



launchswiss

| | Corporation (AG) | Limited Liability Company (GmbH) | General Partnership | Sole Proprietorship |
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| Company Name | Free design (fantasy name possible), addition of "AG" (PLC) is essential (ordinance OR 950 et seq..) | Free design (fantasy name possible), addition of "GmbH" (LLC) is essential (ordinance OR 950 et seq..) | Min. 1 surname of a partner; addition, which refers to the legal form (e.g. "& Co."), real or fantasy names (addition) allowed (ordinance OR 947) | Surname is main component, real or fantasy names (addition) allowed (ordinance OR 944 et seq..) |
| Legal Source | OR 620 et seq. | OR 772 et seq. | OR 552 et seq. | No explicit regulation |
| Legal Nature | Legal person | Legal Person (Personally owned capital company) | Partnership | Treatment as a natural person |
| Liability | Company assets are liable for legal obligations (OR 620) | Company assets are liable for legal obligations (OR 794) | Joint guarantee for company obligations of the partners (OR 568) | Unlimited liability of owner |
| Founding Legal Entity | With entry in the commercial trade register (OR 643) | With entry in the commercial trade register (OR 779) | Upon conclusion of a formless partnership agreement (OR 552) | With the start of operations (registration required with an annual turnover of CHF 100,000.00) |
| Residency Requirements | Min. 1 person with signing authority and residency in Switzerland (OR 718) | Min. 1 person with signing authority and residency in Switzerland (OR 814) | - | - |
| Minimum Number of Founders / Owner | Formation possible by one or more natural or legal persons (OR 625) | Formation possible by one or more natural or legal persons (OR 775) | Two or more natural persons as partners (OR 552) | 1 natural person |
| Entry in Commercial Trade Register | Yes (OR 640) | Yes (OR 778) | Company is formed after entry in commercial trade register (OR 552) | Mandatory with an annual turnover of CHF 100,000.00 |
| Minimum Capital | Share capital of CHF 100,000.00; CHF 50,000.00 (OR 621, 632) | Minimum share capital CHF 20,000.00 (OR 773) | - | - |
| Capital Limit | - | - | - | - |
| Payment under subscription obligation | 20% of the share capital, but in any case at least CHF 50,000.00 (OR 632) | Only complete payment under subscription possible (100%) (OR 774) | - | - |
| Type of shares | Name and / or bearer shares | Ordinary shares | - | - |

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| Accounting requirements | Yes (OR 957 ff) | Yes (OR 957 ff) | Mandatory if annual turnover > CHF 500,000.00 | Mandatory if annual turnover > CHF 500,000.00 |
| Audit | Fundamental audit requirement, however, possible waiver (OR 727 et seq.) | Fundamental audit requirement, however, possible waiver (in conjunction with OR 818 727 ff) | Not mandatory | Not mandatory |
| Accumulation of a Reserve | Mandatory (OR 671) | Mandatory (OR 801) | Not mandatory | Not mandatory |
| Taxes | Company: Tax on profits and tax on capital Shareholders: Income and wealth tax | Company: Tax on profits and tax on capital Partner: Income and wealth tax | Income and wealth tax | Income and wealth tax |
| Suitability | For small and large companies, generally for profit (one or more partners possible) | For small and large companies, generally for profit (one or more partners possible) | For a merger of partners who want to run a business. Flexible arrangements are possible in the partnership agreement | For individuals who operate a business |

| | PRO | CONTRA |
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| Corporation (AG) | <p>Generally, no personal liability of the shareholder. In the event of bankruptcy, the shareholders are only liable for their share of capital.</p> <p>The share capital may not necessarily be paid in cash. Deposits in the form of assets such as real estate, vehicles, etc. are possible.</p> <p>Principle of anonymity, which means that - except for registered shares - the shareholder is not known.</p> <p>Registered shares must not be paid in full.</p> <p>For shareholders, there are no other obligations other than the payment under subscription.</p> <p>There is the possibility that a Corporation may continue to exist after the death of a shareholder.</p> <p>Relatively simple sale of shares. Only registered shares can be hampered with regulations regarding the sales (so-called restriction of transferability).</p> <p>Principally, free choice of company name.</p> <p>Higher credit worthiness and simpler provision of capital as with a limited liability company.</p> <p>It is possible for motivated employees to be issued employee shares for their participation in the company.</p> <p>Contributions to old age and survivor's insurance to be paid in advance from the pre-determined wages of the entrepreneur.</p> <p>Tax optimisation through breaking the progression is possible.</p> <p>The participation of several partners is possible.</p> <p>The share capital can be arbitrarily split into shares. The minimum face value is only 1 cent.</p> | <p>Higher capital requirements than a limited liability company (share capital minimum CHF 100,000.00, thereof 20 % or minimum CHF 50,000.00 payment under subscription).</p> <p>The unpaid amount of the share capital must be paid on demand or no later than the liquidation.</p> <p>Bearer shares must be fully paid.</p> <p>In comparison to a sole proprietorship, there are higher administrative costs and higher start up costs.</p> <p>Depending on the nature of the Corporation, a full audit is mandatory.</p> <p>The occupational pension fund laws apply to wage recipients above a certain amount of salary.</p> <p>Stricter accounting rules than for a sole proprietorship.</p> <p>Basic double taxation (i.e. shareholder and Corporation are taxed).</p> |

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| Limited Liability Company (GmbH) | <p>No personal liability for business debts of the shareholders.</p> <p>Low minimum capital (CHF 20,000.00).</p> <p>There is the possibility of several persons participating in the company.</p> <p>Subsequent conversion to a Corporation is possible.</p> <p>The name of the GmbH can be more or less freely chosen.</p> <p>Entitled to family allowances.</p> <p>Contributions to old age and survivor's insurance to be paid in advance from the pre-determined wages of the entrepreneur.</p> <p>In comparison to a sole proprietorship, a limited liability company has a larger range for the provision of capital.</p> | <p>In comparison to a Corporation, a limited liability company does not have an equal opportunity for raising capital because a Corporation has the possibility of other participating in a purely financial manner through shares.</p> <p>Increased administrative costs compared to a sole proprietorship.</p> <p>The occupational pension fund laws apply above a certain amount of salary.</p> <p>Compared to a Corporation, the ordinary shares of a limited liability company are not as easily saleable or split as are the shares of a Corporation.</p> <p>Due to the current laws regarding publicity requirements, the shareholders are entered in the commercial register.</p> <p>Problem of double taxation (shareholder and company).</p> <p>Compared to a sole proprietorship, there are higher start-up costs. Margin and ancillary service obligations for the partners may exist.</p> <p>The shareholders of a limited liability company are respectively entered in the commercial register.</p> |
| General Partnership | <p>No start-up capital.</p> <p>Uncomplicated and individual interest of several persons possible.</p> <p>Good credit (assuming shareholders are "clean").</p> <p>Low incorporation fees.</p> <p>Conversion to another legal form possible.</p> | <p>Personal liability of partners.</p> <p>No claim to unemployment benefits.</p> |
| Sole Proprietorship | <p>No start-up capital necessary.</p> <p>Uncomplicated and informal start up of activities.</p> <p>Good credit (if owner is "clean").</p> <p>Low incorporation fees.</p> <p>Large Corporate Freedom.</p> <p>Conversion to another legal form possible.</p> | <p>Full range of liability (private assets) of the owner for company debts.</p> <p>No possible involvement of other person.</p> <p>Owner is not entitled to receive unemployment benefit</p> |