



Swiss Corporate Taxes

Swiss General Taxation Policy



Swiss residential corporations are generally taxed on their worldwide income, except for income which is derived from permanent establishments abroad. Such income is exempt from taxation in Switzerland.

The Swiss Confederation consists of three taxations levels:

- Cantonal Taxation - 26 sovereign cantons
- Communities Taxation - 2'800 independent communities
- Federal Taxation - Flat rate of 7,83% (Effective tax rate) of net profit

Swiss General Taxation Policy



Unlimited liability: Headquarters located in Switzerland with its total revenue (profit) and property (capital).

Limited liability: Corporations non-resident with a head or actual lies abroad

1. Tax exemption or partial for 10 years at:

Luzern, Glarus, Solothurn, Basel, Graubünden, Aargau, Ticino, Valais, Vaud, Neuchatel, Jura and Geneva with certain restrictions

2. Tax exemption or partial during 10 years at :

Bern, Schaffhausen

3. Only partial relief or tax relief for 10 years

Zurich, Uri, Schwyz, Obwalden, Nidwalden, Zug, Basel, Appenzell, St. Gallen, Thurgau

Different Taxes Levied on Company Activities



Income and capital taxes

The confederation collects an annual tax on companies' net earnings, whereas the canton and the commune where the company is situated collect annual taxes on net earnings and capital.

Federal withholding tax

This is a non periodical tax levied at source, notably on interest earnings, dividends and other earnings distributions, which can be wholly or partially recovered by the beneficiary.

Federal stamp tax (issuance tax)

This is a non periodical tax on the value of equity shares issued by corporations

Value Added Tax (VAT)

This is a tax on the added value of goods and service transactions

Swiss Tax System



Swiss taxes are much lower than those of our European neighbors (Both for companies and individuals). In comparison with the most countries of the EU and with the USA, where the tax is between 30% and 55% on net income, total taxes in Switzerland amount to approximately 17%, or 8% only if the corporation does not conduct any business in Switzerland. Furthermore, taxes themselves can be deducted from the income as an expense, which results in significantly lower effective tax rate, compared to most other countries where taxes are not deductible.

Negotiating Tax arrangements

We provide personalized assistance in registration with the Swiss tax authorities and finding a high qualified accountant to manage your bookkeeping in accordance with the internationally accepted standards.

