Clarity on Swiss Taxes

Expect the unexpected

In a turbulent global landscape, Switzerland must stay flexible and respond to pressures beyond minimum tax

May 2025

Content

Photo by Daniel Hager

Expect the unexpected

When preparations for this Clarity on Swiss Taxes began a few months ago, I was fully expecting Pillar Two to dominate the tax landscape throughout 2025. While minimum taxation seems here to stay – albeit with questions around adoption in some key countries – it's tariffs and trade that are hitting headlines.

It is not a recent phenomenon that free trade and globalization are perceived in many places as the root of much misery. This is at least a narrative hammered into people by populist parties across the world. Against this background, the surging war on tariffs and trade finds implicit supporters everywhere. And this is something current economic optimists may underestimate when arguing that developments unfolding on the world stage today are simply a great game of poker and, following this thinking, that the world will return to "normal" as soon as the cards are laid.

History doesn't have to repeat itself, but it often does. We saw this during the Great Depression, where tariffs played a key role in worsening the crisis, as well as during the era of mercantilism leading up to the 19th century. History holds many other examples where higher tariffs did not give rise to the desired effects. Instead of boosting local industry, securing jobs and promoting social peace, tariffs destroyed competition, triggering inefficiencies, loss of product quality, higher prices and, ultimately, social unrest.

It's often said that intelligent people make mistakes once, but those who lack insight repeat them again and again. Let's hope for the best – but expect the unexpected.

With that, I wish you happy reading.

Stefan Kuhn
Partner, Head of Tax & Legal,
Member of the Executive Committee KPMG Switzerland

01

Trade and tariffs: Navigating the turbulence

As trade tensions under the current US administration evolve, a new era of global commerce is unfolding. Although the contours of the recent trade packages are not yet finalized, it is clear that the ongoing trade confrontations have hammered global growth forecasts, prompting the International Monetary Fund to revise its 2025 growth forecast downward to 2.8% – 0.5% lower than predicted in January. The Swiss government predicts that Switzerland too will see below-average growth in 2025 and 2026.

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1 Rebalancing of international trade

The "America First" campaign is underscored by claims that international trade partners have partaken in unfair practices, currency manipulation and asymmetric trade relationships. The US policy has been operationalized through legal authorities such as Section 232 of the Trade Expansion Act, Section 301 of the Trade Act and the International Emergency Economic Powers Act (IEEPA), enabling tariff measures under national security and economic emergency justifications. Two categories of tariffs have dominated recent headlines: industry-specific and country-specific tariffs, referred to as "reciprocal tariffs". Most reciprocal tariffs were suspended until 9 July 2025 to make time for bilateral negotiations with trade partners. Industry specific tariffs concern automobiles, steel and aluminum, and were imposed in virtue of Section 232 of the Trade Expansion Act, in the claim that the circumstances in these sectors could threaten national security. The pharmaceutical sector is also increasingly coming into focus: an executive order issued on May 12,2025 introduced the so-called Most-Favored Nation' pricing to pharmaceuticals. Lastly, a secondary tariff has been imposed on products originating from any country buying oil from Venezuela.

The US initiative has not gone unnoticed. The governments of China and Canada have introduced retaliatory tariffs. China further imposed significant non-tariff trade barriers such as suspending approval for the sale of TikTok to US shareholders; introducing new restrictions on rare minerals and semiconductors; extending the list of unreliable entities and shifting the procurement of oil from the US to Canada. The European Union has also imposed retaliatory tariffs for selected products of US origin. However, the measures were suspended to mirror the 90-day pause announced by the US. Other trade partners of the US, such as Mexico, Vietnam, Japan, South Korea, Taiwan, India, Switzerland and the United Kingdom, have taken a more conciliatory approach and started bilateral negotiations without the prior announcement of retaliatory measures or the announcement to refrain from countermeasures.

The United Kingdom and the US have already reached an Economic Prosperity Deal, which *inter alia* aims to reduce tariffs on the automobile and agricultural sectors. Following the US-China Economic and Trade meeting in Geneva, the nations agreed on mutual reduction of tariffs for a period of 90 days commencing on May 14th, 2025.

Trade bloc	(Retaliatory) measures	Goods exports ($bn)	Surplus ($bn)	Overall trade surplus ($bn)
China	Initially 125%; now reduced to 10% for 90 days.	440	295	263
EU	Tariffs of 10-25% on US goods up to €26bn; paused by July 14. An agreement is being considered.	609	237	161
Mexico	Prepared but not enacted.	516	172	179
Canada	25% tariffs on US products worth $60bn; paused.	420	71	36
Vietnam	Raising bilateral trade with South Korea to $150bn by 2030.	137	123	122
Japan	No retaliatory tariffs; ongoing talks for a deal.	150	69	64
South Korea	No retaliation. Increasing bilateral trade with Vietnam. Emergency support for businesses.	133	66	55
Taiwan	$2.8bn plan to stabilise economy.	116	74	73
India	No retaliatory tariffs; in negotiation to reduce own import duties; bilateral trade agreement in preparation.	87	46	46
Switzerland	No retaliatory tariffs. Emergency support for businesses announced; Negotiation ongoing.	64	38	17
United Kingdom	No retaliatory tariffs. Committed to a US-UK Economic Prosperity Deal.	69	–11	–15

Table 1
Overview of retaliatory measures by trade bloc, trade with US

Source: bea.gov. Selection of authors for data from "Related Materials: U.S. Trade in Goods and Services by Selected Countries and Areas", 2024.

2 Swiss exposure

2.1 Tariffs

Switzerland still levies significant tariffs on the importation of agricultural products from any country, including the US. These tariffs are accompanied by a sophisticated regime of importation licenses and quotas.

Switzerland also imposes excise duties on tobacco, beer and alcohol. In addition, passenger cars are subject to 4% vehicle tax upon importation. Furthermore, Switzerland applies environmental levies, including a tariff on volatile organic compounds and a levy on CO_2 emissions.

2.2 Non-tariff barriers to trade

Despite widespread criticism of the US justifications for reciprocal tariffs, it is worth revisiting some of Switzerland's non-tariff trade barriers. The US administration defines non-tariff barriers to trade as any government-imposed measure or policy or non-monetary barrier that restricts, prevents, or impedes international trade in goods. These include technical barriers to trade, lack of intellectual property protection, tolerated anti-competitive conduct and government procurement.[1]

Non-tariff trade barriers also include the lack of mutual recognition of standards, a critical factor for agriculture, pharmaceuticals, healthcare, energy and telecommunications. Furthermore, regulatory alignment may be required to increase Switzerland's attractiveness for trade partners in the financial services sector (including commodity trading), the defense sector, healthcare and transportation. Efforts to achieve mutual recognition of standards and regulatory alignment, including Swiss data localization rules, are constantly under review and balanced against Switzerland's objective to maintain a business-friendly environment with no overregulation.

The following domestic policies may serve as examples of what may be classified as non-tariff trade barriers under the US definition:

- **A** the investment obligation in Swiss film production for streaming services, also known as the "Netflix levy"
- **B** the moratorium on genetically modified organisms (GMO) in agriculture
- **C** the Swiss copyright framework
- **D** the prohibition on non-domestic vendors of online gambling

These policies reflect Switzerland's effort to balance domestic priorities with its role as a competitive global trade partner.

Investment obligation in Swiss film production[2]
As of 1 January 2024, streaming and television services operating in Switzerland with annual gross revenues exceeding CHF 2.5 million are required to invest 4% of that income into Swiss filmmaking, either directly or through a substitute payment to the Federal Office of Culture. Enacted following a 2022 referendum in which a majority of voters approved revisions to the Swiss Film Act, the levy aims to promote local film production and ensure a level playing field between foreign and domestic providers. This policy rationale, though grounded in national consensus and designed for cultural benefit, may potentially have raised concerns about regulatory neutrality and competitive openness as it imposes an asymmetric burden on foreign digital service providers. The investment obligation acts as a form of regulatory localization that the US may have interpreted as a trade-distorting policy because the levy introduces a structural cost for market participation that is not equally borne by domestic services with lower revenue. Furthermore, it is not proportionally applied in all markets where these companies operate. To reduce trade frictions while appropriately maintaining the cultural intent of the policy, Switzerland could consider extending the cooperation agreements it has in place with Canada, Mexico and some European countries to new partners.

[1] Source: whitehouse.gov | Sec. 4 (b)
[2] C.f. Foreign Trade Barriers, US Trade Representative, 31 March 2025, p. 331 and the US equivalent announced on truthsocial.com

B

GMO moratorium

In 2005, the Swiss electorate approved a moratorium on GMOs in agriculture.[3] Until the Moratorium expires, genetically modified plants are prohibited from being commercially cultivated in Switzerland. The ban was originally time-limited to the end of 2010 but has since been extended to the end of 2025. A new parliamentary initiative has been issued, aiming to re-extend the moratorium until 2027.[4] The extensions show how widespread skepticism about benefits of GMOs for the Swiss market still is.

It is important to consider that the GMO moratorium effectively functions as a barrier to trade, as it restricts market access to the agricultural sector, albeit without imposing formal tariffs. By banning the commercial cultivation of genetically modified crops and products, Switzerland has created a barrier of entry which disproportionately affects major GMO exporters like the United States. Thus, by raising the effective cost of market entry, the ban functions similarly to a tariff. Although in line with domestic sentiment, such a moratorium undermines the freedom of enterprise and creates what the US likely sees as an unfair playing field, where its goods are excluded not due to quality or competitiveness, but due to regulatory red tape.

C

The Swiss copyright framework

Switzerland is comparatively lenient in its copyright enforcement practices compared to its European and international counterparts. The country's relatively permissive copyright framework has raised concerns among trading partners in the past, particularly the United States, about the adequacy of protections against online piracy and intellectual property theft. In the 2019 Review of Notorious Markets for Counterfeiting and Piracy, published by the United States Trade Representative, it was noted that Switzerland remains a popular host country for websites offering infringing content and for the services that support them.[5] That same year the Swiss Parliament modernized the Copyright Act.[6] However, the reform is piece-meal as its deterrent effect remains limited: the Copyright Act does not criminalize end-user consumption of pirated material and does not enforce site-blocking by internet providers. Until a more thorough reform of the Copyright Act takes place, piracy and IP theft will continue to be points of contention in Switzerland's trade relations with countries advocating for tighter protective frameworks.

D

Restrictions on providers of online gambling

Effective since 1 January 2019, Switzerland's Gambling Act restricts non-domestic online gambling vendors by requiring a Swiss license, initially exclusive to local land-based casinos. The Gambling Act applies to all kinds of online real money games, including betting, skill games and card games. Unlicensed foreign operators face DNS-blocking and blacklisting. The intent of the restriction is to protect consumers, enhance addiction prevention and fund public welfare. Foreign providers can apply for a license via a Swiss subsidiary or they can cooperate with a local land-based casino that already has a license. As the provisions limit market access for foreign operators, they may be considered a non-tariff barrier to trade.

[3] Source: efbs.admin.ch
[4] Source: parlament.ch
[5] Source: ustr.gov
[6] BBl 2018 591 et seq.

3 Global trade, Swiss made

Switzerland offers businesses distinct advantages. Its central location in Europe ensures strategic access to key markets, while a stable political, legal and economic environment supports planning certainty. A highly skilled, multilingual workforce is developed through a dual education system that combines vocational schooling with practical training. Switzerland also cultivates a world-class innovation ecosystem, particularly in sectors such as pharmaceuticals and precision machinery. Global connectivity is supported by two international airports and an efficient rail network. The regulatory framework favors business, characterized by limited bureaucracy and a competitive, internationally recognized tax system. Switzerland's strong financial sector, longstanding neutrality and global reputation further enhance its attractiveness for investment.

3.1 The Swiss economy and free trade agreements (FTA)

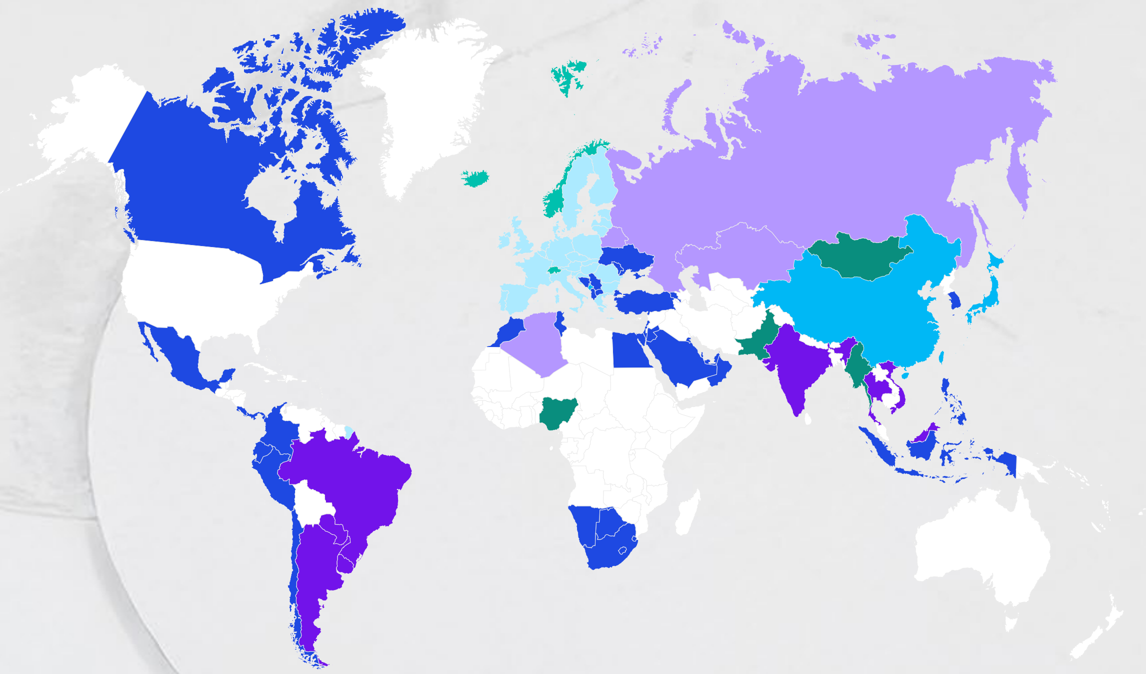

Figure 1
Adapted reproduction of an illustration by the State Secretariat for Economic Affairs (SECO) depicting Switzerland's free trade partners [7]

- Free Trade Agreement
- Free Trade Agreement (bilateral)
- Free Trade Agreement with the EU
- Ongoing FTA negotiations
- Negotiations suspended
- Joint Declaration on Cooperation
- EFTA States

[7] Source: seco.admin.ch

Swiss export highlights include high-value goods such as machinery and mechanical appliances, chemicals, pharmaceuticals, precision instruments and watches. Major imports include raw materials, electronics, machinery, chemicals, food and textiles. Trade in services, including financial services, technology and tourism, is significant and in many instances covered by special agreements.

