

Switzerland outside the customs union

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The most basic legal fact about the Basel border is that it is a customs border in the full sense. Because Switzerland is not a member of the European Union's customs union, the goods that cross from Weil am Rhein to Basel leave the customs territory of the Union and enter a separate customs territory with its own tariff, its own value added tax and its own rules on prohibitions and restrictions. The relationship rests on the Free Trade Agreement of 22 July 1972 between Switzerland and the European Economic Community, in force since 1 January 1973. That agreement abolished customs duties on industrial products originating in either party, although it left agricultural products largely outside its scope and allowed each side to keep its own external tariff towards third countries.¹

Because each side keeps its own external tariff, a free trade area requires rules of origin. Only goods that are sufficiently processed in Switzerland or in the European Union qualify for duty-free treatment, which the exporter must prove through a declaration on the invoice or a movement certificate. The rules are coordinated in the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, whose revised rules have been applied between Switzerland and the European Union since 2025 after a transitional period. For the pharmaceutical and chemical groups of Basel, whose products cross the border many times during production, the origin calculation can become complex. Forwarders and in-house customs departments therefore devote considerable effort to origin management, which is a field of expertise in its own right.²

A significant change occurred on 1 January 2024, when Switzerland unilaterally abolished all customs duties on industrial products, regardless of their origin. Parliament had adopted the necessary amendment of the Customs Tariff Act in 2021, arguing that the duties raised little revenue and imposed considerable administrative costs on importers who had to prove preferential origin. Since then, a car part from China, a textile from

Bangladesh and a machine from Germany all enter Switzerland free of customs duty, while agricultural products remain protected by tariffs that can be very high. The reform did not affect import value added tax, which continues to be levied at the border on almost all imports.³

The abolition of industrial tariffs simplified imports into Switzerland, but it did not remove the customs border. Swiss exporters still need proofs of origin for the duty-free treatment of their goods in the European Union and in the many countries with which Switzerland has free trade agreements. Import declarations remain necessary for value added tax, for statistics and for the enforcement of non-tariff legislation. The border also continues to matter for the United States, whose tariffs on Swiss goods became a major political issue from 2025 onwards and turned the correct declaration of origin and value into a question of considerable commercial weight for the exporters of the region. The details of that dispute and its resolution lie outside this chapter.⁴

1 Notes

1. Agreement of 22 July 1972 between the Swiss Confederation and the European Economic Community (SR 0.632.401), in force since 1 January 1973. To be verified. ↩
2. Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention) and its revised rules, applied in the relations between Switzerland and the European Union from 1 January 2025 according to the decisions of the Joint Committee; see the FOCBS information on origin. Status to be verified. ↩
3. Amendment of the Customs Tariff Act of 9 October 1986 (CTA/ZTG, SR 632.10) adopted by Parliament on 1 October 2021; abolition of industrial tariffs in force since 1 January 2024. To be verified. ↩
4. On the United States tariffs on Swiss goods announced in 2025 and subsequent negotiations, see the Federal Council's communications and the publications of SECO. Status to be verified. ↩

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