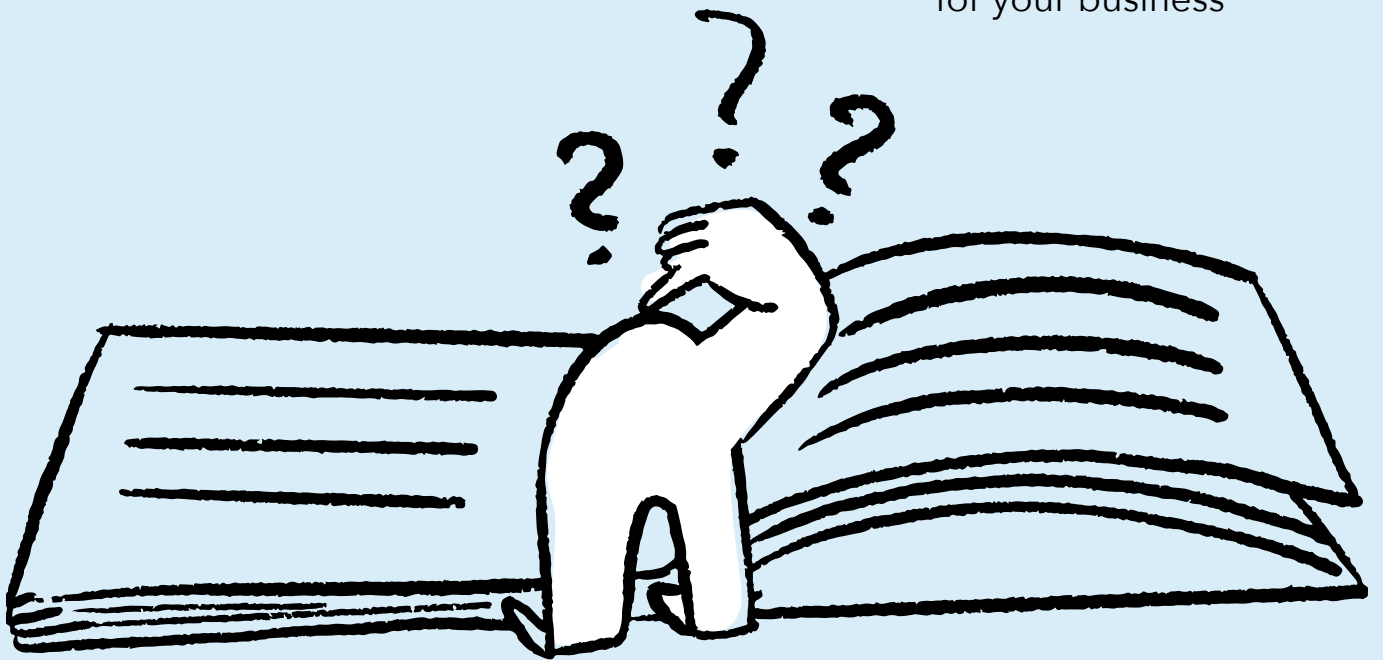


2024 Edition

Doing business in Geneva

A practical guide
for your business



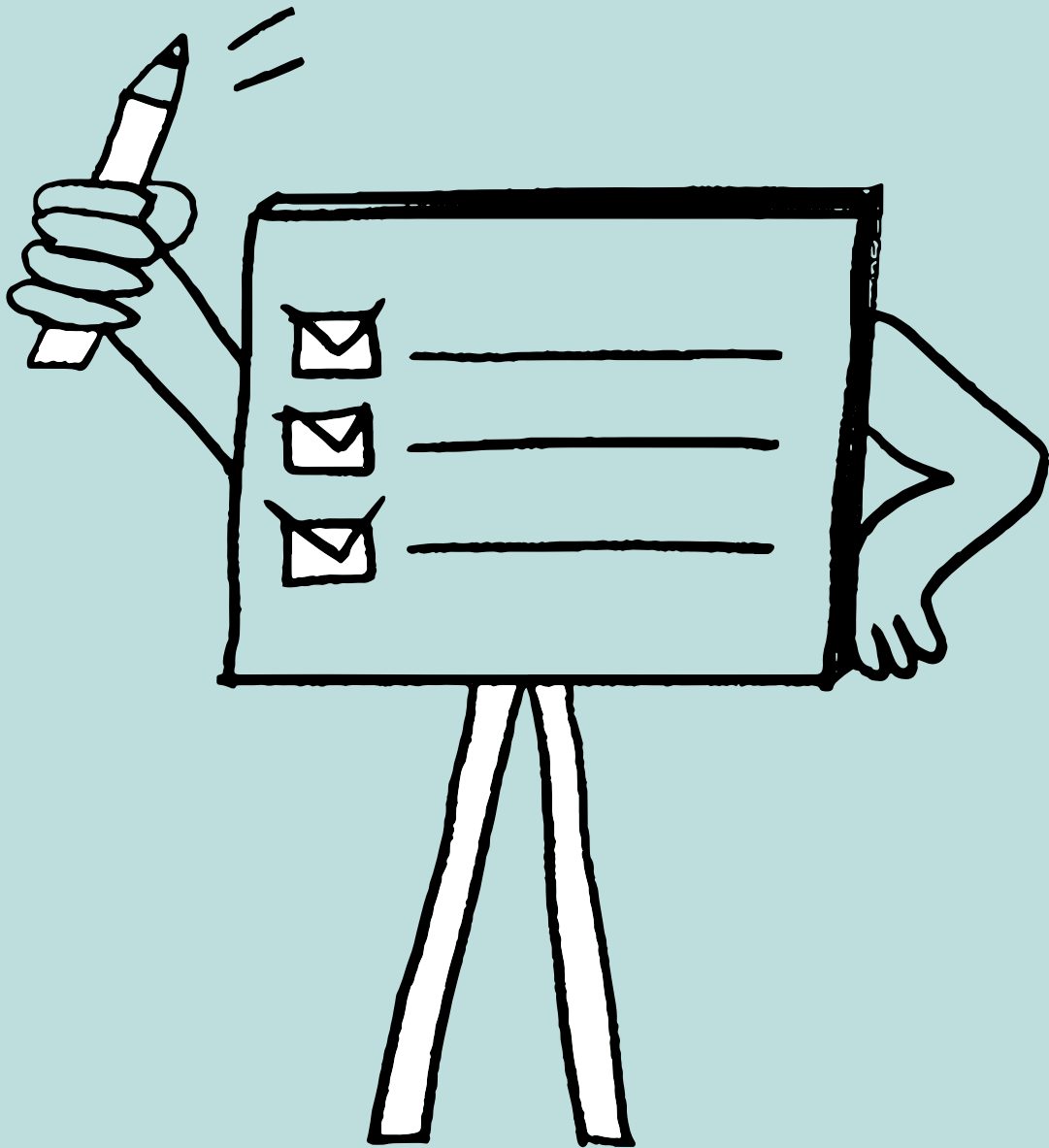
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01 Business plan

You're looking to start a company, but how should you go about your business plan?

This chapter take you through the steps you need to get started.



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01. Introduction

1.1 Definition

Your business plan, or growth plan, is a tool that enables you to analyse a business idea's feasibility, viability and potential. Above all, it is a process whereby you examine a project in detail to determine how to go about implementing it. This approach is often, but not necessarily, drawn up into an official document by the business creator to present the project. Generally 10 to 30 pages in length (including annexes), the plan defines and details the assumptions put forward, summarises and explains choices made, and presents the future of the company over a period of 3 to 5 years.

These days, depending on the school of thought, business plans may or may not be advised, but all experts do recognise the need for reflection before embarking on a project as an essential step to a successful business. The official document will be necessary if the entrepreneur wishes to present the project to third parties, be they other members of the core team (to muster support for the project, for example) or external partners (to secure financing, for example). The document may be drawn up in different formats, ranging from a traditional business plan to a PowerPoint-type presentation listing the main points.

1.2 Goals

The business plan aims to:

- **Help the business creator analyse their project**

A business plan allows you to analyse and review your project in a structured way, identifying current or foreseeable obstacles and constraints, so that you can also look for solutions. It forces creators to take a step back, check the project's feasibility and adopt stricter management policies.

- **Present the project's key elements**

Potential partners, such as investors, banks, tax authorities, distribution and supply channels, will read the business plan before they have even met the project leader. Your plan therefore plays a vital role in evaluating your project, and it must be highly persuasive.

- **Manage the implementation of the project**

A business plan makes it possible to measure the project's progress relative to the original assumptions. It therefore acts as a management tool allowing the business creator to respond quickly to objectives and adapt their strategy to events as they unfold.

1.3 Notes

The business plan has two main sections: a descriptive section and a section with figures.

- The descriptive section aims to confirm that there is a market for the project and define the terms for its implementation.
- The financial part transcribes the elements analysed and assumptions made into figures. This involves establishing the project's profitability and estimating possible financing needs.
- The section with figures is intended to act as a transcription of the argument put forward in the first section. The two parts should therefore be coherent.

Generally speaking, entrepreneurs are too optimistic in the initial phase of projects, underestimating start-up time, overestimating the amount of revenue and/or underestimating costs. It is therefore recommended to plan for different scenarios (optimistic, realistic, pessimistic), but above all, to remain pragmatic. It is essential to stick as closely as possible to the reality represented in the market study.

Today, various IT tools are available to help you create a business plan. They can be a useful way of supporting you through the different stages, but they especially help you formalise the financial section in line with accounting practices.

The content of your business plan will depend on the type of project. The main objective is to determine the project's viability by confirming that there is a market for it, as well as describing the implementation methods and validating the balance between financial inputs and expenses. The aim is to present a balance that guarantees more inputs than outputs. This can be given in more or less detail depending on the field of activity and complexity of the project. On the other hand, whatever the project, it is important not to produce a purely descriptive business plan where the assumptions would not withstand the realities of the market. As part of creating your business plan, it is essential to meet stakeholders in the market concerned (potential customers, distribution networks, competition and other partners) in order to understand the realities fully, and especially to test the different assumptions.

To help you develop your own business plan, the following is an example of a business plan structure which can be adapted to any type of business, with an operating budget, cash flow budget and balance sheet forecast.

02. Basic structure for a business plan

A. Summary	<p>The summary allows you to present your project and its challenges in a concise way.</p> <ul style="list-style-type: none">• Reminder of company or project activities (max. 1 page)• Team in charge of the project• Summary of sales and profit outlook• Financing needs and role of the financial partner• Overview of main risks
B. Opportunity	<p>In this part, you present the market opportunity that justifies your project's implementation. In concrete terms, it is a preliminary way of summarising a real market need that you can satisfy by benefitting customers. This creates a sort of context for the project.</p> <ul style="list-style-type: none">• What is the market need?• What is the problem experienced by your market segment which has not yet been met by competing solutions?• What is your proposed solution?• What is the benefit for customers?
C. Business and management	<p>The aim of this part is to introduce the team in charge of the business project. On the one hand, this involves introducing the project leaders and legal status, but above all, you demonstrate the suitability of the team's skills and experience to lead the company to success.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none">• Introducing your company or project• Legal status• List of directors or directors and shareholders• Current share capital• Structure (current and optimal organisation chart)• Management team's trajectory, training and responsibilities (i.e. their CV)• Size of workforce, presented by role

<p>D. Products/Services</p>	<p>The company should introduce its activity and explain the added value for potential customers.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none"> • Detailed description of products/services • Advantages to the customer base • Further product development • Current ongoing weaknesses
<p>E. Markets</p>	<p>This section should be persuasive and demonstrate that there is a market (or customer needs) for your product/ service, backed by statistical data and especially field data. Statistical data will allow for an overall assessment of the market, particularly with regard to size and medium/long-term potential. Field data (e.g. number of target companies, survey carried out) will illustrate the market's characteristics and interest of the market in a more concrete way.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none"> • Market potential, main outlets, customer segments (potential, growth) • Customer characteristics (typical profile) and needs • Sales forecast and market shares (including material bases and methods for calculating sales) • List of the main current customers (if any) • Potential customers (including letters of intent and correspondence) • Order book, outlook for firm orders (if any) • Market research and survey results
<p>F. Competition</p>	<p>Describing the competition acts as a complement to the market section. The goal is to present the current competition factor and demonstrate your project's differentiating features compared to this competition.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none"> • List of the main competition already active in your market (at local and/or international level depending on the project's characteristics) • Name, location, activity, potential sales, profits, workforce • Product comparison, strengths and weaknesses • Apparent strategy, possible reactions

<p>G. Competitive advantages</p>	<p>Competitive advantage is a key factor in a company's success and should be highlighted. The company must seek to make the most of its competitive advantage, and develop advantages that allow it to be distinguished from the competition in a lasting way. In this section, you must demonstrate the company's existing competitive advantage that brings added value for customers.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none"> • Differentiating features compared to the competition (strengths) • Protection of intellectual property (patents, trademarks and/or expertise)
<p>H. Marketing</p>	<p>The marketing plan defines the objectives, means and actions that the company will implement to develop its commercial activity successfully. This will involve determining the precise targeted markets and customers, as well as the sales process and planned steps to make the company known and increase sales.</p> <p>Areas to elaborate on include:</p> <ul style="list-style-type: none"> • Trade strategy • Target markets and customer segments • Distribution channels, organisation of domestic and international sales • Market prospecting, advertising, sales promotion • Positioning your pricing strategy • Communications strategy
<p>I. Risk assessment</p>	<p>The company should not only describe the main risks it currently faces or will face as part of its growth, but also the measures that can be taken to mitigate the effects of these risks. It is common to present risks through the SWOT methodology, which analyses a company's strengths and weaknesses in relation to the opportunities and threats of its environment:</p> <ul style="list-style-type: none"> • Strengths - positive factors within the company • Weaknesses - negative factors within the company • Opportunities - positive factors outside the company • Threats - negative factors outside the company • Possible measures
<p>J. Implementation plan or roadmap</p>	<p>An implementation plan allows you to present the main stages in your project's development. This is an important section which allows you not only to assess how realistic the project is, but also to measure its progress against the implementation plan you are presenting.</p> <ul style="list-style-type: none"> • Key stages and implementation deadlines

Annexes	<ul style="list-style-type: none"> • Company and product brochures • Relevant articles and press clippings • Product/market/competition analyses • Outlooks, plans, organisational charts, etc. • Entrepreneur CVs
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The following sections may also be included depending on the type of activity being developed:

Business model	<p>A business model concisely, and sometimes even through a diagram, describes how a company grows its activity and generates income. On the basis of a value chain analysis (breakdown of the company's activities and the market into stages to identify potential for competitive advantages) and market research, the following elements should be put forward:</p> <ul style="list-style-type: none"> • Method for generating income • Marketing method (e.g. distribution) • Activities developed internally or entrusted to partners • Main resources • Communication and distribution channels • Cost structure
Technology - R&D	<p>The company describes the technological factors briefly and in layman's terms, as well as future developments (only if this is a key element likely to be of advantage to the company). More detailed information may be included in the annex.</p> <ul style="list-style-type: none"> • Technology used and company expertise • Current development projects • Future development projects
Production	<p>This chapter aims to describe the production process, capabilities and specificities linked to the company's activity.</p> <ul style="list-style-type: none"> • Description of the production process • Production equipment and infrastructure • Production capacity and manufacturing and delivery processes • Purchasing and stock (volume, replenishments) • Subcontracted areas • Manufacturing costs (level and structure)

03. Financial statements

Financial statements give a numerical representation of the previous sections. They make it possible to understand the financial reality of your business project, as well as presenting the project's financial situation and development to potential sources of financing.

The financial part of the business plan should present the company's current situation, along with forecasts for its profitability (profit and loss forecast, generally over a period of 3 to 5 years) and for its cash flow (cash flow plan for a period of at least 12 months). These elements will allow you to demonstrate the viability of your business, as well as the related need for financing.

It is often recommended to present different scenarios, including a pessimistic and realistic scenario. Analysing these different options is an important part of validating the business project's feasibility. It should also be noted that, knowing that entrepreneurs are overly optimistic by nature, the pessimistic scenario frequently turns out to be more in line with reality.

Note that many software programs are available to help you prepare financial statements. They are often not too expensive, and allow you to concentrate on the data and assumptions (rather than on formulas in a spreadsheet). This gives you an undeniable advantage, because the different tables, profit and loss forecast, cash flow budget and balance sheet forecast must be interconnected, which makes in-house creation all the more complicated.

3.1 Profit and loss forecast

The profit and loss forecast (also known as a budget forecast or income statement forecast) presents the evolution of your company's income and expenses, and allows you to determine your company's results over time.

	Year 1	Year 2	Year 3
Turnover	250'000	300'000	350'000
= Total revenue	250'000	300'000	350'000
- Expenses - materials	120'000	140'000	165'000
= Gross result	130'000	160'000	185'000
- Salaries	60'000	70'000	80'000
- Social security contributions	12'000	14'000	16'000
- Overheads	15'000	15'000	18'000
- Maintenance costs	5'000	5'000	5'000

- Sales and marketing costs	10'000	12'000	15'000
- Rent	18'000	18'000	18'000
- Other (contingency reserve)	5'000	5'000	5'000
- Depreciation	10'000	12'000	15'000
= Earnings before interest and taxes	-5'000	9'000	13'000
- Interest	0	0	
- Taxes	0	2'250	3'250
= Company profit / loss	-5'000	6'750	9'750

These forecasts help determine the viability (profitability) of your business. Note that it is not always possible to predict every cost; it is therefore important to include a safety margin. This projection is generally given for a period of 3 years.

3.2 Cash flow forecast

Your cash flow statement (also known as a cash flow budget) helps determine your short-term financial needs. As a general rule, it is calculated on a monthly basis and only for the first year.

	Total	Month 1	Month 2	Month 3	...
Cash inflow					
+ Debtor payments	250'000	0	5'000	10'000	10'000
+ Other inflow					
= Total cash inflow	250'000	0	5'000	10'000	10'000
- Purchase of goods	120'000	2'500	5'000	5'000	8'000
- Salaries	60'000	5'000	5'000	5'000	5'000
- Social security contributions	12'000	1'000	1'000	1'000	1'000
- Overheads	15'000	1'250	1'250	1'250	1'250
- Maintenance costs	5'000	0	0	1'500	0

- Sales and marketing costs	10'000	1'000	1'000	1'000	1'000
- Rent	18'000	1'500	1'500	1'500	1'500
- Other (contingency reserve)	5'000	0	0	0	0
- Interest	0	0	0	0	0
- Taxes, VAT	0	0	0	0	0
= Commercial activity expenses	245'000	12'250	14'750	16'250	17'750
Gross cash balance¹	5'000	-12'250	-9'750	-6'250	-7'750
+ Capital increase	50'000	50'000	0	0	0
+ Sale of assets	0	0	0	0	0
+ Other cash inflow	0	0	0	0	0
- Investments	40'000	40'000	0	0	0
- Other expenses	0	0	0	0	0
= Net capital movement	10'000	10'000	0	0	0
= Net cash balance²	-5'000	-2'250	-9'750	-6'250	-7'750

¹ Total cash inflow - commercial activity expenses

² Gross cash balance - net capital movement

The cash flow table allows for optimal cash flow management during your first year of business, as well as defining your financing and working capital needs. It is important to take note of the planned cash inflow period for determining working capital needs. It could be an interesting exercise to plan different scenarios (for example, inflow periods of 30 days, 60 days and 90 days) to understand the impact fully and be able to visualise the importance of monitoring debtors for the company to run well.

