



Abolition of Industrial Tariffs

Information Meeting, 17 August 2023

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Agenda

Welcome / Agenda

Main Elements of the Act and its economic effects	20'
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Implementation & Effects

- | | |
|---|------------|
| <ul style="list-style-type: none">- Customs Tariff & Master Data- Rules of Origin- Customs Procedure | 40' |
|---|------------|

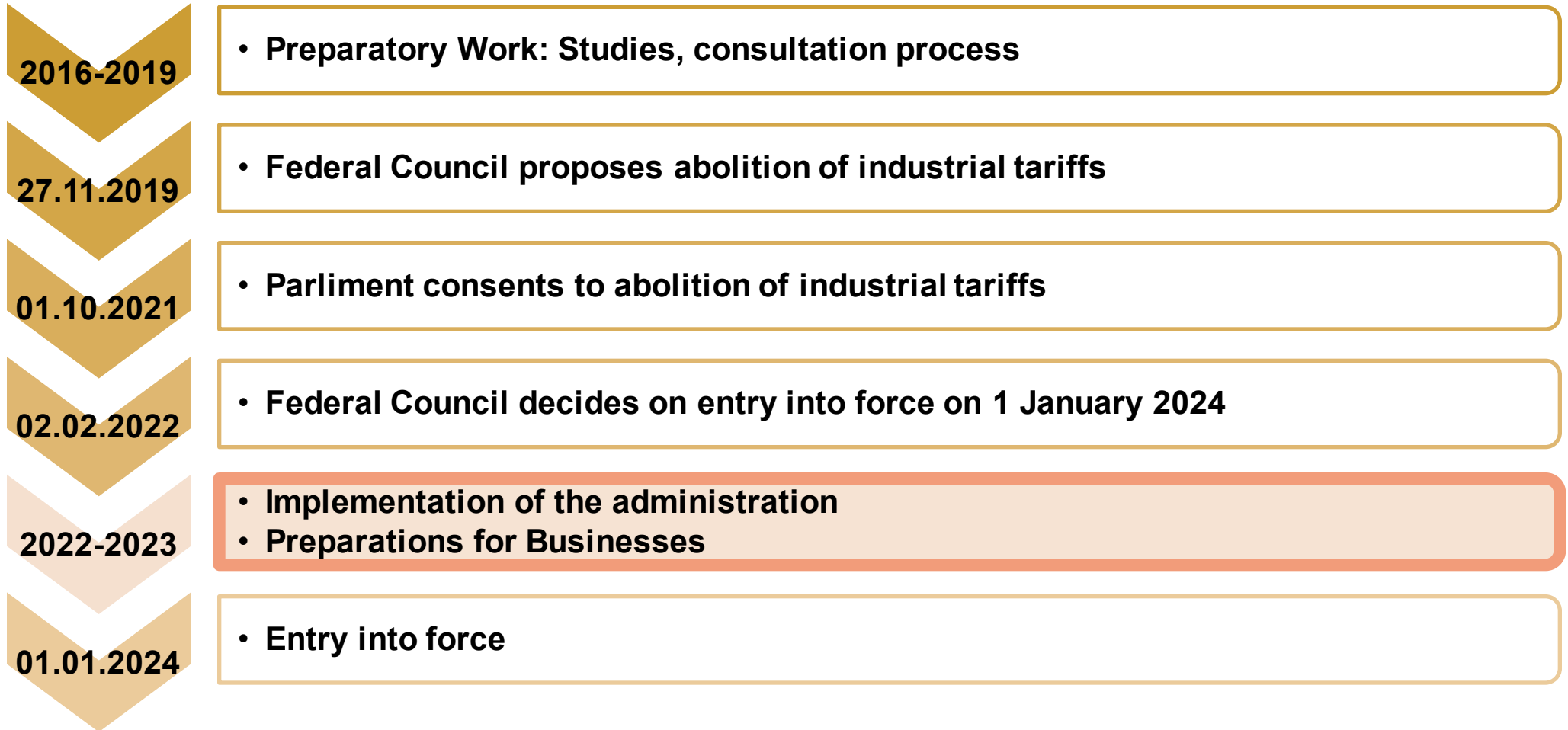
Q & A	45'
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Main Elements of the Act on the Abolition of Industrial Tariffs



Overview: Timeline





Contents of the Act (1)

What?

