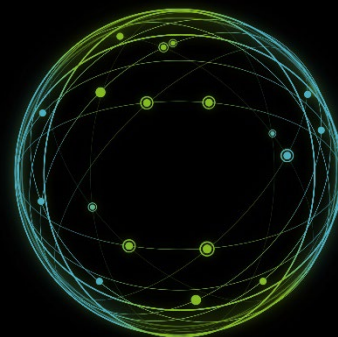


International Tax Switzerland Highlights 2026

Updated January 2026



Recent developments

For the latest tax developments relating to Switzerland, see [Deloitte tax@hand](#).

Investment basics

Currency: Swiss Franc (CHF)

Foreign exchange control: No restrictions are imposed on the import or export of capital.

Accounting principles/financial statements: Swiss GAAP. Financial statements must be prepared annually.

Principal business entities: These are the corporation (“Aktiengesellschaft”, AG), limited liability company (“Gesellschaft mit beschränkter Haftung”, GmbH), and branch of a foreign company.

Corporate taxation

Rates

Corporate income tax rate (federal)	8.5%; 7.8% (effective)
Branch tax rate (federal)	8.5%; 7.8% (effective)
Capital gains tax rate (federal)	8.5%; 7.8% (effective)

Residence: Companies with their legal seat (registered office) or place of effective management in Switzerland are considered resident for tax purposes.

Basis: Resident companies are taxed on their worldwide income, except for profits derived from foreign permanent establishments (PEs) and foreign immovable properties, which are unilaterally tax exempt. Nonresident companies are taxed on their income derived from PEs or immovable properties located in Switzerland, in the same way as resident companies.

Taxable income: Corporate income tax at the federal, cantonal, and communal levels is imposed on the company’s net profit, as determined by financial statements prepared in accordance with Swiss GAAP, with limited adjustments such as nonbusiness-related expenses and penalties. The company’s net profit consists of business/trading income, passive income, and capital gains. Foreign-source income is included in taxable income, but relief is granted for dividend income from qualifying participations. Business expenses are deductible in computing taxable income. Translation gains and losses from the conversion of the entity’s functional currency into the presentation currency (mainly, but not limited to, CHF) are disregarded for tax purposes.

Rate

General

Tax is imposed at the federal, cantonal, and communal levels. The federal tax rate of 8.5% applies on net income (since income and capital taxes are deductible in determining taxable income, the effective tax rate (ETR) is 7.8%). Taking into account the federal, cantonal, and communal income taxes, the combined ETR generally is between 12% and 21% for companies subject to ordinary taxation, depending on the place of residence. The combined ETR in most cantons ranges between 12% and 15%.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax. Some cantons may levy a small minimum duty (up to CHF 500).

Global minimum tax (Pillar Two)

Switzerland has introduced domestic rules that are in line with the global anti-base erosion (GloBE) or “Pillar Two” model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise groups with annual consolidated revenue of at least EUR 750 million. Switzerland levies a domestic top-up tax (“schweizerische Ergänzungssteuer”), intended to be a qualified domestic minimum top-up tax (QDMTT), on the profits of Swiss constituent entities (entities and PEs) and joint ventures of international groups. Additionally, Switzerland levies an international top-up tax based on the income inclusion rule (“internationale Ergänzungssteuer” (IIR)) on foreign constituent entities to the extent that Switzerland has a taxation right under the GloBE rules. Whereas the QDMTT applies to financial years beginning on or after 1 January 2024, the IIR applies to financial years beginning on or after 1 January 2025. A Swiss ultimate parent entity can file a Global Information Return (GIR) in Switzerland for financial years beginning on or after 1 January 2024, in addition to the Swiss QDMTT declaration. Switzerland currently does not plan to introduce an international top-up tax based on the undertaxed profits rule (UTPR).

Taxation of dividends: See “Participation exemption,” below.

