Information sheet for organisers of international sporting events in Switzerland

The partially revised VAT Act (VAT Act), which came into force on 1 January 2018, introduced changes to tax liability, among other things. This information sheet informs the organisers of international sporting events in Switzerland (hereinafter referred to as "organisers") about the changes and opportunities for simplification in tax payment.

1. Changes in tax liability

In accordance with the partially revised VAT Act, the determination of tax liability is no longer based on turnover in Switzerland, instead it is now based on worldwide turnover. This amendment also affects sportsmen, sportswomen and sports teams (hereinafter referred to collectively as "sportspeople") resident or having their registered office (hereinafter referred to as "resident") abroad who have a turnover of less than CHF 100,000 in Switzerland but a turnover of at least CHF 100,000 worldwide (e.g. from entry fees and prize money or other taxable fees such as advertising services). A turnover limit of CHF 150,000 applies to non-profit sports clubs run on a voluntary basis. Those who appear to the outside world to be the supplier 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). Further details can be found in the information sheet for "Sportspeople and sports teams resident abroad in relation to value added tax in Switzerland" of the FTA of [month] 2019 and VAT Info No. 02 (Tax liability (available in French, German and Italian)).

2. Voluntarily procedure for simplified tax payment for sportspeople resident abroad participating in a sporting event

The registration of sportspeople resident abroad for VAT purposes involves an administrative burden. For sportspeople resident abroad, this includes registering in the Swiss VAT Register of Taxable Persons, appointing a tax representative established in Switzerland, depositing a security and periodic reporting to the FTA through to deregistering from the Swiss VAT Register of Taxable Persons and reclaiming the security.

The procedure for simplified tax payment is voluntary for the organiser and allows the taxable sportsperson resident abroad to instruct the organiser to forward the tax owed by him or her to the FTA. However, this can only take place under the condition that the sportsperson does not generate any other turnover from other types of goods and services in Switzerland other than entry fees or prize money (e.g. from advertising services, sponsorship, sales of merchandise).

When using this procedure for simplified tax payment, the sportsperson must inform the organiser that he or she is liable for tax in Switzerland and that the organiser should pass on the tax owed by the sportsperson to the FTA. This can be done on the entry fee or prize money receipts or other documents. This does not apply to sportspeople resident abroad who, at the time the prize money is paid, have not reached the relevant turnover limit for tax liability or are already registered in the Swiss VAT Register of Taxable Persons and who...
report the tax themselves to the FTA. Sportspeople resident abroad do not have to pay the administrative costs mentioned above.

In order to pass on the tax, the organiser must report to the FTA the entry fees and prize money (gross amount) owed to the taxable sportsperson resident abroad, including the expenses invoiced by the sportsperson, by completing a form (Form for the calculation of VAT for sportspeople and sports teams). The event will then be allocated a separate account number, which will be used exclusively to report the fees paid to sportspeople. The FTA then invoices the organiser for the tax owed by the tax paying sportspeople resident abroad. The organiser may in principle deduct the tax paid in the same accounting period as input tax, taking into account the input tax rate. Reporting¹ to the FTA must take place within 60 days of the end of the reporting period² in which the event takes place.

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

Berne, October 2019

¹ Article 71 of the VAT Act.
² Effective reporting method: quarter; reporting according to net tax rates: Semester (Art. 35 para. 1 lit. a or lit. b VAT Act).