



# Information sheet for sportsmen, sportswomen and sports teams resident or domiciled abroad concerning VAT in Switzerland

This information sheet is intended for sportspeople and sports teams (hereinafter referred to collectively as sportspeople) resident or domiciled abroad who participate in sporting events in Switzerland and become liable to pay tax in Switzerland.

## 1. Tax liability

### 1.1 General tax liability

A sportsperson resident or domiciled (hereinafter referred to only as resident) abroad is liable to pay VAT in Switzerland if he or she participates in a sporting event in Switzerland and achieves a total turnover of at least CHF 100 000 within one year in Switzerland and abroad from goods and services that are not exempt from tax under [Article 21 paragraph 2 of the VAT Act](#). For non-profit sports clubs run on a voluntary basis, the turnover limit is CHF 250 000. Taxable turnover includes, in particular, prize money and entry fees received for participation in a sports event.

Those who act as external service providers become liable to tax. Usually, this will be the sportsperson themselves or the sports team. Depending on the form of the contract, it may not be the sportsperson themselves who is liable for tax, but the management company, the sports association or the sports official, provided that he or she acts as an external service provider and not only as a collection agent (direct representative) for the prize money ([Art. 20 of the VAT Act](#)).

Sportspeople resident abroad who meet the conditions for tax liability must register with the FTA using the [online form](#).

### 1.2 Tax liability of sportspeople resident abroad

The tax liability of sportspeople resident abroad begins the first time goods or services are supplied for consideration in Switzerland ([Art. 14 para. 1 lit. b of the VAT Act](#)). This means the following:

#### a. Tax liability from the first supply of goods or services for consideration in Switzerland

Sportspeople resident abroad who have a turnover in Switzerland and abroad of at least CHF 100 000 (CHF 250 000) (for non-profit sports clubs run on a voluntary basis) become liable to tax in Switzerland from the **first time they supply** one of the following goods or services **in Switzerland** (non-exhaustive list; reference to place of supply in brackets):

- Start and victory prize money ([Art. 8 para. 2 lit. c of the VAT Act](#));
- Performance and classification prize money ([Art. 8 para. 2 lit. c of the VAT Act](#));

- Sale of sports equipment and other articles (fan merchandise, souvenirs, printed items, etc.) ([Art. 7 of the VAT Act](#));
- Rental of items ([Art. 7 of the VAT Act](#)).

### **Example 1**

*A tennis player (sole proprietorship) resident abroad has an annual worldwide turnover of between CHF 200 000 and CHF 300 000 from taxable goods or services abroad as part of his/her entrepreneurial activity as a sportsperson. In 2020, the tennis player took part for the first time in a tennis tournament held in Switzerland. He/she received prize money of CHF 20 000 for second place. This is the first time that the tennis player supplied goods or services in Switzerland and he/she became liable to tax from this date.*

### **b. Exemption from tax for sportspeople resident abroad** ([Art. 10 para. 2 lit. b of the VAT Act](#))

The following goods and services supplied in Switzerland **do not give rise to tax liability**, provided that **only** the following goods and services are supplied (non-exhaustive list):

- Sponsorship or advertising in accordance with [Article 8 paragraph 1 of the VAT Act](#);
- Other goods and services in accordance with [Article 8 paragraph 1 of the VAT Act](#), e.g. sale of television and other broadcasting rights

If the sportsperson resident abroad is liable to tax, he or she must declare all goods and services supplied in Switzerland (i.e. including sponsorship or advertising and other goods and services in accordance with [Art. 8 para. 1 of the VAT Act](#)).