Capital gains: There is no specific capital gains tax imposed at the federal, cantonal, and communal levels. Capital gains on the sale of assets are treated as ordinary income (and losses are deductible), regardless of the length of time for which the assets have been held. Where assets are sold to a shareholder or related corporation at a price above or below market value, gains and losses may be reassessed for tax purposes. Capital gains above the historic acquisition costs derived from the sale of a qualifying participation of at least 10% in a company (whether resident or nonresident) benefit from participation relief (“Beteiligungsabzug”) where the participation has been held for more than one year. Some cantons levy a separate real estate capital gains tax (“Grundstückgewinnsteuer”), instead of ordinary corporate income tax on capital gains above the historic acquisition costs. Especially in case of a short holding period, the tax rate may be materially higher than the ordinary income tax rate.

Losses: Losses may be carried forward for seven years and may be set off against any income or capital gains. Losses may not be carried back.

Foreign tax relief: Foreign-source income is included in taxable income, but relief is granted for dividend income from qualifying participations. Foreign-source income is taxed net of foreign taxes; no credit is granted for foreign tax paid (except for nonrefundable withholding tax on dividends, interest, and royalties under an applicable tax treaty).

Participation exemption: Dividends generally are taxable for the recipient company, although relief is granted for dividends received from a qualifying participation in a resident or nonresident company (“Beteiligungsabzug”). A participation is considered qualifying where the recipient company owns at least 10% of the capital of the payer company or the market value of the participation is at least CHF 1 million.

Holding company regime: There is no holding company regime.

Incentives: The following incentives are available for corporate taxpayers:

- Tax holiday of up to 10 years at the cantonal and communal levels for the relocation of functions and employees to Switzerland (and at the federal level in some limited regions of Switzerland);
- Patent box regime based on the OECD’s modified nexus approach, with tax relief for qualifying income of up to 90%, at the cantonal and communal levels;
- Research and development (R&D) super deduction up to a maximum of 150% of effective qualifying expenses, at the cantonal and communal levels;
- Asset basis step-up upon the migration of a company or of its functions to Switzerland, at the federal, cantonal, and communal levels; and
- Qualified refundable tax credits and government grants for R&D and sustainability in certain cantons.

Compliance for corporations

Tax year: The tax year is the accounting year.

Consolidated returns: Consolidated returns are not permitted; each company is required to file a separate return.

Filing and payment: There is combined tax return filing for both federal, cantonal, and communal income tax purposes. Filing and payment deadlines depend on the canton.

Penalties: Penalties may apply for late filing or failure to file.

Rulings: Advance rulings may be obtained from the tax authorities on various Swiss tax matters. See also “Disclosure requirements” under “Anti-avoidance rules,” below.

Individual taxation

Rates		
Individual income tax rate (federal, married taxpayers)	Taxable income (CHF)	Rate (percentage on excess)
	Up to 29,700	0%
	29,701–53,400	1%
	53,401–61,300	2%
	61,301–79,100	3%
	79,101–94,900	4%
	94,901–108,700	5%
	108,601–120,600	6%
	120,501–130,500	7%
	130,501–138,400	8%
	138,301–144,300	9%
	144,201–148,300	10%
	148,201–150,400	11%
	150,301–152,400	12%
	152,301–941,300	13%
	Over 941,400	11.5%
Capital gains tax rate (federal)		0%

Residence: Individuals are deemed to be resident in Switzerland if they intend to stay in Switzerland permanently (as indicated by the location of their center of personal and business interests), are physically present in Switzerland for at least 30 days to carry out a gainful activity, or are physically present in Switzerland for at least 90 days (regardless of purpose).

Basis: Resident individuals are taxed on their worldwide income, except for profits from foreign businesses, foreign PEs, and foreign immovable property, which are unilaterally tax exempt. Nonresidents are taxed on their income derived from businesses, PEs, or immovable property located in Switzerland.

Taxable income: Individual Income tax at the federal, cantonal, and communal levels is imposed on all forms of gross income (e.g., compensation for work, movable and immovable property) with the exception of capital gains (see “Capital gains”, below) and estates/gifts. Partial taxation applies to income from qualifying participations of at least 10% at the federal level, and more broadly at the cantonal and communal levels. Various deductions and allowances are applicable.

