

# GRÜNDEN

From an Idea to a Company

## Information about setting up a company in Switzerland

provided by the Division of Business and Economic  
Development of the Canton of Zurich in collaboration  
with partner organisations

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of AG, GmbH and sole proprietorships
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# Overview of legal forms

This document is a translation. In case of any differences or discrepancies, the original German text shall prevail.

	Sole proprietorship*	General partnership*	Limited partnership*	Limited liability company GmbH	Company limited by shares AG
<b>Legal basis</b>	No separate regulations in OR	OR 552–593	OR 594–619	OR 772–827	OR 620–763
<b>Main purpose</b>	Small business, activities closely linked to the owner (e.g. artist)	Permanent business whose activities are closely linked to the partners	Special cases, e.g. small businesses whose activities are closely linked to the partners with involvement of external investors	Enterprises closely linked to the company members	Suitable for almost all types of profit-oriented businesses
<b>Legal nature</b>	Sole proprietorship	Partnership	Partnership	Legal entity, corporate body	Legal entity, corporate body
<b>Business name</b> General confines: prohibition of deception or acting contrary to public interest OR 944	Name must include family name of owner with or without first name OR 945 If the business name contains other family names, it must be evident which one is the proprietor's family name OR 945 II Possible additions: activity, creative description OR 944	Free choice (personal name, activity, creative description) OR 944 The business name must indicate the legal form (admissible: 'Kollektivgesellschaft' or abbreviation 'KIG'; in lieu of the official abbreviation, version with a capital L is also accepted). OR 950	Free choice (personal name, activity, creative description) OR 944 The business name must indicate the legal form (admissible: 'Kommanditgesellschaft' or abbreviation 'KmG'). OR 950	Free choice (personal name, activity, creative description) OR 944 The business name must indicate the legal form (admissible: 'Gesellschaft mit beschränkter Haftung' or abbreviation 'GmbH'). OR 950	Free choice (personal name, activity, creative description) OR 944 The business name must indicate the legal form (admissible: 'Aktiengesellschaft' or abbreviation 'AG'). OR 950
<b>Formation through</b> operating a commercial business	Start of self-employed permanent gainful economic activity	Conclusion of a partnership agreement without any formal requirements; i.e. a general partnership can be set up without a written agreement. OR 552 If no commercial business is operated, the general partnership is created only once it has been registered in the commercial register. OR 553	Conclusion of a partnership agreement without any formal requirements; i.e. a limited partnership can be set up without a written agreement. OR 594 If no commercial business is operated, the limited partnership is created only once it has been registered in the commercial register. OR 595	Public deed of incorporation, approval of the articles of association (AoA) and, as the case may be, determination of management, representation and auditors (unless dispensed with pursuant to OR 727a II) Registration in commercial register OR 777-779	Public deed of incorporation, approval of articles of association (AoA), election of the board of directors and auditors (unless dispensed with pursuant to OR 727a II) Registration in commercial register OR 629-643
<b>Registration in commercial register</b>	Compulsory for a sole proprietorship that achieves an annual revenue of at least CHF 100,000. Members of the liberal professions and farmers are exempted from this obligation unless they operate a commercial business. OR 931	Compulsory for a commercial business OR 552 II, 553	Compulsory for a commercial business OR 594 III	Established only after registration in the commercial register OR 779	Established only after registration in the commercial register OR 643
<b>Required number of owners or partners</b>	One natural person as sole proprietor	Two or more natural persons as partners OR 552	At least one person as a partner with unlimited liability (general partner) and at least one other natural person or legal entity or commercial enterprise as a partner with limited liability (limited partner) OR 594	At least one company member Company members may be natural persons, legal entities or commercial enterprises. OR 775	At least one shareholder Shareholders may be natural persons, legal entities or commercial enterprises. OR 625
<b>Required capital</b>	No stipulations	No stipulations Amount and share pursuant to contract OR 557 and 531	No stipulations Amount and share pursuant to contract OR 598 and 557 The specific contribution of each limited partner must be recorded in the commercial register OR 608, 609 and HRegV 41 (2) lit g	Compulsory nominal capital specified in the articles of association, divided into capital contributions each with a nominal value greater than zero OR 774, 776 Minimum CHF 20,000; each capital contribution must be fully paid in (may also be paid in a foreign currency in the corresponding equivalent amount) OR 773, 777c I	Compulsory, share capital specified in the articles of association, divided into shares each with a nominal value of greater than zero OR 622 IV, 626 Minimum CHF 100,000, of which CHF 50,000 must be fully paid in (may also be paid in a foreign currency in the corresponding equivalent amount) OR 621, 632

HRegV = Commercial register regulations OR = Swiss Code of Obligations AoA = Articles of Association

\*For natural persons, recognition of self-employment is required by the compensation fund pursuant to and in keeping with social insurance rules.

