



Swiss VAT Landscape

Recent developments and implications for NGOs

23 June 2026, La Pastorale

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- 08.15 Welcome remarks**
Flore-Anne BOURGEOIS PRIEUR, *Head, Civil Society Service, CAGI*
- 08.20 VAT fundamentals: a practical overview**
Olivier COMMENT, *Director, Tax & Legal Services, PwC*
Safia BENDRISS, *Senior Manager, Indirect Taxes, PwC*
- 08.35 Recent developments in VAT interpretation: three practical case studies**
Olivier COMMENT, *Director, Tax & Legal Services, PwC*
Safia BENDRISS, *Senior Manager, Indirect Taxes, PwC*
- 09.15 NGO testimony**
Thomas GUERIN, *Medair*
- 09.25 Discussion and Q&A**
- 09.45 Closing remarks & announcements**
- 09.50 Coffee & networking**

Breaking the ice...

1. Because my organisation is non-profit, VAT rules do not apply to us.
2. Since my NGO is not registered for Swiss VAT, we have no VAT obligations whatsoever.

TRUE



**O
R**

FALSE





VAT fundamentals for Swiss NGOs

Swiss VAT registration: When are NGOs obliged to register?

CHF 100'000

General annual turnover threshold
for mandatory registration
(calculated on a worldwide basis)

CHF 250'000

Specific threshold for non-profit associations, charitable organizations, sporting/cultural clubs subject to specific conditions

Type of income (turnover)	Relevant for VAT registration	
Sponsoring – sponsor established abroad	✓	
Sponsoring – sponsor established in Switzerland	✓	
Entry fees for an event organized abroad	✓	✗
Entry fees for an event organized in Switzerland	✓	✗
Active membership fees		✗
Subsidy received from a public body which is not consideration for a specific supply		✗
Donations & passive member fees		✗

The Swiss VAT registration threshold “trap”

Beware: potential divergence between accounting and VAT positions !

- ✗ What is booked as turnover is not necessarily relevant for VAT**
Accounting figures can overstate VAT-relevant turnover
- ✓ Items not booked as turnover can be relevant for VAT**
Hidden flows may push you over the threshold



Particularly difficult for NGOs due to specificity of certain flows:

<p>?</p> <p>Subsidies / Donations</p>	<p>?</p> <p>Contributions in kind</p>	<p>?</p> <p>Donor acknowledgments</p>	<p>?</p> <p>Statutory membership fees</p>
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VAT registration: What are the main consequences?



Areas	Practical consequences
Output VAT liability on turnover	<ul style="list-style-type: none">• NGOs must remit Swiss VAT at the relevant rate on Swiss taxable transactions
Output VAT liability on acquisition of services from abroad	<ul style="list-style-type: none">• NGOs must spontaneously self-assess Swiss VAT on taxable services acquired from abroad as from CHF 1
(Partial) Input VAT recoverability	<ul style="list-style-type: none">• NGOs can (partially) recover input VAT incurred on their domestic / foreign costs subject to certain conditions
On-going VAT filling obligations	<ul style="list-style-type: none">• Generally, quarterly VAT returns and annual VAT reconciliation required• Simplification introduced in 2025 with annual VAT return
ERP setup	<ul style="list-style-type: none">• Additional GL accounts or sub-codes to capture output and input VAT• Configuration of tax codes for relevant flows
Invoicing requirements	<ul style="list-style-type: none">• Invoices must comply with Swiss VAT invoicing requirements
Internal controls & governance	<ul style="list-style-type: none">• Documented internal controls and staff training to support the Swiss VAT position

Acquisition tax at a glance

Not registered

CHF 10'000

/ year threshold

- On relevant services from abroad
- **Must pay acquisition tax at 8.1%**
- **No recovery possible**

= Final additional cost

VAT registered

CHF 1

no threshold

- On relevant services from abroad
- **Must pay acquisition tax at 8.1%**
- **Potential recovery**

Can transform a final additional cost into partially or fully recoverable tax

Even if registered

0-100%

Possible recovery rate

- Cost not necessarily neutral
- Depends on revenue flows, cost allocation & input VAT deduction right
- Many NGOs recover only 10-30%, while others can fully recover the input VAT incurred



