

## Switzerland

### Company Formation

Switzerland is widely regarded as one of the best countries in the world in which to do business. Its economy is consistently strong, resilient and extensively liberalised, and its business and legal regulatory environment is reliably secure. Its central location in Europe makes it a geographically desirable location for business, and its world-class banking system offers excellent protection and discretion for domestic as well as international business investors. It also helps that it is one of the cleanest and most beautiful countries in the world, with stunning snow-capped mountain vistas giving away to crystal-clear lakes, rolling hills, quaint towns and vibrant cities.

Establishing a presence in Europe is an excellent business opportunity, and it is hard to top what Switzerland brings to the table. Liberal government, and a long-term public and economic policy outlook make Switzerland one of the most stable economies in the world. The free market is highly-prized and competition is for the most part unrestricted. Property ownership gets a high level of protection and red tape is kept

to a minimum. Switzerland also has a proven track record of innovation and invests huge amounts of money on research and development every year. Its workforce is highly-skilled and multilingual. For all this, the tax burden is moderate by European standards.

Thinking of opening an office in Switzerland? Let Ousheng do the legwork, from the initial company formation process to opening a bank account and registering a virtual or physical address. We can even provide a nominated local director. Your company can be set up and running in Switzerland within a matter of weeks.

In today's world, operating in a free, stable economy which protects its businesspeople is more important than ever. Switzerland, with its rock-solid economy and pro-business government, embodies that better than possibly any other country on Earth. Contact us today for more information or to begin your application process.





## Core Advantages

- Switzerland has an incredibly liberal and competitive economy. The government is stable and plans policy on a long-term basis, avoiding the inconsistent public policies of certain other jurisdictions. The government is investment and business-friendly, and company formation and regulation is streamlined and free from unnecessary bureaucracy.
- Switzerland is famous for its banking sector. Swiss banks protect their clients' information and take privacy very seriously. The Swiss franc is considered one of the world's strongest currencies, and the Swiss banking sector is famously robust and backed by significant reserves. Investors can rest assured that their money and their company's money is safe in Swiss banks.
- Although Switzerland is not a member of the EU, Switzerland is a member of the Schengen-area. Should you choose to reside in Switzerland, you may travel to any of the Schengen member states visa-free for stays of up to 60 days.
- Switzerland is at the forefront of business. It was once again rated as the most innovative country in the world by the Global Innovation Index 2016. Switzerland also has one of the most highly-trained, highly-skilled, multilingual and productive workforces in the world. Owing to these numerous benefits, it has long been a major destination for foreign direct investment.
- Our services make company formation in Switzerland easy and cost-effective. Allow us to do the heavy lifting when it comes to registering your business entity, acquiring a business address and obtaining a Swiss bank account.

## Company Formation Procedure

1. The share capital is paid into an escrow account with a financial institution. After the company registration, this amount is paid into the company account.
2. Articles of association and incorporation are drawn up and notarised. A Stamp Declaration Form and the Lex Friedrich Declaration Form are also signed and submitted to the Register of Commerce. This process takes around 3 days to complete.
3. The deed certifying the articles of registration is filed with the commercial registry. The entity is then formed.
4. Stamp tax is paid and company is registered for VAT.

