

RELOCATION TO SWITZERLAND/ CANTON TICINO FOR NON-EU/EFTA CITIZENS

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RELOCATION TO SWITZERLAND/ CANTON TICINO FOR NON-EU/EFTA CITIZENS

(A) INTRODUCTION

Switzerland (German: die Schweiz, *French*: la Suisse, Italian: la Svizzera, Rumantsch: *Svizra*), officially the Swiss Confederation (*Confoederatio Helvetica* in Latin, hence its ISO country code CH), is a federal republic since 1848 (the second oldest after the United States of America) consisting of 26 cantons with Bern as the seat of the federal government. The country is situated in Central Europe where it is bordered by Germany to the North, France to the West, Italy to the South, and Austria and Liechtenstein to the East.

Switzerland is a nation of consensus, composed of about 9'000'000 inhabitants (of which 26% are foreign nationals) from several ethnic groups with a variety of languages and religions. It is divided mainly into three linguistic regions: the German part, the French part and the Italian part (including part of Canton Graubünden). The four official languages are German, French, Italian and Rumantsch (spoken in some parts of Canton Graubünden). German is spoken by about 64% of the people, French by ca 20%, Italian 6.5% and Rumantsch by ca 0.5%.

Because of its location (landlocked by France, Germany, Liechtenstein, Austria and Italy), Switzerland has traditionally been and will continue to be at the crossroads of major international trade routes. From Switzerland you can reach many major European cities in two hours or less.

Switzerland, thanks to a long existing stable political and economic situation, has always been amongst the worldwide top locations for relocation. Switzerland's labour market has always offered interesting and well remunerated career opportunities not only in the industry sector, but also in the finance sector. The national health system is judged to be one of the most efficient worldwide, infrastructures are of high quality and the education system is also of a very high standard.

All these positive factors have contributed over decades to attract numerous foreigners from all over the world to relocate their domicile and centre of interest to Switzerland.

Switzerland's immigration principles consider two categories of foreign nationals: citizens of EU and EFTA countries with which Switzerland has entered into bilateral agreements of Free Movement of Persons, and citizens of all other states, the so-called Third States (foreign nationals).

EU/EFTA citizens have a right to establish residency in Switzerland, according to the terms and provisions set out in the bilateral agreements of Free Movement of Persons. The only conditions to be respected are the existence of a work contract, the availability of adequate permanent accommodation and sickness insurance cover. For individuals not having a gainful activity, it is necessary to have the proof of sufficient financial means, permanent accommodation and health insurance cover.

Most third state nationals need to apply for a visa at the Swiss Embassy of their home country if they intend to enter Switzerland for a short stay. The term “short” is defined as stays up to three months maximum.

Whereas there are exceptions for short stays without lucrative activity, foreign nationals intending to take up a lucrative activity must in any case apply and obtain a work permit before entering Switzerland.

Visas/permits for stays of more than three months are required in all cases for any third state national, whether or not he or she has a lucrative activity.

For further details and in-depth information, please consult the State Secretariat for Migration SEM, website www.sem.admin.ch .

(B) PROCEDURE AND TYPES OF PERMITS

1. Procedure

Preliminary remarks

On January 1, 2019, the new Swiss Foreign Nationals and Integration Act (FNIA), previously known as the Foreign Nationals Act (FNA), as well as the amended Ordinance on Admission, Residence and Employment (AREO) entered into force, with the aim to reinforce the integration of foreigners from different points of view, as specified in article 58a Integration Criteria respectively in the amended Ordinance (AREO).

The criteria for admittance are contained in the Federal Act on Foreign Nationals and Integration (FNIA), Chapter 4, and in the Decree on Admittance, Residence and Employment (AREO), Chapter 2. They are explained in further detail in the directives on the implementation of the Foreign Nationals Act and Integration.

Any third state national wanting to enter Switzerland in order to carry out a lucrative activity, regardless of the duration of stay, must be in possession of an adequate permit.

Applications for stays exceeding the three months period or validity of a visa with or without exercising lucrative activity (rentiers), must be approved by both cantonal and federal competent authorities for immigration.

Basically, the following important distinction applies:

- Foreign nationals subject to compulsory visa requirement: a foreign national subject to obligatory visa requirement from the first day of entry to Switzerland, whether rentier or with a lucrative activity, has to present a request for a visa at the Swiss Diplomatic Representation of his/her home country. In the case where this type of foreign national subsequently wants to apply for a residence permit, he/she has to submit his/her application to the Swiss Diplomatic Representation of his/her home country before the validity of his/her visa has elapsed. The foreigner is obliged to leave Switzerland according to the validity of his/her visa and to await abroad the decision of the competent authorities.

