SWISS BLOCKCHAIN FEDERATION

Digital Assets – Tax Framework Review Switzerland 2026/02

Overview of the tax treatment of digital assets and international reporting obligations in Switzerland

Current Version of the Digital Assets – Tax Location Assessment 2026/02 dated 06 March 2026 (Version 1.3e EN)

Approved by the Swiss Blockchain Federation on 20 January 2026

Publication date: 16 March 2026

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1. Management Summary

Switzerland benefits from solid tax foundations and stable regulatory processes in the area of digital assets. At the same time, international developments show that other jurisdictions are moving forward increasingly faster from a regulatory and tax perspective. This assessment analyses the situation in the areas of value added tax, other tax categories, and international reporting obligations (CRS 2.0 / CARF), summarises the key location factors, and outlines central challenges as well as priority areas for action.

Value Added Tax (VAT)

Switzerland has an attractive, technology-neutral VAT system; however, outdated publications and diverging interpretations create increasing legal uncertainty. A modernisation of VAT practice is required in order to remain competitive compared to innovative jurisdictions.

Other Tax Categories

The function-oriented Swiss tax system provides a solid basis for the classification of digital assets. At the same time, inconsistent cantonal practice, complex valuation issues, and limited transparency hinder new business models. Greater harmonisation and clarity are necessary to provide companies and investors with long-term planning certainty.

International Reporting Obligations (CRS 2.0 / CARF)

With CRS 2.0 as of 2026 and CARF as of 2027, a two-tier global reporting system is emerging that significantly affects financial intermediaries, and in particular SRO-regulated and non-financial providers. Switzerland has established stable regulatory processes. The decision to postpone implementation reflects a strategic effort to remain aligned with international developments and to avoid potential competitive disadvantages.

2. Introduction & Methodology

This document represents the first integrated location assessment prepared by the SBF Tax & CARF/CRS Working Group. Its objective is to comprehensively capture the tax framework conditions for digital assets in Switzerland, make key location strengths visible, identify existing challenges, and derive concrete recommendations for action for authorities, policymakers, and industry.

The analysis is based on the work of the three sub-groups of the Working Group as well as on professional exchange with industry representatives, tax experts, and public authorities. The document's structural approach enables a consolidated view of the current status, the key areas for action, and the future development of Switzerland as a location for digital assets.

3. Overview of the Tax Treatment

3.1 Value added tax (VAT)

Many transactions and roles in a decentralized environment are difficult to classify under the existing VAT law, which leads to uncertainty and significant demarcation issues in practice. This position paper aims to provide an initial overview of various issues in this area and to explain how tax authorities and courts respond to them.

3.1.1 Legal basis and VAT practice publications issued by the authorities

The Federal Act on Value Added Tax (VAT Act) and the associated Ordinance (VAT Ordinance) do not contain any specific provisions for transactions and services related to blockchain and distributed ledger technology (DLT). In 2019, the FTA added explanations to its practice publications on how it interprets certain issues relating to this relatively new technology from a VAT perspective. In the foreground is VAT Info 04, Chapter 2.7.3 "Services in connection with blockchain and distributed ledger technology." In this chapter, the FTA comments on the classification of crypto assets and describes its position on the VAT consequences of various transactions (issuance, use, transfer, trading, storage, and validation/verification) for the individual crypto asset classes (payment, utility, and investment tokens).

The FTA distinguishes between the following three main types of tokens:

1. **Payment tokens** serve no other purpose than to be used as a means of payment for the purchase of goods and/or services from one or more suppliers. They therefore do not entitle the holder to receive specific or determinable services, but merely represent the agreed means of payment.
2. **Utility tokens** entitle the holder to receive specific or determinable services and/or grant access to a platform, application, or similar (license or license-like right).
3. **Investment tokens** entitle the holder, for example, to a participation in the income, turnover, profit, a certain portion of the income or turnover, derivative rights, or similar. They are always based on a contractual legal relationship and therefore do not establish a participation relationship under company law and do not entitle the holder to repayment of the amount originally paid in (i.e., no equity or debt capital).

In this context, a separate but very relevant aspect must be taken into account: Although the Swiss Financial Market Supervisory Authority FINMA uses the same terms for regulatory token classification (i.e., payment, utility, and investment tokens), the respective definitions differ. This leads to a lot of confusion in practice. It is therefore not possible to simply rely on the FINMA classification for VAT purposes. A separate analysis must be carried out.

