



Swiss VAT.

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VAT liability for turnover greater than CHF 100,000 all year round/worldwide

With effect from 1 January 2018, anyone generating, in any given year, more than CHF 100,000 in turnover from benefits (supplies and services), both in Switzerland and abroad, that are not exempt from VAT in accordance with Art. 21 para. 2 of the VAT Act is liable to taxation. The worldwide turnover of entities rendering taxable benefits in Switzerland that have their registered offices abroad are consequently now used as the basis for the calculation of their tax liability. Foreign entities (such as event organisations) can become liable to taxation on their worldwide turnover in excess of CHF 100,000 as of the first franc in turnover generated in Switzerland, irrespective of the amount of their turnover actually generated in Switzerland, provided their worldwide turnover already exceeds the CHF 100,000 threshold.

By introducing this change and including domestic and foreign turnover when clarifying the compulsory tax liability, the legislator has eliminated the competitive disadvantage that existed for domestic companies when compared with foreign companies prior to 2018.

Taxation of attendance fees:

In principle, attendance fees are subject to VAT, unless the event is of a scientific or educational nature and is exempt from tax => for further advice, a precise assessment and discussion of the facts is required in advance.

Taxation of exhibitors:

Provided that it is a foreign exhibitor with a worldwide turnover greater than CHF 100,000 and generates taxable sales in Switzerland, the tax liability is generally given => for further advice, a precise assessment of the facts and, if necessary, a discussion of the facts is required in advance.

Taxation of sponsors:

Sponsoring benefits are taxable benefits since the recipient provides the sponsor with advertising in return. The place of such a benefit is determined in accordance with the principle of the place of receipt. If a foreign exhibitor receives sponsoring money from a domestic sponsor and proceeds to advertise on behalf of the sponsor, this is classified as a taxable consideration. If the exhibitor is not subject to VAT in Switzerland, the domestic sponsor must declare the procurement of these benefits (reverse charge). Domestic partners are generally always subject to a taxable exchange of benefits.



VAT reimbursement:

Provided that the foreign person does not become liable to VAT per se, he or she may, in principle – subject to further conditions – submit the input tax refund application to the Federal Tax Administration.

Medical congresses: Are the conference fees exempt from VAT?

Attendance fees are generally taxable. If the medical congresses are so-called “other events of a scientific or educational nature”, according to Art. 21 para. 2 item. 11 (b) of the VAT Act, these are exempt from tax. Educational events have the aim of passing on knowledge to participants. The aim of scientific events is to acquire and evaluate knowledge about a specific field with an audience of experts. In the absence of an educational or scientific purpose, both the attendance fees and the speakers’ fees are taxable. If the congress qualifies as an educational event, the tax-exempt attendance fees could be voluntarily subject to taxation.

Tax rate as per 1 January 2024

Switzerland has three VAT rates:

Standard rate	Reduced rate	Special rate
8.1%	2.6%	3.8%
General tax rate applicable to Supplies and services (e.g. consultancy, trade fair admission, sale of goods)	Food, newspapers, magazines and books Take-away food and non-alcoholic beverages Admission to sports and cultural events, if VAT is paid voluntarily	Hotel stays in Switzerland including breakfast

The decisive factor for the applicable tax rate is neither the date of invoicing nor the date of payment, but the date of provision of the benefit. For periodic benefits, the entire period of benefit provision is relevant.

If benefits are provided that are subject to both the previous and the new tax rates due to the period in which they were provided, a breakdown (date/period in which the benefit was provided as well as amount share) must be made on the invoice. If this is not the case, the entire invoiced benefits are to be settled using the new tax rates. In this context, it is worth consulting an experienced consultant in Switzerland for support.

Customs regulations

It is possible to import and export items such as machines from abroad for the purpose of temporary use free of tax – application of the corresponding customs procedure is required. => For further consulting, a precise assessment of the facts and, if necessary, a discussion of the facts is required in advance.

Weblinks:

[What is value added tax](#)

[VAT declaration](#)

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