- The application for a residence permit will be carefully and thoroughly examined by both cantonal and federal authorities who will either grant or deny the permit.
- Foreign nationals who are not subject to obligatory visa requirements (for example: USA, Canada, Australia): a foreign national without the obligatory visa requirement from the first day of entry into Switzerland without lucrative activity, and thus having the right to stay in Switzerland up to three months, can submit an application for a long term visa for a residence permit directly to the competent cantonal authorities.

The Ticino immigration authority recommends however that an application for a long-term visa, that is to say a residence permit B, shall always be made at the Swiss diplomatic representation of the home country. The representatives of the Swiss diplomatic representations will give adequate and detailed information and advice regarding the procedures and documents to be submitted.

For further details and in-depth information, please consult the [State Secretariat for Migration](#), visa sections.

2. Types of permits

Permit B (residence permit – article 33 FNIA)

Resident foreign nationals are foreign nationals who are resident in Switzerland for a longer period of time for a certain purpose with or without gainful employment.

As a rule, the period of validity of residence permits for third-country nationals is limited to one year over a period of 5 years. With the first renewal, a third state national is requested to give proof of a certain level of language skills. First-time permits for gainful employment may only be issued within the limits of the ceilings and in compliance with Art. 20 of the FNIA. Once a permit has been granted, it is normally renewed every year unless there are reasons against a renewal, such as criminal offences, dependence on social security or the labour market.

Permit C (settlement/domicile permit – article 34 FNIA)

Settled foreign nationals are foreign nationals who have been granted a settlement/permanent residence permit after five or ten years of regular and uninterrupted residence in Switzerland. The State Secretariat of Migration SEM fixes the earliest date from which the competent national authorities may grant settlement permits.

As a rule, third-country nationals are in a position to be granted a settlement permit after 10 years 'of regular and uninterrupted residence in Switzerland. US and Canadian nationals are subject to a special regulation. However, third-country nationals have no legal entitlement to settlement/permanent residence permits. Apart from the provisions of settlement treaties, such a claim can only be derived from Articles 42–43 and from Article 34 of the FNIA. Persons who hold a settlement/permanent residence permit are no longer subject to the Limitation Regulation, are free to choose their employers, and are no longer taxed at source.

Linguistic requirements for the renewal of a B permit and the application of a C permit see <https://fide-service.ch/en/residence-and-citizenship>

Permit L (short-term residence permit – article 32 FNIA)

Short-term residents are foreign nationals who are resident in Switzerland for a limited period of time – usually less than a year – for a certain purpose with or without gainful employment.

Third-country nationals can be granted a short-term residence permit for a stay of up to one year, provided the quota of the number of third-country nationals staying in Switzerland has not been met.

This is fixed annually by the Federal Council. The period of validity of the permit is identical to the term of the employment contract. In exceptional cases, this permit can be extended to an overall duration of no more than 24 months if the holder works for the same employer throughout this time.

Time spent in Switzerland for a basic or advanced traineeship is also considered short-term residence. Permits issued to foreigners who are gainfully employed for a total of no more than four months within one calendar year are not subject to the quota regulation.

Trainees are also eligible for a short-term residence permit. In their case, the period of validity is limited to one year; in exceptional circumstances, the period of validity may be extended by a further six months.

Trainees are persons who are aged 18-30, have completed their occupational training, and want to undergo some advanced occupational or linguistic training in the context of gainful employment in Switzerland. Trainees are subject to special rules, which have been laid down in special treaties. Thus, they are subject to special quotas. The legal provisions concerning national priority are not applicable to them.

Other types of permits are:

- [Permit Ci \(residence permit with gainful employment for members of the families of intergovernmental organizations and for members of foreign diplomatic representations\)](#)
- [Permit G \(cross-border commuter permit\)](#)
- [Permit L \(short-term residence permit\)](#)
- [Permit F \(provisionally admitted foreigners\)](#)
- [Permit N \(permit for asylum-seekers\)](#)
- [Permit S \(people in need of protection\)](#)

(C) LEGAL BASIS

1. Third state nationals with lucrative activity

By decree of the Federal Council, workers from all other states – third states, as they are referred to – are admitted in limited numbers (yearly established contingencies) to the labor market in Switzerland, if they are well qualified. Experience has shown that this category of workers has a better chance of professional and social integration than less qualified persons. Their admission to the Swiss labor market is subordinated to Switzerland's economic interests and labor market opportunities.

