

Moving to Switzerland with a Liechtenstein foundation

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Many families with a Liechtenstein foundation eventually consider living in Switzerland, or their children study and settle there. The Swiss tax consequences depend heavily on how the foundation is designed. A review before the move is essential, because some risks can only be addressed while the founder still lives abroad.

1 How Switzerland looks at foreign foundations

In Swiss tax practice the civil-law form of a foreign entity is only the starting point, since the authorities ask whether the founder has really given up the assets and who economically controls them. The cantonal practice and the guidance of the Swiss tax authorities on trusts are often applied by analogy to foreign family foundations, although treatment can differ between cantons.

2 Revocable and controlled foundations

If the founder can revoke the foundation, is the first beneficiary with wide powers, or in practice directs the council, the foundation is likely to be treated as transparent. Its assets and income are then attributed to the founder, who reports them for Swiss income and wealth tax as if he held them directly. Distributions to the founder are then generally tax-neutral, while distributions to other family members may be treated as gifts from the founder.

3 Irrevocable discretionary foundations

Where the founder has irrevocably given up the assets and the beneficiaries have no fixed claims, the foundation may be treated as a separate taxpayer. Swiss-resident beneficiaries are then usually taxed when they receive

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distributions, which may be classified as taxable income. The exact classification, including the treatment of distributions of capital, varies and should be confirmed with the competent canton, if necessary by a tax ruling.

4 Gift tax risk

Gift and inheritance taxes are levied by the cantons. A transfer of assets to an irrevocable foundation by a person resident in Switzerland can be treated as a gift and, because the foundation is not a family member, may attract tax at the highest rate applicable in that canton. Founders who intend to add assets to a foundation should therefore consider whether to do so before becoming Swiss residents. Distributions from a foundation to Swiss-resident family members can also raise gift tax questions depending on the canton.

5 Review before the move

A move to Switzerland may also be combined with lump-sum taxation or a ruling on the treatment of the foundation. Founders should collect the foundation documents, by-laws, letters of wishes and distribution history, and have them reviewed against the practice of the target canton. Where necessary, the documents can be amended in advance, always with an eye to the tax position in the country being left.

6 What pays off in practice

- **Plan the timing** of further contributions to the foundation before taking up Swiss residence.
- **Compare cantons** since gift tax and practice on foundations differ.
- **Seek a ruling** where the classification of the foundation is uncertain.

7 How Ressos Legal helps

I advise founders and beneficiaries on the Swiss tax analysis of existing Liechtenstein structures and coordinate rulings with the cantonal authorities. [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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