



# Swiss VAT.

MySwitzerland.com/meetings

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## **Changes with effect from 1 January 2018:**

### **VAT liability on turnover in excess of CHF 100,000 per year/worldwide**

With effect from 1 January 2018, anyone generating in any given year more than CHF 100,000 in turnover from services (supplies and services) both in Switzerland and abroad that are not exempt from VAT in accordance with Art. 21 (2) of the VAT Act is liable to taxation. The worldwide turnover of entities rendering taxable supplies 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 and congress organisers) 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 if their worldwide turnover already exceeds the CHF 100,000 threshold.

It is to be assumed that a large number of foreign event organisations with worldwide turnover in excess of CHF 100,000 will consequently be subject to taxation and be obliged to register for VAT in Switzerland.

### **Taxation of attendance fees:**

Generally speaking, attendance fees are subject to VAT if the events in question are not of an academic or educational nature and thus exempt from taxation.

### **Taxation of exhibitors:**

A foreign exhibitor generating revenues worldwide in excess of CHF 100,000 that now carries out taxable transactions in Switzerland would be liable to taxation with effect from 1 January 2018.

### **Taxation of sponsors:**

Sponsoring services are taxable services because the recipient provides the sponsor with advertising in return. The place of this service is determined according to the place of supply rule. 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 supplies (reverse charge). If the foreign exhibitor generates worldwide turnover in excess of CHF 100,000, it will be subject to Swiss VAT on the supply of sponsoring services. Domestic partners are generally always subject to a taxable service exchange.

### **VAT reimbursement: are there any changes in the reimbursement process?**

Nothing changes if the foreign national is not liable to VAT per se.

**Medical congresses: are the congress fees exempt from VAT? Or are there any changes with effect from 1 January 2018?**

Attendance fees are generally taxable. Medical congresses that are “other events of a scientific or educational nature” are tax-exempt in accordance with Art. 21 (2) (11) (b) of the VAT Act. Educational events have the objective of passing on knowledge to attendees. 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 speakers' fees are taxable. If the congress qualifies as an educational event, the tax-exempt attendance fees could be voluntarily subject to taxation. This makes little sense as attendees generally cannot reclaim this additional VAT.

**Weblinks:**

What is Value Added Tax (VAT)?

<https://www.estv.admin.ch/estv/en/home/mehrwertsteuer/fachinformationen/was-ist-die-mehrwertsteuer.html>

VAT declaration:

<https://www.estv.admin.ch/estv/de/home/mehrwertsteuer/dienstleistungen/mwst-abrechnung-online.html>

(The English page is under construction, information only available in German, French and Italian at the moment.)

VAT refund:

<https://www.estv.admin.ch/estv/en/home/mehrwertsteuer/fachinformationen/vat-refund---tax-free/vat-refund.html>