

New International Inheritance Law Boosts Swiss Financial Center

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On January 1, 2025, the revised international inheritance law will come into effect. This change will benefit not only Swiss citizens living abroad and dual nationals but also local wealth managers.

Until now, the process for estate administration in Switzerland—encompassing tasks such as the opening of wills and issuance of inheritance certificates—was typically overseen by Swiss authorities when the deceased had passed away in Switzerland.

While this arrangement may seem straightforward, it often posed challenges in complex cases. For instance, the deceased could hold EU citizenship, be a Swiss national living in Asia, or have structured their estate under UK law, including trusts. Additionally, it is not uncommon for estates to include assets spread across multiple countries.

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Dual Citizens Gain New Freedom

In such scenarios, questions often arise about which authorities are responsible for estate administration and which inheritance laws apply to the estate—issues that impact statutory heirs, inheritance shares, and compulsory portions.

From next year onward, dual nationals and Swiss citizens living abroad who do not wish for their estate to be governed by Swiss law can opt for foreign jurisdiction. However, one restriction remains: If Swiss authorities are involved, Swiss compulsory portions must still be upheld, even if foreign inheritance laws are applied to the rest of the estate.

Approximately 1.8 Million People Affected

This regulatory update impacts approximately 1.8 million individuals. According to the [Federal Statistical Office](#), around one million dual nationals reside in Switzerland, and over 800,000 Swiss citizens live abroad.

This change is particularly significant, as countries like the United States and the United Kingdom do not recognize compulsory portions. Similarly, Sweden and Finland exclude spouses from such provisions. While individuals holding only foreign citizenship can freely determine their estate in Switzerland, complications arise once they acquire Swiss nationality and become dual citizens.

Attractive Reform Despite Flaws

«The requirement to apply Swiss compulsory portions for dual nationals opting for foreign inheritance laws is less than ideal. From a legal perspective, I would have preferred full freedom of choice, as this clause could lead to new disputes,» says [Werner Jahnel](#), a Zurich-based attorney and partner at the law firm Lalive.

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Werner Jahnel, Partner at the law firm Lalive. (Image: Courtesy)

Despite this drawback, Jahnel views the reform positively: «It's an attractive solution that doesn't deter anyone from moving to Switzerland. On the contrary, it enhances Switzerland's appeal and strengthens its financial center.»

Competitive Advantage for the Swiss Financial Sector

This revision could offer Switzerland a significant edge. The UK is planning to abolish its Non-Dom status, which previously allowed individuals to reside in the country without being fully tax-resident, taxing only their UK-based income.

«The revision of the international inheritance law is a typically Swiss compromise regarding jurisdiction for dual nationals,» Jahnel remarks. «But it's a powerful one, as it opens up new estate planning opportunities.»