The criteria for admittance are contained in the FNIA and in the Decree on Admittance, Residence and Employment (VZAE). They are explained in further detail in the directives on the implementation of the FNIA.

Priority

(Art. 21 FNIA)

Third-state nationals may only be admitted if a person cannot be recruited from the labour market of Switzerland or another EU/EFTA member state. Swiss citizens, foreign nationals with a long-term residence permit or a residence permit allowing employment, as well as all citizens from those countries with which Switzerland has concluded the Free Movement of Persons Agreement (at present, the EU and EFTA states) are given priority. Employers must prove that they have not been able to recruit a suitable employee from this priority category, despite intensive efforts.

Salary/terms and conditions of employment customary in the region and in the trade

(Art. 22 FNIA)

The salary, social security contributions and the terms of employment for foreign workers must be in accordance with conditions customary to the region and the particular sector. Some sectors and trades lay down these conditions in a collective labour agreement which is legally binding either on a national or, at least, cantonal level.

When applications are submitted from trades that do not have a collective labour agreement, the Swiss authorities usually request information directly from the employers' and employees' associations on the terms customary in a particular sector. By examining the salary rates and terms of employment beforehand, the authorities can ensure that foreign workers are not exploited and that Swiss workers are protected against wage dumping.

Personal qualifications

(Art. 23 FNIA)

Qualified employees will be admitted. "Qualified employee" means, first and foremost, people with a degree from a university or institution of higher education as well as several years of professional experience. Depending on the profession or field of specialization, other people with special training and several years of professional work experience may also be admitted.

Investors and/or entrepreneurs who create new job possibilities or help to preserve existing jobs may also be admitted.

Accommodation

(Art. 24 FNIA)

Foreign nationals may only be admitted for employment if they have suitable accommodation.

For further details and in depth information, please consult the State Secretariat for Migration, website sem.admin.ch and [this page](#)

2. Third state nationals without lucrative activity

Third state nationals without gainful activity are divided into the following categories (purpose of stay in Switzerland), according to section 2, articles 27, 28, 29 (FNIA):

- Education and professional/educational specialization (art 27)
- Rentier (art 28)
- Medical treatments (art 29)
- Concubines-serious cases of personal hardship (art 30 lett b)

2.1 Education and professional/educational specialization (art 27 FNIA)

Switzerland offers an important number of high-level universities recognized worldwide, as well as other private institutes. The following basic requirements have to be observed in order to be granted a student permission:

- Confirmation by the educational institution that the foreign national can be admitted (language knowledge, prior education in home country, etc.) (art 24 VZAE);
- Availability of adequate accommodation;
- Availability of sufficient financial means (art 23 VZAE);
- Departure from Switzerland seems guaranteed (art 23 VZAE)

The Swiss government website www.ch.ch offers some information regarding the procedure to apply for a permit for educational purpose.

Parliament passed the Neiryneck initiative on June 18, 2010, a parliamentary initiative aimed at amending article 21 of the Foreign Nationals Act. The amendment provides for foreign nationals graduating from a Swiss university-level institution to be on an equal footing with Swiss nationals when it comes to entering the Swiss labor market.

To find employment, foreign nationals who have earned a Swiss university-level diploma will be entitled to stay in Switzerland for six more months from the time of completing their education or postgraduate studies. Those who are successful in securing employment will be issued a work permit, provided the prospective position involves an activity of particular scientific or economic importance. The amendment took effect on 1 January 2011.

2.2 Rentier (art 28 FNIA)

Article 28 FNIA defines the conditions under which a third state national without lucrative activity can be granted a residence permit. The following three criteria must be fulfilled cumulatively:

- Minimum age established by Federal Council. Article 25 of the Decree on Admittance, Residence and Employment (VZAE) defines the minimum age as being 55 years;
- Particular personal ties with Switzerland. Article 25 of the Decree on Admittance, Residence and Employment (VZAE) gives the following definition:
 - Previous long stays in Switzerland, namely for holidays, education or lucrative activity
 - Intense relationship to close relatives in Switzerland, namely parents, children, grand-children or brothers and sisters
 - Proof to have always participated in social and cultural life in SwitzerlandArticle 25 also states that the applicant must not pursue any lucrative activity neither in Switzerland nor abroad, apart from the administration of his/her assets.
- Availability of sufficient financial means.

