

Zug or Zurich: choosing between two neighbouring locations

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Many international companies and families narrow their choice to Zug or Zurich. The two locations are close enough for daily commuting, yet they differ in taxation, size and character. The right choice depends on the business model and on the priorities of the people involved.

1 Taxation

Zug's corporate and personal tax burden is considerably lower than that of the city of Zurich. For companies with substantial profits and for individuals with high income or wealth, the difference can be significant. Zug also continues to offer lump-sum taxation for eligible foreign nationals, which Zurich has abolished. For large groups subject to the OECD minimum tax, the corporate tax difference is less decisive, since the Swiss domestic minimum tax raises the effective burden in low-tax cantons.

2 Talent pool and labour market

Zurich is Switzerland's largest economic centre, with universities, a broad labour market and many specialists in finance, technology, law and consulting. Companies that need to recruit many qualified employees often find a larger pool in Zurich. Since Zug is well connected, however, many people living in the Zurich area commute to Zug, and companies in Zug also recruit from the wider region.

3 Airport and transport access

Zurich Airport is Switzerland's main international hub. Companies located in Zurich, particularly near the airport or the main station, benefit from very short travel times. From Zug, the airport is also within easy reach by

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rail or road, so the difference is moderate for most businesses, although it becomes more noticeable for those with intensive travel schedules.

4 International community and lifestyle

Both locations have large international communities. Zurich offers the amenities of a city, with a wide range of culture, restaurants and international schools. Zug is smaller and quieter, which many families appreciate, while others prefer the variety of a larger city. Housing is expensive in both places.

5 Combining both locations

A common solution is to locate the company's seat and core management in Zug while employees live in the wider region, or to establish a subsidiary or branch in Zurich for specific functions. Such combinations must reflect where decisions are actually taken and where people actually work, since tax authorities look at the real situation.

6 What pays off in practice

- **Rank the priorities honestly.** Taxes, recruitment and family needs rarely point in the same direction.
- **Calculate the overall cost.** Rents, salaries and taxes together determine which location is more favourable.
- **Align structure with reality.** A seat in Zug requires management and activity that actually take place there.

7 How Ressos Legal helps

From my office in Zurich, I advise international clients on choosing between Zug and Zurich and on structuring their presence in Switzerland. [Contact me](#) for a first conversation.

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