

Issuers, withholding tax, stamp duties and VAT

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For the issuer of a token, the working paper distinguishes by category. Proceeds from the issue of utility tokens are taxable income of the issuer and must be recorded as income at the time of issue, although a contractual obligation to carry out a specific project justifies a provision. Proceeds from debt tokens are borrowed funds. Interest paid on them is subject to the federal withholding tax of 35 per cent if the issuer is Swiss and the token qualifies as a bond. Participation tokens are treated like equity: their issue is subject to the issuance stamp duty, and distributions are subject to withholding tax.¹ Contract-based tokens with profit participation are treated for tax purposes as derivative financial instruments of their own kind, whose proceeds are taxable income of the issuer. The securities transfer stamp duty applies to the trading of asset tokens that qualify as taxable securities when a Swiss securities dealer participates. Payment tokens are not taxable securities for this purpose.

Value added tax follows a different logic. The ESTV treats payment tokens like legal tender, so that their exchange against francs or other tokens is exempt from VAT. Mining is not a supply against consideration in the VAT sense. Services provided by exchanges and custodians may be taxable or exempt depending on their nature.² For a Lugano provider, the VAT treatment of its fees and of its services to Italian clients is part of its cost structure and requires an early analysis.

1 Rulings and the Italian client

The Ticino tax administration, the *Divisione delle contribuzioni* in Bellinzona, issues advance rulings on the treatment of token issues and of specific structures, as do the other cantonal administrations. The ESTV is competent for withholding tax and stamp duties. A Lugano issuer will therefore often obtain two rulings, one from the canton for income and profit tax and one from the ESTV for withholding tax and stamp duties.

For an Italian resident client, Swiss tax law is largely irrelevant. The client is taxable in Italy on gains from Kryptowerte und Digital Assets at the substitute tax rate that applies from 2026, must declare the holdings in the *quadro RW* and pays the Italian tax of 2 per mille on their value. Through CARF and DAC8 the data will reach the Italian tax authority in the years ahead. Chapter G.IV describes these rules and the timetable of the exchange.

Essentials. Private holders resident in Switzerland pay cantonal wealth tax on the year-end value of their Kryptowerte und Digital Assets, valued according to the ESTV price list, and their private capital gains are tax-free (Art. 16 para. 3 DBG). Mining, staking and airdrops are taxable income. Professional traders, assessed by analogy with ESTV Circular No. 36, are taxed on their gains. Issuers should obtain rulings from the canton and from the ESTV.

2 Notes

1. Federal Tax Administration, Kryptowährungen und Initial Coin/Token Offerings (ICOs/ITOs) als Gegenstand der Vermögens-, Einkommens- und Gewinnsteuer, der Verrechnungssteuer und der Stempelabgaben, working paper, Bern, 14 December 2021, <https://www.estv.admin.ch/dam/de/sd-web/HgzNhzz7q7YD/dbst-arbeitspapier-kryptowaehrungen-de.pdf> (utility tokens: "steuerbarer Ertrag", provision for a contractual project obligation; interest on debt tokens subject to withholding tax; participation tokens subject to the issuance stamp duty under Art. 5 para. 1 lit. a StA; contract-based tokens as "derivative Finanzinstrumente eigener Art (sui generis)"; payment tokens not taxable securities); Federal Act on Withholding Tax of 13 October 1965 (WHTA), SR 642.21, Art. 4 para. 1 lit. a (bonds "von einem Inländer ausgegeben"), <https://www.droit-bilingue.ch/de-it/6/64/642.21-4-7.html>, and Art. 13 para. 1 (35 per cent), <https://www.droit-bilingue.ch/de-it/6/64/642.21-13-17.html>; Federal Act on Stamp Duties of 27 June 1973 (StA), SR 641.10, Art. 5, <https://www.droit-bilingue.ch/de-it/6/64/641.10-5-8.html>, and Art. 13 para. 1 (transfer stamp duty where a securities dealer is a party or intermediary), <https://www.droit-bilingue.ch/de-it/6/64/641.10-13-18.html>. ↩

2. Federal Tax Administration, VAT practice on payment tokens (MWST-Info and MWST-Branchen-Info on financial services), with reference to Art. 21 para. 2 no. 19 of the Federal Act on Value Added Tax of 12 June 2009 (VAT Act), SR 641.20. ↩

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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