- All industrial duty rates (HS-Chapters 25-97) are set to zero as of the effective date (a few agricultural products in chapters 35 and 38 are exempted)
- Simplification of the tariff structure for industrial products by combining and reducing the number of tariff lines

When?

- Abolition of Industrial Tariffs as of 1 January 2024

How?

- Amendment of Annex 1 of Customs Tariff Act (General Tariff)
- WTO tariff commitments (bound tariff rates) are not amended



Contents of the Act (2)

What does not change?

- **No changes to the customs procedures:**
Obligation of customs declaration remains, including correct declaration of customs tariff numbers of the goods to be imported
- **No abolition of taxes and fees levied upon import**
e.g. Mineral Oil Tax, Motor Vehicle Tax, Value Added Tax, Incentive fee on volatile organic compounds (VOCs), etc. are still due
- **No adaption to ad valorem duty**
Weight-based duty for agricultural products remains
- **No abolition of import duties abroad**
Switzerland abolishes its industrial tariffs autonomously



Economic Effects



Measures against Swiss «High-Price-Island»

- Swiss price level on average significantly higher than in neighbouring countries
 - high wage and cost levels
 - tariff and non-tariff trade barriers
 - strong Swiss franc
- Abolition of industrial tariffs as part of the "import facilitation" package of measures by the Federal Council against the Swiss "High-Price-Island"
 - lowers prices for intermediate inputs
 - strengthens the competitiveness of Swiss companies in international competition