In case one or all of the above-mentioned compulsory criteria are not accomplished, the foreign national has the option to apply for a residence permit if he/she can be considered of high economical public interest (Art 30 FNIA). Article 32 VZAE defines inter alia the “notable cantonal interest from a fiscal point of view” as high economical public interest. **Canton Ticino has defined a minimum taxable income of CHF 815'000 valid for tax year 2026.**

2.3 Medical treatments (art 29 FNIA)

Third state nationals may apply for residence permit for medical treatment subject to availability of sufficient financial means and guaranteed departure from Switzerland.

2.4 Concubines without children (art 30 lett b FNIA - serious cases of personal hardship)

Cohabiting partners of Swiss nationals or foreign nationals with a permanent residence permit or annual residence permit (C or B permit) may be granted a residence permit in application of Article 30 letter b AIG if the following cumulative conditions are met:

- there is a stable and long-term partnership, and
- the intensity of the partnership is substantiated by additional factors, such as nature and scope of a contractual assumption of mutual care obligations.
- the applicants cannot reasonably be expected to maintain their relationship abroad and/or in the context of stays without a permit;
- there is no violation of public order (analogous to Art. 51 in conjunction with Art. 62 FNIA);
- the cohabiting couple lives together in Switzerland.

IMPORTANT: since 01.06.2024, third state nationals admitted as serious cases of personal hardship are allowed to take up any lucrative activities in Switzerland without authorization from the competent cantonal and federal authorities.

3. Family reunification principles

The family reunification is aimed at enabling the cohabitation of the whole family and to assure certainty in law. Chapter 7, articles 42 – 52 of the Federal Act on Foreign Nationals (FNIA) respectively Chapter 6, articles 73 – 77, regulate the principle of family reunification.

Prior to authorization, the competent offices have to be certain that the centre of family life is effectively established in Switzerland. This condition is considered to be met where both married parents with children being still in need of parental support live together on Swiss territory having at their disposal an adequate accommodation. Several cantonal authorities apply very strict criteria with regard to the definition of “adequate accommodation”.

In the case of parents being formally or legally separated or divorced and one of the parents living abroad, family reunification is basically excluded unless particularly severe familiar circumstances require a subsequent reunification.

Article 42 FNIA states that third-state family members of Swiss citizens have the right to obtain or renew residence permit (B) only if they are in possession of a residence permit of long duration of a country with which Switzerland has entered into an Agreement of Free Movement of Persons. The category defined as “family members” include spouse, relatives in descendant line under 21 years of age or supported financially, own relatives and spouse’s relatives in ascendant line supported financially.

A recent sentence of the Federal Court of Justice has rectified Article 42 paragraph 2 as follows: third-state national family members of a Swiss citizen are entitled to reside with the Swiss citizen in Switzerland independent from a long-term residency in an EU/EFTA country at the condition that they live together. The same principle is valid for an EU/EFTA citizen residing in Switzerland with third state family members.

Relatives in descendant or ascendant line (not children) might be given a residence permit if the petitioner guarantees their financial support or in the presence of a particularly serious case.

Third-state national spouses of a Swiss citizens have the right to obtain settlement/permanent residence permit (C) after five years of ordinary and uninterrupted residency in Switzerland. Children under 12 years of age have the right to obtain immediately a settlement/permanent residence permit, whereas children over 12 years old obtain a residence permit.

In order to guarantee the best possible integration opportunities, the family reunification must be completed within five years from the date of obtaining the residence permit. The time frame for children over 12 years old is reduced to 12 months.

Third-state nationals being granted a permit for educational purposes are entitled to family reunification provided that they have sufficient financial means and dispose of adequate accommodation.

(D) ACQUISITION OF REAL ESTATE PROPERTIES

Generally speaking, the federal law of 16 December 1983 on the acquisition of real estate by persons abroad, restricts the acquisition of real estate in Switzerland by foreign individuals or Swiss-based companies controlled by foreign individuals. As a rule, these categories of persons need an authorisation from the competent Cantonal authority.

Responsibility for enforcing the federal law of 16 December 1983 on the acquisition of real estate by persons abroad (the *Bundesgesetz über den Erwerb von Grundstücken durch Personen im Ausland*, also known as the “Lex Koller”), falls primarily upon the canton in which the real estate is located. The authority designated by the canton will decide whether or not a legal transaction requires authorisation and is also responsible for granting or refusing that authorisation. Authorisation is granted only if the conditions set out in the federal law and, if applicable, in cantonal implementation legislation, are met.