	Sole proprietorship*	General partnership*	Limited partnership*	Limited liability company GmbH	Company limited by shares AG
<b>Contributions in kind in lieu of cash</b>	Possible	Possible OR 557, 531	Possible OR 598, 557, 531	Possible, special procedure OR 777c II in conj. with 634	Possible, special procedure OR 634
<b>Organisation / (corporate) bodies</b>	None Fiduciary / auditors may be appointed.	Partners Auditors may be appointed.	Partners Auditors may be appointed.	– Members' general meeting – Management (at least 1 member) – Auditors unless dispensed with OR 727a II OR 804 et seqq.	– The general meeting – Board of directors (at least 1 member) – Auditors unless dispensed with OR 727a II OR 698 et seqq., 707
<b>Liability / obligation to make additional contributions</b> <small>subsidiary = in addition to the company's assets if they are used up</small>	Unlimited liability of proprietor with personal assets	Primary liability of the partnership's assets Subsidiary unlimited joint and several liability of each partner with their personal assets OR 568	Primary liability of the partnership's assets Subsidiary unlimited joint and several liability of each general partner with their personal assets OR 604 Subsidiary limited joint and several liability of each limited partner (liability to the amount of the specific contribution) OR 608	Exclusive liability to the extent of the company's assets OR 794 Optional limited liability to make additional contributions pursuant to the AoA The AoA must stipulate the amount of additional capital to be paid for each capital contribution. This may not exceed twice the nominal value of the capital contribution. Liability only to the extent of additional contributions to be made by the company members on their own capital contributions OR 795	Liability exclusively to the extent of the company's assets OR 620 I, II Shareholders required only to fully pay the share capital attributable to their shares (payment in full) OR 680
<b>Involvement of investors or outside capital</b>	Very limited options for debt financing (most likely loans given by family members or friends)	Through joining the general partnership OR 569	Through joining as a general partner or limited partner OR 612	Receipt of outside capital by GmbH only against personal liability of company member(s)	Founding of an AG is advisable if a considerable sum of outside capital needs to be raised.
<b>Profit and loss bearing</b>	Fully with the sole proprietor	Pursuant to partnership agreement OR 557, 559 et seq.	Pursuant to partnership agreement OR 598, 601	Company members are entitled to a share of the profits pursuant to the law and the articles of association OR 798, 801 in conj. with 671 et seqq.	Shareholders are entitled to a share of the disposable profit pursuant to the law and the articles of association OR 660 et seqq.
<b>Accounting and financial reporting</b>	Duty to keep accounts and file financial reports applies if sales revenue of ≥ CHF 500,000 was achieved in the last financial year. Otherwise, accounts only need to be kept on income and expenditure and on asset position. OR 957–963b	Duty to keep accounts and file financial reports applies if sales revenue of ≥ CHF 500,000 was achieved in the last financial year. Otherwise, accounts only need to be kept on income and expenditure and on asset position. OR 957 et seqq., 558	Duty to keep accounts and file financial reports applies if sales revenue of ≥ CHF 500,000 was achieved in the last financial year. Otherwise, accounts only need to be kept on income and expenditure and on asset position OR 957 et seqq., 598 II in conj. with 558	Yes OR 957 et seqq.	Yes OR 957 et seqq.
<b>Taxation</b>	Owner liable for tax on all income and professional and personal assets	Each partner on their share of income and assets in the partnership, and on their personal income and assets	Each partner on their share of income and assets in the partnership, and on their personal income and assets	Company for profit and capital Company members on their capital contributions as assets and on profit distribution as income	Company for profit and capital Shareholders on shares as assets and on dividends as income
<b>Founding costs (advice, notary, commercial register entry)</b>	Between CHF 500 and CHF 2,500	Between CHF 2,500 and CHF 5,500	Between 2,500 and CHF 5,500	From CHF 3,000	From CHF 3,000
<b>Management and representation</b>	By the owner or any person designated by the owner	By each partner individually, unless governed differently by resolution of the partners However, at least one partner must be authorised to represent the company. Other signatories pursuant to resolution of the partners OR 563, 566	Individually by each general partner, unless governed differently by resolution of the partners However, at least one general partner must be authorised to represent the company. Limited partners are neither entitled nor obliged to manage the business of the partnership. OR 600 I Other signatories pursuant to resolution of the partners OR 599, 603/563	Management by all company members jointly, unless stipulated otherwise in the articles of association OR 809 I Each managing director has the right to represent the company. The articles of association may provide for different representation; however, at least one managing director must be authorised to represent the company. OR 814 et seq.	Management by the board of directors as a whole, unless delegated to individual board members or to third parties by way of organisational regulations OR 716a, 716b Representation by each board member individually, if not delegated through articles of association, organisational regulations or board resolution to individual board members or third parties OR 718 I, II At least one board member must be authorised to represent the company. OR 718 III

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\*For natural persons, recognition of the self-employment activity is required by the compensation fund pursuant to and in keeping with social insurance rules.

	Sole proprietorship*	General partnership*	Limited partnership*	Limited liability company GmbH	Company limited by shares AG
<b>Transfer of membership (exit, employee participation, etc.)</b>	No membership, whole or partial sale of the business	Pursuant to the partnership agreement (OR 557 I); unless stipulated otherwise in the partnership agreement, with the consent of all partners (OR 557 II with reference to OR 542)	Pursuant to the partnership agreement (OR 598 I); unless stipulated otherwise in the partnership agreement, with the consent of all partners (OR 598 II with reference to OR 557 and 542)	Transfer of capital contributions must be in writing. OR 785  Unless stipulated otherwise in the articles of association, approval by the members' general meeting (at least two thirds of the votes represented and an absolute majority of the total nominal capital with which a voting right is exercisable) OR 786, 808b I no. 4	Free, provided there are no legal or statutory restrictions on transfer OR 684 et seqq.
<b>Nationality and residence provisions</b>	The owner does not need to be resident in Switzerland.	The owner does not need to be resident in Switzerland.	The partners do not need to be resident in Switzerland.	At least one managing director must be authorised to represent the company. The company must be represented by a person resident in Switzerland who must be a managing director or a manager. OR 814 II, III	At least one member of the board of directors must be authorised to represent the company. The company must be represented by a person resident in Switzerland who must be a member of the board of directors or an executive officer. OR 718 III, IV
<b>Reporting obligations</b>				Obligation to give notice to the company by the beneficial owner of the capital contributions if more than 25% of the nominal capital or rights to vote are acquired alone or by agreement with third parties OR 790a	Obligation to give notice by the beneficial owner if a share of more than 25% of the share capital or rights to vote is acquired alone or in a joint arrangement with third parties OR 697j
<b>Register and safekeeping duties</b>				Obligation to keep a register of beneficial owners. Ten-year retention period. Obligation to ensure access at all times in Switzerland. OR 790a in conj. with OR 697I	Obligation to keep a register of bearer shareholders and beneficial owners. Ten-year retention period. Obligation to ensure access at all times in Switzerland. OR 697I

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# Company foundation checklist

