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NEWSLETTER

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Are your invoices VAT compliant?

Dear Ladies and Gentlemen

When doing the bookkeeping for our customers we quite often notice that invoices are sometimes not fully compliant with VAT regulations. Even more than that we find suppliers' bills that are not VAT-compliant, either – but they get paid without being checked. Thus any pre-tax allowance often can no longer be claimed.

Consequently, we would like to list out those elements of an invoice which are mandatory so that a beneficiary, as long as he is entitled to do so, can claim pre-tax allowance:

- The name and address of the supplier
(generally information according to the entry in the commercial register)
- Supplier's UID company identification number, e.g. CHE-123.456.789 MWST
(The old VAT registration number expired on 1 January 2014.)
- Name and address of the customer
(generally information according to the entry in the commercial register)
- The date or the period when the service(s) were provided, should this not correspond with the date of invoice.
- The nature, scale and scope of the service(s) provided.
- Invoice amount
- Applicable VAT rate (currently applicable: at the standard rate of 8%, the special rate for accommodation of 3.8%, or the reduced rate of 2.5%) plus the amount of tax due.
Should the total amount invoiced include VAT, then adding for example "incl. 8% VAT" is sufficient, and the amount of tax due does not need to be mentioned specifically.
Please note: Stating "incl. VAT", without mentioning the VAT rate is insufficient.

In cases where the invoice includes automated bills or receipts such as those from a supermarket, and has a total not exceeding CHF 400.00, the customer name need not be specifically mentioned.

You and your company are required to send such VAT-compliant invoices to your customers. However, even more importantly you need to have all incoming invoices thoroughly checked as to whether they are VAT-compliant, and have any non-compliant invoice sent back and amended before having paid the amount due. Ultimately it is your responsibility that any claim for pre-tax allowance must be substantiated with a correct invoice.

VAT is a rather intricate subject, and this newsletter can only scratch at its surface. The moment you are doing business abroad you have to take further regulations into account. Should you have further questions or enquiries regarding VAT, our specialists at artax will be more than happy to help you.

Best regards,
artax Fide Consult AG

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