3.3 Balance sheet forecast

The balance sheet forecast is often difficult to populate without using financial forecasting software. While clearly not the key element of a business plan, it may still be required, especially if your company is already an active business. The balance sheet identifies the use of funds and source of financing. Assets and liabilities must be balanced. The evolution of various items over the forecast period is important information for potential funding sources.

Assets	Year 1	Year 2	Year 3
Current assets			
+ Cash (cash, entry, bank, equity)	2'500	3'750	8'000
+ Debtors	10'000	12'000	18'000
+ Stocks	8'000	10'500	17'500
Fixed assets			
+ Shares	0	0	0
+ Machines, facilities	30'000	20'000	25'000
+ Vehicles	0	20'000	15'000
+ Real property	0	0	0
+ Patents, licences	0	0	0
= Total assets	50'500	66'250	83'500

Liabilities	Year 1	Year 2	Year 3
Foreign funds payable in the short term			
+ Creditors	4'500	12'000	13'000
+ Current liabilities	1'000	2'500	4'000
Foreign funds payable in the long term			
+ Long-term liabilities	0	0	0
+ Long-term provisions	0	0	0
Equity			
+ Equity/capital	50'000	50'000	50'000
+ Reserves	0	0	0
+ Deferred revenue	0	-5'000	6'750
+ Annual revenue	-5'000	6'750	9'750
= Total assets	50'500	66'250	83'500

The various balance sheet items are also the basis for several financial ratios used to evaluate the company. Please also note that all liabilities (including deposits, guarantees, etc.) should be mentioned in the annex to the balance sheet forecast.

3.4 Financing requirement

The financing requirement should accurately present the company's investments, as well as the working capital requirements for the project to be carried out. The company should also present its planned sources of financing. Note that it is important that project leaders make a contribution to the financing: the risks are then shared between the investor and the person running the project. The financing requirement projection is calculated for a period of 3 to 5 years.

04. Ratios and presentation of assumptions

Generally speaking, it is important to explain the causes of the financing requirement (use of funds) so that the person investing or financing can assess whether they are pertinent. To ascertain the extent to which the financial forecasts are realistic, it is important to explain the underlying assumptions. Beyond the purely quantified elements, these more concrete explanations will enable the feasibility of the proposed plan to be evaluated. The following elements should be explained:

Revenue:

- Number of products (or services or hours) sold per year, and respectively per month. It is difficult to understand the feasibility of a turnover figure, but when broken down into the number of units (products/services/hours), it becomes much more concrete. For example, for the figures presented in point 3.1, the turnover mentioned is CHF 250,000, i.e. the sale of 100 units at the selling price of CHF 2,500, i.e. a little more than 8 units per month (100 units divided by 12 months).
- The prices charged should be justified against market prices.
- Your sales growth should be realistic. An explosion in sales over several years is rare, and generally only occurs in connection with an investment.

Expenses:

- Marketing expenses linked to sales growth. In principle, the increase in sales is linked to an increase in marketing efforts and therefore related costs.
- Resources match the business activity
- Staff:
 - Number of salespeople needed to operate a shop during scheduled opening hours (for example, knowing that regulatory working hours are 40 hours per week, and opening hours are from Monday to Saturday, 9am to 6pm all day, or 54 hours per week).
 - Number of fitters needed to achieve the forecast turnover (for example: if a fitter can carry out 2 installations per day, 2 people would be needed if the turnover forecast is 3 installations per day).
 - Turnover ratio per person: to assess the extent to which forecasts are realistic, it is advisable to carry out a comparison with existing companies. As an example, below are some statistics taken from publications by the Federal Statistical Office.

Turnover per full-time employee (in thousands of CHF)

Economic sectors (by NOGA code)	2017	2018	2019
Computer, electronic and optical manufacturing	599,0	645,3	630,0
Electrical equipment manufacturing	678,0	687,0	778,7
Building construction	407,2	410,5	421,1
Civil engineering	256,0	257,7	261,7
Retail trade	423,1	429,1	428,1
Food industry	160,5	162,3	163,7
Programming, consulting and other IT activities	512,8	495,4	456,4
Legal and accounting activities	304,7	296,2	291,1
Advertising and market research	317,8	332,1	305,4
Travel agencies, tour operators, reservation services and related activities	1472,1	1477,1	1537,5

Source: Swiss company financial results - Accounting years 2017-2018, Swiss Federal Statistical Office, Neuchâtel 2020. Swiss company financial results - Accounting years 2019-2020, Swiss Federal Statistical Office, Neuchâtel 2022.

- Premises:

- Price per m² compared to property market prices
- Surface area: the surface area should be consistent with the number of people planned. If the company employs 5 people, the minimum surface area should be 40m², i.e. 8m² per person (for a tertiary activity; it is understood that the surface area depends on the type of activity).

- Profitability:

- The net profit margin, i.e. the ratio of net profit to turnover, should be realistic. An unusually high profitability without consistent justification means that the forecasts are not achievable (the revenue is either overly optimistic or expenses have been underestimated). A profitability of more than 20% is unrealistic (in the case of companies with share capital where a management salary is included). As an example, below are some statistics taken from publications by the Federal Statistical Office.

Net profit margin

Economic sectors (by NOGA code)	2017	2018	2019
Computer, electronic and optical manufacturing	12,7 %	13 %	12,4 %
Electrical equipment manufacturing	4,5 %	7,0 %	4,8 %
Building construction	3,3 %	2,4 %	1,7 %
Civil engineering	1,9 %	1,0 %	2,3 %
Retail trade	3,2 %	1,8 %	1,8 %
Food industry	2,0 %	1,6 %	1,1 %
Programming, consulting and other IT activities	9,1 %	20,7 %	21,1 %
Legal and accounting activities	4,4 %	5,1 %	3,1 %
Advertising and market research	8,7%	9,1 %	5,7 %
Travel agencies, tour operators, reservation services and related activities	0,8 %	0,3 %	0,5 %

Source: Swiss company financial results - Accounting years 2017-2018, Swiss Federal Statistical Office, Neuchâtel 2020. Swiss company financial results - Accounting years 2019-2020, Swiss Federal Statistical Office, Neuchâtel 2022.

- Cash flow: payment method (cash payment, advance payment, payment on invoice)
 - Collection period
 - According to a study published in August 2012 by Dun & Bradstreet, 'Study of payment behaviour in Switzerland in the first half of 2012', the average collection period is estimated at 40.4 days (i.e. a delay of 10.4 days), and 44% of invoices in Switzerland are paid late.

Useful addresses

GENILEM

Avenue de Sécheron 15 | 1202 Genève
Tél. 022 817 37 77 | genilem.ch

Office de promotion des industries et des technologies (OPI)

(Office for the Promotion of Industries and Technologies)

Route de la Galaise 34 | 1228 Plan-les-Ouates
Tél. 022 304 40 40 | opi.ch

Fondation genevoise pour l'innovation technologique (FONGIT)

(Geneva Foundation for Technological Innovation)

Route de la Galaise 34 | 1228 Plan-les-Ouates
Tél. 022 552 30 00 | fongit.ch

FONDETEC

Boulevard James-Fazy 8 | 1201 Genève
Tél. 022 519 63 31 | previsionnel.ch

Innosuisse Start-up Training

Tél. 058 460 54 89
innosuisse.ch/inno/fr/home/start-and-grow-your-business/start-up-training.html

Venturelab

EPFL innovation Park | Bâtiment C | 1015 Lausanne
Tél. 021 533 09 82 | venturelab.ch

Office cantonal de l'économie et de l'innovation (OCEI)

(Cantonal Office for Economy and Innovation (OCEI))

Rue de l'Hôtel-de-Ville 11 | Case postale 3216 | 1211 Genève 3
Tél. 022 388 34 34 | innovation.ge.ch

02

Legal Status

You want to create a business, but which legal status should you choose?

This chapter lays out the options available to you, as well as the legal steps towards setting up a business.



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There are several options to choose from:

1. Sole proprietorship and partnerships:

This legal status costs almost nothing to set up, but you are then responsible for the debts on all of your property (including your private property):

- Sole proprietorship
- General partnership (SNC)

2. Companies with share capital:

This type of company is more expensive to set up, but your liability as an owner is limited to your equity stake (criminal liability excepted):

- Limited liability company (Sàrl)
- Public limited company (SA)
- Cooperative

3. Associations

Associations are inexpensive to set up, and your liability is limited by the legal entity.

4. Branch

A commercial establishment which, depending on the main company to which it belongs legally, carries out a similar activity to that of the main company.

There are also other types of companies (e.g. foundations, limited partnerships) intended to meet specific objectives (namely managing the company's own assets).

These types are not covered in this guide.

01. Sole proprietorship and partnerships

Sole proprietorship

Number of partners	<p>A natural person. Sole proprietorship is assimilated to the business owner.</p> <p>He/she must be Swiss or hold a C permit or be a European Union citizen with a G permit or a B permit.</p>
Legal entity	<p>No legal entity. Assimilated to the business owner.</p>
Set-up process	<p>Registration required with an OASI fund ("caisse AVS") (to formalise the start-up).</p>
Commercial register (RC)	<p>Registration required if gross annual revenue exceeds CHF 100,000 (Art. 36 CRO).</p>
Business name	<p>The account holder's surname (with or without first name) must make up the business name's essential element (Art. 945, para. 1 CO). Additions are permitted, subject to the general provisions on the creation of business names.</p>
Share capital	<p>No capital.</p>
Shares	<p>No shares.</p>
Articles of association	<p>Not applicable.</p>
Decisions	<p>By the business owner.</p>
Management and representation	<p>By the business owner. May confer powers of representation and signing authority to third parties.</p>
Liability	<p>Personal unlimited liability (including for private property) belongs to the business owner for debts incurred by the business.</p>
Partner rights and duties	<p>No partners.</p>
Accounting <i>(see separate chapter)</i>	<p>Required as a summary (statement of revenue, expenditure and assets) for sole proprietorships with a turnover of less than CHF 500,000. For a turnover of more than CHF 500,000, accounts must be kept and presented in accordance with the rules in effect (double entry bookkeeping in line with the accepted accounting standard).</p>

Taxation <i>(see separate chapter)</i>	No double taxation. Liability belongs to the business owner for self-employment.
Dissolution	By bankruptcy or voluntary deregistration.
Comments	The “lightest” legal status.
OASI/IV/EO	Business owner = self-employed.
Comment	Sole proprietorship is equivalent to self-employed status.

General partnership (SNC)

Number of partners	Minimum: 2 natural persons (Art. 552 CO).
Legal entity	None. The company can however acquire rights, make contracts, take action and take or be taken to court (quasi-legal entity).
Set-up process	A contract is signed between the partners that determines the name of the company, its purpose and the legal relationships between the partners (in particular the contributions made by each partner), followed by registering with the commercial register.
Commercial register (RC)	The partners must register with an OASI fund. Registration required: <ul style="list-style-type: none"> • trading company: tax registration (Art. 552 para. 2 CO), • non-trading company: statutory registration (Art. 553 CO). • Application signed by all partners. • Signatures of the managing partners filed.
Business name	Free.
Share capital	No legal limit.
Shares	No shares, but compulsory contributions. Then distribution of profits and losses according to contract. The contract may provide for interest payments on each partner's assets.
Articles of association	Not applicable.
Decisions	In the absence of contractual rules, limited partnership rules.
Voting system	According to company contract.
Management	In the absence of contractual rules or a contrary decision by the partners, management is the responsibility of all the partners.

Representation	Unless otherwise provided for in the RC, each partner has the right to represent the company and therefore to carry out any legal act required by the business purpose in the name of the company.
Liability	<p>Of the company: responsible for liabilities made in its name by a managing partner and for illegal acts committed by the partners when managing company affairs.</p> <p>Of the Partners vis-à-vis third parties: joint unlimited liability belongs to all partners for company debts; company assets provided for first (subsidiary liability).</p> <p>Of anyone who enters into a general partnership is jointly and severally liable for existing debts on all of their assets. Creditor action against a partner lapses 5 years after the partner's departure or after the company's dissolution.</p> <p>Between partners: according to the partnership contract.</p>
Partner rights and duties	<ul style="list-style-type: none"> • Right of control; approval of annual accounts and distribution of profits. Non-competition clause. • Right to profits, interest and fees for the past financial year, as well as to the liquidation entitlement.
Accounting (see separate chapter)	<p>Required as a summary (statement of revenue, expenditure and assets) for general partnerships with a turnover of less than CHF 500,000. For a turnover of more than CHF 500,000, accounts must be kept and presented in accordance with the rules in effect (double entry bookkeeping in line with the accepted accounting standard).</p> <p>It is recommended to keep detailed separate accounts for each partner, because each person's situation with respect to the company may change over time.</p>
Taxation (see separate chapter)	Each partner has individual liability.
Dissolution	<p>By declaring bankruptcy. Liquidation can also be decided when consent is given by all the partners or by a majority if this situation is provided for in the partnership contract.</p> <p>Cases of dissolution for limited partnerships are also applicable (Art. 545 CO).</p>
Comment	One partner leaving a general partnership of 2 partners, with the business continuing through the other partner (registered with the RC), does not terminate the company, but the remaining partner cannot continue to operate the business as a general partnership.
OASI/IV/EO¹	Partners = self-employed.

¹ *Old-Age and Survivors' Insurance/Disability Insurance/Income Compensation (AVS/AI/APG)

02. Companies with share capital

Limited liability company (Sàrl)

Founders	One or more persons (natural or legal) or trading companies can set up a Sàrl (foundations with a sole shareholder eligible).
Legal entity	Full.
Set-up process	Capital deposited into a deposit account (in the event of contributions in kind, an expert must certify the value). Authenticated deed and articles of association signed in the presence of a solicitor. The solicitor will also take care of registering the company with the commercial register.
Commercial register (RC)	Statutory registration required (Art. 779, para. 1 CO). Application signed by one or two managers authorised to represent the company as a sole or collective signatory. Certified copy of the authenticated deed and articles of association (with proof of subscription and full payment of share capital).
Share capital	Minimum CHF 20,000 (Art. 773 para. 1 CO). No upper limit. Can be paid in cash or in kind. The capital can be fixed in an authorised foreign currency, i.e. currently in GBP, EUR, USD or JPY (Art. 773 para. 2 CO; Annex 3 CRO).
Shares	Initially, any value greater than 0 (Art. 774 para. 1 CO); at least one share per partner; paid in full to the foundation.

Articles of association

Compulsory, must contain provisions on:

- the business name,
- the headquarters,
- the business purpose,
- the amount of share capital, the number and par value of shares, and
- the legal form to be observed for company announcements and for communications to partners.

The law provides for a number of possible adjustments to the rights and obligations of partners, which must be included in the articles of association, namely establishing veto power, a right of pre-emption on shares, a non-competition clause and obligations for making additional payments (Art. 795, 796, 803 CO).

The law provides for possible exceptions concerning the holding of the partners' meeting, which must be included in the articles of association, in particular the holding abroad (Art. 701b and 805 para. 5 CO), and/or in electronic form and without a physical meeting place ("virtual meeting"; Art. 701d and 805 para. 5 CO).

The law allows disputes relating to company law, typically those between the company, its bodies and/or partners, to be submitted, by statutory means, to arbitration rather than to the jurisdiction of civil courts (Art. 697n and 797a CO).

Functions of the partners' general meeting

The partners' general meeting is the company's supreme power. Its non-transferable rights include (Art. 804 CO):

- modify the articles of association,
- appoint and dismiss managers, to determine their salary, and give them discharge,
- approve the annual accounts, determine the use of the profit resulting from the balance sheet and set dividends,
- dissolve the company.

Decisions

In principle: each partner's voting right is proportional to the par value of their shares, except for certain purposes (equality of shares for designating members of the audit body, appointing the specialists responsible for verifying all or part of the management, and the decision to open a liability action).

Statutory exception: regardless of its par value, each share may give the right to one vote; the difference in terms of par value cannot, however, exceed the ratio of 1 to 10.

Management and representation

All partners, collectively or assigned by the articles of association, have powers of management and representation for:

- one or several partners or
- third parties.

At least one person authorised to represent the company (a manager or, failing that, senior management) should be domiciled in Switzerland. When there is collective representation, a sufficient number of signatories authorised to legally represent the company must be domiciled in Switzerland (Art. 814 para. 3 CO).

Only natural persons can be appointed as managers.

If a trading company has partner status, where applicable, it appoints a natural person as manager.

If the company has several managers, the partners' general meeting appoints one of them as chairman, unless the articles of association leave the managers the capacity to organise themselves. It may revoke appointed managers at any time.

If the company has several managers, management decisions are taken by a voting majority. The chairman gets the casting vote, unless the articles of association make different provisions.

Liability

The liability of the founders, managers, controllers and liquidators is subject by analogy to the rules stipulated for public limited companies.

Company held liable exclusively: responsible for debts for all company property.

Partners' rights and duties

Each partner's voting right is in principle proportional to the par value of their shares, with each person having at least one vote.

Each partner has the right to ask managers for information on all company affairs; when there is an audit body, each partner only has the right to consult the books and documents where legitimate interest applies.

Right to profit, proportional to the par value of shares.

Tag-along rights may be provided for in the articles of association, according to predetermined conditions.

Accounting

(see separate chapter)

Compulsory. Must be maintained with the care and detail required by the nature and scope of the business. Presents the company's financial situation, accounts payable and receivable, and financial year results.

Directors must in particular monitor the solvency of the company at all times and take corrective measures as soon as there is a risk of insolvency (Art. 725 and Art. 820 CO).

