Swiss lump-sum taxation ruling

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The expenditure-based taxation ruling is sought from the cantonal tax administration before the individual takes up residence. In Zug the administration issues it within weeks when the file is complete. The ruling fixes the tax base (the higher of seven times rent or rental value, the federal minimum and the cantonal minimum, subject to the control calculation) and confirms the conditions, including the absence of gainful activity in Switzerland.[1] The immigration step runs in parallel and depends on nationality.

Phase	Content	Duration	Official fees	Professional costs
1	Eligibility and arithmetic: nationality, prior residence, intended activity, worldwide income and assets, treaty position	2–4 weeks	None	CHF 10,000–25,000
2	Housing: lease or purchase (rental value drives the base)	4–12 weeks	None	Agent and notary fees
3	Ruling request to the Zug tax administration with the base		None	

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Phase	Content	Duration	Official fees	Professional costs
	calculation and activity description	2–6 weeks for the ruling		CHF 10,000–20,000
4	Residence permit: EU/EFTA registration or third-country application with cantonal and federal approval	2–4 weeks (EU/EFTA) or 3–6 months (third country)	Permit fees CHF 100–300 (indicative)	CHF 5,000–20,000 for third-country applications
5	Departure formalities in the previous state, treaty tie-breaker analysis, exit tax	Parallel	Depends on departure state	Departure-state adviser
6	Arrival: commune registration, health insurance, bank account, first tax return	Within 14 days of arrival; return in the following year	None	Annual compliance CHF 5,000–15,000

Take a founder renting a house in Zug at CHF 120,000 a year. The annual tax under the lump-sum regime is computed on a base of at least seven times that rent (CHF 840,000) or the federal and cantonal minima if higher. That base is taxed at the ordinary federal, cantonal and communal rates. The result is often between CHF 200,000 and CHF 300,000 a year, with no tax on the founder's worldwide crypto gains and no wealth tax beyond the control calculation.[2] The constraint that bites is the ban on gainful activity in Switzerland, which excludes active management of a Swiss company and is interpreted by the Zug administration to permit the management of one's own wealth and board seats on foreign companies.

Notes

1. DFTA Art. 14; Tax Harmonisation Act (THA; StHG, SR 642.14), Art. 6; Zug Tax Act § 13; FTA Circular No. 44 of 24 July 2018 on expenditure-based taxation; see Part G, Chapter VI. ↩

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2. The arithmetic of the lump-sum regime for a crypto founder, including the control calculation on Swiss-source assets and income, is worked through in Part G, Chapter VI. ↩

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