

Taxation of commodity trading and competition between centres: Dubai, Singapore and the others — overview and summary

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Taxation has always been among the factors that determine where traders establish themselves, and competition between financial centres is played out there to a large extent. For a long time Geneva offered companies with international activities privileged tax regimes, which were abolished in 2020 under international pressure. Dubai, which did not tax corporate profits until 2023, and Singapore, which grants reduced rates to accredited traders, are attracting a growing share of activities. The minimum taxation of large groups, implemented since 2024, changes the terms of this competition. This chapter describes the Geneva taxation of commodity trading, analyses the offerings of the competing centres, examines the movements observed since 2022 and assesses Geneva's strengths and weaknesses in this contest.

1 In five sentences

1. The 2020 reform abolished the privileged tax regimes of Geneva traders in favour of a single effective rate of around 14 per cent. The 15 per cent minimum taxation of large groups, applied since 2024, reduces the advantage of low-tax centres.
2. Dubai, whose free zone has welcomed close to 20,000 new companies in two years and where the number of Swiss companies rose by 30 per cent between 2021 and 2023, attracts by its taxation, its logistics and the absence of sanctions against Russia.
3. Singapore attracts the Asia-related functions through its tax accreditation programme, its access to Asian markets and its legal framework, but it experienced its own crises in 2020.

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4. The movements observed are mainly a matter of diversification of locations. Commodity trading remains broadly stable in Switzerland, with 58.4 per cent of the sector's value added in Geneva in 2024.
5. Geneva retains durable strengths, a financing cluster, stability, its time zone and quality of life, the preservation of which requires a coherent policy and a reputation defended by irreproachable practices.

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