3.1.2 Court decisions

There is currently still relatively little case law in the area of VAT and blockchain or DLT. The following two court decisions are worth mentioning:

- Federal Administrative Court decision of September 29, 2023 (A-5638/2022): The court ruled, among other things, on the question of how the services of a "validator" should be assessed from a VAT perspective. The court confirmed that the combination of block reward and transaction fee can constitute two separate service relationships. While the transaction fee represents taxable consideration between the user and the validator, the block reward remains non-consideration if the protocol does not qualify as a determinable counterparty.
- Federal Administrative Court decision of February 9, 2024 (A-2093/2022): In this decision, the court dealt, among other things, with the FTA's practice of classifying tokens, in particular when they have multiple functionalities (specifically, it concerned the assessment of a token with undefined utility functions as a payment token).

3.1.3 Clarifications through practice

In ruling proceedings, the FTA has since assessed various issues in a more differentiated manner, particularly with regard to token classification, DAOs, staking, location determination, and entrepreneurial activity. However, there is no consolidated, publicly available practice to date.

3.1.4 Assessment/criticism

Unlike the tax administrations of many other countries with a VAT system, the FTA made an early effort to provide taxpayers with certain guidelines for activities in the blockchain and DLT universe through relevant practice publications. In addition, there have already been some landmark court decisions in the area of VAT that help taxpayers find their way around.

However, it should be noted that, in a highly dynamic environment, this practical information cannot cover all individual cases and, as a result, various ambiguities remain. In some cases, the interpretation leads to results that are not practical. In addition, the published practice is in some cases contrary to the aforementioned Federal Administrative Court decisions. For example, we consider the following areas, among others, to be problematic:

Token classification and its implications:

The inconsistent categorization of crypto assets within the same authority causes uncertainty among users. It is not helpful when the authority revises its own previous assessment, thereby contributing to further uncertainty.

There is also considerable uncertainty regarding the categorization of tokens that have both a utility and a payment function. The definition contained in VAT Info 04 of the VAT Act effectively means that many of these tokens are likely to be classified as utility tokens – especially given that, from the perspective of the FTA, utility tokens with an additional payment function (hybrid tokens) qualify as utility tokens. This has very undesirable consequences in terms of VAT, as according

to the VAT Info, VAT may have to be charged on the transaction volume when such tokens are issued and sold. In addition, acquisition tax ("reverse charge VAT") is payable when such tokens are purchased from foreign customers/counterparties. These VAT obligations threaten to bring the issuance and trading of utility tokens in Switzerland to a virtual standstill due to the associated (VAT) costs and risks. *Compensation from mining and staking*:

Service relationships in connection with the various forms of mining and staking are complex, changeable, and often difficult to determine with sufficient precision for VAT assessment purposes. It is therefore positive that the FTA has made a basic attempt at classification. However, it does not sufficiently address the constellations that occur in practice and the considerable complexity of such models in individual cases. The relationships between the various parties are not clearly regulated. Furthermore, the classic rules for determining the place of supply and providing evidence of this do not take into account the challenges posed by the systemic anonymity of blockchains. More practical solutions are needed for this.

3.1.5 Outlook VAT group activities

Over the next few months, we will be focusing on the following key topics and developing practice-oriented working papers with practical examples. The following topics are already being planned:

1. VAT treatment of income from staking and mining
2. Token classification for VAT purposes

In addition, we will actively participate in the consultation process for practical publications on VAT in the crypto sector, provided that the FTA offers us the opportunity to do so.

3.1.6 Conclusion

With low VAT rates and a tax administration that has recognized the issue of blockchain and DLT in relation to VAT, Switzerland is an attractive location for activities in the areas of blockchain and DLT from a VAT perspective.

However, there is considerable legal uncertainty in various areas due to the lack of up-to-date publications, which may deter new projects from being established. In our opinion, it is therefore urgently necessary not to squander Switzerland's existing locational advantages through a confusing legal situation and outdated administrative practices. Accordingly, the FTA's practical guidelines on VAT should be reviewed and adapted to current practice and, where necessary, supplemented in a business-friendly manner. Finally, the current legal situation and practice should be reviewed for any location effects.

A detailed and practical update of the published VAT information would therefore be desirable.