Audit body (see separate chapter)	<p>In principle, an audit body is compulsory. It carries out a regular or limited audit according to the criteria set by Sàrl law (Art. 727 et seq. CO via reference to Art. 818 para. 1 CO).</p> <p>It is possible for the Sàrl to do without an audit body (“opting out”) if the following three conditions are all met (Art. 818 para. 1 and 727a para. 2 CO):</p> <ul style="list-style-type: none"> • all partners consent to it, • the Sàrl is only subject to limited audits, • the Sàrl workforce does not exceed an annual average of ten full-time jobs.
Taxation (see separate chapter)	<p>Federal tax on net profit.</p> <p>Cantonal tax on net profit and capital.</p> <p>Municipal trade tax (where applicable; depends on the company’s municipality).</p>
Dissolution	By decision of the partners’ general meeting, with at least 2/3 of the partners represented and the absolute majority of the share capital authorised to vote (the articles of association may provide for a greater majority, Art. 808b CO). By declaring bankruptcy, or by other reasons provided for by law (Art. 821 CO) or by the articles of association.
Comments	<p>Shares may be difficult to transfer (compulsory to request and submit all documents relating to the transfer of shares to the RC).</p> <p>Furthermore, the law does not guarantee partners - except with just cause - the right to freely leave the company, but the articles of association can confer this right on them and make exercising this right subject to specific conditions (Art. 822 CO).</p> <p>If the company does not have all the stipulated bodies, or a body does not comply with regulations, a partner, creditor or RC representative may request the necessary corrective measures from the court (Art. 731b and Art. 819 CO).</p>
OASI/IV/EO	Partners not subject unless they are also employed by the Sàrl (and are then only subject to an OASI/EO fund in this capacity). Percentage ownership, fixed allowances and attendance fees among members of the administration and governing bodies are subject to OASI.

Public limited company (SA)

Founders	One or more persons (natural or legal) or trading companies can found an SA (foundations with a sole shareholder eligible).
Legal entity	Full, SA assets are the sole liability for social debts.

Set-up process	<p>Capital deposited into a deposit account (in the event of contributions in kind, an expert must certify the value).</p> <p>Authenticated deed and articles of association signed in the presence of a solicitor. The solicitor will also take care of registering the company with the commercial register.</p>
Commercial register (RC)	<p>Statutory registration required (Art. 640 and Art. 643 para. 1 CO).</p> <p>Application signed by one or more directors authorised to represent the company as a sole or collective signatory.</p> <p>Certified copy of the authenticated deed and articles of association (with proof of subscription and full payment of share capital).</p>
Share capital	<p>Minimum CHF 100,000, of which 20% (but min. CHF 50,000) must be paid at the creation (Art. 621 and 632 CO). No upper limit.</p> <p>The capital can be fixed in an authorised foreign currency, i.e. currently in GBP, EUR, USD or JPY (Art. 621 para. 2; Annex 3 CRO).</p>
Shares	<p>Registered shares, with a par value greater than 0 (Art. 622 para. 4 CO).</p> <p>Since 1 November 2019 with the Federal Act on Implementing the Recommendations of the Global Forum coming into effect, bearer shares are no longer authorised in Switzerland, with the exception of companies listed on the stock exchange or with intermediated securities (for example, held in bank securities accounts).</p> <p>Participation and/or dividend rights certificates (both without voting rights) may also be issued.</p>

Articles of association

Compulsory. Must contain provisions on:

- the business purpose,
- the business name,
- the headquarters,
- the amount of share capital, the currency in which it is fixed and contributions made,
- the number, par value and type of shares,
- the legal form to be observed for company announcements and communications to shareholders.

The law provides for possible exceptions concerning the holding of the partners' meeting, which must be included in the articles of association, in particular the holding abroad (Art. 701b CO), and/or in electronic form and without a physical meeting place ("virtual meeting"; Art. 701d CO).

The law allows disputes relating to company law, typically those between the company, its bodies and/or partners, to be submitted, by statutory means, to arbitration rather than to the jurisdiction of civil courts (Art. 697n CO).

Functions of the General Meeting

The General Meeting is the company's supreme power. Its non-transferable rights include:

- appoint and discharge members of the board of directors,
- adopt and modify the articles of association,
- appoint auditors,
- approve the annual accounts, determine the use of the profit resulting from the balance sheet and set dividends,
- take any other decision to which it is held by law or by the articles of association.

Decisions

General Meeting: by a voting majority attributed to the shares represented (unless otherwise provided for by law or in the articles of association). Votes are proportional to the par value of shares with preferential voting rights: votes are proportional to the number of shares held (one vote per share) to the extent that the articles of association provide for this and are subject to certain conditions (Art. 693 para. 3 CO).

Management

Board of directors' responsibility, unless delegated to one or more members of the board (delegates) or to third parties (senior management).

The board of directors exercises the company's senior management, establishes the instructions necessary for its direction and management, appoints and dismisses the people responsible for carrying out its decisions, draws up the annual report, prepares the general meeting and executes its decisions. The board of directors must in particular monitor the solvency of the company at all times and take corrective measures as soon as there is a risk of insolvency (Art. 725 CO).

Representation	<p>Each member of the board of directors, unless otherwise provided in the articles of association or organisational rules. Possible to delegate to one or more members of the board of directors (managing directors) or to third parties (executive officers).</p> <p>At least one member of the board must have the power to represent the SA.</p> <p>The signing methods are listed in the RC (individual, collective of two or more, etc.).</p> <p>The company must be able to be represented by a person domiciled in Switzerland. One of the members of the board of directors or an executive officer must meet this requirement. When there is collective representation, a sufficient number of signatories authorised to legally represent the company must be domiciled in Switzerland (Art. 718 para. 4 CO).</p>
Liability	<p>Towards third parties (Art. 752 et seq. CO.): the share capital is solely responsible for company debts and any unlawful acts by its bodies. Personal liability applies for offences or negligence committed by the founders when founding the company, for inaccurate information in the authenticated deed; and for offences or negligence committed by members of the board of directors in the company's management and liquidation; and for auditors for failure to fulfil their duties (Art. 753 et seq. CO).</p> <p>Towards the company (Art. 756 CO): the aggrieved shareholder may file a claim (for damages).</p>
Shareholders' rights and duties	<p>Right proportional to profit and liquidation proceeds.</p> <p>Voting rights.</p> <p>Right to audit management and review.</p> <p>Right to request a special investigation.</p> <p>Preferential subscription right.</p>
Accounting <i>(see separate chapter)</i>	<p>Obligatoire. Doit être tenue avec le soin et détail exigés par la nature et l'étendue de l'entreprise. Elle présente la situation financière de l'entreprise, l'état des dettes et créances, et le résultat des exercices annuels.</p>
Audit body <i>(see separate chapter)</i>	<p>In principle, an audit body is compulsory. It carries out a regular or limited audit according to the criteria set by SA law (Art. 727 et seq. CO). It is possible for the SA do without an audit body ("opting out") if the following three conditions are all met (Art. 727a para. 2 CO):</p> <ul style="list-style-type: none"> • all partners consent to it, • the SA is only subject to limited audits, • the SA workforce does not exceed an annual average of ten full-time jobs.

Taxation <i>(see separate chapter)</i>	Federal tax on net profit.
	Cantonal tax on net profit and capital.
	Municipal trade tax (depending on the company's municipality)
Dissolution	According to the articles of association.
	By a decision from the general meeting.
	By declaring bankruptcy.
	By judgement upon reasoned request at the request of shareholders representing at least 10% of the share capital.
Comments	Relatively substantial accounting and administration. Limitation of shareholder liability and significant ease of transmission.
	If the company does not have all the stipulated bodies, or a body does not comply with regulations, a shareholder, creditor or RC representative may request the necessary corrective measures from the court (Art. 731b CO).
OASI/IV/EO	Shareholders not subject unless they are also employed by the SA (and are then only contributing to an OASI/EO fund in this capacity). Percentage ownership, fixed allowances and attendance fees among members of the administration and governing bodies are subject to OASI

03. Other legal statuses

Cooperative company

The cooperative company is a special legal form that lends itself to groups of people or companies who wish to promote economic or social interests through joint action. Economic development and mutual aid are at the heart of this action.

Founding team	A minimum of 7 people (natural or legal) or trading companies can found a cooperative (Art. 831 CO).
Legal entity	Full.
Set-up process	Authenticated deed and articles of association signed in the presence of a solicitor. The solicitor will also take care of registering the company with the commercial register.
Commercial register (RC)	Statutory registration required (Art. 830 CO). Application signed by one or several directors authorised to represent the company as a sole or collective signatory. Certified copy of the authenticated deed and articles of association
Share capital (optional)	<ul style="list-style-type: none">• No lower or upper limit, but a maximum number of shares per member must be specified (Art. 853 para. 2. CO)• Can be paid in cash or in kind.
Shares	No minimum amount; at least one share per partner; paid in full at the creation
Articles of association	Compulsory, must contain provisions on: <ul style="list-style-type: none">• the business name,• the headquarters,• the business purpose,• the legal form to be observed for company announcements and communications to partners.

The law provides for a number of possible adjustments to the rights and obligations of partners, which must be included in the articles of association, namely obligations for making additional payments (Art. 833 CO), the holding of the partners' general meeting abroad (Art. 701b and 893a CO), and/or in electronic form and without a physical meeting place ("virtual meeting"; Art. 701d and 893a CO).

To make a change to the articles of association, a general meeting must be validly convened, and a notary must attend to draw up the minutes and transmit them in the form of a deed to the Registre du Commerce.

Functions of the partners' general meeting	<p>The partners' general meeting is the company's supreme power. Its non-transferable rights include:</p> <ul style="list-style-type: none"> • modify the articles of association, • appoint and dismiss directors, and give them discharge, • approve the annual accounts and determine the use of the profit resulting from the balance sheet.
Decisions	<p>The voting right of each partner is not proportional to the par value of their shares, each partner having only one vote (one person = one vote).</p> <p>In principle, the partners' general meeting makes its decisions and proceeds to elections by an absolute majority of votes cast.</p>
Management and representation	<p>All partners, collectively or assigned by the articles of association, have powers of management and representation for:</p> <ul style="list-style-type: none"> • one or several partners or • third parties. <p>At least one person authorised to represent the company (a manager or, failing that, senior management) should be domiciled in Switzerland. When there is collective representation, a sufficient number of signatories authorised to legally represent the company must be domiciled in Switzerland (Art. 898 para. 2 CO).</p> <p>Only natural persons can be appointed as managers.</p> <p>If a trading company has partner status, where applicable, it appoints a natural person as manager.</p> <p>If the company has several managers, the partners' general meeting appoints one of them as chairman. It may revoke appointed managerial rights at any time.</p> <p>If the company has several managers, management decisions are taken by a voting majority. The chairman gets the casting vote, unless the articles of association make different provisions.</p>
Liability	<p>The cooperative is liable with its assets for its obligations. It is liable exclusively, unless the articles of association provide otherwise (Art 868 CO).</p>
Partners' rights and duties	<p>The partners all have equal rights and obligations, unless the law makes an exception. (Art. 854 CO).</p> <p>Right to control in accordance with Art. 856 CO.</p> <p>The right of resignation, under predetermined conditions, may be provided for in the articles of association.</p>
Accounting <i>(see separate chapter)</i>	<p>Compulsory. Must be maintained with the care and detail required by the nature and scope of the business. Presents the company's financial situation, accounts payable and receivable, and financial year results.</p>

Audit body (see separate chapter)	In principle, an audit body is compulsory. It carries out a regular or limited audit according to the criteria set by law for public limited companies (Art. 727 et seq. CO via reference to Art. 906 CO). It is possible for the cooperative to do without an audit body (“opting out”) if the following three conditions are all met (Art. 62 para. 3, CRO): <ul style="list-style-type: none"> • all partners consent to it, • the cooperative is only subject to limited audits, • the cooperative workforce does not exceed an annual average of ten full-time jobs.
Taxation (see separate chapter)	Federal tax on net profit. Cantonal tax on net profit and capital. Municipal trade tax (where applicable; depends on the company's municipality).
Dissolution	By decision, by at least 2/3 of the votes of the partners represented (Art. 888 para. 2 CO; the articles of association may provide for a greater majority). By declaring bankruptcy, or by other reasons provided for by law or by the articles of association.
OASI/IV/EO	Partners not subject unless they are also employed by the cooperative (and are then only contributing to an OASI/IV/EO fund in this capacity). Percentage ownership, fixed allowances and attendance fees among members of the administration and governing bodies are subject to OASI.

Association

An association can also be a business managed for trade use, but with an “ideal purpose”, i.e. the purpose is not to seek profit. Associations are inexpensive to set up, and liability is limited to the legal entity.

Number of partners	At least two natural persons or legal entities.
Legal entity	Once the articles of association (drafted in writing and containing the necessary provisions on the purpose, resources and organisation) have been adopted by the statutory meeting (Art. 60 and 61 CC).
Incorporation	By written articles of association. Note: an association that has not yet acquired legal status or which cannot acquire it is assimilated to a limited partnership (Art. 60 to 62 CC).

Commercial register (RC)	No registration required (Art. 61 CC), unless the association operates as a commercial enterprise in order to achieve its purpose, if it is subject to the obligation of having its accounts audited (see below, Art. 69b CC) or if it is primarily engaged in the collection or distribution of funds abroad for charitable, religious, cultural, educational or social purposes.
Share capital	<p>Freely determined, no contribution or start-up capital required.</p> <p>Members of the association may be required to pay contributions if provided in the articles of association (Art. 71 CC).</p>
Securities	The association can issue bonds (no social rights included).
Articles of association / Foundation charter	Written document (Art. 60 and 63 CC). The articles of association cannot deviate from the compulsory rules in the CC. If the articles of association are incomplete, they are supplemented by legal rules.
Functions of the general meeting	<p>The general meeting is the association's supreme power. Decisions are taken by a majority of members present, for items appearing on the agenda (unless otherwise provided for in the articles of association).</p> <p>In principle, all members have equal voting rights.</p> <p>The main functions of the general meeting are (Art. 64 to 68 CC):</p> <ul style="list-style-type: none"> • admitting and removing members, • electing leadership (committee), • all matters not under the liability of another body, • monitoring the activity of other bodies, • revoking other bodies. <p>The articles of association may provide for other functions.</p>
Board management (committee, board of directors)	<p>The management for the association (generally known as the committee) has the following responsibilities (Art. 69 CC):</p> <ul style="list-style-type: none"> • right and duty to manage affairs in accordance with the articles of association, • right and duty to represent the association (see below under "Representation"). <p>The committee may be remunerated in various ways for its function (salary, allowances, attendance fees), provided that this remuneration cannot be considered an economic goal in and of itself.</p> <p>Please note: this point is specifically examined in the case of a request for tax exemption based on a goal serving the public interest: remuneration that is too high may be in contradiction with the notion of disinterest, which is one of the conditions for the exemption.</p>

Auditor / Supervisory authority

If the association exceeds two of the following thresholds:

- CHF 10 million in the balance sheet total,
- CHF 20 million turnover,
- annual average of 50 full-time jobs,

it must submit its accounts to an audit body for ordinary audit (Art. 69b CC). CO provisions concerning SA auditors (Art. 728 to 728c CO) are then applicable by analogy.

In other cases (and provided that a limited audit is not required), the articles of association and general meeting are free to organise the audit.

Note: for auditing, specific requirements may arise from a grant agreement.

Shortcomings in an association's organisation may be subject to judicial review, at the request of a member or creditor (Art. 69c CC).

Representation

The management (committee) represents the association to third parties, according to the provisions made in the articles of association (Art. 69 CC).

These specify the power to bind the association (sole or collective signatory power, limitation to certain members of the committee only). In terms of RC registration, the powers of representation appear there, and any statutory limitations are then enforceable against third parties.

Each association must have at least one representative domiciled in Switzerland with full signing authority (or several representatives with collective signing authority), except for associations whose registration is purely voluntary (not subject to obligation by law) (Art. 69 CC) and which have filed a special declaration to this effect with the RC (Art. 90a para. 4 CRO).

Liability (management/ committee/ board members)

Committee members: With regard to third parties, the management (committee) member is liable for the consequences of any unlawful acts committed in this role, particularly in the event of mismanagement.

Individual members: Sole liability: membership payment, if provided for in the articles of association (Art. 71 CC).

The association as a legal entity: At civil level, the association is jointly and severally liable for unlawful acts by committee members; it is solely responsible for debts on its assets (Art. 75a CC).

At court level, the company's liability can be applied on the basis of Article 100quater of the Swiss Criminal Code.

Members' rights and duties

Each member is only entitled to one vote in principle, although adjustments are possible. The principle of equal treatment applies. Membership is inalienable (Art. 70 to 75 CC).

The association operates according to the "open door" system (conditions for becoming a member and the membership procedure remaining possible).

Accounting	<p>Management must keep the association's books (Art. 69a CC). It must apply the provisions of the CO relating to commercial accounting and the presentation of the accounts by analogy (Articles 957 to 963b CO).</p> <p>If the association is not required to register with the RC, it can opt to account for revenue, expenditure and assets only (Art. 957 para. 2 CO).</p> <p>See also the Ordinance on the Maintenance and retention of Accounts (AccO), as well as the SWISS GAAP RPC 21 standard, where applicable.</p>
Taxation	<p>Reduced rate compared to companies with share capital. Exemption possible according to LIPM Art. 9 f,g (Canton of Geneva).</p> <p>Subject to property gains tax at the standard rate. Exemption possible according to LIPM Art. 9 f,g (Canton of Geneva).</p>
Business tax	<p>Subject if operating as a commercial enterprise.</p> <p>Exemption possible if in receipt of an exemption order for income and capital tax.</p> <p>Exemption also possible if the sole activity consists of renting own unfurnished property.</p>
VAT	<p>Determine whether business activities, whatever the amount, are taxable or not.</p> <p>If yes, exemption up to a turnover of CHF 75,000 per year (CHF 150,000 if an association is recognised as serving the public interest). Exemption also possible if the remaining tax due to the Federal Tax Administration does not regularly exceed CHF 4,000 per year.</p>
Dissolution/ Liquidation	<p>This can be decided at any time (Art. 76 to 79 CC). Generally, the articles of association provide for a decision of at least 2/3 of the votes rather than a simple majority.</p> <p>In the event of insolvency or when the management can no longer be legally constituted, the association is automatically dissolved.</p> <p>Dissolution can be pronounced by a judge if the purpose of the association is illicit or immoral.</p> <p>If necessary: struck off the RC.</p> <p>Members have no right to any asset liquidation balance: this balance is allocated to association or public service purposes as provided for by the articles of association or the general meeting. In the absence of specific provisions, the liquidation balance is devolved to the public corporation to which the dissolved association belonged through its purpose (Art. 57 CC).</p>

04. Branch

Legal status

In Swiss law, a branch is a commercial establishment which, depending on the main company to which it belongs legally, carries out a similar activity to that of the main company in separate premises over the long term, enjoying a certain autonomy in the way it conducts business. The branch may belong to a company whose head office is in Switzerland, or to a company based abroad. Some procedures may differ depending on the type of branch, particularly in relation to registering with the commercial register (RC).

