

Italian Entrepreneurs in Ticino: Relocation, Exit and Residence — overview and summary

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On an ordinary weekday morning the motorway from Como to Lugano carries two kinds of traffic that rarely appear in the same statistics. The first consists of the tens of thousands of *frontalieri* who live in Lombardy and work in Ticino, treated in Chapter H.I. The second is smaller and less visible: Italian entrepreneurs who have moved their residence, their company or both across the border and who now commute in the opposite direction, from a flat in Lugano or Paradiso to a factory in Brianza or an office in Milan. Some of them have built new businesses in Ticino. Others have kept their Italian companies and changed only their own address. A third group has done the reverse and moved a company to Lugano while remaining in Italy. Each of these configurations raises different legal questions. Each has also produced its own case law on both sides of the border.

This chapter asks why Italian entrepreneurs relocate to Ticino and under which conditions the move holds up in law. Its argument is that the decisive questions are factual. Italian law since 2024 defines the residence of individuals mainly by personal and family relations and by physical presence. It defines the residence of companies by the place where strategic and day-to-day decisions are taken, and it taxes the hidden reserves of a business that leaves Italy. Swiss law grants residence permits to Italian nationals with little difficulty under the Agreement on the Free Movement of Persons and offers a lower tax burden, but it also expects the new resident to live in Ticino and the new company to be managed there. A relocation that changes the register entries and leaves daily life and decision-making where they were is the most expensive outcome of all, because it combines the costs of the move with the risk of being taxed as if it had never happened.

The chapter first describes the motives and the data of relocation and the economic promotion through which Ticino tries to select the businesses it wants. It then treats the Italian rules on the residence of individuals after the reform of 2023, the audits of *falsi residenti* and the Swiss rules on permits and tax domicile. The following sections turn to companies: the Italian exit tax and the transfer of seat, the choice between a new Swiss company, a branch and a holding structure, the place of effective management, permanent establishments and value added tax. A comparison of the tax burden, a section on real estate, employees and the transfer of operating businesses, four anonymized case studies and a checklist complete the chapter. Italian controlled foreign company rules and the corporate residence of trading companies are treated in Chapter F.II. Succession planning, trusts and the regimes of lump-sum taxation in Ticino and of the Italian flat tax for new residents are left to Chapter E.V, and the double taxation convention as a whole to Chapter H.III.

1 Conclusion

Italian entrepreneurs move to Ticino for reasons that are easy to understand: a lower and more predictable tax burden, faster courts and administration, and a place where they can live in Italian an hour from their business. The data available show a steady presence of Italians among residents and company founders, with peaks during Italian crises. Ticino welcomes them selectively. Its Law on Economic Innovation, Fondazione AGIRE and the Switzerland Innovation Park support businesses that bring capital, research and qualified jobs, while its minimum wage, its posting rules and its political debates reject relocations that would import Italian wage levels.

The law on both sides has converged on a single test: the facts of daily life. Since 2024 Italian law defines the residence of individuals by the place where personal and family relations principally develop and by physical presence for the greater part of the year, and it defines the residence of companies by the place of strategic and day-to-day management. Swiss law grants permits easily to Italian nationals under the Free Movement Agreement, but it expects them to live in Ticino, and its tax law looks to the centre of life. The removal of Switzerland from the Italian blacklist in 2024 lifted the presumption that weighed on Italians who moved to Switzerland. It did not lift the evidence that the authorities can gather about families, days and decisions.

For companies, the Italian exit tax with immediate payment makes the transfer of an existing business expensive, while the absence of an exit tax

on private shareholdings makes the move of the owner comparatively easy. This asymmetry shapes practice. Owners move, new Swiss companies grow and Italian companies remain in Italy with their goodwill. The comparison of tax burdens shows that the main gains concern capital gains and succession, while the saving on current income is modest. This is why the Italian authorities concentrate their scrutiny on moves that precede sales. A relocation that is planned on the facts, documented from the first day and maintained in later years can withstand that scrutiny. A relocation of the address alone leads to Italian assessments, possibly criminal proceedings and the loss of the Swiss permit, and Chapter H.III continues with the treaty rules that apply once the residence question has been answered.

2 In five sentences

Italian entrepreneurs move to Ticino for lower and more predictable taxes, faster courts, a lighter administration and the proximity of a canton that works in Italian, and Ticino supports those who bring capital and qualified jobs through its Law on Economic Innovation and Fondazione AGIRE. Since 2024 Article 2 TUIR makes an individual resident in Italy if his personal and family relations principally develop there or if he is present there for the greater part of the year, counting fractions of days, so that AIRE registration and a Swiss permit protect no one whose family or working days remain in Italy. Switzerland's removal from the Italian blacklist of 1999 with effect from 2024 ended the presumption of continued Italian residence for emigrants to Switzerland but left the authorities with abundant evidence, as the case law on *falsi residenti* shows. An Italian company that moves its seat to Ticino pays the exit tax under Article 166 TUIR at once, since instalments are available only for moves within the EU and EEA, while Switzerland grants a step-up under Article 61a DBG and private shareholders pay no Italian exit tax at all. The largest tax advantages concern capital gains and succession, and they are secure only where the family, the days and the decisions have truly moved to Ticino.

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