



## Switzerland Fact Sheet

### GENERAL INFORMATION

Company type	Limited Company: Société Anonyme (SA) / Aktiengesellschaft (AG)	Private Limited Liability Company: Société à Responsabilité Limitée (SARL) / Gesellschaft mit beschränkter Haftung (GmbH)
Timeframe for company formation	10 days	10 days
Governing corporate legislation	The Canton's Register acts as a monitoring body.	The Canton's Register acts as a monitoring body.
Legal system	Civil Law	Civil Law
Corporate taxation	The current corporate tax rate in Geneva (Switzerland) is of 13.99% on profits following the enactment of Federal Act on Tax Reform and AHV Financing in 2019.	The current corporate tax rate in Geneva (Switzerland) is of 13.99% on profits following the enactment of Federal Act on Tax Reform and AHV Financing in 2019.
Accessibility of records	The names of the directors appear in the public register (available on the Internet). For an S.A.R.L. the names of associates are also published.	The names of the directors appear in the public register (available on the Internet). For an S.A.R.L. the names of associates are also published.
Time zone	GMT +1	GMT +1
Currency	Swiss franc (CHF)	Swiss franc (CHF)
	SA can be converted into a SARL company at any time	SARL can be converted into a SA company at any time

### SHARE CAPITAL

Standard currency	CHF	CHF
Standard authorised capital	CHF 100,000	CHF 20,000
Minimum paid up	CHF 50,000	CHF 20,000
Nominal value of shares	CHF 0.01 minimum (1 cent)	CHF 100 minimum
Transfer of shares	Simple share transfer or cession, but may be restricted by bylaws	Signature of sales contract of shares, recommended to be done before a Swiss Notary
Bearer shares	Not Authorised	Not Authorised

### SHAREHOLDERS, DIRECTORS, AND COMPANY OFFICERS

Minimum number of Shareholders	1	1
Shareholder Liability	Limited to share capital	Limited to shares
Minimum number of Directors	1	1
Locally-based requirement	Yes, 1 Director must be a Swiss resident. SFM can offer nominee director services to meet this requirement.	Yes, 1 Director must be a Swiss resident. SFM can offer nominee director services to meet this requirement.
Requirement to appoint Company Secretary	No	No

### ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	A Swiss company must prepare accounting statements every year and accordingly to the laws	A Swiss company must prepare accounting statements every year and accordingly to the laws
Requirement to appoint auditor	Optional, if the company does not want to be audited it must apply for "opting out"	Optional, if the company does not want to be audited it must apply for "opting out"
Requirement to file accounts	Yes	Yes
Accessibility of accounts	Yes	Yes
Requirement to file annual return	Yes	Yes

### DOCUMENT REQUIREMENTS

Notarised copy of valid passport
Original or notarised proof of address (issued within the last 3 months)
CV
Business plan

### INCORPORATION FEES

Initial set-up and first year	EUR 6000
Per year from second year	EUR 4200

## GOOD TO KNOW

Switzerland is a founding member of the European Free Trade Association, but notably it is not part of the European Union, nor the European Economic Area. However, the country does participate in the Schengen Area and the EU's single market through a number of bilateral treaties.



## JURISDICTION INFORMATION

Switzerland, officially the Swiss Confederation, is a landlocked country in Western Central Europe bordered by Italy to the south, France to the west, Germany to the north, and Austria and Liechtenstein to the east. While still named the "Swiss Confederation" for historical reasons, modern Switzerland is a federal directorial republic consisting of 26 cantons, with the capital city Bern as the seat of the federal authorities. The country has a long history of armed neutrality — it has not been in a state of war internationally since 1815 — and did not join the United Nations until 2002. In addition to being the birthplace of the Red Cross, Switzerland is home to numerous international organisations, including the second largest UN office, as well as many large multinational corporations. Switzerland ranks top or close to the top in several metrics of national performance, including government transparency, civil liberties, quality of life, economic competitiveness, and human development.

## POLITICAL STRUCTURE

The politics of Switzerland take place in the framework of a multi-party federal directorial democratic republic, whereby the Federal Council of Switzerland — a seven-member executive council — is the collective head of government and head of state. Executive power is exercised by the government and the federal administration and is not concentrated in any one person. Federal legislative power is vested in both the government and the two chambers of the Federal Assembly of Switzerland. The judiciary is independent of the executive and the legislature. Switzerland is the closest state in the world to a direct democracy. For any change in the constitution, a referendum is mandatory (mandatory referendum); for any change in a law, a referendum can be requested (optional referendum). Through referenda, citizens may challenge any law voted by federal parliament and through federal popular initiative introduce amendments to the federal constitution. The same system is used for the three administrative levels: municipality, canton, and federal state.

