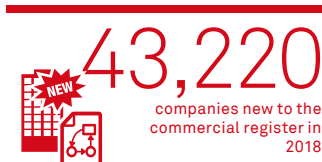




KEY FIGURES



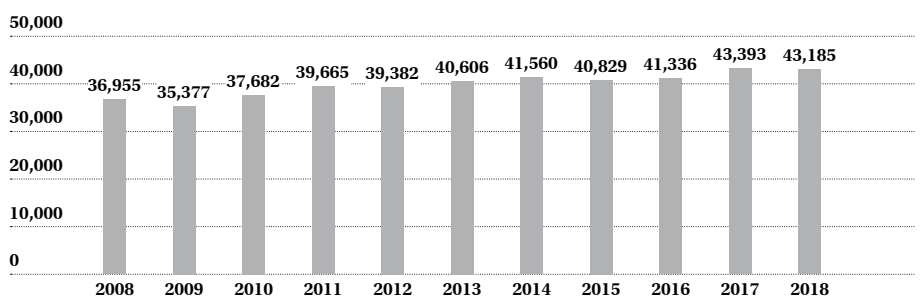
Sources: startups.ch; PwC, 2019

COMPANY FOUNDATION

AT A GLANCE

Switzerland is one of the world's most popular company locations. In 2018, for the fifth year in a row, more than 41,000 new companies were entered into the Swiss commercial register. Establishing a company can be done quickly and easily. Numerous official and private organizations assist entre-preneurs in selecting the appropriate legal form for their company and can provide advice and support. If all the requirements are met, setting up a company can take as little as two to three weeks. Furthermore, a company can be adopted into the commercial register within approximately five days, if it makes use of the express service, which is subject to a fee.

Number of business startups in Switzerland 2008 – 2018



Source: Statista, 2019

PERSONS AUTHORIZED TO CREATE A COMPANY

It is, in principle, possible for any citizen to create a company or to hold a stake in a company in Switzerland. When founding a business, at least one of the people involved must have right of residence in Switzerland. People from the EU zone possess the right to freedom of residence and work in Switzerland, due to the freedom of movement in place. In order to conduct business in this country on a permanent basis, citizens from third countries require work and residence permits.

www.sem.admin.ch > Entry & residence > Labour / Work Permits
Regulations for work and residence permits

CHOICE OF LEGAL FORM

Which of the various legal forms is suitable depends on the objectives and requirements of the company. The following company types are particularly popular among foreign investors:

- Private limited company (GmbH)
- Public limited company (AG)
- Branch

More information on the legal forms and a table presenting an overview of the most important key data can be found in the Handbook for Investors, Chapter 5 - Company Foundation and Corporate Management.

www.s-ge.com/handbookforinvestors
Handbook for Investors

www.kmu.admin.ch > Practical knowledge > Setting up an SME
> Starting your own business > Choosing a legal structure
Choosing the ideal legal form

CHOICE OF LOCATION

A domicile address is required for establishing a company. If the location is yet to be defined, one can also register the company under the name of the appointed legal attorney or notary.

Tax rates vary depending on the location and can be between 11,35–17% for companies, depending on in which canton said company is located.

www.s-ge.com/cantons
Cantonal economic development agencies for selecting a location

www.s-ge.com/realstate
Ideal rented rooms or properties

www.s-ge.com/corporate-taxation
Factsheet Unternehmensbesteuerung

There are numerous technology parks and business incubators in Switzerland that offer startup companies premises (at a discount) on which to get started - joint infrastructure and expert support play a deciding role in choosing a location. An overview is provided in the Handbook for Investors, Chapter 14 - Investment Promotion.

www.swissparks.ch
Association of Swiss Technology Parks and Business Incubators

www.s-ge.com/handbookforinvestors
Handbook for Investors

BEFORE THE COMPANY IS FOUNDED

Business plan: This plan can be used as a basis for starting a business. It must demonstrate how the business concept can be realized and contain statements regarding the strategy, market situation, planned measures and financial requirements.

www.kmu.admin.ch > Practical knowledge -> Setting up an SME -> Starting your own business > First step > A well-planned start-up > Business plan
Business plan guidelines

Market analysis and market research: Another important element of the business plan is the analysis of the potential market. One can access a number of service providers who specialize in conducting market analyses and research and determine how well a product might be received on the market.

www.vsms-asms.ch
Swiss Market and Social Research Association

Nomination of institutions and the definition of articles of association: The articles of association for public and private limited companies must contain information on their legal form, objective, head office location, share capital and contributions from shareholders.

