

September 2023

NEW VAT RATES FROM 1.1.2024

With the vote on 25.9.2022, the Swiss people approved the reform known as "Stabilisation of the Old Age and Survivors' Insurance (AHV 2021)", which, among other things, provides for additional financing of said Insurance (AHV) through an **increase in the VAT rates as of 1.1.2024**.

1. NEW VAT RATES FROM 1.1.2024

VAT rates will be changed as follows:

	Until 31.12.2023 (old rates)	From 1.1.2024 (new rates)
Normal rate	7.7 %	8.1 %
Reduced rate (e.g. for foodstuffs, newspapers, magazines)	2.5 %	2.6 %
Special rate for accomodation	3.7 %	3.8 %

2. APPLICABILITY OF OLD AND NEW VAT RATES

In determining the applicable VAT rate, neither the date of the invoice nor the date of payment is relevant; what is decisive is the **date or period in which the service is supplied**:

- (a) if the service was entirely supplied before 31.12.2023, only the old VAT rates apply;
- (b) if the supply is partly made before and partly after 1.1.2024, the part of the supply made after said date will be taxable at the new VAT rates;
- (c) if the supply is entirely made after 1.1.2024, only the new VAT rates apply.

3. FORMAL ASPECTS, NEW REPORTING FORMS FROM Q3 2023

Services taxable at the **old VAT rates** and **those taxable at the new rates** may appear on **the same invoice**. However, the date or period of the service must be **clearly indicated**, otherwise the new VAT rates valid from 1.1.2024 will apply.

For the transition from the old to the new VAT rates, it is advisable to correctly demarcate services that started in 2023 and will continue in 2024 with partial payment requests and project progress (especially in the construction sector).

Requests for partial payment (if possible with a 31.12.2023 time limit) must specify in detail nature, object, extent and date or period of the current services.

On the VAT return form for Q3 2023, **turnover may be declared for the first time at both the old and the new VAT rates** (e.g. in the case of applications for an advance payment).

We therefore recommend that you **adapt your accounting programmes and parameterise the different VAT rates from the outset** by contacting your trusted *software* provider.

For further information on the above, please do not hesitate to contact us

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