

2026 Interest Circulars of the STFA and Key Takeaways

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On 29 and 30 January 2026, the Swiss Federal Tax Administration (SFTA) published the new circulars on the tax-deductible interest rates for intra-group advances and loans in Swiss francs as well as in foreign currencies.¹ As in previous years, the overall principles remain unchanged; however, the SFTA has adjusted the interest rates in specific areas.

MINIMUM INTEREST RATES FOR ADVANCES TO SHAREHOLDERS OR RELATED PARTIES

For advances to shareholders or related parties, the SFTA interest circulars distinguish between equity- and debt-financed loans, as well as between loans in Swiss francs and foreign currencies.

The minimum required margin for debt-financed CHF loans is 0.5% (for loans below CHF 10 million) or 0.25% (for loans exceeding CHF 10 million). For loans in foreign currencies, a margin of at least 0.5% must be maintained; however, the interest rate must not fall below the level specified in the circular for the currency at hand.

The updated interest rate circulars lead to the following changes compared to the previous year:

Minimum interest rates for advances to shareholders or related parties				
Year	Equity-financed		Debt-financed	
	2026	2025	2026	2025
CHF	0.75%	1.00%	Margin: 0.25% / 0.50% Min.: 0.75%	Margin: 0.25% / 0.50% Min.: 1.00%
EUR	2.50%	2.50%	Margin: 0.50% Min.: 2.50%	Margin: 0.50% Min.: 2.50%
USD	4.00%	4.25%	Margin: 0.50% Min.: 4.00%	Margin: 0.50% Min.: 4.25%

Margin of 0.25% on cost of funds for loans over CHF 10 million

Margin of 0.50% on cost of funds for loans up to and including CHF 10 million

¹ The interest circulars can be accessed via this [LINK](#).

MAXIMUM INTEREST RATES FOR ADVANCES FROM SHAREHOLDERS OR RELATED PARTIES

Different maximum interest rates apply depending on the type of loan from shareholders or related parties. For loans in Swiss francs, the following interest rates apply:

Maximum interest rates by type of loan in CHF				
Year	2026		2025	
	up to	from	up to	from
Real Estate Loans for Residential and Agricultural Purposes	2.00%	1.25%	2.00%	1.25%
Real Estate Loans for Industrial and Commercial Purposes	2.50%	1.75%	2.50%	1.75%
Operating Loans for Trading and Manufacturing Companies	3.50%	1.50%	3.50%	1.75%
Operating Loans for Holding and Asset Management Companies	3.00%	1.25%	3.00%	1.50%

Interest «up to» = Loans up to CHF 1 million

Interest «from» = Loans from CHF 1 million

For operating loans in foreign currencies, the same spread can be applied as in the SFTA circular on tax-deductible interest rates for advances or loans in Swiss francs (up to an equivalent of CHF 1 million: 2.75% and 2.25%, respectively; above an equivalent of CHF 1 million: 0.75% and 0.50%, respectively).

The spread refers to the difference between the maximum permissible interest rate in Swiss francs for the respective loan and the minimum required margin for loans to shareholders or related parties. The sum of the defined foreign currency interest rate and the spread results in the following maximum interest rates for advances from shareholders or related parties:

Maximum interest rates by type of loan in foreign currencies				
Year	2026		2025	
	up to	from	up to	from
Operating loans for trading and manufacturing in EUR	5.25%	3.25%	5.00%	3.25%
Operating loans for holding and asset management in EUR	4.75%	3.00%	4.50%	3.00%
Operating loans for trading and manufacturing in USD	6.75%	4.75%	6.75%	5.00%
Operating loans for holding and asset management in USD	6.25%	4.50%	6.25%	4.75%

Interest «up to» = Loan up to CHF 1 million

Interest «from» = Loans from CHF 1 million

TAX-RECOGNIZED INTEREST RATES AS 'SAFE HAVEN' RATES

In the context of interest on intra-group loans under Swiss tax law, the SFTA interest circulars can be used as a 'safe haven'. Companies operating within these ranges can generally assume that the tax authorities will consider it commercially justified and therefore accept it. However, a taxpayer is not bound to the published interest rates and may deviate from them if needed, whereby it must be proven that the interest rate applied is consistent with the arm's length principle.

In this regard, the Federal Supreme Court issued a controversial ruling in summer 2024, stating that the SFTA 'safe haven' interest rates no longer apply if a taxpayer deviates from these rates and bases their calculations on the arm's length principle.² In such cases, the tax authorities are to apply a lower or higher interest rate, provided it complies with the arm's length principle, with the burden of proof resting on the tax authority. Whether this ruling of the Federal Supreme Court will be strictly applied in practice remains to be seen. It is expected that the tax authorities will only

² See also our blogpost of 23 August 2024

undertake the effort to determine the “actual” arm’s length interest rate in particularly significant cases and will in general continue to rely on the ‘safe haven’ rates as a correction measure.

As mentioned, it is possible to deviate from the interest rates published in the interest rate circulars, provided that the interest rate complies with the arm’s length principle. It is recommended that compliance with the arm’s length principle be properly documented. In this context, it should be noted that an offer from banks or other financial institutions is generally not sufficient.

CONSEQUENCES OF CORRECTIONS BY THE TAX AUTHORITIES

If the agreed interest rates deviate from the published rates and are not at arm’s length, the exceeding part qualifies as a deemed dividend. For the paying company a deemed dividend will lead to an adjustment for corporate income tax purposes (partially negating deductibility of paid interest). In addition, the company owes the withholding tax of 35% on the deemed dividend. Withholding tax must be passed on to the beneficial owner of the dividend retroactively. Failure to do so can lead to a so-called hundred-percent adjustment, which may result in a withholding tax of approximately 54%. In the case of a deemed dividend, the withholding tax can regularly constitute a definitive charge if reimbursement is partially or fully denied.

PRACTICAL CONSEQUENCES FOR TAXPAYERS AND CONCLUSIONS

In light of the adjusted interest rates, taxpayers should generally review loans between related parties and, in particular, in intra-group loan relationships. This applies not only to new financing arrangements but also to ongoing loans. If the loan agreements are already structured in a way that the applicable interest rate is based on the ‘safe haven’ rates, the interest payments should be adjusted accordingly. If the interest rate according to the loan agreement is not linked to the SFTA rates, a contractual adjustment of the rates should be considered or – without adjustment – evidence that the rate deviating from the SFTA rates complies with the arm’s length principle should be prepared.

Especially in the case of cross-border financing, larger credit volumes, or loans in foreign currencies, a detailed analysis is advisable to avoid negative tax impact, in particular in the form of deemed dividends with corporate income tax and withholding tax consequences.

The 2026 interest circulars, as expected, do not change the general principles. Companies using the ‘safe haven’ rates continue to benefit from administrative simplification. Those who deviate from the published rates or maintain complex financing structures should carefully review and document the appropriateness of the interest rates.