It must be stressed that ownership of real estate in Switzerland does not entitle a foreign person to a residence permit.

The following persons do not require authorisation to purchase real estates (primary or secondary residence) in Switzerland:

- **Nationals of a Member State of the European Union (EU) or of the European Free Trade Association (EFTA)** who live in Switzerland holding as a general rule a B permit (resident foreign nationals) or a C permit (settled foreign nationals),
- **For non-EU / EFTA citizens**: Holders of a B stay permit having their effective fiscal domicile in Switzerland only have *freedom* to buy and invest in properties **once they have obtained the domicile/settlement permit C**.

As a stay permit B holder the foreign national individual may purchase without authorization his/her primary residence to be used personally. The acquisition of an unusual large property as primary home requires a confirmation from the Cantonal authority.

A second home is only available for acquisition provided the individual with a stay permit B obtains an authorization from the authority.

- Swiss-based companies controlled by persons holding the above rights of residence or settlement;
- Cross-border commuters from EU or EFTA Member States holding a G permit (cross-border commuters) as a second home in the area of their place of work.

The buyer is obliged to occupy the dwelling himself/herself. He/she is not authorized to rent it out to third parties even in part. The purchase of a main residence is exempted from an authorisation requirement only if bought in the buyer’s own name.

Authorisation to purchase a holiday home (single-family dwelling or serviced apartment) may be granted under certain circumstances to foreign individuals. The dwelling must be in a place designated by the Cantonal authorities as a holiday resort.

Moreover, every authorisation must be deducted from the annual quota assigned to the Cantons by the Confederation for holiday homes and serviced apartments. Holiday homes may not be let on an annual basis, but at most only periodically. The purchaser must be able to use them at an time for their designated purpose.

No permit is required for real estate that is used for the pursuit of a business activity, i.e. a professional, commercial or industrial activity (with the exception of land for the construction, trade or letting of housing).

The concept of business activity is very broad. It applies not only to the traditional forms of trade, industry and commerce but also to the financial and services sectors. It therefore covers self-employed professionals such as IT specialists or hotel owners, as well as the operation of a trade or service centre and even industrial production. The acquisition of an interest in real estate companies engaged in the buying and selling of such properties is also possible. Residential property can also be acquired under the “business establishment” heading if it is necessary for business purposes (such as accommodation for caretakers or technicians whose permanent on-site presence is required) or if separation from the business property would be impractical or unreasonable.

More information can be found on the [Federal Department of Justice and Police website](#).

(E) TAX ISSUES

1. General Overview of Swiss taxation for individuals

Generally speaking, taxation on income occurs at three levels: federal, cantonal and municipal (Communal) and is assessed pursuant to the principle of self-declaration.

Wealth tax is levied at cantonal and municipal level, not at federal level, and is calculated and charged separately from income tax.

Swiss residents are subject to worldwide taxation on income and wealth with the exception of real estate located outside Switzerland.

As a rule, capital gains are not subject to tax if realized on disposal of private movable assets, so capital gains on securities are for example fully tax exempted.

Natural persons who work as employees (with a B permit) are subject to tax at source on salary income, deducted directly by the employer, replacing the direct federal, cantonal and municipal taxes exclusively with regard to income tax on income from a lucrative activity.

Any other type of income and any type of wealth must be declared separately in an ordinary tax return. In case income from salary reaches CHF 120'000 or more a year, a regular ordinary tax return must be submitted for all years.

Natural persons without tax residency in Switzerland are subject to a limited tax liability (also at source) based on their economic affiliation, if they generate income (or deemed income) in Switzerland. This refers, inter alia, to managers of non-Swiss companies with a branch in Switzerland or a Swiss situated property owned by a foreign resident subject.

Resident foreigners who are not engaged in any gainful activity in Switzerland may be eligible for lump sum taxation based on deemed taxable income and wealth, which is a function of the living expenses the taxpayer incurs in Switzerland and worldwide. The tax due is, in principle, the higher of the tax ordinarily due on Swiss sourced income and wealth or the tax due on seven times the rental expense or the deemed rental income.

To avoid or mitigate double taxation in Switzerland and abroad, Switzerland has entered double taxation agreements with more than 80 countries.

