

Corporate taxation since 2020

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The corporate tax reform profoundly changed the environment for companies established in Geneva, including trading companies and investment structures. Approved by the Geneva electorate on 19 May 2019, it came into force on 1 January 2020.¹ It abolishes the privileged cantonal tax regimes, which were considered incompatible with international standards, and introduces measures designed to preserve competitiveness.

Since 1 January 2020, all companies limited by shares and cooperatives have been taxed at the same effective rate, which varies slightly from one commune to another. The cantonal administration cites the example of the City of Geneva, where the effective rate amounts to 13.99 per cent, including cantonal, communal and federal taxes, on the basis of the surcharges of the 2015 tax period.² Even where relief applies, the floor rate of taxation cannot fall below 13.48 per cent.³ The capital tax is maintained at a base rate of 1.8 per mille, that is around 0.4 per cent with the surcharges, with the profit tax creditable against it up to a limit of CHF 8,500.⁴

The abolition of the communal business tax, decided more recently, is accompanied by an increase in the profit tax intended to compensate for a loss of revenue estimated at around CHF 200 million a year, the rate rising from around 13.99 per cent to around 14.7 per cent, with variations from one commune to another.⁵ Practitioners must therefore verify the rate applicable to each tax period and each commune, since the surcharges are voted every year.

The 2020 reform took place against the background of international pressure against tax regimes considered harmful, exerted by the OECD and the European Union. A study of 2010 already noted that the preferential taxation of foreign holding companies was the object of criticism from Brussels, which regarded it as contrary to the free trade agreement between Switzerland and the European Community.⁶ The move to a single rate

answered these criticisms, while keeping Geneva among the competitive cantons for the companies that had previously benefited from special regimes.

Since then, the implementation of the minimum taxation of large groups, which stems from the work of the OECD, has added a constraint for companies whose turnover exceeds a certain threshold.⁷ For Geneva trading companies, which are often large, this development has a direct bearing, which Part G will examine.

Worked example. A Geneva company earns a taxable profit of CHF 10 million. At the effective rate of 13.99 per cent, it pays around CHF 1.4 million in profit tax. At the rate of around 14.7 per cent following the abolition of the communal business tax, the burden reaches around CHF 1.47 million. Before the reform, a company benefiting from a privileged regime could bear a markedly lower burden, while an ordinary company bore an effective rate in the region of 24 per cent.⁸ The figures, which illustrate the unification brought about by the reform, must be verified for each period and each commune.

1 Notes

1. LPG Fiduciaire de Suisse, “Réforme fiscale et financement de l’AVS (RFFA)” (Tax reform and AHV financing), 14 August 2020. ↩
2. Republic and Canton of Geneva, “L’impôt sur le bénéfice dès le 1er janvier 2020”, ge.ch (accessed September 2026). ↩
3. Republic and Canton of Geneva, “Réforme de l’imposition des entreprises”, ge.ch (accessed September 2026). ↩
4. Republic and Canton of Geneva, “L’impôt sur le capital dès le 1er janvier 2020”, ge.ch (accessed September 2026). ↩
5. RISTER, “L’imposition des sociétés à Genève en 2024”, rister.ch (accessed September 2026). ↩
6. “La reconfiguration du secret bancaire suisse” (The reconfiguration of Swiss banking secrecy), L’Économie politique, 2010/2, consulted on Cairn.info (September 2026). ↩
7. Swiss supplementary tax in force on 1 January 2024 and income inclusion rule on 1 January 2025, for groups whose turnover exceeds EUR 750 million, after the acceptance of the constitutional amendment on 18 June 2023 by 78.5 per cent of the votes; Federal Department of Finance, “Mise en œuvre en Suisse de l’imposition minimale prévue par l’OCDE”, efd.admin.ch (accessed September 2026). ↩

8. Allnews, “Votations : Genève votera sur sa propre réforme de la fiscalité des entreprises” (2019): ordinary rate of 24.2 per cent against 11.6 per cent for companies with special status, single rate of 13.99 per cent after the reform, losses estimated at CHF 186 million for the canton and CHF 46 million for the communes in 2020; State of Geneva (ge.ch): act accepted by popular vote on 19 May 2019, in force on 1 January 2020.



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