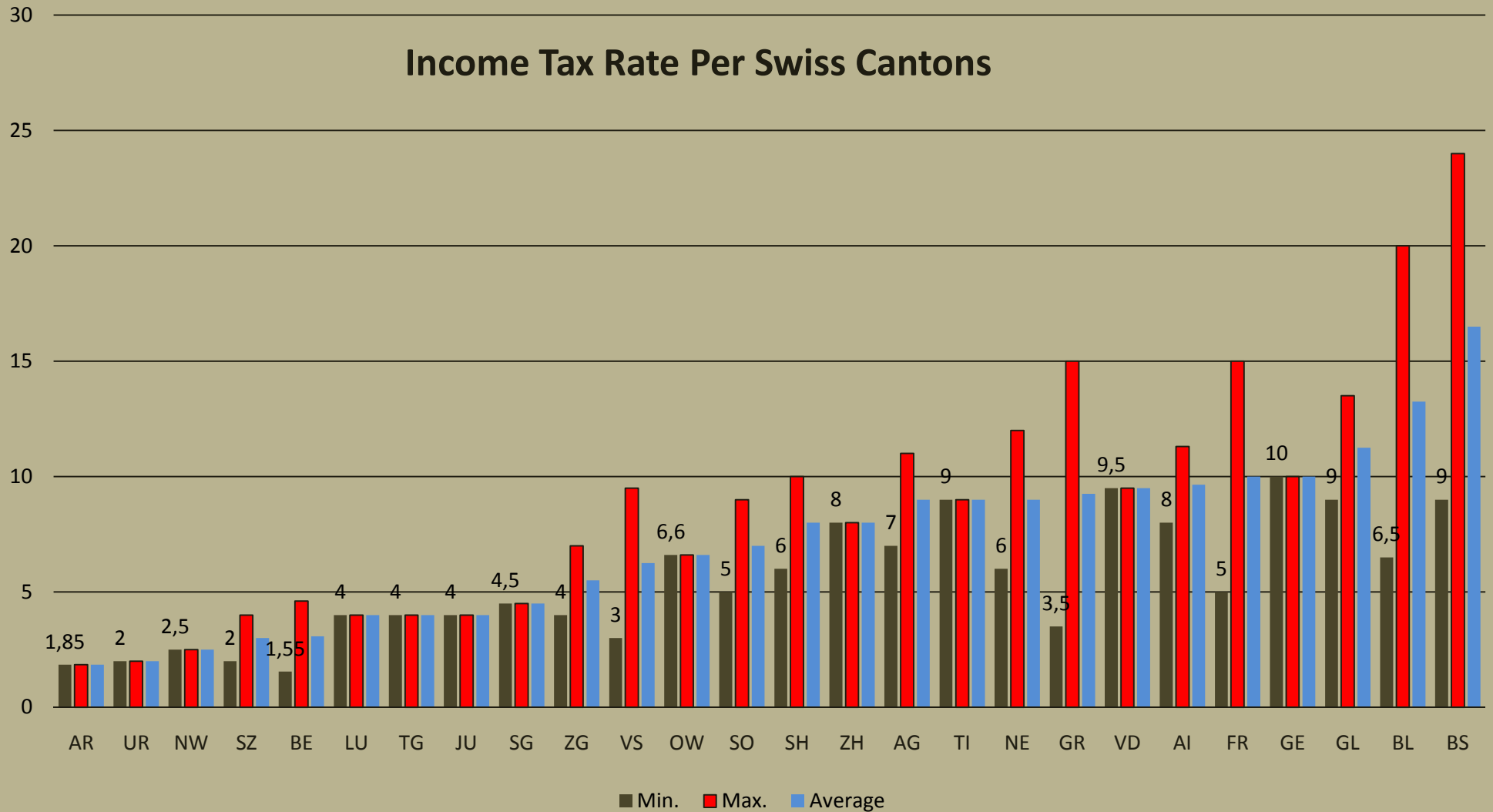
Social Coverage for employees

Switzerland is also very attractive if your corporation requires employees. The total social coverage do not exceed 15% including employment, pensions, insurances, etc.