## for sole proprietorships, GmbH and AG

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Preparation			
<b>Basic legal considerations</b>	<b>All three legal forms</b>	<b>GmbH</b>	<b>AG</b>
	Regardless of legal form, company founders need to be aware that some activities and business relations should be governed by a contract.	Corporate law matters should be decided ahead of setting up a company and stipulated in writing (e.g. by way of an agreement between company members / by way of a shareholders' agreement).  If intellectual property rights were previously acquired (e.g., inventions, designs, software code), these are to be brought into the company.  Purchase of a shelf company is void.	
<b>Conceptual outline or business plan</b>	<b>All three legal forms</b>	Check right at the start whether you personally meet the requirements to work in a self-employed capacity and possess sufficient knowledge and experience for it. Consult with family members, friends and acquaintances, and draw up a conceptual outline or business plan.	
	<b>Obtain permits</b>	Clarify whether permits or other legal requirements are necessary to pursue the envisaged activity. More information is available at: <a href="http://www.bewilligungen.admin.ch">www.bewilligungen.admin.ch</a> (national level) or cantonal platforms.	
<b>Pre-clarify recognition of self-employment</b>	<b>Sole proprietorship</b>	<b>GmbH</b>	<b>AG</b>
	Check in advance with your compensation fund if the activity you plan will be <i>legally recognised as self-employment</i> by the old-age and survivors' insurance (AHV). More information: <a href="http://www.ausgleichskasse.ch">www.ausgleichskasse.ch</a> .  For some professions and industries recognition of self-employment is granted by the Swiss Accident Insurance Fund (SUVA) in collaboration with the competent compensation fund. More information: <a href="http://www.suva.ch">www.suva.ch</a>	Recognition not needed, as a legal entity.  Even if no salaries are paid out, joining/registration with a compensation fund is required.	
<b>Pre-clarify required insurances especially personal insurance</b>	<b>All three legal forms</b>	Clarify <i>your insurance needs and obligations</i> , including those covering your business risks. Request insurance quotes from SUVA ( <a href="http://www.suva.ch">www.suva.ch</a> ), your trade/professional association and private insurance providers. Premium amounts are based on the insured salary.	
	<b>Sole proprietorship</b>	<b>GmbH</b>	<b>AG</b>
	Arrange insurance coverage of the following <i>for yourself</i> : – 1st pillar (AHV, IV, EO), child's allowance ** – Pension fund (2nd pillar) *** – Daily sickness benefits insurance *** – Accident insurance ***  <i>If you employ staff</i> , you are obliged to take out accident insurance and to register your employees with AHV. A pension fund is mandatory for employees earning an annual salary of at least CHF 21,510 (status 2021). While not required by law, a daily sickness benefits insurance is customary and recommended.	Arrange insurance coverage of the following <i>for yourself* and your employees</i> : – 1st pillar (AHV, IV, EO), child's allowance ** – Pension fund (2nd pillar), obligatory – Unemployment insurance ALV – Daily sickness benefits insurance *** – Accident insurance (obligatory: occupational accident (BU); non-occupational accident (NBU) only if more than eight working hours a week)  * In insurance terms, you are considered to be an employee if you are active in the company as (co-)owner of the AG/GmbH ** Contact your designated compensation fund or family compensation office. More information: <a href="http://www.ausgleichskasse.ch">www.ausgleichskasse.ch</a> *** Not mandatory but recommended as the case may be.	
<b>Secure financing</b>	<b>All three legal forms</b>	The search for capital constitutes a further challenge. Note that potential investors will want to see a business plan to get a good understanding of your project and its chances of success. Once financing has been secured, you can open a company account at the bank of your choice.	

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<b>Business premises</b>	<b>All three legal forms</b>		
	Rental deposits of up to six months' rent are not uncommon in Zurich. This is a considerable sum of money then unavailable to build up the company. Under certain conditions, a rental deposit guarantee may be opted for (GO! offers rental deposit guarantees on preferential terms: <a href="http://www.mikrokredite.ch">www.mikrokredite.ch</a> ). Once the company has sufficient cash liquidity, the rental deposit guarantee can be terminated and the rental deposit made in cash. The local building authorities must be consulted if there is any new construction or renovation work involved.		
<b>Business name</b>	<b>All three legal forms</b>		
	Decide on the name of your business. It is advisable to check the availability of the envisaged name to avoid conflict with companies using a similar name. Company name searches can be ordered from the Federal Commercial Registry Office ( <a href="http://www.regix.ch">www.regix.ch</a> ).		
<b>Domain name</b>	<b>All three legal forms</b>		
	Register the desired/available domain name with a registrar.		
<b>Prepare office stationery and internet presence</b>	<b>All three legal forms</b>		
	Develop your logo and corporate identity for your office stationery and internet site. If possible, consult an expert. If you wish to protect your logo as a <i>figurative mark</i> , you will need to register it with the Institute of Intellectual Property IGE ( <a href="http://www.ige.ch">www.ige.ch</a> ). Keep in mind that although the visual appearance is important, you will be measured primarily by the quality of your products and services, and your customer orientation. Note the requirement to correctly denote the business name pursuant to <b>OR 954a</b> : the name entered in the commercial register must be stated fully and accurately in your correspondence, on order forms, invoices and announcements. In addition, abbreviations, logos, business names, company labels and similar specifics may be used.		
<b>Check requirement to register in the commercial register</b>	<b>Sole proprietorship</b>		
	Natural persons who operate a commercial business with a revenue of at least CHF 100,000 in the most recent financial year are obliged to have their sole proprietorship registered in the commercial register at the place of the business.  Exception: members of the liberal professions and farmers are exempted from this obligation unless they operate a commercial business.		

### Founding a company

<b>Determine capital amount and subscription</b>	<b>Sole proprietorship</b>	<b>GmbH</b>	<b>AG</b>
	No provisions needed.	Determine the nominal capital amount (minimum CHF 20,000) and the value of the capital contributions (greater than zero), and decide how the capital contributions will be divided up among the founding members.  Decide on type of payment (cash payment, contributions in kind, with or without real estate, offsetting). Note that all capital contributions must be fully paid in. Open a blocked account at the bank of your choice for cash payments.	Determine the share capital amount (minimum CHF 100,000) and the nominal value of each share (greater than zero), and decide how the shares will be divided up among the co-founders.  Decide on type of payment (cash payment, contribution in kind with or without real estate, offsetting) and how much of the share capital is to be paid in at the time of founding, or that is to be covered through offsetting or contributions in kind (minimum CHF 50,000, but at least 20% of the nominal value of each share must be paid in). Open a blocked account at the bank of your choice for cash payments.
<b>Determine (corporate) bodies</b>	<b>Sole proprietorship</b>	<b>GmbH</b>	<b>AG</b>
	No provisions needed.	No provisions needed.  All company members exercise joint management unless stipulated otherwise in the company's articles of association.  Each managing director has the right to represent the company. The articles of association may provide for different representation; however, at least one managing director must have the right of representation.	Determine who will be on the board of directors. These may, but need not, be shareholders. Where management of the company has not been delegated by way of organisational regulations, all the members of the board of directors are entitled to exercise management of the company.  Unless specified otherwise in the articles of association or organisational regulations, power of representation is granted individually to each member of the board of directors. At least one board member must be authorised to represent the company.

