

Dixcart Gains Regulated Trustee Status in Switzerland – Understanding the Significance

On 26 February 2024, Dixcart Trustee Switzerland (SA), became a regulated Swiss Trustee, as authorised by FINMA. Subject to a number of standard formalities being put in place, Dixcart Trustee Switzerland (SA), will be featured on the FINMA website as an authorised trustee.

By **Christine Breitler**, 29th February 2024

Announcement

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Regulations

Up until 2022, Swiss Trustees were only supervised in relation to compliance with Anti-Money Laundering obligations. Swiss professional Trustees now have to comply with; structural, organisational, business-conduct and audit requirements.

Trustees operating in Switzerland must also now apply for a licence from the Swiss Financial Market Supervisory Authority ([FINMA](#)).

Regulatory Obligations

A number of requirements have been put in place for Swiss Trustees:

- Trustees must have a minimum paid up share capital of CHF 100,000 with the additional obligation to maintain adequate financial security and/or have professional liability insurance in place.
- Management by the Trustees must be carried out by a minimum of two 'qualified directors' of good reputation.
- Trustees must put in place appropriate risk management procedures and adequate internal control systems.

Licensing Exemptions

Private trust companies (PTCs) are exempt, from the authorisation process, as well as single family office structures ('family-ties exemption'). This exemption also applies if the Beneficiary is a charity.

Why Consider the Use of a Swiss Trust and/or a Swiss Trustee?

Taxation of Trusts in Switzerland

The Hague Convention (Article. 19) states that the Convention does not prejudice the powers of sovereign states in fiscal matters. Consequently, Switzerland has maintained its sovereignty in relation to the tax treatment of trusts.

The tax advantages available in using a trust with a Swiss Trustee, depend on the tax residence of the Settlor and the Beneficiaries.

In terms of Swiss Law:

- A Swiss resident Trustee is not liable to Swiss income tax or capital gains tax on the assets held under management in a trust.
- Settlers and Beneficiaries are exempt from Swiss taxation, as long as they are not considered to be Swiss residents.

Why Use a Swiss Trustee?

In addition to the potential tax advantages detailed above, there are a number of reasons why use of a Swiss Trustee can be advantageous:

- A Swiss company can act as Trustee of a trust, formed under the law of another jurisdiction;

- Trusts are not subject to taxation in Switzerland;

- The Settlor and Beneficiaries are not subject to taxation in Switzerland, as long as they are not resident in Switzerland.

Read more here: [Why Use a Swiss Trustee?](#)

Confidentiality in Switzerland

Switzerland is well known for its commitment to professional confidentiality and commercial competence.

A breach of confidentiality, whether professional or commercial, would only be permitted by law, in the event of criminal liability.

Trust Services Provided by Dixcart

Dixcart has been providing Swiss Trustee services for almost 25 years, and we are delighted and proud to be one of the first Swiss Trustees to be authorised by FINMA.

A trust based on the Trust Law of, for example; Cyprus, England, Guernsey, Isle of Man, or Malta, and with a Swiss Trustee, can offer a number of tax efficiencies, as well as advantages in terms of wealth preservation and confidentiality.

Dixcart can establish and manage such trust structures.

Additional Information

If you would like more information on this subject please speak to Christine Breitler in the Dixcart office in Geneva: advice.switzerland@dixcart.com or to your usual Dixcart contact.