

Private client taxation in Switzerland

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Switzerland taxes individuals moderately and predictably, and it does not tax private capital gains on movable assets. For entrepreneurs who move here, the choice of canton and of the right time to move decides how much of their wealth they keep.

1 Income and wealth tax

Individuals resident in Switzerland pay federal income tax of at most 11.5 per cent (Art. 214 para. 1 DBG), plus cantonal and communal income tax, which varies considerably between cantons. The cantons also levy an annual wealth tax on net worldwide assets, except foreign real estate and foreign permanent establishments (Art. 13 StHG; Art. 6 para. 1 DBG applies the same exemption method for income).

2 Capital gains

Gains on the sale of private movable assets, including shares, are tax-free (Art. 16 para. 3 DBG; Art. 7 para. 4 lit. b StHG). The exception is the professional securities dealer, whose gains are taxed as business income. Gains on Swiss real estate are subject to a cantonal real estate gains tax (Art. 12 StHG).

3 Lump-sum taxation

Foreign nationals who take up residence in Switzerland for the first time, or after ten years abroad, and who do not work in Switzerland may be taxed on their expenditure instead of their income and wealth (Art. 14 DBG; Art. 6 StHG). For federal tax the basis is at least seven times the annual rent or rental value of the home and at least CHF 400,000 (Art. 14 para. 3 DBG); the cantons set their own minimums. Several cantons, among them Zurich, Basel-Stadt and Basel-Landschaft, have abolished lump-sum taxation.

4 Inheritance and gift tax

There is no federal inheritance tax. The cantons levy inheritance and gift taxes, but spouses are exempt in all cantons and direct descendants in most of them; the cantons of Schwyz and Obwalden levy no inheritance or gift tax at all.

5 What pays off in practice

- **Negotiate a lump-sum ruling before arrival** where it is available.
- **Sell or restructure shareholdings with care:** the exemption for private capital gains has limits, especially for sales to companies you control.
- **Plan the move and the exit from your home country** together; the departure taxation there often costs more than Swiss tax.

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.

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