



VAT and Customs Health Check for Cross-Border Activities involving Switzerland

Cross-border business activities involving Switzerland are often associated with a wide range of tax and customs challenges. In practice, errors typically do not arise from a lack of technical expertise, but rather from complex interfaces between different taxes, processes, and organisational units. A structured VAT and customs health check creates transparency, identifies risks at an early stage, and highlights optimisation opportunities before issues are raised by authorities.

What is a VAT and Customs Health Check?

The health check is a structured, risk-based review of selected cross-border processes, transactions, and documentation. The focus lies in particular on the interfaces between VAT, customs, transfer pricing, and operational processes in finance, tax, controlling, and logistics. The objective is to identify deviations between legal requirements and operational implementation and to provide a robust basis for management decision-making.

Why is a cross-border health check particularly relevant?

- High complexity due to different legal systems and frameworks (Switzerland vs. foreign jurisdictions)
- Increased risks at the interface between customs and VAT
- Significant financial exposure in case of errors (additional assessments, import VAT, penalties)
- Increasing audit intensity by authorities
- Optimisation potential along the supply chain

Key review areas

Import VAT and input VAT recovery

Are import declarations correctly recorded? Is input VAT recovery ensured (importer of record, right of disposal, documentation)? Is there alignment between customs declarations and financial accounting?

Place of supply and reverse charge

Are place of supply rules correctly applied, particularly in cases deviating from the general B2B rule (e.g. real estate services, event services, installation supplies, works contracts, processing supplies)? Are situations identified where the reverse charge mechanism does not apply?

Chain transactions and importer role

Is the role of the importer clearly defined? How are import chain transactions treated from a VAT and customs perspective? Are there inconsistencies between Incoterms and tax treatment?

Incoterms and place of supply

Do contractual Incoterms reflect the actual operational setup? Is the correct place of supply derived from this?

Transfer pricing and year-end adjustments

What is the impact of transfer pricing adjustments on customs value and VAT? Are retroactive adjustments properly reflected and documented?

Customs procedures

Are appropriate customs procedures applied (e.g. inward/outward processing, temporary admission)? Are authorisations in place and processes properly documented?

E-commerce / distance selling

Are thresholds, registrations, and local VAT obligations correctly managed?

Company vehicles and employee assignments

Are cross-border use cases and services correctly treated for VAT purposes?

How does the health check work?

1. Definition of objectives and scope
2. Analysis of data, documentation, and transactions
3. Review of actual processes and interfaces
4. Assessment of risks and optimisation potential
5. Reporting with prioritised recommendations

Your benefits at a glance

- Transparency on VAT and customs risks
- Reduction of liability and exposure to reassessments
- Identification of efficiency and cost optimisation opportunities
- Improved alignment between finance, tax, and logistics
- Better preparation for tax and customs audits
- Reliable basis for management decisions

Conclusion

A combined VAT and customs health check for cross-border activities involving Switzerland does not only provide risk mitigation but also offers a holistic view of complex transactional setups. The greatest risks, and at the same time the greatest optimisation potential, arise at the interfaces between different tax areas. Companies gain a solid foundation for enhancing their processes and ensuring compliance on a sustainable basis.

Our support

Grant Thornton Switzerland and Liechtenstein supports companies in analysing and structuring complex cross-border VAT and customs matters involving Switzerland. We assist in identifying risks, assessing potential exposures, and designing pragmatic solutions aligned with operational processes. Our support covers the entire lifecycle, from initial scoping and analysis to implementation and documentation of optimised structures.



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