

Withholding tax at source and cross-border workers

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

Geneva's tax system has a peculiarity linked to the canton's geography: a significant proportion of the people who work there reside in France. These cross-border workers are taxed at source in Geneva, the canton passing on to the neighbouring French départements a financial compensation calculated on the payroll, under an agreement concluded in 1973.¹ This mechanism, unique in Switzerland, illustrates the economic integration of the Franco-Vaud-Geneva region and the cross-border arrangements that Part C mentioned in connection with the free zones.

The financial centre employs many cross-border workers, in banks, trading companies and service providers. Their tax position, their social security cover and the conditions of their mobility depend on the agreements between Switzerland and the European Union, and in particular on the Agreement on the Free Movement of Persons. Debates on remote working by cross-border workers, on the allocation of tax revenue and on relations with the European Union therefore bear directly on the financial centre.²

For foreign executives employed by Geneva institutions, taxation at source also applies, under certain conditions, with the possibility of subsequent ordinary assessment. Institutions that recruit internationally must master these rules, which influence the centre's attractiveness to talent.

1 Notes

1. Franco-Swiss agreement of 29 January 1973 on financial compensation in respect of cross-border workers employed in Geneva: 3.5% of the gross payroll of cross-border workers from the Ain and Haute-Savoie; Comité régional franco-genevois, "La compensation financière genevoise", crfginfo.org (accessed September 2026). ↩

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2. Transitional agreement of 22 December 2022 and protocol amending the Franco-Swiss tax treaty signed on 27 June 2023, allowing up to 40% of working time to be spent in remote working; Ministère de l'Économie (France), economie.gouv.fr (accessed September 2026). ↩

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