3.2 Other Taxes

3.2.1 Introduction and Development of Tax Practice

In recent years, Switzerland has established essential legal and tax foundations for the classification of digital assets. This development is closely linked to the early legal and tax classification of digital assets. As early as February 2018, the Swiss Financial Market Supervisory Authority (FINMA) published its guidelines on Initial Coin Offerings (ICOs) and defined a functional classification of tokens into payment, utility and investment tokens. The decisive criterion was the economic substance approach: not the technology, but the function of the token determines its legal treatment.

The Swiss Federal Tax Administration (SFTA) specified these foundations in its working paper "Cryptocurrencies and Tokens" dated 14 December 2021. To date, the working paper represents the authoritative reference framework and describes the tax treatment of digital assets within the scope of direct federal tax, withholding tax, stamp duties and cantonal wealth tax. The DLT Act was introduced in two stages in 2021: on 1 February 2021, ledger-based securities were created, laying the civil law foundation for tokenisation; on 1 August 2021, supplementary provisions on DLT trading systems and insolvency law followed.

3.2.2 Classification System for Crypto Assets

The tax treatment of crypto assets in Switzerland follows a function-oriented approach. The determining factor is not the technical structure, but the economic function of a token. The Swiss Federal Tax Administration (SFTA) distinguishes between three main categories: payment, investment and utility tokens. Hybrid forms are assessed according to their primary function.

Payment tokens such as Bitcoin, Ether or stablecoins serve exclusively as digital means of payment for goods and services or for the transfer of money and value. They do not establish any claims against an issuer.

Investment tokens grant monetary rights against an issuer. They may be structured as i) debt tokens, ii) investment tokens with a contractual basis or iii) investment tokens with participation rights:

- **Debt tokens** are similar to bonds and represent debt capital for the issuer.
- **Investment tokens with a contractual basis** grant a profit participation without any repayment claim.
- **Investment tokens with participation rights** represent genuine participation rights.

Utility tokens grant the holder exclusive access or usage rights to a digital service via a blockchain infrastructure.

Assessment/criticism: While the three-way classification into payment, investment and utility tokens provides a workable basis for the tax classification of digital assets, practice shows that the distinction often remains unclear, particularly in the case of hybrid or novel token forms. Functions may change over time, which complicates the tax qualification and can lead to different assessments by tax authorities. The existing classification system therefore requires continuous refinement with a view to future developments.

Since no uniform practice has been established to date, it is advisable to clarify uncertainties at an early stage by means of a tax ruling request to the competent authorities.

3.2.3 Tax Treatment

Payment tokens: The proceeds received from the issuance of payment tokens generally qualify as taxable income for corporate income tax purposes. If a contractual relationship exists, the amount may be recorded as a liability and recognized in profit over the development phase (including any profit margin for non-profit projects).

Gains from the disposal of private assets are tax-exempt, while losses cannot be deducted. If the activities are carried out on a regular basis or to a significant extent, self-employment may exist (see explanations in *3.2.4*).

Payment tokens are subject neither to withholding tax nor to stamp duties. For wealth tax purposes, they are considered movable capital assets and must be declared at market value at year-end.

Investment tokens:

1. **Debt tokens:** The inflows from the sale of tokens are treated as debt capital at the issuer at the time of issuance. Interest payments are considered business-related expenses for the issuer and are therefore tax-deductible. For the investor, such interest constitutes taxable income. Interest payments in periodic form or as one-time compensation on bonds are subject to withholding tax. Capital gains from the sale of such tokens held as private assets remain tax-exempt.
2. **Investment tokens with a contractual basis:** The inflows from the sale of tokens are treated as taxable income for the issuer at the time of issuance. If a contractual obligation exists, the amount may be recorded as a liability and released through income during the usage phase. Payments to token holders constitute taxable income from movable assets for the investor. A withholding tax obligation only arises if material participation thresholds are exceeded.
3. **Investment tokens with participation rights:** The proceeds from the sale of the tokens are treated as a tax-neutral capital contribution for the issuer at the time of issuance. Distributions to token holders are subject to Swiss withholding tax and are treated as taxable income from movable capital. The issuance may also be subject to Swiss issuance stamp duty. Capital gains realised on the sale of such tokens by individuals holding them as private investment assets are tax-exempt.

All investment tokens are considered movable capital assets for wealth tax purposes and must be declared at fair market value.

