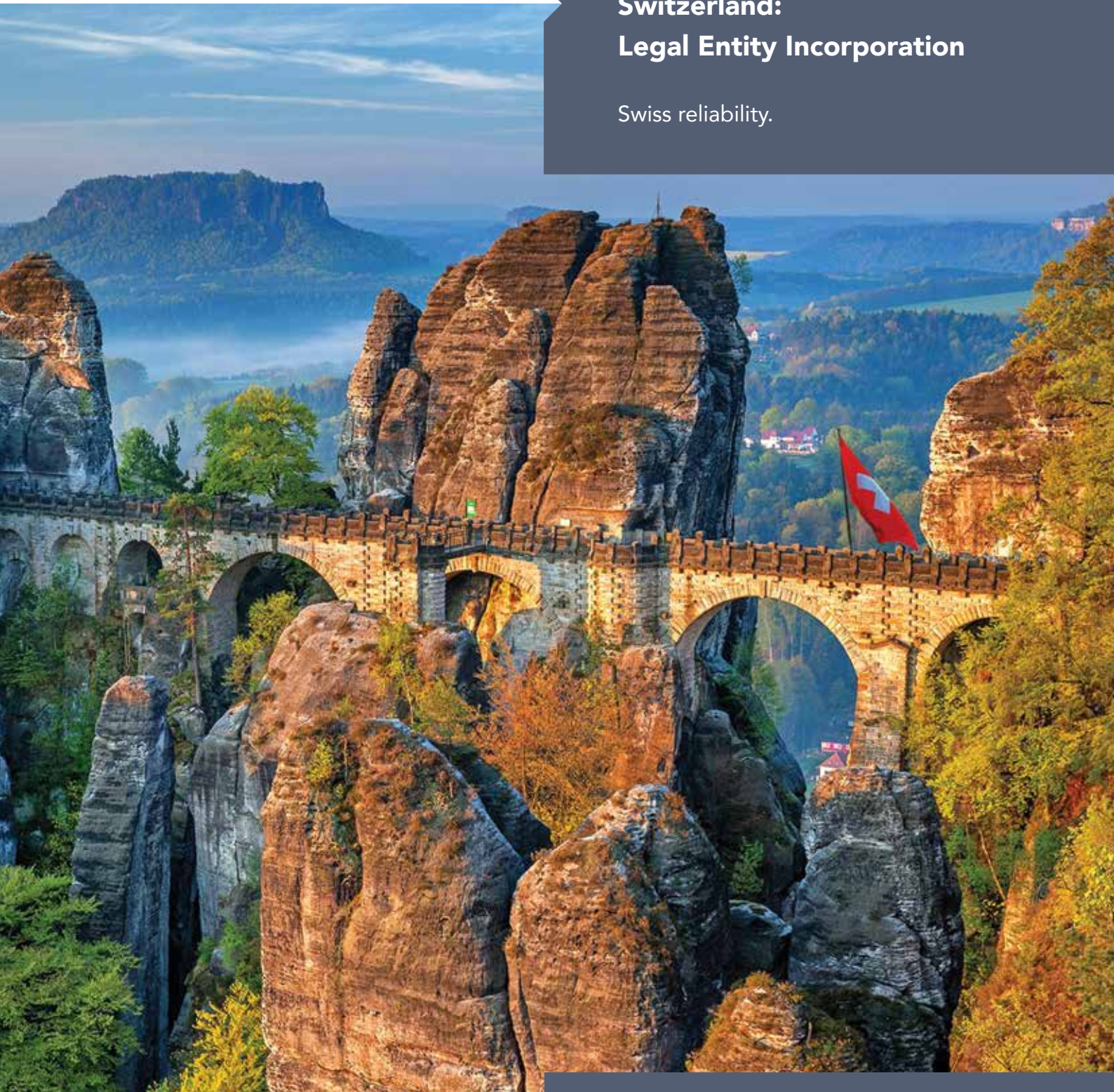




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Switzerland: Legal Entity Incorporation

Swiss reliability.





Switzerland

Located in the heart of Europe, gifted with a low corporate tax regime and a steady and reliable economy, Switzerland offers the ideal conditions for foreign investors who wish to establish a reliable and tax-effective presence.

The government favours foreign investments through a series of financial incentives - and the attention to confidentiality combined with an ideal fiscal climate make Switzerland a location particularly appealing not only for carrying on ordinary business activities - but for more sophisticated tax planning operations.

The Swiss legal framework has also evolved since 2008 to make it easy for foreign companies to incorporate in Switzerland. A company's board of directors is now open to any foreign participant and joint-stock companies and LLCs can be registered by a sole founder.

Switzerland offers a wide range of business structures - the most common forms being the Joint-Stock Company (AG, SA) and the Limited Liability Company (GmbH, Sarl). Joint-Stock companies prove to be a particularly advantageous option, as the possibility to issue bearer shares ensure full anonymity to the shareholder.