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	GmbH	AG
<b>Determine (corporate) bodies</b>	Decide on independent statutory auditors in accordance with the rules of the Audit Supervision Act (RAG) and pursuant to OR 728, and request a declaration of acceptance. With the consent of all company members/shareholders, a (limited) audit can be dispensed with if the company has no more than the equivalent of ten full-time positions on annual average (cp. Art. 727a II-IV OR).	
<b>Determine organisational structure</b>	<b>Sole proprietorship</b>	<b>AG</b>
	<b>GmbH</b>	<b>AG</b>
	No provisions needed.	Establish the organisational structure of the company and determine who will be responsible for management and who will have signatory rights, if not all company members will exercise management of the company and/or not every managing director is to have authorisation to represent the company.  It is also advisable to draw up organisational regulations that define the tasks, competencies and responsibilities of the managing directors and other responsible officers.
		Establish the organisational structure of the company and determine who will be responsible for management and who will have signatory rights.  It is also advisable to draw up organisational regulations that define the tasks, competencies and responsibilities of the members of the board of directors. If management is delegated to individual members of the board of directors or to third parties, organisational regulations are compulsory by law.
		Work permits may need to be obtained for non-Swiss employees → see section 'Obtain permits' above.
<b>Foundation</b>	<b>Sole proprietorship</b>	<b>AG</b>
	<b>GmbH</b>	<b>AG</b>
	A sole proprietorship is established with the start of business, irrespective of whether or not it is registered in the commercial register. Registration is of a declaratory nature, however, it is compulsory if the business conducted achieved an annual revenue of at least CHF 100,000 in the most recent financial year.	GmbH and AG become a legal entity only upon entry in the commercial register.
<b>Payment of founding capital</b>	<b>Sole proprietorship</b>	<b>AG</b>
	<b>GmbH</b>	<b>AG</b>
	No provisions needed.	In the event of founding by cash subscriptions, the nominal capital must be paid into a blocked account at the free disposal of the company.
		In the event of founding by cash subscriptions, the share capital must be paid into a blocked account at the free disposal of the company.
		For information on capital deposit accounts see, inter alia, <a href="http://www.zkb.ch">www.zkb.ch</a> .
<b>Prepare to register in the commercial register</b>	<b>All three legal forms</b>	
	An application for registration in the commercial register must include the following information: business name, any translations of the business name, seat (political municipality), address (street and house number), purpose (field of activity), personal details of the persons to be registered; e.g. owner of the sole proprietorship, board members in AG, managing directors in GmbH, executive officers and other authorised representatives (surname, first name, place of origin or nationality if non-Swiss, domicile, type of signatory rights).  The application must include the officially certified signatures of the persons registering and the officially certified signatures of any signatories. The documents must be submitted to the cantonal commercial registry office at the company's registered office. This can be done personally or by post. As a rule, an excerpt from the commercial register will be available within one week of the company's registration (an excerpt can also be ordered prior to publication in the Swiss Official Gazette of Commerce (SHAB), available 24 to 48 hours after registration).  Pursuant to HREgV Art. 24a, the commercial registry office must verify the identity of the persons to be registered in the commercial register based on a valid passport, a valid identity card or a valid Swiss foreign national identity card or based on a copy of a valid passport, of a valid identity card or of a valid Swiss foreign national identity card. An ID copy must always be submitted for the registration of persons.  Information leaflets, forms and examples are available on the websites of the cantonal commercial registry offices: <a href="http://www.zefix.admin.ch">www.zefix.admin.ch</a>	

HRegV = Ordinance on the Commercial Registry MWSTG = Federal Act on Value Added Tax OR = Swiss Code of Obligations

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	GmbH	AG
<b>Preparation of founding documents for individuals and founders</b>	<i>Personal details of persons to be entered in the commercial register:</i>	
	<p><b>Natural persons:</b></p> <ul style="list-style-type: none"> <li>• Family name</li> <li>• If applicable, maiden name</li> <li>• All first names in the correct order</li> <li>• Any given names, nicknames or artist/stage names, double-barrelled names, religious names or partnership names</li> <li>• Any Swiss or equivalent foreign academic titles</li> <li>• Date of birth</li> <li>• Gender</li> <li>• Political municipality of the place of origin; or nationality in the case of non-Swiss nationals</li> <li>• Political municipality of the place of residence; or if place of residence is outside of Switzerland: name of place and country</li> <li>• Copy of ID (passport, ID or Swiss foreign national identity card) of all persons to be entered</li> <li>• Type, number and issuing country of the ID document</li> <li>• Function in the business enterprise</li> <li>• Type of signatory power (even if not authorised to sign)</li> <li>• Non-descriptive personal number of the central database</li> </ul> <p><b>Legal entities:</b></p> <ul style="list-style-type: none"> <li>• Business name</li> <li>• Company identification number (UID)</li> <li>• Seat</li> <li>• Function</li> </ul> <p>Information concerning founders who are <i>not</i> to be entered in the commercial register:</p> <p><b>Natural persons:</b></p> <ul style="list-style-type: none"> <li>• Family name</li> <li>• All first names in the correct order</li> <li>• Date of birth</li> <li>• Political municipality of the place of origin or nationality in the case of non-Swiss nationals</li> <li>• Political municipality of the place of residence; or if place of residence is outside of Switzerland: name of place and country</li> </ul> <p><b>Legal entity:</b></p> <ul style="list-style-type: none"> <li>• Business name</li> <li>• Company identification number (UID)</li> <li>• Seat</li> </ul>	
	<ul style="list-style-type: none"> <li>– Commercial register application with the signatures of one or more persons with authorisation to sign for the GmbH pursuant to their signatory powers or by a third party authorised by management (enclosing a copy of the power of attorney), as well as the signatures of all persons with signatory power (other members of management, registered attorneys, other authorised representatives). All signatures must be officially certified.</li> <li>– If the position of managing director(s) is by vote: proof that the individuals concerned have accepted the appointment (declaration of acceptance, unless acceptance of appointment is apparent from the deed of incorporation)</li> <li>– As the case may be: resolution of the founders or, to the extent prescribed by the articles of association, resolution of the managing directors: <ul style="list-style-type: none"> <li>– regulating who will preside over management</li> <li>– on appointment of other persons authorised to represent the company</li> </ul> </li> <li>– Lex Friedrich declaration if the company intends to acquire real estate that will not serve as a permanent place of business</li> <li>– For commercial companies and legal entities with an equity participation in the GmbH and whose seat is outside of Switzerland: inclusion of a recent excerpt from the foreign commercial register (certified by the competent office at the place of registration of the entity's main branch) or, if such is not available, equivalent certification of legal existence</li> </ul>	<ul style="list-style-type: none"> <li>– Commercial register application, with the signatures of one or more persons with authorisation to sign for the AG pursuant to their signatory powers or through a third party authorised by the board of directors (enclosing a copy of the power of attorney), as well as the signatures of all other persons authorised to sign (further members of the board of directors, executive officers, members of management, registered attorneys, other authorised representatives). All signatures must be officially certified.</li> <li>– Proof that the members of the board of directors have accepted their appointment (declaration of acceptance, unless acceptance of appointment is apparent from the deed of incorporation)</li> <li>– Minutes of the board of directors on its constitution, chairpersonship and granting of signatory powers (unless the articles of association stipulate that the general meeting is responsible for appointing the chairperson)</li> <li>– Lex-Friedrich declaration if the company intends to acquire real estate that will not serve as a permanent place of business</li> </ul>