### **Example 2**

*A Swiss beverage producer sponsors a racing cycling team of Cyclrace Ltd. to the tune of CHF 50 000. The latter company is based abroad and has an annual turnover of CHF 850 000 from goods and services supplied abroad (worldwide). The Cyclrace Ltd. cyclists, in return, undertake to visibly carry drinks made by the drinks manufacturer during the race, as well as to wear sportswear bearing an advertising slogan from the drinks manufacturer. Cyclrace Ltd. supplies the beverage manufacturer with a domestic advertising service in accordance with [Article 8 paragraph 1 of the VAT Act](#). Insofar as Cyclrace Ltd. exclusively supplies goods or services in Switzerland in accordance with [Article 8 paragraph 1 of the VAT Act](#), Cyclrace Ltd. will remain exempt from taxation in accordance with [Article 10 paragraph 2 letter b of the VAT Act](#). However, if Cyclrace Ltd. additionally sells fan merchandise at a sales stand and/or the racing cycling team receives prize money, the exemption no longer applies to Cyclrace Ltd. and Cyclrace Ltd. must be entered in the Swiss VAT Register of Taxable Persons as it will become liable to mandatory taxation. Cyclrace Ltd. must therefore pay tax on the sponsored amount of CHF 50 000 as well as on the proceeds from the sale of the fan merchandise and the prize money.*

### **c. Goods and services not subject to VAT**

The following goods and services in particular are not subject to the tax, even if the sportsperson is liable to pay tax:

- Goods and services exempted from the tax in accordance with [Article 21 paragraph 2 of the VAT Act](#) (e.g. sale of admission tickets to sporting events or training sessions for sports teams); however, voluntary taxation (option) in accordance with [Article 22 paragraph 1 of the VAT Act](#) is possible;
- Non-considerations in accordance with [Article 18 paragraph 2 of the VAT Act](#) (e.g. donations);
- Receipts generated in the non-business area (e.g. salaries earned by sportspeople based on an employment contract).

## 2. Registration in the Swiss VAT Register of Taxable Persons

If the conditions for tax liability are met, the sportsperson resident abroad must register in the Swiss VAT Register of Taxable Persons. The taxable person must appoint a tax representative resident in Switzerland ([Art. 67 of the VAT Act](#)). The representative does not necessarily need to be a fiduciary, a lawyer or a member of a specific occupational group (e.g. sports association). A private individual or an organiser of a sporting event can also be appointed. The sportsperson can register for VAT using the FTA [online form](#). Taxpayers resident abroad must also provide security when they are entered in the VAT Register of Taxable Persons ([Art. 94 para. 2 of the VAT Act](#)). The security amounts to 3% of expected taxable domestic turnover (excluding exports); with a minimum of CHF 2000 and a maximum of CHF 250 000 required. The sportsperson resident abroad must then report domestic turnover subject to tax to the FTA. In principle, input tax can be deducted in accordance with [Article 28 paragraph 1 of the VAT Act](#).

## 3. Voluntary simplified tax payment procedure for event organisers

If sportspeople resident abroad supply taxable goods or services to the respective organisers in Switzerland (e.g. entry fees, prize money) and themselves become liable to tax as a result, the respective sportsperson can agree with the organiser that the organiser forwards the tax owed by the sportsperson to the FTA. However, this can only take place under the condition that the sportsperson does not generate any additional turnover from other types of goods or services in Switzerland besides entry fees or prize money (e.g. from advertising services, sponsorship and sales of fan merchandise). When using this simplified procedure, the sportsperson resident abroad must inform the organiser that he or she meets the conditions for tax liability in Switzerland and that the organiser should pay the tax owed by the sportsperson to the FTA. The organiser may deduct the tax directly from the prize money or entry fees to be paid to the sportsperson, so that no administrative burden is incurred by the sportsperson with regard to the payment of VAT. By paying the tax via the organiser, the sportsperson resident abroad will fulfil his/her tax and declaration obligations.

When using this simplified procedure, the sportsperson may not deduct input tax in accordance with section 2 above ([Art. 28 para. 1 of the VAT Act](#)). In addition, the reimbursement of VAT is excluded ([Art. 107 para. 1 lit. b of the VAT Act](#); see [VAT info reimbursement procedure](#)).

**The organiser is not liable for the sportsperson's tax claim. If the tax is not paid to the FTA by the organiser, the FTA reserves the right to claim the tax owed from the sportsperson resident abroad. The simplified payment of tax by the organiser means that the sportsperson's tax liability continues to exist.** If the sportsperson does not have all the tax owed paid by the respective organisers, the sportsperson must register with the FTA.

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