

COUNTRY PROFILE



Switzerland

Tax overview

Corporate Income Tax	8.5%
Personal Income Tax	11.5%, progr.
Gift Tax	Cantonal
Inheritance Tax	Cantonal
Wealth Tax	Cantonal

Legal System

Switzerland is a Federation of States composed of 26 Cantons. Switzerland has a civil law legal system, derived from Roman law.

Currency and Exchange Controls

The currency is the Swiss Franc (CHF), and there are no exchange controls.

Corporate Income Taxation

Corporations incorporated in Switzerland or foreign corporations with an effective place of management in Switzerland are subject to corporate income tax. Federal corporate income tax is 8.5%, plus Cantonal and Communal tax (e.g. Geneva: 14.7% in 2024). Taxes are deductible, the net corporate income tax rate is approx. 14% in Geneva. Dividends paid by Swiss corporations are subject to 35% WHT.

Individual Taxation

Individuals resident in Switzerland are subject to tax on worldwide income. At the federal level, personal income tax is progressive, up to 11.5%, plus Cantonal and Communal tax (e.g. Geneva: approx. 30% in 2021). There are no Federal gift, inheritance or wealth taxes.

Under the "lump sum" regime, non-Swiss nationals who are not employed and wish to immigrate to Switzerland may elect to pay tax on a lump-sum amount and not on the basis of their effective income and wealth.

Anti-Avoidance Rules

Switzerland has no formal Transfer Pricing rules, but follows the OECD guidelines which require related party transactions to be arms-

length. Switzerland has Thin Capitalization rules.

Controlled Foreign Corporations (CFCs)

Switzerland does not have CFC rules, and undistributed profits of CFCs are not imputed to Swiss resident shareholders.

Trusts

Switzerland does not have a body of domestic trust law. However, Switzerland has ratified the Hague Convention on Trusts (1985), resulting in the recognition of foreign trusts by Swiss courts. There is an established Federal and Cantonal tax regime for trusts governed under foreign law with Swiss trustees. Tax Circulaire 30, Conférence Suisse des Impôts (2007).

International Investment Agreements (IIAs)

Switzerland has abroad network of IIAs, which provide for international arbitration in case of expropriation or confiscation of investments.

Double Tax Treaties (DTTs)

Switzerland has an extensive network of Double Tax Treaties (DTTs), many of which have expanded exchange of information clauses.

OECD Multilateral Convention

Switzerland is a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, effective 2016, which requires signatories to exchange information "on request," and authorizes spontaneous and automatic exchange.

Common Reporting Standard (CRS)

Switzerland is a party to the Multilateral Competent Authority Agreement (MCAA) and has implemented CRS for the automatic exchange of information.

FATCA

Switzerland has a FATCA Model 2 IGA with the US for the automatic exchange of information to the IRS.

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