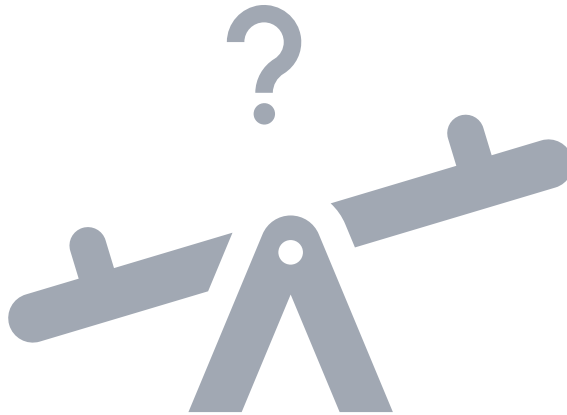
Acquisition tax is a critical factor in the decision to register or not.

Voluntary VAT registration: Is it worth it?

No one-size-fits-All: Costs benefits analysis based on each NGOs situation

Cons

- Price increase on certain flows (or “margin” reduction)
- One-off set-up efforts
- Regular monitoring of changes
- On-going VAT compliance costs



Pros

- (Partial) input VAT recoverability on domestic costs
- (Partial) input VAT recoverability on foreign costs

Recent VAT developments



Services in the area of
international development
cooperation and
humanitarian aid

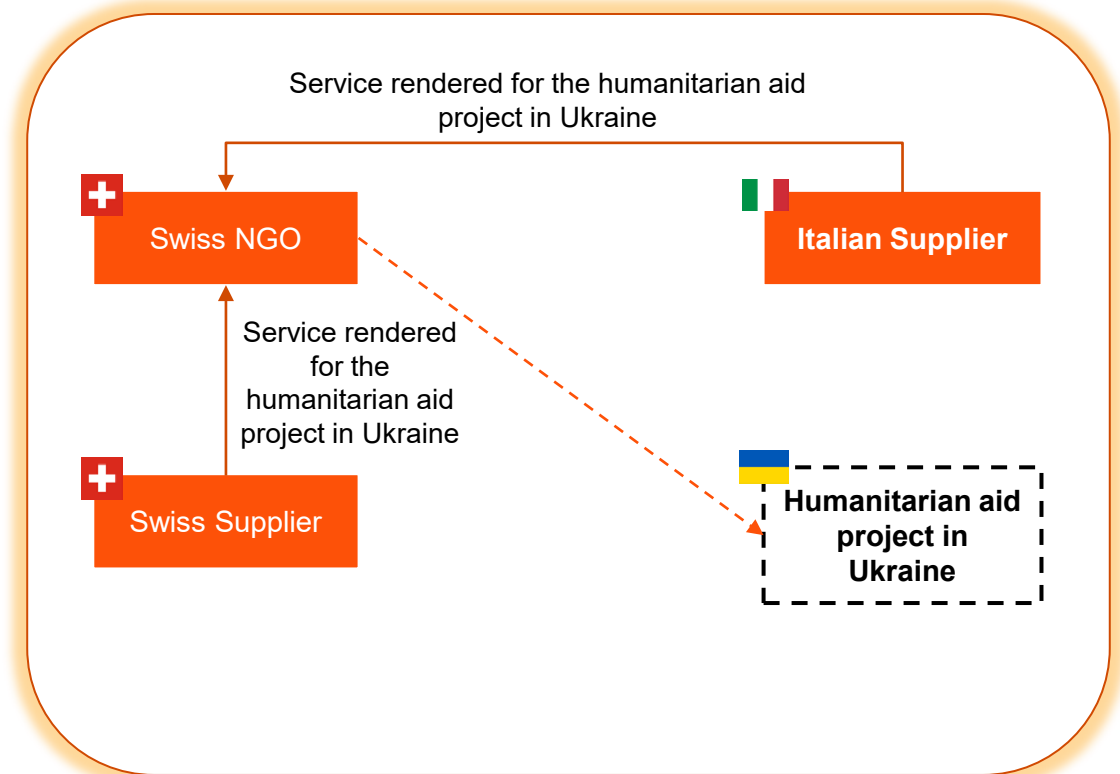
Where are humanitarian services taxed? The Swiss VAT perspective