The notion of a branch assumes:

- separate premises,
- a representative with signing authority domiciled in Switzerland (C or B permit holder),
- a purpose which is similar to that of the parent company and commercial activity (with revenue and expenditure), and
- keeping accounts.

Registration in the Commercial Register

Branch registration in the Commercial register is declarative in nature and should include the following elements:

- main establishment's company name and headquarters,
- the head office legal status and RC reference number,
- for a branch of a foreign company, if the parent company has capital, it should include the amount and currency, as well as the contributions made (the amount of paid-up capital),
- business name (see Article 952 CO) and branch headquarters,
- purpose of the branch (for branches belonging to Swiss companies, only applicable if the purpose is more limited than that of the main establishment),
- persons representing the branch and how they bind it by signature,
- domicile (premises) and, where applicable, declaration from the domiciliation agent.

The registration request must be signed by a person who is authorised to represent the parent company or branch.

The following should also be provided:

- an authenticated extract from the minutes of the competent body setting out the decision to create the branch, the names of its representatives and their signing method, and for branches belonging to foreign companies:

- an extract from the commercial register of the main establishment's location (original copy dated within the past 6 months), and
- the main headquarters' articles of association, authenticated by the commercial registrar. All documents issued by a foreign authority (commercial register or solicitor, for example) must bear the Apostille or certification issued by a Swiss representation abroad (i.e. Swiss consulate or Swiss embassy).

For business conducted through the branch, registering gives the branch address legal status, in addition to that of the main headquarters address.

Taxation

The branch is subject to taxes and is taxed in a similar manner to an SA or Sàrl in Switzerland.

Deregistration

The branch may be struck off the register at the request of representatives from the main establishment who are authorised to request branch registrations. The branch is automatically removed if the main establishment has ceased to exist or if it has been established that it is no longer active.

05. Checklist for forming an SA/Sàrl in the canton of Geneva

1. Research information and advice about the appropriate legal status.

2. Check the availability of your chosen business name with:

The Federal Commercial Registry Office

- www.regix.ch

3. Deposit your share capital in a deposit account:

CHF 100,000 for an SA (minimum 20% paid up or at least CHF 50,000),

CHF 20,000 for a Sàrl. The bank certifies that the capital has been paid up (with certification),

4. Founders sign the authenticated deed in the presence of a solicitor.

They declare that an SA or Sàrl has been founded, and decide on the text for the articles of association. For an SA or cooperative, the board of directors and audit body are appointed ("opting out" if applicable).

For a Sàrl, the manager or managing partner and audit body are appointed ("opting out" if applicable).

5. Registering in the Commercial Register (RC)

The directors or managers affix their duly authenticated signature to the registration application, which is sent to the registrar for:

Commercial Register

Rue du Puits-Saint-Pierre 4 | Case postale 3597 | 1211 Genève 3
Tél. 022 546 88 60 | ge.ch/inscrire-au-registre-du-commerce

With RC registration, the company becomes a legal entity.

6. The board of directors has access to the paid-up capital upon presentation of the register excerpt.

The board of directors implements the business plan.

It sets up financial and accounting control systems, finalises the commercial lease, etc.

The company becomes affiliated with a compensation fund (for the declaration and payment of OASI/IV social security contributions):

- Cantonal Social Insurance Office
Rue des Gares 12 | Case postale 2696 | 1211 Genève
Tél. 022 327 27 27 | ocas.ch
- Fédération des Entreprises Romandes Geneva
Rue de St-Jean 98 | Case postale 5278 | 1211 Genève 11
Tél. 058 715 31 11 | fer-ge.ch
- NODE - Nouvelle Organisation Des Entrepreneurs, since 1922
Rue de Malatrex 14 | 1201 Genève
Tél. +41 22 338 27 27 | node1922.ch

06. Advantages and disadvantages

Sole proprietorship over SA or Sàrl.¹

Advantages of sole proprietorship

- The formalities for founding a sole proprietorship are simple and advantageous, which can be of value in the start-up phase.
- No set obligations in terms of minimum capital.
- Option to convert the company into a company with share capital.
- As the sole owner, you have maximum freedom in all business decisions.
- Sole proprietorship does not involve double taxation. As companies with share capital, an SA, Sàrl or cooperative is its own legal entity and is therefore taxed separately. For entrepreneurs, this means double taxation, because the company profit is first taxed at the SA / Sàrl level, and then as income for the company owner.

Disadvantages of sole proprietorship

- Liability for your solely owned company's debts with all your wealth (commercial and private).
- The transition from sole proprietorship to SA or Sàrl legal status may have tax consequences. It is recommended to consult a specialist to find out whether sole proprietorship is right for your case.
- Adapting the business' legal status if there is a desire to associate with a partner.
- Sole proprietorship can pose problems in the event of a business transfer.

	SA	Sàrl
Share capital	Minimum CHF 100,000 of which 20% paid up, but at least CHF 50,000.	Minimum CHF 20,000, of which 100% paid up.
Share par value	Minimum CHF 0.01.	Minimum CHF 0.01.
Disclosure	Names of shareholders, number and value of shares not disclosed. Special regulations (e.g. Stock Exchange Act) may impose disclosure obligations.	Identity of partners, number and value of shares are public.
Participation certificates	Possible.	Not possible.

¹ Source: PMEinfo, copyright SECO / SME Task force - kmu.admin.ch

Obligation to provide ancillary benefits	No ancillary benefits may be required from shareholders.	Articles of association may provide for the obligation to provide ancillary benefits
Other partner/ shareholder obligations	No ancillary benefits may be required from shareholders.	Articles of association may provide for obligation to provide other partner/ shareholder obligations.
Other partner/ shareholder obligations	None.	Articles of association may provide for a non-competition clause. Duty of fidelity from partners and managers.
General meeting decisions	No veto power.	Veto power may be provided for in the articles of association.
Alienation of assets/ shares	In principle, not possible. Possible, if non-payment of the amount subscribed during the acquisition of securities, and during public takeover bids for companies listed on the stock exchange.	Unlimited possibilities to restrict transmission and even prohibit the transfer of shares, or to refrain from restricting the transmission of shares.
Tag-along/ expulsion of a shareholder/ partner	In principle, not possible. Possible, if non-payment of the amount subscribed during the acquisition of securities, and during public takeover bids for companies listed on the stock exchange.	Tag-along and expulsion possible. Legal tag-along right on reasonable grounds; the articles of association may provide for other grounds; joint tag-along right (compensation for the outgoing partner). Expulsion possible on reasonable grounds and according to the articles of association for defined reasons.
Implementation	Unlimited number of shareholders. Shareholders can be silent (financial partners). Shares can be transferred easily.	The operation of the company has a strong personal dimension. In principle, partners participate in management. Best for a small number of partners. Possible to limit options to sell/ transfer shares.
Converting an SA to a Sàrl or vice versa	Conversion possible on the basis of provisions in the Federal Act on Mergers, Demergers, Transformations and Transfers of Assets and Liabilities (MergA). Subject to various formal and material conditions. Not possible in the event of over-indebtedness or loss of capital. Simplified procedure for SMEs	

07. Legal fees for setting up a commercial business in Geneva

Amounts are given for purely indicative purposes to give an approximate estimation of fees.

	Registering with the RC the company's purpose, legal publications and disbursements	Federal stamp duty	Notarial fee relating to the authenticated deed	Notarial fee proportional to capital
Sole proprietorship	Min. CHF 230* (or CHF 180 for online registration**)			
General partnership	Min. CHF 380.- (or CHF 330 for online registration**)			
Sàrl (capital CHF 20,000)	From CHF 520	No stamp duty collected until CHF 1,000,000.	CHF 500 to 2,000	7‰ up to CHF 50,000 6 ‰ from CHF 50,001 to CHF 100,000 5 ‰ from CHF 100,001 to CHF 200,000 4 ‰ from CHF 200,001 to CHF 300,000
Cooperative (no minimum capital)	From CHF 520		CHF 500 to 2'000	
SA (capital CHF 100,000)	From CHF 520	No stamp duty collected until CHF 1,000,000.	CHF 500 to 2,000	7‰ up to CHF 50,000 6 ‰ from CHF 50,001 to CHF 100,000 5 ‰ from CHF 100,001 to CHF 200,000 4 ‰ from CHF 200,001 to CHF 300,000

*Minimum configuration (only one partner with signing authority), which includes the costs of setting up requisition and costs for signature authentication.

**In the event of online registration, the costs of setting up requisition are not charged.

Costs of creating a Sàrl or SA

The cost of creating a public limited company (SA), limited liability company (Sàrl) or cooperative includes the legal fees mentioned above, but also solicitor fees and deposit account fees with a banking institution.

As an indication, the total cost can be estimated at:

- Sàrl: CHF 2,500 to 4,000
- SA: CHF 4,000 to 6,000

These amounts may vary depending on the amount of capital and number of directors to be registered. Releasing capital through contributions in kind may lead to an increase in costs, knowing that an expert - generally a trustee - will be required to certify the value of said contribution in kind.

Useful addresses

Chambre des notaires de Genève

(Geneva Notary Chamber)

Rue Guillaume-Farel 10 | 1204 Genève
Tél. 022 310 72 70 | notaires-geneve.ch

Registre du commerce (RC)

(Commercial register)

Rue du Puits-Saint-Pierre 4 | Case postale 3597 | 1211 Genève 3
Tél. 022 546 88 60 | ge.ch/consulter-registre-du-commerce

Office cantonal des assurances sociales

(Cantonal Social Insurance Office)

Rue des Gares 12 | Case postale 2696 | 1211 Genève 2
Tél. 022 327 27 27 | ocas.ch

Fédération des Entreprises Romandes Genève (FER Genève), Département de promotion

Rue de Saint-Jean 98 | Case postale 5278 | 1211 Genève 11
Tél. 058 715 31 11 | fer-ge.ch

NODE – Nouvelle Organisation Des Entrepreneurs, depuis 1922

Rue de Malatrex 14 | 1201 Genève
Tél. +41 22 338 27 27 | node1922.ch

APRÈS – Réseau de l'économie sociale et solidaire

Chemin du 23-août, 1 | 1205 Genève
Tél. 022 807 27 97 | apres-ge.ch

Office cantonal de l'économie et de l'innovation (OCEI)

(Cantonal Office for Economy and Innovation (OCEI))

Rue de l'Hôtel-de-Ville 11 | Case postale 3216 | 1211 Genève 3
Tél. 022 388 34 34 | www.innovation.ge.ch

03

Work, Social Security & Regulated Activities

What are the rights and obligations of the company and its staff?

This chapter gives information on some important aspects of employment law and compulsory social security contributions.



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	1.2 Working hours
	1.3 Daytime work
	1.4 Night work
	1.5 Leave and public holidays
	1.6 Individual and collective dismissals
	1.7 Working remotely

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01. Aspects of employment law

1.1 Employment contract

- The employment contract is validly concluded when a company and an employee have mutually expressed their willingness to provide work in exchange for a salary.
- The contract can be oral or written. The contract must be in written form for apprenticeship contracts or when both parties agree on conditions which are different from those provided for by the Swiss Code of Obligations (CO) (e.g. notice periods, salary payment in the event of illness or accident, etc.).
- The employment contract may be permanent or fixed-term. For permanent contracts, the law provides that, unless otherwise agreed by the parties, the first month is considered a trial month, during which time the contract can be terminated with a notice period of 7 days net. The trial period cannot under any circumstances be agreed for a period exceeding 3 months, except in cases where the work is interrupted during this period due to accident, illness or fulfilment of a legal obligation incumbent on the employee without asking to take on the obligation. In any of these cases, the trial period is extended accordingly.
- If the employment relationship has been agreed for a permanent period or for more than one month, the company must inform the employee of the following points in writing no later than one month after the start of the employment contract:
 - start date of the employment relationship,
 - position of the person employed,
 - salary and any wage supplements,
 - weekly working hours.

When elements subject to compulsory written information are modified during the employment relationship, these modifications must be communicated in writing to the employee, at the latest one month after they take effect.

Characterised by the hierarchical relationship linking the employee to the company, the employment contract is fundamentally differentiated from contracts relating to the company, an agency, mandates or limited partnerships, in which the contractor remains independent.

This distinction is particularly important with regard to compulsory social security contributions (see "Social Security" table p.56).

1.2 Working hours

Swiss law states the maximum weekly working hours as follows:

- 45 hours for people employed by a company in the industrial sector and for office staff, technical staff and other employed persons, including retail sales staff.

- 50 hours for other types of employment, except where specific regulations apply (professional drivers; clinics and hospitals; hotels, restaurants and cafés; building and civil engineering professions, etc.).

Working hours are specified in the employment contract. In Switzerland, the average working hours are set at 41.7 hours (Federal Statistical Office - 2022).

Working hours can also be set through a collective labour agreement.

1.3 Daytime work

Unless exempted, the law limits daytime work between the hours of 6am and 8pm, and evening work between 8pm and 11pm.

The company can introduce evening work without authorisation but after consulting with the employees concerned.

Day and evening work should in principle last no longer than 14 hours at a time, breaks included.

For young people under 18 years of age, this limit is reduced to 12 hours, and working hours should not exceed 9 hours. In addition, work cannot end after 8pm the day before lessons.

1.4 Night work

Unless otherwise specified, night work runs from 11pm to 6am.

Apart from certain business categories where it is permitted (clinics, hotels and restaurants, pharmacies, bakeries, etc.), night work is prohibited. However, under certain conditions and if the employees concerned give their consent, night work may be authorised by the cantonal authorities (in Geneva, the Cantonal Office of Inspection and Labour Relations – OCIRT) or federal authorities (State Secretariat for Economic Affairs – SECO).

In the case of temporary night work – less than 25 nights per year – employees are entitled to an additional salary of 25%. From the 25th night of the year, the employee has the right to 10% time off as compensation, and the company should take special protection measures.

1.5 Leave and public holidays

The minimum legal annual leave is set at 5 weeks up to the age of 20, and 4 weeks for those over 20 years of age.

Employees' salaries are due in full during leave and, with some exceptions (particularly when a contract ends), the right to annual leave cannot be replaced by monetary benefits.

Annual leave dates must be agreed with the company and should include at least 2 consecutive weeks once a year.

- New Year (1 January)
- Good Friday
- Easter Monday
- Whit Monday
- Ascension
- 1 August
- Jeûne Genevois (September)
- 25 December
- 31 December

1.6 Individual and collective dismissals

Unless there is an exception (immediate dismissal on valid grounds), dismissals can only be made subject to a notice period.

The notice periods provided for by law are:

- 7 days net within trial period
- 1 month for the end of the month within the 1st year of service
- 2 months for the end of the month within the 2nd to 9th year of service
- 3 months for the end of the month beyond the 9th year of service

Note that the law allows parties to the employment contract to set different notice periods in writing, under certain conditions. The remaining period of leave cannot, however, be less than one month, unless it is set through a collective labour agreement and in the first year of service.

Dismissal cannot be given under certain circumstances (untimely dismissal):

- completion of compulsory military or civil service (including the period 4 weeks before or after),
- total or partial incapacity for work (for 30 to 180 days depending on the number of years of service),
- during pregnancy and 16 weeks after delivery (the duration of protection can be extended under certain conditions in the event of hospitalisation of the newborn),
- leave to care for a child with serious health problems (maximum 6 months from the first applicable day),
- foreign aid service ordered by the federal authority.

If the leave was taken before the occurrence of one of these cases, it is suspended during this period.

Furthermore, dismissal may be considered unfair in certain specific cases, particularly if the reason is linked to the employee's traits (for example, because of their country of origin, their religion or membership with a trade union). If the dismissal is deemed unfair by a court, this latter may in no case order the dismissed employee to be reinstated in the company.

The only sanction provided for by law in the event of unfair dismissal consists of financial compensation, which will amount to the equivalent of six months' salary at most.

Collective dismissals (particularly on financial grounds) do not exempt companies from respecting notice periods or the provisions for untimely dismissal.

Companies must announce any decisions to terminate or reduce their workforce to the Cantonal Employment Office (OCE) and, in certain cases, consult staff beforehand. In Geneva, this procedure is compulsory when the company carries out at least 6 dismissals within a period of one calendar month.

1.7 Working remotely

Swiss law does not specifically regulate working remotely. Therefore, all legal provisions applicable to general employment relationships, such as the Code of Obligations (CO) and the Federal Employment Act (EmpA), apply in the case of working remotely. Employee and company obligations arising from these provisions, particularly in connection with health protection, data protection and confidentiality, must therefore be respected when employees work remotely. Regarding costs linked to working remotely, it is necessary to distinguish between situations where the company imposes remote working and those where it is requested by the employee. In the first case, the company is required to reimburse the costs linked to working remotely (including, where applicable, part of the rent). In the second case, no compensation is obligatory, and the company may waive the reimbursement of possible costs linked to working remotely by written agreement. In all cases, it is recommended to conclude a remote working agreement.

In the case of cross-border remote working, the duration of remote work may have an impact on social security liability. If the rate of remote working exceeds a certain threshold, the employee may be subject to the social security system in the country of residence for all of the work activity. The regulations for coordinating social security systems applicable within the European Union (applicable between Switzerland and the EU) provides that, if employees (of Swiss or EU nationality) exercise at least 25% of their gainful employment (including remote working) in the country of residence (Switzerland or the EU), they are subject to the social security system in that country. As of 1 July 2023, some EU/EFTA countries have concluded an agreement which allows employees to carry out up to 49.9% of their work from the country of residence without an impact on social security rules. This new agreement namely applies between Switzerland, Germany, Austria, France, Liechtenstein and Luxembourg. When the company's headquarters and employee's home are in countries that have signed the new agreement, working remotely is possible for up to 49.9% of their work time without social security implications.

Please note: working remotely can also have tax implications. Reference should be made to the bilateral agreements between Switzerland and the country concerned in order to determine the rate of remote working tolerated from a tax perspective. For example, Switzerland and France have concluded an agreement with provisions for cross-border employees to be able to work remotely from France for up to 40% of the time without tax implications.

02. Social security

Each company is required to join a fund to contribute to compulsory social security payments, as laid out in the table below.