Utility tokens: The proceeds received from their issuance are generally treated as taxable income for the issuer. If a contractual obligation exists, the amount may be recorded as a liability and released through income during the usage phase (including any profit margin for non-profit projects).

For the investor, the acquisition of a utility token does not result in any direct tax consequence. If such a token is paid out as compensation, the market value at the time of receipt is subject to income tax.

Utility tokens are subject neither to withholding tax nor to stamp duties. For wealth tax purposes, they are considered movable capital assets and must be declared at fair market value at year-end.

Airdrops and Hard Forks: In the case of airdrops, crypto assets are automatically transferred to selected persons. The Swiss Federal Tax Administration (SFTA) generally takes the view that airdrops are subject to income tax at the time of their allocation in the amount of their market value

as income from movable assets, unless tax-exempt income such as gifts or lottery winnings is involved. Legal scholars, on the other hand, take the position that airdrops allocated to the recipient unsolicited and independent of any consideration qualify as gifts in a broader sense and remain tax-exempt.

Hard forks, in contrast, involve a split of an existing network into two networks, which from a tax perspective constitutes an income-neutral asset restructuring and is therefore tax-exempt.

Mining and Staking: Net profits from mining and staking are taxable or constitute taxable asset income. In the case of natural persons, self-employment must be distinguished from the pursuit of a hobby and private asset management (see section 4.2.4 for the implications). Depending on the classification, the income is either subject to income tax and AHV contributions (self-employment) or is considered asset income without AHV contributions (private asset management).

3.2.4 Distinction between Private Assets and Self-Employment

A central aspect of Swiss crypto tax practice is the question of whether gains of a natural person from trading or investments are tax-exempt (private assets) or taxable (income from self-employment). The SFTA applies the criteria from Circular No. 36 dated 27 July 2012 on professional securities trading by analogy. Key indicators of professional activity include a short holding period, high transaction volume, financing by way of debt capital, a systematic or automated trading approach and the question of whether the crypto activity is the main or secondary occupation. According to practice, these principles apply regardless of token type, i.e. whether payment, investment or utility tokens are involved.

A final assessment is always made based on the overall circumstances. If the criteria are met, the gains achieved are considered income from self-employment and are subject to income tax as well as AHV contribution obligations; losses and expenses are tax-deductible in return.

The distinction between private asset management and professional trading in crypto assets remains difficult. While the criteria of Circular No. 36 provide guidance, they can only be applied to a limited extent due to the technical characteristics of digital assets. In addition, inconsistent cantonal practice leads to different assessments.

3.2.5 Corporate Income Taxation and Accounting

For legal entities, all crypto assets are considered business assets. Realised price changes are recognised through profit or loss. The valuation of crypto assets is based on commercial law. Depending on their function, tokens may be recorded on the balance sheet as liquid funds, securities, intangible assets or inventories, which can lead to uncertainties.

Token issuances are treated according to their economic structure: equity tokens are treated as capital contributions, debt tokens as debt obligations, contractual or utility tokens as well as payment tokens as income or deferred prepayment, provided demonstrable obligations exist.

3.2.6 Employee Tokens

When determining payment in kind based on the issuance of employee tokens, the question arises as to when and at what value these are to be taxed.

If the token is allocated to the employee before issuance, there is usually no "genuine" token price (i.e. a price based on a liquid market). Accordingly, a valuation is necessary. A valuation is also required after issuance if no liquid market yet exists and the price paid by investors does not correspond to the actual market price. However, once a liquid market exists, it can generally be used as a reference value.

The valuation of the tokens must be carried out at the time when the employee acquires a legal entitlement to the token. This point in time also corresponds to the taxation date. Lock-up periods may also apply, analogous to restricted employee participations.

Assessment: There is currently considerable uncertainty regarding the valuation mechanism and the taxation date, and different practices exist among tax administrations. In order to strengthen Switzerland's position as an attractive labour market, uniform and practice-oriented solutions are urgently needed.

3.2.7 Outlook Other Tax Categories group activities

Based on the feedback on this tax location assessment and depending on the prioritisation within the Working Group, the following topics are expected to be monitored and discussed in greater depth in the coming months:

1. Practice-oriented guidance on the tax classification of tokens
2. In-depth discussion, circulars on staking, mining and employee tokens
3. Analysis of cantonal practice developments and differences, and where possible, guidance

This work is intended to contribute to greater transparency and guidance for market participants and to further develop open tax issues as needed.

