

A small canton with a global footprint

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The canton of Zug covers 238.7 square kilometres, which makes it one of the smallest cantons of the Swiss Confederation by area.¹ It consists of eleven municipalities: Zug, Baar, Cham, Hünenberg, Menzingen, Neuheim, Oberägeri, Risch, Steinhausen, Unterägeri and Walchwil.² Its capital, the town of Zug, lies at the northern end of the lake that bears its name, some thirty minutes by train from Zurich and a little less from Lucerne. Around 135,000 people live in the canton.³ In 1850 there were 17,461.⁴

Measured by its economic weight, Zug belongs to a different category altogether. More than 38,000 companies are entered in the commercial register of the canton, whose businesses employ some 135,000 people.⁵ Its share of Swiss national income rose from 1.2 per cent in 1965 to 2.5 per cent in 2005, while its share of the Swiss population remained far lower.⁶ One of the largest commodity trading groups in the world has its headquarters in Baar. Industrial groups with global operations keep their seats in the canton. After the foundation that stewards the Ethereum protocol was established in Zug in 2014, the region adopted the name "Crypto Valley" for the cluster of blockchain enterprises that followed.⁷ The canton levies some of the lowest taxes in Switzerland, a position it has held by deliberate choice for most of a century.⁸

This book tells the story of how that came about and examines the legal framework that sustains it. It is the companion to a study of Geneva as an international financial centre. Although the two cities are often mentioned in the same breath, as twin hubs of the Swiss commodity trade, they could hardly differ more in their origins. Geneva built its financial vocation on the Reformation, on the refugees who brought capital and networks to the city, and on the diplomatic institutions that made it a meeting place of the world. Zug had none of this. It remained Catholic when Zurich and Geneva turned Protestant. It was a rural community of farmers, craftsmen and

mercenary officers. Its first bank of any size, the cantonal bank, was founded only in 1892.⁹

1 Notes

1. Historisches Lexikon der Schweiz (HLS), "Zug (Kanton)", version of 24 April 2019, section on territory, giving a total area of 238.8 km² on the basis of the 2006 land-use statistics; Wikipedia (English), "Canton of Zug", accessed September 2026, giving 238.73 km². ↩
2. Wikipedia (English), "Canton of Zug", accessed September 2026, section on municipalities. ↩
3. Zuger Zeitung, also published in the Bote der Urschweiz (bote.ch), "Zug wächst weiter: 135'018 Menschen leben im Kanton", 22 August 2026: 135,018 inhabitants at the end of 2025, according to the Fachstelle für Daten und Statistik des Kantons Zug; growth of just under one per cent on the previous year. ↩
4. HLS, "Zug (Kanton)", table of population figures: 1850: 17,461; 1900: 25,093; 1950: 42,239; 2000: 100,052. ↩
5. Zuger Kantonalbank, "Der Kanton Zug in Zahlen", edition 2023, zugerkb.ch: 38,547 registered companies in 2022; Kanton Zug, Fachstelle für Statistik, "Industrie und Dienstleistungen – Betriebe und Unternehmen", zg.ch, accessed September 2026: 135,123 employees in 20,801 establishments in 2024. Treated in Part C. ↩
6. HLS, "Zug (Kanton)", section on the economy in the twentieth century. ↩
7. Commercial register data for Stiftung Ethereum, Zug (UID CHE-292.124.800), as reproduced by moneyhouse.ch: entry in the commercial register of the canton of Zug on 14 July 2014; purpose includes the promotion of the Ethereum protocol and of new open decentralised software architectures. Treated in detail in Part G. ↩
8. Wikipedia (English), "Canton of Zug", section on the tax climate; HLS, "Zug (Gemeinde)", version of 5 May 2020, recording cantonal tax incentives approved in 1921 and 1930. The tax history is treated in Part B. ↩

9. Zuger Kantonalbank, "Geschichte", website of the Zuger Kantonalbank, accessed September 2026, giving 1892 as the founding year and seven employees at the start. ↩

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