Timing the token event around the move

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The sequence that produces the best result is set out below. It assumes a founder who holds an unvested allocation and moves from a high-tax state to Zug or Singapore.

1. Fix the character of the allocation before it is granted. An allocation purchased at the same price and on the same terms as other early investors is capital in both hubs. An allocation granted for services is remuneration in both. The documents, the price paid and the timing of the grant relative to the service agreement decide this, and they cannot be rewritten later.
2. Establish residence in the new hub before the first vesting date and before the token generation event. Both Switzerland and Singapore attribute income to the period in which the taxpayer was resident, and both will look at the date on which the right became unconditional. A founder who moves two months after the first tranche vests has given the former home state an argument that the tranche was earned there.
3. Break residence in the former home state cleanly. Germany looks at the Wohnsitz and the habitual abode under §§ 8 and 9 of the General Fiscal Code

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(AO); the UK applies the statutory residence test with its day-count and tie rules; Singapore and Switzerland both look at the centre of vital interests in treaty cases. A retained home, a spouse who stays behind and a continued board seat are the three facts that most often defeat a claimed departure.[1]

4. Do not sell during the first tax period of residence if the former state has a temporary non-residence or extended liability rule and the holding period or the five-year window has not expired.
5. Document the move: lease, registration with the commune or with the Immigration & Checkpoints Authority, school enrolment, bank account, the relocation of the family. Both tax administrations ask for these when a treaty tie-break is raised.
6. Apply for any tax ruling before the first vesting date. Zug grants advance rulings on private-wealth status and on the lump-sum base within weeks; IRAS gives advance rulings on the characterisation of token receipts for a fee and within a longer timetable.[2]

Checklist

Before fixing the relocation date, confirm: - the vesting schedule and the token generation event date, and that no tranche vests before residence is established - whether the allocation was purchased or granted for services, with the documents to prove it - the exit rules of the home state (§ 6 and § 2 AStG; UK five-year rule; US s. 877A) and the earliest safe disposal date - the permit route in the new hub and its lead time (Swiss quota place or Art. 30 admission: three to six months; Singapore EP or ONE Pass: three to eight weeks) - whether the spouse's plans are compatible with the chosen tax regime - the wealth tax exposure on the unsold position if the choice is Zug ordinary taxation - whether a ruling on private-wealth status, lump-sum base or token characterisation should be sought, and from whom - the date on which the former home is given up, the lease signed and the family registered

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Notes

1. Abgabenordnung (AO), §§ 8 and 9; Finance Act 2013, Sch. 45 (statutory residence test); OECD Model Tax Convention, Art. 4 para. 2 and Commentary paras 11 to 15 on the centre of vital interests. ↩
2. IRAS, "Advance Ruling System for Income Tax", fee schedule and processing times as published; Zug cantonal tax administration, practice on tax rulings (Steuervorbescheide). ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com