

## Why Use a Swiss Trustee?

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By **Christine Breitler**, 22nd April 2025

The use of trusts for wealth management and asset protection has evolved well beyond their English Common Law origins. Today, Switzerland stands out as a preferred jurisdiction for the administration of trusts, offering a unique combination of legal recognition, flexibility and professionalism. So, what makes Swiss Trustees particularly valuable?

A trust is an extremely flexible instrument and is particularly valuable for estate planning, wealth management and asset protection.

Fundamentally, the concept of a trust is straightforward: the Settlor transfers assets into the legal custody of another party, the Trustee, who then holds these assets for the benefit of a third party, the Beneficiary. The trust is not a separate legal entity but rather a legal obligation agreed between the Settlor and the Trustee.

### **1. Legal Certainty and Protection**

Switzerland does not just recognise trusts, it actively supports them through a robust legal framework. In addition to ratifying the Hague Convention in 2007, Switzerland amended its Private International Law (CPIL) and Bankruptcy Law (DEBL) to explicitly address trust-related matters. These legal enhancements ensure clear rules for jurisdiction, the recognition of foreign judgments, and the separation of trust assets from a trustee's personal estate.

This legal infrastructure creates a sophisticated environment for resolving trust-related disputes and enhances Switzerland's appeal as a secure base for trust administration.

## 2. Flexibility

Swiss trustees can administer a wide range of trust types, including discretionary, accumulation and maintenance, and fixed interest trusts, with flexible structures tailored to meet the Settlor's intentions. This adaptability allows trustees to respond to changing family circumstances, regulatory environments and tax residency. A discretionary trust can evolve alongside the needs of its beneficiaries, while an accumulation trust can serve long-term wealth preservation goals.

## 3. Stability and Reputation

Switzerland offers exceptional **economic, political, and legal stability**, making it an ideal location for long-term wealth preservation and administration. Building on its long-standing legacy in private banking, financial services, and investor protection, Switzerland offers unmatched credibility and confidence.

## 4. Discretion and Confidentiality

Swiss law and professional standards ensure strict confidentiality in trust administration. Swiss trustees are bound by professional secrecy to keep all client-related information confidential. Disclosure is only allowed in case of legal obligation, such as in criminal investigations. This discretion is a key benefit for families seeking privacy in their financial and estate planning.

## 5. Favourable Tax Environment

Switzerland offers an efficient tax framework for trusts:

- Trusts have no legal personality and are not considered taxable entities under Swiss law.
  
- Swiss-resident trustees are not subject to Swiss income or capital gains tax on trust assets.
  
- Non-resident Settlers and Beneficiaries are not taxed in Switzerland on trust income or distributions.

- Taxation depends primarily on the residence of the Settlers and Beneficiaries, offering opportunities for international tax planning.

## **6. High-Quality Professional Management**

Swiss Trustees are regulated financial intermediaries, affiliated with self-regulatory organisations (SROs) and authorised by FINMA (Swiss Financial Market Supervisory Authority). Dixcart Switzerland is a FINMA regulated Trustee, affiliated with OSIF, and also a member of the Swiss Association of Trust Companies (SATC). Dixcart Switzerland has been providing Swiss Trustee services for nearly twenty years.

Our experts bring a wealth of legal, accounting, and investment expertise, combined with an understanding of international trust laws and multi-jurisdictional considerations.

The trustee role is a regulated profession under the Financial Institutions Act (FinIA) — unlike in many other European countries. Trustees must maintain adequate capital, strong internal controls, and qualified staff.

## **7. Strategic European Location**

Located at the heart of Europe, Switzerland offers exceptional accessibility.

Compared to international trustees, who are based in all parts of the world, Swiss trustees offer geographic proximity. This allows for closer, more consistent contact with settlors - not only during the establishment of the trust but throughout its duration - allowing them to adapt to needs of both Settlers and Beneficiaries. They also maintain close relationships with banks and asset managers who are typically based in Switzerland.

### **Dixcart Switzerland**

Dixcart Trustees (Switzerland) SA has been delivering Swiss trustee services for over two decades and, as of early 2024, is fully licensed by FINMA. As a member of the Swiss Association of Trust Companies (SATC) and affiliated with OSIF, we maintain the highest standards of compliance and professionalism.

For more information on Swiss Trusts, please contact [Christine Breitler](mailto:Christine.Breitler@dixcart.com) at: [advice.switzerland@dixcart.com](mailto:advice.switzerland@dixcart.com).