Permits: It is necessary to clarify whether a permit must be obtained for a particular activity and whether other statutory requirements must be met at municipal, cantonal or federal level.

www.bewilligungen.admin.ch
Portal for permits and regulated professions in Switzerland

ASSIGNING A NAME

Regix can be used to check whether the name requested for a company has already been taken or not. It is also advised to commission an investigation with the Swiss Federal Commercial Registry Office before setting up a new business or changing a company name. Public and private limited companies must be stated by name, should these company forms be decided upon. Names of sole proprietorship companies must contain the surname of the founder.

www.regix.ch
Tool for clarifying already assigned names

www.zefix.ch
Central Business Name Index

Domain: It is advisable to check the availability of relevant domains as early as possible and to register these domains. The SWITCH foundation assigns and manages all domain names belonging to the “.ch” suffix, on behalf of the Federal Office of Communications.

www.nic.ch
SWITCH Internet Domains

Brand protection: Inventions can be patented by the Swiss Federal Institute for Intellectual Property IPI - brands and designs are also registered and protected. If the brand needs to be protected on an international level, this falls under the responsibility of the World Intellectual Property Organization WIPO.

www.ige.ch
Swiss Federal Institute for Intellectual Property (IPI)

www.wipo.int
World Intellectual Property Organization (WIPO)

OPENING AN ACCOUNT

A company's share capital must be paid into a Swiss bank account. The bank will subsequently issue proof of capital, which is required for the creation of a company. Cost: 150 - 400 Swiss francs.

www.swissbanking.org > Topics > Information for bank clients
FAQ on the subject of account opening

ENTRY IN THE COMMERCIAL REGISTER

A written application must be submitted, with certified signatures, for entry in the commercial register. The guidelines for the entry procedure are outlined in the Swiss Code of Obligations (OR), as well as in the Commercial Register Ordinance. This information is made available to the public.

www.shab.ch
Swiss Official Gazette of Commerce SOGC

Certification, in addition to authorized signatures, are required for entry in the commercial register. This procedure serves to definitively prove the identity of the signatory. The signatures are generally certified by notaries, commercial registry offices and, in some cases, by city and municipal authorities.

www.schweizernotare.ch
Swiss Notary Association

www.sav-fsa.ch
Swiss Bar Association

Auditing processes are mandatory for certain legal forms, such as public limited and private limited companies.

www.expertsuisse.ch
Auditor and tax experts

www.treuhandsuisse.ch
Swiss Trustee Association

FURTHER STEPS AND OBLIGATIONS

Value-added tax: Whether, and to what extent, a company is obligated to pay value-added tax is dependent on a number of different factors. Value-added tax is generally payable on annual turnover generated in Switzerland in excess of 100,000 Swiss francs.

www.estv.admin.ch > Value-Added Tax Radio and TV fee > Services VAT
Value-Added Tax (VAT)

www.s-ge.com/vat
Value-Added Tax

Accounting obligation: When registering as a public or private limited company, the company is required to arrange for book-keeping services. The associated costs can be recorded on the date the company was founded. During the span of two consecutive years, if a public or private limited company exceeds certain thresholds relating to balance sheet totals, revenues and full-time positions offered, a regular audit is required by law. In all other cases, a limited audit applies, unless the company consists of fewer than ten full-time employees and all shareholders vote against an audit.

