

Limited Liability Company (*GmbH*): Characteristics

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August 17, 2009

Legal character	Legal entity
Characterization	Corporation (owner managed)
Purpose	Economic or non-economic purpose
Founder	Minimum 1 individual or legal entity
Nationality and residence regulations	Minimum 1 person with representation authority for the LLC with domicile in Switzerland (can be Swiss or foreign citizen)
Document requirements	<ul style="list-style-type: none"> – Authentication by a notary public – Entry in Commercial Register
Governing bodies	<ul style="list-style-type: none"> – Proprietors' Meeting – Managing Director – Auditors
Company name	The name of the company may be freely chosen – with GmbH added
Minimum capital	CHF 20,000 (must be fully paid in)
Establishment costs	<ul style="list-style-type: none"> – <i>Entry in the Commercial Register</i>: registration for the company: CHF 600, plus CHF 20-30 per signatory authorization or functional notification, average additional fees CHF 10-150 – <i>Notarization and consulting costs</i> (tax advisor, attorney, public notary, fiduciary, etc.): average from CHF 3,500 – 1% <i>Stamp duty</i> on nominal capital in the event it exceeds CHF 1,000,000
Liability	Liability limited to the company assets
Taxes	Economic double burden: taxation of profits and capital of the company as well as taxation of distributions (income tax) and company shares (asset tax) for partners
Bookkeeping	Obligation to keep books
Auditors	<ul style="list-style-type: none"> – In principle obligatory – For small and mid-sized companies, possibility to dispense with an auditor in the event there are less than 10 full time positions
Advantages	<ul style="list-style-type: none"> – Limited liability – Relatively little minimum capital – Only 1 founder necessary
Disadvantages	<ul style="list-style-type: none"> – Lack of anonymity for owners – Economic double burden – Increased administrative expenses
Documents for entry in Commercial Register	Deed of incorporation, Articles of Association, acceptance statement of management, Stampa declaration, payment certification or founders' report, election acceptance of auditors
(Specific documents dependent on individual case; must be in German)	