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BY LA POSTE & SWISS POST

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# A guide to exporting to Switzerland for online retailers



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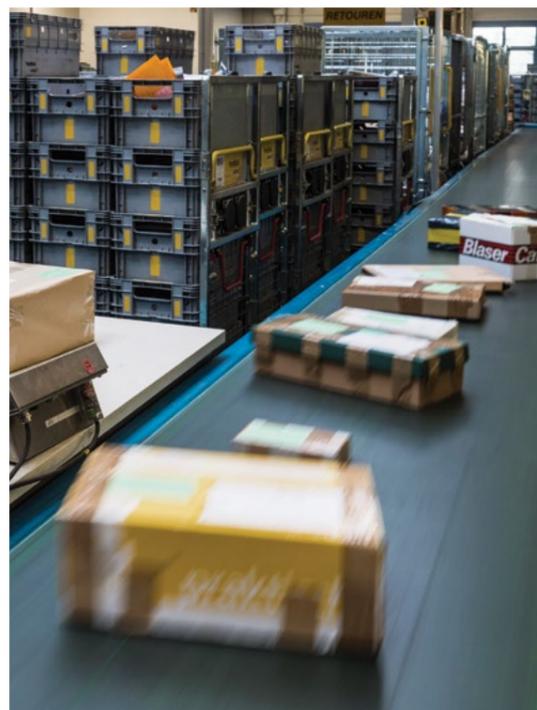
Exporting to Switzerland is a smart move.

**Not only has Switzerland been the most competitive economy in the world for eight years in a row (according to the World Economic Forum), but there are well-established trade links between Switzerland and many countries. What's more, the Swiss government and local logistics partners are embracing e-commerce, meaning selling into the Swiss market has never been easier.**

A study by Swiss mail-order association VSV, GfK, Swiss Post and MediaFocus showed that consumers in Switzerland are buying more and more products from foreign e-commerce websites. In 2016, the total value of online purchases Swiss consumers made abroad was around €1.22billion. That's an increase of 18 percent compared to 2015.

Switzerland also has one of the highest densities of mobile devices anywhere in the world. Supported by solid infrastructure and high speed internet, conditions could not be more perfect for e-commerce driven exporters looking to access the Swiss market.

Nevertheless, Switzerland is also known for its special customs clearance and import tax requirements. It is key to know them in and out to provide the best possible experience for the shopper, as well as reducing your own costs.



*« Switzerland also has one of the highest densities of mobile devices anywhere in the world »*

# Exporting to Switzerland – the basics

## Local consumer mindset

Key for exporters is understanding the Swiss market and what consumers are looking for. According to UKTI, there are two important factors to consider for businesses looking to export to Switzerland: quality and price (in a 2014 survey Netcomm Suisse found that 66% of shoppers are attracted by better prices).

Switzerland is an existing, mature market that has a foundation built on consistency and where there is already a lot of choice. To compete, exporters need to cater to the Swiss desire for value-based quality.

## Talking the right language

Another important element is communication. To reach Swiss buyers you must not only speak their language in marketing terms but practically too. English is spoken widely across Switzerland, especially in the commercial centres, however if you don't also provide information in German, French, and Italian you will significantly limit sales.

## Shipping costs

Swiss consumers buying from overseas exporters are used to paying for all, or part, of their postage costs – commonly between CHF 6 and CHF 8. However, trends towards offering free postage are not just limited to domestic purchases, and low or non-existent shipping prices are a real incentive for consumers everywhere. Many distance sellers drop the shipping cost for an order that reaches a certain price threshold, for example CHF 100.

## Currency

Unsurprisingly, CHF is the preferred currency for Swiss shoppers. However, they are used to paying in other currencies too. Most importantly for Swiss customers, and the highest barrier to ordering from abroad, are hidden costs. Therefore any shop should make sure to offer prices and solutions with all-in costs, especially including Swiss taxes and customs clearance (see customs section).

## Returns

Returns are also an important topic for e-commerce in Switzerland. Although there is no legal right to return a purchase, Swiss consumers do expect to be able to. So, it's usual for online retailers to allow returns up to 14 days after purchase, and longer if possible. Return rates can be high (fashion returns, for example, can reach up to 40%). Swiss customers are used to paying for their returns, however with big brands offering free return service, shoppers are getting more used to no or low return costs, especially for fashion. Most importantly is a local Swiss return address.

# Rules, regulations and VAT

There are no specific regulations for businesses selling online into Switzerland, and online retailers are subject to the same rules as local offline retailers.

**With respect to tax, most imported goods are subject to VAT at 8%, although there is a reduction to 2.5% for goods that are considered basic essentials, such as food. Eight percent is also the standard rate paid on domestic purchases offline, so there is no punitive local tax to pay on imports. Goods that are exported to Switzerland are taxed once in the country in which they are sold, as opposed to the country from which they are sent.**

Swiss shoppers prefer to pay in CHF and buy from locally registered companies as this increases trust. Therefore all major brands get VAT registered in Switzerland and charge VAT transparently to their customers. This also brings the advantage that VAT can be claimed back for returns leaving the country.