## ECONOMY

Switzerland has a stable, prosperous, and high-tech economy that enjoys great wealth. In 2011, it was ranked as the wealthiest country in the world in per capita terms (with "wealth" being defined to include both financial and non-financial assets), while the 2013 Credit Suisse Global Wealth Report showed that Switzerland was the country with the highest average wealth per adult in 2013. If adjusted for purchasing power parity, Switzerland ranks 8th in the world in terms of GDP per capita, according to the World Bank and IMF. It is also the 20th largest exporter, despite its small size. The World Economic Forum's Global Competitiveness Report currently ranks Switzerland's economy as the most competitive in the world, while ranked by the European Union as Europe's most innovative country. Switzerland's most important economic sector is manufacturing, consisting largely of the production of specialist chemicals, health and pharmaceutical goods, scientific and precision measuring instruments, and musical instruments. The country's largest exported goods are chemicals (34% of exported goods), machines/electronics (20.9%), and precision instruments/watches (16.9%). The service sector — especially banking and insurance, tourism, and international organisations — is another important industry for Switzerland, with exported services amounting to a third of the country's exports.

## POPULATION

Switzerland has a population of approximately 8,236,600 as of 2014, 6,238,400 (75.7%) of whom are Swiss nationals, while 1,998,200 (24.3%) are resident foreigners. Most of these (64%) are from European Union or EFTA countries with Italians being the largest single group of foreigners accounting for 15.6% of the total foreign population. They are closely followed by immigrants from Germany (15.2%), Portugal (12.7%), France (5.6%), Serbia (5.3%), Turkey (3.8%), Spain (3.7%), Austria (2%), Bosnia and Herzegovina, and Croatia. From other continents; 122,941 residents are from Asia; 83,873 are from Africa; 78,433 are from the Americas; and 4,145 are from Oceania.

## LANGUAGE

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Switzerland has four official languages: principally German (63.5% total population share) in the eastern, northern and central German region (Deutschschweiz); French (22.5%) in the western French part (la Romandie); Italian (8.1%) in the southern Italian area (Svizzera italiana); and Romansh (0.5%) in the south-eastern trilingual canton of Graubünden. The federal government is obliged to communicate in the official languages, and in the federal parliament simultaneous translation is provided from and into German, French, and Italian.

## TAXATION

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If the company generates more than half of its revenue abroad, the tax rate in Switzerland will be close to 8.5%. In order to benefit from this rate, a special application has to be made to the tax authorities. Otherwise companies registered in Switzerland that derive the bulk of their revenue from Switzerland are subject three types of tax, which comprehensively range from 11.9% to 21.6%.

The types of taxes include:

- Cantonal and municipal taxes on capital: 1.8 per thousand if the company derives profit and 2 per thousand if it does not derive profit. Cantonal and municipal “additional surcharges” are added to this tax base. These surcharges may also be expressed as a percentage. However, if the company was founded between 2008 and 2011, it will not be subjected to these additional surcharges.
- Direct federal tax on profit: The tax rate on company earnings is 8.5% on the net income. In accordance with the practice of the Federal Tax Authority, taxable profit is always rounded off to the lowest hundred francs in the determination of tax.

## VALUE-ADDED TAX (VAT)

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A Swiss VAT number can be obtained upon application and is compulsory from a turnover of CHF 100,000. The Swiss VAT rate is 7.7%.

## DOUBLE TAXATION AGREEMENTS

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Switzerland has signed 53 Double Taxation Agreements in accordance with the international standard, of which 46 are in force, and 10 Tax Information Exchange Agreements, of which 7 are in force as of November 2015.

## COMPANY FORMATION INFORMATION

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### INCORPORATION PROCEDURE

Upon receipt of the client’s KYC documents (passport copy and proof of address issued within the last 3 months) and description of the intended business activity, our legal department will proceed with their due diligence checks. SFM will then coordinate with the client to proceed with the opening of a Swiss escrow account, which will need to be funded to proceed with the incorporation of the Société Anonyme (SA) or Société à Responsabilité Limitée (SARL) via our Swiss-based office as it is necessary for the registered office of the company to be maintained in Switzerland at the address of a licensed management company. Note that the below are the additional required documents for incorporation in Switzerland:

- Notarised copy of one document verifying proof of identity e.g. passport or valid identity card;
- Original or notarised copy of one document verifying proof of residential address dated within the last three months e.g. electricity, water or gas bill or bank statement;
- Curriculum Vitae;
- Business plan;
- Beneficial Owner’s Statement per beneficial owner — to be provided by SFM; and
- Client Data Sheet — to be provided by SFM.

### INCORPORATION TIMEFRAME

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10 to 15 days.

## TRADING RESTRICTIONS

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All companies trading in Switzerland must be registered in the Register of Commerce of the district where their registered office or place of business is located. In Switzerland, business entities are governed by the Federal Law, written in the “Code des Obligations” and, unless suitably licensed, a company incorporated in Switzerland cannot undertake the business of banking, insurance, assurance, reinsurance, fund management, collective investment schemes, or any other activity that would suggest an association with the banking or finance industries.

## NAME RESTRICTIONS

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A Swiss Limited Company must end with Société Anonyme, Aktiengesellschaft, Limited, SA, AG, Ltd or its equivalents, while a Swiss Private Limited Liability Company must end with Société à Responsabilité Limitée, Gesellschaft mit beschränkter Haftung, SARL, GmbH, LLC or its equivalents. Although the company name can be freely chosen as long as it is not deemed undesirable to the Registrar, it must be different from already existing ones. Furthermore, the name of a Swiss company cannot share the name of a major company known to exist elsewhere, nor can it have a name that may imply government patronage.

## CORPORATE DOCUMENTS LANGUAGE

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French, German, or Italian, or English in a few Cantons.