



# launchswiss

	Corporation (AG)	Limited Liability Company (GmbH)	General Partnership	Sole Proprietorship
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	-	-

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
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>

<p><b>Limited Liability Company (GmbH)</b></p>	<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>
<p><b>General Partnership</b></p>	<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>
<p><b>Sole Proprietorship</b></p>	<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>