Rates: Income tax rates are progressive at the federal level (as shown in the table above for married taxpayers) and in most of the cantons, except in the cantons of Obwalden and Uri. Individuals with taxable income below CHF 15,200 and couples with taxable income below CHF 29,700 are exempt from federal tax. At the cantonal level, tax rates vary significantly, not only among the cantons, but also from community to community within a given canton. Taking into account federal as well as cantonal and communal individual income taxes, the combined tax rate generally is between 20% (Canton of Schwyz) and 45% (Canton of Geneva).

Capital gains: Capital gains realized on the sale and capital appreciation of privately held assets generally are not subject to taxation at the federal, cantonal, and communal levels. Capital gains realized on the sale of real estate is subject to real estate capital gains tax (“Grundstückgewinnsteuer”) at the cantonal level. Capital gains and the capital appreciation of any assets held for business purposes are subject to ordinary individual income tax.

Deductions and allowances: Various expenses may be deducted in computing taxable income, including interest on loans, alimony, and certain donations. Personal allowances are granted to taxpayers, their spouses, and dependent children.

Foreign tax relief: Foreign-source income is included in taxable income, but relief is granted for dividend income from qualifying participations. Foreign-source income is taxed net of foreign taxes; no credit is granted for foreign tax paid (except for nonrefundable withholding tax on dividends, interest, and royalties under an applicable tax treaty).

Compliance for individuals

Tax year: The tax year is the calendar year.

Filing status: A married couple is assessed jointly.

Filing and payment: Filing and payment deadlines vary from canton to canton and apply for federal, cantonal, and communal taxes. Cantons tax at source the wages of foreigners working temporarily in Switzerland (i.e., the employer must deduct the tax from salary and remit it on behalf of the foreign employee to the tax authorities).

Penalties: Penalties apply for late filing or failure to file.

Rulings: Advance rulings may be obtained from the tax authorities on various Swiss tax matters.

Withholding tax

Rates				
Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	35%	35%	35%	35%
Interest	0%/35%	0%/35%	0%/35%	0%/35%
Royalties	0%	0%	0%	0%

Dividends: Dividends paid to a resident or nonresident are subject to a 35% withholding tax. Swiss residents will be able to obtain a full refund of the withholding tax. Under Switzerland's agreement with the EU, which provides Switzerland access to benefits similar to those in the EU parent-subsidiary directive, withholding tax is reduced to 0% on cross-border payments of dividends between related companies that are resident in EU member states and Switzerland, provided the capital participation is at least 25% and certain other criteria are met. In addition, many of Switzerland's tax treaties provide for reduced rates for qualifying investments. The repayment of nominal share capital and capital contribution reserves is exempt from withholding tax.

Interest: Switzerland generally does not impose withholding tax on interest under domestic law. Exceptions apply to interest derived from deposits with Swiss banks, bonds, and bond-like loans, which are subject to a 35% withholding tax at the federal level. Interest paid to a nonresident on receivables secured by Swiss real estate is subject to tax at source. Swiss residents may obtain a full refund of the tax withheld. In the case of nonresidents, the 35% withholding tax and the tax at source imposed under domestic law may be reduced under an applicable tax treaty, subject to some conditions.

Royalties: Switzerland does not impose withholding tax on royalties.

Fees for technical services: Switzerland does not impose withholding tax on service fees.

Branch remittance tax: There is no branch remittance tax.

Anti-avoidance rules

Transfer pricing: Switzerland does not have formal transfer pricing legislation or documentation requirements, although all related party transactions with Swiss entities must be carried out on arm's length terms. In general, Switzerland follows the OECD transfer pricing guidelines and has country-by-country (CbC) reporting requirements. See also "Disclosure requirements," below.

Interest deduction limitations: Safe haven thin capitalization rules require a minimum debt-to-equity ratio for each asset class (e.g., receivables may be 85% debt financed, investments 70%, and intellectual property 70%). In addition, safe haven interest rates apply.

Controlled foreign companies: There are no controlled foreign company rules.

Anti-hybrid rules: There are no special rules addressing hybrids, but the participation exemption does not apply to income that is tax deductible in the source country.

Economic substance requirements: There are no economic substance requirements.

Disclosure requirements: CbC reports must be exchanged for qualifying enterprises. Advance tax rulings involving cross-border matters (e.g., transfer pricing, PEs) may be subject to exchange of information requirements.

