

Swiss Business Structures

Description	Sole proprietorship (Einzelunternehmen)	Limited Liability Company (Gesellschaft mit beschränkter Haftung GmbH / SarL)	Shareholding Company (Aktiengesellschaft AG / SA)
Main reason for picking legal structure	You are not planning to sell the business in the near future. You are mainly providing services. The business revolves mainly around you and your expertise. You don't mind if another business could have the same name.	You are planning to sell the company in the future. You are one or more founders. You are developing and/or selling products. A name that doesn't include your last name is important to you and/or having a unique name in Switzerland.	You need investors and/or need a substantial investment to develop your offerings and/or to run the business. You need to be able to trade shares easily. Ideal for more risky ventures or minimum liability for founders.
Official registry costs	CHF 200-300	CHF 700-900	CHF 700-900
Notary/lawyer costs	Not needed	From CHF 500, depends on canton	From CHF 1500, depends on canton
Founding date	Day you start your business	Entrance date into official registry	Entrance date into official registry
Company name	Last name of owner with additional description that fits the business purpose e.g. Gudjonsdottir Consulting	Any name that is not already reserved, check www.zefix.ch for availability but always the suffix GmbH e.g. Sigrun GmbH	Any name that is not already reserved, check www.zefix.ch for availability but always the suffix AG e.g. Sigrun AG
Company name protection	Only local protection	Whole of Switzerland	Whole of Switzerland
Company registration	Simple application form	Official founding documents along with company bylaws signed by notary, application is mandatory	Official founding documents along with company bylaws signed by notary, application is mandatory
Liability	Full personal liability	Limited liability but personal liability up to 2x share capital	Personal liability for unpaid shares No liability for share holders
Minimum capital	Zero	CHF 20'000 (fully paid or proof from notary of equivalent assets at incorporation)	CHF 100'000 (20% or CHF 50'000 paid at incorporation)
Directorship	Owner	Managing director (chosen by board or stated in bylaws)	Board of directors which can appoint a managing director
Board	No board	General assembly of owners once a year	
Book keeping	Voluntary, mandatory above CHF 100'000 in revenue	Mandatory	Mandatory
Auditing	Voluntary	With less than 10 employees can be waived, otherwise mandatory	With less than 10 employees can be waived, otherwise mandatory
Number of founders	Minimum 1 (If 2 founders then called Collective Proprietorship)	Minimum 1	Minimum 1
Minimum tax per year	Zero	From CHF 775, based on canton	From CHF 775, based on canton
Social insurances (AHV/IV/EO)	Obligated to pay social insurances but you are not insured against loss of employment	Obligated to pay social insurances for all employees (including yourself) and you are then insured against loss of employment	Obligated to pay social insurances for all employees (including yourself) and you are then insured against loss of employment
Access to pension fund	As self-employed you can access your already accumulated pension fund to fund your business	As you are not self-employed in the eyes of the law you cannot access your pension fund	As you are not self-employed in the eyes of the law you cannot access your pension fund
Mandatory insurances	None for owner, only employees	Accident insurance & pension fund for employees	Accident insurance & pension fund for employees
Employment	Self-employed	Employee of your own GmbH	Employee of your own AG
Proof against fake self-employment	You may have to prove that you have 3-5 different customers before your application can be accepted	Normally not needed You may have to proof later on that you a minimum of 3 customers	Normally not needed
Official registry	Voluntary, mandatory from CHF 100'000 revenue	Mandatory, share holders and % of share ownership public	Mandatory, founders public but share holders not
Bureaucracy	Minimal	Medium	Medium to High
Reserves	None	5% from profits up to 20% of share capital	5% from profits up to 20% of share capital
Share purchases / Company sale	Not possible	Needs official documents and changes in official registry	Easy and no changes in official registry needed
Value added tax	Voluntary but recommended, mandatory from CHF 100K in revenue, 2 types: 1) Effective VAT 2) Saldo VAT possible up to CHF 5M	Voluntary but recommended, mandatory from CHF 100K in revenue, 2 types: 1) Effective VAT 2) Saldo VAT possible up to CHF 5M	Voluntary but recommended, mandatory from CHF 100K in revenue, 2 types: 1) Effective VAT 2) Saldo VAT possible up to CHF 5M
Corporate tax	None as SP is not a company, all profit is taxed as salary of the owner	Company profit is taxed, rates depend on location and agreement with tax authorities	Company profit is taxed, rates depend on location and agreement with tax authorities
Capital tax	Capital profits are taxed with 35%	Capital profits are taxed with 35%	Capital profits are taxed with 35%