

## Doing business in Switzerland – A comparative overview of legal forms

	<b>Simple partnership</b> (société simple - einfache Gesellschaft)	<b>Sole proprietorship</b> (raison individuelle - Einzelunternehmung)	<b>Partnership</b> (société en nom collectif SNC Kollektivgesellschaft)	<b>Limited liability company</b> (Sàrl - GmbH)	<b>Corporation</b> (SA - AG)
<b>Legal basis</b>	CO 530 – 551	Cst. 27	CO 552 – 593	CO 772 - 827	CO 620 – 763
<b>Purpose</b>	May serve economic and non economic purposes	Operating a commercial enterprise as the sole proprietor	Trade, manufacturing or other business under the name of a company	Trade, manufacturing or other business carried on in a commercial manner or other business purposes	Trade, manufacturing or other business. A corporation may also be formed for other than business purposes.
<b>Founder</b>	At least two individuals or entities (CO 530)	One individual	Two or more individuals (CO 552)	Two or several individuals or entities upon foundation (CO 772)	At least three individuals or entities upon foundation (CO 625)
<b>Set-up, incorporation</b>	No specific form required. The Simple partnership is a contractual relationship. (CO 530)	No specific form required. The proprietorship begins with the start of the operations.	By conclusion of the partnership contract. (CO 557) Written form is not required but recommended.	Formal organisation procedure, notarised deed (CO 779)	Formal organisation procedure, notarised deed (CO629)
<b>Commercial Register</b>	The simple partnership cannot be registered. Its members may be registered.	Mandatory in certain cases, i.e. if turnover exceeds CHF 100,000.- (CO 934, ORC 52 to 54)	Mandatory (CO 552)	Mandatory (CO 780)	Mandatory (CO 640)
<b>Capital</b>	Free	Free	Free	Minimum CHF 20,000.-, maximum CHF 2 million (CO 773) A minimum of CHF 10,000.- must be paid in. (CO 774)	Minimum CHF 100,000.- (CO 621) 20% of the capital but at least CHF 50,000.- must be paid in. (CO 632)
<b>Company name</b>	The simple partnership cannot have a company name.	The family name of the proprietor is the essential element, with or without first names. (CO 945, 946)	The company name must contain the family name of at least one partner with an addition indicating the existence of a company. (CO 947, 951)	Free, within the limits of the general principles of naming companies. In all cases, the designation as a limited liability company must be added. (CO 949, 951)	Free, within the limits of the general principles of naming companies. If it contains names of persons, the designation as corporation must be added. (CO 950, 951)

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<b>Supreme body</b>	The partners (CO 534)	The owner	The partners (CO 557, 534)	The Member's meeting (CO 808)	The general meeting of shareholders (CO 698)
<b>Management</b>	All partners unless otherwise provided for in the contract (CO 535)	The owner	All/some partners or third parties (Managing Director) (CO 557, 535)	The members unless otherwise provided for. (CO 811) At least one of the managing officers must be domiciled in Switzerland. (CO 813)	The board of directors. (CO 716) The majority of the members must have Swiss citizenship and be domiciled in Switzerland. (CO 708) The members of the board must be shareholders. (CO 707)
<b>Inspection/auditors</b>	The partners	The owner	The partners	The members. The articles may provide for auditors. (CO 819)	The auditor, mandatory (CO 727)
<b>Liability for debts</b>	The partners are individually and jointly liable without limitation.	The owner has unlimited liability, including private assets.	Subsidiarily to the company's assets, the partners are individually and jointly liable without limitation. (CO 568)	The company's assets. The members shall be jointly and severally liable, up to the amount of the registered company capital not paid in. (CO 802)	The liability is limited to the Company's assets. (CO 620)
<b>Taxes</b>	The partners are taxable for the profits realised by the Simple partnership.	The owner is taxable on private and business income and assets.	The partners are taxable on their part on profit, interests and fees as well as on their shares.	Economic double taxation: The company is taxed on income and capital; the members are taxed on dividends and their shares.	Economic double taxation: The corporation is taxed on income and capital; the shareholders are taxed on dividends and the value of their shares.
<b>Advantages +</b>	+ Simplicity + Mainly for the realisation of a particular project	+ Simplicity	+ Particularly suitable for small companies	+ Low minimum capital + Only two founders required + No restrictions as to the nationality of Managing directors + Limited liability + No auditors required by law + Share transfer requires a notarised deed	+ No limitation on the max. capital + Particularly suitable for larger business operations + Simple transfer of shares + High degree of investor anonymity + Limited liability
<b>Disadvantage -</b>	- Liability	- Liability	- Liability		- Cost (incorporation, annual audit, board of directors)