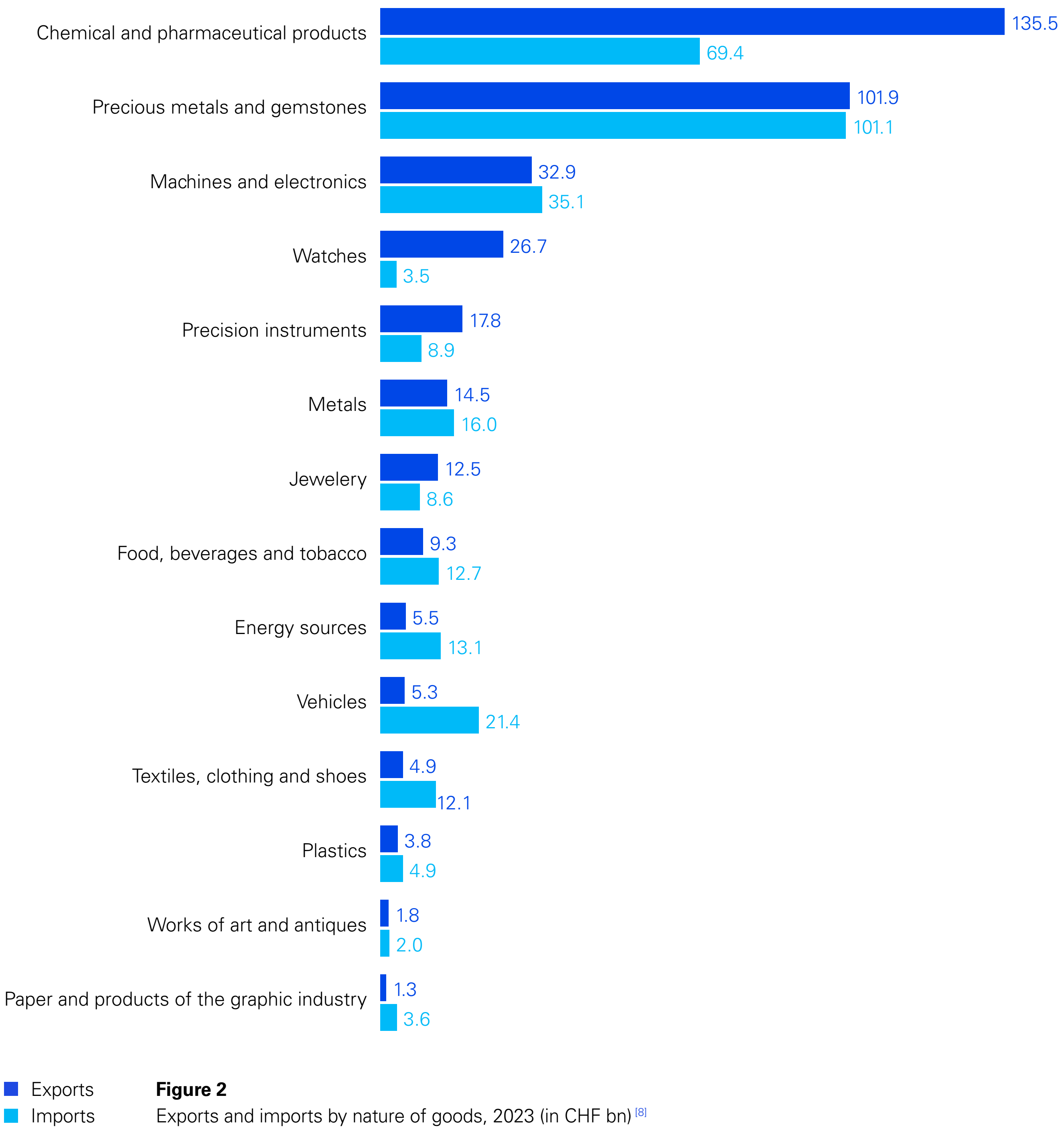

Figure 2
Exports and imports by nature of goods, 2023 (in CHF bn) [8]

[8] Source: bazg.admin.ch

Country/bloc	**Total trade** including under MFN zero, MFN, other preferential treatment and FTA *in CHF billion*	**Exports under FTA** Switzerland to country/bloc *in CHF billion*	**Imports under FTA** Country/bloc to Switzerland *in CHF billion*	**Main products traded** Exports	Imports
European Union (EU)	**300.93**	**22.03**	**54.38**	Pharmaceuticals, precision instruments, jewelry, watches, machines, chemicals and cosmetics	Pharmaceuticals, machines, cars, mineral fuels, specialized machines, plastics, precision instruments
China	**not available** *Total trade included non-preferential trade: 33.28*	**not available** *Total exports including non-preferential trade: 15.36*	**3.46** *Total imports including non-preferential trade: 17.92*	Pharmaceuticals, chemicals, precision instruments, watches, jewelry, machines, appliances, metals, agricultural products, leather	Specialized machines, chemicals, clothing, jewelry
United Kingdom	**18.46**	**3.64**	**0.93**	Pharmaceuticals, watches, chemicals, machines, precision instruments, jewelry, rail vehicles	Pharmaceuticals, jewelry, cars, machines, chemicals, works of art, specialized machines
Japan	**14.36**	**0.52**	**0.77**	Pharmaceuticals, watches, precision instruments, machines, jewelry, chemicals, specialized materials	Pharmaceuticals, cars, jewelry, specialized machines, precision instruments, chemicals, plastics
Türkiye	**19.48**	**1.30**	**0.98**	Jewelry, machines, watches, pharmaceuticals, specialized machines, cosmetics, precision instruments	Clothing, cars, aluminum, pharmaceuticals, machines, jewelry, textiles
Canada	**11.65**	**0.89**	**0.04**	Organic chemicals, pharmaceuticals, watches, machines, jewelry, precision instruments	Pharmaceuticals, machines, jewelry, aircrafts, specialized machines, precision instruments
South Korea	**5.47**	**1.61**	**0.42**	Watches, pharmaceuticals, machines, precision instruments, specialized machines, Jewelry, coffee and tea	Pharmaceuticals, cars, machines, jewelry, organic chemicals, plastics, steel

Table 2
Coverage of Swiss exports by FTAs, 2023 [9]

Switzerland currently has 34 free trade agreements (FTAs) in place with 44 partners. These agreements cover a significant portion of Switzerland's trade in goods. Companies benefit from FTAs if their products meet the preferential origin criteria outlined in the agreement. In order to qualify for preferential customs treatment, whether that be a tariff exemption or a reduced customs duty, the goods must be accompanied by the appropriate proof of origin as specified by the respective FTA. The Swiss Free-Trade Agreements are typically negotiated alongside its EFTA partners, Norway, Iceland, and Liechtenstein, within the framework of the European Free Trade Association (EFTA). However, Switzerland also has the flexibility to negotiate FTAs independently of the EFTA framework, as demonstrated by its agreements with countries like Japan and China.

Switzerland, via the EFTA, has secured key FTAs with Indonesia, Thailand, India and the South American trade bloc Mercosur, bolstering its global trade position. The status and specifics of these agreements are as follows:

The Comprehensive Economic Partnership Agreement between the EFTA and Indonesia, signed in 2018 and effective November 2021, eliminates tariffs on most industrial goods, enhances services trade, and includes investment and sustainability provisions. Approved by a 51.6% majority in a Swiss referendum in 2021, it boosts Swiss exports like pharmaceuticals while granting Indonesia duty-free access to industrial products.

The EFTA-Thailand FTA, signed on 23 January 2025 covers goods, services and investment but awaits ratification, expected by late 2025.

[9] Source: seco.admin.ch. For China (content in italics): Swiss-Impex, Selection of authors for data from 2023.

The EFTA-India Trade and Economic Partnership Agreement, signed on 10 March 2024, offers tariff reductions on most Swiss industrial goods and is pending ratification by EFTA states, anticipated by late 2025.

The EFTA-Mercosur FTA, concluded in August 2019 with Argentina, Brazil, Paraguay and Uruguay, remains unratified, with domestic approval processes ongoing in EFTA and Mercosur countries. Once they become effective, these agreements will leverage Switzerland's stable economy and strategic location, enhancing market access and trade flows.

The US is Switzerland's most important national trading partner, yet still without a comprehensive free-trade agreement. Removing currently existing trade barriers such as regulatory standards may affect sectors like agriculture (food safety rules), pharmaceutical (approval processes) and the finance sector (regulatory alignment). A FTA could, however, unlock significant potential for growth in bilateral trade. Mercosur would provide access to agricultural products and raw materials; Australia as well as New Zealand could ease barriers in food imports, enhancing trade flows.

The SECO FTA Index valued imports covered by FTAs at a total of CHF 62.328 billion in 2023, associated with tariff savings of CHF 2.226 billion.[10] It is estimated that there were non-achieved tariff savings of CHF 546 million, i.e. potential duty reductions that Swiss companies could have claimed under FTAs but did not.[11] A SECO company survey on the use of FTAs by Swiss companies found that some companies deemed the internal administrative burden of importing under FTAs too great, or noted a lack of business knowledge on the existence of FTAs, their use and benefits.[12] Swiss companies should prioritize FTA utilization in the current climate to secure margin resilience before tariff measures escalate further.

3.2 Opportunities for business

In the short term, businesses will need to navigate new tariffs, especially on products destined for the US market, as well as US-sourced goods intended for China, Canada and potentially the EU. The extent to which prices rise, or profit margins shrink, will depend on each product's price elasticity and on the competitive landscape in the destination markets – specifically, whether domestic producers can match both the quality and supply capacity of the imported goods. Short-term measures also include product and manufacturing process engineering to alter product origin and classification. Furthermore, operations may be fine-tuned, and transfer pricing concepts adjusted, to eliminate unnecessary costs within the tariff tax base (e.g. the first-sale-doctrine).

In the midterm, the tariff regime may present sector-specific arbitrage opportunities, particularly in tariff-sensitive goods like semiconductors, aluminum and steel. One potential strategy to mitigate exposure to tariffs on these goods is shifting the production origin, for example by moving a final value-adding step to a lower-tariff jurisdiction.[13]

Prior to the onset of the tariff tensions, China was a popular destination for steel galvanization. However, both the US tariffs imposed on China and the anti-dumping investigation by Southeast Asian countries against Chinese companies are further contributing to a market sentiment which is increasingly concerned about Chinese galvanized sheet export orders. While China and the US continue to grapple with steel export bottlenecks, an opportunity arises for an emerging Swiss market for galvanizing steel manufacturing. Companies may also consider where to locate steps in an assembly process that produces a different article, with a new name and character and is not shifted solely for the purpose of avoiding tariffs.[14]

The extent to which a business has digitalized and automated its production significantly influences its ability to move production processes, or parts thereof, to a more favorable location in terms of customs. However, digitalization begins with real-time visibility: without digital, uniform recording of the origin of all individual components, their processing and export, up to and including import in the country of destination, it is difficult to visualize and modulate the tariff consequences quickly and precisely enough. With the right insights, companies will find the ideal niche.

Long term, businesses will need to reassess their global strategy, adjusting how they rebalance risks and leverage opportunities within their international global supply chains. The principle of "produced where sold" may well prevail as a guiding framework in the face of intensifying economic rivalries among the world's largest economies.

[10] [11] [12] Source: seco.admin.ch

[13] **C.f. Ferrostaal Metals Corp. v. United States (1987):** "Based on the totality of the evidence, showing that the continuous hot-dip galvanizing process effects changes in the name, character and use of the processed steel sheet, the Court holds that the changes constitute a substantial transformation and that hot-dipped galvanized steel sheet is a new and different article of commerce from full hard cold-rolled steel sheet."

[14] **C.f. Uniden America Corp. v. United States (2000):** "A substantial transformation occurs when an article emerges from a manufacturing process with a name, character, or use which differs from those of the original material subjected to the process."

02

The changing shape of minimum taxation: Progress, uncertainty and US influences

The project to address the tax challenges arising from the digitalization of the economy – agreed on 8 October 2021 by over 130 countries of the OECD/G20 Inclusive Framework – has undergone further development over the past twelve months.

It is doubtful whether we will ever see implementation of Pillar One, which deals in particular with reallocation of part of the profits of the largest and most profitable companies as well adjustment of digital service taxes. With regard to Pillar Two, which provides for a global minimum tax rate of 15%, many countries have continued to push ahead with their implementation processes. Regulations to this effect have already come into force in around 50 countries as of 2025.

However, current developments in the US are triggering renewed uncertainty that could potentially affect the future direction and stability of this global tax initiative.

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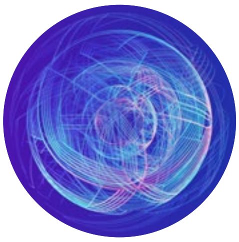
1 Implementation of minimum taxation

Minimum taxation is not a minimum standard, but a common approach. This means that while countries are not obliged to introduce measures or regulations, they should do so in accordance with the rules if they do decide to do so. Jurisdictions should then accept the application of the corresponding rules by other countries.

1.1 Implementation in Switzerland

Switzerland already introduced minimum taxation as a qualified domestic minimum top-up tax (QDMTT) on 1 January 2024. On 4 September 2024, the Federal Council passed a resolution to also implement an international top-up tax under the income inclusion rule (IIR) with effect as of 1 January 2025. In contrast, there are no plans for the time being to introduce the undertaxed payment rule (UTPR), a secondary international top-up tax. On 29 January 2025, the Federal Council initiated a consultation to obtain approval for the Multilateral Competent Authority Agreement on the Exchange of GloBE Information. This agreement should make it easier for the multinational corporate groups concerned to meet the requirements to provide information in the context of minimum taxation, by allowing the relevant information to be submitted centrally in a single jurisdiction in the future.

Besides the new top-up tax at federal level (which is assessed by the cantons), some cantons have adjusted their tax rates in light of global minimum taxation. The year 2024 saw an increase in the corporate tax rate in Geneva (from 14% to 14.7%, with parallel abolition of municipal business tax) and the introduction of a progressive rate in Schaffhausen (15% for profits of CHF 15 million or more). Vaud followed suit as of 2025 (with an increase in the tax rate from 14% to 14.7% for profits over CHF 10 million), as did Basel-Stadt as of 2026 (with an increase in the tax rate from 13.04% to 14.53% for profits over CHF 50 million, valid for 10 years). This will bring the effective corporate income tax rates in these cantons closer to the global minimum tax rate of 15%, thereby reducing the expected top-up tax. The advantage for these cantons is that they can retain the higher tax revenues resulting from the tax increase in full. In contrast, a quarter of the – federally mandated – top-up tax must be passed on to the federal government. The canton of Lucerne has prepared a similar adjustment to its tax rate (with higher tax on profits in excess of CHF 50 million, or 500 million from 2027; currently in the consultation phase). Conversely, the canton of Zug is not pursuing any similar plans. The developments in Lucerne and Zug should be seen in light of the (original) plans to change the allocation key of the additional revenues generated by the top-up tax (increase in the federal share from 25% to 50%). These plans had been drawn up by the Finance Committee of the Council of States but were then partially withdrawn.



1.2 Implementation in other countries

Of the more than 130 countries that agreed to the OECD/G20's two-pillar project, more than 50 have so far introduced certain minimum taxation rules, or will do so from 2025. Since 2024, jurisdictions such as Brazil, Gibraltar, Guernsey, Indonesia, Kenya, Portugal and Singapore have joined the list.

