

Cross-border clients and the trinational workforce

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The labour market of Basel extends into Germany and France. Tens of thousands of cross-border commuters from southern Baden and the Haut-Rhin work in the two Basel half-cantons, many of them in the pharmaceutical industry, the hospitals, retail and the financial sector. In Basel-Stadt their share of total employment is among the highest of any Swiss canton.¹ For the banks of the region, these commuters form a client group with particular needs. They earn their salaries in Swiss francs, often keep a Swiss account for the salary, and spend or save part of it in euros at home.

Their taxation follows special rules. Under the double taxation agreement between Switzerland and Germany, a commuter who returns home every day is in principle taxed in Germany, while Switzerland may levy a limited tax at source on the salary. Commuters resident in France who work in the two Basel half-cantons are covered by an agreement of 1983 between Switzerland and France, under which they are taxed in France and Switzerland receives a compensation calculated on their gross salaries.² The rules on home working, which became more relevant after 2020, have added a further layer of complexity, because days worked at home may shift the right of taxation.

The banks of Basel also serve wealthy clients resident in Germany and France who value the proximity, the stability of the Swiss franc and the expertise of Swiss advisers. Since the end of banking secrecy for foreign tax purposes, these relationships are tax-transparent through the automatic exchange of information. The provision of services to such clients is restricted by the law of their country of residence, however. German law requires a licence for banking and financial services offered to clients in Germany, although Swiss banks can obtain an exemption from the German supervisor under certain conditions. French law gives Swiss banks less

room, so that many relationships with French residents are served through entities licensed in the European Union.³

Mortgage lending across the border illustrates the practical limits. A commuter who wants to buy a house in Lörrach or Saint-Louis will usually finance it with a German or French bank, since Swiss banks are reluctant to take security over foreign real estate and must observe the consumer credit rules of the country concerned. Swiss residents who buy property across the border face the same situation in reverse. The trinational region thus forms a single labour market and a closely integrated economy, while its banking markets remain divided along national lines.⁴

1 Notes

1. On the number of cross-border commuters (Grenzgänger) working in Basel-Stadt and Basel-Landschaft and their share of employment, see the statistics of the Federal Statistical Office and the Statistisches Amt Basel-Stadt. Figures to be verified. ↩
2. On the taxation of cross-border commuters under Art. 15a of the double taxation agreement between Switzerland and Germany (Swiss tax at source limited to 4.5 per cent of gross salary) and under the Franco-Swiss agreement of 11 April 1983 on cross-border commuters (taxation in France, compensation of 4.5 per cent of gross salaries to the cantons concerned, including Basel-Stadt and Basel-Landschaft), see the treaties and the publications of the Federal Tax Administration. To be verified. ↩
3. On the requirements for cross-border banking and financial services to clients in Germany (licence requirement under § 32 KWG, exemption under § 2 para. 5 KWG and the BaFin practice for Swiss banks) and in France, see the statutory provisions and the guidance of BaFin and the Autorité de contrôle prudentiel et de résolution. To be verified. ↩
4. On the practice of Swiss and foreign banks in financing real estate across the border in the trinational region and the applicable consumer and mortgage credit rules (EU Mortgage Credit Directive 2014/17/EU), see the publications of the banks concerned and the literature. To be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

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