Payments and payroll in tokens

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Paying staff and contractors in tokens is lawful in both hubs within limits. Swiss law requires salary to be paid in legal tender unless otherwise agreed, so a written agreement permitting payment in tokens is needed. The social security contributions and withholding tax are calculated on the Swiss franc value at payment.[1] Singapore's Employment Act requires salary to be paid in legal tender and allows payment in kind only for specified benefits. Tokens can therefore be paid to employees only as a bonus or benefit outside the statutory salary, or to contractors who are outside the Act.[2] A group that pays its Singapore contractors in USDC should check that it is not thereby providing a cross-border money transfer service under the PSA. It is outside that service if it pays for its own account. It should also ensure that the contractor's tax is withheld where required.

Notes

1. CO, SR 220, Art. 323b para. 1 (salary to be paid in legal currency unless otherwise agreed); AHVG, SR 831.10, Art. 5 para. 2 (contributions on all remuneration including in kind). Part G, Chapter IV. ↩

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2. Employment Act 1968 (2020 Rev. Ed.), s. 21 (salary to be paid in legal tender) and s. 27 (deductions); Ministry of Manpower guidance on payment in kind. Part M, Chapter VI. ↩

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