Exit tax: Switzerland applies an exit tax. The exit tax rate is the same as the ordinary tax rate.

General anti-avoidance rule: There is no general anti-avoidance rule. Instead, a general tax avoidance theory has been developed over the years based on Federal Supreme Court decisions that apply, in principle, to all Swiss taxes. This theory, which is applied by all Swiss courts and tax administrations, grants the tax authorities the right to tax a taxpayer's legal structure based on its economic substance (instead of its form), where the following conditions are present:

- The taxpayer's legal structure is unusual, inappropriate, or inadequate having regard to its economic purpose;
- Tax considerations are deemed to be the only motive for the transaction; and
- The transaction effectively would lead to significant tax savings if it were accepted by the tax authorities.

Other: Measures against treaty abuse may apply, including a base erosion test.

Value added tax

Rates	
Standard rate	8.1%
Reduced rate	0%/2.6%/3.8%

Taxable transactions: VAT applies to the sale of goods and services in the Swiss territory, the acquisition of services from businesses domiciled abroad, and the import of goods. Exports of goods and most services provided to nonresident recipients are, in principle, either zero-rated or not subject to Swiss VAT. The acquisition and sale of intellectual property are VATable transactions.

Distance-selling companies generating annual turnover in Switzerland in excess of CHF 100,000 from low value shipments (i.e., those on which the import VAT does not exceed CHF 5) are liable for VAT in Switzerland.

Rates: The standard rate of VAT is 8.1%, the special rate for some accommodation services is 3.8%, and the reduced rate is 2.6%.

Registration: Enterprises conducting business in Switzerland with annual worldwide turnover exceeding CHF 100,000 and that are not exempt from VAT without credit must register for VAT purposes, irrespective of the level of VATable turnover in Switzerland.

Persons not registered as VAT payers that acquire VATable services from abroad exceeding CHF 10,000 in a calendar year under the reverse charge mechanism must register with the Swiss Federal Tax Administration in writing by the last day of February of the following year and account for VAT on the services.

Filing and payment: VAT returns generally must be filed quarterly, and the relevant VAT amount remitted to the Swiss Federal Tax Administration within 60 days after the end of the quarter.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the federal level.

Social security contributions and payroll taxes: Federal old age and disability insurance (AHV/IV/EO) is mandatory for all employees. The annual contribution of 10.6% of total employee remuneration (with no upper limit) is divided between the employer and employee. The employer is required to deduct the contributions from the salary and remit the total amount to the social security authorities. Professional pension plans are mandatory for employees; private pension plans are voluntary. Tax at source is imposed on the wages of workers without permanent Swiss residence.

Capital duty: Capital duty is imposed at varying rates depending on the canton and the type of tax privilege the canton offers (typically between 0.001% and 0.5%). There is no capital duty at the federal level.

Real property tax: Some cantons impose real property tax.

Transfer tax: The transfer of securities by Swiss securities dealers is subject to a 0.15% tax on Swiss securities and a 0.3% tax on foreign securities, subject to various conditions.

Stamp duty: A 1% stamp duty applies on contributions to the equity of a Swiss company, whether in cash or in kind. A CHF 1 million exemption threshold applies to the issuance of shares. Reorganizations, such as mergers, spinoffs of corporate assets, or transfers of a company's domicile from abroad to Switzerland typically are exempt from stamp duty.

Net wealth/worth tax: Individual net wealth tax is imposed at varying rates depending on the canton (typically between 0.1% and 1%). There is no net wealth tax at the federal level. The net wealth tax may be credited against the income tax liability in many cantons.

Inheritance/estate tax: There is no federal inheritance tax, estate tax, or gift tax, but these may be imposed at the cantonal level.

Other: Businesses with a registered office, domicile, or PE in Switzerland that are VAT-registered and whose total annual turnover (excluding VAT) is at least CHF 500,000 are subject to the radio and television fee of between CHF 160 and CHF 49,925, depending on turnover.

Tax treaties: Switzerland has concluded over 100 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Switzerland on 1 December 2019.

For information on Switzerland's tax treaty network, visit [Deloitte International Tax Source](#).

Tax authorities: Federal, Cantonal, and Communal Tax Administrations

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