	GmbH	AG
<b>Founding documents for companies</b>	<p>Contact a notary to prepare the public deed of incorporation and inquire about the documents and details that need to be submitted. More information is available on the website of the commercial registry office. You may prepare them yourself or consult a lawyer or fiduciary. Drafts of the documents required for registration in the commercial register can be submitted to the commercial registry office for pre-inspection. However, the said office will only check if the documents are in keeping with mandatory law, and not individually as to their feasibility and whether they include the necessary content.</p> <p><i>Further incorporation information and documents:</i></p> <ul style="list-style-type: none"> <li>– Official deed of incorporation</li> <li>– Articles of association that clearly reflect all content stipulated by law (esp. business name, seat and purpose of the business). When formulating the business purpose, avoid defining the field of activity too narrowly, in order to leave some room for potential future changes. However, descriptions which are too broad are not permissible (e.g. services of all kinds or manufacturing of goods of all kinds).</li> <li>– As the case may be, proof that the auditors as required by law have accepted their appointment (declaration of acceptance of appointment if this is not evident from the deed of incorporation)</li> <li>– As the case may be, declaration that limited audit has been dispensed with</li> <li>– For cash contributions, confirmation that shows at which bank the deposits have been made (unless the banking institution is mentioned in the public deed)</li> <li>– If the company does not have a legal domicile at its seat, a written declaration issued by the domicile-holder that he/she has granted the company a legal domicile at its seat (c/o address)</li> <li>– For registration of persons: copy of ID</li> </ul> <p>If contributions in kind, offsetting issues or special privileges exist, the following additional documents need to be submitted:</p> <ul style="list-style-type: none"> <li>– Contracts of contributions in kind with the required documents (inventory and/or acquisition balance sheets)</li> <li>– Incorporation report signed by all founders</li> <li>– Unreserved confirmation of audit by a state-supervised auditing firm, accredited auditing expert or accredited auditor</li> </ul> <p>Information leaflets, forms and examples are available on the website of the cantonal commercial registry office: <a href="http://www.zefix.admin.ch">www.zefix.admin.ch</a></p>	
<b>Legal situation in the event of contributions in kind</b>	<b>Sole proprietorship</b> No provisions needed.	<b>GmbH</b> If the share capital or nominal capital is covered by contributions in kind, this must be stated in the articles of association (Art. 634 para. 4 OR; Art. 777c No. 1 and 2 OR); furthermore, special founding formalities need to be observed.
<b>Preliminary checking of founding documents</b>	<b>Sole proprietorship</b> No provisions needed.	<b>GmbH</b> It is advisable to submit the drafts required for registration in the commercial register in advance, for preliminary checking by the cantonal commercial registry office. This takes approx. seven working days and generally costs between CHF 200 and 300. More extensive preliminary checks can be more costly.
<b>Notarisation of founding documents</b>	<b>Sole proprietorship</b> No provisions needed	<b>AG</b> Submit the notarisation documents required for the foundation of the company to the notary public as early as possible. The founder members (AG) or founding company members (GmbH) must either be personally present or legally represented by an appointee, and sign the founding documents in the presence of the notary public. They must produce official identification (e.g. passport). Legal representatives must also produce appropriate identification, as well as an officially certified power of proxy.
<b>Official certification of all signatures</b>	<b>All three legal forms</b> All signatures on the commercial register application need to be officially certified. Certification can be done by a notary, a town official or at the counter of the commercial registry office. The individuals concerned must produce official identification. Length of time needed: approx. 30 minutes. It is advisable to book an appointment in advance. Certifications cost between CHF 10 and CHF 30 per signature.	

HRegV = Commercial register regulations OR = Swiss Code of Obligations MWSTG = Federal Act on Value Added Tax  
MWSTV = Value Added Tax Ordinance

