

The economics of a small firm

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The reasons for the limited consolidation lie in the economics of the small firm. A Lugano manager with three employees, 68 clients and CHF 140 million under management earns, at an all-in fee of around 1 per cent, about CHF 1.4 million a year before costs. Rent, salaries, the licence, the supervisory organisation, the audit, external compliance and risk management services, professional indemnity insurance, IT and data services absorb most of this revenue. The representatives of the cantonal selfregulatory organisation estimated the cost of federal supervision alone at CHF 20,000 to 25,000 a year for a small firm.¹ The fee changes after the merger of two supervisory organisations in 2025 showed how sensitive these firms are to increases in fixed costs.² Yet the owner-manager who sells his firm to an aggregator loses his independence and often a part of the value, since the clients are tied to him personally and may leave if he does. Many owners therefore prefer to continue, to cooperate with other firms on compliance and IT, or to plan a gradual succession.

The problem of succession is particularly acute in Ticino. The generation of fiduciari who built the industry between the 1970s and the 1990s is reaching retirement age, and Chapter E.I notes that a large share of the employees of Ticino's banks are over fifty. The clients are ageing too. Their heirs often live in Milan, London or elsewhere and have no personal tie to the Lugano manager. Chapter K.II discusses the succession of independent asset managers as one of the scenarios for the next decade.

1 New entrants and new models

The market also shows signs of renewal. New firms are founded by bankers who leave the large banks after mergers and restructurings, by specialists in Kryptowerte und Digital Assets who use Lugano's reputation as a crypto-friendly city described in Part I, and by family offices that start serving other families. The founding of the Ticino Finance Association in

2025 by former bankers and independent managers reflects this generation.³ Multi-family offices, which combine asset management with tax, legal and administrative services for a small number of wealthy families, revive in a regulated form the combination of services that the traditional fiduciario offered. They now need a FINMA licence for the asset management and cantonal authorizations for the fiduciary services. Depending on their activities they also need affiliation with a selfregulatory organisation for the new adviser duties of 2026, and in many cases a licence as trustee.

In figures. In 2023 Ticino had 874 enterprises in non-bank financial activities with 3,031 full-time equivalents, about 3.5 per enterprise.⁴ In 2009 the canton had counted 1,640 fiduciary firms with 6,353 employees.⁵ Nationally, the median licensed asset manager has 3.3 employees, 68 clients and CHF 140 million in assets. The industry as a whole manages about CHF 500 billion.⁶ Only about twenty mergers between asset managers have taken place since 2022.⁷ The Lugano merger of Zest and LFG in 2022 combined CHF 2.5 billion of assets and about 700 clients.⁸

2 Notes

1. Commissione Costituzione e leggi, Rapporto 7753 R (above). The illustrative calculation of revenue in the text is the author's own. ↩
2. Kuster, finews.ch, 13 February 2026 (above). ↩
3. finews.ch/ticino, February 2025 (above). ↩
4. USTAT, 12 Denaro e banche, March 2026 (above). ↩
5. Chopard, Dati 4-2010 (above). ↩
6. Schwab, finews.com, 19 May 2026 (above). ↩
7. Schwab, finews.com, 19 May 2026 (above). ↩
8. finews.ch/ticino, 27 June 2022 (above). ↩

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