

## Legal forms of companies in Switzerland Comparative overview

Effective January 2012

	<b>Corporation (AG / SA)</b>	<b>Limited Liability Company (GmbH / Sàrl)</b>	<b>Branch (operation unit)</b>
<b>Set-up</b>	Entry in commercial register, formal organization procedure	Entry in commercial register, formal organization procedure	Entry in commercial register, formal organization procedure
<b>Purpose</b>	Any commercial activity under the corporation name	Any commercial activity under the company name	Business operation of the mother company on the Swiss market
<b>Beneficiary</b>	Shareholders	Partners	Mother company
<b>Founder</b>	Physical person(s) or legal entity(ies) (foreign nationals/companies possible)	Physical person(s) or legal entity(ies) (foreign nationals/companies possible)	Mother company
<b>Governing bodies</b>	General meeting of shareholders Board of Directors (foreign nationals possible, but at least one director with power of sole signature, or two directors with joint signature must be domiciled in Switzerland)	Company meeting Managing Director(s) (foreign nationals possible, but at least one MD with power of sole signature, or two directors with joint signature must be domiciled in Switzerland)	Managing Director with domicile in Switzerland
<b>Registered capital</b>	Min. – CHF 100,000 Max. – no limit	Min. – CHF 20,000 Max. – no limit	Endowment capital, as decided by mother company
<b>Shares</b>	Minimum par value: CHF 0.01 20% of each share must be paid in (at least CHF 50,000)	Minimum par value: CHF 100.00 Must be fully paid in	
<b>Transfer of shares</b>	No consent of corporation or other shareholders required, unless otherwise set forth in the articles of association	Consent of company meeting is required, unless otherwise set forth in the articles of association	
<b>Audit</b>	Required for publicly owned corporations only For other corporations, if some economical thresholds are reached Opting-out of audit, if not more than 10 employees	Required if some economical thresholds are reached Opting-out of audit, if not more than 10 employees	Required if some economical thresholds are reached Opting-out of audit, if not more than 10 employees
<b>Liability</b>	Corporation's assets	Company's assets	Mother company
<b>Advantages</b>	Investors' anonymity Simple transfer of shares Limited liability	Low minimum capital Limited liability	No own capital required Low founding cost
<b>Disadvantages</b>	Costs Double taxation (income of corporation plus dividends to shareholders)	Low structural flexibility Transfer of shares is more complicated	Liability situation No legal creditor/debtor relationship between mother company and its branch