Provisions for businesses

Equal contribution rate on gross salaries (in effect from 1 January 2024):

	Business	Employee
OASI/IV/EO Obligation to contribute from 1 January following the employee's 17th birthday and until the end of the month during which the insured party reaches the reference age.	5,3%	5,3%
Unemployment insurance Up to an annual salary of CHF 148,200.	1,1%	1,1%
Child benefit Geneva rate.	2,28%	
Maternity insurance In Geneva only.	0,038%	0,038%
Contributions for early childhood support In Geneva only.	0,07%	
Contribution for professional training (LFP) In Geneva only. Regressive rate according to payroll.	Between 0.03% and 0.15%	
OPA (Average rate as a % of insured salary) Compulsory from 1 January following the employee's 17th birthday and until the end of the month during which the insured party reaches the reference age. If income is greater than CHF 22,050 per year or CHF 1,837.50 per month. If the employment contract is planned for 3 months or more.	6,5%	6,5%
Loss of earnings insurance in the event of illness (IPA) Daily allowance insurance protects employees against loss of earnings in the event of illness. Cover varies from 80% to 90% for a maximum of 730 days, with waiting times varying from 3 to 90 days. This insurance is optional.	0,9%	0,9%
AIA Occupational accidents * Non-occupational accidents * In the event of incapacity for work, this insurance covers 80% of the employee's salary capped at CHF 148,200 per year, as well as treatment costs. Premiums for compulsory insurance against non-occupational accidents are due as soon as working hours at a single company reach at least 8 hours per week.	0,8%	1,3%

*Average rate as a % of insured salary.

Provisions for the self-employed

All self-employed people pay a contribution, calculated on their net income, used to determine personal OASI/IV/EO, child benefit and maternity insurance contributions.

OASI/IV/EO contributions now amount to 10%. The upper limit of the regressive scale for self-employed people's contributions is set at CHF 58,800. The lower limit is CHF 9,800.

Personal OASI/IV/EO contribution rate (in effect from 1 January 2024):

Annual income in CHF from work		OASI/IV/EO contribution rate
of at least	but less than	as a % of work income
CHF 9,800	CHF 17,500	5,371%
CHF 17,500	CHF 21,300	5,494%
CHF 21,300	CHF 23,800	5,617%
CHF 23,800	CHF 26,300	5,741%
CHF 26,300	CHF 28,800	5,864%
CHF 28,800	CHF 31,300	5,987%
CHF 31,300	CHF 33,800	6,235%
CHF 33,800	CHF 36,300	6,481%
CHF 36,300	CHF 38,800	6,728%
CHF 38,800	CHF 41,300	6,976%
CHF 41,300	CHF 43,800	7,222%
CHF 43,800	CHF 46,300	7,769%
CHF 46,300	CHF 48,800	7,840%
CHF 48,800	CHF 51,300	8,209%
CHF 51,300	CHF 53,800	8,580%
CHF 53,800	CHF 56,300	8,951%
CHF 56,300	CHF 58,800	9,321%
CHF 58,800		10%

Canton	Insurance	Annual income	Rate
Geneva	Child benefit	Up to CHF 148,200	2,28 %
Geneva	Maternity	No upper limit	0,038 %
Geneva	Contributions for early childhood support	No upper limit	0,07 %

03. Regulated activities

Switzerland practises the principle of free trade on a broad scale. Most professions are therefore unregulated.

Professions that are regulated, or even subject to authorisation, are relatively few, but it is advisable to check this information beforehand.

A list of regulated professions, together with their requirements and authorities to contact, can be consulted at the State Secretariat for Education, Research and Innovation, Einsteinstrasse 2, 3003 Bern, or on the website sbfi.admin.ch.

This list is not guaranteed to be exhaustive, but it gives a good overview. It is nevertheless advisable to verify information on a case-by-case basis with the relevant authorities.

The Cantonal Office for Economy and Innovation (OCEI) in Geneva can also provide information on the subject.

Useful addresses

Office cantonal des assurances sociales (OCAS)

(Cantonal Social Insurance Office)

Rue des Gares 12 | Case postale 2696 | 1211 Genève 2
Tél. +41 22 327 27 27 | ocas.ch

Fédération des Entreprises Romandes Genève (FER Genève) Département des affiliations

Rue de St-Jean 98 | Case postale 5278 | 1211 Genève 11
Tél. +41 58 715 32 50 | fer-ge.ch

NODE – Nouvelle Organisation Des Entrepreneurs, depuis 1922

Rue de Malatrex 14 | 1201 Genève
Tél. +41 22 338 27 27 | node1922.ch

Office cantonal de l'inspection et des relations de travail (OCIRT)

(Cantonal Office of Inspection and Labour Relations)

Rue David-Dufour 5 | Case postale 64 | 1211 Genève
Tél. 022 388 29 29 | ge.ch/organisation/ocint-direction-generale-office-cantonal-inspection-relation-de-travail

Office cantonal de l'emploi (OCE)

(Cantonal Employment Office)

Rue des Gares 16 | 1201 Genève
ge.ch/organisation/office-cantonal-emploi-oce

Office fédéral des assurances sociales (OFAS)

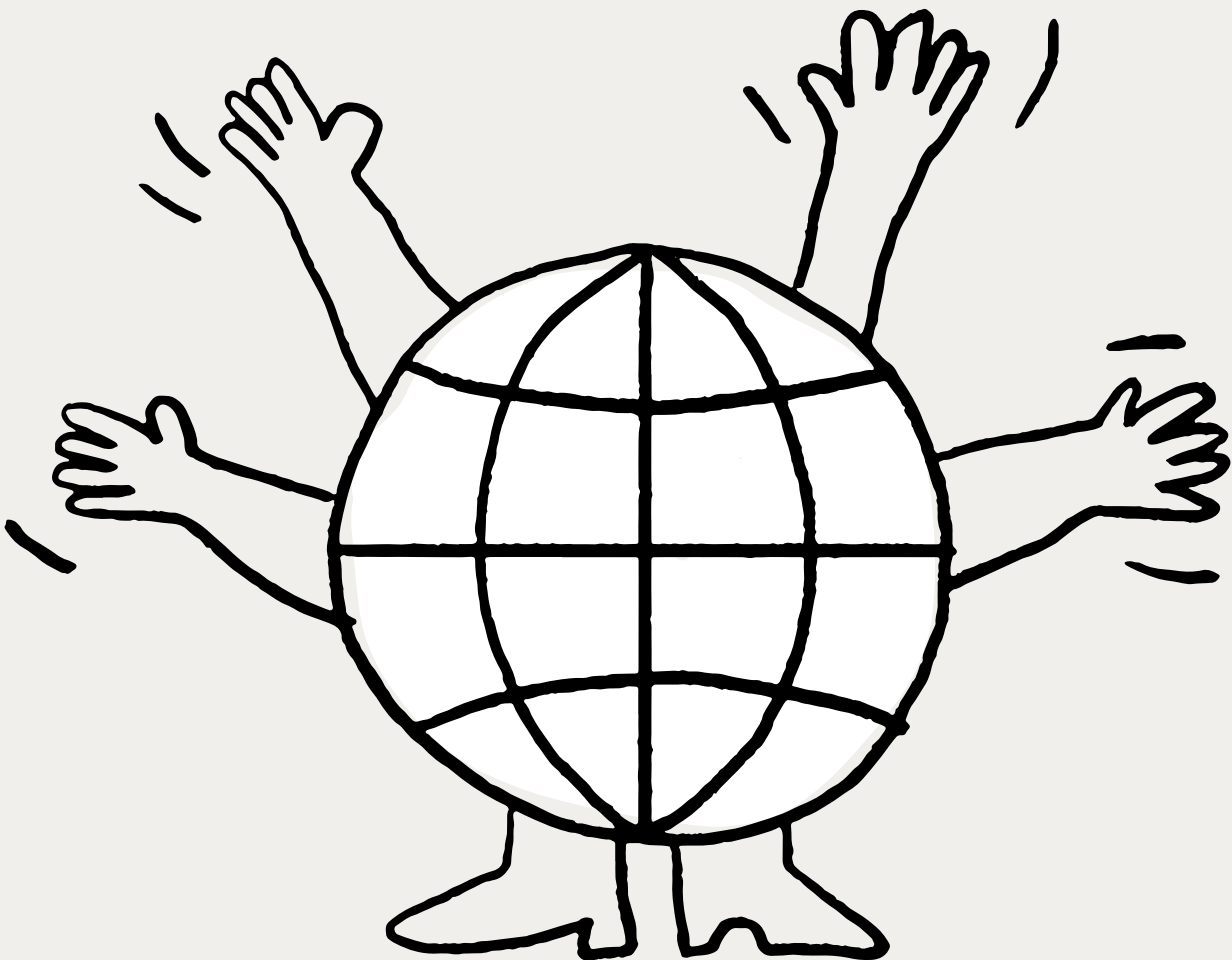
(Federal Social Insurance Office)

Effingerstrasse 20 | 3003 Berne
Tél. +41 58 462 90 11 | bsv.admin.ch

04 Foreign workforce

Are you looking to hire someone from abroad, or are you of foreign nationality and want to set up your business in Geneva?

This chapter explains the rules currently in effect, and the authorisation procedures you need to follow.



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4.2 Cross-border workforce - G permit applications

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01. Hiring people from abroad and obtaining a work permit

People of foreign nationality can only engage in paid activity if they are authorised to work in Switzerland. It should be noted that when someone of foreign nationality sets up a Swiss company, this does not exempt them from the obligation to obtain a work permit.

Bilateral agreements, and namely the Agreement on the Free Movement of Persons (AFMP), have made procedures for European Union (EU) citizens significantly easier. The same rules apply to those from European Free Trade Association (EFTA) countries.

This chapter is subdivided into two parts: the first part looks at the procedure for citizens from EU/EFTA member countries; the second part looks at the procedure for those from countries outside the EU/ EFTA, known as third countries.

Below is a list of countries in the European Union (EU-27), the European Free Trade Association (EFTA), and third countries:

EU-27 and EFTA

Austria, Belgium, Bulgaria, Cyprus, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

For nationals from these countries, there is complete free movement, with the exception of a B permit quota for Croatian nationals.

Third countries:

All other countries in the international community.

Note on Brexit: Since 1 January 2021, the Agreement on the Free Movement of Persons (AFMP) between Switzerland and the EU no longer applies to relations between Switzerland and the United Kingdom. Nationals of the UK are no longer considered as EU/EFTA nationals, but as third country nationals.

02. List of different types of work and/or residence permits – EU/EFTA

B permit

Work and residence permits – Long term

Type	Criteria	Duration
B permit Long-term work permit	Forward the form and requested documents to the Foreign Labour Force Department at the Cantonal Office for Population and Migration (OCPM) as soon as employment has been arranged.	Renewable until permit is granted to take up permanent residence (C permit) after 10 years (or 5 years for USA and Canada).

L permit

Work and residence permits – Short term

Type	Criteria	Duration
L permit Short-term permit	Forward the form and requested documents to the Foreign Labour Force Department at the Cantonal Office for Population and Migration (OCPM) as soon as employment has been arranged.	Seconded EU/EFTA workers: 364 days, renewable.

Other types of work and residence permits

Type	Criteria	Duration
G permit Work permit for cross-border workers	<p>Forward to the Foreign Labour Force Department at the Cantonal Population and Migration Office (OCPM), as soon as employment is arranged. Form accompanied by documents to be sent online: ge.ch/demande-permis-travail-frontalier/je-suis-ressortissant-etat-membre-ue-aele</p> <p>A business can only employ a cross-border worker with proof of right to work.</p>	The permit duration is 5 years for permanent contracts or those longer than 12 months, renewable.
Ci permit	<p>Work permit for partners of international civil servants living in the same household, and children under 21 years of age permitted for family reunification.</p> <p>The competent body for reviewing the permit request is the Cantonal Office for Population and Migration (OCPM).</p>	Subject to the Federal Department of Foreign Affairs (FDFA) identity card holder's length of service.
C permit Permit to take up permanent residence	<p>The competent body for reviewing the C permit request is the Cantonal Office for Population and Migration (OCPM).</p>	Permanent

03. List of different types of work and/or residence permit – Third countries

B permit

Work and residence permits – Long term

Type	Criteria	Duration
B permit Long-term work permit with quota The granting of the B permit may be subject to certain conditions (limitations regarding time or duration of the role, for example).	Economic interest. Qualified workforce. Priority for native and European Union labour (taking up employment). Compliance with working conditions. Quota availability.	Renewable until permit is granted to take up permanent residence (C permit) after 10 years (or 5 years for USA and Canada).

L permit

Work and residence permits – Short term

Statut	Critères	Durée
L permit Short-term permit with quota	Economic interest. Qualified workforce. Priority for native and European Union labour (taking up employment). Compliance with working conditions. Quota availability.	Extendable up to maximum 24 months.

Guarantee of entry (through residence permit, sent to the employer)	Foreign workers with a specific project (for example, setting up an IT system, fiduciary review, contributing expertise, etc.), short-term transfers of specialists, interns.	
	Specific project, setting up an IT system, fiduciary review, labour provision during busy periods, assembly work.	Up to 4 consecutive months.
	Business management and development when a manager's presence is not necessary all year round.	120 days spread over 12 months.

Other types of work and residence permits

Type	Criteria	Duration
G permit Work permit for cross-border commuters	Third country nationals subject to a one-off review. Priority to the labour market workforce. Compliance with working conditions. Changes in position, profession and canton.	Valid for one year, renewable.
N permit Asylum seeker	N permit holders may be authorised to work during the asylum procedure; starting the activity is subject to prior authorisation.	Until the asylum application procedure is assessed.
F permit Temporary admission	F permit holders have unrestricted access to the Swiss job market and to all areas of work. The company should take the appropriate steps to notify the employment online.	Renewable.
S permit For persons in need of protection	S permit holders can practice a remunerated activity, employed or independent, which is subject to prior authorisation.	Renewable.

Ci permit	<p>Work permit for partners of international civil servants living in the same household, and children under 21 years of age permitted for family reunification.</p> <p>The competent body for reviewing Ci permit requests is the Cantonal Office for Population and Migration (OCPM).</p>	<p>Subject to the Federal Department of Foreign Affairs (FDFA) identity card holder's length of service.</p>
<p>C permit Permit to take up permanent residence</p>	<p>The competent body for reviewing C permit requests is the Cantonal Office for Population and Migration (OCPM).</p>	

04. EU/EFTA businesses and workforce

4.1 Agreement on the Free Movement of Persons

The Agreement on the Free Movement of Persons (AFMP), signed on 21 June 1999 by Switzerland and the European Union, makes it easier for European Union (EU) citizens to live and work in Switzerland. The Agreement on the free movement of people is supplemented by provisions on the mutual recognition of qualifications, the acquisition of property and the coordination of social security systems. The same rules apply to the European Free Trade Association (EFTA) countries.

The AFMP enables the European labour market to be opened to the Swiss population and vice versa, in a phased manner. The agreement is based on the principle of equal treatment for the signatory countries' populations. Equal treatment means that a Swiss or European person benefits from the same treatment as a person from the host country, namely:

- the same working conditions, social security benefits and tax concessions,
- the possibility of undertaking self-employed work,
- the right to family reunification,

- the ability to stay in the country in the event of loss of work,
- the ability to acquire property.

Since 1 May 2011, Swiss nationals and those from the 27 EU member states have held the same rights on the Swiss labour market. For a European worker to be granted a Swiss residence permit, it is sufficient to obtain an employment contract in Switzerland. In other words, European citizens have the same rights as Swiss citizens to get a job in Switzerland.

Conversely, the Swiss population has benefited from free access to the European labour market since 1 June 2004, in all 27 EU member states.

To avoid the risk of wage dumping, Switzerland has taken steps to introduce support measures as of 1 June 2004. These support measures aim to ensure compliance with working conditions and avoid any risk of wage or social dumping. In particular, the measures regulate conditions for workers seconded to Switzerland by European companies. When there is evidence of dumping, the measures allow for labour agreements to be extended more easily, and make it possible for authorities to set minimum requirements for working conditions in sectors not subject to the agreement.

The canton of Geneva has put a robust system in place to apply these support measures, under the authority of social partners and the State (Cantonal Office of Inspection and Labour Relations - OCIRT - [ge.ch/organisation/ocirt-direction-generale-office-cantonal-inspection-relation-de-travail](https://www.ge.ch/organisation/ocirt-direction-generale-office-cantonal-inspection-relation-de-travail)).

4.2 Cross-border workforce

G permit applications

EU-27/EFTA workers employed for less than three months per year can benefit from the notification procedure. Once work activity has exceeded 3 months, a work permit application must be submitted.

Necessary documents

To hire a cross-border worker, the company should make an online request through an e-procedures account. All the relevant information can be found here: [ge.ch/demander-permis-travail-frontalier/je-suis-ressortissant-etat-membre-ue-aele](https://www.ge.ch/demander-permis-travail-frontalier/je-suis-ressortissant-etat-membre-ue-aele)

Proof of employment

A company can hire a cross-border worker simply by presenting proof of employment. Employees no longer need to have lived in the border region for six months prior to obtaining a cross-border permit.

Permit duration

The permit duration for cross-border commuters increases from one to five years for permanent contracts or contracts of more than 12 months (for contracts less than one year in length, the validity of the permit corresponds to the contract duration). It is therefore recommended to attach a copy of the employment contract to the application.

Social security

In terms of social security such as OASI, IV, EO, child benefit, unemployment insurance, maternity insurance and occupational pensions, in principle, employees are insured in Switzerland for as long as they work in the country. Occupational accident insurance is also compulsory in Switzerland.

Taxation

The taxation of cross-border commuters is governed by the tax treaty between France and Switzerland of 9 September 1966, which stipulates that cross-border employees working in the canton of Geneva are taxed at source (withholding tax).

4.3 Workforce residing in Switzerland – Applications for B and L permits (residence permits)

EU-27/EFTA workers employed for less than three months per year can benefit from the notification procedure. Once work activity has exceeded 3 months, a work permit application must be submitted.

Necessary documents

To employ an EU citizen, the company must send the following to the Foreign Labour Force Department of the Cantonal Population and Migration Office as soon as they start work:

- The first and second pages of the form completed and signed by both parties, which serves as proof of employment, accompanied by the documents listed on the second page of the form.
-

Permit duration

The permit duration depends on the contract length. The duration is 5 years for permanent contracts or contracts of more than 12 months (for contracts less than one year in length, the validity of the permit corresponds to the contract duration). It is therefore recommended to attach a copy of the employment contract to the application.

As such, a company may employ an EU citizen simply upon presenting proof of employment. The a priori control of salary and working conditions is replaced by provisions aimed at protecting the entire workforce and combatting the potential risk of wage or social dumping.

4.4 Staff seconded by foreign companies

Outsourcing to or directly mandating a foreign company means that this company seconds foreign staff to Swiss territory. There are two procedures based on the length of time:

- Service of less than 90 days,
- Service of more than 90 days.

