

# Switzerland/Liechtenstein

## VAT Health Check



### A simple and cost effective way of ensuring compliance in VAT matters

#### Why a health check now?

The Value Added Tax is a self-assessment tax. Businesses are responsible to declare the tax properly and pay it timely. In case of declaration or qualification errors the business is liable to retroactively pay outstanding tax for the five year statute of limitation period plus a corresponding interest charge for late payments. Further, it runs the risk of fines and penalties as well as potentially severe personal liability cases for individuals in charge for such enterprises. As VAT is the most significant single source of tax revenue for the Swiss federal government a tendency of frequent and strict VAT inspections are seen. In many non-compliant cases VAT inspections may directly lead to inspections by other tax authorities regarding income tax, withholding tax or stamp tax.

#### What are your benefits?

Identifying errors in advance to a VAT inspection by the Federal Tax Administration can considerably reduce the risk of fines and penalties. In addition, the risk of cumulating tax costs due to simultaneous non-compliance with other types of taxes such as income tax, withholding tax or stamp tax may be reduced. In contrast to VAT inspections where downside risks materialize, a VAT Health Check may result in cost savings by identifying tax leakages.

#### How do we work?

A Grant Thornton specialist will visit your premises and meet with the people who understand your business operations and corresponding accounting procedures. VAT compliance and opportunities will be reviewed based on information received and a written report will be provided, highlighting areas of concerns, suggesting ways to improve procedures and assisting with implementation.

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