While there is no difference in requirements between offline and online selling, there are some regulations that online retailers need to bear in mind when selling into Switzerland, for example:

- Electronics – these types of goods require a Swiss approval mark and manual in the language of the customer i.e. German, French or Italian.
- Restricted goods – if you're exporting, for example, medicines, wine, precious metals, or food and spirits, there may be extra regulations to take account of.
- Licences and declarations – export licences may be required for certain goods (such as antiques, chemicals or art) and export declarations are a necessary step for all goods permanently leaving the EU.



*« Most imported goods are subject to VAT at 8% »*

# A focus on customs regulations

Understanding the Swiss customs regulations is one of the most important areas for a cross-border retailer looking to do well in Switzerland. Getting it wrong can cost time, money and customers.

## Swiss Customs Administration

All imported goods and services must be cleared with the Swiss Customs Administration. Swiss Post acts on behalf of the SCA. Customs duties are charged on all goods being imported into Switzerland and generally levied on the basis of weight. This is very unusual compared to other countries.

As a general rule, goods produced in Europe are free of any duties to be paid, or a reduced tariff is charged in case preferential origin status is granted.

## Harmonized Customs System

Switzerland applies the Harmonized Customs System.

Harmonised System (HS) codes are based on the descriptions of goods and are used throughout the world to classify international shipments and assess which taxes, duties and restrictions may apply. All articles have their respective HS code that is used for customs clearance. Data like HS code, product description, weight are essential for a smooth and cost efficient customs clearance. Even if setup efforts might be higher, the effort will be rewarded by smooth and cost-efficient delivery. Find out more about tariffs and Swiss customs on [www.tares.ch](http://www.tares.ch)

## Weight based duties

Switzerland is the only country in the world besides Australia levying weight based duties (except some articles with a different method of calculation). Customs duties are generally levied in Swiss francs (CHF) on the basis of weight (for example sports shoes have a duty rate of CHF206.00 per 100 kg, and a cotton dress has a duty rate of CHF171.00 per 100 kg of gross weight). The gross dutiable weight includes the actual weight of the goods and their packaging.

## Customs Clearance options

There are generally two ways to get your goods to Switzerland – the postal clearance and the Commercial Clearance. We at Asendia can provide both of them. At every stage it's essential to give the Swiss shopper a transparent view on the solution to improve the customer experience and, ultimately, boost sales.

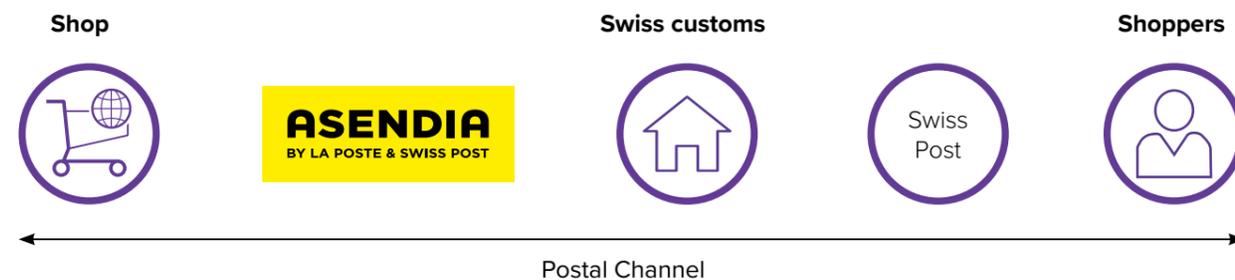
## Duty free limit

Another specialty is the duty free limit. Per declaration made, there will be no duty charged in a case where the duties to be charged are below 5 CHF. This allows e-commerce companies to save a lot of money if the customs solution is set up in the right way.

# Which clearance option is best for you?

## 1. Postal Clearance (PC):

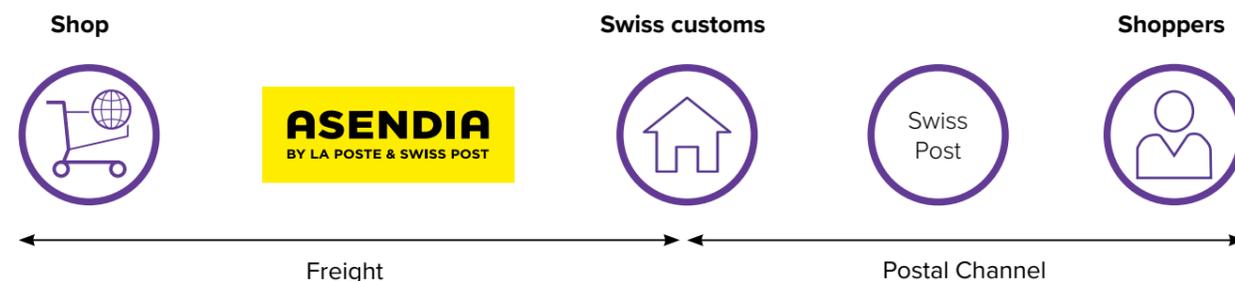
Goods are handled by Asendia in the postal world right after pickup, this will help create savings for you. When passing customs, Swiss Post will customs clear the goods in the name of the shopper. For low value goods up to 62.50 CHF no costs will incur. For higher values the shopper will pay all fees on arrival.