General rule

No Swiss VAT & No Swiss acquisition tax if the service is considered as a service in the area of international development cooperation and humanitarian aid taking place outside Switzerland – art 8 para 2, g VATL

Case study

- Swiss NGO (not registered for Swiss VAT purposes) in charge of a humanitarian aid project in Ukraine
- Receives 11K of services from foreign suppliers. Out of this 11K, 5K are provided by an Italian supplier for the humanitarian aid project.
- Receives 20K of services from a Swiss supplier for the humanitarian aid project, bearing 8,1% non recoverable Swiss VAT.



Some practical recommendations



- ✓ **Assess whether your NGO is considered as operating in humanitarian aid for VAT purposes**
- ✓ **Document purpose per service acquired**
- ✓ **Maintain a service classification log**
- ✓ **Segregate humanitarian vs. other activities**
- ✓ **Prepare for audit evidence**

Electronic services

When are cross-border electronic services subject to Swiss acquisition tax?

1. Excluded from Swiss acquisition tax:

VAT-exempt services such as:

- Healthcare services
- Educational services
- Cultural services
- Sport events fees

Zero-rated services such as:

- Transport/logistics executed entirely outside CH
- Transport related to export of goods
- Hotel / restaurant costs abroad

2. Electronic & Telecommunication services

Telecom & electronic services **to non-VAT registered recipients** should be excluded from Swiss acquisition tax (reverse charge mechanism).

Instead, **the foreign supplier must:**

- **Register for Swiss VAT ;**
- **Charge Swiss VAT** directly to the non-VAT registered recipient.

3. What is an electronic services ?

An electronic service under Swiss VAT must meet the following cumulative criteria:

- ✓ **Essentially automated** — delivered through technology with minimal manual processing
- ✓ **Does not require major human intervention from the provider**
- ✓ **Cannot be provided without IT** — the technology is the service.

Electronic services & acquisition tax: Case study for discussion

CASE FACTS 1

A US-based company develops a tailor-made software module for a Swiss NGO to optimize the management of its resources worldwide. This involves significant customized development with substantial human intervention.



CASE FACTS 3

A Swiss NGO contracts with a US-based company for a license for the next 2 years, which will involve some tailor-made developments prior to the go-live. A lump-sum fee is invoiced for the full service.

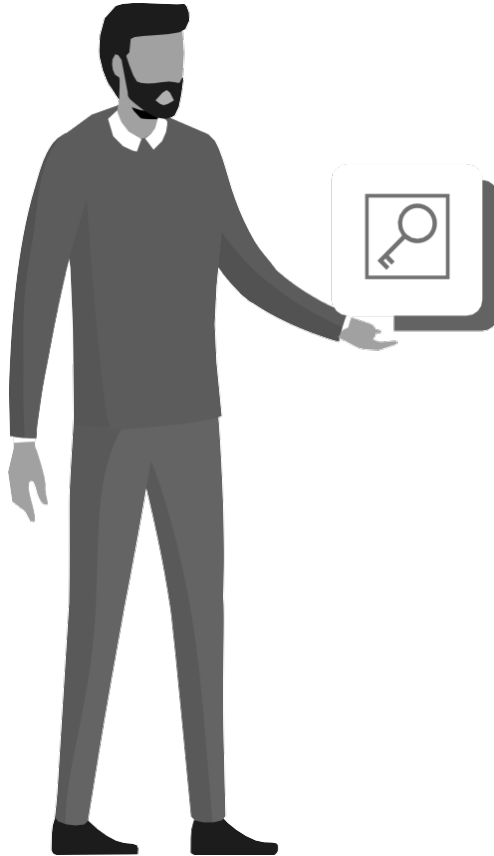


CASE FACTS 2

A Swiss NGO acquires from a US-based company a standardized license for an HR management module (e.g., Workday, SAP SuccessFactors). The service is essentially automated, requires no major human intervention, and cannot exist without IT.