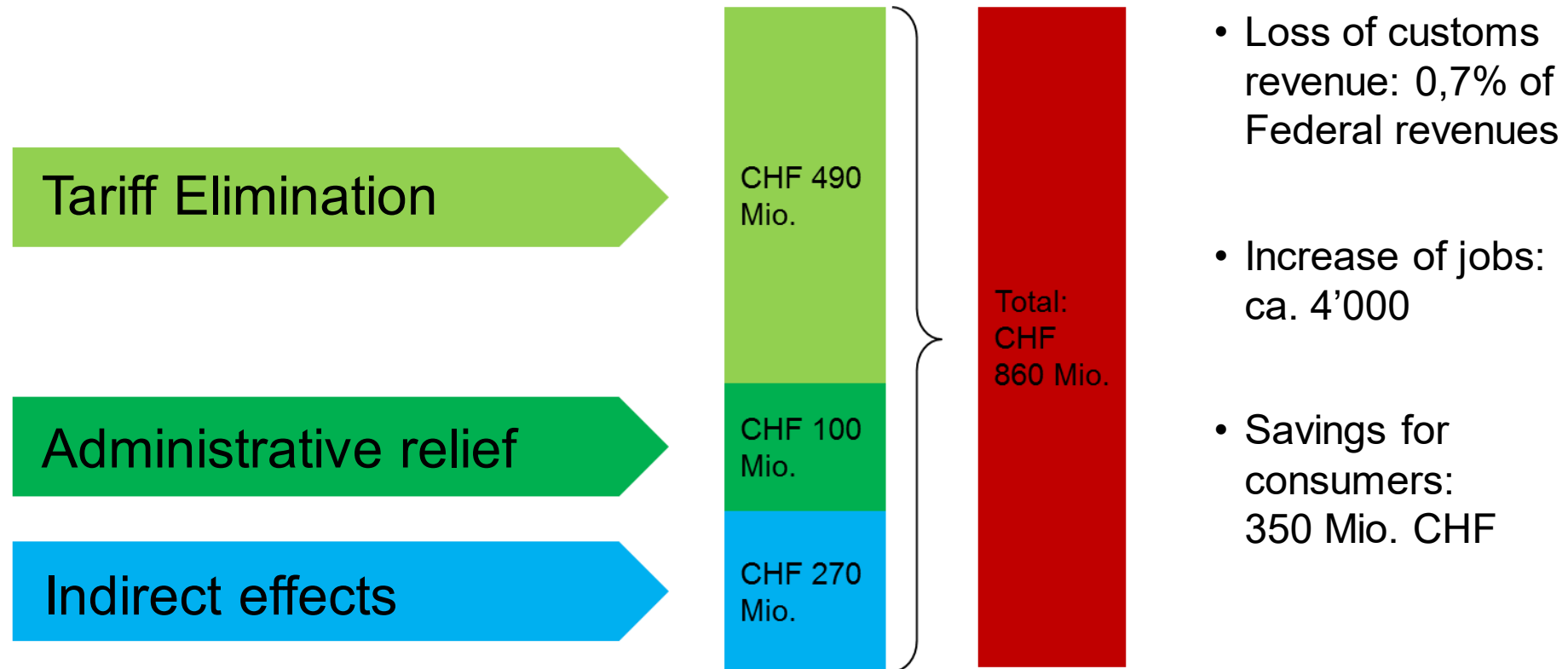


Switzerland's foreign economic policy strategy





Overall Benefits for Swiss Economy



Source: Calculation on the Basis of Ecoplan (2017) and B,S,S. (2017). Data for 2016.



Savings for Swiss Businesses for Imports of Industrial Products

- **Tariff eliminaton (2021): 670 Mio. CHF**
- **Administrative relief: 100 Mio. CHF**
Elimination of preferential customs clearance / procurement of preferential proofs of origin / special procedures (e.g. processing traffic) for imports of industrial products for a large proportion of companies
- **Administrative relief by simplification of the customs tariff structure**



Monitoring of Savings

- Federal Council (Nov. 27, 2019):
"To ensure that gains are passed on to consumers, a monitoring will be established."
- SECO conducted an external preliminary study on methodology.
- Analysis based on price comparison of affected products in Switzerland vs. Europe
- General difficulty: distinguishing the effect of industrial tariff dismantling from other price developments → Completion of monitoring by the end of 2025.
- No reporting mandate for companies.



Agenda

Welcoming / Agenda

Main Elements of the Bill and ist economic effects 20'

Implementation & Effects

- **Customs Tariff & Master Data**
 - **Rules of Origin**
 - **Customs Procedure**
- 40'

Q & A 45'



Customs Tariff and Master Data



Abolition of Industrial Tariffs – Tariff Structure

Industrial Tariffs

- Import duties on all industrial products are set at **0.00 Fr.**
Exceptions: a few agricultural products (incl. animal feed) of chapters 35 and 38.
- All 779 customs facilities for goods (depending on type of use) of chapters 25-97 will be abolished.

Tariff Structure

- Simplified, i.e. the last two digits of the eight-digit tariff numbers (the CH sub-numbers) are replaced by "00".
- omitted Swiss breakdowns are in principle very simple (especially the unit weight, processing, etc.).



Effects on Tariff structure – Example 1

1.1.2024 Tariff number NEW	1.1.2024 Duty rate NEW	1.1.2022 Tariff number	1.1.2022 Duty rate		Text E
7307.9300	0.00	7307.93		--	butt welding fittings
		7307.9310	11.00	---	not surface-treated
		7307.9320	14.00	---	surface-treated
7307.9900	0.00	7307.99		--	other
		7307.9910	36.00	---	of sheet or plate iron
				---	other
		7307.9991	11.00	----	not surface-treated
		7307.9992	14.00	----	surface-treated



Effects on Tariff structure – Example 2

1.1.2024 Tariff number NEW	1.1.2024 Duty rate NEW	1.1.2022 Tariff number	1.1.2022 Duty rate		Text E
				-	reciprocating piston engines of a kind used for the propulsion of vehicles of Chapter 87
8407.3100	0.00	8407.3100	46.00	--	of a cylinder capacity not exceeding 50 cc
8407.3200	0.00	8407.3200	46.00	--	of a cylinder capacity exceeding 50 cc but not exceeding 250 cc
8407.3300	0.00	8407.33		--	of a cylinder capacity exceeding 250 cc but not exceeding 1000 cc
		8407.3310	80.00	---	for motor vehicles
		8407.3320	47.00	---	for motorcycles
		8407.3390	27.00	---	other
8407.3400	0.00	8407.34		--	of a cylinder capacity exceeding 1000 cc
		8407.3410	80.00	---	for motor vehicles
		8407.3420	22.00	---	for tractors
		8407.3490	21.00	---	other
8407.9000	0.00	8407.90		-	other engines



