

Umbrella foundations and other alternatives to your own foundation

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

Not every philanthropic project needs its own foundation. A separate foundation requires a board, accounts, an auditor, supervision and a tax exemption of its own, which is justified for large and long-term commitments but often too heavy for smaller amounts. Swiss umbrella foundations offer an alternative: a named fund within an existing, supervised and tax-exempt foundation, which can be set up quickly and at a fraction of the cost.

1 How an umbrella foundation works

An umbrella foundation is a charitable foundation whose purpose is broad enough to host several funds for different donors. The donor contributes assets to a fund that bears his or her name or a name of his or her choice, and defines the purpose of the fund within the purpose of the umbrella foundation. A fund committee, on which the donor usually sits, proposes the grants, and the umbrella foundation's board approves them and ensures compliance with the law and the tax exemption.

2 Advantages

A fund can be established within weeks and without a notarial deed. The donor benefits from the tax exemption of the umbrella foundation, so that donations are deductible from the start. Administration, accounting, audit and reporting to the supervisory authority are handled by the umbrella foundation, and the donor can concentrate on the philanthropic work. Many umbrella foundations also offer professional support in selecting projects and monitoring grants.

3 Limits

The donor does not control a legal entity of his own. The final decisions lie with the board of the umbrella foundation, which must ensure that each grant fits the overall purpose and the conditions of the tax exemption. Donors should therefore read the regulations of the umbrella foundation carefully, including the rules on fees, investment, the succession of the fund committee and the fate of the fund if the donor dies or wishes to leave.

4 Other alternatives

An association under Articles 60 et seq. of the Civil Code is suitable where several people want to pursue a purpose together and remain members with voting rights. It can also be tax-exempt. A direct donation or an endowed fund with an existing institution, such as a university or hospital, is the simplest solution where the donor wishes to support a specific cause for the long term.

5 From fund to foundation

Many donors start with a fund and establish their own foundation later, once the scale and direction of their philanthropy are clear. The formation of a separate foundation is explained in the article on [charitable foundations in Switzerland](#), and its governance in the article on [the foundation board](#).

6 How Ressos Legal helps

I advise donors on the choice between their own foundation, a fund within an umbrella foundation and other structures, and review the regulations and agreements involved. [Contact me](#) for a first conversation.

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/umbrella-foundations-alternatives-switzerland