Tax-recognized interest rates for advances or loans 2026

The Federal Tax Administration (FTA) publishes the recognized interest rates for the tax assessment of advances and loans in Swiss francs and foreign currencies on an annual basis.

The granting of interest-free or insufficiently interest-bearing advances or loans to related parties or third parties close to them constitutes a monetary benefit that is subject to withholding tax and income tax. The same applies to excessive interest paid on the basis of obligations to related parties or third parties close to them.

The FTA publishes safe haven interest rates annually. When applying these values, the FTA assumes without further proof that the interest rates are in line with market conditions. This creates planning and legal certainty for Swiss companies with regard to their financing activities and protects them from unpleasant surprises.

Transactions in Swiss francs

For loans in Swiss francs granted by a Swiss company to its shareholders or other related parties and financed from equity capital, the FTA requires a minimum interest rate of 0.75% in 2026.

For advances from related parties or related third parties – for example, for operating loans to trading and manufacturing companies – the FTA allows the following maximum interest rates:

- Up to CHF 1 million: 3.5%, from CHF 1 million: 1.5%

The resulting spread between lending and borrowing is therefore 2.75% for loans up to CHF 1 million and 0.75% for higher amounts.

Transactions in foreign currencies

If loans are granted in a foreign currency rather than Swiss francs, modified safe haven interest rates must be applied, whereby at least the interest rate for loans in Swiss francs must be applied if the interest rate for the foreign currency is lower.

For loans granted in EUR, the permissible minimum interest rate will remain constant at 2.5% (EUR) in 2026. For loans granted in USD, the permissible minimum interest rate will be reduced by 0.25% to 4%.

These interest rates apply provided that the advances or loans are financed from equity capital. For loans financed with debt capital, interest must be paid at cost plus 0.5% – but at least at the interest rates listed by the Federal Tax Administration.

Loan obligations may be subject to interest at a maximum of the safe haven interest rate plus the same spread as for loans in Swiss francs. As explained, the spread for operating loans up to CHF 1 million is 2.75%, for example, and 0.75% for loans above CHF 1 million. Accordingly, the maximum interest rate on operating loans for EUR loans is 5.25%, and for amounts equivalent to CHF 1 million or more, the maximum interest rate on operating loans in EUR is 3.25%.

Higher interest rates based on the arm's length principle can generally be claimed. However, in each case, commercially justified evidence must also be provided as to why no commitment was entered into in Swiss francs at a lower interest rate.

We recommend reviewing loan agreements on an ongoing basis, particularly in light of the latest adjustments by the FTA as of January 1, 2026, and adjusting them if necessary. Grant Thornton Switzerland/Liechtenstein will be happy to assist you as your expert partner if you have any questions. We look forward to hearing from you.

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