel et en prestations de services	400			
Impôt préalable grevant les investissements et autres charges d'exploitation	405 +			
Dégrèvement ultérieur de l'impôt préalable (art. 32, veuillez, s.v.p., joindre un relevé détaillé)	410 +			
Corrections de l'impôt préalable: double affectation (art. 30), prestations à soi-même (art. 31)	415 -			
Réductions de la déduction de l'impôt préalable: prestations n'étant pas considérées comme des contre-prestations, telles subventions, taxes touristiques (art. 33, al. 2)	420 -			479
<b>Montant à payer</b>	500			
<b>Solde en faveur de l'assujéti</b>	510 =			

**III. AUTRES MOUVEMENTS DE FONDS** (art. 18, al. 2)

Subventions, taxes touristiques perçues par les offices du tourisme, contributions aux établissements d'élimination des déchets et d'approvisionnement en eau (let. a à c)

Les dons, les dividendes, les dédommagements, etc. (let. d à l)

900	
910	

Le/la soussigné(e) confirme l'exactitude de ses déclarations:  
 Date: Signature valable

Personne de contact: nom, no tél.





# Calculation of the selling price

VAT paid to suppliers or customs:

- If liable to VAT  $\Rightarrow$  NO
- If no VAT liability  $\Rightarrow$  YES

Addition of VAT on the selling price :

- If liable to VAT  $\Rightarrow$  YES
- If no VAT liability  $\Rightarrow$  NO



# Accounting



# Basic VAT accounts

- VAT due
  - contains the VAT due to the FTA on sales
  - VAT to be recovered on purchases
- VAT refund on investments and other operating expenses
  - includes VAT on fixed assets and expenses
- VAT to be paid or current account VAT
  - for the VAT statement

# Basic VAT accounts

Tax refund on purchases


Tax refund on investments &  
other expenses

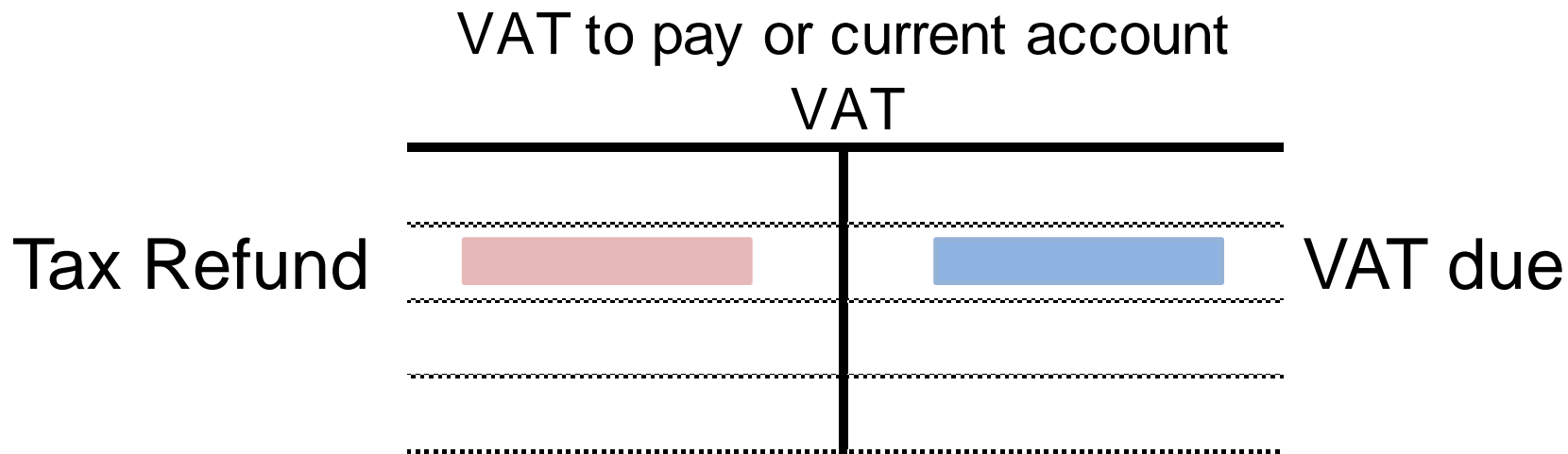

VAT due


**Asset account  
debtor - receivable**

**Liability  
Creditor – Debt - payable**

# VAT accounts

- When preparing the VAT statement
- 



Balance should be  
determine to be paid  
within 60 days  
Tax debt or claim

# Few final comments





# VAT on own consumption

- Only for sole proprietorship in VAT due
- Own consumption
  - Personal use of goods
  - Subsequent change of assignment on a fixed asset
  - Personal use of vehicle and overhead costs

# Tax refund

- Expenses exclusively related to turnover
- Private expenses not allowed
- Acquisition of second-hand commercial property too

# VAT

- VAT on customer deposits
- Sales to employees in VAT due
- Sale by cards (credit/debit)  
=> VAT on sales but no tax refund on credit card commissions (considered as discount or interest)

# VAT

- Several activities all submitted under the same VAT number
- Purchase / sale commercial vehicle no compensation allowed
- Gift voucher no VAT (money)
- Gifts of more than 500.- subject to VAT and if for staff subject to AHV, unless promotional gifts (no limit)

# VAT and travel agency

- Travel to Switzerland: Swiss VAT
- Travel abroad: exempt from Swiss VAT
  
- Application fees and card fees (payment) :  
100% Swiss VAT or proportional according to  
services in Switzerland or abroad