Insurance obligations AHV/IV/EO: The pension system in Switzerland (AHV) ensures the basic needs of the elderly and surviving dependents. The disability insurance (IV) is intended for the financial consequences of disability. The federal law on income compensation (EO) partly compensates for the loss of income while engaging in military, civil protection or civil service. These insurance policies are financed by employee and employer contributions and by state contributions.

www.ahv-iv.ch
AHV/IV

www.bsv.admin.ch
Federal Social Insurance Office

www.kmu.admin.ch > Practical knowledge > Personnel > Personnel management > The employer's obligations > Social insurance
Social insurance

Compensation funds: They recover AHV/IV contributions from employers and insured persons and then pay out the pensions due.

www.ausgleichskasse.ch
Overview of cantonal compensation funds in Switzerland

Professional pension (BVG): The aim of the professional pension, along with the AHV/IV, is to ensure that the employee's standard of living can be maintained following retirement. The professional pension is managed by pension funds and financed by contributions from the employee and employer, with the employer contributing at least 50%.

Accident insurance (UVG): Accident insurance is obligatory in Switzerland and is usually covered by the services of the Swiss accident insurance institution (SUVA). Supplemental health insurance policies (e.g. per diem sickness indemnity) and business insurance policies are, however, voluntary in most industries.

www.suva.ch
Accident insurance

Business insurance policies: A company can, in principle, decide for itself which risks it would like to hedge. However, depending on in which industry it operates, it is worth clarifying which risks it is reasonable to take out insurance against.

Business liability insurance: Business liability insurance covers damage which could potentially harm the business owner and his/her deputy or employees of third parties. It is not mandatory to conclude this type of insurance policy, but it is highly recommended.

www.kmu.admin.ch > Practical knowledge > Setting up an SME
> Starting your own business > Insurance
Insurance

COSTS OF FORMING A COMPANY

The costs for forming a stock corporation (for a limited liability company the fees and consulting costs are slightly lower) comprise various fees.

Costs of forming a company

all amounts in CHF are approximate

Stock corporation (AG)

Share capital	100,000+
Consultancy	1,000 – 4,000
Startup	800 – 2,500
Trade register fees	600
Issue tax	1% for capital of more than 1,000,000

Limited liability company (GmbH)

Share capital	20,000+
Consultancy	600 – 2,000
Startup	700 – 2,000
Trade register fees	600
Issue tax	1% for capital of more than 1,000,000

Source: EasyGov.swiss, 2018

CURRENT DEVELOPMENTS

On 19 May 2019, the Swiss electorate adopted the Federal Law on Tax Reform and AHV Financing (TRAF) with a majority of 66.4%. The adoption of the TRAF means that **Swiss tax system has been modernized** and now offers companies an attractive tax environment in line with internationally established tax practices (see factsheet “Corporate Taxation” at www.s-ge.com/corporate-taxation)

In November 2017, SECO launched **EasyGov**, its online portal to facilitate those administrative procedures which are mandatory for businesses. Sole proprietorships and general or joint partnerships can be set up online and registered with the trade register. This service is partially available for corporations and limited liability companies.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

State Secretariat for Economic Affairs SECO
www.seco.admin.ch

Federal Tax Administration
www.estv.admin.ch

SME portal of the Federal government
www.kmu.admin.ch

Online counter for efficient company founding
www.easygov.swiss

Associations and networks

Startup portal
www.startups.ch

Foundation platform
Canton of Zurich
www.gruenden.ch

Company foundation
Greater Geneva Bern Area
www.ggba-switzerland.ch

Company foundation
BaselArea.swiss
www.baselarea.swiss

Association of Swiss technology parks and startup incubators
www.swissparks.ch

Swiss Bar Association
www.sav-fsa.ch

Swiss certified auditors and tax and fiduciary experts
www.expertsuisse.ch

Swiss Institute of Certified Accountants and Tax Consultants
www.treuhandsuisse.ch

Publications

UBS resources for company foundation
www.ubs.com

PWC Startup Portal
www.ifj.ch/pwc

S-GE resources

Handbook for Investors
www.s-ge.com/handbookforinvestors

More fact sheets on Switzerland as a business location
www.s-ge.com/factsheets

WE OFFER FREE CONSULTATION

Are you expanding in Europe and considering Switzerland as a business location for your company? Here, you can get free advice and support throughout the entire settlement process: We will connect you unbureaucratically with the cantonal business promotion agencies and provide you with expert contacts for matters such as taxes, real estate, etc.

Get in touch with us: www.s-ge.com/invest