The Swiss contrast

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Switzerland exempts private capital gains for individuals (Art. 16 para. 3 DFTA) and taxes capital gains of companies as ordinary profit, subject to the participation relief for qualifying shareholdings. Singapore does the reverse in one respect: it exempts capital gains for companies as well as for individuals, provided they are capital, and has no participation relief because it needs none. A Swiss AG that sells tokens held as treasury investments pays profit tax on the gain. A Singapore Pte Ltd that sells tokens held as capital pays nothing. For a corporate treasury the Singapore position is more favourable, with section 10L as the only statutory qualification and the badges of trade as the only practical one.

Question	Singapore	Switzerland
Individual, private capital gain on tokens	Not taxed	Exempt (Art. 16 para. 3 DFTA)
Individual, professional trader	Taxed as trade income	Taxed as self-employment income, plus social security
Company, gain on tokens held as capital	Not taxed	Taxed as profit

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Question	Singapore	Switzerland
Company, gain on qualifying shareholding	Not taxed (capital)	Participation relief
Foreign-sourced gains of group entity	s. 10L if no substance	Taxed as profit in any event
Wealth tax	None	Cantonal, on year-end value
Statutory safe harbour for investor status	None	Circular 36 criteria

The comparison explains why many protocol treasuries sit in Singapore companies while the foundation that controls them sits in Zug. Part P, Chapter IV describes the pattern and its weaknesses, among them the FSIE headline-rate problem, the substance cost and the growing reach of section 10L.

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