

Charitable foundations in Switzerland: formation, supervision and tax exemption

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Switzerland is home to thousands of charitable foundations, many of them established by international families who want their philanthropy to rest on a stable, neutral and well-regulated base. A Swiss foundation can support education, health, research, culture or development anywhere in the world, it can be exempt from tax, and donations to it can be deducted by Swiss donors. Founders from Asia, the Middle East and Africa should understand how a foundation is set up, who supervises it and what they can reserve for themselves.

1 Formation

A foundation under Articles 80 et seq. of the Civil Code is an independent legal entity whose assets are dedicated to a particular purpose. It is established by a public deed or by a will, it is entered in the commercial register, and from then on it belongs to no one: neither the founder nor the board members own it. The deed of foundation sets out the purpose, the initial assets and the basic organisation, usually supplemented by regulations that the board can adapt more easily.

There is no statutory minimum capital, but the supervisory authority will check that the assets are sufficient for the purpose; in practice a foundation should have at least CHF 50,000 and considerably more if it is to carry out its purpose from the income on its assets.

2 Supervision

Charitable foundations are supervised by the state. A foundation whose purpose extends beyond one canton, in particular an international purpose, is supervised by the Federal Supervisory Authority for Foundations; others by the supervisory authority of the canton. The authority reviews each year

whether the foundation's assets are used in accordance with its purpose, receives the annual report and the audited accounts, and can intervene if the board fails in its duties.

3 Founder's rights

Since 1 January 2024 the founder can reserve in the deed of foundation the right to change not only the purpose but also the organisation of the foundation, provided that at least ten years have passed since the foundation was established or the last change was made. This gives founders more flexibility than before to adapt their foundation to changing needs during their lifetime.

4 Tax exemption and deductions

A foundation that pursues a public-benefit purpose exclusively and irrevocably can be exempt from profit and capital tax (Article 56 letter g of the Federal Direct Tax Act and the corresponding cantonal rules). The purpose must serve the general public, not a closed circle of persons such as the founder's family, and the foundation's organs must work largely on a voluntary basis. The exemption is granted by the cantonal tax authority on application, and it is advisable to agree the deed of foundation with the authority before the foundation is established.

Swiss-resident donors can deduct donations to tax-exempt foundations of up to 20 per cent of their net income for the federal income tax, and most cantons allow a similar deduction. Companies can deduct donations of up to 20 per cent of their net profit.

5 Family foundations and alternatives

A Swiss family foundation may only be used to cover the costs of education, establishment in life and support of family members (Article 335 of the Civil Code), so it is not a vehicle for holding family wealth in general. Families who want to combine private and charitable purposes often use a Liechtenstein foundation or a trust, as explained in the articles on [Liechtenstein structures](#) and [offshore trusts and foundations](#).

6 How Ressos Legal helps

I advise founders and families on setting up charitable foundations in Switzerland, draft deeds of foundation and regulations, obtain the tax exemption and the approval of the supervisory authority, and advise foundation boards on governance and investment. [Contact me](#) for a first conversation.

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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