

Guide to Establishing and Managing a Swiss Company

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By **Christine Breitler**, 18th November 2024

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This article provides an overview of the essential steps involved in forming, operating, and, if necessary, dissolving a Swiss company.

Incorporating a Swiss Company

Choosing a Legal Structure

When establishing a business in Switzerland, entrepreneurs have several options:

- Sole Proprietor: Owned by one individual who is personally liable.
- Limited Liability Company (SARL/GmbH). Minimum share capital CHF 20,000 and partner(s) names are publicly disclosed.
- Limited Company (SA/AG). Minimum share capital CHF 100,000, with shareholder names kept private.

- Branch: An extension of a foreign company that adheres to Swiss regulations with no initial capital requirement.

Selecting the appropriate structure depends on factors such as business scale, liability preferences, and taxation.

Key Steps in Incorporation

Setting up a Swiss company generally involves:

1. Selecting and registering a unique business name.
1. Opening a Swiss transitory bank account to deposit share capital.
1. Preparing essential legal documentation.
1. Holding a founders' meeting with a public notary.
1. Registering the company with the commercial register and tax authorities.
1. Ensuring at least one director resides in Switzerland.

The entire process takes approximately three weeks.

Operational and Day to day Support

Accounting & Audit

Companies must maintain accurate financial records and comply with Swiss accounting standards. A statutory audit is required if specific thresholds are met, which are relatively high

Taxation

Corporate tax rates vary between 12% to 14% in most regions. Additional tax considerations include:

- Value Added Tax (VAT): Mandatory registration for businesses earning over CHF 100,000 annually.
- Dividend Withholding Tax: Eliminated or reduced between 5% and 15% for EU and treaty-based jurisdictions.
- Zero tax regime for capital gains and dividend income.

Employment Regulations

Swiss labour laws emphasise flexibility and protection. Employment contracts should be detailed, and foreign employees require work permits. Additionally, while there is no national minimum wage, certain regions implement wage regulations.

Administrative Services

For smooth day-to-day operations, comprehensive administrative support is available. This includes:

- Bookkeeping and Payroll Services
- Business Plan Development
- Management Accounts: Prepared monthly, quarterly, or annually, to aid strategic decision-making.
- Regulatory Compliance: Expertise in Swiss insurance, social security, VAT and anti-money laundering (AML) reporting.

Liquidation and Company Dissolution

If the time comes to dissolve a Swiss company, the process must be carefully managed. The steps include settling all liabilities, distributing remaining assets to shareholders, and deregistering from the commercial register. Proper management throughout the liquidation phase is important to ensure all legal and financial obligations are met.

Additional Information

If you require additional information relating to Swiss companies and the advantages they can offer, please speak to Christine Breitler at the Dixcart office in Switzerland: advice.switzerland@dixcart.com.