Swiss Incorporation Tax Rate in 2008



Income Tax Rate Per Swiss Cantons

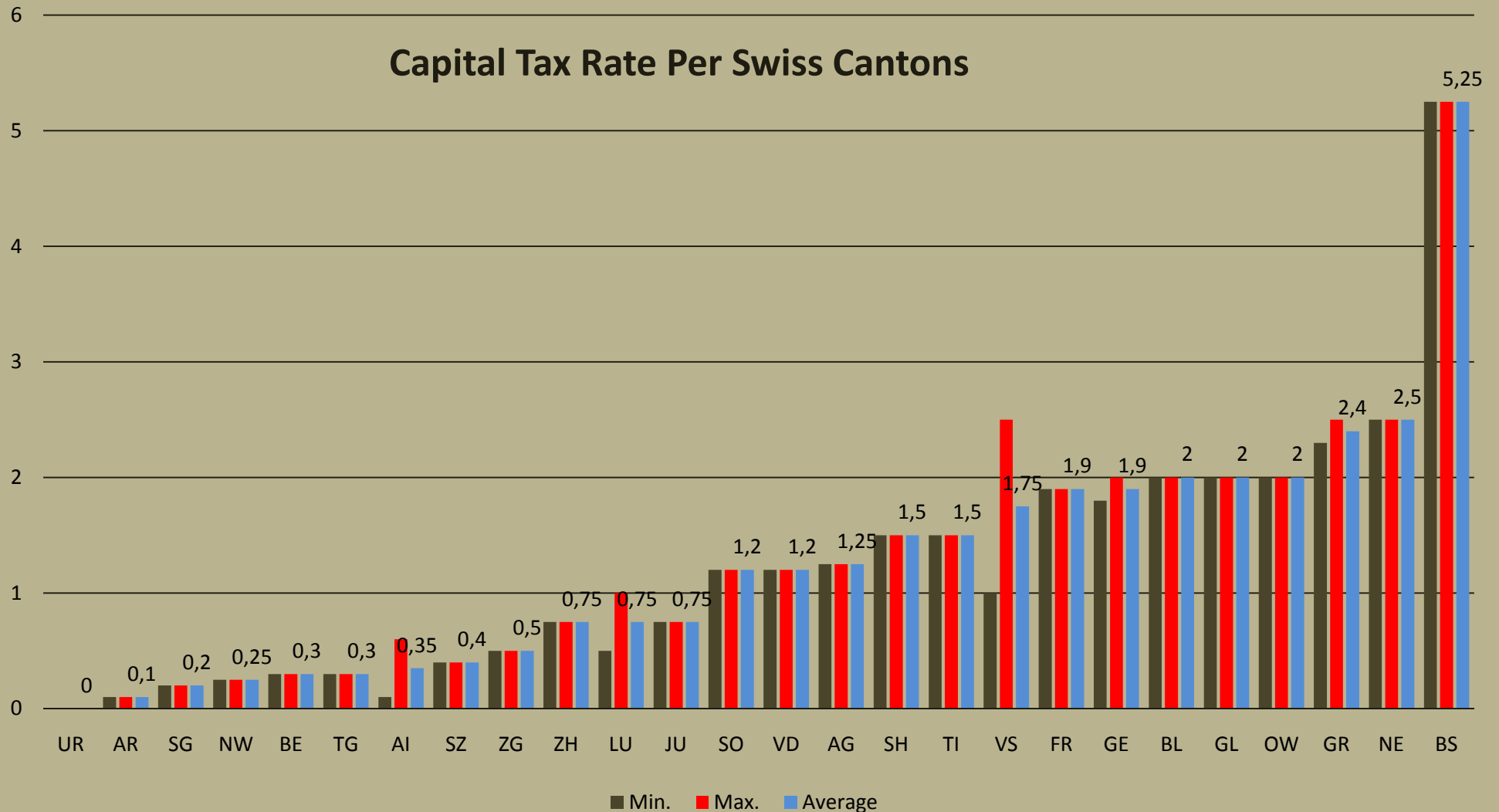


Source: Federal Taxation Dept Administration 2008

Swiss Incorporation Tax Rate in 2008

