

## Sole Proprietorship (Einzelfirma): Characteristics

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