How the Singapore and Swiss income tax treatments compare

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The two hubs reach similar results for companies and different results for individuals. A Swiss AG and a Singapore Pte Ltd are both taxed on their trading profit from tokens, both may defer utility token revenue under accounting principles and both treat security token issuance as capital. The differences arise for individuals. Switzerland taxes staking, lending and airdrop income for every private holder and exempts private capital gains under Art. 16 para. 3 of the Direct Federal Tax Act with a safe harbour whose criteria are published. Singapore taxes nothing in the hands of a genuine investor and everything in the hands of a trader, with the line drawn by badges that are weighed case by case. Switzerland also imposes a wealth tax on token holdings at the year-end price and Singapore does not. For a founder who holds a large illiquid treasury allocation, the Swiss wealth tax may be the heaviest tax of all and the reason to prefer Singapore, as Part G, Chapter III explains and Part P, Chapter I quantifies.

Item	Singapore	Switzerland (federal, with cantonal variations)
	Not taxed if investor	

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Item	Singapore	Switzerland (federal, with cantonal variations)
Private capital gain on tokens		Exempt (Art. 16 para. 3 DFTA) if private wealth
Trader status test	Badges of trade, facts and circumstances	Circular 36 safe harbour, then overall assessment
Staking reward, private holder	Treated as income by IRAS practice	Income from movable property
Free airdrop	Not income on receipt	Income at receipt in most cantonal practice
Wealth tax	None	Yes, year-end value
Mining by individual	Hobby unless systematic	Income if systematic; wealth tax on holdings
ICO proceeds: utility token	Deferred revenue	Deferred under Swiss GAAP, FTA working paper
ICO proceeds: payment token	Taxable on issuance	Taxable, treatment debated
Capital loss relief	None	None for private wealth

The comparison is drawn further in Part O, Chapter I. The lesson for the practitioner is that a client's status as investor or trader is the single most valuable fact to establish in Singapore and the least predictable. Chapter II of this Part therefore devotes itself to that line and to the statutory qualifications that Parliament added in 2024.

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