



PORTRAIT OF A TERRITORY

France - Switzerland

COMPARISON OF FRAMEWORK CONDITIONS

Framework conditions in France and Switzerland are significantly different, both from a financial and administrative point of view. Companies in Switzerland are taxed less (taxes vary depending on the canton and the municipality, corporation tax is lower by about ten percentage points, there is no equivalent tax to France's territorial economic contribution (CET), salaries are higher but social security contributions are lower).³⁷ In addition, they are less complex administratively (calculation of salaries, accounting practices, tax returns). Rents for business property are similar, or sometimes lower, in Switzerland for small businesses that do not need much space, especially in Greater Geneva (many premises are available for rent in the Canton of Geneva).

Swiss households pay higher income tax than those in France and employees pay directly for a large proportion of their social security cover (sick pay, pension). Given the higher salaries, but also a higher cost of living and private social security insurance in Switzerland, for an equivalent job, the standard of living is comparable for a French and Swiss household. Cross-border working, when it makes it possible to benefit from a Swiss salary and the French cost of living, is extremely advantageous for employees and also benefits Swiss companies, which are able to attract qualified workers, of which there is a shortage in Switzerland. The difference in cost of living also explains the widespread practice by Swiss residents of making purchases in France (development of retailers on the border, establishment of Swiss retailers on the French side of the border).

³⁷ The "standard" corporation tax rate is around 33% in France (though numerous tax credits can reduce this rate, or a reduced tax rate can be applied in certain circumstances, in particular for SMEs). In Switzerland, the federal tax rate is 8.5% for capital companies; by adding a variable rate for the canton and municipality, the overall tax rate can fluctuate between about 21% and 24%. See the EUREX study on this subject: "Avantages comparés pour l'implantation d'activités économiques en France et en Suisse (Genève/Vaud)" (Comparative advantages for the establishment of economic activities in France and Switzerland (Geneva/Vaud)), carried out in 2010 for the Projet d'agglo franco-valdo-genevois (France-Vaud-Geneva conurbation project), and available in French at: www.med74.fr/filemanager/download/397