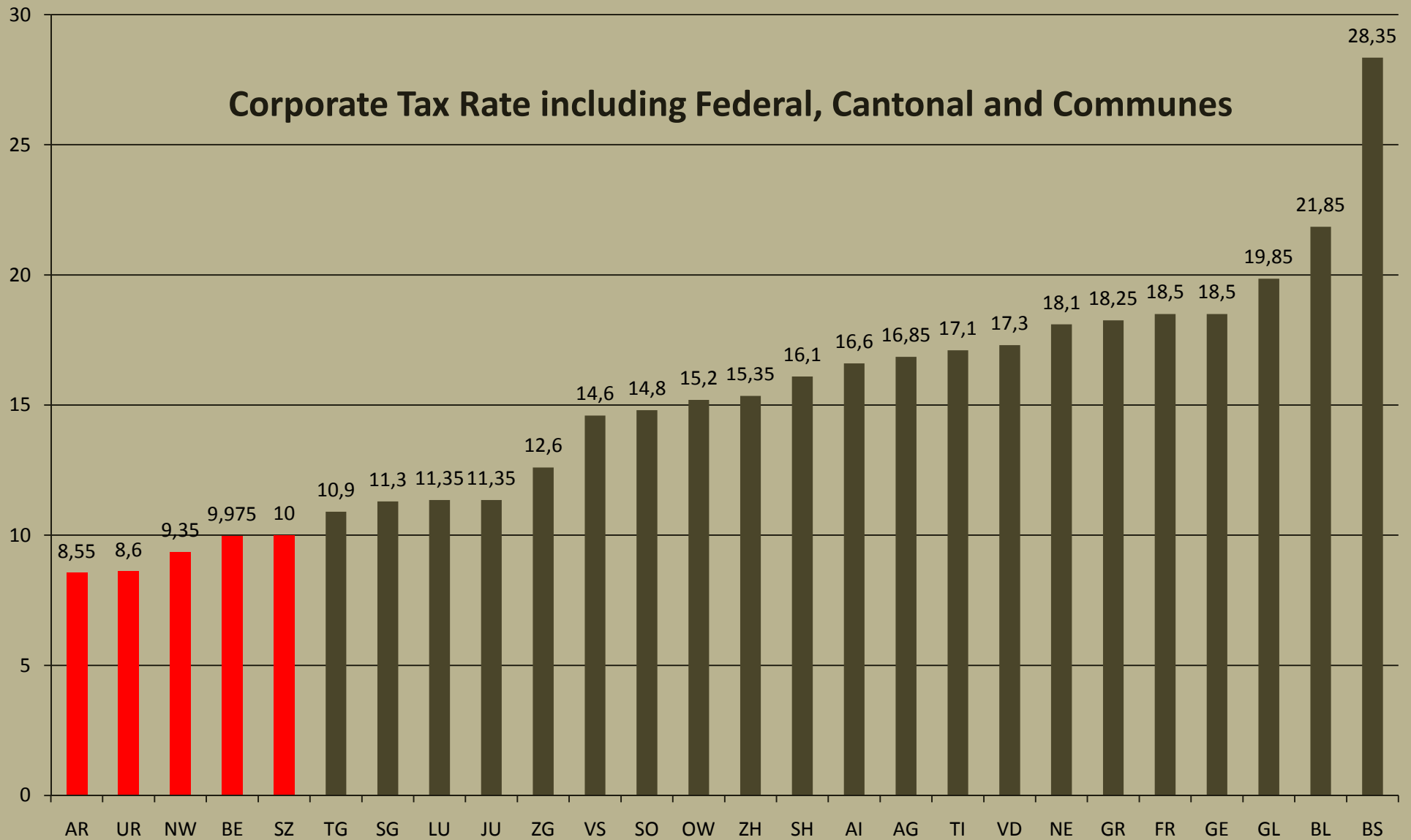


Capital Tax Rate Per Swiss Cantons



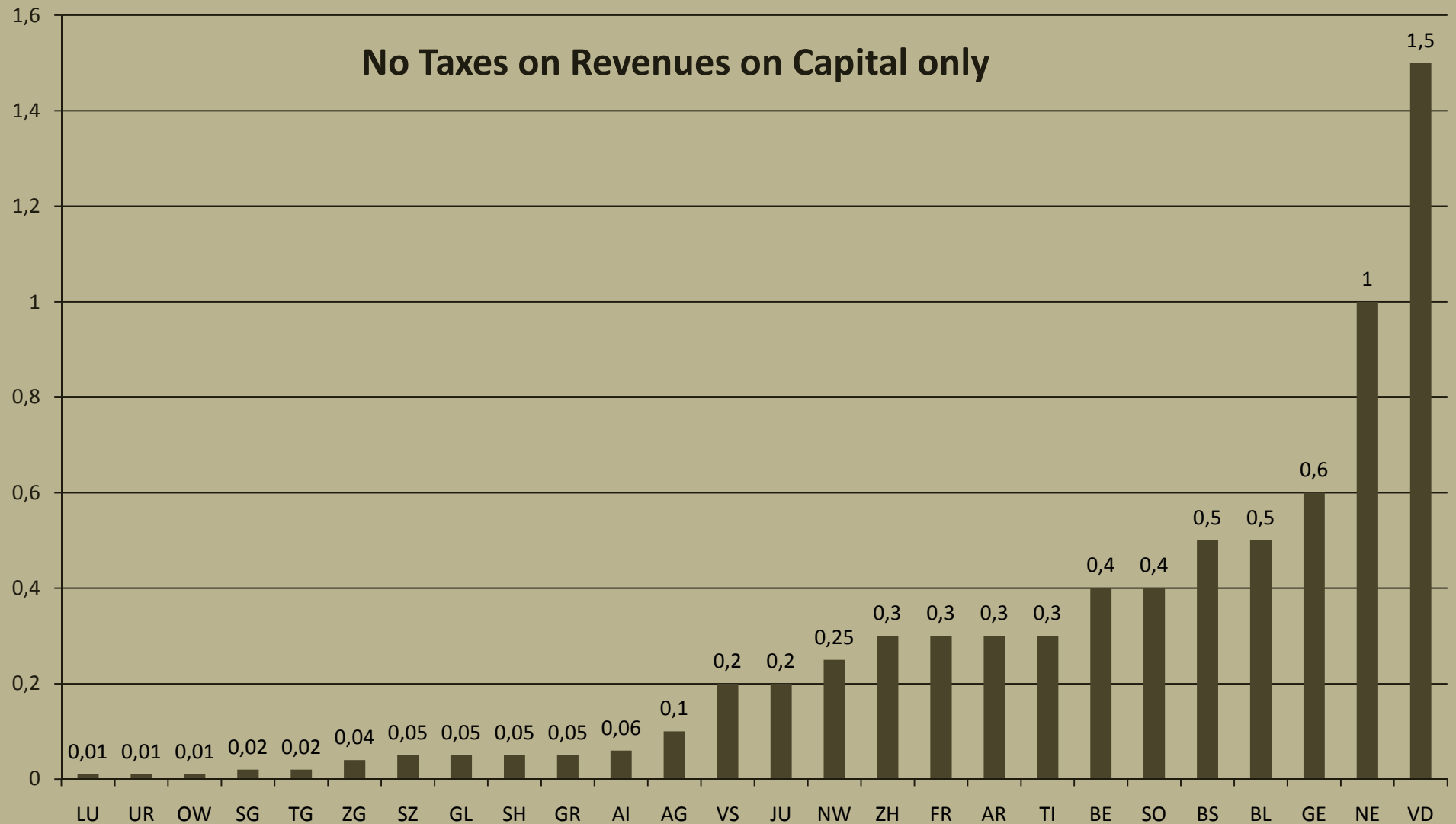
Source: Federal Taxation Dept Administration 2008

