

MAIL ORDER REGULATION 2019

PROVISIONS FOR FOREIGN MAIL ORDER COMPANIES WITH CUSTOMERS IN SWITZERLAND

The "Mail Order Regulation" comes into force on 1 January 2019. As a result, foreign mail order companies with an annual turnover of CHF 100,000 and above originating from small consignments (tax amount equal to CHF 5.00 or less) sent to customers in Switzerland will now also be liable to pay value added tax to the Swiss Federal Tax Administration. The arrangements you need to make as a retailer affected by this regulation – be they one-off or recurring – for the sending of international postal consignments into Switzerland are set out in this factsheet. You can also register as a company liable to tax.

Obligation to register

As a foreign mail order company, you need to register with the Federal Tax Administration (FTA) at [Registration for VAT](#) as well as with Swiss Post (see next section) in order to send international postal consignments to Switzerland. Please also refer to the information provided by the Federal Tax Administration at www.estv.admin.ch (search term "mail order business").

Registration with Swiss Post is required to ensure correct customs clearance and invoicing for your consignments. In the absence of registration, import tax may be wrongly charged to the recipient or the consignment may be returned.

Registering with Swiss Post

A website will be available to you for online registration from October 2018 at www.swisspost.ch/mail-order-regulation.

Registration is performed in two steps:

- You need a "Swiss Post Customer Login" to ensure import tax is charged correctly.
- Once successfully registered, you can then apply for a billing relationship at "Post CH Ltd customer invoice".

Registering for a "login"

From October 2018 on, register at www.swisspost.ch under "Login" with Swiss Post. Your contact data will be verified following registration. Using your "login", you can download the electronic tax assessment decisions (eV) for your consignments being sent to Switzerland.

"Post CH Ltd customer invoice" registration

After successfully registering at "Swiss Post Customer Login", the next step involves registering at "Post CH Ltd customer invoice". This opens the billing relationship between you, the foreign mail order company, and Swiss Post. You will need to provide a guarantee deposit following registration.

Labelling of international postal items

As a foreign mail order company, you will have registered with the Federal Tax Administration (FTA). However, to ensure your consignments are properly processed, cleared through customs and billed, consignments need to be labelled in accordance with certain specifications.

If the labelling is incorrect, import tax may be wrongly charged to the recipient or the consignment may be returned.

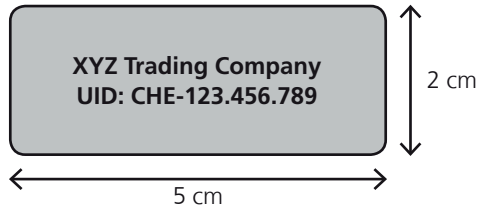
Swiss Post cannot recognize collective items and is not logistically able to collectively process individual packaged items from a consignment. This means you need to attach the following documents and labels to each parcel:

- CN22/23 declaration according to UPU specifications (value of the goods excl. Swiss VAT)
- Address label
- Label for identifying the sender: this only contains the name of the foreign mail order company and its VAT number (UID no.). It may not contain any address data. This label should not be less than 5 cm in length and 2 cm in height.
- VAT-compliant invoice with indication of domestic tax or a proforma invoice. This must include the VAT number (UID no.) of the of the mail order company entered into the VAT register and must always be attached in a document pouch on the outside of the consignment.

SWISS POST 

How does the process work?

1. The consignment is prepared abroad by the foreign mail order company:
 - 1.1. CN22/23 declaration (value of the goods excl. Swiss VAT)
 - 1.2. Invoice or pro forma invoice including VAT number (UID number) of the of the mail order company entered into the VAT register
 - 1.3. Label for identifying the foreign mail order company



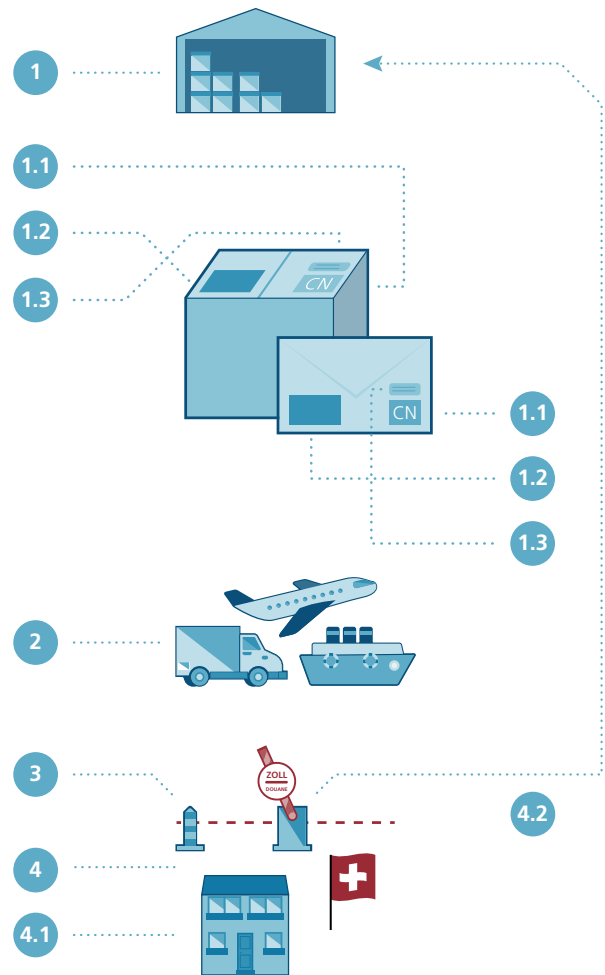
2. Shipping as a postal item to Switzerland
3. The consignment is received and cleared through customs in Switzerland by Swiss Post
4. The consignment is delivered and the service fees and state levies are invoiced
 - 4.1. The service fee for customs control and any other customs duties are requested from the consignment recipient. This is done either directly upon delivery or retrospectively by invoice.
 - 4.2. The import tax is invoiced to the foreign mail order company. Alternatively, an import tax account (ZAZ) can be applied for from the Federal Customs Administration (FCA).

Import tax account (CSP account)

As a foreign mail order company, you are advised to apply for a so called CSP-account with the Federal Customs Administration (FCA) to enable automated invoicing of import tax. If you have a CSP account, ensure that you provide it when registering at "Post CH Ltd customer invoice". If this is the case, Swiss import tax billing will be performed directly on your CSP account by the Federal Customs Administration.

In cases where the foreign mail order company's CSP account has been blocked for Swiss customs clearance by the Federal Customs Administration, customs clearance is performed using Swiss Post's CSP account.

In cases where the foreign mail order company is not in possession of a CSP account or if the account has been blocked by the Federal Customs Administration, the import tax will be invoiced by Swiss Post. For the submission of the import tax, a fee of 2% of the import tax amount is charged.



Invoicing and electronic tax assessment decision (eVV)

Physical invoicing of the import tax to the foreign mail order company takes place every two weeks. The payment deadline is 10 days. The tax assessment decisions can be downloaded from www.swisspost.ch/ew-mot (instructions can be found on the invoice). If you have your own CSP account, the account holders must collect the duties form and the tax assessment decisions from the Federal Customs Administration. Electronic invoicing is generally possible.

If you are interested in this, please contact us by e-mail at kureposcfo@swisspost.ch.

The main points in brief

- Registration with the Federal Tax Administration (FTA)
- "Swiss Post Customer Login" registration
- "Post CH Ltd customer invoice" registration
- Complete the registration processes prior to shipping
- Correctly label the consignments