Legislation passed/approved

- Australia (Nov 2024)
- Austria (Dec 2023)
- Bahrain (Dec 2024)
- Barbados (May 2024)
- The Bahamas (Oct 2024)
- Belgium (Dec 2023)
- Brazil (Oct 2024)
- Bulgaria (Dec 2023)
- Canada (Jun 2024)
- Croatia (Dec 2023)
- Curaçao (Dec 2024)
- Cyprus (Dec 2024)
- Czechia (Dec 2023)
- Denmark (Dec 2023)
- EU Directive (Dec 2022)
- Estonia (Apr 2024)
- Finland (Dec 2023)
- France (Dec 2023)
- Germany (Dec 2023)
- Gibraltar (Dec 2024)
- Guernsey (Dec 2024)
- Greece (Apr 2024)
- Hungary (Nov 2023)
- Indonesia (Dec 2024)
- Ireland (Dec 2023)
- Isle of Man (Nov 2024)
- Italy (Dec 2023)
- Japan: IIR (Mar 2023), DMTT/UTPR (Apr 2026)
- Jersey (Oct 2024)
- Kenya (Dec 2024)
- Korea (Dec 2022)
- Latvia (Jun 2024)
- Liechtenstein (Dec 2023)
- Lithuania (Jun 2024)
- Luxembourg (Dec 2023)
- Malaysia (Dec 2023)
- Malta (Feb 2024)
- Netherlands (Dec 2023)
- New Zealand (Mar 2024)
- North Macedonia (Jan 2025)
- Norway (Jan 2024)
- Poland (Nov 2024)
- Portugal (Nov 2024)
- Qatar (Mar 2025)
- Romania (Dec 2023)
- Singapore (Nov 2024)
- Slovakia (Dec 2023)
- Slovenia (Dec 2023)
- South Africa (Dec 2024)
- Spain (Dec 2024)
- Sweden (Dec 2023)
- Switzerland (Dec 2023)
- Thailand (Dec 2024
- Türkiye (Aug 2024)
- UAE (Feb 2025)
- UK (Jun 2023)
- Vietnam (Dec 2023)

Legislative process ongoing

- Hong Kong (SAR) (Dec 2024)
- Kuwait (Dec 2024)

DMTT (2024)

- Austria
- Australia
- Bahamas
- Barbados
- Belgium
- Bulgaria
- Canada
- Croatia
- Czechia
- Denmark
- Finland
- France
- Germany
- Gibraltar
- Greece
- Hungary
- Ireland
- Italy
- Liechtenstein
- Luxembourg
- Netherlands
- Norway
- North Macedonia
- Portugal
- Romania
- Slovakia
- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Türkiye
- UK
- Vietnam

DMTT (2025)

- Bahrain
- Brazil
- Curaçao
- Cyprus
- Guernsey
- Indonesia
- Isle of Man
- Hong Kong (SAR)
- Kenya
- Kuwait
- Malaysia
- Poland[3]
- Singapore
- Thailand
- UAE

Intention to apply DMTT (timing uncertain or later)

- Iceland
- Israel (2026)
- Jamaica
- Japan (2026)
- Lithuania: deferral (2026)
- Mauritius
- Puerto Rico
- Qatar
- Ukraine

IIR (2024)

- Australia
- Canada
- EU[1]
- Japan
- Korea
- Liechtenstein
- North Macedonia
- Norway
- South Africa
- Turkey
- UK
- Vietnam

IIR (2025)

- Curaçao
- Gibraltar
- Guernsey
- Hong Kong (SAR)
- Indonesia
- Isle of Man
- Jersey
- Malaysia
- New Zealand[2]
- Poland[3]
- Singapore
- Switzerland
- Thailand

UTPR (2025)

- Australia
- Canada
- EU[1]
- Korea
- New Zealand
- North Macedonia
- Norway
- Thailand
- Türkiye
- UK

Intention to apply IIR and UTPR (timing uncertain or later)

- Estonia: deferral (2030)
- Hong Kong (SAR): UTPR
- Iceland
- Indonesia: UTPR (2026)
- Japan (2026)
- Latvia: deferral (2030)
- Liechtenstein (UTPR)
- Lithuania: deferral (2026)
- Malaysia: UTPR
- Malta: deferral
- Mexico
- Qatar
- Singapore: UTPR
- Slovakia: deferral
- Switzerland: UTPR

[1] Option to defer implementation to 31 December 2029 in case of max. 12 UPEs
[2] Domestic IIR from 2026
[3] Option for groups to apply the rules retroactively from 2024

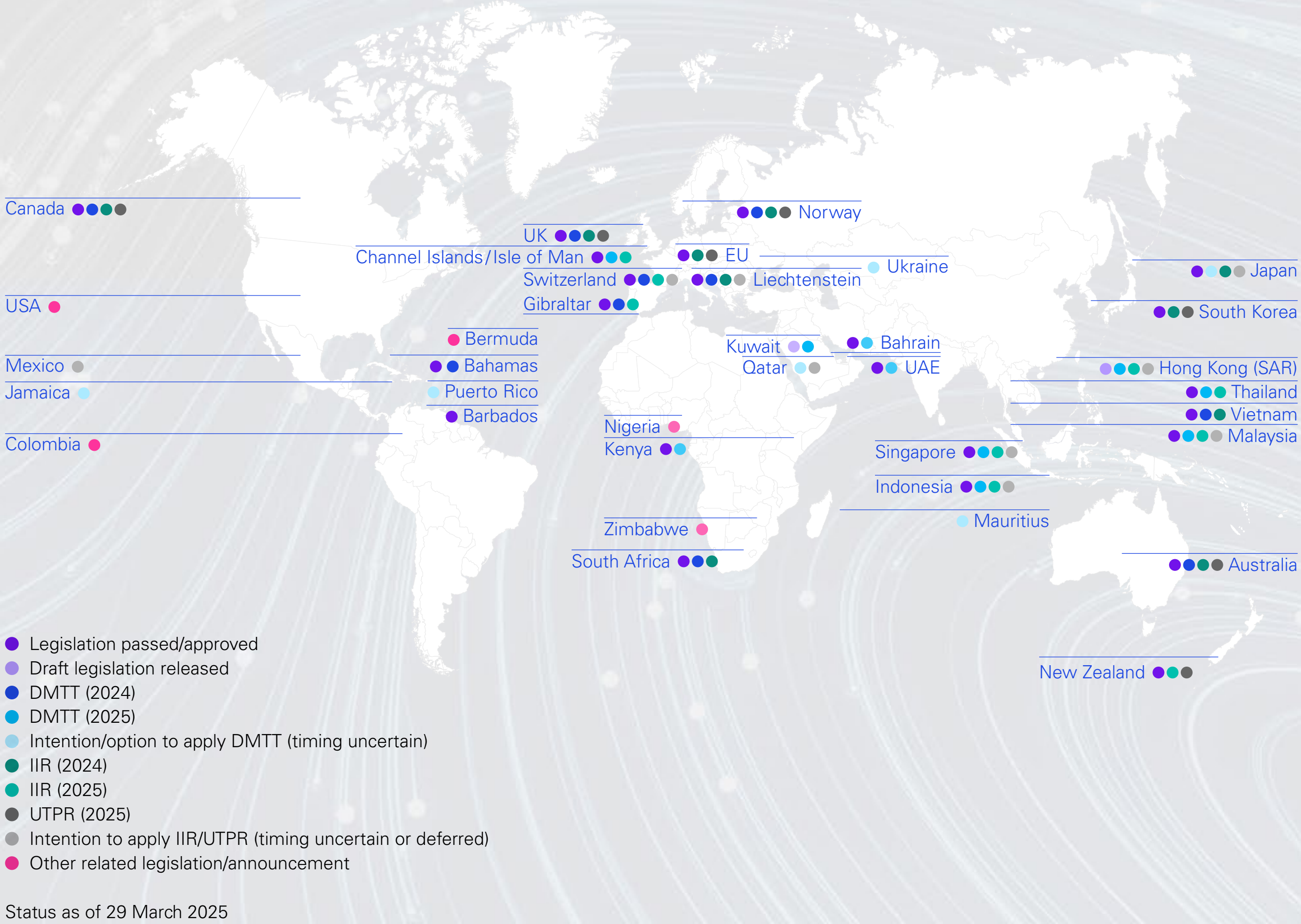


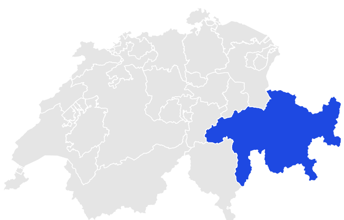
Figure 3
Pillar Two – global overview

In major jurisdictions such as China and India, it remains uncertain whether and when certain minimum tax rules will be introduced. The US has voiced opposition to adoption. Long-term enforcement of the global minimum tax hinges on whether such key jurisdictions will participate in these measures in the foreseeable future. Until then, multinational enterprises may fall outside the scope of minimum taxation as long as their business activities are limited to these countries and no UTPR is applied.

2 Cantonal measures to boost business locations

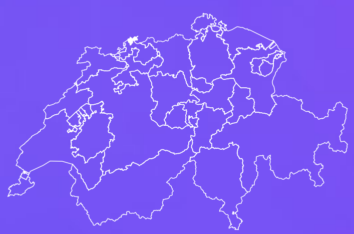
Global minimum taxation limits opportunities to offer favorable tax rates. As a result, locations that have traditionally offered low tax rates are becoming less attractive. Accordingly, countries and locations are expanding, or offering for the first time, a range of (qualified) refundable tax credits (QRTCs) or subsidies. This is because QRTCs and subsidies are not treated as reducing taxes but as increasing profits, making them more advantageous when determining effective taxation. One example abroad is Singapore, which has recently introduced refundable incentive credits for expenditure/investment in new productive capacity; expansion/establishment of headquarter activities or activities by commodity trading firms; activities in the areas of digital services, professional services and supply chain management; R&D; and decarbonization solutions. There are no comparable incentives at the federal level in Switzerland – cantons are responsible for incentives of this kind. Various cantons – Grisons, Basel-Stadt, Zug and, most recently, Lucerne – have already initiated or approved projects to improve their attractiveness as a business location. Discussions are ongoing in other cantons, but no measures have been announced as yet.

2.1 Canton of Grisons



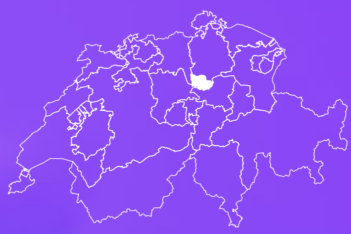
Grisons was the first canton to publish a proposal and is now the first to enact a corresponding legislative amendment (the referendum period expired unused on 11 March 2025). The canton agreed to introduce QRTCs to support measures that significantly contribute to increasing value creation in the canton; strengthening research and innovation; and improving environmental sustainability. The credits can be worth up to 25% of eligible expenses and are primarily offsetable against tax liabilities. Any surpluses are paid out within four years. For measures that increase value creation, the credits are available to companies in Grisons that expand; establish new operations; create jobs; and invest in the location. In the area of research and innovation, jobs and innovative processes are promoted. To enhance environmental sustainability, the credits support projects that contribute to a circular economy, reduce greenhouse gas emissions and are aligned with the "Green Deal for Grisons." The internal preparations concerning the implementation of the partially revised Economic Development Act are currently in progress.

2.2 Canton of Basel-Stadt



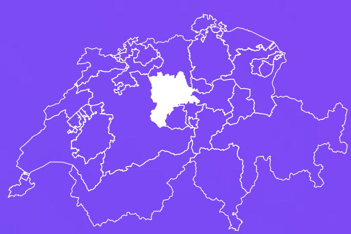
A referendum was called against the Basel location package which had received parliamentary approval in the canton of Basel-Stadt. On 18 May 2025, the Basel electorate has accepted how additional revenues from minimum taxation in the canton should be used and that incentives should be introduced to strengthen the location. The package focuses on promoting innovation and society. In the area of innovation, grants will be available for personnel expenses relating to research, development and innovation in northwestern Switzerland; for depreciation of fixed assets in the canton and in Switzerland; and for expenses relating to clinical trials or the production of the active ingredients required for these (including abroad). Enhanced funding may be available for activities involving patents and intellectual property rights. A new fund is to be set up for the benefit of research, the environment and the public, to be endowed with CHF 150 to 500 million annually, of which at least 80% shall be earmarked for innovation. The cantonal government will decide on the type of funding, which may be provided through QRTCs or government grants. The law would come into force still in 2025 and allow for respective fundings.

2.3 Canton of Zug



The canton of Zug plans to reinvest the additional revenues generated by minimum taxation in promoting its location for businesses. The government's proposed package, which covers the areas of innovation, the environment and society, is currently being debated in parliament. Contributions are to be capped at 1.5% of the average taxable net profit of the last three years, with a minimum amount of CHF 7,500. Measures are to take effect from 2026. A maximum of CHF 150 million per year is earmarked for the period 2026–2029, and the cantonal government will submit its budget to the cantonal parliament for approval from 2029 onwards.

2.4 Canton of Lucerne



The canton of Lucerne is currently in the consultation process and has published a draft for the introduction of non-fiscal location measures. Particularly noteworthy in this regard is the "Luzerner Innovationsbeitrag" a specific cantonal funding program to enhance innovation. The initiative aims to promote basic research, industrial research and experimental development (including related management tasks) – provided these meet the five main criteria set out in the OECD Frascati Manual – by contributing up to 35% of the corresponding expenses. The cantonal parliament will decide annually, at the request of the cantonal government and based on the development of the economy and the public budget, which funds will be available for such company measures. These measures are set to enter into force on 1 October 2026 and aim to further strengthen Lucerne's position as an attractive business location from 2026 onwards.

3 US government activities

Since the new US administration took office in January 2025, there have been various activities in relation to the project to address the tax challenges arising from digitalization of the economy (BEPS 2.0).

On 8 October 2021 the US, as part of the OECD/G20 Inclusive Framework, joined the project and hence also agreed to global minimum taxation. However, the country has not yet implemented the OECD minimum taxation rules. On the contrary: the new US administration has spoken out explicitly against minimum taxation.

In a memorandum dated 20 January 2025, the US withdrew from the "Global Tax Deal," noting that it shall have no force or effect within the US in the absence of an act by the Congress adopting the relevant provisions. Against this background, the current US administration does not feel bound by negotiations conducted by the previous administration. The memorandum orders investigations into whether any foreign countries are not in compliance with any tax treaty with the United States or have any tax rules in place, or are likely to put tax rules in place, that are extraterritorial or disproportionately affect American companies and thus have a discriminatory effect. Options for protective measures or other actions that the United States should adopt or take in response to such non-compliance are to be examined.

The corresponding investigation was carried out by the US Treasury, which was required to report its findings by the end of March 2025. However, the options for protective measures or other actions against discriminatory or extraterritorial taxes have not yet been published. The possibility of imposing penalty taxes has been mentioned in this context before. Reference can be made, for example, to the tax of 5% (20% after 4 years) on US income earned by taxpayers based in countries that apply such discriminatory or extraterritorial taxes, as proposed by the Chairman of the Ways and Means Committee and all 25 of its Republican members.