4.4.1 Service of less than 90 days (notification procedure)

Services on Swiss territory must not be provided for more than 90 working days or more than three months in the calendar year. Notification is compulsory when gainful activity in Switzerland lasts more than eight days in the calendar year, regardless of whether the activity takes place all at once or is spread out over the course of the year.

Service providers who are EU-27/EFTA nationals and companies seconding workers who carry out gainful activity in the following sectors are also required to register from the first day:

- construction, civil engineering and finishing work,
- hotels and restaurants,
- industrial or domestic cleaning,
- surveillance and security,
- itinerant trade, and
- the sex industry.

EU/EFTA companies seconding staff from third countries to Switzerland are required to declare them. The workers must also have been part of the regular, long-term labour market of one of the EU or EFTA member states previously. Generally speaking, this can be assumed to be the case when the workers have resided in an EU or EFTA country for at least twelve months. In other cases, a residence permit should be obtained from the Foreign Labour Force Department under the provisions of the Federal Act on Foreign Nationals and Integration (FNIA) and the Ordinance on Admission, Period of Stay and Employment (ASEO).

Online notification

Companies seconding workers and service providers operating in Switzerland must submit a notification online: sem.admin.ch/sem/fr/home/themen/fza_schweiz-eu-efta/meldeverfahren.html.

Exceptions

Please note that the notification procedure does not apply to employment agencies, nor to financial services whose operations require prior authorisation on Swiss territory, and where the service provider is under monitoring by authorities (for example, in the case of banking operations). Temporary access to some regulated professions, such as health care, also requires prior authorisation to practise.

In these areas, the authorisation request must always be made before the work starts.

4.4.2 Service of more than 90 days

Services provided by EU/EFTA companies or self-employed individuals based in the EU/EFTA and whose duration exceeds 90 days worked per year or 3 consecutive months are subject to authorisation and are governed under the provisions of the Federal Act on Foreign Nationals and Integration (FNIA) and the Ordinance on Admission, Period of Stay and Employment (ASEO).

Submission of work permit application

Work permit applications should be submitted to the Foreign Labour Force Department using the official form accompanied by a cover letter.

Application review by the Foreign Labour Force Department

The application is examined by the foreign labour force service at the Cantonal Office of Inspection and Labour Relations (OCIRT) according to FNIA and ASEO provisions (economic interests of Switzerland, working conditions and pay, professional qualifications, quota availability).

Necessary documents

- Individual work permit request form, downloadable from the OCPM website
 - Cover letter mentioning the duration of the engagement and the place where it will be carried out
 - Service provision contract
 - Letter of secondment signed by both parties, specifying the conditions of secondment (namely basic pay, secondment allowance, travel cost cover, accommodation and food costs, duration of secondment, number of working hours per week)
 - Worker's CV and qualification certificates
 - Specific data about the company and its staff via the two OCIRT forms - Foreign Labour Sector
-

Granting authorisation

If the OCIRT approves the application, the OCPM issues a work permit and the paid work can then begin.

05. Workers outside the European Union (third countries)

Requests for work permits for workers from third countries are subject to the Federal Act on Foreign Nationals and Integration (FNIA) and its implementing ordinance, the Ordinance on Admission, Period of Stay and Employment (ASEO).

Any company based in Switzerland wishing to hire someone from a third country, outside the European Union, in Geneva, with or without taking up residence, must carry out the following steps:

Local market research

The Swiss and European employment markets must be explored first, particularly through advertisements (newspapers, private employment agencies, specialist websites, etc.).

In addition, the announcement of the vacant position should be reported to the Cantonal Employment Office (OCE) approximately 30 days before submitting an application for a foreign worker to the Foreign Labour Force Department (regardless of the unemployment rate in the field of activity). The form can be completed directly via the following link:

job-room.ch/home/job-seeker

An application for a third country national can be filed when the Swiss and European job markets have been explored without success.

The application should include the following:

- OCPM M application form (the same form is used for B and L permits), available online: ge.ch/document/ocpm-formulaire-m-demande-autorisation-sejour-etou-travail
- General cover letter describing the company's situation, its projects and the reasons justifying the employment of a person from a third country, including the results of Swiss and European labour market research
- Proof of Swiss and European market research carried out by the company with detailed results (except for intra-group executive transfers)
- Employment contract signed at least by the company
- Foreign worker's CV and copies of qualifications
- Copy of a valid identity document
- Staff situation at the time of application (number, nationalities, permit types - for example: 2 Swiss, 1 C permit, 2 B permits, 1 G permit, 1 L permit, 2 N permits, 1 F permit - and number of apprentices if relevant)

Application submission

All applications should always be submitted by the company to the OCPM Foreign Labour Force Department, preferably by post or via the online form: www.ge.ch/demandeur-permis-travail-employeur-suisse/candidat-etat-tiers. The Foreign Labour Force Department opens a personal file for each foreign employee, carries out a preliminary review and charges a fee.

Application review by the OCIRT - Foreign Labour Force Department

The Foreign Labour Force Department forwards the file to the OCIRT for a further review from the perspective of the labour market (compliance with the order of priority, working conditions and pay, and the foreign worker's qualifications, taking into account Swiss economic interests).

The OCIRT also charges a fee in accordance with Art. 12 of the regulations for implementing the Federal Act on Foreign Nationals (RaLEtr).

Decision

Depending on the case, the decision is submitted to the canton of Geneva's Tripartite Labour Market Commission. For routine cases, the Commission procedure takes 2 to 3 weeks. Decisions for stays of less than 4 months are made directly by the OCIRT within 1 to 10 days. The company is informed in writing of the OCIRT's approval or refusal of the application.

In the event of approval, certain files must still be sent for approval to the State Secretariat for Migration (SEM). The total duration of the procedure is 8 weeks.

Appeals

A refusal by the OCIRT may be appealed within 30 days following the decision. The appeal procedure is described in the refusal letter sent to the company.

Granting authorisation

Finally, the OCIRT always returns the file to the Foreign Labour Force Department so that it can establish and issue the requested work permit. The time required depends on any additional information or documents to be provided by the company.

Special cases - Cross-border commuter permits

In certain exceptional circumstances, a third country national may be eligible to submit an application for a cross-border commuter permit (G permit). The preliminary review falls under the authority of the Foreign Labour Force Department. The application is then forwarded to the Foreign Labour Force Department for review and to make a decision.

06. Being self-employed as an EU/EFTA national

6.1 From the EU/EFTA

EU/EFTA nationals have the right to gainful self-employment in Switzerland. For this, they must request authorisation for a self-employed person. If they can provide proof of current engagement in self-employed activity which allows them to provide for their own needs (by submitting a business plan), authorisation is issued for a period of five years.

Just as for salaried work, there are two options: a cross-border permit (form F) or residence permit (form M) but the process is identical. For cross-border commuters, proof of a business address on Swiss territory should be provided (actual premises and not a mailbox).

The business plan to be submitted should describe the planned activity on 1-2 pages, mentioning the following points at a minimum:

- Business name and contact details, including the legal status and project leader(s)
- Description of future activity
- Size of potential or current client base
- Planned weekly working hours
- Turnover forecast and, where applicable, number of employees
- Planned amount of investment

6.2 Other States

For self-employed gainful activity, it is extremely rare that a residence permit is issued. The procedure and related conditions are described in detail here: [ge.ch/demandeur-permis-travail-independant/je-suis-ressortissant-etat-hors-ueaele](https://www.ge.ch/demandeur-permis-travail-independant/je-suis-ressortissant-etat-hors-ueaele).

In summary, for such a request, form M must be completed and a business plan submitted, which clearly demonstrates the economic interest for the canton of Geneva in terms of jobs, investments and turnover. An example of the structure and essential elements can be found in the business plan guide.

Useful addresses

Office cantonal de la population et des migrations (OCPM), Service étrangers

(Cantonal Office for Population and Migration - Foreign Labour Force Department)

Route de Chancy 88 | Case postale 2652 | 1211 Genève 2
Tél. 022 546 47 95 | ge.ch/organisation/office-cantonal-population-migrations-ocpm

Office cantonal de l'inspection et des relations du travail (OCIRT)

(Cantonal Office of Inspection and Labour Relations)

Rue David-Dufour 5 | Case postale 64 | 1211 Genève 8
Tél. 022 388 29 29
ge.ch/organisation/ocint-direction-generale-office-cantonal-inspection-relation-de-travail

OCIRT – Service de la main-d'œuvre étrangère

(Foreign Labour Force Department)

Rue David-Dufour 1 | Case postale 64 | 1211 Genève 8
Tél. 022 388 74 00 | ge.ch/organisation/ocirt-service-main-oeuvre-etrangere-moe

Office cantonal de l'économie et de l'innovation (OCEI)

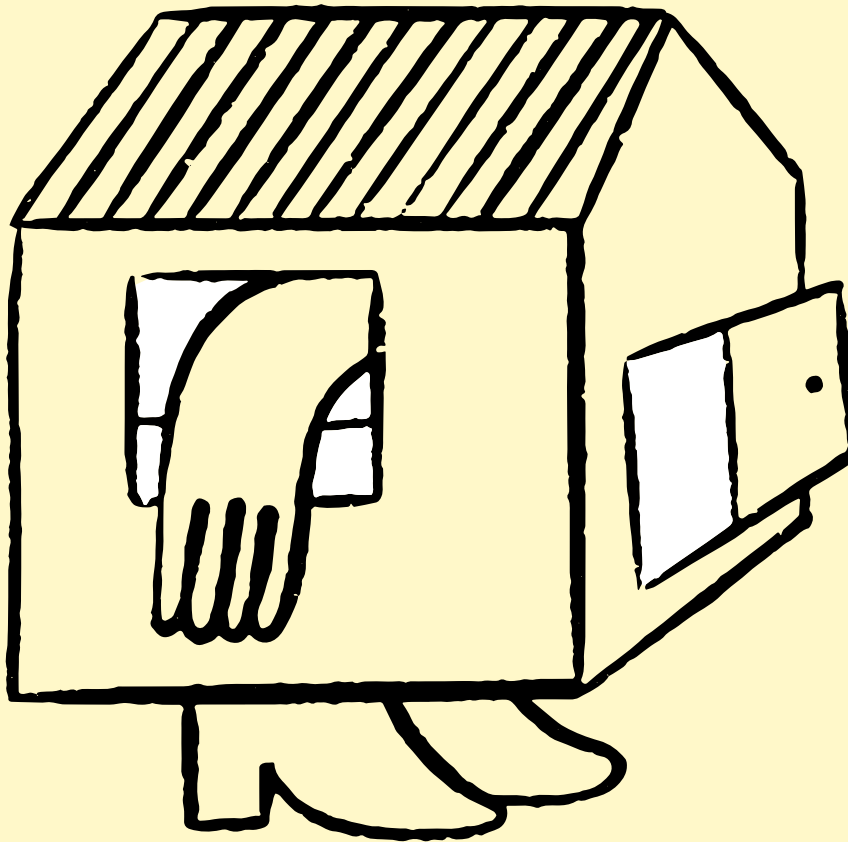
(Cantonal Office for Economy and Innovation (OCEI))

Rue de l'Hôtel-de-Ville 11 | Case postale 3216 | 1211 Genève 3
Tél. 022 388 34 34 | innovation.ge.ch

05 Premises

Are you looking for business premises in the canton of Geneva?

The qualities and location of your business premises can have a significant impact on your project's success. This chapter provides you with information on your options and uses, as well as the procedure to follow and legal conditions that need to be met in order to rent, acquire or build your premises.



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Premises intended to house companies are called business premises. It's helpful to remember the definition of business premises as places intended for the running of a business, i.e. an office, shop, workshop, depot, warehouse, etc.

There are several criteria to consider when choosing where to set up a business:

- Regulatory constraints (Geneva has land use plans which define the precise activities that are possible in each of its zones)
- The building's technical characteristics (e.g. surface area, volume, height)
- The business environment and general infrastructure (accessibility, links to public transport, equipment, tax rates, workforce availability, etc.)

Businesses generally have two options:

- Set up in existing premises (whether purchased or rented). It may be necessary to draw up a layout plan for the premises with an architect.
- Carry out a building project. A construction plan should be created in collaboration with an architect, taking into account the Act on Constructions and Various Installations (Loi sur les Constructions et les Installations diverses LCI) (i.e. distances from boundaries, heights, accepted disamenities, density, etc.).

01. Uses for current or future premises

As a first step, you will need to check whether your business activity is possible in the planned premises.

The canton has land use plans in place (which include zone plans and localised neighbourhood layouts or *Plans Localisés de Quartier* (PLQ), and land use plans or *Plans d'Utilisation du Sol* (PUS) in the City of Geneva), laying out the precise uses allowed in the different sections of land in the city.

In concrete terms, this means that your options for setting up your business will be directly linked to whether your business activity conforms with the uses allowed on the premises (falling under offices, industry or trade and crafts).

Below you will find a description of authorised activities in the main zones permitted to host businesses.

Zones of activities	Authorised activities
Agricultural Zone	The Agricultural Zone is intended for agricultural, horticultural and wine-growing activities.
Zone 1, zone 2, zone 3, development zone 2, development zone 3, and under certain conditions the zones mainly intended for housing: zones 4A, 4B, protected zone 4B, and development zone 4A, development zone 4B and protected development zone 4B	<p>Activities linked to commerce and the services (tertiary) sector:</p> <ul style="list-style-type: none"> • Commerce: arcades are primarily intended for businesses. Note that changing the type of activity in an arcade could be subject to authorisation from the owner, as well as the municipal or cantonal authorities in some cases. • Office: services
Industrial and craft zone, industrial and craft development zone and, under certain conditions, the airport zone	<p>Industrial zones are intended for companies in the manufacturing (secondary) sector, i.e. business activity with an industrial, craft or technical vocation.</p> <p>Storage or warehouse activities may also be permitted. To be permitted in an industrial zone, companies in the advanced technology sector should for the most part be designing, developing, producing or converting tangible or intangible assets, and only carry out marketing on an ancillary basis.</p>
Mixed activity development zones	This new type of zone, created from a law passed by the Grand Council of Geneva in March 2012, includes at least 60% secondary (industry and craft) activities and gives businesses in the tertiary sector the option of setting up in the zone in a way that is complementary and integrated.

In addition, the area around Geneva Airport is subject to restrictions set out in the safety zone plans and through noise protection legislation.

All the plans can be consulted via the Land Department:

Guichet de l'office de l'urbanisme

(Urban planning office)

Rue David-Dufour 5 | Case postale 224 | 1211 Genève 8

Tél. 022 546 73 10 | ge.ch/consulter-plans-amenagement-adoptes

relevant municipalities, including the City of Geneva:

Département des constructions et de l'aménagement, Service d'urbanisme

(Department for Construction and Development, Urban Planning Department)

Rue du Stand 25 | 1204 Genève

Tél. 022 418 60 50 | ville-geneve.ch

There are several industrial and craft zones in the canton of Geneva, most of which are managed by the Fondation pour les terrains industriels de Genève (Geneva Industrial Land Foundation -FTI)

Avenue de la Praille 50 | Case postale 1115 | 1211 Genève 26

Tél. 022 342 21 60 | fti.geneva.ch

A change of use of the premises is subject to an authorisation request being submitted to the *Département du territoire*. In principle, if the business activity complies with land use plans, the *Département du territoire* will approve the project. If the activity does not comply, authorisation may be granted by special dispensation following a public inquiry, if the circumstances justify it and if its approval does not result in serious harm to the neighbourhood. Apart from these cases, land use plans can only be changed through a procedure that is often long and complex. It should also be noted that the law on demolitions, conversions and renovations of residential dwellings (*loi sur les démolitions, transformations et rénovations de maisons d'habitation* - LDTR) prohibits changing the use of buildings used for housing.

02. Renting premises

As part of renting premises, a lease agreement is signed between the landlord and tenant. The main aspects included are:

- Duration of the lease, set freely (generally 5 years, renewable, with indexation beyond 5 years)
- Minimum notice period of 6 months for a quarterly lease expiry
- Option to add the lease to the land register
- Possible deposit request (rent deposit, see point 2.2 below, as well as a possible personal deposit from the business owner for recently opened companies with share capital or those that cannot give full evidence of solvency)
- Under certain conditions, option of subletting or transferring the lease

Note: it is possible to request standard lease contracts from:

Chambre genevoise immobilière (CGI)

(Geneva Real Estate Chamber)

Rue de la Rôtisserie 4 | Case postale 3344 | 1211 Genève

3 Tél. 022 715 02 00 | cgionline.ch

2.1 Looking for business premises

To identify premises suitable for your business, you may choose to contact property management companies in Geneva (list available on Swiss Union of Real Estate Professionals Geneva USPI Geneva website – uspi-ge.ch).

The usual search engine sites for property in the region can also be consulted (non-exhaustive list):

- immobilier.ch
- immoscout24.ch
- toutimmo.ch
- homegate.ch
- immostreet.ch

Furthermore, and with regard to premises in industry and craft zones, it is recommended to contact the Fondation pour les terrains industriels de Genève (FTI), which manages a large part of the land in these zones. Its site provides a free list of industry and craft premises available in the canton of Geneva's business zones: fti.geneva.ch/objets-immobiliers.

2.2 Observatoire du Commerce (Trade Observatory)

The Geneva *Observatoire du Commerce* is a tool intended to promote entrepreneurship in the field of commerce, and can be useful when looking for premises. The Observatoire du Commerce brings together socioeconomic and location data, making it available in the form of maps. In particular, the *Observatoire du Commerce* enables commercial zones to be analysed in detail, in turn producing detailed demographic data (gender, age groups, etc.). The data produced can then be used to find purchasing power located in the chosen sector, and implementation or development scenarios can then be drawn up that avoid potential sectoral and geographical overwhelm. The *Observatoire du Commerce* also provides access to cantonal businesses register, listing some 7,000 businesses divided into 18 categories. With all these data, it is easier to select the best location to develop or set up a future commercial activity. Equally, you can analyse specific demographic and economic features in your chosen sector or neighbourhood.

Visit the Observatoire du Commerce | ge.ch/observatoire-du-commerce-genevois/acceder-observatoire-du-commerce

2.3 Rent deposit

The law does not set a maximum amount for deciding the rent deposit for commercial premises. It is common for a security deposit of six months' rent to be requested upon signing the lease. It is also important to remember that landlords of commercial premises have additional security through a right of retainer on the furniture in the rented premises in the event of late rent payment and incidental costs.

In the majority of cases, the rent deposit is made to a specified bank account. It can also be in the form of a bond which guarantees the landlord the payment of the set amount if necessary. This option has the advantage of not tying up funds for the entire duration of the lease, but the tenant business pays an annual premium in return.

