

Switzerland's competitive edge

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Q1

What are the key considerations for businesses and individuals navigating cross-border mobility in your jurisdiction?

Switzerland offers unique opportunities and challenges for cross-border mobility:

Visa and work permit regulations: EU/EFTA citizens enjoy free movement within Switzerland, while non-EU/EFTA nationals require work permits. In December 2024, Switzerland and the EU concluded new bilateral treaties continuing free movement of persons. Work permits are issued by individual Cantons for certain job types, subject to annual quotas. For 2025, the limit was set at 8,500 permits.

Companies hiring foreign talent must comply with Swiss immigration laws and obtain work permits in advance. Unless conditions for an intercompany transfer are met, employers must demonstrate no suitable Swiss or EU/EFTA candidates are available.

Taxation: Switzerland has bilateral tax agreements with numerous countries to avoid double taxation. Income tax varies by Canton. Non-residents may be taxed at source for Swiss-derived income. Companies must manage cross-border tax issues related to permanent establishment, transfer pricing, and VAT. Some Cantons offer tax incentives for foreign companies and entrepreneurs.

Social security and health insurance: Employees and employers must contribute to the Swiss social security system. Basic health insurance is mandatory and usually paid by employees. Accident insurance is also compulsory, with work-related

premiums paid by employers. Cross-border workers may face specific rules based on bilateral agreements.

Employment law: Foreign employees must understand their rights and obligations under Swiss employment laws. Employers need to be familiar with applicable laws to ensure compliance, particularly mandatory provisions regarding contracts, wages, working hours, and termination procedures.

Cultural adaptation and language: Switzerland has four official languages: German, French, Italian, and Romansh. Language proficiency is important for integration and obligatory for obtaining long-term residential permits. Companies should consider cultural nuances when managing cross-border staff and may offer language training or cultural integration programmes.

Residence and immigration policies: Residence laws vary depending on nationality. EU/EFTA citizens face fewer restrictions, while non-EU/EFTA nationals may encounter stricter rules and longer processing times for residence permits. Companies may need to support employees through the application process.

Cross-border commuting: Many individuals from neighbouring countries commute to work in Switzerland daily. Specific regulations govern social security, taxation, and work permits for cross-border commuters. Companies must be aware of contributions and tax implications in both countries.

Corporate governance and compliance: Companies with international operations must comply with Swiss corporate governance standards and applicable foreign regulations, including financial reporting, accounting standards, and corporate taxation laws.

KEY TAKEAWAYS

Navigating Swiss regulations. Switzerland offers significant opportunities for global mobility but requires careful navigation of its visa, work permit, and taxation systems. EU/EFTA citizens benefit from free movement, while non-EU/EFTA nationals face stricter requirements. Companies must ensure compliance with Swiss immigration, tax, and employment laws, as well as address social security and health insurance obligations for cross-border staff.

Strategic support for mobility. Service providers play a crucial role in optimising global mobility strategies.

They assist with regulatory compliance, tax efficiency, financial planning, and tailored relocation policies. By leveraging cantonal tax incentives and effective compensation structures, businesses can enhance their global mobility programs.

Switzerland's competitive edge. Switzerland's neutrality, stability, and leadership in sustainability attract global talent and businesses. Its high standard of living, digital infrastructure, and growing green economy foster opportunities in finance, technology, and international trade, despite globalisation challenges.

- Developing tax-efficient retirement-planning strategies.
- Recommending banking solutions for currency management.

Global mobility policy and program design:

- Designing tailored mobility policies.
- Offering practical relocation assistance.

Risk mitigation and ongoing support:

- Conducting regular audits of global mobility programmes.
- Monitoring and implementing regulatory changes.

Q2

How can service providers help clients structure global mobility strategies (e.g. regulatory, tax, financial efficiency)?

Service providers can help clients structure global mobility strategies in several ways, as outlined below.

- Regulatory compliance:**
- Guiding clients through Switzerland's immigration system.
 - Advising on employment law compliance.
 - Ensuring proper social security

contributions and reporting.

Tax efficiency:

- Optimising tax strategies based on cantonal differences.
- Navigating double tax treaties.
- Structuring cross-border compensation packages.
- Advising on tax residency and domicile rules.
- Accessing preferential tax treatments for highly qualified employees.

Financial efficiency and compensation structuring:

- Structuring executive compensation packages.
- Adjusting for cost-of-living differences across Cantons.

Q3

Is globalisation on the wane? How do recent political events create new opportunities in global mobility?

Recent political events have created new opportunities in Switzerland:

EU and non-EU relations: Shifting dynamics between EU member states as well as the aftermath of Brexit have impacted positively on Switzerland's role as a hub for financial services, international trade, and high-tech industries.

Neutrality and stability: Switzerland's political neutrality and stability continue to attract organisations and individuals seeking a secure environment.

Global talent attraction: Switzerland's high standard of living, education, and healthcare services attract global talent in technology, finance, pharmaceuticals, and research.

Digitalisation and remote work: The shift towards remote work enables businesses in Switzerland to access international talent pools. The country's highly digitalised infrastructure positions it well to benefit from this trend.

Sustainability and green economy: Switzerland's leadership in sustainability initiatives creates opportunities in the green economy, attracting businesses and professionals focused on environmental solutions.

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From the beginning, **DUFOUR Advokatur AG** wanted to offer more to its clients than just legal advice. We created a unique consulting culture – with unconventional ideas, an excellent team spirit, and a concept of competence that extends beyond the legal view to include the social and emotional aspects of a mandate.

Today DUFOUR successfully advises many companies, private individuals, foundations, non-profit organisations and pension funds. In the field of pension funds, charitable funds, foundations and NPOs, DUFOUR has established itself as the top specialist in Switzerland. We offer comprehensive legal



advice and have a team of recognised experts with core skills in employment law, corporate law, licensing and trade law as well as matrimonial property and inheritance law.

Time and again we find that, when providing intelligent and creative solutions in particularly complex or challenging projects, successful legal advice means more than just being right. It demands all of our expertise, experience and passion as legal advisors.