

SWITZERLAND AND LIECHTENSTEIN – AUTHORITY OPTION CHANGES

AUTHORITY UPDATE GUIDE

THOMSON REUTERS TAX RESEARCH
OCTOBER 2021 CONTENT UPDATE #1

Introduction

This guide provides an explanation of the most recent changes made to Determination for the authority of Switzerland and Liechtenstein, which were implemented in connection to the review of provisions regarding the application of reverse charge mechanism in the local tax law.

In our 2021 October Content Update #1, we added the authority option of CL - Customer Location Reverse Charge with condition “Foreign Transaction” and value “Dual Registration” to fully mirror regulations allowing reverse charge on customer location services.

Considering the relevant regulations, the following changes were made in the countries mentioned above:

Switzerland and Liechtenstein

In order to reflect the reverse charge results applicable in Switzerland and Liechtenstein for the imported services, we added the following Authority Options:

- **CL – Customer Location Reverse Charge**
 - Condition activated as “Foreign Transaction”
 - Value activated as “Dual Registration”

As a result, in case of B2B supplies, Determination will return Tax Type of Reverse Charge (RC) for the Buyer and Not Liable (NL) result for the foreign Seller. Local tax will be returned only in case of Seller registration in Switzerland and Liechtenstein.

TAX RESULTS EXAMPLES

Test 1: B2B Customer Location Services provided by a foreign entity to the Buyer located in Switzerland

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Switzerland
Seller Registration	NL123456789B12
Buyer Registration	CHE-100.000.001

The following image shows the detail for the buyer in Switzerland.

Scenario 2021 October 1st Update Switzerland CLS RC Option Seller Non-Registered:

View Results: 1		Gross Amount: 100.00		Eff%: 0%							
Zone		Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT	
Country: SWITZERLAND		Switzerland	MWST	RC	O	7.7%	7.70				
Country: SWITZERLAND		Switzerland	MWST	RC	I	7.7%	7.70				
0.00 USD											
<input type="checkbox"/> Authority Messages:											
Authority	RuleOrder	Message									
Switzerland	10000	GCBCL31: Reverse charge in Buyer's country.									
Switzerland	10000	GCBCL32: Recovery of reverse charge in Buyer's country.									

Test 2: B2B Customer Location Services provided by a foreign entity registered in Switzerland to the Buyer located in Switzerland

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Switzerland
Seller Registration	CHE-200.000.001
Buyer Registration	CHE-100.000.001

The following image shows the detail of the transaction.

Scenario 2021 October 1st Update Switzerland CLS RC Option Seller Registered:

View Results: 1	Gross Amount: 100.00	Eff%: 7.7%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: SWITZERLAND	Switzerland	MWST	S	I	7.7%	7.70			7.70 USD
Authority Messages:									
Authority Switzerland RuleOrder 10000 Message GCBCL35: Input VAT in Buyer's country.									

Test 3: B2C Customer Location Services provided by a foreign entity registered in Switzerland to the consumer located in Switzerland

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Switzerland
Seller Registration	CHE-200.000.001
Buyer Registration	None

The following image shows the detail of the transaction.

Scenario 2021 October 1st Update Switzerland CLS RC Option B2C Seller Registered:

View Results: 1	Zone	Gross Amount: 100.00		Eff%: 7.7%		Dir	Fee	Rate	Tax Amt	TT IT						
	Authority	Invoice Desc	Type													
Country: SWITZERLAND	Switzerland	MWST	S	I	7.7%	7.70				7.70 USD						
<input type="checkbox"/> Authority Messages:																
<table border="1"> <thead> <tr> <th>Authority</th> <th>RuleOrder</th> <th>Message</th> </tr> </thead> <tbody> <tr> <td>Switzerland</td> <td>10000</td> <td>GCBCL35: Input VAT in Buyer's country.</td> </tr> </tbody> </table>											Authority	RuleOrder	Message	Switzerland	10000	GCBCL35: Input VAT in Buyer's country.
Authority	RuleOrder	Message														
Switzerland	10000	GCBCL35: Input VAT in Buyer's country.														

System Message: Buyer must register to recover input VAT in Buyer's country.

Test 4: B2B Customer Location Services provided by a foreign entity to the Buyer located in Liechtenstein

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Liechtenstein
Seller Registration	NL123456789B12
Buyer Registration	12345

The following image shows the detail for the transaction.

Scenario 2021 October 1st Update Liechtenstein CLS RC Option Seller Non-Registered:

View Results:	1	Gross Amount:	100.00	Eff%:	0%					
Zone	Authority	Invoice Desc	Type	Dir	Fee Rate	Tax Amt	TT	IT		
Country: LIECHTENSTEIN	Liechtenstein	MWST	RC	O	7.7%	7.70				
Country: LIECHTENSTEIN	Liechtenstein	MWST	RC	I	7.7%	7.70				
0.00 USD										
[-] Authority Messages:										
Authority	RuleOrder	Message								
Liechtenstein	10000	GCBCL31: Reverse charge in Buyer's country.								
Liechtenstein	10000	GCBCL32: Recovery of reverse charge in Buyer's country.								

Test 5: B2B Customer Location Services provided by a foreign entity registered in Liechtenstein to the Buyer located in Liechtenstein

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Liechtenstein
Seller Registration	12346
Buyer Registration	12345

The following image shows the detail for the transaction.

Scenario 2021 October 1st Update Liechtenstein CLS RC Option Seller Registered:

View Results: 1	Gross Amount: 100.00		Eff%: 7.7%						
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT
Country: LIECHTENSTEIN	Liechtenstein	MWST	S	I	7.7%	7.70			
7.70 USD									
<input type="checkbox"/> Authority Messages:									
Authority	RuleOrder	Message							
Liechtenstein	10000	GCBCL35: Input VAT in Buyer's country.							

Test 6: B2C Customer Location Services provided by a foreign entity registered in Liechtenstein to the consumer located in Liechtenstein

WORKBENCH ELEMENTS	VALUES
Role	Buyer
Transaction Type	Customer Location Services
Seller Primary	Netherlands
Buyer Primary	Liechtenstein
Seller Registration	12346
Buyer Registration	None

Scenario 2021 October 1st Update Liechtenstein CLS RC Option B2C Seller Registered:

View Results: <input type="button" value="1"/>	Gross Amount: 100.00		Eff%: 7.7%												
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt	TT	IT						
Country: LIECHTENSTEIN	Liechtenstein	MWST	S	I	7.7%	7.70			7.70 USD						
<input type="checkbox"/> Authority Messages:															
<table border="1"> <thead> <tr> <th>Authority</th> <th>RuleOrder</th> <th>Message</th> </tr> </thead> <tbody> <tr> <td>Liechtenstein</td> <td>10000</td> <td>GCBCL35: Input VAT in Buyer's country.</td> </tr> </tbody> </table>										Authority	RuleOrder	Message	Liechtenstein	10000	GCBCL35: Input VAT in Buyer's country.
Authority	RuleOrder	Message													
Liechtenstein	10000	GCBCL35: Input VAT in Buyer's country.													

System Message: Buyer must register to recover input VAT in Buyer's country.