3.2.8 Conclusion

Switzerland today has a fundamentally function-oriented and technology-neutral tax regime for digital assets. The three-way classification into payment, investment and utility tokens enables consistent tax treatment for standard cases and provides a solid basis for practice. Nevertheless, uncertainties exist in application, particularly with regard to hybrid tokens, the distinction between professional activities and the valuation of employee tokens. The partly different cantonal practices make uniform application of the law more difficult. Therefore, an early ruling request remains the key instrument for achieving tax clarity.

Overall, Swiss tax law offers a comparatively stable and innovation-friendly framework, which, however, should be continuously developed with a view to rapid technological progress in order to ensure legal certainty, coherence and competitiveness in the long term.

3.3 International Reporting Obligations (CARF & CRS)

3.3.1 CARF Background & Drivers

International tax transparency has fundamentally changed over the past ten years. With the Common Reporting Standard (CRS), the OECD already established a global system in 2014 to enable the automatic exchange of information on financial accounts between countries.

CRS requires financial institutions to report information on account holders (natural and legal persons) to the respective national tax authorities, which then exchange this data with the tax authorities of other countries. The objective was and remains to prevent cross-border tax evasion and to promote global tax transparency.

With the Crypto-Asset Reporting Framework (CARF), the OECD extends the existing standard to the area of digital assets. While CRS focuses on the reporting of financial accounts and is generally not transaction-based (account-based balance reporting), CARF captures transactions involving digital assets (relevant Crypto-Assets) that have so far been processed outside the traditional financial infrastructure.

CARF is intended to ensure that taxpayers who invest or trade via blockchain- or DLT-based structures (so-called “Crypto-Asset users”) are subject to reporting obligations in the same way as traditional investors.

Under CARF, Reporting Crypto-Asset Service Providers (RCASPs) generally include all commercial service providers that exchange relevant Crypto-Assets against fiat currency or against other relevant Crypto-Assets on behalf of customers. This is a functional nexus, meaning that the service performed determines whether a natural or legal person qualifies as an RCASP. Accordingly, the following may qualify as RCASPs, provided they offer commercial services to carry out exchange transactions involving relevant Crypto-Assets for or on behalf of customers: financial institutions (e.g. banks), centralised platforms, wallet providers, brokers, issuers of relevant Crypto-Assets, and SRO-regulated entities.

Exchange Transactions: An exchange between relevant Crypto-Assets and fiat currencies, or an exchange between one or more types of relevant Crypto-Assets. Exchange transactions are only CARF-relevant if an RCASP is functionally involved in their execution, i.e. executes the exchange on behalf of a user.

Transfers: Transfers are CARF-relevant if an RCASP is involved, either as recipient or as sender on behalf of the user. User-to-user transfers and RCASP-to-RCASP transfers are not reportable.

Retail Payment Transactions: Payments using relevant Crypto-Assets for goods or services are CARF-relevant only if an RCASP converts the amount into fiat or another relevant Crypto-Asset on behalf of the customer. A transaction becomes reportable only if it exceeds USD 50,000 in value.

3.3.2 Status in Switzerland

In Switzerland, it is envisaged that the Federal Act on the International Automatic Exchange of Information in Tax Matters (AEOI Act; AIAG) as well as the corresponding ordinances and annexes will be supplemented with CARF provisions.

The Swiss Federal Tax Administration (SFTA/ESTV) and the State Secretariat for International Finance (SIF) have completed the preparatory work for the implementation of CARF in Switzerland. The public consultation took place in autumn 2024, and in February 2025 the Federal Council submitted the corresponding message to Parliament regarding the amendment of the AEOI Act.

The amended AEOI Act was approved by the Federal Assembly in the final vote of 26 September 2025. However, regarding applicability, the following was decided: The National Council's Economic Affairs and Taxation Committee (WAK-N) consulted the dossier several times but decided on 3 November 2025 to suspend further consultations. The WAK-N justified this decision by referring to the postponement of the CARF implementation in certain key jurisdictions and the re-assessment of certain implementation issues at OECD level, which could potentially lead to a different interpretation of certain CARF aspects. The proposal was therefore suspended and will only be reconsidered in 2026. Consequently, the AEOI regarding Crypto-Assets under the AEOI Act and the related ordinance will not apply in 2026.