2.4 Putting together your file

To obtain a lease, a complete file must be submitted. The file generally includes the following documents:

- Copy of an identity document and/or a recent excerpt from the Commercial Register (for legal entities)
- Recent certificate from the Office cantonal des poursuites (OCP)
- Solvency certificate (latest tax return, payslips, latest balance sheet and profit and loss account, forecast budget)
- Description of the business activity, and possibly a full business plan for start-up companies

03. Buying premises

The sale of property requires a solicitor's involvement (since authentication is required). Buildings used for operating industrial, commercial or service providing businesses can be freely acquired by a foreign natural person or foreign company (no authorisation required).

If in doubt, contact:

Département des institutions et du numérique (DIN)

(Department of Institutions and Digital Affairs)

Rue de l'Hôtel-de-Ville 14 | Case postale 3952 | 1211 Genève 3

Tél. 022 546 54 44 | [ge.ch/organisation/departement-institutions-du-numerique-din](https://www.ge.ch/organisation/departement-institutions-du-numerique-din)

04. Purchasing land or establishing a surface right

The previous remarks regarding the deed of sale and current acquisition terms for foreign nationals also apply when purchasing land or establishing a surface right (*Droit de superficie* hereinafter "DDP").

DDP is an easement which allows the company acquiring or constructing a building to own the walls, without having to set aside cash flow for land acquisition. For the latter, the company pays the land owner an annuity for a period ranging from 30 to 100 years, namely to amortise the asset that has been acquired or created. If the premises are being built, foreign nationals must also produce a legally binding building permit.

Failing this, or if in doubt, a request should be filed with the *Département des institutions et du numérique* (DIN) for non-subjection to authorisation, as established by the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA) (loi fédérale sur l'acquisition d'immeubles par des personnes à l'étranger - LFAIE).

05. Commercial property

In many cases, it is compulsory to acquire a commercial property if a business is to secure an arcade in a good location. Arcades are generally very popular, and the previous owner will often sell them for cash. In some business sectors, such as catering, the takeover of an existing establishment in the form of commercial property often proves unavoidable. This is due to difficulties changing its use (authorisation is needed from the owner of the premises) and, if applicable, the cost of work to make the premises compliant in terms of security, soundproofing, etc.

In concrete terms, the commercial property includes elements specifically linked to the premises but also to the company in operation there. The commercial property is made up of intangible elements (such as customers, lease, reputation, etc.) and tangible elements (such as furniture, equipment, stock, etc.). The value of a business is therefore accounted for through various objective elements, such as turnover, furniture and stock, but also through elements that are more difficult to quantify, such as location.

In Switzerland, the price of a business is the result of negotiations between seller and buyer (it is not, as in France, determined through values set by predetermined tables linked particularly to location). It is nevertheless important to be aware that, in some cases, if a change in the business activity is desired, taking over a commercial property can be more akin to a right to take over the lease (subject to authorisation by the owner of the premises for the lease transfer).

This could explain why it is often difficult to find external financing for such an acquisition.

To find a property which is suitable for starting your business, you can contact a commercial property agent. It should be noted that this profession is subject to regulation, and any person involved as a professional in the sale, purchase, transfer, handover or takeover of a business, whatever the type of business being run, should be certified by Département des institutions et du numérique (DIN).

You can find the list of commercial property agents who are approved for the canton of Geneva here:

ge.ch/document/agente-agent-fonds-commerce

06. Building projects

Building plans should be created in collaboration with an architect, taking into account the Act on Constructions and Various Installations (*Loi sur les constructions et les installations diverses* - LCI) (i.e. distances from boundaries, heights, accepted disamenities, density, etc.).

For work requiring authorisation, plans and documents should be drawn up and signed, and the management of the work should be assured by a “qualified professional agent” in the table kept by:

Département du territoire (DT), Office des autorisations de construire (OAC)

(Land Department, Building Authorisation Office)

Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8

Tél. 022 546 64 60 | ge.ch/organisation/office-autorisations-construire

The *Fondation pour les terrains industriels de Genève* (FTI) supports building projects for industrial and craft companies wishing to set up in business.

6.1 Autorisation de construire

Building permits are issued by the *Département du territoire (DT)* for defined works. These permits are not only for new building projects, but also the demolition, conversion, reconstruction and change of location of existing buildings.

For further information, please contact:

Département du territoire (DT), Office des autorisations de construire (OAC)
(*Land Department, Building Authorisation Office*)
Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8
Tél. 022 546 64 60 | www.ge.ch/organisation/office-autorisations-construire

For work premises, several elements will also need to be approved by:

Office cantonal de l'inspection et des relations du travail (OCIRT) Service de l'inspection du travail
(*Cantonal Office of Inspection and Labour Relations - Labour Inspection Department*)
Rue David-Dufour 5 | Case postale 64 | 1211 Genève 8
Tél. 022 388 29 29 | www.ge.ch/organisation/ocirt-service-inspection-du-travail-it

6.2 Occupancy of premises

New or modified constructions or installations are subject to an occupancy permit from the *Département du territoire (DT)*. For industrial companies, the *Office cantonal de l'inspection et des relations du travail (OCIRT)* must still issue an operating permit.

NB: This chapter provides a general overview only; interested parties should consult the various services listed for further details.

Useful addresses

Chambre genevoise immobilière (CGI)

(Geneva Real Estate Chamber)

Rue de la Rôtisserie 4 | Case postale 3344 | 1211 Genève 3
Tél. 022 715 02 00 | cgionline.ch

Fondation pour les terrains industriels de Genève (FTI)

(Geneva Industrial Land Foundation)

Av. de la Praille 50 | Case postale 1115 | 1211 Genève 26
Tél. 022 342 21 60 | fti.geneva.ch

Département du territoire (DT), Office des autorisations de construire

(Land Department, Building Authorisation Office)

Rue David-Dufour 5 | Case postale 22 | 1211 Genève 8
Tél. 022 546 64 60 | ge.ch/organisation/office-autorisations-construire

Département des institutions et du numérique (DIN)

(Department of Institutions and Digital Affairs)

Rue de l'Hôtel-de-Ville 14 | Case postale 3952 | 1211 Genève 3
Tél. 022 546 54 44 | ge.ch/organisation/departement-institutions-du-numerique-din

Office cantonal de l'inspection et des relations du travail (OCIRT), Service de l'inspection du travail

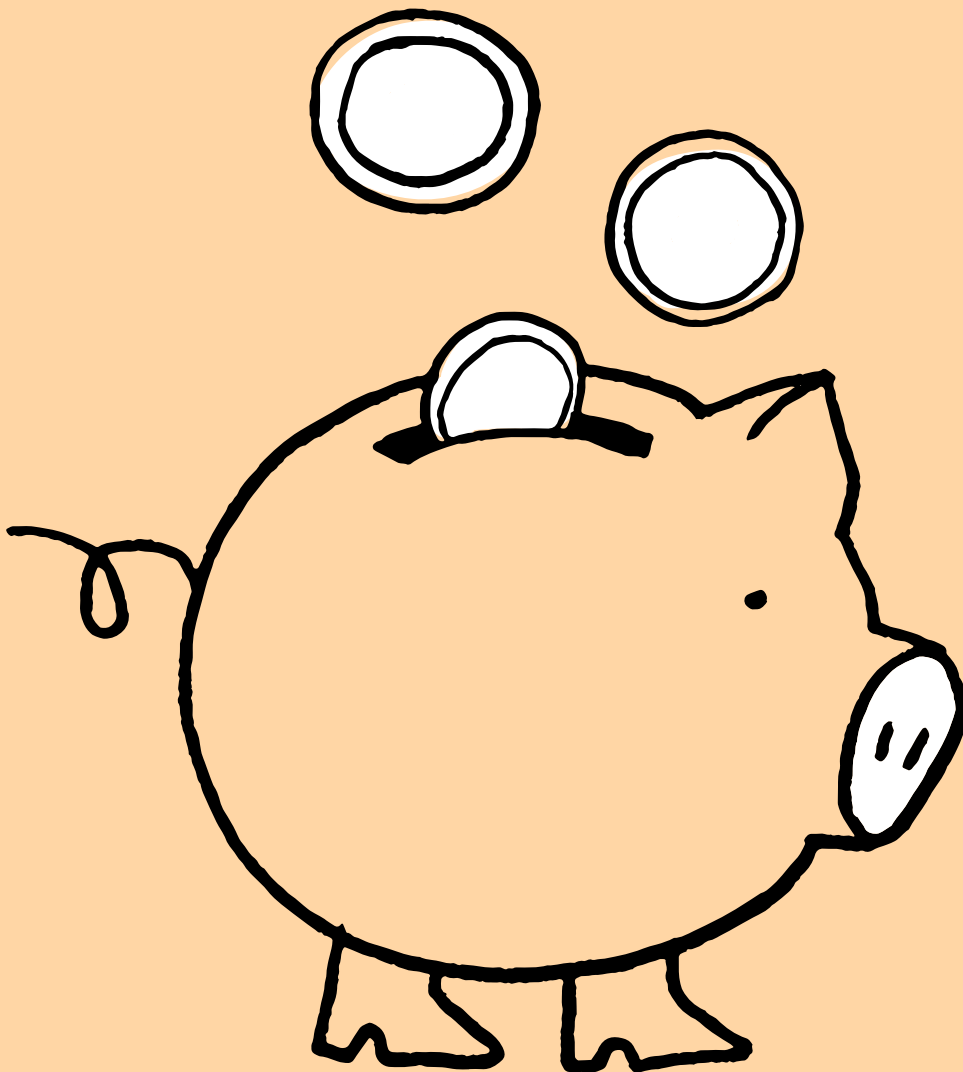
(Cantonal Office of Inspection and Labour Relations, Labour
Inspection Department)

Rue David-Dufour 5 | Case postale 64 | 1211 Genève 8
Tél. 022 388 29 29 | ge.ch/organisation/ocirt-service-inspection-du-travail-it

06 Financing

How should you finance your business, and which documents will you need to present?

This chapter explains the features of the various financing options available to business owners.



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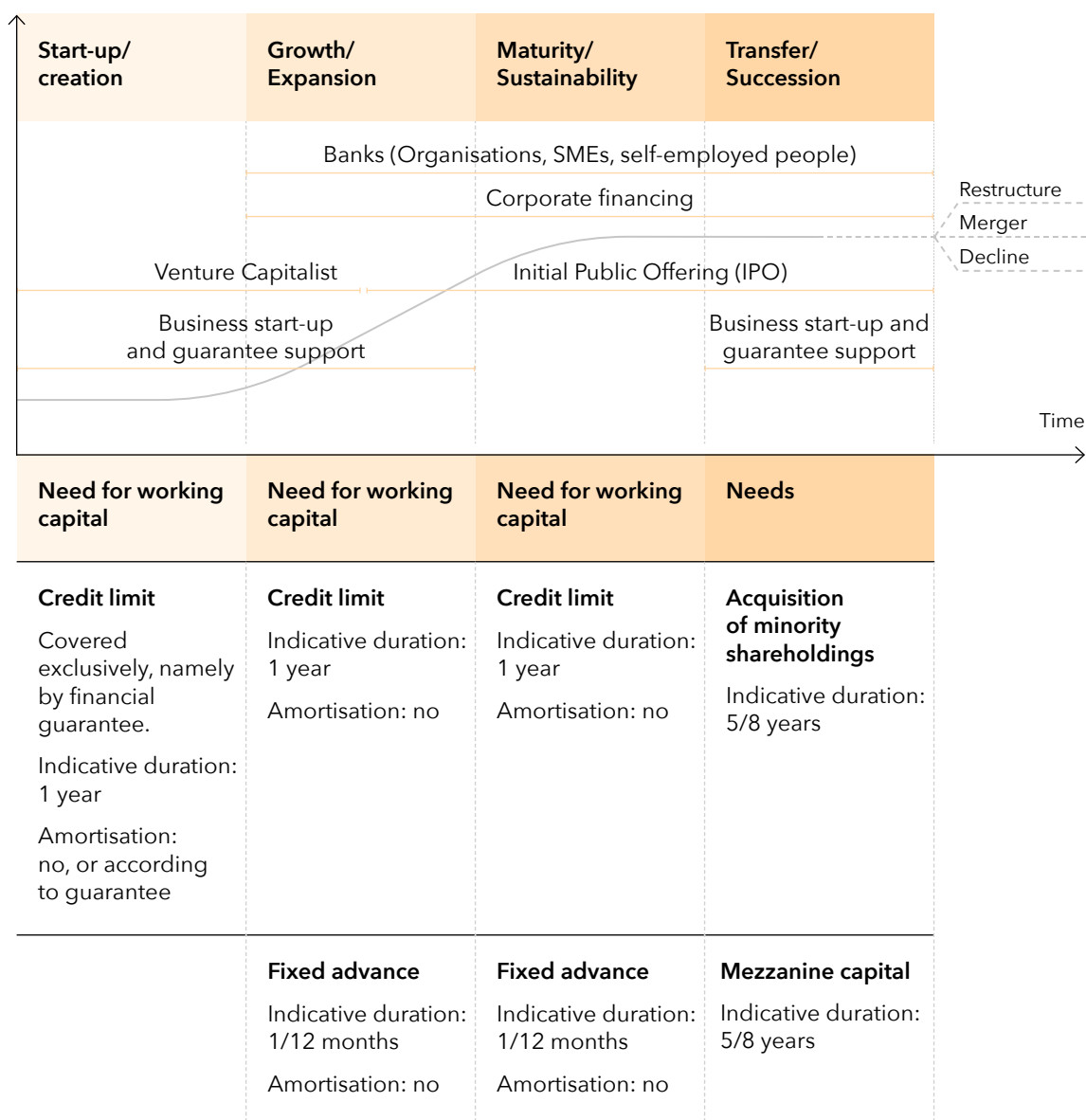
Types of financing

Starting and growing a business requires funds. A new business should primarily be financed by the owner's own funds.

However, external financing is often necessary, even essential, for a business to grow, whether it is an SA, Sàrl, cooperative, or if the owner is self-employed. These fund contributions come in many forms, and should be adapted based on the company's needs and stage of development.

A distinction should be made between capital financing and foreign funds (borrowing). While both aim to provide the capital that a company needs at a given moment, each type has its own logic and is suited to a different moment in the lifespan of a company.

Company life cycles and financing¹



¹ This table and a large part of this chapter are taken from the booklet 'Financement des entreprises: la doctrine d'engagement de la BCGE' (Corporate financing: the BCGE liability doctrine), 2022. Extracts are indicated using footnotes.

Investment	Investment	Investment	
<p>Fixed advance</p> <p>Covered exclusively, namely by financial guarantee</p> <p>Indicative duration: 1/7 years</p> <p>Amortisation: yes</p> <p>Leasing (vehicles and capital goods)</p> <p>covered exclusively, namely by financial guarantee</p> <p>Indicative duration: 1 to 5 years</p> <p>Amortisation: yes</p>	<p>Fixed advance</p> <p>Indicative duration: 1/7 years</p> <p>Amortisation: yes</p> <p>Leasing (vehicles and capital goods)</p> <p>Indicative duration: 1/5 years</p> <p>Amortisation: yes</p> <p>Building loan</p> <p>Indicative duration: up to 18 months</p> <p>Amortisation: yes</p> <p>Business mortgage</p> <p>Indicative duration: up to 33 years</p> <p>Amortisation: yes</p>	<p>Fixed advance</p> <p>Indicative duration: 1/7 years</p> <p>Amortisation: yes</p> <p>Leasing (vehicles and capital goods)</p> <p>Indicative duration: 1/5 years</p> <p>Amortisation: yes</p> <p>Building loan</p> <p>Indicative duration: up to 18 months</p> <p>Amortisation: yes</p> <p>Business mortgage</p> <p>Indicative duration: up to 33 years</p> <p>Amortisation: yes</p>	
Other	Other	Other	
<p>Bank guarantee</p> <p>Covered 100% by cash</p> <p>Indicative duration: case by case basis</p> <p>Amortisation: no</p>	<p>Bank guarantee</p> <p>Indicative duration: case by case basis</p> <p>Amortisation: no</p> <p>Documentary credit</p> <p>Indicative duration: case by case basis</p> <p>Amortisation: no</p> <p>Acquisition of minority shareholdings</p> <p>Indicative duration: 5/8 years</p> <p>Amortisation: no</p> <p>Mezzanine capital</p> <p>Indicative duration: 5/8 years</p> <p>Amortisation: no</p>	<p>Bank guarantee</p> <p>Indicative duration: case by case basis</p> <p>Amortisation: no</p> <p>Documentary credit</p> <p>Indicative duration: case by case basis</p> <p>Amortisation: no</p>	

Possible guarantee

Transfer or pledging of: Liquidity, securities deposit, investment, stock, debtors, insurance, sale price
Bank guarantee

What is credit?

Generally speaking, credit refers to all lending activities. Applied to businesses, two main families can be identified:

- Operating loans, which make it possible to finance current assets (debtors, stock, ongoing work, etc.) that are not covered by working capital
- Investment loans, which are mainly used to finance fixed assets (technical equipment, production equipment, energy efficiency equipment, IT and telephones, vehicles, etc.), and the construction or purchase of buildings

Credit vs private equity: two very different concepts

Credit should be differentiated from private equity. While both aim to provide the capital that a company needs at a given moment, they are suited to different times in the lifespan of a company (see table: Company life cycles).

Venture capitalists provide equity in the early development stages, for innovative companies or for technologies considered to have high potential for development and return on investment. Venture capital is essential for start-ups, as young developing businesses that very often experience temporary losses. This type of company has a maximum risk profile which does not fit the criteria of traditional bank financing.

Growth capital is essential to the company's development and is necessary when the company has strong prospects for expansion, manifest in external growth or heavy investment in production tools, for example. Growth capital can also be used for operations on the company's capital (reclassifying securities, leverage buy out, management buyout, etc.).

Trade credit is backed by an investment or trade receivables. In this sense, the risk is limited to the possible loss of the pledged collateral. Growth capital is unsecured, backed solely by the company's ability to survive and grow. As a result, the lines of credit, which include the actuarial risk of default, will vary significantly depending on the quality of the underlying asset - or the absence thereof, as with equity financing.

01. Permanent capital contribution

If business owners lack the funds necessary to support their project up to the operational phase, where they would have access to traditional financing (i.e. loans), they will need to turn to a partner who can make funds available. Invested capital is therefore the preferred form of financing for the initial phases of a business. This type of financing generally involves an entry into the company's capital, and therefore a sharing of "ownership" and decision-making power. The partner can be either a private investor (family, friends or third parties) or a specialist venture capital company. The partner's involvement can take different forms. The most common are:

- Direct subscription to company capital,
- Offering subordinated loans that act as equity, or
- Issuing convertible bonds.

