

The cantonal motion of 2017 and the pilot of 2022

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At cantonal level the debate began with a motion of 16 October 2017 by Paolo Pamini, a member of the Grand Council for the Swiss People's Party (UDC) and an economist. It asked the cantonal administration to "launch a signal of confidence to Ticino's FinTech sector" by accepting bitcoin for the services of the cantonal administration, starting with a pilot in the Department of Institutions.¹ The Council of State answered in its message 7522 of 10 April 2018. It was prepared to allow payments in bitcoin only through the online platform of the cantonal eServices and rejected payment at counters or of invoices, citing the risks of wallet management, volatility, confirmation delays of ten to sixty minutes and the administrative burden.²

The Finance and Management Commission split. The majority report of 30 March 2021 recommended a pilot with conversion by a third-party intermediary, so that the canton would bear "zero" exchange-rate risk, and pointed to Chiasso and to Zug.³ The minority report, written by the Socialist deputy Ivo Durisch, opposed the motion on three grounds: the risk of tax evasion through wallets held outside regulated intermediaries, the opacity of transactions behind pseudonymous addresses, for which it cited a warning by a cantonal police officer, and the energy consumption of the bitcoin network. It added the legal argument that bitcoin was not legal tender, so that the canton would bear an unwanted currency risk on reconversion.⁴ On 12 April 2021 the Grand Council accepted the conclusions of the majority report by 48 votes to 36 with 3 abstentions.⁵

The administration implemented the decision cautiously. From mid-2022 a pilot allowed certain small administrative charges, such as fees of the withholding-tax office and stamp duties, to be paid in bitcoin through an external company that carried the exchange-rate risk.⁶ The head of the cantonal finance section explained that the amounts involved were in the range of CHF 50 to 60 and that the coins were converted into francs at

once. The same report contrasted the cantonal approach, which involved no private partner, with Lugano's agreement with Tether concluded a few months earlier.⁷ The cantonal pilot matters for this chapter because it shows the line that the canton drew for its own claims: no payment of cantonal or federal taxes in Kryptowerte und Digital Assets, only small fees, and only through a third party. Lugano's later offer applies to the city's invoices and, as explained below, to the municipal tax, but it does not reach the cantonal or the direct federal tax.

1 The city's digital infrastructure before 2022

Lugano itself had begun to build a digital infrastructure before the agreement with Tether. The municipality operates an innovation unit under the name "Lugano Living Lab", which the memorandum of 2026 expressly treats as the city's own brand.⁸ It had developed the MyLugano app as a portal for municipal services and a loyalty circuit for local shops, a payment token called LVGA Points, a project described as a "Lugano digital franc" and a blockchain infrastructure called 3Achain on which the token runs.⁹ The app later received an IEEE Smart City Award.¹⁰ These elements explain why the city could move quickly in 2022. Plan B did not build from nothing: it attached a private partner, a brand and an international audience to tools that the municipality had already developed for local purposes.

2 Notes

1. Gran Consiglio, Decisioni parlamentari del 12 aprile 2021 , [https://www3.ti.ch/COMUNICAZIONI/190613/Decisioni%20parlamentari%20del %2012%20aprile%202021.pdf](https://www3.ti.ch/COMUNICAZIONI/190613/Decisioni%20parlamentari%20del%2012%20aprile%202021.pdf) (title of the motion: "Lanciare un segnale di fiducia al FinTech ticinese accettando il pagamento in Bitcoin per i servizi dell'Amministrazione cantonale, partendo con un'applicazione pilota nel Dipartimento delle istituzioni"); Rapporto di maggioranza (above). ↩
2. Gran Consiglio, Commissione della gestione e delle finanze, Rapporto di minoranza (rapporteur Ivo Durisch) on message 7522, 30 March 2021, https://www4.ti.ch/fileadmin/POTERI/GC/allegati/rapporti/24891_7522r-min.pdf, summarizing the position of the Council of State. ↩
3. Rapporto di maggioranza (above). ↩
4. Rapporto di minoranza (above). ↩

5. Decisioni parlamentari del 12 aprile 2021 (above): 48 yes, 36 no, 3 abstentions. ↩
6. "Da metà anno si potranno pagare le multe in bitcoin", laRegione, 8 February 2022, <https://www.laregione.ch/1564440> (statement of Giordano Macchi, director of the cantonal tax division, on the conversion by an external company). ↩
7. "Il Cantone apre ai bitcoin: 'Pagamenti limitati, per ora'", laRegione, 7 July 2022, <https://www.laregione.ch/cantone/ticino/1593842/servizi> (statements of Roberto Bevacqua, head of the cantonal finance section). ↩
8. Memorandum of Understanding ... Phase II (above), section on the Living Lab methodology. ↩
9. Cointelegraph, report of 5 December 2023 on Lugano's acceptance of bitcoin and USDT for municipal taxes, <https://cointelegraph.com/news/bitcoin-accepted-taxes-swiss-lugano> (listing MyLugano, LVGA Points, the "Lugano digital franc" and 3Achain as earlier initiatives). ↩
10. "L'app Mylugano si rinnova con soluzioni tecnologiche innovative", laRegione, 22 November 2023, <https://www.laregione.ch/cantone/luganese/1714400/servizi>. ↩

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