

Pre-Arrival Tax Planning for Relocating to Switzerland

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By **Christine Breitler**, 19th May 2026

Switzerland remains one of the most attractive jurisdictions for internationally mobile individuals and families seeking political stability, personal security, a high quality of life and a reliable legal and tax environment. While initial discussions often focus on Swiss residence permits and lump-sum taxation, strategic pre-arrival tax planning is should not be overlooked.

In practice, the period before relocation presents valuable planning opportunities. Once Swiss tax residence begins, certain structures may no longer be available or may become less efficient. Reviewing an individual's wealth structure, business interests and succession arrangements prior to relocation may therefore help avoid unnecessary complications at a later stage.

Determining the Commencement of Swiss Tax Residence

Under Swiss tax law, an individual generally becomes Swiss tax resident once settled in Switzerland with the intention of remaining on a long-term basis, or after spending a sufficient number of days in the country under the applicable domestic tax rules.

However, determining the commencement of Swiss tax residence can be complex, particularly for individuals who maintain personal and economic ties in several jurisdictions. Swiss tax authorities will typically consider factors such as the individual's family and personal ties, the centre of economic interests, the availability of a permanent home and the effective time spent in Switzerland and abroad.

Double tax treaties should also be reviewed carefully. Where dual tax residence arises under the domestic laws of two jurisdictions, the applicable treaty "tie-breaker" provisions will often determine the individual's treaty residence for tax purposes.

The timing of Swiss tax residence is particularly relevant where significant transactions are planned around the point of relocation, including the sale of a business, dividend distributions or the realisation of capital gains. Without careful coordination, relocation

may result in unexpected tax exposure or potential double taxation.

Review of Asset Structures Prior to Relocation

Before becoming Swiss tax resident, it is advisable to review existing asset holding structures carefully. This includes corporate participations, interests in operating businesses, trusts, foundations and significant investment assets.

For entrepreneurs and shareholders of privately held companies, particular attention should be paid to the future Swiss tax treatment of capital gains, income and distributions. Whilst private capital gains are generally exempt from income tax in Switzerland, certain transactions may nevertheless be analysed depending on their nature and structure.

In addition, qualifying shareholdings may benefit from favourable dividend taxation treatment under both federal and cantonal tax rules.

Trusts, Foundations and International Succession Arrangements

The Swiss tax treatment of trusts is largely based on administrative practice and case law rather than comprehensive statutory provisions.

The tax treatment will generally depend on the characteristics of the structure concerned, including the powers retained by the settlor, the rights of the beneficiaries and the extent to which assets are effectively segregated from the settlor's estate.

Depending on the circumstances, the trust assets may remain attributable to the settlor for Swiss tax purposes or may be treated as separated from the settlor's estate.

Particular attention should therefore be given to trusts, foundations and international succession arrangements prior to relocation.

Swiss Wealth Tax

Switzerland levies an annual wealth tax at cantonal and communal level. This tax generally applies to the taxpayer's worldwide net assets, subject to treaty provisions relating to foreign real estate and permanent establishments.

Although Swiss wealth tax rates are relatively moderate compared with other jurisdictions, wealth tax considerations often become an important factor when selecting a canton or municipality of residence.

Departure Tax Considerations

An international relocation should not be analysed solely from a Swiss perspective. The tax consequences arising in the departure jurisdiction must also be considered.

Depending on the country concerned, departure may trigger:

- Exit taxes
- Taxation of unrealised capital gains

- Reporting obligations
- Restrictions relating to trusts or other wealth planning structures
- Succession implications

Coordination between Swiss and foreign advisers is often important in order to avoid costly restructuring or adverse tax consequences at a later stage.

Conclusion

For internationally mobile individuals and families, relocating to Switzerland involves far more than obtaining a residence permit or benefiting from a favourable tax regime.

Careful pre-arrival planning allows future residents to anticipate issues relating to tax residence, wealth structuring, private shareholdings, trusts and Swiss wealth tax exposure.

In an increasingly transparent and complex international tax environment, coordinated planning prior to relocation is key to a smooth and tax-efficient long-term transition to Switzerland.

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