Various tax regimes could be considered discriminatory or deemed extraterritorial taxes. The most obvious is the UTPR (not introduced by Switzerland), which could be levied on US domestic profits or potentially on profits of US subsidiaries (outside the US). It is also possible that the IIR could be interpreted as a discriminatory or extraterritorial tax. Moreover, the QDMTT may prove problematic, as it could be argued that US corporations will bear a disproportionate share of the tax burden under this mechanism. The same applies to digital service taxes, where there are also concerns that US companies will shoulder most of the tax burden. Finally, the EU Carbon Border Adjustment Mechanism (CBAM) and the UK Diverted Profits Tax (DPT) could also be seen as potentially discriminatory measures.

Although the US has a federal corporate tax rate of 21% (plus state-level corporate income tax), US companies can still be considered to be taxed below 15% under the respective OECD minimum taxation rules because most US incentives (tax credits) are not "protected" by the minimum taxation rules, with the exception of tax credits provided for by the Inflation Reduction Act (IRA). The latter are considered (qualified) marketable and transferable tax credits (MTTC). This means that such US tax credits are considered to reduce the tax rate relevant for the minimum taxation (as such tax credits are treated as reducing the amount of tax paid) This may lead to (additional) taxation if minimum taxation is applied. The effect would be significantly increased if the federal tax rate were to be reduced from 21% to 15% (potentially only for production activities in the US), as already proposed in the last election campaign. The situation would be different if there were direct cash subsidies or refundable tax credits (which do not reduce the amount of tax paid but increase profits).

To avoid potential tax liability under the minimum taxation rules (resulting from the US tax credits), there are five basic courses of action the US could take:

1. Extend the UTPR safe harbor for US profits or make it permanent
2. Extend the UTPR safe harbor and expand it to include US subsidiaries abroad
3. Recognize GILTI as qualified IIR
4. Convert the US incentive system into expenditure-based grants/QRTCs
5. Attempt to abolish global minimum taxation altogether (as it is deemed discriminatory).

Option 1 might be acceptable for many countries, including China (which could also benefit). However, it does not offer any competitive advantage for US activities abroad.

Option 2 would give US companies an additional competitive advantage.

Option 3 would probably not solve all of the US's issues, but it, too, would potentially offer US groups a competitive advantage.

Option 4 is probably not entirely feasible.

Concerning **Option 5,** it remains to be seen how strongly the US will oppose minimum taxation in general in the future.

4 What scenarios should Switzerland prepare for?

Due to various ongoing developments at the international level, particularly in the area of minimum taxation and in connection with the United States specifically, Switzerland should remain as flexible as possible. The measures implemented or expected to be taken by the US could have various consequences, including triggering new tax competition, especially if minimum taxation is restricted or, in the longer term, undermined or abolished. Finally, it is likely that certain countries will consider reintroducing or strengthening digital service taxes in response.

With regard to minimum taxation, it is important that Switzerland's Federal Council maintain a high degree of flexibility in implementing the Ordinance on the Minimum Taxation of Large Corporate Groups, which is based directly on the constitution. For example, the Federal Council should continue to monitor UTPR developments, even though the prevailing uncertainty in this regard implies that introduction of the UTPR should be avoided for now. Further developments around the QDMTT and IIR, both of which have already been introduced, should also be observed – in particular, the question of whether there are (an increasing number of) structures designed to restrict minimum taxation. For inbound structures, it remains to be seen whether it is (still) necessary to levy the QDMTT to prevent another country from levying taxes. For outbound structures, the question arises as to whether it is necessary to levy IIR to avoid taxation by another country. In practicing flexibility, the Federal Council should be guided by the arguments already expressed in the context of the referendum on minimum taxation in June 2023, namely that (i) taxes that Switzerland can otherwise collect should not be levied by other countries and (ii) that Switzerland should implement minimum taxation in a manner that is consistent with or qualifies for OECD rules.

Should a scenario arise in which minimum taxation continues to be applied in Europe, but not for US-domiciled groups (and potentially those with a presence in Asia), the possibility of Switzerland levying a conditional, reciprocal (domestic and international) top-up tax should be examined.

In a world in which global minimum taxation is a reality, and in order to strengthen the attractiveness of Swiss business locations, the cantons should press ahead with their projects to introduce subsidies or QRTCs. These instruments can be used in a targeted manner to support relevant companies with international value chains, particularly in the areas of research, production, training and decarbonization. Should minimum taxation be abolished in the medium term (although no such development is anticipated in the near future), the cantons may choose to discontinue their new incentives and return their focus to tax competition.

Whatever happens, other (non-fiscal) location factors (beyond direct subsidies) certainly influence the attractiveness of a location, and the importance of these is likely to increase. In this context, the administrative burden on companies should be kept as low as possible to ensure efficiency and effectiveness. Safeguarding certainty and predictability in tax policy is another important goal to enable companies and investors to operate under reliable conditions in the long term. For example, it is advisable to avoid adopting EU rules before they have been fully implemented within the EU to prevent any potential negative repercussions. And last but not least, it is crucial in the current economic environment that tax policy, tax strategy and location strategy all take fiscal yield into account, particularly in view of the federal government's tight budget and the need to comply with the constitutional debt limitation instrument. This will help to prevent any unexpected tax increases and make it easier to plan for the longer term.

Due to various ongoing developments at the international level, particularly in the area of minimum taxation and in connection with the United States specifically, Switzerland should remain as flexible as possible.

03

Corporate taxation

The average income tax rates in Switzerland fell slightly compared to the prior year, from 14.60% to 14.40%. With a tax rate of 11.85%, the canton of Zug continues to offer the most attractive income tax rates in a cantonal comparison. The cantons of Bern, Zurich and Valais continue to lead the pack, followed by Basel-Landschaft and Basel-Stadt. For 2025, the canton of Ticino recorded the largest reduction – 3.11 percentage points – while the canton of Basel-Landschaft saw a decrease of 2.45 percentage points. Both of these reductions are attributable to TRAF, and complete the tax rate cuts in Switzerland under the reform. In contrast, the canton of Vaud increased its tax rate by up to 0.72 percentage points. This increase should be viewed in light of global minimum taxation.

In a European comparison, the cantons of Central Switzerland remain competitive, even outperforming low-tax countries such as Ireland and Cyprus. In 2025, various Northern, Western and Southern European countries continue to lead ahead of other European countries. No major changes can be observed in European countries. Luxembourg has reduced its tax rate by 1.07 percentage points. In contrast, Slovakia has increased its rate by three percentage points, Estonia by two, and Lithuania by one.

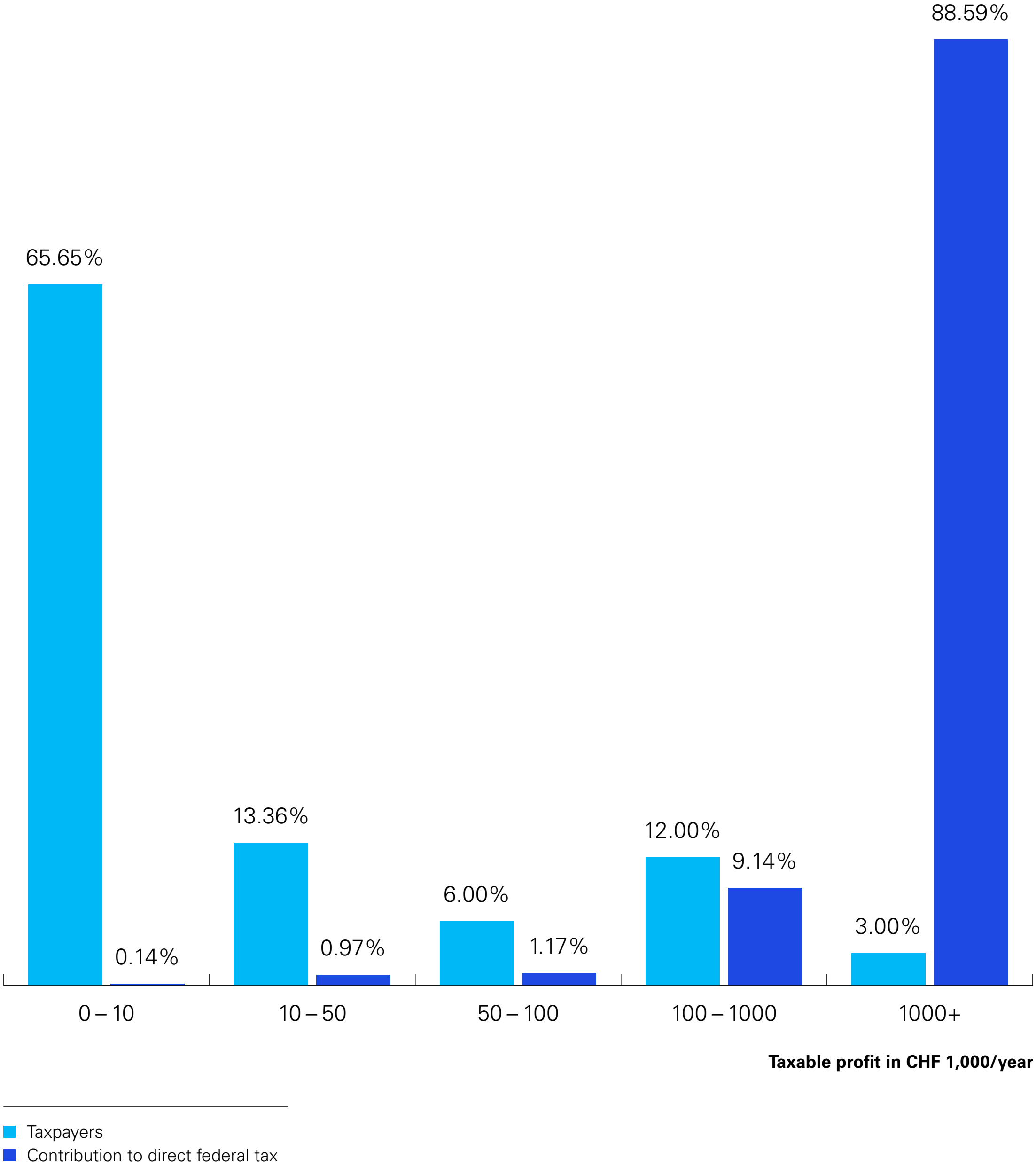
Globally, traditional offshore domiciles remain the most attractive in terms of tax rates. Bermuda has introduced a corporate income tax rate of 15% for companies with revenue exceeding USD 750 million, while the rate remains at 0% for companies below this threshold. A global comparison of corporate income tax rates shows little change compared to the prior year. Russia has increased its tax rate by five percentage points.

Corporate income tax

Contribution to tax revenue

according to SFTA tax statistics 2021, direct federal tax

While around two-thirds of public limited companies (AG/SA) and limited liability companies (GmbH/Sàrl) pay almost no direct federal tax, 3% of public limited companies and limited liability companies shoulder 88.59% of the direct federal tax burden.

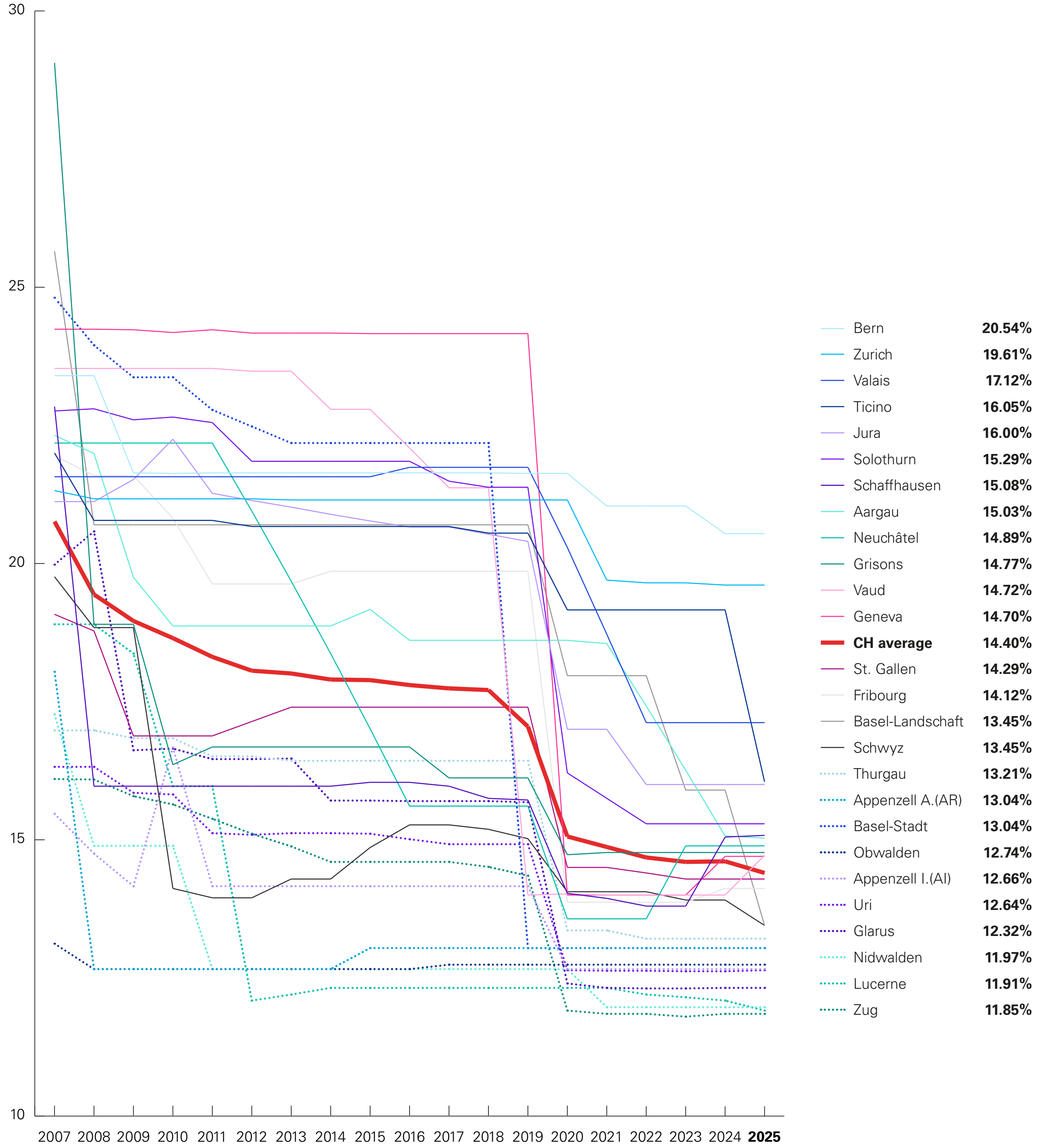


Source: estv.admin.ch

Corporate tax rates in the cantons

Trend from 2007 to 2025

Numerous tax rates have already been reduced in the past as part of the STAF corporate tax reform. Two cantons in particular have reduced their tax rates between 2024 and 2025 (Ticino and Basel-Landschaft). The canton of Vaud, on the other hand, has increased its tax rate in connection with global minimum taxation.



