

# Relocation to Switzerland non-EU citizens

Tax & Legal



With its central location in the heart of Europe, rich cultural life, beautiful landscape and excellent health system, Switzerland has been attracting wealthy individuals from all over the world for decades and is ranking among the top countries to live in the world.

## Immigration principles

Whilst EU/EFTA-citizens with sufficient financial means to cover their living expenses or with a Swiss employment contract can just register in Switzerland, the process for non-EU/EFTA-citizens is significantly more burdensome. However, if certain conditions are given, also wealthy individuals without a EU/EFTA passport may obtain a Swiss residence permit.

## Basic conditions

- **Center of vital interest transferred to Switzerland**
- Swiss health insurance
- Maximum absence from Switzerland per year: 6 months
- Sufficient financial means to cover living costs (including living costs for dependents) in Switzerland

## Residence permit options

### Pensioners with strong ties to Switzerland

Pensioners (over 55 years old) who can evidence strong ties to Switzerland (e.g. former residency or work stays in Switzerland, business relations, intense personal ties due to repeated stays in Switzerland as tourists) may receive a residence permit.

### Pensioners and young retirees without strong ties to Switzerland

Pensioners or young retirees without strong ties to Switzerland who will not be working in Switzerland may apply for a residence permit based on the cantonal fiscal interest. The amount of taxes due for receiving a residence permit under this title significantly depends on the canton, but generally a minimum annual tax burden of at least CHF 250,000 is required (and in some cantons significantly more).

### Entrepreneurs

Entrepreneurs who invest in the Swiss economy or whose business otherwise has a sustainable positive impact on the Swiss economy (e.g. creation of jobs for local workforce) may also receive a residence permit.

### Specialists

A work permit and accordingly a residence permit may also be granted to specialists if they have a job offer from a Swiss employer. However, such permit is issued only if there is no Swiss and EU/EFTA citizen who could do this job. Furthermore, a quota system applies.

## Tax considerations

Being resident in Switzerland also means being subject to unlimited taxation in Switzerland. Foreigners who are moving to Switzerland for the first time and who are not working here may opt for the lump-sum taxation.

The lump-sum taxation can be very attractive for UHNWI, as the income and wealth taxes are not based on the actual income/wealth, but mainly on the annual living expenses. Please see our [factsheet](#) for further information on the lump-sum taxation.

However, also the ordinary taxation can be attractive, considering that the maximum income tax rate in some

cantons is just around 22%. Furthermore, Switzerland offers interesting planning opportunities regarding the taxation of inheritances and gifts, taking into account that some cantons do not levy any gift/estate taxes and most cantons have at least exempted transfers to children.

Please find additional information on the Swiss gift and inheritance taxes [here](#).

## FAQ

### Will my dependents receive a residence permit for Switzerland?

In principle, only the spouse and underage children are entitled to relocate to Switzerland together with the main applicant. Other relatives (e.g. in-laws, grandparents etc.) are generally not admitted. Exception: EU/EFTA nationals who have sufficient financial means to cover their living costs in Switzerland.

### What type of permit will I obtain?

The most common permit type is the permit type "B" (residence permit). For some situations (e.g. entrepreneurs) the authorities will issue "L-permits" (short-stay permit) at first. A "C permit" (permanent residence permit) may be obtained at the earliest after 5 years of uninterrupted stay in Switzerland.

### My spouse wants to work in Switzerland – is this possible?

EU/EFTA nationals are free to take up work with a Swiss employer. For non EU/EFTA citizens it depends on the individual case – e.g. if the main applicant is entitled to work in Switzerland. The entitlement should be assessed on a case-by-case basis.

### Can we bring our nanny?

Household personnel (e.g. nannies, nurses) can obtain a work and residence permit in Switzerland if they are EU/EFTA nationals. Non EU/EFTA citizens may be admitted, exceptionally, e.g. in case they have worked for the family for a long time (to be assessed on a case-by-case basis). Swiss minimum working conditions incl. minimum salary have to be met.

### Am I free to choose where to live in Switzerland?

The initial application for a residence permit needs to be filed in the Swiss canton where you will take residency. A later change of residence canton is generally subject to the Swiss authorities' prior formal approval (exception: EU/EFTA nationals).

### Can I buy a house or apartment in Switzerland?

Swiss B-permit holders (and in some cases also L-permit holders) can buy a house or apartment of appropriate size as their home (main place of residence). EU/EFTA citizens and other citizens with a C-permit can acquire real estate without any restrictions, including vacation properties.

### Can I become a Swiss national?

Yes, provided the required level of integration (local languages, social, cultural etc. integration) and provided you will be holding a C-permit by this time, you may apply for naturalization at the earliest after 10 years of residency in Switzerland. Communal requirements and processes largely vary – it is important to carefully assess the applicable provisions beforehand.

### Can I get certainty about my Swiss taxes in advance?

Yes, binding advance tax rulings can be obtained before moving to Switzerland. This is recommended in particular in case of great wealth or complex income streams.



## Who we are

KPMG's Private Client team in Switzerland consists of around 40 lawyers, tax advisors and financial experts who can support you regarding all aspect in the context of moving to Switzerland, including obtaining the residence permit, reviewing contracts, updating your last will and obtaining tax rulings.

To do this holistically and with your specific situation in mind, we call on KPMG's private client advisors in 154 jurisdictions and coordinate seamlessly with a large pool of selected local and international partners.

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