

Four pillars and a language

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The structure of this book mirrors the structure of the Geneva volume, because the comparison is intended. Where the Geneva book identifies five foundations of the financial centre, this book identifies four pillars of the Zug business location and one linguistic infrastructure.

The first pillar is fiscal. From the 1920s onwards, and decisively after the Second World War, the canton pursued a policy of low taxation designed to attract companies and wealthy individuals. The holding and domicile company regimes, abolished only in 2020 with the federal tax reform,¹ made Zug the seat of thousands of companies whose operations lay elsewhere. The moral economy that underpinned this choice deserves as careful a reading as the Calvinist economy of credit that underpinned Geneva, a reading that Part B attempts.

The second pillar is corporate. Zug became a headquarters economy, where multinational groups placed their holding companies, regional headquarters, treasury functions and intellectual property. This pillar grew from the fiscal one and now carries a significant part of the cantonal economy in its own right.

The third pillar is commercial. The foundation of Marc Rich + Co. AG in Zug in 1974² made the canton a centre of the international trade in commodities. The company that emerged from it after 1994 as Glencore, headquartered in Baar, remains one of the largest commodity traders in the world.³ Around it, a cluster of trading firms, shipping companies, inspection agencies, banks and advisers took shape. The commodity trade brings Zug wealth and exposes it to the gravest legal risks: corruption, sanctions, market abuse and the reputational costs that follow.

The fourth pillar is technological. Since the middle of the 2010s, Zug has become a centre of the industry in crypto-assets and Digital Assets. Foundations issuing tokens, developers of protocols, custodians, brokers

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and exchanges settled there, drawn by the openness of the authorities, the foundation law of the Swiss Civil Code and the pragmatism of the Swiss Financial Market Supervisory Authority. The federal legislation on distributed ledger technology, in force since 2021,⁴ gave this cluster a legal framework that few jurisdictions could match at the time.

Beside these four pillars stands a language. Geneva's financial centre relies on the French language as an infrastructure, connecting it with France, francophone Africa and the diplomatic world. Zug's international business community works in English. Contracts, board meetings, compliance manuals and a large share of daily life in the international community are conducted in English, in a canton whose official language is German and whose inhabitants speak the dialect of central Switzerland.⁵ The practical and legal consequences of this bilingualism form the subject of Part J.

1 Notes

1. Federal Department of Finance, "Volksabstimmung zum Bundesgesetz über die Steuerreform und die AHV-Finanzierung (19.05.2019)", efd.admin.ch: act adopted by Parliament on 28 September 2018, accepted by 66.4 per cent of voters on 19 May 2019; tax privileges for predominantly internationally active companies abolished, with the same rules for all companies; Federal Council, press release "STAF tritt am 1. Januar 2020 in Kraft", 14 June 2019, admin.ch: full entry into force on 1 January 2020. Treated in Part B. ↩
2. University of Texas at Austin, Cultures Contexts, "Marc Rich and Switzerland: An Uneasy Relationship", 30 June 2013, sites.utexas.edu: Marc Rich and associates established Marc Rich + Co AG in Zug in 1974. Treated in Part D. ↩
3. University of Texas at Austin, Cultures Contexts, "Marc Rich and Switzerland: An Uneasy Relationship", 30 June 2013, sites.utexas.edu: the company was sold in 1994, renamed Glencore and remains one of the biggest commodity traders, still based in the canton; Glencore plc, "Publication of 2025 Annual Report", 10 March 2026, glencore.com: announcement issued from Baar, Switzerland. Treated in Part D. ↩
4. State Secretariat for International Finance, "DLT / Blockchain / Tokenisierung", sif.admin.ch: the Federal Council, at its meeting of 11 December 2020, brought parts of the DLT bill into force on 1 February 2021; the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology and the associated blanket ordinance entered into force on 1 August 2021; Federal Council, press release "Der Bundesrat setzt DLT-Gesetz vollständig in

Kraft und erlässt Verordnung", 18 June 2021, admin.ch. Treated in Part H. ↩

5. Wikipedia (English), "Canton of Zug", section on language. ↩

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