

What makes Switzerland so attractive?

Saving taxes like Boris & Co.:

In this week the well-known tax law expert Professor Kirchhoff will present his radical model for the reorganization of the German fiscal system. A number of people do not want to wait any longer. Boris Becker and the German Milk King Müller are Two current examples for moving to Switzerland for tax reasons. What's the reason for it? Tax paradise only for the rich people or a superior tax system from which we can learn a lot?

The small Switzerland is a magnet for millionaires, money launders and tax evaders – these are the major stereotypes. They are at all time supported by prominent immigrants who basically bring one thing along: endless personal assets. They are, for instance, top sportsmen, rich heirs and men about town, legendary entrepreneurs – many of them have arranged a lump sum with the Swiss tax authorities.

Schumi's tax rate: 2.5 per cent:

Example Michael Schumacher: According to information from the Swiss media the Formula 1 driver pays only 2.5 million Francs per year. A tax rate of 2.5 per cent – in Germany he would have to pay at least thirteen fold.

Many Kantons do not have any Inheritance tax

An increasing number of foreign entrepreneurs want to shift their operational assets to Switzerland, for instance, due to the Inheritance tax. In most of the 26 Kantons it is not applicable, if certain rules are complied with.

Why to invest in Switzerland?

A whole number of good reasons to transact investments in Switzerland.

- Moderate taxation of the enterprises (in particular also for the Holding companies)
- Fiscal easement for new enterprises
- Political and monetary stability
- Prestige realm and competent banking with world-wide structure
- Excellent geographical location (Switzerland = Junction in Europe)
- Competente consultation, very high level of education of the workers
- Exemplary infrastructure
- First-class communication Levels
- Excellent education Levels
- Well trained an mobile workers
- Social and work peace
- Optimal security for humans and goods
- Best traffic conditions (on rail, road and in the air)
- Innumerable leisure-time facilities as well as fascinating and intact landscapes

Swiss fiscal authorities remain reserved:

Whether tax rate, tax type or tax bureaucracy – experienced consultants hear more frequently one motive from company chiefs for shifting the location from abroad: Planning security instead of chaos. Professor Brun-Hagen Hennerkes, an expert for family enterprises, says Switzerland just offers everything that formerly made foreign countries strong as well. The fiscal situation is becoming more attractive. In the meantime, the government is even providing a tax guarantee over 10 years. Therefore the guidance of a company in Switzerland contains many advantages. Swiss companies are entitled with very **low rates** of taxation, normally **approximately 9 %** of their profit. In particular for Holding companies and Trading companies, those have their business activities outside of Switzerland and are established in certain Kantons. Compared to Germany where the highest taxation rate is approx. 50 %, in **Switzerland** it is a maximum of **16.3 %**. You can begin to understand why doing business in Switzerland makes sense financially.

Municipal tax competition in Switzerland:

Tax competition is a Swiss principle. It also applies between Kantons and Municipalities. Anybody liable to pay taxes for 150' 000 Francs per year in Kreuzlingen as a married free-lancer, pays income taxes amounting to about 28'000 Francs. Two kilometres away, in the neighbouring Bottighofen, they are once again almost 6'000 Francs less.

Meanwhile, immigration agencies are dealing with an increasing inquiry of foreign free-lancers and also working employees, because it has become easier for EU nationals since June last year to settle in one of the 26 Swiss Kantons, if they do not become a burden to the state and if they have an adequate medical cover.

Higher take-home pays thanks to lower deductions:

Swiss employers can attract qualified foreigners with higher salaries because their employees cost less before tax. More net in the pocket – for example, the German national Hartmut Issel belongs to the persons sought after. Well-trained he took the plunge in the Zurich UBS Bank. He is wrestling with the high costs of living, e.g. for dwelling or goods and services of daily life, however, he must carefully consider what counts stronger finally. In this regard, the result is clear for Issel. The **tax benefits** are predominant. For example, while filling up with Diesel Hartmut Issel enjoys Swiss stability. Since 1997, in Germany a tax plus of 48.4 per cent due to ecological and mineral oil tax while taxes on fuel in Switzerland remain unchanged.

Taxes are further reduced:

And something else is completely different in Switzerland compared to other countries. Returning something to the tax payer is a binding budget law of the Swiss Confederation. The result: In Switzerland sometimes even the tax rates fall before municipal overages are spent for Superfluous show-off buildings or swimming pools. Observers particularly refer to Zug, the new home town of Boris Becker. Last year the **income tax** incredibly **dropped** once again from 6.29 to **5.10 per cent**.