Accordingly, the implementation of CARF as of 1 January 2026 did not take place. In parallel, implementation continues in close substantive and technical coordination with the OECD Working Party 10 (WP10), the EU within the framework of DAC8, and other partner jurisdictions in order to ensure compatibility and international data exchange.

3.3.3 CRS 2.0 Expansion of the Existing Standard

The existing Common Reporting Standard (CRS) has also been revised. According to the Federal Council decision of 26 November 2025, the corresponding amendments will enter into force on 1 January 2026, provided that no referendum is launched. This development is referred to as CRS 2.0 and serves to adapt the previous standard to new market realities and to harmonise it technically with CARF.

The main changes introduced under CRS 2.0 include in particular:

Inclusion of Digital Means of Payment: Certain e-money instruments and Central Bank Digital Currencies (CBDCs) will now be included within the reporting scope, provided they qualify as regulated means of payment issued by financial intermediaries.

Expansion of Reportable Assets: CRS will be broadened to capture hybrid financial products and tokenised financial instruments.

Strengthening and Clarification of Due Diligence Obligations: Institutions must adapt their KYC and identification procedures (validation of self-certifications) and implement procedures to ensure clear identification and allocation of digital assets.

Extended Reporting Obligations and Data Fields: Evaluation and reporting of controlling persons of entities, clarification regarding account status (new/existing).

Technical Harmonisation: Data models and transmission formats will be standardised so that CRS and CARF can operate in a complementary manner in the long term.

It should be noted that at its meeting of 26 November 2025, the Federal Council also decided that the provisions relating to Crypto-Assets under CRS 2.0 will not yet apply in 2026 due to the postponed implementation of CARF.

As a result, a two-tier international reporting system will emerge in the coming years:

- **CRS 2.0** for traditional and digitised financial assets (including Security Tokens, specified e-money, and CBDCs),
- **CARF** for non-traditional digital assets (relevant Crypto-Assets, including Security Tokens, DeFi transactions).

The introduction of this two-tier system ensures that Switzerland remains fully compatible with CARF and CRS internationally and that its financial and blockchain service providers are prepared in due time for the new reporting obligations.

3.3.4 Outlook CARF & CRS group activities

To support Swiss market participants and to accompany international developments, the following activities are planned for the coming months:

- Integration of additional members from relevant specialist areas (e.g. audit, RegTech, compliance)
- Definition of clear criteria for self-declarations by Swiss providers
- Preparation of a “CARF Guidance Light” as a practice-oriented reference
- Organisation of further specialist events and technical workshops

In addition, the following priorities are being pursued:

- Ongoing guidance on CARF, CRS 2.0, DAC8 and FATF for Swiss providers and users
- Continuous exchange with authorities (SIF, SFTA/ESTV, OECD) and active participation in regulatory consultations
- Development of best practices and standardised templates (e.g. Swiss self-declaration for RCASPs)
- Monitoring of international developments and cooperation with RegTech providers, expert committees and partner jurisdictions

3.3.5 Conclusion

With the (partial) introduction of CRS 2.0 as of 1 January 2026 and the postponement of CARF to 1 January 2027, Switzerland is entering a phased transition into a two-tier reporting system. While financial institutions must adapt and expand their existing CRS processes, SRO-regulated Crypto-Asset service providers in particular are facing a comprehensive entry into international reporting obligations.

For these market participants, early organisational, technical and procedural preparation is crucial to implement the additional requirements of CARF and CRS 2.0 in a timely and efficient manner. Switzerland's stable regulatory environment, transparent consultation procedures and established dialogue with authorities provide a solid foundation for this transition.

To support the industry during this transformation phase, the SBF will continue to closely monitor developments, provide ongoing guidance and deepen relevant specialist topics. The continuous work within the working group enables early identification of challenges, development of best practices and targeted support for Swiss market participants on their path towards full CARF and CRS compliance.

4. Positive Location Factors

Switzerland benefits from a range of structural strengths that support the tax treatment of digital assets as well as the implementation of international reporting obligations and make the jurisdiction attractive in a global comparison.

