

Becoming Swiss Resident Through Employment in Switzerland

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By **Christine Breitler**, 25th March 2026

A Practical Overview

Switzerland remains a well-established jurisdiction for internationally mobile individuals, offering political stability, a high standard of living and a generally competitive tax framework. While several routes to Swiss residency exist, employment continues to represent one of the most reliable and widely used pathways.

This overview outlines the principal routes to obtaining Swiss residence through employment, together with selected tax considerations. Given Switzerland's federal structure, both immigration and tax outcomes are highly dependent on cantonal practice and the specific circumstances of each case.

1. General Framework

Switzerland is not part of the EU, but is both a member of the Schengen Area and the European Free Trade Association (EFTA). It is composed of 26 cantons, each retaining significant autonomy, particularly in tax matters.

Foreign nationals may remain in Switzerland for up to three months without formal registration. Any stay beyond this period requires a residence permit, typically linked to employment or economic activity.

A key distinction must be made between:

- **EU/EFTA nationals**, who benefit from facilitated access to the Swiss labour market; and
- **Third-country nationals**, who are subject to stricter admission criteria and annual quotas.

2. Routes to Swiss Residence

A. Employment with a Swiss Employer

For EU/EFTA nationals, access to the labour market is generally straightforward.

For third-country nationals, admission is typically limited to individuals who are:

- Highly qualified (generally evidenced by higher education or significant specialised professional experience); and
- Able to demonstrate expertise not readily available in the domestic or EU/EFTA labour market.

In practice:

- The employer must obtain work authorisation; and
- The individual must obtain an entry visa (where applicable).

The evidentiary burden rests primarily with the employer, in particular in demonstrating that no suitable candidate could be recruited locally. This requirement can be determinative.

B. Establishing a Swiss Company

An alternative route is to establish a Swiss company and assume an active role within it.

This option is available to both EU/EFTA and third-country nationals. For non-EU/EFTA applicants, the authorities will assess whether the proposed activity:

- Contributes to the local or regional economy;
- Generates or preserves employment; and
- Is commercially sustainable.

In practice, this requires the presentation of a credible business plan and evidence of tangible economic impact. While not a formal legal requirement, certain cantonal authorities expect a meaningful level of activity, often assessed by reference to projected turnover and job creation.

C. Investment in an Existing Business

Alternatively, residence may be obtained through investment in an existing Swiss company, particularly where such investment enables expansion or restructuring.

Here again, the decisive factor is whether the investment produces a measurable economic benefit at cantonal level. For third-country nationals, the threshold for demonstrating such benefit is typically applied more strictly.

3. Tax Considerations

A. Individuals

Swiss taxation operates at federal, cantonal and communal levels, resulting in significant regional variation.

Key features include:

- **Income tax:** levied at federal, cantonal and communal levels. The overall burden varies depending on the place of residence and personal circumstances.
- **Wealth tax:** levied at cantonal and communal level on worldwide net assets, with effective burdens varying depending on location and asset profile.
- **Inheritance and gift tax:** generally exempt for transfers to spouses and direct descendants in most cantons (subject to exceptions).

A notable feature of the Swiss system is that private capital gains on movable assets (including shares) are generally tax-exempt. However, this treatment may not apply where the individual is considered to be acting in a professional capacity or where specific anti-abuse rules are triggered.

B. Corporate Taxation

Switzerland offers a generally competitive corporate tax environment:

- Combined federal and cantonal corporate income tax rates are generally in the mid-teens, with certain cantons offering effective rates in the range of approximately 12% to 14%.
- Dividends and capital gains derived from qualifying participations may benefit from a participation exemption resulting in a reduced effective tax burden.

While historically certain preferential regimes were available, these have largely been aligned with international standards, without eliminating structuring opportunities.

C. Withholding Tax and Treaty Network

- Swiss withholding tax on dividends is levied at 35%, although relief is generally available under domestic law or applicable double tax treaties. In practice, effective rates are often reduced, with exemptions available for qualifying EU shareholders and treaty rates typically ranging between approximately 5% and 15%.
- Switzerland benefits from an extensive treaty network covering more than 100 jurisdictions.

Access to treaty benefits depends not only on residence but also on beneficial ownership and the presence of sufficient substance, both of which are increasingly scrutinised.

4. Final Remarks

Access to Swiss residence through employment or economic activity is well established but depends on the specific circumstances of each case and cantonal practice. Tax outcomes may also vary by location and individual profile, and should be considered at an early stage.

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