

Why groups choose Zug: the decision in practice

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The decision of an international group to place a headquarters in Zug is rarely made on the basis of tax alone. In practice, the groups and their advisers compare a small number of candidate locations, often Zug, Zurich, Geneva, Basel, Lucerne and Schwyz within Switzerland, and London, Amsterdam, Dublin, Luxembourg, Singapore and Dubai outside it, across a set of criteria. The criteria that recur in the statements of the companies that chose Zug are the following.

The first is tax. The effective profit tax rate of 11.85 per cent in 2025, the lowest of all Swiss cantons, remains an important factor, although the global minimum tax has reduced its significance for the largest groups.¹ For groups below the threshold of the minimum tax, and for the personal taxation of executives and employees, the canton's low rates retain their full weight. The personal tax position of the senior management is often as important in the decision as the corporate tax rate, since the executives who must move to the new headquarters compare the net income they will earn in Zug with that in the alternative locations.

The second is accessibility. Zurich airport, with its connections to the major cities of the world, is reachable from Zug in about half an hour by car or train. Companies consistently name the proximity to the airport as a factor, and SGS cited it expressly when it moved from Geneva.²

The third is talent. A headquarters needs managers, specialists in finance, law, tax, compliance, regulatory affairs, supply chain management and information technology, and support staff. The Zurich region offers one of the deepest labour markets for such specialists in continental Europe, a market within which Zug lies. The existing clusters in the canton add specialists with experience of the particular industry, whether commodity trading, pharmaceuticals or crypto-assets and Digital Assets.

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The fourth is the quality of life for the staff: schools, including international schools that teach in English, housing, security, the environment and the cultural and leisure offer of the region. Zug scores well on most of these criteria, with the important exception of housing, whose scarcity and cost have become a serious obstacle, as described below.

The fifth is the administration. The companies that settled in Zug have repeatedly emphasised the pragmatism and responsiveness of the cantonal authorities, above all the tax administration, the commercial register and the labour market authority. Bomio identifies the "customer-friendly" enforcement of the law by the key authorities as one of the decisive factors of the canton's success.³

The sixth is the legal and political stability of Switzerland: the rule of law, the independence of the courts, the stability of the currency and the political system, and the predictability of the regulatory environment. Shared by all Swiss locations, these factors distinguish Switzerland from some of its international competitors.

The weight of each criterion varies with the function of the headquarters. For a holding company with few employees, tax and legal stability dominate. For a regional headquarters with several hundred employees, talent, accessibility and quality of life become decisive. For a research centre, the availability of scientists and the proximity to universities matter most, and here Zug, which has no university of its own, depends on the universities and technical institutes of Zurich and Lucerne. The practitioner who advises a group on the choice of location should structure the comparison around these criteria and weight them according to the functions that the headquarters will perform.

1 Notes

1. KPMG Switzerland, press release May 2025: lowest effective profit tax rate in Zug at 11.85 per cent. ↩
2. swissinfo.ch, "SGS eröffnet neuen Hauptsitz in Baar ZG im Januar 2026": better proximity to Zurich Airport among the reasons for the move; Zug in der Welt, "Von «Rochekreuz» zum «Pharma-Valley»": proximity to Zurich airport cited by pharmaceutical companies. ↩

3. Sichtweisen Schweiz, "Wirtschaftskanton Zug" (Gianni Bomio): pragmatic administration with customer-friendly enforcement by key authorities as a success factor; intensive coordination of key actors with short decision-making paths. ↩

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