

vat's important

VAT and customs duty for cross-border vehicle use

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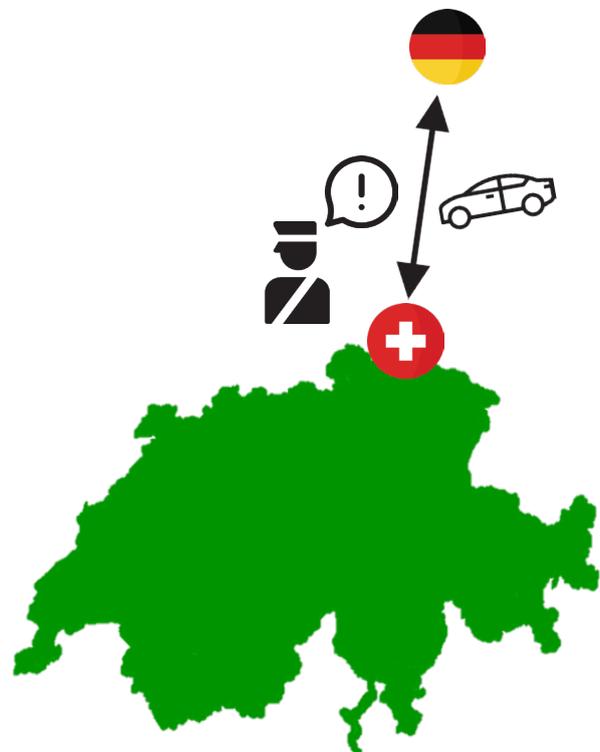
Rail travel is in - not just since Greta Thunberg. Nevertheless, there are always people who like to travel by car to be independent and faster at the planned place of arrival. In addition to the art of driving a car, VAT and customs should never be ignored, as the following story teaches us:

A German national resident in Switzerland was checked by the cantonal police in Zurich while driving a Macan S Porsche. The car is registered to a company based in Germany. Since the vehicle was not properly imported into Switzerland, import duties were incurred, which were disputed by the German citizen. As grounds for her appeal, she cited an incorrect German translation of the Istanbul Convention and the violation of the right to be heard. The complaint was rejected.

What do I have to consider?

People and companies are becoming more and more networked - whether through business connections or travel. EU citizens, in particular, are no longer used to thinking about borders. It has become a matter of course what was unimaginable 30 years ago: free borders, no traffic jams to get from one EU country to another.

Switzerland still has external borders. If you want to go to Switzerland, you can be controlled. Furthermore, goods must be officially imported into Switzerland. You are aware of these measures when you have goods imported into Switzerland. The Freight Forwarder must present the relevant documents, complete documents and pay import duties on behalf of his client. But what we often forget is that this also affects us as private individuals. Perhaps you are still aware that you have to declare items that you have acquired abroad at the customs office. But the fact that you have to declare cars because you will be staying in Switzerland temporarily may not necessarily be in everyone's mind. This is also the case with this German citizen, who has not even remotely thought of temporarily importing her German car. If you are then caught by the Swiss police and cannot prove that you imported the goods, it dawns on you that you should have taken the train after all. At the latest then the much sung about freedom of the car has become an obvious burden.



What does this mean for my company?

European companies need to be aware that business cars that are to be used across borders may raise customs and VAT issues. As the rules in this area are extremely complex, it is not always easy to keep track of the provisions relating to this subject. It is also our experience that certain solutions can separate avalanches from other issues that one was not even aware of. As indicated in the initial case, disregarding this regulation can cost not only time but also a lot of money - up to the confiscation of the vehicle.

We as your VAT and customs team would be pleased to support you in finding the optimal solution and to make cross-border travel for your employees as easy as possible.

With best regards from your VAT team

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