

## Practical Considerations for Establishing and Administering Swiss Entities

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By **Christine Breitler**, 20th April 2026

### Overview

Switzerland continues to offer a stable and well-established environment for international groups and entrepreneurial businesses seeking to establish a presence in Europe the Schengen Area. Its legal framework, combined with a competitive and predictable tax system, continues to make it an attractive jurisdiction.

While establishing a Swiss presence is generally straightforward, ensuring that it operates effectively over time depends on how the structure is organised and managed in practice.

### Establishing a Subsidiary or Branch in Switzerland

When expanding into Switzerland, foreign companies typically consider one of two primary options for establishing a local presence:

#### Option a- Swiss Subsidiary

The incorporation of a Swiss company creates a separate legal entity with its own rights and obligations. This structure offers:

- Clear separation from the foreign parent company
- Full integration into the Swiss legal and tax environment
- Flexibility in structuring local operations

This option requires the establishment of an appropriate local framework, covering governance, accounting, tax compliance, reporting, and ongoing corporate administration.

#### Option b- Swiss Branch

A Swiss branch operates as an extension of the foreign company and offers:

- A more direct route to market entry

- No separate legal personality
- Centralised control at head office level

Branches are often used where activities remain closely aligned with the parent company's operations or as an initial step into the Swiss market.

The decision between a subsidiary and a branch is rarely a purely technical one. It typically reflects a combination of strategic, operational and regulatory considerations, including:

- Allocation of functions, assets and risks within the group
- Degree of local decision-making autonomy and governance requirements
- Regulatory exposure and potential liability considerations
- Tax treatment, including transfer pricing, profit attribution and withholding tax implications
- Accounting and reporting constraints, both locally and at group level

### **Operating a Swiss Entity**

Once established, Swiss entities operate within a structured and formal legal framework which includes:

- **Corporate Governance:** Regular board and/or shareholder meetings, with properly documented resolutions
- **Accounting and Financial Reporting:** Maintenance of statutory accounts in accordance with the Swiss Code of Obligations
- **Audit Requirements:** Ordinary or limited audit depending on size thresholds (Articles 727 et seq. CO)
- **Tax Compliance:** Timely filing of corporate income tax, capital tax, and, where applicable, VAT returns
- **Regulatory Interactions:** Engagement with cantonal authorities, tax administrations, and commercial registries

In practice, challenges rarely arise from individual obligations. They most often stem from inconsistencies over time or misalignment between formal structures or day-to-day operations.

A Swiss entity operates within a fixed framework of deadlines, formal decisions, and regulatory interactions. Effective administration requires the organisation to operate with discipline within that framework.

### **A Practical and Coordinated Approach**

Establishing a presence in Switzerland is not only a matter of selecting the appropriate legal structure. It is equally about ensuring that the entity operates effectively within the Swiss legal and regulatory framework over time.

With the right organisation in place, Swiss entities (whether subsidiaries or branches) can operate efficiently and in alignment with group objectives. A coordinated administrative approach enhances consistency, reduces risk, and supports long-term stability.

## Get in Touch

At [Dixcart Switzerland](#), we combine local expertise with an international perspective to support clients in establishing and managing Swiss structures effectively.

If you would like to discuss your specific situation or require further information, please contact: [christine.breitler@dixcart.com](mailto:christine.breitler@dixcart.com).