

The legal construction: payment through an agent

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

In legal terms the taxpayer who pays a municipal invoice in bitcoin does not pay the city in bitcoin. He transfers bitcoin to an address controlled by Bitcoin Suisse, which sells or credits the coins and pays the corresponding amount in Swiss francs to the city's account. The intermediary acts as the city's collection agent for the incoming transfer and, economically, as the buyer of the coins from the taxpayer. The city's claim remains a claim in Swiss francs throughout and is discharged only when the francs are credited, which the conditions fix at T+1.¹ The construction thus fits the general rule of Swiss private law that money debts are paid in legal tender of the currency owed (Art. 84 para. 1 of the Code of Obligations) as well as the tax laws, which define taxes and fees as amounts in francs.² The construction has a second consequence that is often overlooked. Because the city never acquires the coins, the transaction does not make the city a party to a trade in Kryptowerte und Digital Assets. The city does not need a wallet, a custody arrangement, an accounting policy for volatile assets or authorization from any supervisory body. The intermediary performs all of the regulated functions: identification of the payer where required, transaction monitoring, screening of addresses, conversion and payment. The legal position of the city is that of any creditor that allows its debtors to pay through a payment service of their choice, much as it would accept payments made by credit card through an acquirer.

1 Which taxes are covered

The press release of 2023 speaks of the taxes of natural and legal persons, a phrase that needs to be read in the light of the Ticino tax system. In Ticino the cantonal tax administration assesses income and wealth taxes and profit and capital taxes. The municipal tax is calculated by applying the municipality's multiplier (*moltiplicatore*) to the basic cantonal tax and is collected by the municipality itself through its own instalment invoices and final statements.³ The City of Lugano can therefore offer payment in

The legal construction: payment through an agent

bitcoin and USDT for the municipal tax, because it issues those invoices. The cantonal tax and the direct federal tax, which the canton collects, are not covered. A taxpayer resident in Lugano receives tax invoices from two authorities and can pay only the municipal part through Plan B.

This division is important for anyone who compares Lugano with Zug. The canton of Zug accepts bitcoin and ether for tax invoices issued by the cantonal tax administration, as described in the comparison below. Lugano's offer is broader because it covers every invoice the city issues, including fines, fees and charges, and because it accepts USDT. It is narrower in that it reaches only the municipal share of the tax burden, since the canton of Ticino has limited its own acceptance to small administrative fees.

For the practitioner. Paying a Lugano invoice in bitcoin or USDT has consequences for the payer that the city's portal does not explain: - For a private individual, paying in bitcoin is a disposal of private assets. A capital gain on private movable assets is in principle tax-free under Art. 16 para. 3 of the Federal Act on Direct Federal Taxation, unless the individual qualifies as a professional trader. - For a company, the payment realizes any gain or loss on the coins, which enters the taxable profit. - The 1 per cent fee is a cost of payment. For companies it is deductible as a business expense in the ordinary way. - The payment is effective only on T+1. A payment made on the last day of a deadline may arrive late. - The payer must expect identification and source-of-funds questions from the intermediary for larger amounts, as for any regulated exchange. - Overpayments are refunded only in francs to a bank account in the invoice holder's name.

2 Notes

1. City of Lugano, "Pay with crypto" (above) (collection and conversion by Bitcoin Suisse on behalf of the city; effectiveness T+1; refunds only in Swiss francs). ↩
2. Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations) of 30 March 1911, SR 220, Art. 84 para. 1 ("Geldschulden sind in gesetzlichen Zahlungsmitteln der geschuldeten Währung zu bezahlen") and para. 2 (debts in a currency that is not the national currency at the place of payment may be paid in the national currency at the value on the due date unless literal performance is stipulated), <https://www.droit-bilingue.ch/de-fr/2/22/220-84-96.html>. ↩

3. Legge tributaria del 21 giugno 1994, RL 640.100 (status 1 January 2026), Art. 1a para. 1 (the basic cantonal tax is the basis for calculating the municipal taxes, with reference to Art. 276 LT), <https://m3.ti.ch/CAN/RLeggi/public/index.php/raccolta-leggi/legge/num/580>; Legge organica comunale, RL 181.100, Art. 13 para. 1 lit. c (the assembly or council fixes the tax multipliers) and Art. 110 para. 1 lit. b (the Municipio collects the taxes and enforces them against defaulters), <https://m3.ti.ch/CAN/RLeggi/public/index.php/raccolta-leggi/legge/num/65>. ↩

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.

Online version: helveticaregister.com/lugano-the-legal-construction-payment-through-an-agent