

Succession, transparency and exit

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Families moving to Switzerland must also plan for succession and for the reporting obligations that accompany modern wealth. Since 1 January 2023 the revised Swiss law of succession has reduced the reserved portion of descendants and abolished that of parents (Arts 470 and 471 SCC), which gives testators more freedom to provide for a business successor or a surviving spouse.¹ Foreign nationals domiciled in Switzerland can choose the law of their nationality to govern their succession under Art. 90(2) PILA, a choice that interacts with Regulation (EU) No 650/2012 for assets in the European Union. Most cantons, Ticino and Zurich included, exempt spouses and descendants from inheritance tax, which makes Switzerland attractive for intergenerational transfers within the nuclear family.²

On the other side of the relocation, the state of origin may tax the departure. Germany taxes the unrealized gains in substantial shareholdings of emigrating individuals, Italy taxes the latent gains of businesses whose owners transfer their tax residence abroad, and Italian law presumes that Italian nationals who move to states on its tax blacklist remain resident unless they prove the contrary.³ Banks and trustees are bound by the automatic exchange of financial account information (AEOI), and Switzerland's register of beneficial owners of legal entities is being introduced. The discretion that once protected refugee capital has given way to a system of transparency in which a relocation must be documented, declared and justified to several tax authorities at once. These matters are treated in Part G.

For the practitioner. A relocation of a wealthy family to Switzerland, whether to Lugano, Zurich or elsewhere, should be prepared with attention to the following points: - the residence route (EU/EFTA non-active permit, Art. 28 FNIA for applicants aged 55 or over, or Art. 30(1)(b) FNIA with Art. 32 OASA on fiscal grounds), and the documentation of financial means and personal ties; the choice between ordinary taxation

and taxation according to expenditure under Art. 14 DBG, with a control calculation and a review of applicable double taxation conventions; - the exit tax rules and residence presumptions of the state of departure, including Italian rules for Italian nationals (Chapter H.II); the long-term plan for citizenship (ten years and integration under the SCA), and its effect on lump-sum taxation; - the structure for holding family wealth, in view of the limits of Art. 335 SCC, the recognition of foreign trusts and foundations, and the pending reform of the family foundation; - the succession plan, including a choice of law under Art. 90(2) PILA and the reserved portions under Art. 471 SCC; - source-of-wealth documentation for banks and trustees under the Anti-Money Laundering Act.

1 Notes

1. Swiss Civil Code, Arts 470(1) and 471, in the version of the Federal Act of 18 December 2020 (law of succession), in force since 1 January 2023 (AS 2021 312), <https://www.droit-bilingue.ch/de-fr/2/21/210-541.html> and <https://www.droit-bilingue.ch/de-fr/2/21/210-542.html> (consulted 5 October 2026): a testator who leaves "Nachkommen, den Ehegatten, die eingetragene Partnerin oder den eingetragenen Partner" may dispose of his estate up to their reserved portion, and "Der Pflichtteil beträgt die Hälfte des gesetzlichen Erbspruchs". Parents are no longer among the heirs with a reserved portion. ↩
2. Ticino, Legge tributaria del 21 giugno 1994, provisions on the inheritance and gift tax; Canton of Zurich, Erbschafts- und Schenkungssteuergesetz of 28 September 1986, § 10. ↩

3. Italy: Art. 166 TUIR ("Imposizione in uscita"), <https://www.brocardi.it/testo-unico-imposte-redditi/titolo-iii/capo-ii/art166.html> (consulted 5 October 2026), which applies to "soggetti che esercitano imprese commerciali" that transfer their tax residence abroad; Art. 2(2-bis) TUIR, <https://www.brocardi.it/testo-unico-imposte-redditi/titolo-i/capo-i/art2.html> (consulted 5 October 2026): Italian nationals removed from the register of the resident population and transferred to the states defined there are considered resident "salvo prova contraria"; Art. 2(2) TUIR was amended by D.Lgs. 27 December 2023, No 209, with effect from 1 January 2024. See Chapters E.V and H.II. Germany: § 6 Außensteuergesetz; the current Italian list relevant to Art. 2(2-bis) TUIR (Chapter E.II). ↩

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