The maximum income tax rate at Federal level is 11.5% whereas Cantonal tax rates are progressive and vary strongly from canton to canton.

Ticino's tax policy places the canton in the Swiss average as regards to the fiscal burden compared to other cantons.

Moreover, Canton Ticino does not impose taxes on donations and succession in direct line and between spouses-

2. Lump sum taxation regime

Lump sum taxation is a special tax regime for retired individuals, whereby Swiss income tax is levied on the basis of worldwide expenses (i.e. standard of living) rather than on taxable income. In practice, the amount which serves as the basis of taxation is negotiated with competent authorities. The amount of tax payable must however not be lower than the wealth tax due on certain Swiss assets and the income tax, which would be due on certain Swiss-source income, as well as income for which a partial or total reduction of foreign taxes is requested by virtue of a tax treaty.

A so-called control calculation must, therefore, be made on an annual basis. Of course, no personal deductions or allowances are allowed.

A taxpayer assessed under the lump sum system may choose to change to ordinary taxation, but not vice-versa. The tax law does not consider the possibility of returning back to the lump sum taxation system.

Lump sum taxation does not include donation and succession taxes where applicable and lump sum tax payers are principally subject to Swiss social security contributions.

Prerequisites:

The basic prerequisite for lump-sum taxation is that the person concerned must not pursue a gainful activity in Switzerland. The term "gainful activity" includes all activity deriving from any kind of profession in Switzerland, including therefore artists, scientists, inventors, sportsmen/women or directors of a Swiss company.

This type of taxation is available to foreign nationals who make Switzerland their fiscal residence for the first time or after at least 10 years outside the country. Foreigners enjoy this right indefinitely or until they start a lucrative activity or apply for Swiss nationality. Spouses must both fulfill all conditions (including no double Swiss citizenship) in order to qualify for lump sum taxation.

By considering an extra cost of CHF 54'300 valid for tax year 2026 and upon specific request to the competent tax administration, lump sum taxation can be guaranteed to descendants today in formation.

Calculation of standard of living:

Under lump sum taxation, the basis of taxable income is in principal calculated on annual expenses incurred by the taxpayer in Switzerland and worldwide for himself/herself and his/her family living in Switzerland, depending financially from the taxpayer.

Expenses for the following items are taken into consideration:

- Food and clothing;
- Housing (including heating, cleaning, garden maintenance, etc);
- Employees paid in cash or kind;

- Further education, leisure activities, sports, journeys, vacations, cures, etc.;
- Expensive domestic animals such as horses;
- Cars, boats, yachts, aeroplanes, etc.,
- All other expenses linked with the standard of living.

The taxpayer must fill out a specific form issued by all cantonal tax administrations (compulsory since tax year 2022) listing all expenses in detail (without requirement to give documentary proof)..

The Swiss government has fixed a minimum amount upon which the calculation of the standard of living must be based and is the higher between:

- The minimum amount as yearly fixed and confirmed by the cantonal tax administration;
- If the taxpayer has rented an apartment, minimum taxable income is deemed to be seven times the annual rent paid, excluding heating costs.
- If the taxpayer is the owner of a real estate, minimum taxable income is deemed to be seven times the full annual rental value as determined periodically by the competent tax administration.
- For other taxpayers, the lump sum will be fixed on at least three times the annual amount for lodging and food;
- Sum of the annual expenditure as listed in the appropriate form (introduced by all cantons with the 2022 tax year) without supporting the individual expenditure items:
- The negotiated lump sum tax income is submitted to yearly federal indexation when applicable.

Lump sum taxation for third state nationals - calculation examples for Canton TICINO

Third-state nationals intending to take up Swiss tax residency under the lump sum taxation system must consider the following important distinction:

- **Rentiers according to art. 28 FNIA/art. 25 VZAE:** rentiers meeting cumulatively the requirements set out in article 28 FNIA/article 25 VZAE (minimum age 55, strong personal ties with Switzerland, no lucrative activity neither abroad nor in Switzerland) might apply for a residence permit (B) being assessed under the lump sum taxation system with a minimum taxable income of CHF 435'000 at cantonal level and CHF 435'000 at federal level plus taxable wealth of CHF 2'175'000 valid for tax year 2026 in Canton Ticino.

Overall taxes due (federal, cantonal, communal) amount to approximately CHF 151'000 for a single person resident in Lugano respectively to approximately CHF 147'000 for a married couple resident in Lugano. The same minimum taxable income applies to EU/EFTA citizens assessed under the lump sum taxation system.