Note: Max. effective pre-tax rate for federal/cantonal/municipal taxes in the relevant cantonal capital. Corporate tax multipliers for SO and VD (canton only) for 2024.
Source: KPMG Switzerland

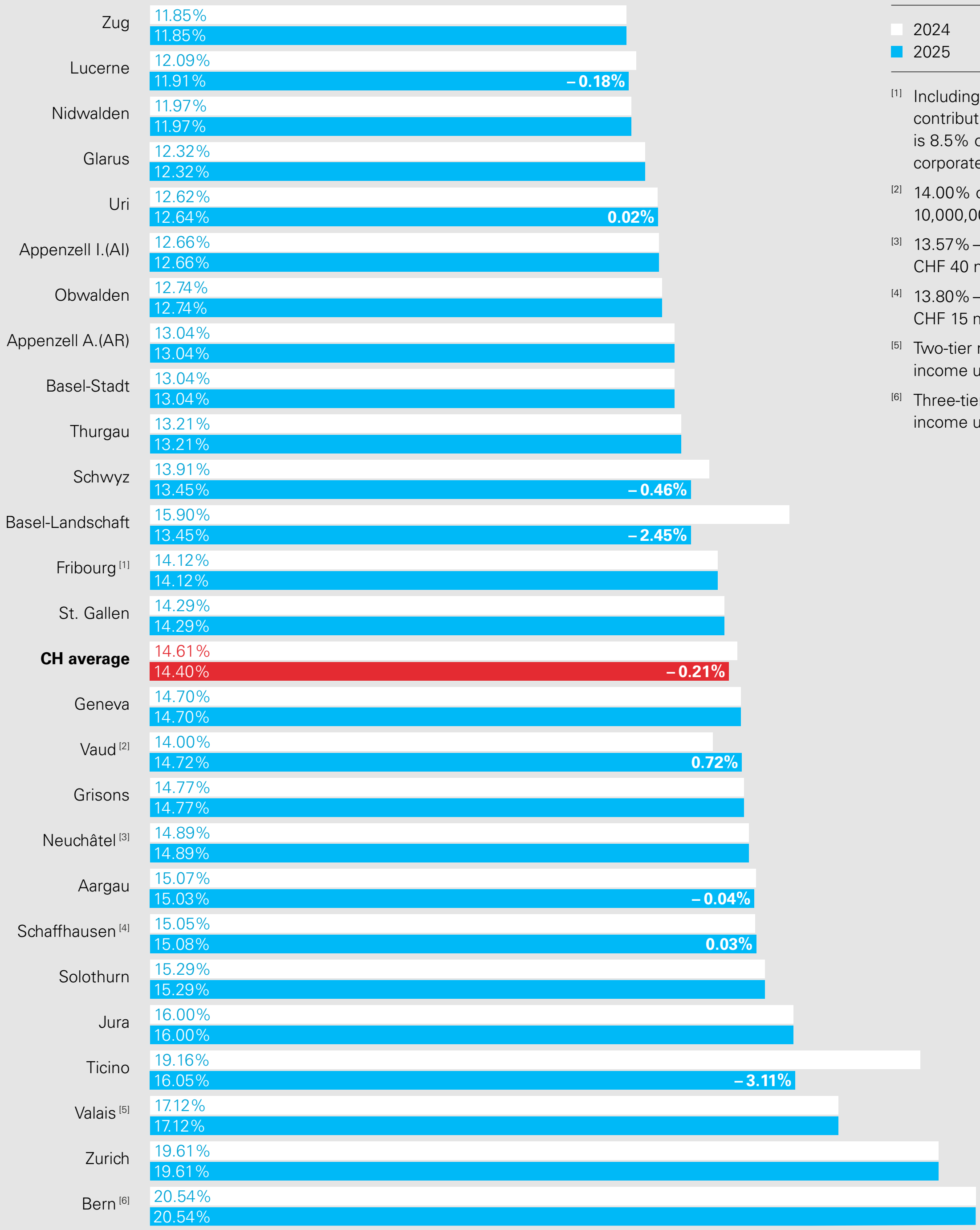
Corporate tax rates in the cantons
2024 and 2025

Last year, some cantons lowered their corporate income tax rates as part of TRAF, the Swiss tax reform. Those cantons that spread their tax cuts over several years are particularly affected and reductions for 2025 were expected. The year 2025 marks an end to this trend toward tax cuts in connection with TRAF. As a result, tax rates are likely to increase slightly to align with global minimum taxation.

Corporate income tax cuts in individual cantons in 2025

Last year, some cantons once again reduced their corporate tax rates as part of the corporate tax reform (TRAF). Particularly affected are those cantons that staggered their tax cuts over several years. Therefore, the reductions for 2025 were to be expected.

The year 2025 marks the end of the trend of tax reductions under the TRAF. The canton of Zurich has denied a subsequent second reduction step in a public vote on 18 May 2025.



2024
2025

[1] Including the social security contribution. The contribution rate is 8.5% of the simple cantonal corporate tax. Combined: 14.12%

[2] 14.00% on income up to CHF 10,000,000

[3] 13.57% – 14.16% on income up to CHF 40 million

[4] 13.80% – 15.05% on income up to CHF 15 million

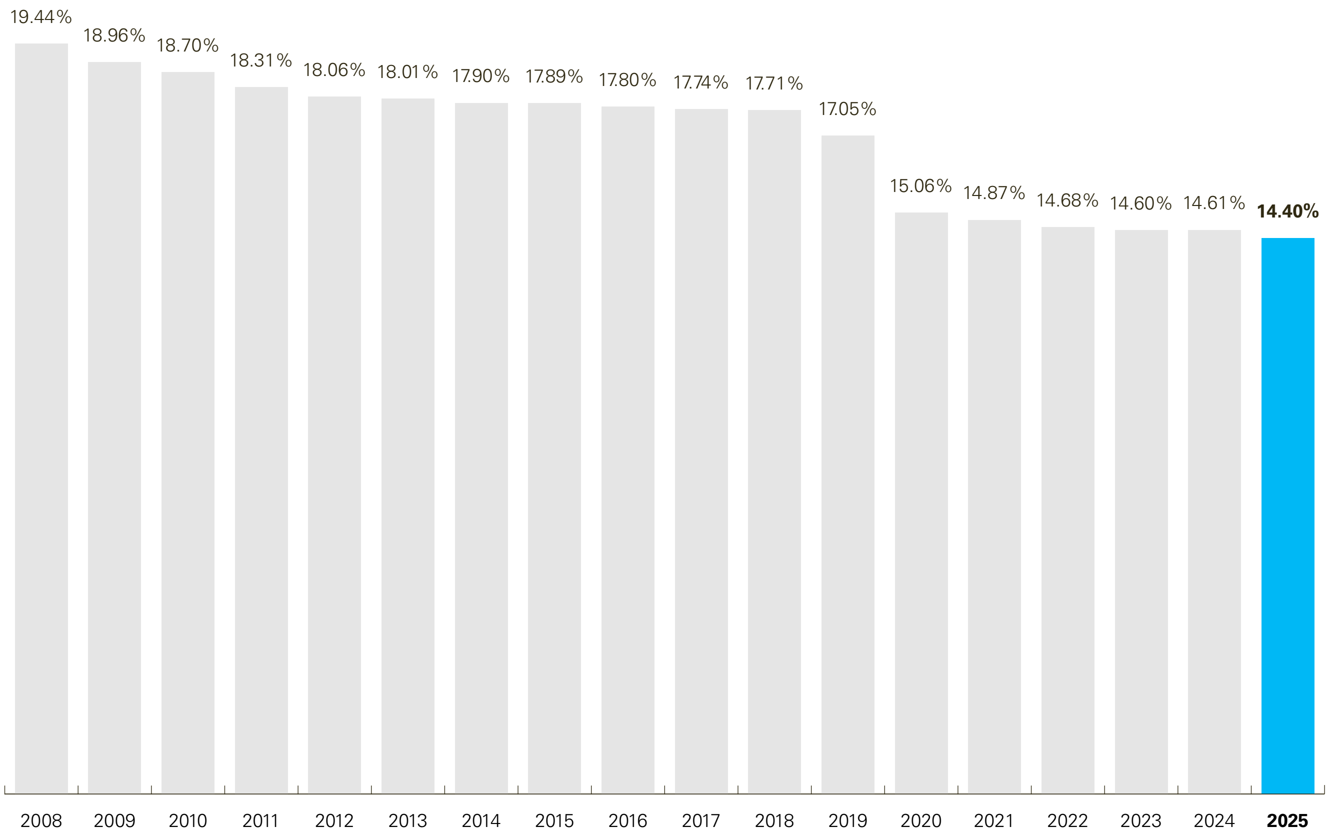
[5] Two-tier rate: Lower tax rate for income up to CHF 250,000

[6] Three-tier rate: Lower tax rate for income up to at least CHF 66,800

Note: Max. effective pre-tax rate for federal/cantonal/municipal taxes in the relevant cantonal capital. Corporate tax multipliers for SO and VD (canton only) for 2024.
Source: KPMG Switzerland

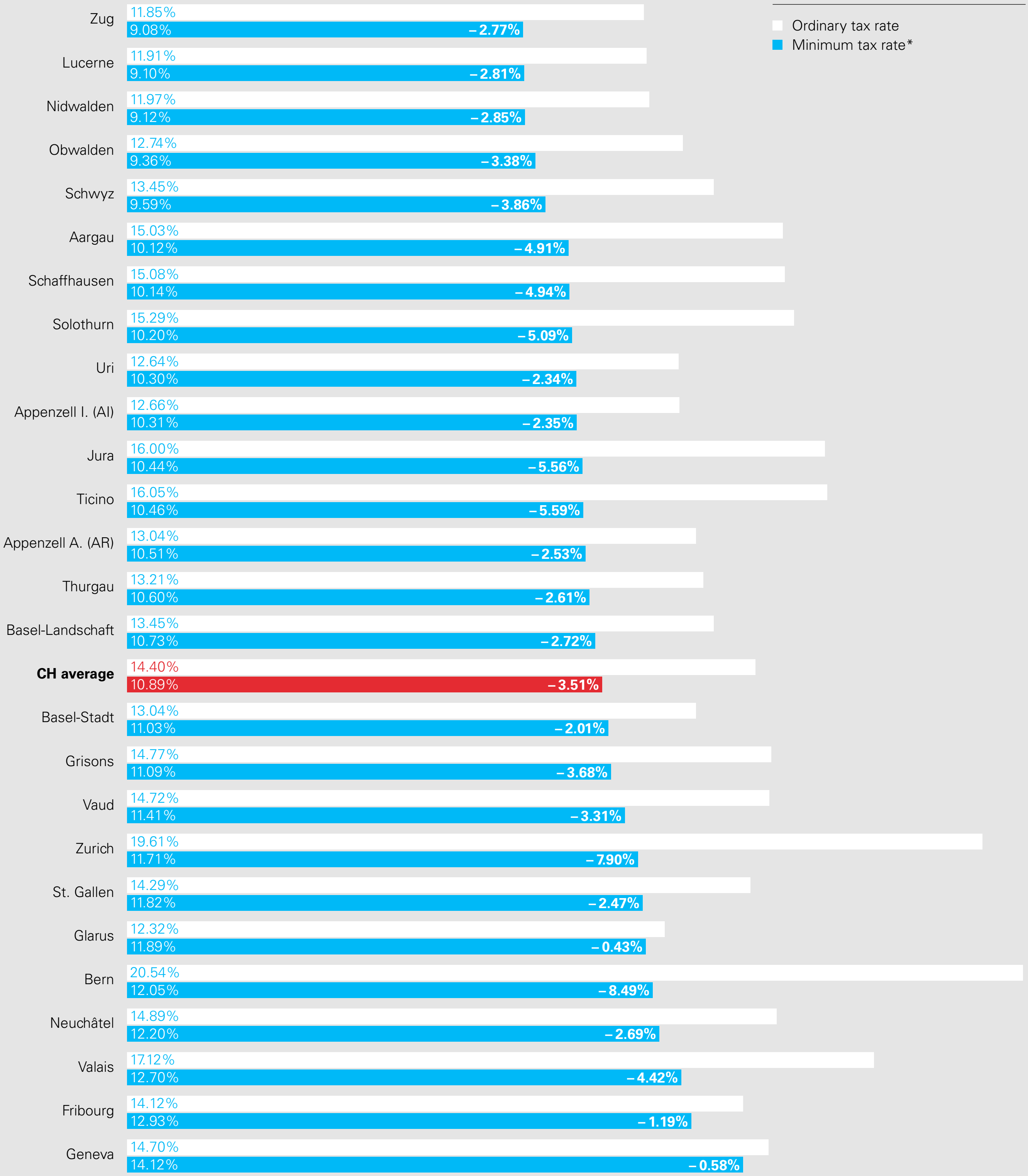
Corporate tax rates in the cantons
Trend from 2008 to 2025

While the average tax rate fell noticeably from 2019 to 2020 as a result of the TRAF tax reform, the reduction in subsequent years was only minimal, if at all. From 2024 to 2025, the average tax rate fell again slightly because the cantons of Ticino and Basel-Landschaft lowered their tax rates due to TRAF. Conversely, increases in connection with global minimum taxation pushed up the average tax rate.



Minimum tax rate

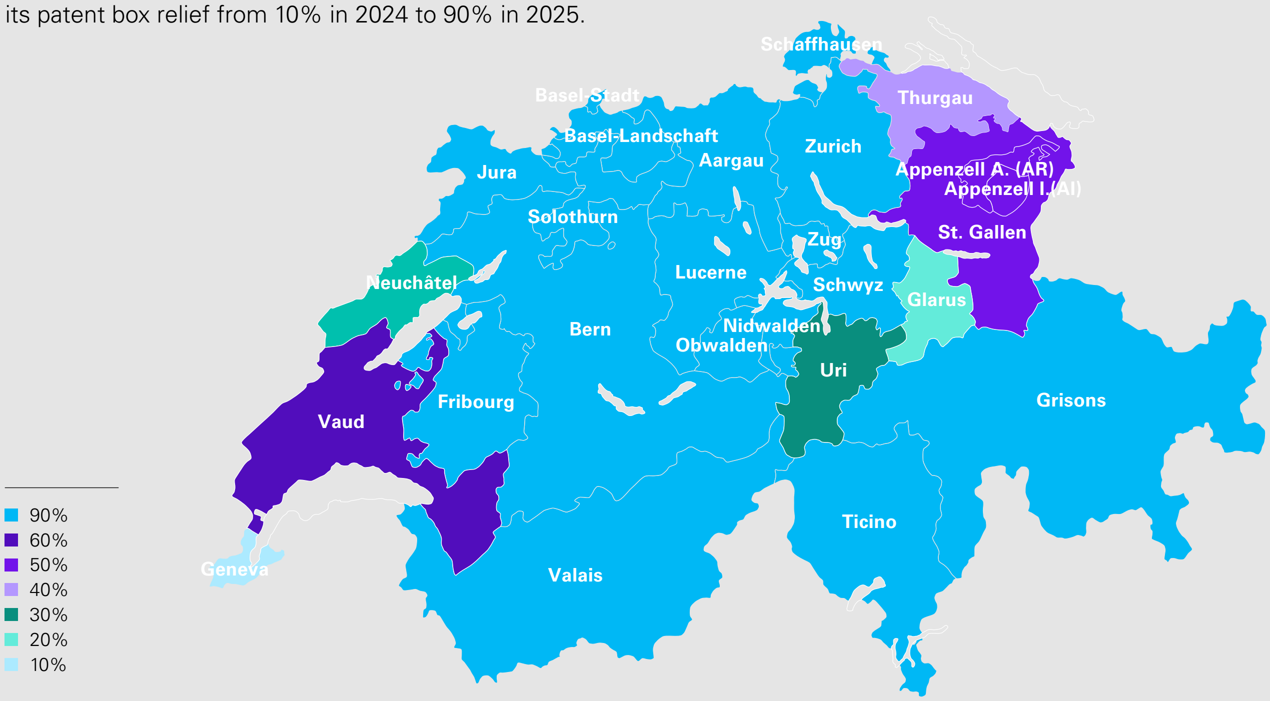
A look at the minimum tax rates (maximum relief provided by TRAF instruments or transitional provisions) reveals convergence between the cantons, partly because high-tax cantons in particular are allowing more extensive relief through the new instruments, while low-tax cantons often tend to restrict deductions.



