

## What draws commodity traders to Geneva

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The factors that make Geneva attractive to commodity traders largely coincide with those that the preceding parts identified for the financial centre, with a few particularities.

The political and legal stability of Switzerland is the first factor. Traders, who deal with unstable countries and take considerable risks, need a secure base. The Federal Department of Foreign Affairs points out that stable political and economic institutions, a skilled workforce and a well-developed financial system contribute to Switzerland's attractiveness in this field.<sup>1</sup>

The cluster is the second factor: specialised banks, inspection, chartering, insurance, law and training, all brought together within a small perimeter.

Taxation is the third factor. The privileged regimes from which companies with international activities benefited were abolished by the 2020 reform described in Part E, but the effective rate in Geneva, of the order of 14 per cent, remains competitive now that the minimum taxation of large groups applies throughout the world.<sup>2</sup> Chapter VI will return to this question.

Neutrality is the fourth factor. It allowed Geneva to act as an intermediary between East and West during the Cold War and continues to reassure partners from countries that are at times in tension with one another. It is nevertheless tested by the sanctions regimes, which Switzerland applies and which restrict trade with certain countries.

Quality of life, geographical position, time zone, air connections and multilingualism complete these factors. Geneva offers traders and their families an environment that few centres can match, which matters when it comes to attracting talent from all over the world.

**Worked example.** A mid-sized trader established in Geneva employs 80 people, with a payroll of CHF 20 million, and makes a taxable profit of CHF

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30 million. At the effective rate of around 14 per cent, it pays CHF 4.2 million in profit tax, to which must be added the taxes paid by its staff on their salaries and the social security contributions. It entrusts the financing of its cargoes to Geneva banks, their inspection to the Société générale de surveillance and its contracts to Geneva lawyers. These fictitious figures illustrate the contribution a trader makes to the economy of the centre.

### 1 Notes

1. Federal Department of Foreign Affairs, Presence Switzerland, cited above. ↩
2. République et canton de Genève, “L’impôt sur le bénéfice dès le 1er janvier 2020”, ge.ch (accessed September 2026). ↩

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*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

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