Some practical recommendations



- ✓ **Document and analyse your position**
- ✓ **Maintain service classification log**
- ✓ **Review if breakdown is necessary**

Employees of record
("EOR")

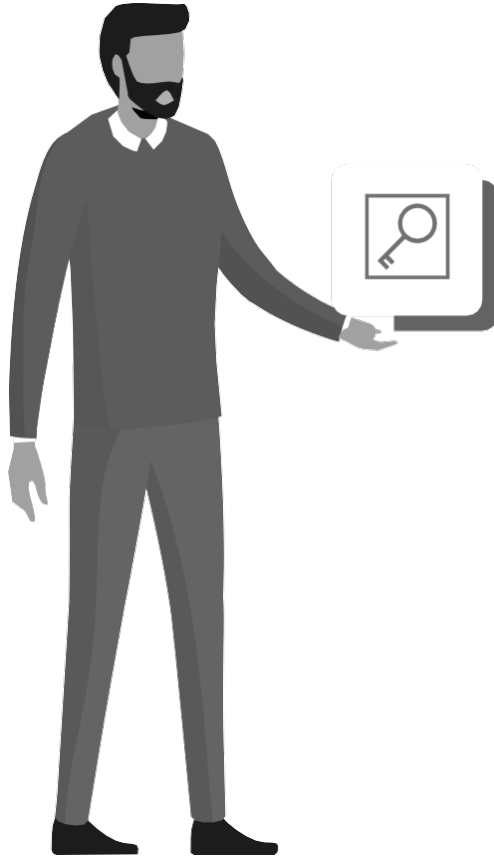
Case study for discussion



- Swiss NGO (humanitarian aid), HQ Geneva
- Projects in 15 countries: South Sudan, Yemen, Syria, Afghanistan, DRC, Haiti, Bangladesh, Myanmar, Ethiopia, Somalia, Mozambique, Chad, Niger, Mali, Burkina Faso
- US-based company to manage 30 local staff on-site
- US invoices Swiss NGO monthly

Item	Amount (CHF, annual)
Total gross salaries – 30 staff (15 countries)	2'850'000
Social charges & local benefits (avg. 25%)	712'500
Total staff costs	3'562'500
Administration & coordination fee (12%)	427'500
TOTAL invoiced	3'990'000

Some practical recommendations



- ✓ **Start with the job description**
- ✓ **Review the contractual arrangements**
- ✓ **Define the strategy & proactively approach the FTA**
- ✓ **Document, document, document**

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Testimony

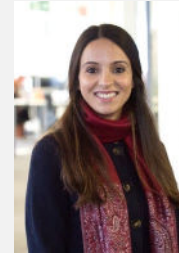
Questions?



Your Speakers



Olivier Comment
Director
Mobile: +41 79 693 98 74
olivier.comment@pwc.ch



Safia Bendriss
Senior Manager
Mobile: +41 79 621 29 40
safia.bendriss@pwc.ch

Background & Experience

After 20 years with PwC in the VAT team + 5 years at the Swiss VAT authorities in Bern, Olivier has an extensive knowledge of the VAT especially for the not-for-profit organization. In addition and due to his past experiences working at the main VAT division from the Swiss tax authorities, he is well introduced with an excellent network.

Background & Experience

Safia is a senior manager specialized in Swiss and international VAT matters. She has 10 years of experience and has worked in Luxembourg, the UAE and Switzerland. She is regularly collaborating with Olivier in supporting Swiss not-for-profit organizations having an international footprint with their VAT matters.

Thank you

NEXT CONFERENCES



l'Apéro

Afterwork networking for responsible AI

Wednesday 1 July
16.00 – 18.00

SDG Solution Space

Civil Society Service – NGO Support

La Pastorale, "Maison de Maître"
Route de Ferney 106
1202 Genève

Mo-Fr : 9 a.m. – 4:30 p.m.

+41 (0)22 546 14 10

ong.cagi@etat.ge.ch



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

@CagiGeneva

