

Switzerland's tax and investment treaties with African states

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

A Swiss company in an African project receives dividends, interest, licence fees and service fees from the host state and pays dividends to its Chinese or other foreign parent. How much tax is withheld on each of these payments depends on the treaties between Switzerland and the states involved. For many projects the investment protection treaties matter even more, because they give access to investment arbitration against the host state.

1 Payments leaving Switzerland

Switzerland levies no withholding tax on interest on ordinary loans, including intra-group loans (interest on bonds and Swiss bank deposits bears 35 per cent), and none on licence fees. Dividends are subject to the Swiss withholding tax of 35 per cent; within a group, a notification procedure has been available since 2023 for participations of 10 per cent or more, so that the tax need not be paid and reclaimed. The treaty with China reduces the withholding tax on dividends to 5 per cent for participations of 25 per cent or more, and the treaty with Hong Kong reduces it to nil for participations of 10 per cent or more. The details are explained in the article on [double taxation treaties with China and Hong Kong](#).

2 Tax treaties with African states

Switzerland has comprehensive double taxation treaties with Algeria, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Morocco, South Africa, Tunisia and Zambia. With the Democratic Republic of the Congo, Guinea, Kenya, Mauritius and Nigeria there is no comprehensive treaty, and the treaty with Angola has been initialled but has not yet entered into force.

In states without a treaty, local withholding taxes on service fees, licence fees and interest paid to the Swiss company must be built into the price and the financial model from the start. Treaty status changes over time, so the current list of the State Secretariat for International Finance should be checked before a structure is fixed.

3 Investment protection treaties

The network of bilateral investment treaties is denser. Switzerland has treaties in force with about thirty-six African states, among them the Democratic Republic of the Congo, Ghana, Guinea, Kenya, Mozambique, Nigeria and Tanzania. For a project vehicle this protection is often worth more than the tax relief, because it gives the Swiss company access to international investment arbitration if the host state expropriates the project, revokes permits or treats the investor unfairly.

There is no treaty with Angola or Guinea-Bissau; the treaty with Zambia dates from 1994. The treaties with Burkina Faso, Mali, Niger and Rwanda date from the 1960s and 1970s and do not contain modern protection standards. As with the tax treaties, the current list of the State Secretariat for Economic Affairs (SECO) is the reference before the holding structure is decided.

4 Where the holding company sits

Treaty protection attaches to the company that holds the investment. The Swiss holding company should therefore hold the stake in the local project company directly, it should be in place before the investment is made, and it should have the substance that allows it to rely on the treaty. The article on [the Swiss vehicles behind an African project](#) describes what that substance involves.

5 The China side of the structure

The free trade agreement between Switzerland and China has been in force since 2014. Negotiations on its modernisation were concluded on 20 August 2026, under which 99.8 per cent of Swiss exports to China are to become duty-free. Signature and approval are still pending, so the effect should be planned for 2027 or 2028.

The Swiss Investment Screening Act was adopted on 19 December 2025 and is expected to enter into force in 2027. It covers acquisitions of Swiss companies in critical sectors by foreign state-controlled investors, a

category into which Chinese state-owned enterprises typically fall. Acquisitions of participations by such investors should therefore be completed before the Act enters into force or be structured below the relevant thresholds.

6 How Ressos Legal helps

I review the treaty position of a planned structure, from the payments leaving the African host state to the dividends reaching the parent in China, Hong Kong or elsewhere, and place the holding company where it gives the best tax and investment protection. [Contact me](#) for a first conversation.

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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