- **Rentiers according to art. 30 FNIA/art. 32 VZAE:** rentiers not meeting cumulatively all conditions defined in art. 28 FNIA might apply for a residence permit (B) according to art. 30 FNIA/art. 32 VZAE as **being of notable fiscal interest for the Canton**. Canton Ticino
- has defined the notable fiscal interest with a minimum taxable income of CHF 815'000 valid for tax year 2026. This category of foreign nationals therefore will be assessed in 2026 with a minimum taxable income of CHF 815'000 at cantonal level and CHF 815'000 at federal level and with a minimum taxable wealth of CHF 4'075'000 resulting in an overall tax burden in Canton Ticino of approximately CHF 309'000 for singles resident in Lugano, respectively approximately CHF 303'000 for a married couple residing in Lugano.

3. Ordinary taxation for retired individuals

Upon specific written request to the Cantonal Tax Administration, the notable fiscal interest for the Canton can also be complied with as ordinary tax payer submitted to a minimum taxable income of CHF 326'250 and a minimum taxable wealth of CHF 32'625'000 valid for tax year 2026. Overall minimum taxes for a married couple residing in Lugano amounts to approx. CHF 240'000 and for a single person approx. CHF 243'000.

(F) OTHER ISSUES

Customs Regulations

Basically, personal belongings can be imported into Switzerland without paying VAT and customs duty subject to having personally used the objects for at least six months prior to moving.

Brand new objects cannot be imported tax-free. It is, therefore, recommended to have purchase invoices ready to be shown wherever possible.

According to Swiss custom regulations, personal belongings can be imported, free of VAT and customs duty, within 18 months of transfer of domicile and may be moved in several steps, always within the time frame of 18 months. Once this deadline is elapsed, Swiss VAT and customs duty is charged.

A detailed inventory with all and every object to be imported into Switzerland, indicating type of object, value, quantity and weight, is to be prepared and presented at the Customs. The objects which will be moved into Switzerland later must be indicated separately giving approximate indication of the date of move.

Indicative values might be taken from insurance policies (i.e. for paintings or other valuable objects). Weight indications might be given by the removal company.

Cars

Vehicles imported as so-called "household effects" (moving definitively to Switzerland) are admitted free of duty (exemption from customs duty, vehicle tax and VAT) if the person importing the vehicle furnishes proof that he/she has used it for at least six months before taking up residence in Switzerland.

The following documents have to be presented at the Customs office:

- vehicle license
- passport or identity card
- invoice or purchase contract
- declaration/ application for clearance of household effects
- a document furnishing proof of the change of domicile (residence permit, etc.)
- After entering Switzerland, it is compulsory to report your vehicle to the Motor Vehicle Control Office for a technical test.

Driving

Driving licence:

The foreign driving licence has to be converted into a Swiss driving licence by presenting an application to the Cantonal Motor Vehicle Control Office during the first 12 months after arrival in the country.

The following documents have to be presented:

- the duly completed and signed application for the issue of a driving licence
- proof of identity (passport or identity card)
- original driving licence
- two recent photos (in colour and in passport format)
- residence permit
- a certificate from the optician. Please consider that a third state national might be obliged to pass a practical driving exam prior to the release of a Swiss driving licence.

Swiss social system and insurances - Compulsory cover

Under Swiss Social Security Law, any individual resident in Switzerland is subject to contribute to the Swiss old age, disability and survivors pension fund (AVS – Swiss State pension), provided the person has not reached the retirement age of 65 years (women) and 65 years (men).

Contributions are calculated on certain income and wealth elements for persons without lucrative activity respectively are based on the lump sum taxation agreement and can range up to CHF 34'000 per year.

Under certain restricted circumstances and maintaining a very limited working activity abroad, the individual may be exempted from AVS contributions upon proof that social security contributions are paid in such foreign State.

Health insurance:

Each person settling in Switzerland has to arrange private health insurance coverage within three months of arrival.

Civil liability insurance:

This insurance is typically required for anyone renting an apartment or house, and covers damages caused by the insured person to the apartment or to neighboring apartments or properties.

Car insurance:

All vehicles registered in Switzerland must be covered by liability insurance.

For more detailed information on Switzerland, Canton Ticino tax and legal environment see our web site www.steimle-consulting.ch,

For further information on the above, please do not hesitate to contact us.

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