



Swiss Legal Structures



Types of Swiss Companies

Main Types of Swiss Companies

General	Stock Corporation	Limited Liability Company
Type of company	AG/SA	GmbH/Sàrl
Average timeframe to setup a new company	2-3 weeks	2-3 weeks
Corporate Requirements	Stock Corporation	Limited Liability Company
Standard Authorized share capital	100'000 CHF (approx. 62'000 €)	20'000 CHF (Approx. 12'000 €)
Bearer shares allowed?	Yes	No
Minimum of shareholders	1	1
Minimum of Directors	1	1
Taxation		
Corporate Tax Rate	Variable (approx. 8% up to 30%)	
Tax Exemptions	Special tax status may be negotiated for certain type of activity	

Main Types of Swiss Companies

Disclosure and reporting requirements	Stock Corporation	Limited Liability Company
Disclosure of beneficial Owner	NO	NO
Government register of Directors	YES	YES
Government register of Shareholders	NO	NO
Annual Report	YES	YES
Submission of accounts	NO	NO
Audit Required	<p>If 2/3 conditions are fulfilled for 2 consecutive years:</p> <ol style="list-style-type: none"> 1. >10Mio CHF total balance 2. >20Mio CHF turnover 3. Full time employees 	NO

Other Swiss Legal Structure

The 'Holding' Company is a Stock Corporation with a particular tax status. Holding companies benefit from reductions in corporate income tax and capital gains at federal and cantonal levels, and from a reduction in net worth tax at cantonal level.

For federal tax purposes a company is defined as a holding company if it holds either a minimum of 20% of the share capital of another corporate entity or if the value of its shareholding in the other corporate entity has a market value of at least 2m Swiss Francs (known as a "participating shareholding").

The reduction in the level of corporate income payable tax depends on the ratio of earnings from "participating shareholding" to total profit generated. Although the definition of a holding company varies among cantons, broadly speaking a corporate entity is a holding company for cantonal corporate income tax purposes so long as it either:

- Derives 51%-66% of its income from dividends remitted by the subsidiary; or
- Holds 51%-66% of the subsidiary's shares.

Other Swiss Legal Structure



Switzerland The Domiciliary Company

Domiciliary Companies are Stock Corporations that are both foreign-controlled and managed from abroad, have a registered office in Switzerland (i.e. at a lawyer's premises) but have neither a physical presence nor staff in Switzerland. They must carry out most if not all of their business abroad and receive only foreign source income. The use of domiciliary companies can result in savings in corporate income tax levied on income and capital gains and net worth tax.

Switzerland The Auxiliary Company

An Auxiliary Company is essentially a Domiciliary Company which in addition may carry out a certain proportion of its business in Switzerland. Auxiliary Companies are possible in only seven cantons, and do not benefit at federal level. Treatment varies according to canton, but in most cases an auxiliary company may have Swiss offices and staff and be in receipt of Swiss income (which is taxed at normal rates). Most income though must be from a foreign source.

Other Swiss Legal Structure



Switzerland The Mixed Company

Mixed Companies are Stock Corporations which have the characteristics of both domiciliary companies and holding companies but which do not qualify as either. There is no benefit at federal level, but at cantonal and municipal level there are corporate income tax benefits if the mixed company meets the following conditions: the company is foreign controlled; a minimum of 80% of its total income comes from foreign sources; the company has close relationships to foreign entities.

Switzerland The Branch

Branch offices, whether of foreign companies, or of Swiss companies in other cantons, must be registered in the Commercial Registry of the canton in which they are located. The branch must have a nominated, Swiss-resident representative. Branches need not publish their annual financial statements, but branches of foreign corporations constitute 'permanent establishments' from a tax point of view, and will therefore be taxed on local source income both at federal and at cantonal level as if they were resident corporations. There is no withholding tax on transfers of branch profits to its foreign parent.



Swiss Foundation Procedure

Incorporation Requirements



Preliminary Tasks

STEPS	DESCRIPTION
STEP 1	Determine the company name and address
STEP 2	Request Federal Commercial Registry Office that your company name is unique
STEP 3	Apply at the Commercial Register office in your canton, defining the scope of your business
STEP 4	Appoint founder(s)
STEP 5	Draft Articles of Association, which should describe not only the purpose and mission of your company, but also should define share issues, voting rights, restrictions, and other rules
STEP 6	Open a capital deposit account at a registered Swiss bank
STEP 7	Elect a Board of Directors
STEP 8	Appoint accountants and auditors (AG/SA: mandatory)
STEP 9	Domicile Acceptance Statement

Incorporation Requirements



A formation meeting must be attended by Swiss Notary

DOCUMENTS	DESCRIPTION
DOCUMENT 1	Identification of the company's founder(s) must be confirmed. Passports are acceptable proof of identity
DOCUMENT 2	Any authorized representatives of the company must present authenticated Power of Attorney agreements
DOCUMENT 3	Identification of these representatives must be confirmed. Passports are acceptable proof of identity.
DOCUMENT 4	Articles of Association are read aloud by founders, representatives or the notary. The Articles of Association should describe not only the purpose and mission of your company, but also should define share issues, voting rights, restrictions, and other rules. # Requisition Act # Constitutive # Declaration I & II # Declaration – Opting Out # Status

Incorporation Requirements

Commercial register meeting - The following documents must be presented

DOCUMENTS	DESCRIPTION
DOCUMENT 1	Articles of Association and Public Deed - These must include the following information: <ol style="list-style-type: none">1. Company name address2. Company purpose3. Amount of share capital4. Contributions, types, number and nominal amount of shares5. Calling of shareholders meeting6. Voting rights of shareholders7. Organs8. Notices
DOCUMENT 2	Board of Directors' and auditors' acceptance letters
DOCUMENT 3	Minutes from Board of Directors' meeting - Minutes are necessary only if the Board of Directors was not established at the time.
DOCUMENT 4	Bank confirmation of the deposit of capital
DOCUMENT 5	Stampa Declaration - This declaration confirms that all the contributions listed in the formation meeting documents are complete and accurate, and represent the entirety of the contributions
DOCUMENT 6	Lex-Friedrich Declaration - If the company is comprised of founders or Board Directors not of Swiss origin, this declaration must be submitted

CONTACT

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

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