

What "legal tender" means and what it does not mean

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Legal tender has a precise legal function. It is the means by which a debtor can discharge a debt denominated in francs against the will of the creditor, and which the creditor cannot refuse without falling into default of acceptance, unless the parties have agreed otherwise. Bitcoin and USDT have no such status in Switzerland. A merchant in Lugano may refuse a payment in bitcoin. A debtor who offers bitcoin to discharge a debt in francs does not place the creditor in default. The city itself is under no legal obligation to accept bitcoin and could withdraw the option at any time by changing its conditions of payment.

The description of bitcoin, USDT and LVGA as "de facto legal tender" in Lugano, found in promotional material of the programme, must be read in this light.¹ What it describes is a voluntary practice of acceptance by the city and a few hundred merchants, supported by an infrastructure that converts the coins into francs at once. In the city's own payment system the creditor never receives bitcoin at all. The intermediary receives it and pays francs. The legal tender in every one of these transactions remains the Swiss franc.

The difference from El Salvador illustrates the point. The Bitcoin Law adopted there in June 2021 and in force from 7 September 2021 made bitcoin legal tender alongside the United States dollar and obliged every economic agent to accept it, with the State guaranteeing conversion through a public wallet. That obligation was abolished in early 2025 by amendments adopted as prior actions for an Extended Fund Facility arrangement that the International Monetary Fund approved in February 2025, when acceptance was made voluntary.² Lugano never had, and under Swiss law could never have had, the first model. Its arrangement has always corresponded to the second.

1 Public claims, private claims and the role of contract

The CPIA defines the legal tender for the discharge of debts in francs, whether they arise under private or public law. For public-law claims such as taxes, fees and fines the relevant statutes define the amount in francs and the method of payment. The city can allow payment through additional channels, as it does through credit cards, e-banking and the QR-bill, because the choice of channel does not alter the claim. It cannot convert a tax claim into a claim in bitcoin, because the amount of the tax is fixed by law in francs.³ The arrangement with Bitcoin Suisse respects this by fixing the effective payment date at the moment the francs are credited.

For private transactions the parties are free to denominate their contract in another currency or in a unit such as bitcoin. Art. 84 para. 2 of the Code of Obligations allows debts expressed in a foreign currency to be paid in the national currency at the rate on the due date unless the contract excludes this. Whether bitcoin is a "currency" within the meaning of that provision is disputed in Swiss doctrine, because bitcoin is not the legal tender of any State recognized by Switzerland and because the provision presupposes a currency in the legal sense.⁴ The question has practical importance for contracts in which Lugano merchants or companies agree to receive payment in bitcoin: the safer drafting practice is to state expressly whether the debtor may discharge the debt in francs and at which rate.

Essentials. Under Art. 99 of the Federal Constitution, as amended on 8 March 2026, the Swiss monetary unit is the franc and money and currency are a federal matter. Under Art. 2 CPIA the only legal tender consists of federal coins, SNB banknotes and sight deposits in francs at the SNB. The duty to accept them under Art. 3 CPIA is dispositive. Lugano cannot make bitcoin, USDT or LVGA legal tender, and it has not tried: its payment system converts every incoming payment into francs through a supervised intermediary, and the city's claims remain claims in francs.

2 Notes

1. "Lugano's Plan B", sponsored content, Tio.ch, 6 March 2026 (above).
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2. On the 2025 amendments and the EFF arrangement see IMF, El Salvador: 2025 Article IV Consultation and First Review under the Extended Fund Facility, Country Report, 15 July 2025, <https://www.imf.org/-/media/files/publications/cr/2025/english/1slvea2025004-source-pdf.pdf> (prior actions "removed essential features of legal tender status"; arrangement approved in February 2025). Ley

Bitcoin, Decreto Legislativo No. 57 of 8 June 2021, in force 7 September 2021. ↩

3. Legge tributaria del 21 giugno 1994, RL 640.100, which expresses all amounts in francs (e.g. Art. 49 para. 3) and bases the municipal taxes on the basic cantonal tax (Art. 1a para. 1), <https://m3.ti.ch/CAN/RLeggi/public/index.php/raccolta-leggi/legge/num/580>; Legge organica comunale, RL 181.100, Art. 110 para. 1 lit. b (collection of taxes by the Municipio), <https://m3.ti.ch/CAN/RLeggi/public/index.php/raccolta-leggi/legge/num/65>. ↩
4. Commentaries on Art. 84 CO (Basler Kommentar, Berner Kommentar). ↩

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