



KEY FACTS

SWISS CORPORATION (SA/AG)

Stock companies in Switzerland, such as the corporation are governed by the Civil Code. At Federal Level, Swiss corporations are domiciled in a particular canton. Each canton maintains a Commercial Register, and the mandatory entries in the Register such as board members, directors, capital structure, registered office and auditors have strict legal force. The Register is a public document.

COMPANY NAME

Names cannot be reserved, but can be checked for immediate availability. The name must end with the abbreviation “SA” (Société Anonyme), “AG” (Aktiengesellschaft) or “Ltd” (Limited). Although the company name may be freely chosen, it must be different from already existing ones.

RESTRICTIONS ON ACTIVITIES

Swiss corporations may require regulatory approval to undertake the business of banking, insurance, fund management, and serve as investment funds, collective investment schemes or to undertake any other activity that would suggest an association with the banking, finance or insurance business.

INCORPORATION

The formation of a Swiss corporation requires the presence, in person or by proxy, of three founders at the founders’ meeting, in order to effect the adoption of the articles of incorporation, the election of the members of the board of directors and the auditors, and further resolutions. The resolutions of the meeting are embodied in a public deed of formation which, together with the articles of incorporation, is submitted to the register of commerce. The incorporation is completed with the entry of the corporation into the register of commerce.

SHARE CAPITAL

The minimum share capital is CHF 100,000. On the day of the formation, the fully paid share capital must be deposited in a blocked account with a Swiss depository bank. At least 20 percent of the share capital represented by registered shares or CHF 50,000 must be paid up upon constitution; bearer shares must be paid in full. A contribution in kind is subject to a special report by the founders, which needs to be confirmed by the auditors. The share capital can be divided into bearer or registered shares of a minimum par value of CHF 0.1 each.



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TRANSFER OF SHARES

Bearer shares may be transferred by way of assignment, or, if certificates are issued, by physical transfer. Registered share certificates must be endorsed, and the transfer of registered shares must be entered in the company's share ledger.

SHAREHOLDERS

There are generally no restrictions with respect to the nationality or domicile of the shareholders, who may be legal entities or natural persons. The liability of shareholders is limited to the amount of the subscribed share capital. A General Meeting of shareholders must be held annually.

BOARD OF DIRECTORS

The majority of the members of the board of directors of a Swiss corporation must be Swiss citizens or citizens of a member state of the EU or the EFTA and must be domiciled in Switzerland.

REGISTERED OFFICE

All Swiss corporations must have a registered office located in Switzerland.

AUDITORS

The incorporators must appoint one or more auditors. At least one auditor must have its domicile in Switzerland.

CORPORATE TAX

Corporations are taxed at three different levels in Switzerland such as federal, cantonal and communal level. The largest portion of taxes is levied by the cantons and municipalities, resulting in intense tax competition at these two levels. Compared with other countries in Europe, corporate taxes are very low in Switzerland. Federal taxes are charged at a flat rate (effective rate of 7.83%), while cantonal tax rates vary by location (lowest tax burden in the Canton of Zug).

TIME TO INCORPORATE

The entire incorporation process normally takes approximately two weeks from the date of the founders' meeting, but may be shortened to around three to five business days upon consultation with the Office of the commercial register (express filing).