

Here in Lugano, privacy is highly valued

September 14th, 2022

LUGANO (E24): How do you find a Norwegian billionaire among 70,000 Swiss?

In Lugano, privacy is very strong, say all E24 meetings.

Past a drowsy security guard, up six floors and into a gray hallway with five even grayer metal doors. E24's dispatcher calls the one that says "Ufficio del registro fondiario", the land registry office in Lugano. We are looking for the address of a recently emigrated Norwegian industrial billionaire.

- Not possible, replies the lady on the other side of the counter.

A tax expert believes that the announced monster tax caused Røkke to fly from Norway

She explains that you must write a letter to the municipality in which you explain "the special motive" you have to have this handed over. The land registry office then decides what happens.

- Is being a journalist usually a good motive?

- No, we usually do not release this type of information.

Can get a flat tax scheme

Lugano is an Italian-speaking city in southern Switzerland, about an hour's drive from Milan. The central location was highlighted by Kjell Inge Røkke in the letter, which is the reason why a handful of Norwegian journalists are here.

The letter to fellow shareholders and employees, in which the 63-year-old announced that "a demanding choice has been made" and that he has moved to Lugano in Switzerland, was made public on Monday.

Kjell Inge Røkke will eventually consider stepping down from the chairman's role, he wrote in the letter. Røkke did not go into why he chose Lugano, beyond pointing out that the city "is neither the cheapest nor has the lowest taxes".

But there is no doubt that Lugano is fiscally attractive. The city is located in Ticino, one of the Swiss cantons that operates with a "lumpsum tax". That is, a personal tax agreement that replaces income tax, and which is at one and the same agreed, favorable level.

Lugano is one of 52 municipalities in the Lugano district, which is in turn located in the canton of Ticino. Photo: Vetle Halvorsen / E24The requirement from the authorities is that you are an immigrant from another country and have no business activities in Switzerland.

At the moment, there are about 1,000 wealthy people in Lugano who have obtained such an agreement, according to Mayor Michele Foletti. These Norwegian riches have already moved to Switzerland



Put privacy first

During a press conference on Tuesday, he welcomed Røkke, while at the same time emphasizing that the city is not dependent on the tax money of rich immigrants. – No, Lugano's economy is well diversified. But it makes a strong contribution. Lugano's Major tells E24 that he does not know where Røkke lives. And if he had known, he could not have said it. – Here in Lugano, privacy is highly valued.

That is part of the reason why many celebrities choose to settle in the small town nicknamed "Switzerland's Monte Carlo". As several of them have already been written about, Foletti proudly mentions some names, especially from the sports world: Formula 1 driver Fernando Alonso, cyclist Vincenzo Nibali and football coach Fabio Capello. – In addition, we have some of Italy's most famous singers and actors. They want to protect their privacy

Tax on the top three

And should Røkke have bought, there is no record of recent transactions or the like. – A lot goes off the market. A number of properties are sold for 30 million francs and above, but even we as a brokerage firm do not get all of them.

Fontana says that approximately 60 percent of their customers are foreigners. The reasons why they move vary: some are looking for a home to retire in, others are thinking of living here for a few years while the children go to school.

Many foreigners want to live near this school, says luxury broker Fontana.

– *How important are the tax benefits?*

– It is definitely among the three most important factors.

– *Where do you guess Røkke will live?*

– I can imagine him on a top floor with a lovely view of the city. Or perhaps Collina D'Oro if he is used to more space in a more private setting



Discreet property sales

The possibility of living an undisturbed life in idyllic surroundings is something that appeals to many high-profile people, confirms luxury broker Deborah Fontana in Sotheby's. – Nobody stops celebrities on the street here. Everyone is walking around thinking about their own business. That is why many choose Switzerland, she says.

Her agency targets the luxury segment in and around Lugano, from three million Swiss francs upwards. Their most expensive property for sale now has a price of around 70 million Swiss francs (approximately NOK 735 million), she says. It is sold "off market". – We have to be very discreet when we sell it.

Fontana says that she has no information about where Røkke has settled down, whether he has bought a home at all. – There are many people who rent for a few months while they sort out the practicalities and find out which property they want, she says. A tax expert believes that the announced monster tax caused Røkke to fly from Norway

Norwegians with gates and fences

South of the city center is Collina D'Oro, or the golden hill as the name means. Where the roads wind up the slopes, with fenced villas on all sides. On one of them, Marianne Odfjell has a registered address. She is a former chairman and major shareholder in the rig company Odfjell Drilling. We come unannounced. The doorbell fires up a dog on the other side of the fence. A man answers the calling system.

– Arrival, arrival! (I'm coming, I'm coming!)

We introduce ourselves. No response. He won't come anyway. However, Marianne Odfjell is not the only Norwegian who could tell us more about what it is like to live in the Lugano area. Billionaire fisherman Magnus Roth lives on the opposite side of town, also behind high fences.

A Southeast Asian lady answers through the fence. Yes, Roth lives here, she confirms. No, he's not at home. Yes, he may be in the country. If she's expecting him tonight? Do not know.

An international city

According to broker Deborah Fontana, there is an increasing number of Scandinavians who want to take their moving goods with them to Lugano. Mayor Michele Foletti says that he wants to ask Røkke why the Norwegian billionaire has chosen Lugano as his new residence, but he also says that he was not surprised to hear about the news.

Lugano is an international city with people from more than 140 different countries, says the mayor. He is confident that the city has a rich offer for its residents. – Just look, says Foletti, looking out over Lake Lugano bathed in brilliant sunshine. Over 2,000 of the year's 8,765 hours are filled with sunshine, according to the authorities' own figures. And although there is nothing like Milan in terms of shopping, the city of just under 70,000 inhabitants can boast a 400-metre stretch of street with practically all the biggest fashion stores there are. – We have Hermes, Gucci, Prada, Louis Vuitton, and more, says Pietro Poretti, head of Lugano's department for economic development. When Kjell Inge Røkke's former suits were sold at Fretex in 2018, Zegna was among the several manufacturers. In Lugano, the brand has a store right next to the lake promenade.



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