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Switzerland: Draft bill for electronic platforms and increase of VAT rate published

The Swiss Federal Tax Administration is currently preparing an amendment to the Swiss VAT Act as of 1 January 2025 regarding the VAT treatment of the supply of goods via online platforms. In addition, and in order to finance the local pension system, the standard VAT rate shall increase further.

According to the preliminary draft, platforms (electronic interfaces that enable direct online contact between several people to deliver goods or provide a service) will in future be liable for VAT on their sales under certain additional conditions. As a result, Swiss law should catch up with EU law, which already has such regulations in place since 2021. Implementation is currently planned for 1 January 2025. It should be noted that this draft is still subject to numerous changes.

The standard VAT rate was first raised from 7.7% to 8.1% on 1 January 2024. Following a successful national referendum, the Federal Council is planning a further increase from 8.1% to 8.5% to finance the payment of a 13th monthly pension. A draft bill is not yet available but expected in the fall of 2024.

Keywords

Switzerland, trading platforms