Swiss Incorporation Tax Rate in 2008



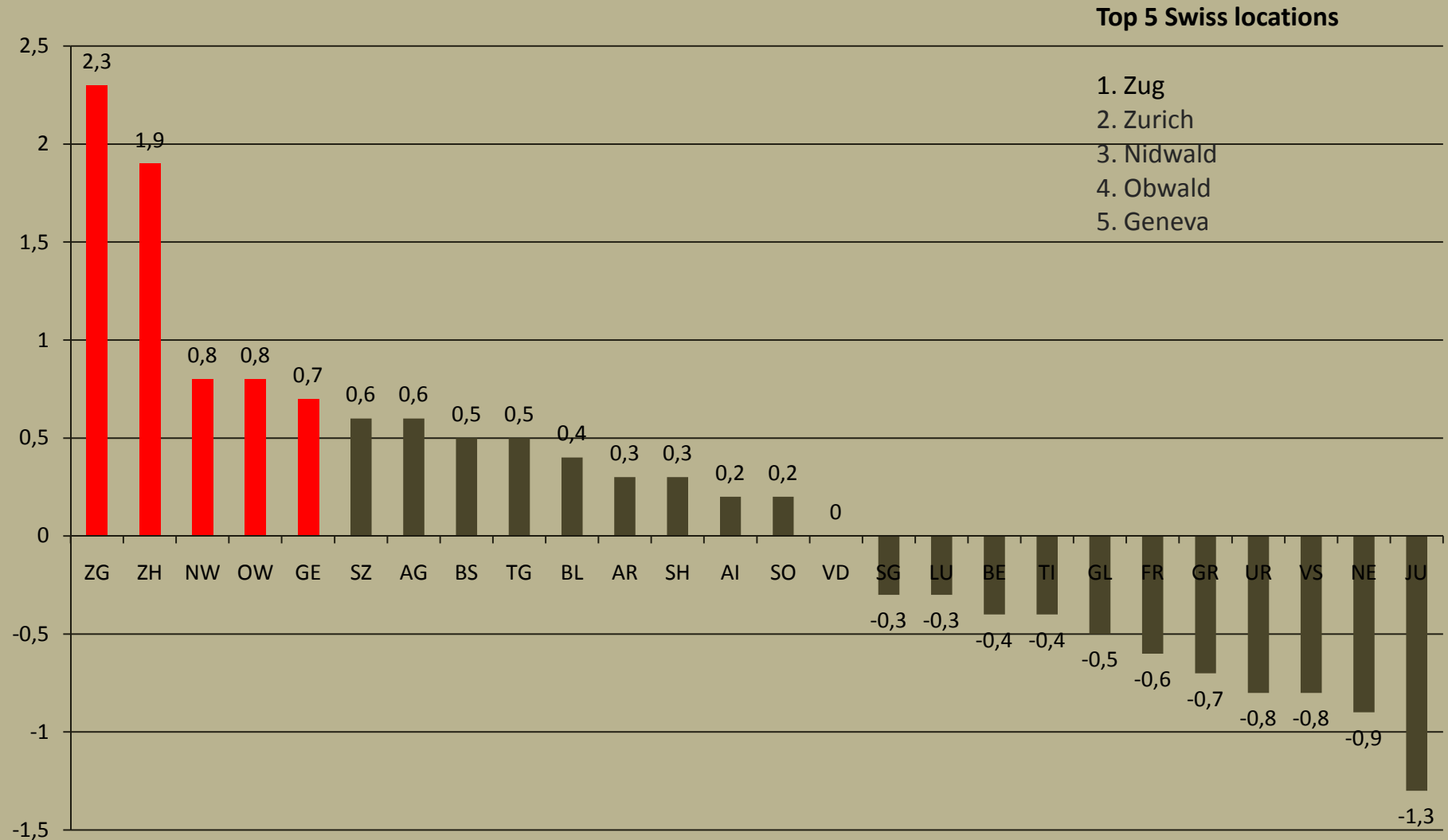
Source: Federal Taxation Dept Administration 2008

Holding Capital Tax Rate in 2008



Source: Federal Taxation Dept Administration 2008

Best Cantonal Locations For Companies in 2008



Source: Credit Suisse Survey 2008 – 1) Taxation Rate 2) Education 3) Infraestructure, Communication 4) Expertise

CONTACT

"If contact between people is based on trust and absolute integrity, then it is of benefit for both sides."

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