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	All three legal forms		
<b>Commercial registry office</b>	<p>The application (self-prepared or form of the commercial registry office) is to be submitted to the cantonal commercial registry office at the seat of the company. This can be done in person, by post or electronically. It is advisable to order a commercial register excerpt.</p> <p>The application documents will be checked by the commercial registry office. If they are complete and legally compliant, entry in the cantonal commercial register will occur within approx. seven working days.</p> <p>The text to be entered is subsequently forwarded to the Federal Commercial Registry Office. Once that Office has given its approval, entry will be completed within one to two working days. The Federal Commercial Registry Office will subsequently arrange for publication of the entry in the Swiss Official Commercial Gazette (SHAB), with which registration enters into force. This takes approx. three working days.</p> <p><i>Registration fees:</i> sole proprietorships CHF 80; AG CHF 420; GmbH CHF 420. Each function to be entered CHF 20; each signatory authorisation to be entered CHF 20.</p> <p><i>Further costs (based on the Canton of Zurich):</i> CHF 70 for preparation of an application; CHF 50 for a commercial register excerpt; CHF 80 for confirmation of registration prior to publication in SHAB; between CHF 10 and CHF 150 in official fees depending on the volume of work involved.</p>		
	<b>GmbH</b>	<b>AG</b>	
	<p>As soon as the company is registered in the commercial register, it can use the capital deposited in the capital contribution account on presentation of the commercial register excerpt to the bank. The company (as a legal entity) is established, i.e. acquires its legal personality, when registration in the commercial register has been completed. The company is now fully entitled to act.</p> <p><i>Legal acts prior to registration:</i> legal acts can be taken prior to registration in the commercial register. However, in this case, the acting individuals are personally as well as jointly liable. They can only be released from this liability if the liabilities are expressly incurred in the name of the company being established and are assumed by the company within three months of its registration in the commercial register.</p>		
<b>Securing of other required documents</b>	<b>Sole proprietorship</b> No provisions needed.	<b>GmbH</b> Possibly create an evidentiary document for the capital contributions (optional). Establish and keep a register of capital contributions (mandatory).	<b>AG</b> Depending on the articles of association: issuing of shares, share certificates or evidentiary documents concerning the status of shareholders,  Establish and keep a share register (of registered shareholders).
<b>Accounting and financial reporting</b>	<b>Sole proprietorship</b> Duty to keep accounts and file financial reports if sales revenue of ≥ CHF 500,000 in the most recent financial year. Sole proprietorships with sales revenue of less than CHF 500,000 only need to keep accounts on income and expenditure and on asset position. <b>OR 957 I and II</b>  Pursuant to Art. 70 MWSTG, every taxable person is required to keep his/her books of account in an orderly fashion and to structure them in a manner that helps to reliably and easily ascertain the relevant facts in relation to taxability as well as for calculation of VAT on turnover and deductible input tax. For businesses that are in any case required to keep accounts, calculation of VAT will be based on these books of account.  Taxable persons who are not subject to the OR-prescribed keeping of accounts are nonetheless advised (in their own interest) to follow the corresponding rules.  Irrespective of commercial register entry, self-employed persons (incl. members of the liberal professions and farmers) must observe the mandatory documentation and safekeeping duties for tax purposes (see Art. 125 para. 2 of the Federal Act on Direct Federal Taxation, <a href="http://www.admin.ch">www.admin.ch</a> ).  Provided receipts are available, costs incurred in advance to set up the business may be booked in the accounts as per the date of foundation.	<b>GmbH</b>	<b>AG</b> Your duty to keep accounts begins with the company's registration in the commercial register. Provided receipts are available, costs incurred in advance to set up the company may be booked in the accounts as per the date of incorporation.

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	<b>Sole proprietorship</b>
<b>Registration with the compensation fund or the family compensation fund</b>	Contact the competent compensation fund or family compensation fund regarding registration of your self-employment, as well as with respect to mandatory AHV contributions and family allowances for your employees, Recognition of self-employment is achieved by way of completing and submitting the relevant questionnaire. More information: <a href="http://www.ausgleichskasse.ch">www.ausgleichskasse.ch</a>

	<b>All three legal forms</b>
<b>Other registrations</b>	As a general rule, an excerpt from the commercial register, in other words, registration in the commercial register is needed in order to register for a business phone number. In some cases, this will involve paying a deposit per phone/fax number (cost: approx. CHF 800). The road traffic licensing office will want to see the commercial register excerpt for registration of company vehicles and for number plates.

#### After founding the company

	<b>All three legal forms</b>
<b>Clarification of VAT</b>	<p>Any person carrying out a commercial or professional activity independently is liable to VAT, irrespective of whether or not the intention is to make a profit.</p> <p>Pursuant to the Federal Act on Value Added Tax (MWSTG), any person who generates an annual turnover from taxable products/services on Swiss territory of CHF ≥ 100,000 (Art. 10 para. 1 and para. 2 (a) MWSTG) is liable to the tax. Exempt from tax liability are: any enterprise that within one year generates a taxable turnover on Swiss territory of &lt; CHF 100,000; non-profit, voluntarily-run sporting or cultural associations or charitable organisations with a taxable turnover on Swiss territory of &lt; CHF 150,000; companies based abroad that make supplies of services that are exclusively subject to acquisition tax (Art. 10 para. 2 (b) MWSTG in conjunction with Art. 9a of the Value Added Tax Ordinance (MWSTV)).</p> <p>As soon as you meet the conditions for tax liability, you must register in writing within thirty days of meeting the criteria at the Federal Tax Administration (FTA) in Bern. Pursuant to Art. 14 MWSTG, tax liability commences with the start of the business activity.</p> <p>In principle, companies are free to register for VAT liability if there is no compulsory tax liability. For more information go to <a href="http://www.estv.admin.ch">www.estv.admin.ch</a> (VAT section).</p> <p>Registration with the Federal Tax Administration and clarification of VAT liability can be done online and by completing the same form. However, the FTA recommends that the document be signed with a legally binding signature and sent to the FTA by post.</p> <p>It is also advisable to check in advance as to which reporting method (net tax rate method or effective reporting method, pursuant to Art. 36 and Art. 37 MWSTG) and which reporting form (on the basis of the consideration collected or on the agreed consideration pursuant to Art. 39 para. 1 and para. 2 MWSTG) are to be used.</p> <p>Since entry into force of the UID Act on 1.1.2011, every company in Switzerland is given a standardised business identification number, known as UID. Entry in the official UID register of the Federal Statistical Office (FSO) is free of charge.</p> <p>More information: <a href="http://www.estv.admin.ch">www.estv.admin.ch</a></p>

	<b>GmbH</b>	<b>AG</b>
	The VAT number may only be applied for after registration in the commercial register.	

