

vat's important Revision of the Customs Act

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The total revision of the Customs Act was in the consultation phase until 31 December 2020; now the report on the results and the draft law with a legislative message will be sent through the councils. Processes and systems are to be consistently simplified, standardised and digitalised. The focus is on security. This is also the goal of the new ICS2 in the EU.

On an average day (2019 figures), around 2,200,000 people, 1,100,000 vehicles and 21,000 lorries cross the Swiss border. Thereby around 70 people are stopped who were wanted or wanted for arrest, 5 identity documents are confiscated, 23 prohibited weapons are seized, 61 counterfeit products are confiscated, 14 kg of drugs are seized, 35 unlawful stays are detected and 100 lorries are prevented from continuing their journey due to dangerous defects. Therefore, efficient border processes that allow for easy and quick border crossing are becoming increasingly important. On 12 September 2017, Parliament approved a credit to finance the modernisation and digitisation of the SFCA, thereby initialising the DaziT digitisation and transformation programme. On 10 April 2019, the Federal Council also decided on fundamental changes to the Swiss Federal Customs Administration (SFCA), which is to be transformed and reorganised into the new Swiss Federal Office for Customs and Border Security (SFOCBS).

The pending revision of the Customs Act lays down the legal framework for the use of future-oriented digital technologies and is intended to create organisational flexibility for the SFOCBS. The SFOCBS will then be able to react more quickly and effectively, namely in the areas of migration, combating cross-border crime or dealing with extraordinary situations. Three elements in particular are the subject of the planned revision of the law:

First: New framework law SFOCBS-LET

A new framework law is to be created that simplifies and standardises all processes for levying duties and controlling the cross-border movement of goods and persons through the SFOCBS. The planned law on enforcement tasks (SFOCBS-LET) harmonises and modernises data protection, risk analysis, controls and powers as well as criminal prosecution. The SFOCBS receives far-reaching competences in the area of movement of persons (in particular combating cross-border crime, terrorism and illegal migration).



Second: Reduced Customs Duty Act

The currently applicable Customs Act is to be reduced to a pure remission of duties. The envisaged Federal Act on Customs Duty and the Assessment of Customs Duties in Goods Traffic (Customs Duty Act, CDA) will then only regulate customs duty, customs duty assessment and penalty provisions.

Third: Adaptation of decrees

Tax and non-tax enactments associated with the SFOCBS-LET and the CDA are to be adapted. These include in particular the Therapeutic Products Act, the Environmental Protection Act and the Beer Tax Act. However, the levy obligation and the amount of the levies are not to be changed.

What does this mean for my company?

The new SFOCBS (previously SFCA) apparently now focuses more on passenger traffic and acts mainly as a security authority. The function as a fiscal authority seems to be fading into the background. The digitalisation of all customs procedures - especially with regard to the objection and appeal procedure - is imminent. Controls take place less frequently and in less depth.

The group of customs debtors is restricted. The electronic customs procedures now only provide for three responsible persons:

- Persons responsible for the goods: Principal debtor of the duties
- Person responsible for the data: Joint and several debtor of the levies
- Persons responsible for transport: Joint and several debtors of the levies

A look at the EU: New ICS2

There have also been changes in the EU in terms of cross-border security: the EU is introducing a new customs system for safety and security - the Import Control System 2 (ICS2). This will protect both the EU internal market and EU consumers. Data on all goods brought into the EU must be recorded before arrival and reported to ICS2 via the Entry Summary Declaration (ENS). The obligation to submit these declarations does not start at the same time for all businesses. It depends on the type of service involved in the international movement of goods and is linked to the three phases for the introduction of ICS2: 15 March 2021, 1 March 2023 and 1 March 2024.

We will be happy to assist you with VAT or customs questions and are at your disposal.

With best regards from your VAT/Customs team

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