

Sole Proprietorship (Einzelfirma): Characteristics

Legal character	Not a legal entity
Characterization	Sole property of the owner of the company (the proprietor)
Purpose	Economic or non-economic purpose
Founder	1 individual
Nationality and residence regulations	<ul style="list-style-type: none"> – EU / EFTA citizens: cross border commuter's or residence permit – Citizens of other countries: in principle residence / business establishment permit (C Permit)
Document requirements	Registration in Commercial Register for annual turnover of CHF 100,000 or more (less than that voluntary)
Governing bodies	Company owner
Company name	Family name of owner must be included
Minimum capital	No minimum capital
Establishment costs	<ul style="list-style-type: none"> – <i>Entry in Commercial register</i>: registration for sole proprietor CHF 120, plus CHF 20-30 per authorized signatory or functional notification, average additional fees CHF 10-150 – <i>Consulting costs</i> (tax advisor, attorney, fiduciary, etc.): average from CHF 500-2,000
Liability	Unlimited liability of the company owner with his/her entire assets
Taxes	Taxation of income and assets of the company owner
Bookkeeping	Bookkeeping obligation for annual turnover of CHF 75,000 or more
Auditors	Voluntary
Special remark	Proof of self-employment for social security registration obligatory (AHV)
Advantages	<ul style="list-style-type: none"> – Simple and inexpensive establishment procedure – No minimum capital requirement – No economic double tax burden (taxation of profits and capital for the company as well as taxation of distributions (income tax) and company shares (asset tax) for the partners) – Few administrative expenses
Disadvantages	<ul style="list-style-type: none"> – Unlimited liability of the company owner – Lack of anonymity
Documents for entry in Commercial Register	Registration form, attachments dependent on individual case