* if the options offered by the measures are exhausted with due regard to the relief limit

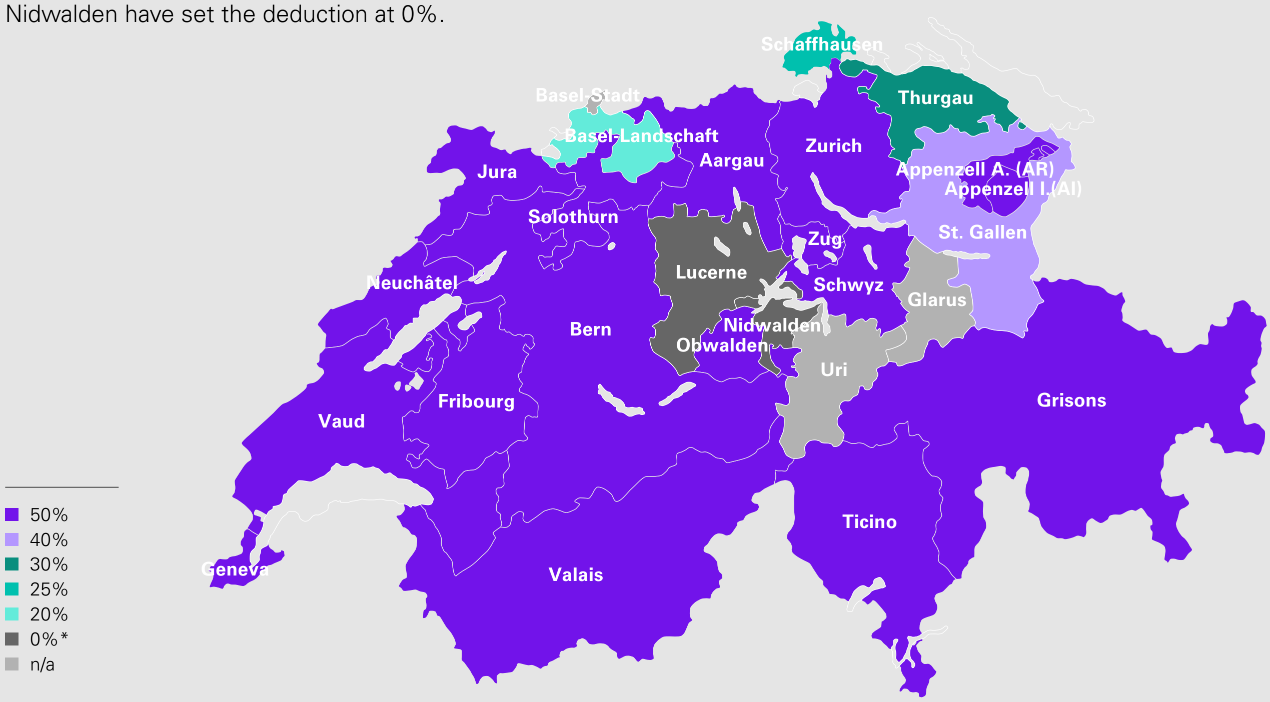
Patent box relief

While most cantons provide for the maximum possible relief of 90%, a few cantons are significantly below this, in particular Geneva, Glarus, Neuchâtel and Uri. Notably, Lucerne has increased its patent box relief from 10% in 2024 to 90% in 2025.



Additional R&D deduction

Apart from the cantons of Uri, Glarus and Basel-Stadt, all cantons have introduced the additional R&D deduction – with most applying the maximum of 50%. The cantons of Lucerne and Nidwalden have set the deduction at 0%.



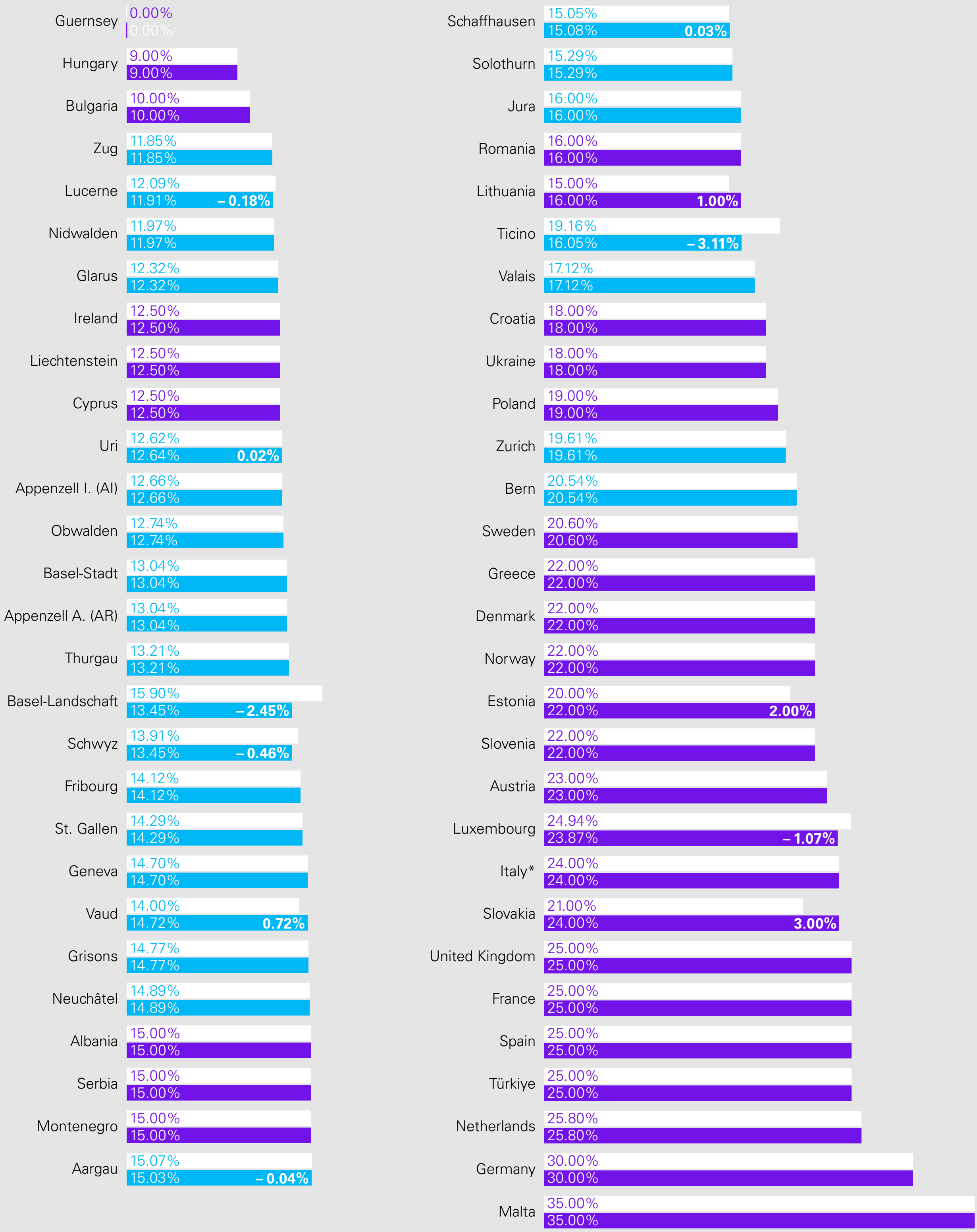
* Rate amount to be determined by the government council, currently 0%

Comparison between cantons and the countries of Europe

A comparison with Europe shows little change in the lower tax rates. The cantons of central Switzerland continue to enjoy a positive position and have been joined by Basel-Stadt, Geneva and Vaud since 2020. The Channel Islands and some (South) Eastern European countries are the only locations that offer even lower ordinary corporate tax rates. Ireland remains Switzerland’s main competitor in Europe in 2023.

There is little change to report in Europe's midfield.

Coming in last in terms of the attractiveness of ordinary corporate tax rates are various Northern, Western and Southern European countries.

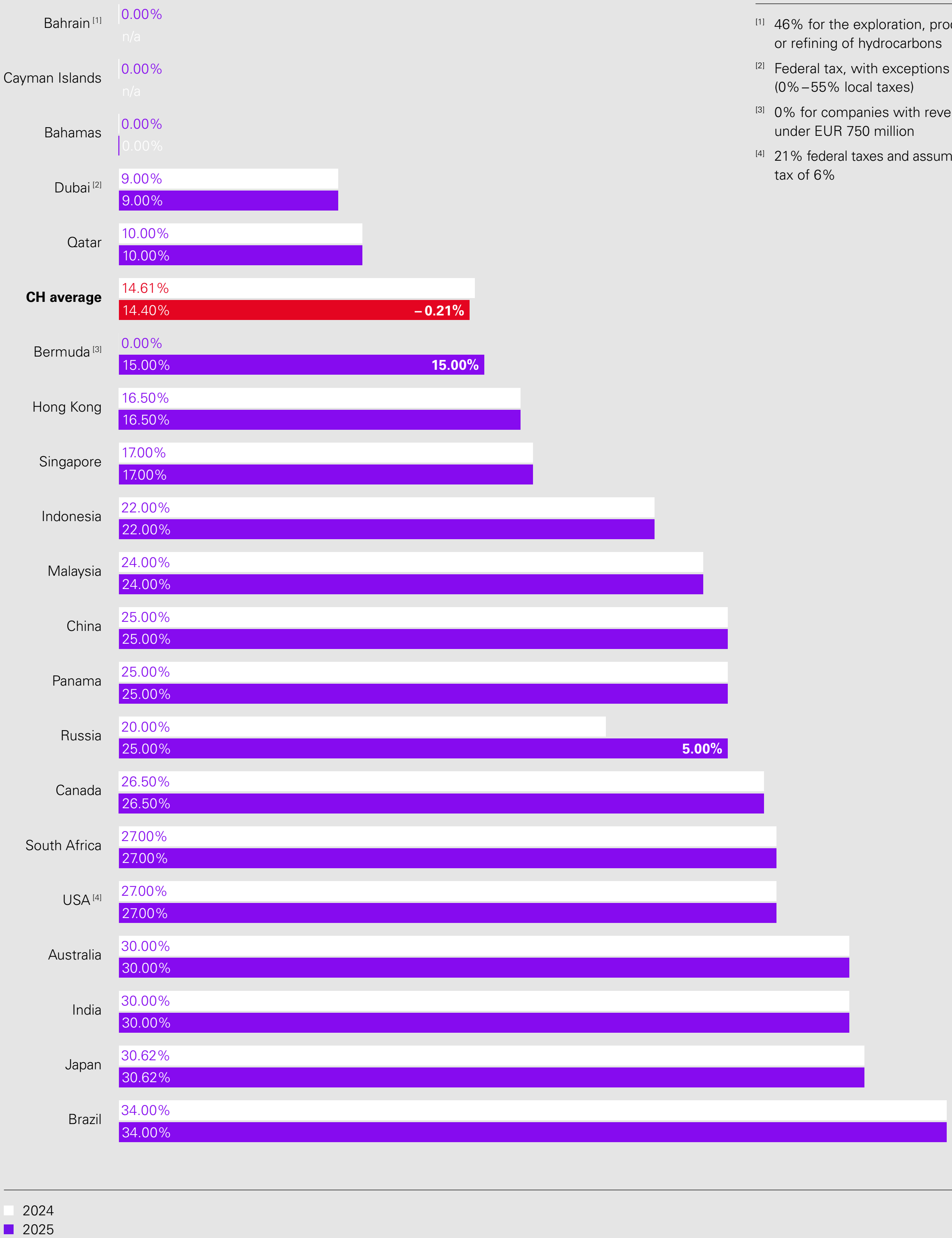


2024
2025 Swiss cantons
2025 European countries

* Only the IRES rate (24%). There is a separate IRAP: the standard rate is 3.9%; regional authorities may increase or decrease the standard rate by up to 0.92%.

Non-European comparison
Selected countries

The traditional offshore domiciles maintain their leading position in terms of tax attractiveness. In an international comparison beyond Europe, Switzerland retains a strong position in the upper third, ahead of Hong Kong and Singapore.



