

Practitioner's note: stress-testing a location decision

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

Advisers can use the scenarios to stress-test the location decisions of their clients. A client considering a move to Zug, or a review of an existing presence, can ask how its business would fare in each of the four scenarios. For each scenario, the questions are: what would happen to the client's tax burden, to its ability to recruit, to its access to markets, to its exposure to sanctions and to its reputation? What would the client do in response: stay, reduce its presence, move part of its functions or leave altogether? And what would the costs of each response be?

The stress test yields an understanding of the risks, which then informs the decision. A client whose business would suffer badly in the retreat or the squeeze may decide to keep its options open, which it can do by limiting its fixed investments in the canton, by maintaining alternative locations or by structuring its presence so that functions can be moved easily. A client whose business would prosper in all scenarios can commit more fully. The stress test also helps the client to identify the indicators it should watch and the moments at which it should review its decision. For advisers, it provides a structured way to discuss the future with clients who might otherwise focus only on the tax rate.

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-practitioner-s-note-stress-testing-a-location-decision