Foreign entities also have the choice to open a branch office - a form which benefits from relative organizational autonomy and fiscal exemptions.

Goldblum and Partners ensure a strong understanding of the Swiss business and legal environment combined with specialist tax expertise. We are able to provide thorough, expert assistance to your company in Switzerland, managing the incorporation procedure, selecting the best fiscal arrangement, providing complete tax and accounting services and efficient debt collection services.

Our offices are located in Zug — Europe's last tax oasis — and in Switzerland's financial capital, Zurich.

Public limited company - (AG/SA)

Purpose	Commercial or non-commercial activity
Name	Any name except those already listed in the Swiss trade register. The legal form must be specified.
Minimum Capital	CHF 100,000, with a minimum deposit of CHF 50,000
Founders	At least one physical person or a legal entity, either Swiss or foreigner
Governing bodies	General meeting of shareholders Board of Directors - of which at least one domiciled in Switzerland
Liability for the company debts	The company is exclusively liable
Obligation to keep accounts	Yes
Shares	Minimum value of each share must be CHF 0.01 - 20% of each share must be paid in, totalling at least CHF 50,000
Transfer of shares	Possible without the consent of other shareholders, unless differently specified in the Articles of Association
Audit	Regular audit is required only when some economical thresholds concerning balance, sales and number of employees are reached. Limited audit is required for companies with more than 10 employees
Advantages	Limited liability, possibility to transfer shares easily
Disadvantages	Minimum capital requirements, double taxation on company income and dividends

Limited liability company (GmbH or Sarl)

Purpose	Commercial activity only
Name	Any name except those already listed in the Swiss trade register. The legal form must be specified.
Minimum Capital	CHF 20,000, fully paid in
Founders	At least one physical person or a legal entity, either Swiss or foreigner
Governing bodies	Company meeting Managing Directors - of which at least one domiciled in Switzerland
Liability for the company debts	The company is exclusively liable
Obligation to keep accounts	Yes
Shares	Minimum value of each share must be CHF 100
Transfer of shares	Required the consent in the Company meeting, unless differently specified in the Articles of Association
Audit	Regular audit is required only when some economical thresholds concerning balance, sales and number of employees are reached. Limited audit is required for companies with more than 10 employees
Advantages	Limited liability, low minimum capital requirements
Disadvantages	Transfer of shares not as easy as in the AG

Sole Proprietorship

Anyone can start a Sole Proprietorship in Switzerland. This is probably the simplest legal form for starting a business. There are no requirements with regard to the residence, however, registration in the Trade Register is necessary when the turnover exceeds CHF 100'000 per annum. Simple income and expenditure accounts are required, together with double bookkeeping only if the revenue is above CHF 100'000. Sole Proprietorship has low running costs and is not subject to double taxation.

It must be noted, however, that the sole proprietor is personally responsible for all the debts. The name of the proprietorship should contain the name of the owner. Although there are no residence requirements, a valid working permit for Switzerland is necessary.

General Partnership (Kollektivgesellschaft-SNC)

General Partnership can be registered by natural persons who wish to carry on a commercial activity. Partnerships must be registered in the Trade Register, however, no minimum capital is required. Although partnerships can act as a legal entity, acting in court and collecting debts, the owners are personally and collectively responsible for the debts. Taxation is also personal. Residence in Switzerland is not required and the partnership should indicate the name of one of the partners.

Limited Partnership (Kommanditgesellschaft-SCS)

This form is similar to the General Partnership - with the difference that not all founders are personally liable for the debts - the liability is limited to their investment in the partnership, with the exception of the general partner, who is personally and unrestrictedly liable. The limited partnership has the advantage, over the general partnership, to be subject to the Collective Investment Schemes Act, making it easier to collect capital for the business.

Cooperative

The basic concept that underlay this legal form is obtaining a mutual advantage for all the members.

The cooperative requires at least seven members and three board executives. All the cooperative members enjoy fixed voting rights. There are no minimum capital requirements for establishing a cooperative. Cooperatives enjoy a fiscal privileged regime, although the distribution of dividends in this form is particularly complicated.

Association

This form is not ideal for ordinary business activity and it is more often exploited for charitable or social purposes. Associations do not have the obligation to register in the Trade Register unless they are meant to generate profits. They enjoy a favourable tax system in Switzerland, they do not need a minimum capital and their members are not personally responsible for the association's debts.

Foundation

The foundation is an asset which is allocated to a particular purpose, often of a charitable nature. A foundation can be created through particular formalities, by an act of notary or through a testament. Every foundation has to be registered at the Trade Register and it enjoys particularly favourable tax exemptions.

Branch Office

A branch office ensures a business presence in a new market. It is a geographically separated office which does not have legal personality as it is legally dependent on the main company. It is not necessary to keep separate accounting for a branch office, but the Branch representatives' names must be recorded at the Swiss Trade Register.

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