[1] 46% for the exploration, production or refining of hydrocarbons

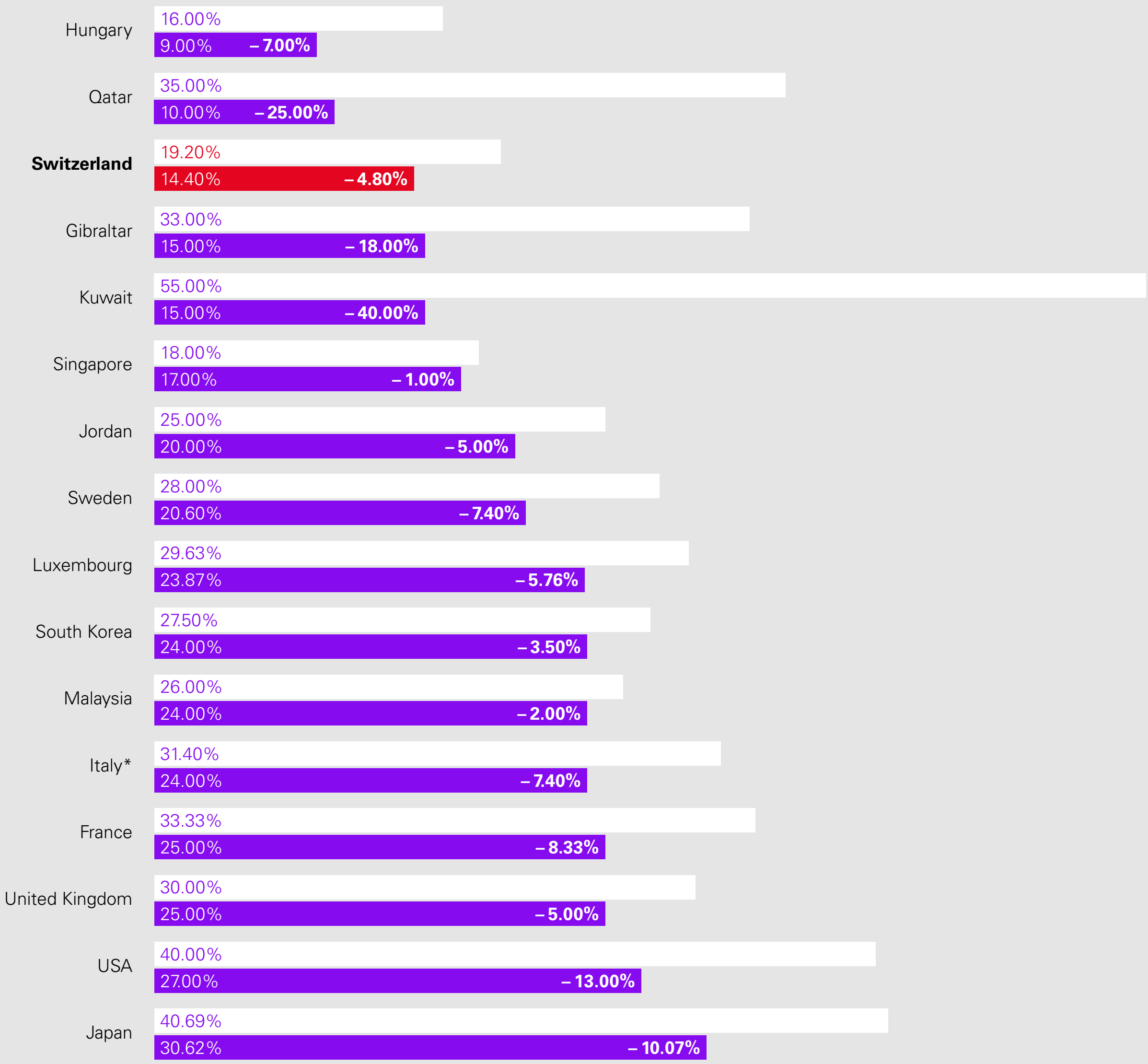
[2] Federal tax, with exceptions (0%–55% local taxes)

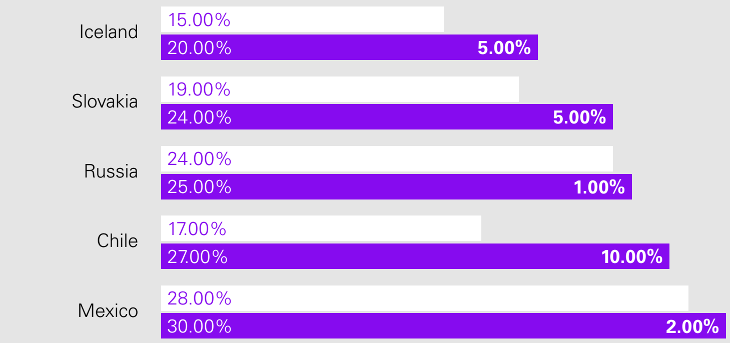
[3] 0% for companies with revenue under EUR 750 million

[4] 21% federal taxes and assumed state tax of 6%

Trend countries
2008 – 2025

In recent years, corporate income tax rates have fallen sharply in many countries. The Middle East, the US, Gibraltar and Japan in particular have seen more extensive cuts of over 10 percentage points.

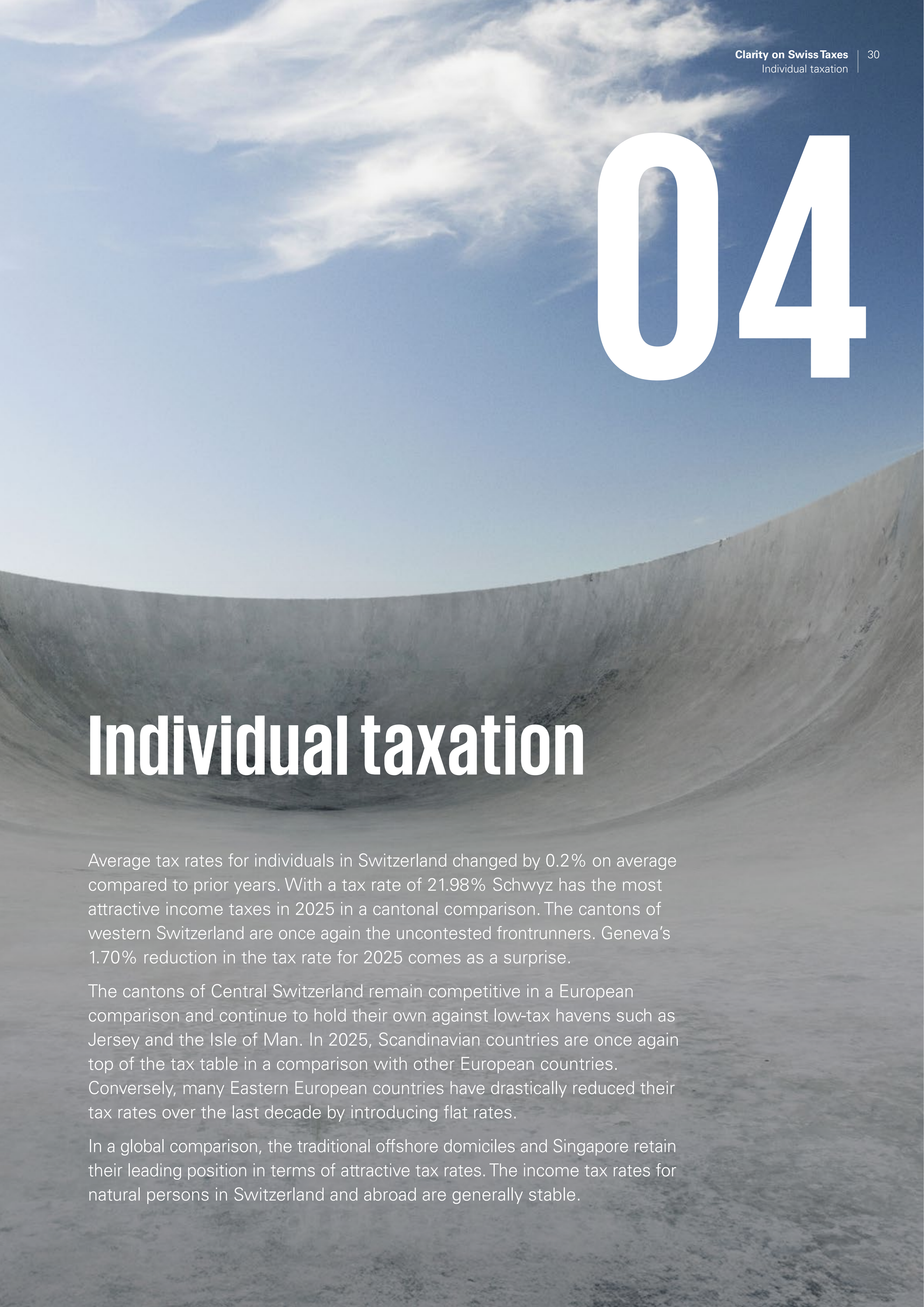




Only a few countries have actually increased their corporate income tax rates since 2008.

- 2008
- 2025

* Only the IRES rate (24%). There is a separate IRAP: the standard rate is 3.9%; regional authorities may increase or decrease the standard rate by up to 0.92%.



04

Individual taxation

Average tax rates for individuals in Switzerland changed by 0.2% on average compared to prior years. With a tax rate of 21.98% Schwyz has the most attractive income taxes in 2025 in a cantonal comparison. The cantons of western Switzerland are once again the uncontested frontrunners. Geneva's 1.70% reduction in the tax rate for 2025 comes as a surprise.

The cantons of Central Switzerland remain competitive in a European comparison and continue to hold their own against low-tax havens such as Jersey and the Isle of Man. In 2025, Scandinavian countries are once again top of the tax table in a comparison with other European countries. Conversely, many Eastern European countries have drastically reduced their tax rates over the last decade by introducing flat rates.

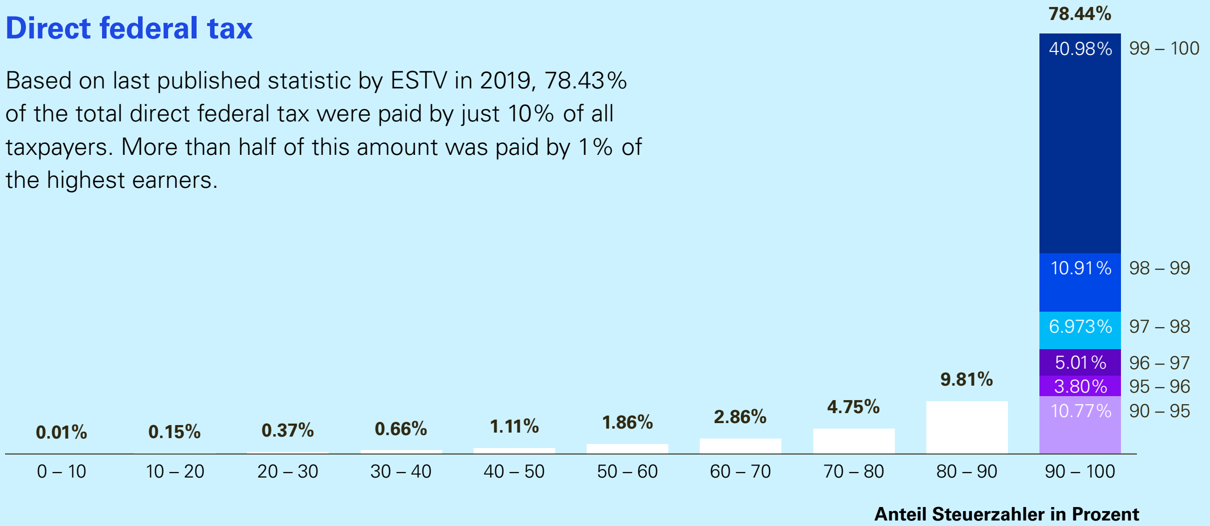
In a global comparison, the traditional offshore domiciles and Singapore retain their leading position in terms of attractive tax rates. The income tax rates for natural persons in Switzerland and abroad are generally stable.

Income tax rates in the cantons

Switzerland remains an attractive business location for private individuals. Individual tax rates have changed minimally compared with prior years and are stable with an average maximum tax rate of around 32.54%. Compared with other European and non-European countries, Switzerland retains its midfield position.

Direct federal tax

Based on last published statistic by ESTV in 2019, 78.43% of the total direct federal tax were paid by just 10% of all taxpayers. More than half of this amount was paid by 1% of the highest earners.

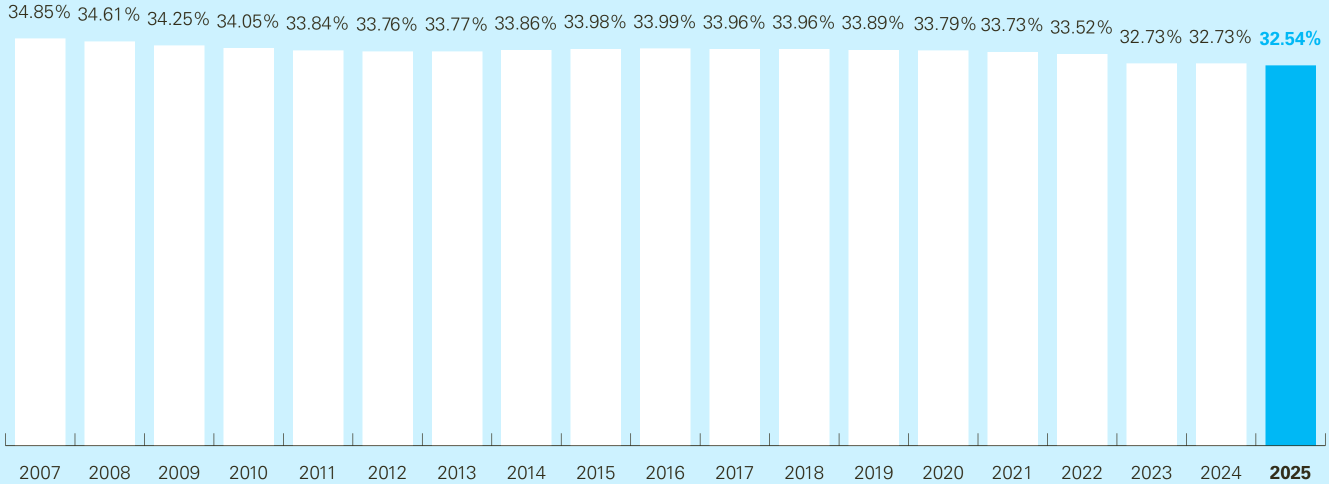


Source: estv.admin.ch

Income tax rates in the cantons

Trend from 2007 to 2025

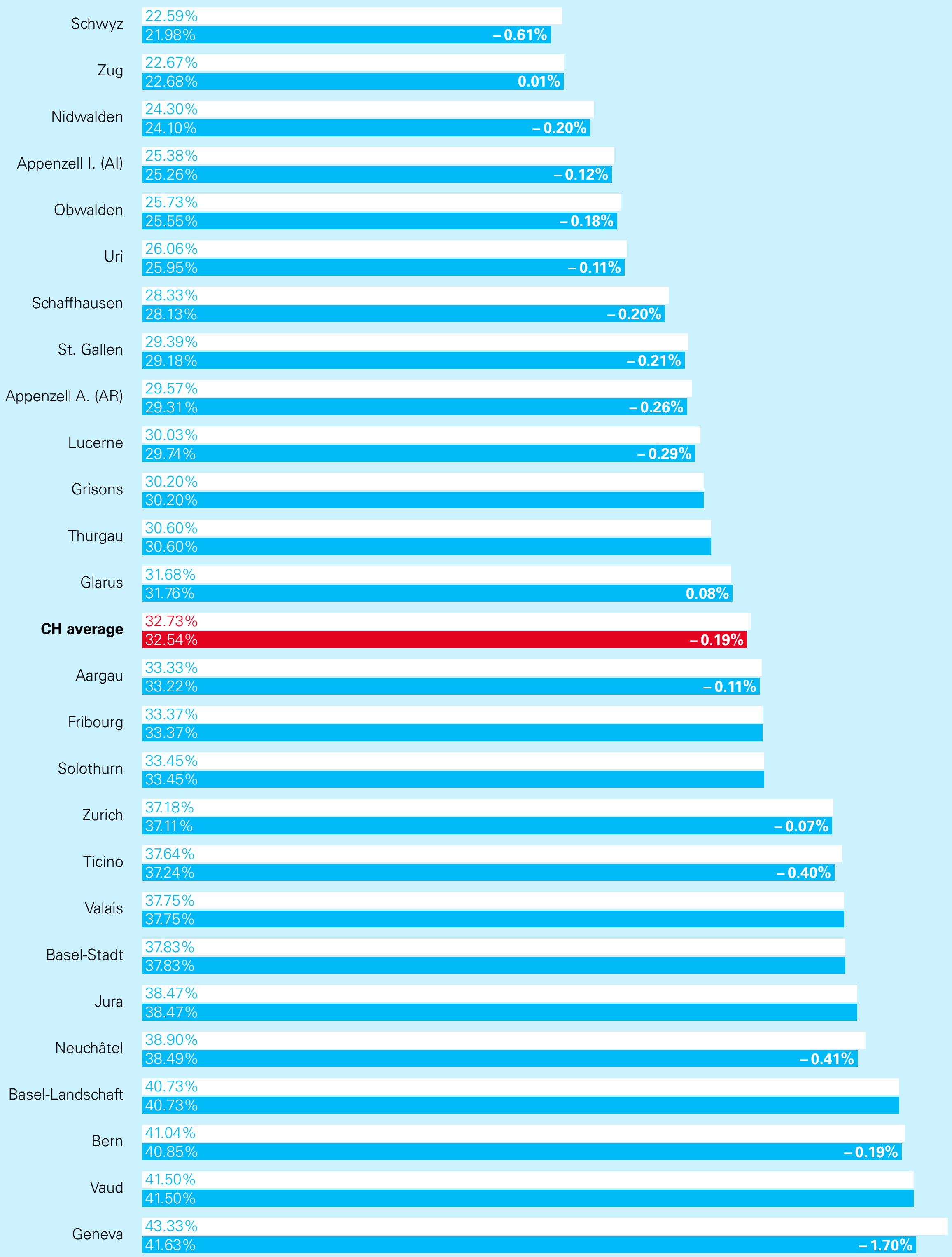
As a general trend, the cantons have reduced the marginal tax rates for natural persons in Switzerland by 2% over the last 18 years. This downward trajectory continues in 2025.