	<b>All three legal forms</b>
<b>Take out required insurances</b>	<p>Take out the required property insurances (e.g. fire, water, operational liability). These generally cost between CHF 1,000 and CHF 5,000 per year. Consult a specialist for questions concerning assessment and handling of risks.</p> <p>You will also need to take out personal insurances, as outlined in section 'Pre-clarify required insurances' (P8)</p>

HRegV = Commercial register regulations OR = Swiss Code of Obligations MWSTG = Federal Act on Value Added Tax  
MWSTV = Value Added Tax Ordinance

	<b>All three legal forms</b>
<b>Tax optimisation measures</b>	<p>The annual statement of accounts must be in accordance with statutory provisions. The new Financial Reporting Law has been in effect since 1 January 2013. Moreover, tax optimisations are possible in the annual accounts. Hidden reserves may still be created in Switzerland. Since tax laws vary from canton to canton, it is advisable to consult a fiduciary or tax consultant for tax optimising of year-end accounts.</p> <p>The tax situation can be optimised for companies as well for entrepreneurs on a private level. As a case in point, individuals can pay into Pillar 3a or buy into the pension fund of their professional association, provided they are a member of a pension fund.</p>

	<b>Sole proprietorship</b>	<b>GmbH</b>	<b>AG</b>
	<p>Self-employed persons may voluntarily join the pension fund of their employees or insure themselves through their professional association, provided the said association has a pension fund. Self-employed persons who choose to join a pension fund in middle age generally have considerable contribution gaps. Therefore, the cost of buying into the pension fund may be quite substantial. Self-employed persons who chose to join an occupational pension plan voluntarily have the same tax planning options as employees. The financial results achieved by self-employed persons are, by nature, subject to greater fluctuations than the income of employees. Therefore, fine-tuning through purchases into a pension fund in strong business years is very important, in order to reduce progressive taxation effectively.</p>	<p>In the initial years after setting up a company, tax matters often tend to be less of a priority. However, as soon as a company is well-established and financially successful, tax optimisation becomes important. Owners of capital companies need to think about how to pay out money to themselves (i.e. salary or dividend). Purchase into a pension fund also needs to be considered, and the advantages and drawbacks thereof carefully assessed. The support of an expert is often well worth having.</p>	

	<b>All three legal forms</b>
<b>Building your business</b>	<p>Congratulations! You have completed the founding phase. Now you can start building your business. The activities in the first few months and years are decisive for the future of your company. Be sure to keep track of key factors.</p> <p>Even after setting up your company, there are several requirements to consider: on the one hand those stipulated in the OR (inter alia: duties of the corporate bodies, keeping a share register if there are registered shares, ordinary general meeting within six months of the close of the financial year). On the other hand, industry-specific permits will need to be renewed and other requirements met.</p> <p>Furthermore, there are bookkeeping and archiving duties, as well as other duties as set forth in the articles of association of the GmbH or AG.</p> <p>All receipts and supporting documents must be kept and filed chronologically from the start.</p> <p>It is important for sole proprietors to open a company account from the start, in order to separate business-related matters from private ones. The services of a fiduciary expert should also be sought ab initio. The said expert can advise which and how tasks need to be performed throughout the year.</p> <p>In addition, there are social security and tax obligations, as well as duties resulting from contracts with customers, suppliers and employees.</p> <p>Henceforth, it is important to keep track of these duties.</p>



# Information for non-Swiss nationals

This document is a translation. In case of any differences or discrepancies, the original German text shall prevail.

## Residence and employment

### Enforcement authorities

State Secretariat for Migration SEM  
[www.sem.admin.ch](http://www.sem.admin.ch) and cantonal offices  
 (for economy and labour; for migration)

### Introductory remarks

Health and economic policy regulations and the relevant requirements to practice a profession (incl. duty to obtain a permit) must always be observed, irrespective of nationality and residence permit.

### Swiss citizens and those with a settlement permit C

do not require a work permit.

### EU/EFTA citizens

*employed by a Swiss employer (for more than three months)*

receive a short stay permit L or residence permit B (depending on duration of contract); these individuals are entitled to issuance; obligation to register at the residents' registration office of the municipality of residence before starting work (required documents: valid passport and employment contract or work confirmation)

*employed by a foreign employer (for more than three months)*

are considered as posted workers/service providers, even if they temporarily have their place of residence in Switzerland; the employer must obtain a work permit for them (conditions that need to be met: overall economic interest, salary and employment conditions, personal requirements and existing quotas). Registration at the residents' registration office of the municipality of residence before starting work can only occur once this permit is available (required documents: valid passport and employment contract or work confirmation).

*with residence abroad (cross-border commuter permit),*

if gainfully employed for more than three months per calendar year, receive a cross-border commuter permit (permit G) on presentation of a certificate of employment. This falls within the remit of the cantonal migration office.

*in short-term stay for work purposes*

can work in Switzerland for max. 90 working days per calendar year without a permit; however, they are subject to a notification requirement if employment exceeds eight days. The notification requirement applies from the first day of work in the following industries/sectors: main and subsidiary construction industries, hospitality, cleaning, surveillance, and security services. Notification must occur at the latest eight days before commencement of work.

*Croatian citizens*

Due to the sharp rise in immigration, the Federal Council has suspended the full free movement of persons for 2023 and reintroduced permit quotas for Croatian nationals who wish to work in Switzerland for more than three months. The number of residence permits B and short stay permits L available in 2023 is set at 1,150 and 1,007 respectively. The notification procedure applies if work is taken up for a maximum of three months.

### Third-country citizens

Entry only possible with the right visa and immigration documents; limited to specialists, executives and other skilled workers

*UK nationals*

The same rules apply as for third-country nationals. Only exception: if employed by a foreign employer and if employment is for a maximum of ninety days per calendar year, UK nationals are subject only to the notification requirement, in the same way EU/EFTA citizens are.

*employed by a Swiss employer,*

conditions to be met: overall economic interest, precedence, salary and employment conditions, personal requirements and existing quotas

*employed by a foreign employer,*

see EU/EFTA citizens; conditions to be met: overall economic interest, salary and employment conditions, personal requirements and existing quotas

*Particularities regarding residence permits*

*Residence permit (permit B)*

for stays lasting more than one year; for a specific purpose; time-limited; can be extended if there are no grounds for withdrawal

*Short stay permit (permit L)*

for stays up to one year; for a specific purpose; time-limited; can be extended to max. 24 months

### Short stay permit (permit L)

Stays of up to one year; prolongable up to a maximum of 24 months

### Residence permit (permit B)

Stays of more than one year; time-limited

### Settlement permit (permit C)

Unlimited

### EFTA

Iceland, Norway, Principality of Liechtenstein, Switzerland

### EU

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovakia, Slovenia, Spain

### Precedence

The applicant employer must provide evidence that he/she has not been able to find a suitably qualified person (in terms of education and work experience) from Switzerland or the EU/EFTA area.

