

The OECD minimum tax and commodity trading

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The minimum taxation of large groups, which stems from the 2021 agreement of the Organisation for Economic Co-operation and Development and has applied in Switzerland since 1 January 2024 by way of a supplementary tax, concerns groups whose turnover exceeds EUR 750 million, which includes most of the large Geneva traders.¹ For these groups, the minimum rate of 15 per cent applies jurisdiction by jurisdiction: profits booked in a zero-rate free zone are subject to a supplementary tax, levied by the state of the group's seat or by other states, which reduces the tax advantage of Dubai and other low-tax centres for the large players.

The effect on competition between centres is real but partial. Medium-sized traders below the threshold remain sensitive to differences in rates, whereas the large groups now decide on other criteria — stability, the ecosystem, talent, sanctions — on which Geneva is well placed. Switzerland has moreover chosen to levy the supplementary tax itself, which provides it with revenue that other states would otherwise have collected in its stead. The cantons, including Geneva, receive a share of it.² The minimum tax has thus turned tax competition between centres into competition on framework conditions, a terrain more favourable to Geneva than that of rates.

1 Notes

1. 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): supplementary tax from 1 January 2024, threshold of EUR 750 million. ↩

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2. FDF, “Imposition minimale de l’OCDE” (efd.admin.ch): proposal approved in the popular vote of 18 June 2023 by 78.5% of votes (turnout 42.4%), supplementary tax introduced on 1 January 2024 for groups with annual turnover of at least EUR 750 million, minimum rate of 15%; revenue allocated “75% to the cantons and 25% to the Confederation”; expected yield of between CHF 1 billion and CHF 2.5 billion in the first year. ↩

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