

What the next generation wants

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The expectations of the heirs differ from those of their parents in four respects. The first is transparency. A client who grew up after the end of banking secrecy expects full reporting, digital access and clear fees, and sees no value in discretion as such. The second is international diversification. Heirs who live in different countries need advisers who can deal with several tax systems and who can book assets in the jurisdiction that suits the family as a whole. The third concerns new asset classes. Younger clients show greater interest in sustainable investments, private markets, Kryptowerte und Digital Assets and direct investments in technology companies. The fourth is the relationship itself. The heir may want an adviser of his or her own generation, available through digital channels and able to discuss business as well as investments.

Lugano has advantages and disadvantages in meeting these expectations. The advantages are the Italian language, the proximity to Milan, the experience of its advisers with Italian family structures and a regulatory framework that allows Swiss banks to offer Kryptowerte und Digital Assets and tokenised products within a supervised environment. The disadvantages are the limited access to the Italian market under the rules described in Chapter E.IV, which prevents Swiss advisers from actively soliciting clients in Italy, and the competition of Milan, which since the introduction of the lump-sum tax for new residents in 2017, raised to EUR 300,000 a year for those arriving from 2026, has attracted wealth managers and family offices that might once have chosen Lugano.¹ Chapter K.I analyses this competition in detail.

Common misconception. It is often assumed that the end of banking secrecy removed the reason for Italian clients to bank in Lugano. The assets that remained after the regularization of 2015 to 2017 stayed for reasons of stability, currency diversification, service quality and protection against the risks of the Italian banking system. The real threat for the next decade is

the generational change, since heirs who live abroad and use digital services have less reason to keep the relationship of their parents.

1 New client groups

The Italian clientele will remain central, but the scenarios also depend on new client groups. The first consists of wealthy individuals who move to Ticino. Chapter E.V has described the Swiss lump-sum taxation and Ticino's cantonal rules, and Chapter H.II the relocation of Italian entrepreneurs. Every new resident with significant wealth brings potential business for local banks, asset managers, lawyers and fiduciaries. The second group consists of clients from Latin America, Eastern Europe and the Middle East who are served from Lugano by banks with established desks for these regions, as Chapter E.I has shown for PKB and others. The third consists of entrepreneurs and investors in Kryptowerte und Digital Assets attracted by Lugano's Plan B, described in Chapter I.I. The fourth consists of retired Swiss and foreign residents of Ticino, whose savings and pension assets require advice and who form a large and growing domestic market.

The domestic market deserves more attention than it usually receives in the debate on the financial centre, which tends to focus on foreign private banking. USTAT recorded savings deposits of CHF 15,993 million and mortgages of CHF 56,961 million in Ticino in 2024, or about CHF 44,600 of savings and CHF 158,700 of mortgages per inhabitant.² The retirement assets of the second and third pillars come on top. An ageing canton accumulates assets that must be managed, decumulated in retirement and transferred at death. This business is less profitable per client than international private banking, but it is stable and grows with demography.

2 Notes

1. Art. 24-bis of the Italian Consolidated Income Tax Act (TUIR), <https://www.brocardi.it/testo-unico-imposte-redditi/titolo-i/capo-i/art24bis.html> (substitute tax "nella misura di euro 300.000 per ciascun periodo d'imposta", EUR 50,000 for each family member, option for fifteen years); deQuo, "Flat tax neo-residenti", 21 May 2026, <https://www.dequo.it/articoli/flat-tax-neo-residenti> (introduced by the Budget Law for 2017, Law No. 232/2016; EUR 100,000 until 9 August 2024, EUR 200,000 from 10 August 2024 and EUR 300,000 for transfers of residence from 1 January 2026). See Chapters E.V, H.I and K.I. ↩

2. USTAT, 12 Denaro e banche (above), table 12.5: per capita CHF 44,561 of savings deposits and CHF 158,710 of mortgage loans in 2024, against CHF 39,664 and CHF 155,560 in 2023. ↩

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