

The instruments of wealth planning

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

Wealth planning aims to organise the holding, management and transfer of assets, taking into account the family's objectives, the applicable civil and tax rules and the risks involved. Geneva practitioners have a range of instruments at their disposal, whose use must comply with the transparency and compliance requirements described in the previous chapter.

Succession law forms the first framework. The Swiss Civil Code reserves to the statutory heirs a share of the estate, the compulsory portion, of which the testator cannot deprive them. The revision of succession law that came into force in 2023 reduced the compulsory portion of descendants to half of their statutory share and abolished that of the parents, which increases the freedom to dispose.¹ The will and the inheritance contract make it possible to organise the transfer within this framework. The matrimonial property regime and the marriage contract determine the share of the surviving spouse before the succession opens.

The advance care directive and the patient decree, introduced by the law on the protection of adults, make it possible to organise the management of assets and personal decisions in the event of incapacity.² These instruments, long neglected, are gaining in importance as life expectancy increases.

Holding structures form the second framework. Companies, foundations and trusts make it possible to separate the holding of assets from their management and use, to organise family governance and to protect assets against certain risks. Their use has evolved: domiciliary companies, formerly used to conceal the identity of the beneficial owners, are now justified only by genuine economic or organisational reasons and are subject to beneficial-owner transparency.

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The foundation under Swiss law dedicates assets to a special purpose (Art. 80 of the Civil Code). Charitable foundations play an important role in Geneva philanthropy, which Part F will examine. Family foundations, by contrast, are strictly limited by Swiss law, which admits only those intended to cover the costs of education, establishment and support of family members (Art. 335 of the Civil Code), which excludes maintenance foundations with a purely patrimonial purpose.³ Families therefore often have recourse to foreign foundations, in particular Liechtenstein foundations, or to trusts.

The trust, an institution of Anglo-Saxon law, has been recognised in Switzerland since the ratification of the Hague Convention.⁴ It allows a settlor to transfer assets to a trustee, who administers them for the benefit of beneficiaries in accordance with the terms of the trust deed. Geneva is home to a large community of trustees, now subject to authorisation, and of specialised practitioners. The use of trusts must comply with the Swiss tax rules, which determine taxation according to the nature of the trust and the situation of the settlor and the beneficiaries, as well as the rules of the countries of residence of the persons concerned.⁵

Instrument	Main function	Points to watch
Will and inheritance contract	organisation of the transfer	compulsory portions, form, applicable law
Marriage contract	division between spouses	matrimonial property regime, effects on succession
Advance care directive	management in the event of incapacity	validation by the authority, coordination with the structures
Holding company	centralisation and governance	economic substance, transparency of beneficial owners
Foundation	dedication to a purpose	limits of Swiss family foundations, supervision
Trust	administration by a trustee for the benefit of beneficiaries	recognition, taxation, authorisation of the trustee, transparency register
Life insurance	transfer and protection	tax compliance, recharacterisation

Key points. Wealth planning combines succession law, matrimonial law, the law on the protection of adults and holding structures. Since the end of

banking secrecy, these instruments must serve legitimate civil and organisational objectives, in compliance with transparency and tax compliance requirements.

1 Notes

1. Revision of succession law in force since 1 January 2023: compulsory portion of descendants reduced from three quarters to half of their statutory share, abolition of the parents' compulsory portion, spouse's compulsory portion maintained at half; Raiffeisen, "Révision du droit des successions", raiffeisen.ch (accessed September 2026). ↩
2. Swiss Civil Code, Art. 360 et seq. (advance care directive) and Art. 370 et seq. (patient decree), introduced by the revision of the law on the protection of adults that came into force on 1 January 2013 (Pro Senectute, "Droit de la protection de l'adulte", prosenectute.ch: "a person with capacity to act may designate the person who will represent them" in the event of incapacity of judgement, Art. 360 et seq. of the Civil Code; a patient decree making it possible to "state one's position on life-sustaining measures and designate a representative for medical questions", Art. 370 et seq. of the Civil Code). ↩
3. Art. 335 of the Civil Code (droit-bilingue.ch): family foundations may be created "for the payment of the costs of education, establishment and support of family members or for similar purposes" (para. 1); "The creation of family entails is prohibited" (para. 2); CDBF, "Révision du droit des fondations de famille" (cdbf.ch/reperages): motion 22.4445 adopted by Parliament on 27 February 2024 seeking to "strengthen the Swiss family foundation by lifting the prohibition on maintenance foundations", after the Federal Council abandoned the Swiss-law trust on 15 September 2023. ↩
4. Hague Convention on the Law Applicable to Trusts and on their Recognition, in force for Switzerland since 1 July 2007; Art. 149a to 149e of the Federal Act on Private International Law (PILA); Centre de droit bancaire et financier, "La Convention de La Haye entre en vigueur le 1er juillet 2007", cdbf.ch. ↩

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5. Swiss Tax Conference, Circular No. 30 “Imposition des trusts” (Taxation of trusts) of 22 August 2007 (ssk-csi.ch): the trust is not a taxable entity; for the revocable trust, “the assets and their income remain taxable in the hands of the settlor”; for the irrevocable fixed interest trust, the assets are attributed for tax purposes to the beneficiary, who is treated as a usufructuary; for the irrevocable discretionary trust, attribution to the settlor if domiciled in Switzerland at the time of settlement, otherwise “the trust assets can be attributed neither to the settlor nor to the beneficiary” until distribution; Federal Tax Administration, Circular No. 20 of 27 March 2008 (estv.admin.ch), adopting these principles for the direct federal tax and the withholding tax. ↩

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