4.1 Value added tax (VAT)

- Attractive VAT rates in international comparison, especially compared to EU countries
- Technology-neutral system that can also cover novel business models
- Early involvement of the FTA in DLT issues (e.g., VAT Info 04, staking practice)
- Increasing legal certainty through initial court decisions

4.2 Other Tax Categories

- Competitive corporate taxation, particularly compared with the EU
- Function-oriented, technology-neutral tax framework (payment tokens, utility tokens, investment tokens)
- High degree of legal certainty due to well-established tax ruling procedures
- Attractive framework conditions for corporate establishment and tokenisation

4.3 International Reporting Obligations (CRS 2.0 / CARF)

- Reliable and transparent regulatory processes
- Alignment with OECD and EU requirements ensures international compatibility, even though Switzerland has only limited influence over standard-setting
- Phased implementation (CRS 2.0 as of 2026, CARF as of 2027) provides clear planning horizons
- Structured cooperation between industry, associations and authorities (SBF, SFTA/ESTV, SIF) supports an orderly implementation

5. Challenges

Despite its favourable starting position, the tax treatment of digital assets and the implementation of international reporting obligations present Switzerland with a number of structural, technical and operational challenges. These affect value added tax as well as direct taxes and the new two-tier reporting system under CRS 2.0 / CARF.

5.1 Value added tax (VAT)

- Outdated practice publications of the FTA (in particular VAT Info 04) create legal uncertainty in a rapidly growing and fast-evolving market for digital assets.
- Diverging definitions of payment, utility and investment tokens used by the FTA and FINMA complicate a coherent and consistent classification of digital assets.
- New business models such as DAOs, staking and validator services, as well as hybrid token structures are subject to unclear or inconsistent treatment due to the lack of consolidated practice.
- Heterogeneous interpretations in practice and ruling procedures may lead to inconsistent outcomes and pose a risk of competitive and locational disadvantages for Switzerland.

5.2 Other Tax Categories

- Inconsistent cantonal practice, particularly in the distinction between private asset management and commercial activity.
- Valuation and accounting uncertainties in relation to illiquid tokens, employee tokens, and hybrid token structures.
- Complexity in the tax qualification, particularly for novel or functionally mixed token models.
- High demand for tax rulings, as many situations cannot be assessed with sufficient legal certainty without prior clarification.

5.3 International Reporting Obligations (CRS 2.0 / CARF)

- A complete new applicability to SRO-regulated Crypto-Asset service providers that have so far had no experience with AEOI/CRS obligations.
- Significant technological and organisational adaptation efforts (KYC processes, data models, wallet allocation, transaction data).
- Extraterritorial risks, for example for Swiss companies with establishments in the EU or for companies that, based on the reverse solicitation exemption, offer their services in the EU or in third countries that implement CARF as of 1 January 2026.
- Inconsistent international implementation, leading to market distortions, increased administrative burdens, higher investment requirements, and substantial demands regarding data preparation and validation.

6. Opportunities & Recommendations for Action

Switzerland has a solid foundation to strengthen its position in the global competition for digital assets. In order to remain competitive vis-à-vis dynamic jurisdictions such as the USA, Singapore, Dubai or Liechtenstein, a proactive further development of the tax framework and reporting processes is required.

6.1 Value added tax (VAT)

- Updating and modernizing VAT publications to eliminate legal uncertainty and ensure the tax-neutral treatment of innovation.
- Clear guidance for new business models (DeFi, staking, DAOs, hybrid tokens).
- Strengthening dialogue between the FTA and industry stakeholders to reflect market developments more rapidly and consistently.

6.2 Other Tax Categories

- Harmonisation of cantonal practice regarding the distinction between private asset management and commercial activity.
- Transparent valuation and accounting standards for illiquid tokens and employee tokens.
- Further development of the function-oriented approach to ensure that new token models can be classified consistently.
- Enhancement of Switzerland's attractiveness as a location through published practice examples and standardised ruling processes.

6.3 International Reporting Obligations (CRS 2.0 / CARF)

- Early impact analyses for all business models, particularly for SRO-regulated and non-financial intermediary providers.
- Standardised self-declaration and reporting models to reduce operational complexity.
- Continuous involvement of the Swiss industry in consultation processes of the SFTA/ESTV, SIF and the OECD.
- Optimisation of technological and operational reporting processes to ensure sustainable long-term business models.
- Positioning Switzerland as a reliable reporting jurisdiction in order not to lose momentum in international competition.

The location factors, challenges and recommendations for action outlined above form the basis for the continued work of the SBF and its tax working groups. Together with the SFTA/ESTV, the SIF, cantonal authorities and international partners, the industry will continue to work towards positioning Switzerland as a leading, innovation-friendly and internationally compatible jurisdiction for digital assets.