## 2. Commercial Clearance (CC):

Goods are handled by Asendia outside the postal channel until goods are customs cleared. Your main benefit is a flexible customs handling without charging any cost to the shoppers on delivery.

Asendia will clear your goods individually in customs or as bulk and invoice accordingly.



	Advantages	Recommendation
<b>Postal Clearance</b>	<ul style="list-style-type: none"> <li>• Minimum integration requirements</li> <li>• Minimum upfront investment</li> <li>• Easy customs form CN22/CN23</li> <li>• Low logistic cost</li> <li>• Tax-free limit</li> </ul>	Postal Clearance is a good method to start with. The solution should be used for smaller businesses that do not have the capacities for IT integration, or businesses focusing on sending low value goods.
<b>Commercial Clearance</b>	<ul style="list-style-type: none"> <li>• No extra charges for shoppers on arrival</li> <li>• Highest process flexibility</li> <li>• Bulk clearance for large volumes.</li> <li>• Single clearance saves duties and VAT within tax-free limit</li> <li>• Swiss look</li> </ul>	<p>Commercial Clearance is the preferable solution to avoid any extra costs for shoppers on delivery. Proper data is key for customs clearance and provides flexibility for bulk or single clearance.</p> <p>The solution provides the lowest overall costs for high value goods.</p> <p>Including the costs in the check-out process is usually straight forward as logistical and VAT costs are easy to calculate. Only the duty costs are not exactly known. That's why these costs are usually included as one of many costs in the sales price.</p> <p>Depending on your requirements and type of products, you have the option of single or bulk customs clearance processes. Which is best for a business will be determined by:</p> <ul style="list-style-type: none"> <li>• The type of products you sell</li> <li>• Where the products are produced</li> <li>• The number of parcels you send</li> </ul>

# Trust in Delivery

If you're looking to establish a customer base in Switzerland then reliable and efficient delivery is going to play a big role.

Trust in delivery is one of the key requirements for Swiss consumers when it comes to engaging with online brands.

Swiss Post is the national postal operator of Switzerland. Thanks to Swiss Post's efficient delivery networks, their standard mail and tracked parcel services provide an excellent solution, reaching every corner of Switzerland, from Basel to Geneva, as well as locations up in the Alps. Not as fast as courier services, but lower cost, and tracking and insurance options are available.

Swiss shoppers trust Swiss Post, while offering tracked parcel services in addition to standard postal services provides a foundation of quality assurance.

As Swiss Post is our parent company, Asendia provides you with all these solutions. The benefits of these tracked parcel services, for you as well as your Swiss customers, include:

- Delivery at home, with or without a signature, more than 2500 different PUDO points and influence on the delivery and second delivery for missed parcels.

- Delivery speed and services tailored to e-commerce.
- Tracking notifications at every stage, both for exporter and customer.
- DDP delivery in Switzerland; no extra costs to pay upon delivery.
- Enhanced liability.
- Convenient return solutions with a Swiss returns address.
- Local language for any delivery issues with local customer service of Swiss Post in 4 languages.
- High delivery accuracy, with over 97% delivery on time all over Switzerland.
- One of the densest post office networks in Europe for convenient collection.
- Especially low lost and damaged goods rates.
- Swiss shoppers prefer delivery by Swiss Post as they trust the national postal operator.
- Swiss shoppers are used to steering their parcels, defining their preferred day of delivery, time, drop off location, etc.

# ACCESSING SWISS POST'S SOLUTIONS FROM OVERSEAS

Founded in 2012, with operations worldwide, Asendia is a joint venture between Swiss Post and La Poste, helping businesses around the globe access the Swiss and French markets, as well as deliver to over 220 other destinations too.

**Asendia's services include all of Swiss Post's mail and parcel delivery options. With the complete service range including customs solutions and return management, Asendia guides you through Swiss customs regulations so you can deliver with ease.**

If you're an online retailer based outside of Switzerland with customers in Switzerland then Asendia should be your first choice. Find out how we can help you meet your customers' expectations and grow your business.





Contact us

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Asendia is an international partnership between La Poste and Swiss Post.