

Moving to Switzerland and Want to Work? The Benefits of Forming a Swiss Company

Relocating to Switzerland made easier: EU/EFTA nationals and non-EU/EFTA nationals can form a Swiss company and be employed by it.

By **Christine Breitler**, 24th May 2022

The procedure for relocating to Switzerland is made easier for both EU/EFTA nationals and non-EU/EFTA nationals, if the new resident forms a Swiss company and is employed by it.

If you are looking for a high quality of life in one of the world's most economically and politically stable countries, living in Switzerland could provide you with the ideal answer. Not only will you find yourself at a central hub for travel to over 200 international locations, but you will also have access to the beautiful scenery of the Alps and picturesque lakes.

There are two options for moving to Switzerland - but the main question is do you wish to work once you have moved?

This article explores the following:

1. [Why Switzerland?](#)
2. [Who Can Move to Switzerland?](#)
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1. Why Switzerland?

Switzerland is an attractive jurisdiction to start and operate a business, as a location for individuals and for family protection and safety.

Advantages include:

- Located in the centre of Europe.
- Economic and political stability.
- High regard for personal privacy and confidentiality.
- Most 'innovative' and "competitive" country in the world with various strong industries.
- A well-respected jurisdiction with an excellent reputation.
- A high quality and multilingual local workforce.
- Low rates of corporate tax for Swiss companies.
- Premier destination for international investment and asset protection.
- Major commodity trading centre in the world.
- Hub for HNWIs, international families and a wide variety of professionals including lawyers, family offices, bankers, accountants, insurance companies.

2. Who can Move to Switzerland?

- EU/EFTA nationals: enjoy priority access to the labour market. They can freely enter the country but will require a work permit. The individual will need to find a job and the employer must register the employment before the individual can actually start to work.
- Non-EU/EFTA nationals: are allowed to enter the Swiss labour market if they are appropriately qualified, for example managers, specialists, and those with higher educational qualifications. The employer needs to apply to the Swiss authorities for a work visa, while the employee applies for an entry visa from their home country. The work visa will allow the individual to live and work in Switzerland.

3. Forming or Investing in a Swiss Company and Becoming a Director or an Employee of the Company

The establishment of a Swiss company is one of the most popular routes for individuals relocating to Switzerland. This is because EU/EFTA and non-EU/EFTA nationals can form a Swiss company, be employed by it, reside in Switzerland, and benefit from the attractive tax regime.

Any foreign national can form a company and therefore potentially create jobs for Swiss nationals. The owner of the company is eligible for a residence permit in Switzerland, as long as he/she is employed by the company in a senior capacity.

4. What are the Criteria?

In principle, non-EU/EFTA nationals need to form a company which must:

- generate an annual minimum turnover of CHF 1 million, and
- create new jobs exploiting new technologies and/or the development of the region and contribute to the economic development of the country.

The company must produce a business plan detailing how the amount to be invested will generate a turnover of CHF 1million or more per annum, in the 'near' future. The business plan also needs to show that the company will achieve this turnover in a specified number of months, not necessarily in the first year, particularly if the company is a start-up.

The types of economic development objectives for the company, which are regarded positively in Switzerland, include: opening up new markets, securing export sales, establishing economically significant links abroad, and the creation of new tax revenue. Precise requirements vary by canton and more information can be provided on request.

Alternatively...

5. Investment in a Swiss Company

Alternatively, EU and non-EU/EFTA applicants can choose to invest in a company which is struggling to expand, as it lacks the necessary funding.

For non-EU/EFTA applicants this new funding should then enable the company to create jobs and assist the Swiss economy to expand. The investment must add economic value to a particular Swiss region.

6. Benefits of a Swiss Company – Tax and Residence

- **Taxation of Swiss Companies**

Swiss companies can enjoy a zero-tax rate for capital gains and dividend income, depending on the circumstances, and Trading companies are taxed as follows:

- The effective cantonal and federal corporate income tax rate (CIT) is between 12% and 14% in most cantons. The Geneva corporate tax rate is 13.99%.

Swiss Holding Companies benefit from a participation exemption and do not pay tax on profits or capital gains arising from qualifying participations. This means that a pure Holding Company is exempt from Swiss tax.

Withholding Tax (WHT)

- There is no WHT on dividend distributions to shareholders based in Switzerland and/or in the EU (due to the EU Parent/Subsidiary Directive).
- If shareholders are domiciled outside Switzerland and outside of the EU, and a double tax treaty applies, the final taxation on distributions is generally between 5% and 15%.

Double Tax Treaties

Switzerland has an extensive [double tax treaty network](#), with access to tax treaties with over 100 countries.

For more information about Swiss Companies, please read our article: [Formation of a Swiss Company](#).

- **Taxation of Individuals**

Each canton sets its own tax rates and generally imposes the following taxes: income, net wealth, real estate, inheritance, and gift tax. The specific tax rate varies by canton and is between 21% and 46%.

In Switzerland, the transfer of assets, on death, to a spouse, children and/or grandchildren is exempt from gift and inheritance tax, in most cantons.

Capital gains are generally tax free, except in the case of real estate. The sale of company shares is one of the assets, that is exempt from capital gains tax.

7. Living in Switzerland

Switzerland ranks among the top countries in the world in which to live due to its high quality of living and reputation as a centre of international trade and finance. It is one of the world's wealthiest countries and is also known for its impartiality and neutrality.

Switzerland is blessed with spectacular hiking and skiing trails, exclusive swimming spots in the many rivers and lakes, picturesque villages, Swiss festivals throughout the year, and, of course, the Swiss Alps which look spectacular during any season.

Switzerland offers an exceptionally high standard of living, first-rate health service, outstanding education system, and boasts a plethora of employment opportunities.

Switzerland is one of 26 countries in the 'Schengen' area and a Swiss residence permit will enable you to enjoy full Schengen travel rights. It is therefore ideally situated for ease of travel; one of the many reasons high-net-worth individuals choose to relocate here. Perfectly situated in the middle of Europe means moving around could not be easier, especially for individuals who regularly travel, internationally.

Although Switzerland has a variety of beautiful towns and alpine villages to live in, high-net-worth individuals are mainly drawn to a few specific cities. At a glance, these are Zürich, Geneva, Bern, and Lugano. Geneva and Zürich are the biggest cities due to their popularity as centres for international business and finance. Ticino is the third most popular canton, as it is located close to Italy and has a Mediterranean culture.

Additional Information

If you would like additional information regarding moving to Switzerland and forming a Swiss Company, please contact [Christine Breitler](#) at the [Dixcart office in Switzerland](#):
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