

Moving a headquarters: the legal mechanics

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

The move of a headquarters to Zug from another Swiss canton, as in the case of SGS, is legally simple. The company amends its articles of association to fix its new seat. The amendment is then entered in the commercial register of the new canton, which takes over the file from the register of the old one. Since the company remains the same legal person, its contracts, assets and liabilities are unaffected.¹ For tax purposes, the move ends the unlimited tax liability of the company in the old canton and establishes it in the new one, with an allocation of the tax base for the period in which the move takes place. The transfer of the seat within Switzerland does not trigger the taxation of hidden reserves, since the reserves remain subject to Swiss tax.²

The move of a headquarters to Zug from abroad is more complex. A foreign company may transfer its seat to Switzerland and continue as a Swiss company without liquidation, provided that the law of its state of origin permits the transfer and that the company can adapt to a form of Swiss law.³ Alternatively, the group may establish a new Swiss company and transfer the functions, assets and staff of the headquarters to it, or merge the foreign company into a Swiss company across the border. Each route raises questions of corporate law in the state of origin, of exit taxation there, and of the tax treatment of the transferred assets in Switzerland. Swiss law allows a company that moves its seat or its functions to Switzerland to disclose the hidden reserves of the assets it brings, including self-created goodwill, and to amortise them for tax purposes, a rule known as the step-up on immigration.⁴ The step-up can reduce the Swiss tax burden of the immigrating company considerably in the first years after the move. Since 2020 it has been an argument in the competition for the headquarters of international groups.

The move of a headquarters from Zug abroad is the mirror image. A Swiss company may transfer its seat abroad without liquidation, if the law of the

target state permits it, but the transfer triggers the taxation of its hidden reserves, since they leave the Swiss tax jurisdiction.⁵ The asymmetry between the step-up on immigration and the taxation on emigration gives Switzerland an advantage in the competition for headquarters. It is also one of the reasons why groups that have come to Zug tend to stay.

1 Notes

1. HRegV, Art. 123 (SR 221.411), droit-bilingue.ch: on a move of the seat to another register district, the legal entity applies for registration at the new seat with the amended articles of association as supporting documents; the commercial register office at the new seat decides on the registration, and the office at the former seat transmits to it all electronic data held in the main register. ↩
2. StHG, Art. 22 para. 1 and Art. 24d para. 2 (SR 642.14), droit-bilingue.ch: a legal entity that moves its seat or effective management to another canton during a tax period is liable to tax in the cantons concerned for the entire tax period; the taxation of hidden reserves at the end of tax liability applies to transfers abroad and to the transition to tax exemption, which excludes the intercantonal move; Schweizerische Steuerkonferenz, Kreisschreiben 17 of 27 November 2001, ssk-csi.ch, on the intercantonal allocation in the case of a change of seat. ↩
3. Kanton Zug, Volkswirtschaftsdirektion, Handelsregister- und Konkursamt, "Merkblatt über die Sitzverlegung einer ausländischen Gesellschaft in die Schweiz" (Rev. 2023), zg.ch: legal basis Art. 161–162 IPRG and Art. 126 HRegV; proof that the foreign law permits the cross-border transfer of seat, that adaptation to a Swiss legal form is possible and that the centre of business activity has moved to Switzerland. ↩
4. DBG, Art. 61a paras. 1, 2 and 4 (SR 642.11), and StHG, Art. 24c paras. 1, 3 and 4 (SR 642.14), droit-bilingue.ch: hidden reserves including self-created added value disclosed at the beginning of tax liability, including the transfer of assets, business or seat or effective management from abroad, are not subject to profit tax; the disclosed self-created added value is to be amortised within ten years. ↩

5. von der Crone et al., fuscg.ch (2nd ed., Zurich 2017), "Verlegung der Gesellschaft von der Schweiz ins Ausland": under Art. 163 para. 1 IPRG a Swiss company may subject itself to foreign law without liquidation and new formation if it continues to exist under foreign law, with creditor protection under Art. 163 para. 2 IPRG; taxation of hidden reserves on the transfer of seat or functions abroad under Art. 61b DBG and Art. 24d StHG (droit-bilingue.ch). ↩

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/zug-moving-a-headquarters-the-legal-mechanics