Income tax rates in the cantons*

2023 and 2024

Tax rates for 2025 have fallen slightly in some cantons and risen slightly in others. However, the overall average for all cantons has fallen somewhat. The cantons of Western Switzerland – above all Geneva – remain the frontrunners. Low tax rates are mainly found in the cantons of Zug, Appenzell Innerrhoden, Obwalden and Schwyz.

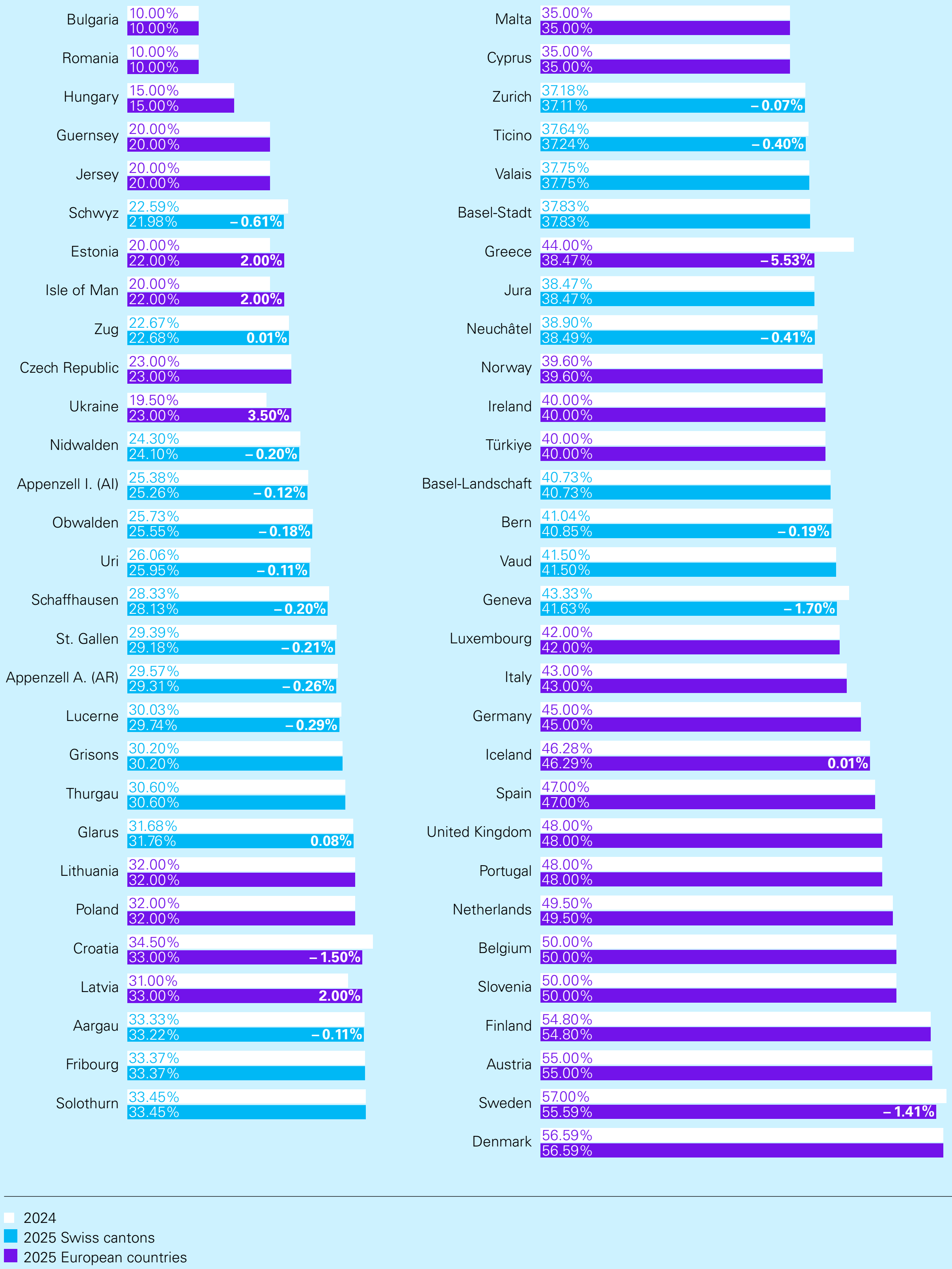


2024
2025

* Single, no church tax, tax rate in the national capital + 11.5% federal tax.

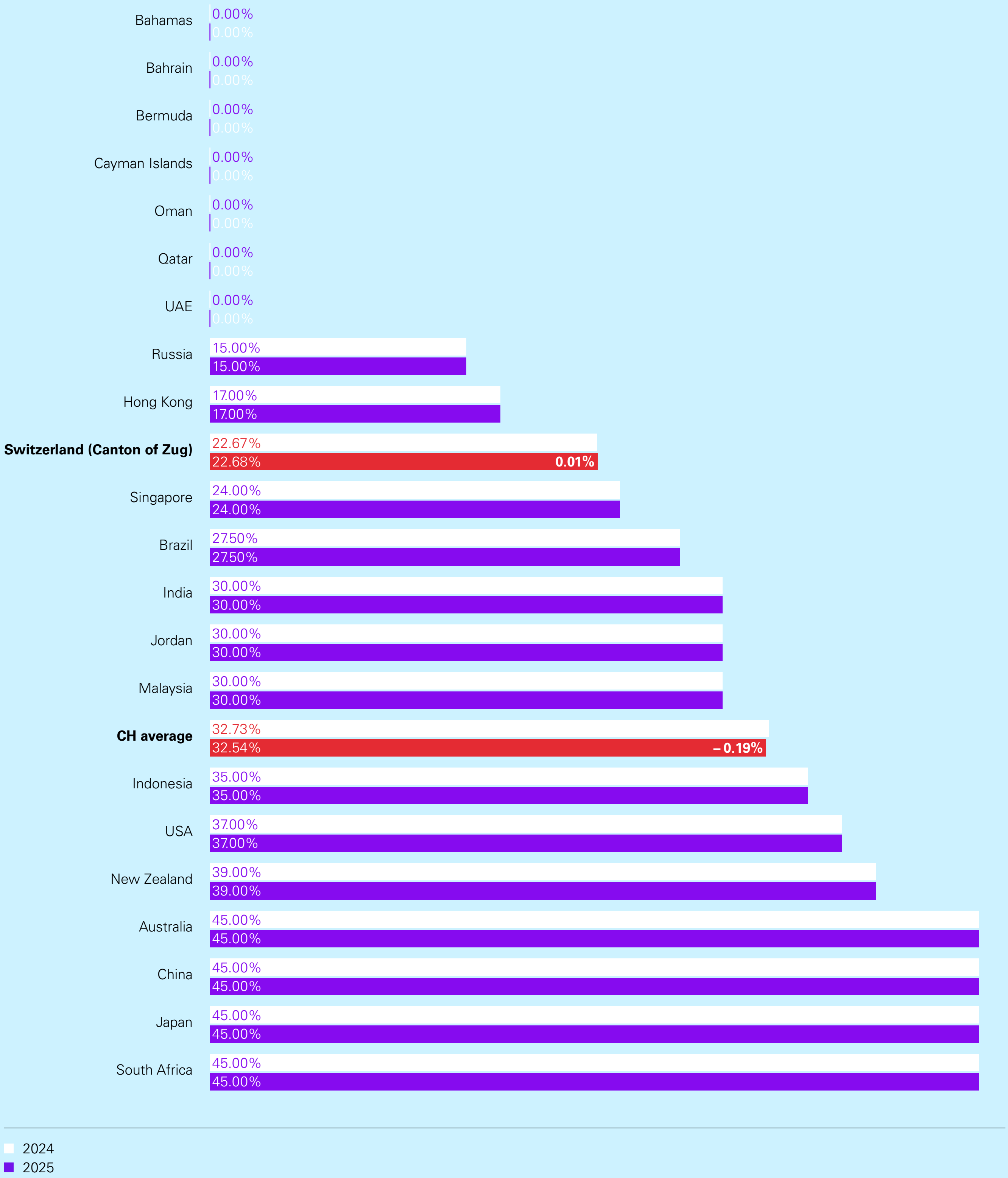
Comparison between cantons and the countries of Europe

The cantons of Central Switzerland are certainly competitive in a European comparison and can hold their own against low-tax strongholds such as Jersey and the Isle of Man. In 2025, the Scandinavian countries once again lead the European field.



Comparison with non-European countries
Selected countries

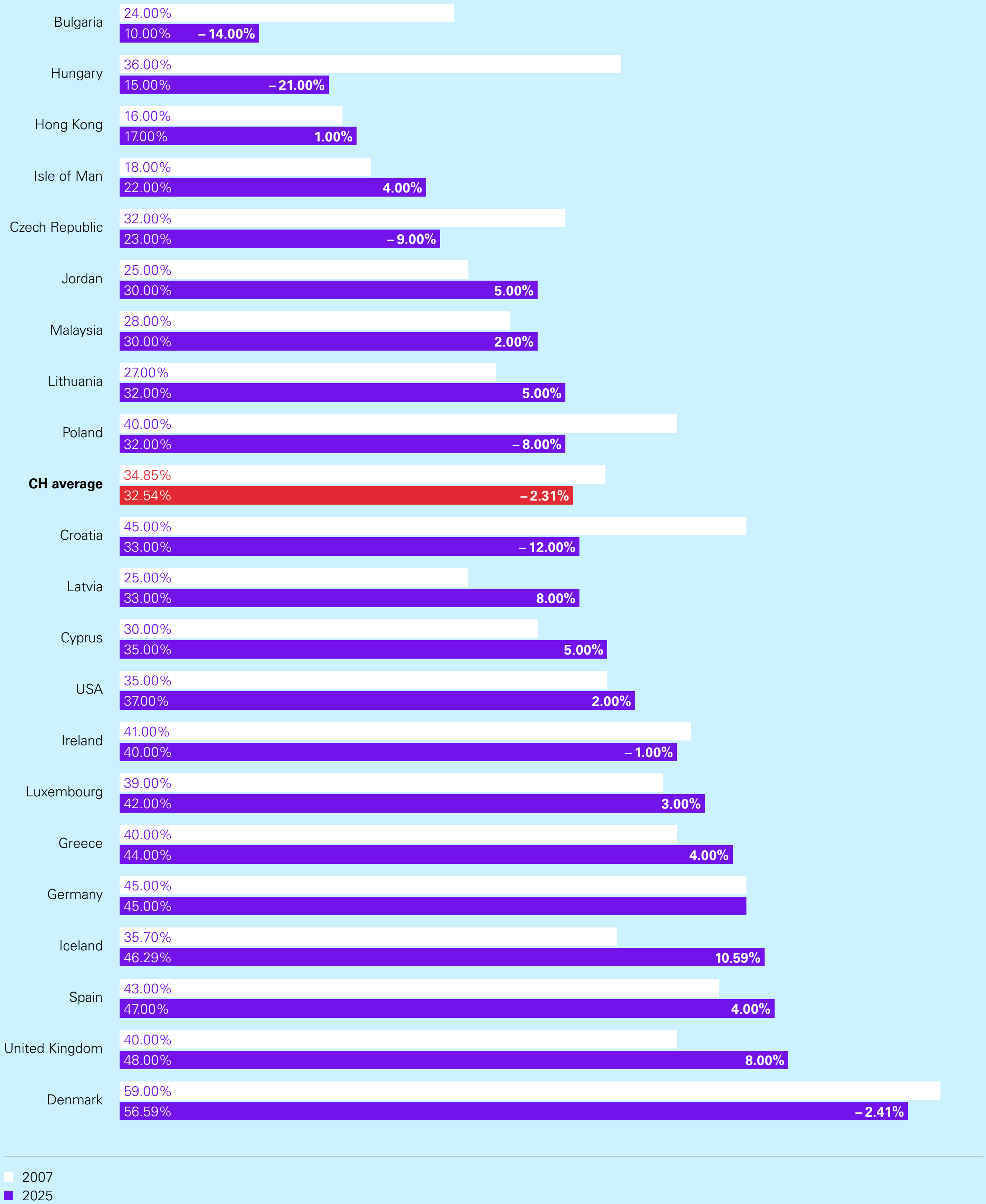
The traditional offshore domiciles retain their clear lead in terms of the attractiveness of tax rates. Compared with non-European countries, Switzerland retains its midfieid position. A comparison of the low-tax cantons of Central Switzerland with non-European countries puts the former on a par with Singapore.



Trend

Countries 2007 – 2025

In the last decade, many Eastern European countries have slashed their tax rates by introducing flat rates, while the Baltic states and some Northern European countries have tended to increase their rates.



Glossary

BEPS — **Base Erosion and Profit Shifting**

CBAM — **Carbon Border Adjustment Mechanism**

DPT — **UK Diverted Profits Tax**

EU — **European Union**

G20 — **Group of Twenty**
A group of 19 countries and the European Union, whose leaders, finance ministers and bank leaders meet regularly to discuss international economic issues

GILTI — **Global Intangible Low-Taxed Income**

GloBE — **Global Anti-Base Erosion Rules**

IIR — **Income Inclusion Rule**

IRA — **Inflation Reduction Act**

OECD — **Organisation for Economic Co-operation and Development**
An international organization whose members are countries with advanced economies and whose aim is to encourage economic growth around the world*

QDMTT — **Qualified Domestic Minimum Top-Up Tax**

R&D — **Research and Development**

TRAF — **Federal Act on Tax Reform and AHV Financing**

USA — **United States of America**

UTPR — **Undertaxed Profits Rule**

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* Source: Cambridge Dictionary

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Translation
Scholkomms

Proofreading
Syntax Übersetzungen AG

Pictures
Daniel Hager
Getty Images


Clarity on Swiss Taxes
kpmg.ch/swisstaxes