Zug subsidies for innovation and sustainability

Zug is repositioning itself for the future and is introducing subsidies for innovation and sustainability under the Location Development Act (GSE). This will provide companies with incentives to strengthen innovation and sustainability in the canton of Zug.

On 30 November 2025, the people of Zug approved the GSE. The law will come into force on 1 January 2026.

In the years 2026-2028, incentives of up to CHF 150 million per year will be available to support companies in the fields of sustainability and innovation.

Key features of the funding programme

Who benefits?

Companies and branches with a tax affiliation to the canton of Zug.

How do I proceed?

- Applications must be submitted electronically to the Finance Department of the Canton of Zug.
- Applications can be submitted for the first time from 1 March 2026 until **31 May 2026** (for applications based on the 2024 financial year).
- Payment/crediting will take place in the same calendar year (for the first time in 2026).

What is being funded?

Innovation funding on the expenditure side:

- 25% on R&D personnel expenses and expenses for clinical trials in Switzerland.
- Flat-rate supplement of 35% on R&D personnel expenses for infrastructure expenditure.

Sustainability funding:

- Emissions savings of at least 50,000 tonnes of CO_2eq p.a. (in Scope 3.1 GHG)
- CHF 30 is paid for each tonne of CO_2eq saved.

Frequently raised concerns – and our view on them

“We still have time”

- The first application must be submitted by **31 May 2026** at the latest (based on 2024 figures). Later applications will not be considered.
- Detailed provisions on implementation are still to be published; however, given the tight schedule for the first application year, proactive planning and analysis is recommended.
- Potential ambiguities in determining the qualifying cost base should be discussed with the authorities in a timely manner.

“We have no R&D costs in our books”

- Companies often provide services in the field of R&D that are not directly visible in their accounting or annual financial statements.
- Segmentation of the income statement is therefore essential.
- Discussions with the accounting department and the auditor should be held now in view of the 2025 annual financial statements.

“The GSE is only relevant for large international corporations”

- The GSE is very broadly designed and is intended to be available to as many innovative companies in the canton of Zug as possible.
- In particular, the GSE is also open to companies that are not subject to the OECD minimum tax.
- The GSE will make a significant contribution to offsetting personnel costs in the areas of development, research and innovation.

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