

Geneva's taxation of commodity trading

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Until 2019, most trading companies established in Geneva benefited from privileged cantonal tax regimes, the auxiliary company and mixed company statuses, which sharply reduced the taxation of profits earned abroad. These regimes, held to be incompatible with international standards, were abolished by the corporate tax reform accepted by Geneva voters on 19 May 2019 and in force since 1 January 2020.¹ Since then, all companies limited by shares and cooperatives have been taxed at the same effective rate, 13.99 per cent in the City of Geneva according to the example cited by the cantonal administration, with a floor of 13.48 per cent even where reliefs apply.² The abolition of the communal business tax is accompanied by an increase in this rate to around 14.7 per cent.³

For traders, the reform represented an increase in the tax burden compared with the former regimes, offset by the legal certainty of a single rate compliant with international standards and by the crediting of the profit tax against the capital tax, limited to CHF 8,500.⁴ As early as 2013, the industry was more worried about taxation than about regulation. A head of commodity finance at Credit Suisse feared that Geneva would lose attractiveness to Singapore and Dubai, while the president of the Zug trading association observed that in Dubai companies did not even need to negotiate tax advantages, since the rate was zero.⁵

The minimum taxation of large groups, which emerged from the work of the OECD, has changed the terms of the comparison. Since 1 January 2024 Switzerland has applied a top-up tax that guarantees a minimum taxation of 15 per cent of the profits of groups whose turnover exceeds EUR 750 million.⁶ The large traders, whose turnover far exceeds this threshold, are affected. For them, the tax advantage of zero-rate or reduced-rate centres is shrinking, since the top-up tax can be levied in the countries that apply the rule.

The taxation of natural persons is another dimension. The best-paid executives and traders bear high income and wealth taxation in Geneva, described in Part E, whereas Dubai has no personal income tax and Singapore applies moderate rates. This difference weighs on decisions about where to locate teams and executives, independently of corporate taxation.

Key point. The 2020 reform abolished the privileged regimes of Geneva traders in favour of a single effective rate of around 14 per cent, compliant with international standards. The 15 per cent minimum taxation of large groups, applied since 2024, reduces the tax advantage of the competing centres for the largest houses, without eliminating it for natural persons and medium-sized companies.

1 Notes

1. LPG Fiduciaire de Suisse, “Réforme fiscale et financement de l’AVS (RFFA)” (Tax reform and AHV financing), 14 August 2020. ↩
2. République et canton de Genève, “L’impôt sur le bénéfice dès le 1er janvier 2020” and “Réforme de l’imposition des entreprises”, ge.ch (accessed September 2026). ↩
3. RISTER, “L’imposition des sociétés à Genève en 2024” (Corporate taxation in Geneva in 2024), rister.ch (accessed September 2026). ↩
4. République et canton de Genève, “L’impôt sur le capital dès le 1er janvier 2020”, ge.ch (accessed September 2026). ↩
5. “La branche suisse du négoce craint ses rivaux de Singapour et de Dubai” (The Swiss trading industry fears its rivals in Singapore and Dubai), Le Temps, 14 April 2013. ↩
6. Swiss top-up tax in force on 1 January 2024, income inclusion rule on 1 January 2025, groups with turnover above EUR 750 million; Federal Department of Finance, “Mise en œuvre en Suisse de l’imposition minimale prévue par l’OCDE” (Implementation in Switzerland of the OECD minimum tax), efd.admin.ch (accessed September 2026). ↩

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