Effects on Tariff structure – Example 3

- Duty rate **0.00** / Tariff number **unchanged** (Mineral Oil Tax)

1.1.2024 Tariff number NEW	1.1.2024 Duty rate NEW	1.1.2022 Tariff number	1.1.2022 Duty rate		Text E
2909.60		2909.60		-	alcohol peroxides, ether peroxides, acetal and hemiacetal peroxides, ketone peroxides and their halogenated, sulphonated, nitrated or nitrosated derivatives
2909.6010	0.00	2909.6010	49.90	--	for use as fuel
2909.6090	0.00	2909.6090	1.90	--	other

- Duty rate **and** Tariff number **unchanged** (Agricultural lines)

1.1.2024 Tariff number NEW	1.1.2024 Duty rate NEW	1.1.2022 Tariff number	1.1.2022 Duty rate		Text E
3501.10		3501.10		-	casein
3501.1010	4.00	3501.1010	4.00	--	within the limits of the tariff quota (Q. No. 8)
3501.1090	909.00	3501.1090	909.00	--	other



Effects on Tariff structure – Example 4

- Duty rate already 0.00 and Tariff number already 00 = unchanged

1.1.2024 Tariff number NEW	1.1.2024 Duty rate NEW	1.1.2022 Tariff number	1.1.2022 Duty rate		Text E
3003		3003			Medicaments (excluding goods of heading 3002, 3005 or 3006) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale
3003.1000	0.00	3003.1000	0.00	-	containing penicillins or derivatives thereof, with a penicillanic acid structure, or streptomycins or their derivatives
3003.2000	0.00	3003.2000	0.00	-	other, containing antibiotics
				-	other, containing hormones or other products of heading 2937
3003.3100	0.00	3003.3100	0.00	--	containing insulin
3003.3900	0.00	3003.3900	0.00	--	other
				-	other, containing alkaloids or derivatives thereof
3003.4100	0.00	3003.4100	0.00	--	containing ephedrine or its salts
3003.4200	0.00	3003.4200	0.00	--	containing pseudoephedrine (INN) or its salts
3003.4300	0.00	3003.4300	0.00	--	containing norephedrine or its salts
3003.4900	0.00	3003.4900	0.00	--	other
3003.6000	0.00	3003.6000	0.00	-	other, containing antimalarial active principles described in Subheading Note 2 to this Chapter
3003.9000	0.00	3003.9000	0.00	-	other



Customs Tariff & Master Data - Information (1)

- On the BAZG website you will find helpful and regularly updated information: [Änderungen auf den 1.1.2024 - Aufhebung der Industriezölle \(admin.ch\)](#)

Letzte Aktualisierung: 11.07.2023

(Dokumente mit älterem Datum sind unverändert)

Vereinfachung des Zolltarifs 1.1.2024	01.01.2024 (XLSX, 2 MB, 29.03.2022)	Filebeschreibung (PDF, 88 kB, 07.07.2023)	
Konkordanzliste Tarifnummern 2024↔2022	01.01.2024 (XLSX, 191 kB, 07.07.2023)		
Tarifstruktur	01.01.2024 (XLSX, 1 MB, 07.07.2023)	Filebeschreibung (XLS, 41 kB, 15.03.2022)	
Tarifnummern	01.01.2024 (XLSX, 225 kB, 11.07.2023)	Filebeschreibung (XLS, 24 kB, 17.10.2011)	
Schlüsselstruktur	Import (XLSX, 215 kB, 07.07.2023) gültig ab: 1.1.2024	Export (XLSX, 146 kB, 07.07.2023) gültig ab: 1.1.2024	Filebeschreibung (XLS, 39 kB, 25.08.2010)



Customs Tariff & Master Data - Information (2)

