

COVID-19: Financial support package

Focus on Swiss VAT relief measures

Various tax measures are included in the Swiss government's package to cushion the financial impact of the COVID-19 crisis. These include:

- Extensions to payment periods for VAT, customs duties, special excise taxes and incentive taxes
- Waiver of interest on arrears (interest rate of 0 percent in the period 20 March 2020 to 31 December 2020)

Points to consider

To benefit from the relief measures it is important to keep certain points in mind:

- Ensure you submit your VAT returns within the deadline and inform the Swiss Federal Tax Administration (FTA) if you know that payment will not be made within the deadline. Otherwise, reminders will be sent, the tax due will be

estimated by the FTA, payment enforcement measures may be initiated (once the standstill expires in April) and penalties might be issued for failing to comply with the VAT Act.

- All applications will be checked by the person responsible for your account with the tax authorities. You should therefore only file an application if your company has a reasonable case to show it is impacted by the crisis.
- Keep in mind that payments are only delayed – they will still be payable after the postponement period.
- We strongly recommend that you file the respective applications rather than simply not paying the VAT due.

Your situation

The available measures, options and actions depend on whether your VAT return shows an amount payable or receivable.

Amount payable

- You can extend the filing deadline and the payment deadline online for three months (for Q1 VAT return that needs to be filed and paid until end of May 2020 the deadline would be end of August 2020).
- Extension is possible without stating any reason.
- No late payment interest will be due during that period.
- If an extension of more than three months is required, you should file a written request (by email, post or online contact form) in accordance with Art. 90 VAT Act outlining why payment of the tax, interest and costs within the prescribed period would cause the taxpayer significant hardship. This applies to all tax payers including foreign companies with a Swiss tax representative.

Amount receivable

- The FTA will settle the receivable within 60 days after you have submitted the VAT return.
- Given the current situation the FTA offers – upon request – to reduce this payment deadline and to transfer the amount as soon as the VAT return is received and approved by the respective Tax Officer.
- To benefit from accelerated settlement, you need to file a written request with the FTA.

Contacts

KPMG AG

Räffelstrasse 28
PO Box
8036 Zurich

[kpmg.ch](https://www.kpmg.ch)

Mathias Bopp

Partner
Head of Indirect Tax

+41 58 249 54 30
mbopp@kpmg.com

Elizabeth Barendregt

Partner
Head of Indirect Tax
Western Switzerland

+41 58 249 65 02
ebarendregt@kpmg.com

Martina Becker

Manager
Indirect Tax

+41 58 249 79 92
martinabecker@kpmg.com

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