## Considerations

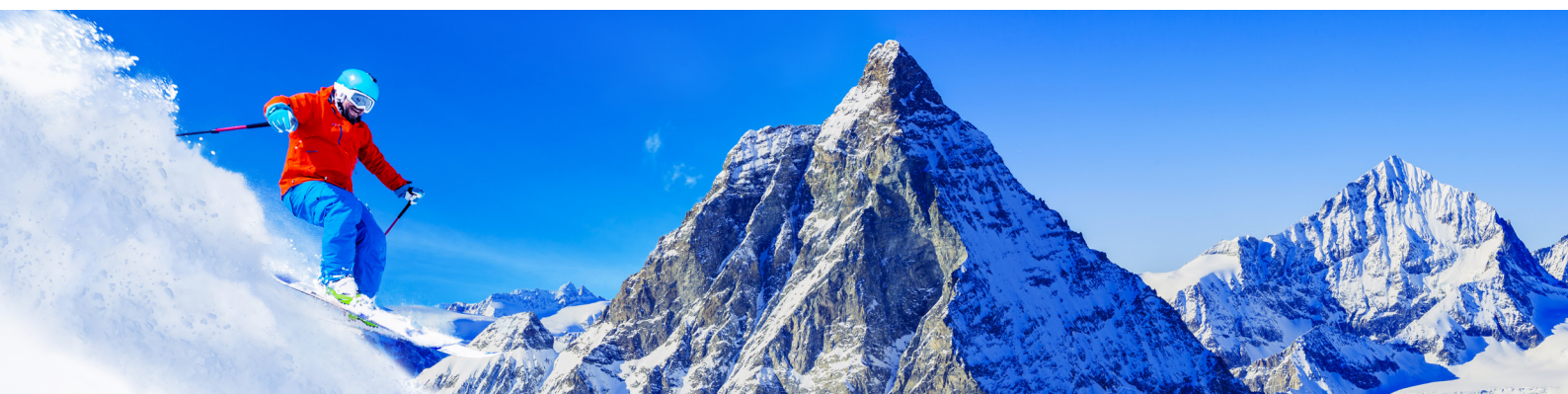
What kind of entity would you like to form? Choose between a sole partnership, single-owner company, general partnership, limited partnership, corporation, limited liability company, subsidiary or branch.

If you plan to work in Switzerland, you will need a Swiss visa. You will need a valid travel document, adequate health insurance and adequate resources to support yourself while in Switzerland. Stays in excess of three months require a residence permit, which are issued by the relevant canton. Ousheng is on hand to advise in this regard.

## The Tax Benefits of a Holding Company

Qualifying holding companies can be granted privileged tax status and as such may be exempted from all cantonal and communal corporate income tax (CIT), with the exception of income from Swiss real estate, which is subject to taxation after deduction of mortgage expenditure. Income derived from dividends, interest, royalties and management fees are exempt from cantonal tax. The following are the requirements for such an exemption:

1. The main activity of the company must be the long-term management of equity investments in subsidiaries, as stated in the company articles.
2. The holding company must not be engaged in commercial





activity in Switzerland.

3. The company must show that either: a) substantial shareholdings or participations make up more than two-thirds of the company's balance sheet or more than two-thirds of the company's income, or b) participation income from such substantial shareholdings and participations must make up more than two-thirds of the company's income.

A holding company is then technically only liable to pay the federal CIT rate of 7.83%, although further relief is available on qualifying dividends and capital gains. Dividends received from participations of at least 10% of equity, or with a market value of not less than CHF 1,000,000, can qualify for relief. Capital gains on participations sold are also exempted, so long as the participation represents at least 10% of company equity and has been held for at least a year prior to sale. The withholding tax rate on distributed dividends is reduced or eliminated by tax treaties and under certain circumstances.

These tax reliefs can result in a substantial or complete tax exemption. It should be noted that some of these conditions are liable to change.

## Further Information on Switzerland

The Swiss Confederation, usually known as Switzerland, is a federal republic in central Europe. It is subdivided into 26 areas called cantons, with Bern as the federal capital. Switzerland is a landlocked country and mostly mountainous, with the Alps spanning the majority of Switzerland's territory. The geographical landscape is stunningly beautiful, attracting thousands of tourists every year, eager to hike, trek, ski and snowboard in the picture perfect mountains and lowlands. Switzerland also boasts pristine lakes, fertile plains, rolling hills, and vibrant towns and cities. The transport system is also excellent.

The two global and economic centres are Zürich and Geneva. Switzerland's economy is famous for its stability and long-term consistency with regard to monetary and political policy. Industry, trade and the service sectors are key to Switzerland's economic success. Switzerland has one of the highest per capita income rates in the world and consistently low unemployment. The healthcare system is universal, with low infant mortality rates and a high life expectancy. The air is clean and crime rates are low.

### Table of Charges

SERVICES	PRICE
Address/Virtual Office	400CHF/month; 4800CHF/year
Nominated Local Director	400CHF/month; 4800CHF/year
Company Formation Service	5000CHF
Bank Account	5000CHF
Nominated Shareholding	200CHF/month; 600CHF/3 months

## The Leading Firm in Global Residency Solutions

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Ousheng & Partners provides a range of services for high-net-worth investors seeking high-quality overseas residency solutions. Our professional and dedicated team has many years of successful experience in overseas residence and citizenship-

by-investment programmes, and can advise and assist with all concerns inherent in relocation, including legal matters, property acquisition, and access to medical and education services.

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