

ESTABLISHMENT OF A COMPANY IN SWITZERLAND

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Having a company in Switzerland can often be an interesting option, both for people who are already professionally active in Switzerland and for people who intend to settle there from abroad.

Stock Corporation (SA) v. Limited Liability Company (SAGL)

The two most frequent capital companies are the SAGL (German: GmbH) (limited liability company) and the SA (German: AG) (stock corporation). The main peculiarities and differences between these two types of companies are as follows:

	Stock Corporation (SA)	Limited Liability Company (SAGL)
Incorporation	<ul style="list-style-type: none"> - Public deed - At least 1 corporate or individual founder - Entry in the commercial registry 	<ul style="list-style-type: none"> - Public deed - At least 1 corporate or individual founder - Entry in the commercial registry
Share Capital	<ul style="list-style-type: none"> - Minimum CHF 100'000 - Maximum no limits 	<ul style="list-style-type: none"> - Minimum CHF 20'000 - Maximum no limits
Capital structure	<ul style="list-style-type: none"> - Bearer shares and/or - Registered shares and/or - Participation certificates (non-voting shares) 	<ul style="list-style-type: none"> - At least one share per shareholder
Minimum contribution	<ul style="list-style-type: none"> - Bearer shares: 100% of the share capital - Registered shares: 20% but at least CHF 50'000 	<ul style="list-style-type: none"> - 100% of the share capital
Duties of Shareholders	<ul style="list-style-type: none"> - Only financial (obligation to deposit a fixed amount per shares) 	<ul style="list-style-type: none"> - Financial (obligation to deposit entire issue price of shares) - Personal (such as duty of loyalty and prohibition of competition)
Transfer of shareholder's rights	<ul style="list-style-type: none"> - Bearer shares: disposal of shares at one's discretion - Registered shares: may be restricted by the articles of association 	<ul style="list-style-type: none"> - Consent of 2/3 shareholders present at meeting and ½ of the entire capital - Obligation of assignment in written form; possibly amendments of the articles of association - Contract of amendments must name statutory rights and duties - Withdrawal for valid reasons - Registration at the commercial registry

Organization	- General meeting of shareholders - Board of directors - Auditors (opting out permitted if all shareholders agree and less than 10 employees in a year on average)	- Shareholders' meeting - Management - Auditors (opting out like stock corporation)
Management	- Board of directors	- All shareholders, or - One or more individual shareholder
Residence requirements	- At least one managing officer / board member, with sole signature power must be a Swiss resident	- At least one managing officer / board member, with sole signature power must be a Swiss resident
Liability	- Only the business assets	- Only the business assets, unless the articles of association explicitly provide for additional contributions of shareholders

Constitution:

For the constitution, the promoter must proceed as follows:

- Choose the name of the company and check if the same is still available (so if there is not already a registered company with the same name).
- Choose and define the purpose of the company (for some kinds of activities a special authorization may be required, for example for financial intermediaries).
- Pay the necessary capital into a bank account, which must remain at the complete disposal of the company.
- If not resident in Switzerland himself, hire one more local managing officers enabled to represent the company with sole signature.

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In our Law Firm we often deal with issues in the field of corporate and commercial law. If desired, a free, non-binding first meeting can be arranged, where the situation will be analyzed, and the client will be given an indication of the best procedure to follow.

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