In addition to the rule of precedence, there is a job notification requirement for third-country nationals. This obligation to give notice of vacant positions applies to all types of professions with an above-average unemployment rate. The annual list with professions subject to the notification requirement is set by the State Secretariat for Economic Affairs (SECO).

### Salary and employment conditions

The employer must comply with the salary and employment conditions customary in the region and sector.

### Quotas

Annual quota of L and B permits set by the Federal Council

## Self-employment: setting up a sole proprietorship, GmbH, AG

More information:

[www.startbiz.ch](http://www.startbiz.ch), [www.kmu.admin.ch](http://www.kmu.admin.ch),  
[www.gruenden.ch](http://www.gruenden.ch), [www.sem.admin.ch](http://www.sem.admin.ch)

### Introductory remarks

EU/EFTA citizens may generally become self-employed. The application documents will be checked by the migration office.

Foreign citizens with a settlement permit C or a residence permit B in family reunification (i.e. married to

1. a Swiss citizen or
2. a residence permit B or settlement permit C holder may, as a rule, become self-employed.

Third-country nationals without a residence or settlement permit may only become self-employed if it is in keeping with the overall economic interest and the necessary financial and operational requirements are met. The application forms and documents (inter alia, business plan) will be examined by the labour market authorities.

### Setting up a sole proprietorship

The family name must constitute a key component of the business name (Art. 945 para. 1 OR); as the case may be, commercial register entry at the business seat (depending on type of business and turnover; required for a commercial business with an annual turnover of at least CHF 100,000)\*

### Establishing a GmbH

*In principle*

one founder (Art. 772 para. 1 OR); representation of the company by at least one authorised person who is resident in Switzerland (Art. 814 para. 3 OR); entry in the commercial register at the place at which the GmbH has its seat (Art. 778 OR)

*In addition,*

possibly, permission pursuant to the Federal Act on Acquisition of Real Estate by Persons Resident Abroad (BewG) for persons abroad, pursuant to Art. 5 BewG, for persons who are participating in the GmbH\*

### Establishing an AG

*In principle,*

one founder Art. 620 para.1 OR); representation of the company by at least one authorised person who is resident in Switzerland (Art. 718 para. 4 OR); entry in the commercial register at the place at which the AG has its seat (Art. 640 OR)

*In addition,*

possibly, permission pursuant to the Federal Act on Acquisition of Real Estate by Residents Abroad (BewG) for persons abroad, pursuant to Art. 5 BewG, for persons who are participating in the AG\*

\* For further requirements, see 'Overview of legal forms' on the previous pages

## Acquisition of real estate

**Supervisory authority:**

Federal Office of Justice,  
[www.bj.admin.ch](http://www.bj.admin.ch)

### Acquisition not subject to authorisation

*of property for business purposes, irrespective of place of residence, seat or nationality*

*of main residence*

by all foreigners with residence in Switzerland, if the dwelling serves as their main residence at the place of their legal and effective residence

*of secondary residence*

- if resident in Switzerland: for EU/EFTA citizens, third-country nationals with a settlement permit C and nationals of the United Kingdom (Art. 5 para. 1 (a) BewG)
- cross-border commuters with EU/EFTA nationality and nationals of the United Kingdom in the area of their place of work (Art. 7 (j) BewG)

*holiday home/serviced apartment in aparthotel*

if resident in Switzerland: for EU/EFTA nationals and nationals of the United Kingdom (Art. 5 para. 1 (a) BewG)

### Purchase not possible

*of secondary residence*

- by foreigners resident abroad (exception: secondary home at the place of work for cross-border commuters with EU/EFTA nationality)
- by third-country nationals without a settlement permit C

*of main residence*

- by third-country nationals without a residence permit B or a settlement permit C

### Acquisition permit required for

*purchase of holiday apartment/serviced apartment in aparthotel by*

- foreign nationals resident abroad
- third-country nationals without a settlement permit C
- companies with seat abroad; companies with seat in Switzerland but controlled by persons abroad

## Family reunification

**Enforcement agencies:**

State Secretariat for Migration, cantonal migration offices, [www.sem.admin.ch](http://www.sem.admin.ch)

### In the case of Swiss nationals

*foreign spouses, registered partners and unmarried children under 18 years of age* are entitled to be granted and to have their residence permit extended provided they live with the person (Art 42 of the Foreign Nationals and Integration Act [AIG])

*children under 12 years of age*

are entitled to be granted a settlement permit C (Art. 42 para. 4 of the Foreign Nationals and Integration Act [AIG])

### In the case of EU/EFTA nationals with a residence permit or short stay permit

*spouses, registered partners, and children under the age of 21, as well as relatives in the ascending line and children over 21 if their keep is provided for*, shall be issued a residence permit, provided suitable housing is available (Art. 3 Annex I AFMP).

### In the case of foreign nationals with a short stay permit L, a residence permit B or a settlement permit C

*foreign spouses, registered partners and unmarried children under the age of 18 may be granted a residence permit B or short stay permit L if*

- they live with the permit holder and
- suitable housing is available and
- they do not depend on social welfare and are able to communicate in the national language spoken at the place of residence (does not apply to unmarried children under the age of 18 and short stay permit L) and
- the family member they are joining is not claiming supplementary benefits Art. 43-45 of the Foreign Nationals and Integration Act (AIG).
- Children under the age of twelve of settlement permit C holders are entitled to be granted a settlement permit C (Art. 43 para. 6 of the Foreign Nationals Integration Act [AIG])

**Due to the differences applicable to citizens of the various countries, this overview can only provide a rough outline. Therefore, it is recommended to consult the competent authorities or seek further advice on an individual basis.**

The 'Overview of legal forms', 'Company foundation checklist' and 'Information for non-Swiss nationals' were compiled in collaboration with the Division of Business and Development of the Canton of Zurich ([standort@vd.zh.ch](mailto:standort@vd.zh.ch)) and Kellerhals Carrard ([www.kellerhals-carrard.ch](http://www.kellerhals-carrard.ch)). Reprinting or reproduction only with permission of the Division of Business and Economic Development of the Canton of Zurich.