



www.switzerland-family-office.com/why-switzerland.html

Why a Family Office in Switzerland?

When considering setting up a family office of your own or starting to use an existing one, you should carefully examine its location. You do not want to use a multi-family office located in an unstable country or region because one of the key reasons for using a family office is to protect your wealth. Switzerland is therefore one of the preferred locations for a family office.

You want to use a family office provider that is established in a country which is politically, economically and financially stable, which has easy access to financial service providers, which offers a good infrastructure and where (potential) staff is well-educated and experienced. In the context of risk management and control and geographical diversification, most UHNW families also prefer to have the services provided from outside their own home country.

Switzerland as a safe haven

Switzerland is known for its unique stability, both political and economic. It has been an independent federation since 1848 and its history dates back more than seven centuries. Switzerland has been a neutral country since 1815 and has not been involved in any war since 1848. As Switzerland's political regime is a so-called direct democracy, the Swiss population can have direct influence on all (proposed) federal and local legislation. Switzerland is one of very few countries in the world with such a direct democratic political system.

Switzerland's economy is extremely stable. Thanks to broad diversification and strong domestic demand the Swiss economy is growing steadily and is not being weighed down by the worldwide economic and financial crisis. Thanks to the constitutional debt brake, the Swiss government has been able to produce a budget surplus every single year since the start of the financial crisis in 2008 and as a result Switzerland nowadays has one of the world's lowest government debt ratios and is one of the last countries with a AAA-rating.

The currency in Switzerland, the Swiss Franc, has long been considered a worldwide safe-haven currency and has, over the last few years, gained a lot of value (Switzerland is not a member state of the EU, nor part of the Eurozone).

Swiss (financial) infrastructure

Close proximity to solid (private) banks is key, as one of the primary tasks of a family office is to manage your wealth. Swiss private banks have been worldwide leaders in the wealth

management industry for a very long time and some of the best-capitalised banks in the world are located in Switzerland.

Highly experienced, motivated, accurate and educated staff with financial experience can be recruited directly in Switzerland. But even more importantly, such staff currently located elsewhere in the world can also be persuaded to relocate to Switzerland as it is considered one of the best countries in the world to live in, due to its very high living standards. And nowadays it is easy for most foreigners to establish themselves in Switzerland.

Switzerland has a very attractive corporate income tax system. Corporate income tax rates are relatively low and Switzerland has signed double taxation agreements with many countries. The Swiss tax authorities are very professional. Switzerland also has a reputable, trustworthy and solid legal system and is home to high-class (financial) specialists such as tax advisors, law firms, notaries, audit firms, etc.

Moreover, the infrastructure in Switzerland, both in Geneva and Zurich, is world-class. Both cities have excellent airports with flight connections worldwide, many direct, and both city centres can be reached within twenty minutes from their respective airports.

The Hague convention

After Switzerland's accession to 'The Hague Convention on the Recognition of Trusts' a family office in Switzerland can also, without any negative tax consequences, act as Trustee on a family's trust structure.

All these elements make Switzerland one of the best locations to use a multi-family office or to establish your own single one. Because a family office is there not only to manage your wealth, but also to safeguard and protect it when your home country turns out to be less stable than you had hoped or expected it to be.