# CORPORATE STRUCTURES IN SWITZERLAND

When compared internationally, Swiss corporate law is relatively uncomplicated in terms of bureaucracy and red tape. As a result, you have many options when it comes to choosing the suitable legal form and, most importantly, the detailed structure of your company.

Most foreign companies establish a subsidiary or branch office of the parent company.

A subsidiary is usually set up as a corporation (SA, similar to Inc.) or a limited liability company (Sagl, similar to Ltd.).  Both are types of Swiss corporate enterprises with liability limitations.

A branch office is not an independent company, which means that the foreign parent company bears the financial responsibility for it. However, since a branch office is subject to Swiss law, it is treated as a Swiss company.

In addition, there are certain special corporate structures such as a mixed company or holding, which may profit from special tax brackets under certain conditions.

| PUBLIC LIMITED COMPANY (SA o AG) | LIMITED LIABILITY COMPANY (Sagl o GmbH) | LIMITED PARTNERSHIP | SOLE PROPRIETORSHIP |
|---|---|---|---|
| **Purpose:**<br>For-profit companies. | **Purpose:**<br>Small and medium enterprises. | **Purpose:**<br>Small enterprises. | **Purpose:**<br>One-man business |
| **Requirements:**<br>Minimum capital: CHF 100'000.- | **Requirements:**<br>Minimum capital: CHF 20'000.- | **Requirements:**<br>None. | **Requirements:**<br>None. |
| **Persons:**<br>At least one shareholder and one member of the board of directors, whereby these may be the same person.<br>The majority of the members of the board of directors who are authorized to sign have to reside in Switzerland. | **Persons:**<br>Number of Persons: at least one shareholder; at least one executive director has to have his domicile in Switzerland. | **Persons:**<br>Number of persons:<br>a minimum of two natural persons. | **Persons:**<br>Only one person can be the owner. |
| **Advantages:**<br>Widely anonymous for investors; no obligation for disclosure; limited liability; simple transfer of shares. | **Advantages:**<br>Low minimum capital;<br>limited liability. | **Advantages:**<br>No minimum capital necessary;<br>flexible circumstances of the business relationship (distribution of profit, activity). | **Advantages:**<br>Enables uncomplicated, formless activity;<br>not bound to company law;<br>no minimum capital required. |
| **Disadvantages:**<br>Cost; minimum capital. | **Disadvantages:**<br>Duty of publication of share transfers. | **Disadvantages:**<br>Jointly unlimited liability of the partners;<br>no unemployment compensation. | **Disadvantages:**<br>Unlimited liability of the owner with his private assets;<br>no partners can be added to the business;<br>no unemployment compensation. |

58 CORPORATION

Via Guido Calgari n.2 - 6900 Lugano (Swiss)
Tel. +41 (0)43 500 22 27 - Fax +41 (0)91 922 00 27 - www.58corporation.com - info@58corporation.com