- Currently the following documents are available: [Änderungen auf den 1.1.2024 IZA](#)
 - Simplification of Customs Tariff 1.1.2024
 - Correlation Tables of tariff lines 2024 ↔ 2022.
 - Combined Tariff and statistical key's structure
 - Tariff structure
 - Tariff numbers
 - Statistical key's structure
 - Statistical keys
 - Customs facilities (**ALL abolished**)
 - FAQs



Rules of Origin



Effects on Swiss businesses: origin cumulation

If it is already upon importation certain that **goods will definitely remain / be consumed in Switzerland**

- **Proof of origin no longer required**

If cumulated or re-exported with proof of origin

- **Proof of origin required – No change**

Preferential customs clearance

- FTA: yes
- GSP: no

Recommendation:

- Ensure with foreign suppliers that they continue to issue proof of origin in cases, where a proof of origin is required despite duty-free status.
- Instruct customs clearance service provider if preferential clearance is required.



Rules of Origin – additional information

- Table «Who will still need a certificate of preferential origin for industrial products after industrial tariffs are removed?»
→ FAQ: [Abolition of industrial tariffs \(admin.ch\)](#)
- Expert News (only available in d/f/i):
 - [Information Aufbewahrung von Einfuhr-Ursprungsnachweisen ab 1.1.2024](#)
 - [Information Industriezollabbau per 1.1.2024 ; Einfluss auf den Ursprung bei der Ausfuhr im Rahmen der Freihandelsabkommen \(FHA\)](#)



Customs Procedure and Effects on Businesses



Changes to the customs procedure?

No changes to the customs procedure:

- The obligation to declare and submit documents (e.g. invoice, authorization), including the correct declaration of the customs tariff numbers of the goods to be imported, remains in force.
- The nomenclature of the customs tariff is still decisive for foreign trade statistics, the rules of origin (export), the levying of additional duties (e.g. VOC, Mineral Oil Tax , Motor Vehicle tax, VAT, CITES), and the enforcement of numerous non-customs law decrees (licensing requirements, plant health, ...).

However:

- There will be simplifications and facilitations with the new goods traffic system "Passar" within the transformation program DaziT as well as the new customs law.



Effects on Swiss Businesses: Alleviations

- Simplifications in tariff classification
- Reduction of possible preferential customs clearances
- Reduction of preliminary customs clearance
- Simplified archiving of proofs of origin
- Elimination of customs duty reliefs based on type of use and for civil aircrafts
- Reduced risk in customs clearance as no customs duties are at stake



Key Take-Aways

Tariff elimination for all industrial products

- **Independent of product origin & without special documentation**
- **Other taxes and fees are still due**

No changes to customs procedure

- **Proof of Origin only in cases of unchanged re-export or with origin cumulation**

Master Data to be retrieved

- **Consult available information**
- **Subscribe to Newsletter «Tares»**



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- Rules of Origin
- Customs Procedure

Q & A 45'



Questions

- Questions can be submitted in writing via Chat
- If not done at log-in, please indicate your name and association/company
- Unanswered questions will be addressed in writing after the meeting





Information

- **Further Information on SECO-Website:**

- DE/FR/IT/EN: [Abolition of industrial tariffs \(admin.ch\)](#)

→ FAQs are updated regularly

- **Further Information on BAZG-Website (Implementation, Customs tariff)**

- DE/FR/IT: [Aufhebung der Industriezölle auf den 1.1.2024 \(admin.ch\)](#)

- **Tares News (subscribe to the Newsletter)**

- DE/FR/IT: [Tares: Mitteilungen](#)

- DE/FR/IT/EN: [Subscribing to news \(admin.ch\)](#)

- **Questions to:**

- General questions regarding abolition of industrial tariffs: info.afwa@seco.admin.ch

- Questions on goods origin: ursprung@bazg.admin.ch

- Questions on customs tariff / Tares: zolltarif@bazg.admin.ch

- General questions regarding customs: [Auskunftszentrale BAZG](#)



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Thank you for your attendance!

Information Meeting on Abolition of Industrial Tariffs, 17 August 2023