To secure this type of financing, the future company will either need to find a partner interested in getting involved in the project, or a purely financial partnership. In the latter scenario, the investor generally commits sums of up to CHF 500,000, and will in principle seek to subsequently resell their shareholding for a financial gain.

This explains why companies that are likely to be financed need to meet certain characteristics, such as strong growth potential, clearly identified competitive advantages and a finalised business plan.

To find this type of investor, the business owner will mainly contact investment clubs (business angel clubs) in the region, such as:

- BAS - Business Angels Switzerland - businessangels.ch
- Go Beyond - gobeyondinvesting.com
- VERVE Ventures - verve.vc

For projects with very high potential, the company may also contact investment funds (venture capital). The sums invested will generally exceed millions of Swiss francs, but the company must meet strict criteria, such as having intellectual property, a consistent team and, above all, significant growth potential.

Advantages of invested capital

- No debt or repayment
- Increase in equity and therefore improved financial security
- Possibility that the new shareholder brings their experience and skills to the company

Disadvantages of invested capital

- Shared power (equity dilution)
- The founder's goals may diverge from those of the investor, which could cause internal disagreements
- It may be necessary to sell the company in the medium term

02. Short/medium/long term loans

In addition to its own funds, a company will need to resort to borrowing (short, medium and long term), cash advances, or even current account credit limits to finance itself. The need for these different types of credit will be felt at different times in the company's growth.

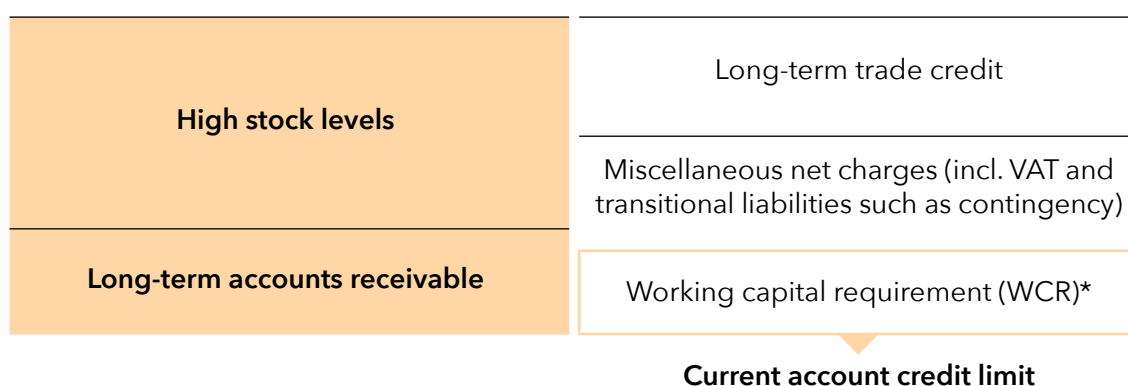
To ensure long-term growth by increasing equity, the company may also increase its capital (via existing shareholders or via new investments) or make an initial public offering (IPO). Banks will mainly be involved during the phases of expansion and, where applicable, transfer of the company. Financing needs therefore tend to concern the working capital requirement (WCR) or investment requirement.

Financing the working capital requirement (WCR)

The working capital requirement results from discrepancies between disbursements and cash flow linked to the company's activity. To respond to this, different types of credit are available: current account credit, which allows the company to draw funds up to a fixed threshold in a given period in order to meet payments, or a straight loan (less than one year).

Working capital requirement in different business sectors:

1. Industry sector



The industrial sector is characterised by a high WCR. Generally, inventories are high, customers pay within 180 days on average, and trade credit is substantial.

2. Service sector

Low stocks, shorter term	Medium-term trade credit
Long-term accounts receivable	Miscellaneous net charges (incl. VAT)
	Working capital requirement
Current account credit limit	

The services sector is characterised by relatively reduced inventories and fairly long payment times, both from customers and suppliers.

3. Retail sector

Average stocks	Medium-value trade credit
Very low accounts receivable, very short term	
Liquidity	Miscellaneous net charges (incl. VAT)

Retail trade has different features, since it generally generates a working capital resource. Customers generally pay quickly, while suppliers are paid after 30 days on average, which generates a different working capital structure.

4. Mass distribution sector

Average stocks	Long-term trade credit
Very low accounts receivable	
Liquidity	Miscellaneous net charges (incl. VAT)

The mass distribution sector is quite atypical because, even if stocks are high, turnover is particularly rapid. In addition, customers pay immediately, which also generates a working capital resource.⁵

⁵ End of excerpt from the publication cited above.

Financing the investment requirement

The investment requirement relates to long-lived fixed assets. It can be met in different ways. A fixed advance with a duration of more than one year is particularly suitable for financing medium-term investments. Investment requirements include acquiring commercial premises and buildings, which the company will be able to finance through a business mortgage. For building projects, the company may opt for a building loan: a short-term loan in the form of a current account which is debited as the work progresses, on the basis of invoice remittance. This loan is then consolidated by a facility agreement: the mortgage.

Loan commitments

Finally, in the context of import and export activities, the company may require loan commitments: a bank guarantee, bond or documentary credit.

The golden rules for granting a loan

To grant credit to a company, banks usually rely firstly on a qualitative approach based on their expertise, which is supported by a quantitative analysis.

The qualitative approach gives the bank an understanding of the company. First, the bank reviews the management team's professional skills, as these are of paramount importance: what experience do they have, where have they been successful, what shape has their career taken? The bank will look into many aspects. Next, it will analyse the business sector and any distinctive features. The company's customer base, strategy, market position and its competitive context are also analysed.

Although it is important for the bank to understand how the company and management team are intrinsically run, this information is not enough to precisely indicate the company's financial resources. This is where the quantitative approach comes in, designed to measure resources. The bank uses financial ratios particularly based on cash flow, turnover, profitability and equity. The most significant among these are explained below.

The bank also reviews the business plan and verifies the consistency of the assumptions made regarding the company's growth. Indeed, the company must be able to service its debt (interest and amortisation). To achieve this, it needs to create liquidity. The company's ability to honour its commitments is analysed based on its track record, which is also used to evaluate the company's evolution and draw future projections. When it comes to financing business growth, it is also necessary to consider forecasts, i.e. the increase in turnover made possible by the investment. It is important, however, not to lose sight of the fact that achieving projections also depends on economic fluctuations and changes in regulations.

Main financial ratios

Financial ratios have been used to determine risk of default for over 50 years. What's more, internationally, 75% of loans issued contain an agreement related to one or more financial ratios.

The quantitative analysis by the bank is based on ratios, which are assessed according to the company's business sector and the resulting balance sheet structure. Using these indicators, the bank seeks to answer the following questions: what is the company's financial solidity? Is it profitable in the long term? If the resulting answer is positive, the bank will be able to provide assistance. The next question is, how much? The answer is given by assessing the company's ability to meet its costs.

Ratio 1 - Company solidity assessment

equity/balance sheet total X 100

This ratio measures the volume of equity capital and gives a first indication of the degree to which a company is self-financed. Assets are recorded at their net depreciation value. This ratio may vary greatly from one business sector to another, and will be assessed accordingly and/or by comparison with the standards of other similar companies.

Ratio 2 - Financial equilibrium assessment, i.e. working capital

current assets/short-term debts

By calculating working capital, the company's financial equilibrium can be verified. For the financial structure to be deemed healthy, the result of this calculation must be at least equal to zero, with current assets covering short-term debts. A working capital which occasionally falls below zero indicates an imbalance in finances. If the figure is frequently below zero, this signals a risk of insolvency.

Ratio 3 - Company profitability assessment

EBITDA/Turnover X 100

EBITDA* is used to measure a company's profitability before interest, taxes and depreciation and provisions are deducted. Expressed as a percentage of turnover, EBITDA allows the profitability of different companies in the same business sector to be compared.

Ratio 4 - Assessment of the company's ability to service its debt

EBITDA/Debt service

Debt service refers to the amount that must be paid each year to service the debt (i.e. interest, amortisation and annuities due). This ratio enables the lender to define a minimum acceptable threshold. The higher the ratio, the easier it is to obtain financing. A ratio that is too low, generally X%, would usually indicate too much debt from the perspective of the company's self-financing capacity, since the company would have to direct too large a portion of its self-financing capacity towards servicing its debt.

* EBITDA (Earnings Before Interest Taxes, Depreciation and Amortisation)

Ratio 5 - Assessment of a company's financial leverage

Net financial debt / EBITDA

This ratio uses the company's EBITDA to determine the number of years needed to repay its financial debts. Generally, depending on the activity, companies are considered to be able to cope with a ratio of 2x to 4x; beyond this, the leverage is considered too high and there is also a high risk of failure.

Cash flow assessment

Cash flow indicates whether a company has the means to sustain itself. It is used in the company's self-financing capacity and to pay shareholders. Cash flow is a good indicator of a company's solvency and sustainability.

Table for determining cash flow

Operating activities	Investment activities	Financing activities
Net income	Acquisition of tangible and intangible assets	Capital increase
+ Allocations to depreciation and provisions	- Acquisition of financial assets	- Dividends paid
- Reversals of depreciation and provisions	+ Proceeds from tangible and intangible asset disposals	+ Increase in financial debts
- Capital gains (+ capital losses) from asset disposal	+ Proceeds from financial asset disposals	- Debt repayment
+/- variations in the working capital requirement		
	= Net cash flow linked to investment activities (B)	= Net operating cash flow generated by financing (C)
= Net operating cash flow generated by operating activities (A)	A+B= Free cash flow	A+B+C = Cash flow variation

It is crucial to understand the financial burden that a company can bear (debt capacity). The starting point is free cash flow. This is the cash flow that the company can freely dispose of by paying it out as profit or investing it as reserves for the company's expansion. In theory, free cash flow should be enough to repay commercial debts over 5 to 8 years.

03. Off-balance sheet (OBS) financing

Leasing, lease-purchasing and renting capital goods are not forms of traditional financing. They make it possible to use capital goods by mobilising a minimum of capital without burdening the balance sheet.

It should be noted that this is not for purchased but rented goods. As with property, the object in question remains the property of the leasing company until its possible repurchase, which may occur at the end of the contract, depending on each individual case. This method is particularly suitable for fast-growing businesses that are already using their credit capacity.

04. Summary table

Needs	Solutions	Usual duration	Type of financing	Sectors concerned Features	Interlocutors
Lack of equity	Equity contribution	Indefinite	Capital increase	All sectors	Venture capital company
	Permanent capital contribution		Acquisition of holdings		Private investors
			Subordinated loan		
			Convertible loan		
	Maximum 5 years	Equity participation	Job-creating SMEs	Fondation d'aide aux entreprises (FAE)	
Property purchase	Provision of repayable capital	Maximum 50 years	Business mortgage	All sectors	Banks Insurance
Capital good purchase	Provision of repayable capital	Maximum 10 years	Guaranteed loan	Industry, job-creating SMEs; trade and craft; domiciled in the canton of Geneva	Fondation d'aide aux entreprises (FAE)
		1 to 5 years			Fondetec
				Investment loan	All sectors
			Leasing	Vehicles, machines	Leasing companies; Banks

Current cash flow	Limit available in current account	1 year, renewable	Guaranteed loan	All sectors	Banks
					Banks Insurance
		A few months	Operating loan		Banks
			Seasonal loan		Insurance
Provision of a rent deposit	Bond issuance	According to lease	Guarantee	All sectors	Banks

05. Other financing methods

Crowdfunding makes it possible to collect funds from private individuals in order to finance projects. Project leaders can use crowdfunding to pre-sell products and services, obtain loans, open up capital or receive donations.

For business creators, pre-sale is one of the clearest forms of crowdfunding. Beyond financing the project, it allows creators to gauge customer interest in a concept. Confirmed interest through community commitment also makes it possible to co-develop the project with customers, who become strongly involved in its success through pre-ordering the product or service.

From a financial point of view, pre-sale also enables funds to be built up. This approach can also avoid the need for a bank loan, and maximise chances of obtaining credit. The success of a crowdfunding campaign is the best guarantee that a bank can expect, unlike a market study, which is very hypothetical in nature.

Equity investment platforms can also be useful for business creators hoping to find new shareholders to raise funds. These are generally aimed at projects that are further along with a track record for their concept. Such projects may have already carried out a pre-sale campaign, and have company shareholders who accept equity dilution.

Crowdfunding offers businesses many benefits, but it is not an easy form of financing. Before launching a campaign, there are four important aspects to consider:

- The first is the likelihood of attracting a community to contribute to the project. Crowdfunding platforms facilitate access to international communities, but business creators need to be able to communicate well and persuade them to give their support.
- The second aspect is the trust regarding the project's success and ability to deliver it. When communities are further away geographically, it is always more difficult to create this trust.
- The third aspect is the cause being campaigned, the values it represents, and the quality of the project.

- The fourth aspect is the one given in exchange for pre-orders. Given that it involves a more or less significant risk, it is essential that the cause and values are inspiring enough to convince communities to support the project.

Crowdfunding is growing fast, particularly with the use of blockchain, which strengthens trust, decentralisation and exchanges.

For more information on this financing method, visit the following links:

- kmu.admin.ch
- finma.ch

06. Financing support

Over the years, different organisations have been set up to facilitate access to financing for businesses. The services offered differ from one organisation to the next, but in terms of their approaches and philosophy, they tend to be very similar.

While the analytical criteria are similar to those used by banks, these organisations have a higher risk tolerance, mainly because the potential impact of the company on the intervention zone is taken into account, especially in terms of job creation.

Services offered by organisations for financing support include:

- **Bond:** This is an agreement whereby a guarantor makes a commitment with a bank (or leasing institution) to guarantee the credit taken out by the company. It is therefore not directly a loan, but a guarantee given to a lending institution that the credit (or leasing) balance will be repaid in place of the debtor, if the latter were to default. With a guarantee, it is easier for businesses to secure financing. Visit the Fondation d'aide aux entreprises (FAE) (fae-ge.ch) or the Cautionnement Romand (represented by the FAE in the canton of Geneva).
- **Direct loans:** mainly offered by Fondetec (fondetec.ch).
- **Factoring** - see FAE.
- **Acquisition of minority shareholdings:** offered very selectively and under strict conditions by the FAE.

Useful addresses

Banque Cantonale de Genève

Quai de l'Île 17 | 1204 Genève
Tél. 058 211 21 00 | bcge.ch/entreprises

FAE – Fondation d'Aide aux Entreprises

(Business Assistance Foundation)

Route de la Galaise 34 | 1228 Plan-les-Ouates
Tél. 022 827 42 84 | fae-ge.ch

FONDETEC – Fondation communale pour le développement des emplois et du tissu économique en Ville de Genève

Boulevard James-Fazy 8 | 1201 Genève
Tél. 022 519 63 31 | fondetec.ch

VENTURE KICK

EPFL innovation Park | Bâtiment C | 1015 Genève
Tél. 021 533 09 82 | venturekick.ch

Office cantonal de l'économie et de l'innovation (OCEI)

(Cantonal Office for Economy and Innovation (OCEI))

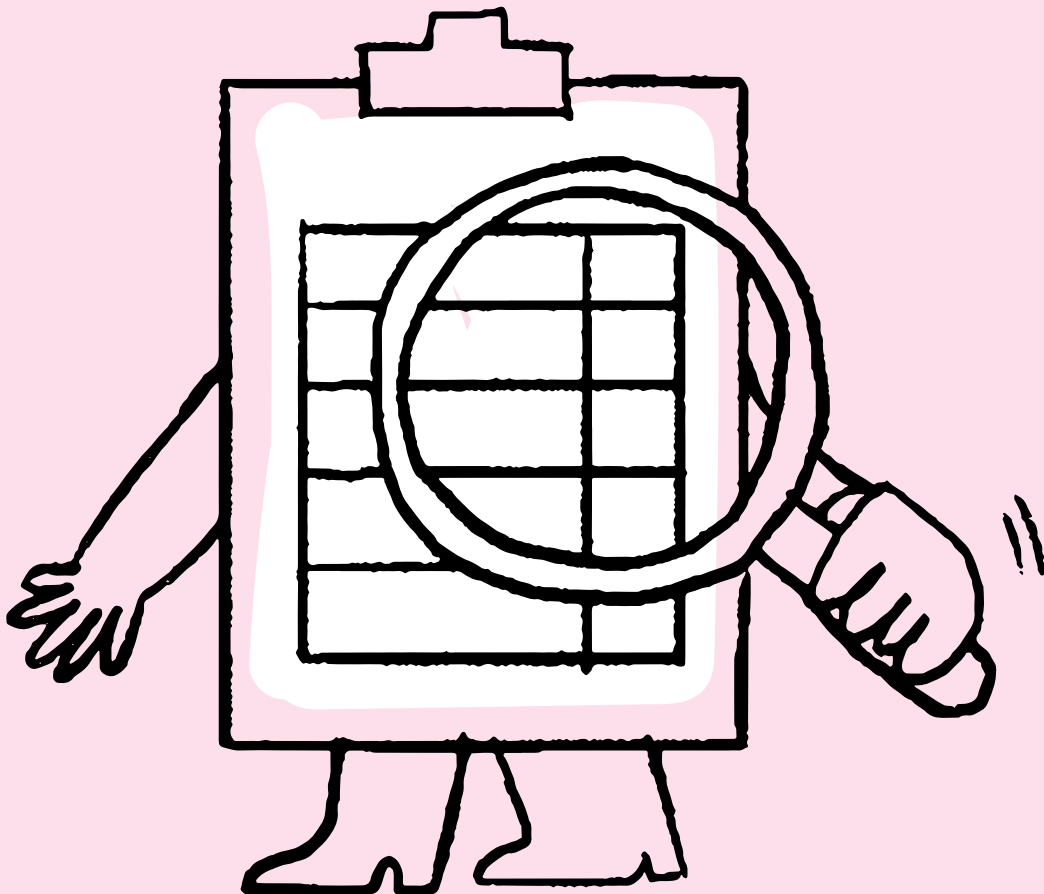
Rue de l'Hôtel-de-Ville 11 | Case postale 3216 | 1211 Genève 3
Tél. 022 388 34 34 | innovation.ge.ch

07

Taxation

How to estimate the tax burden of a business in the canton of Geneva

This chapter provides information on the taxes currently in effect and their rates, as well as possible reductions for new businesses.



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Useful addresses

01. Tax periods

There are three tax periods that are important to know:

- Calculation period: serving as the basis for determining the tax receivable.
- Fiscal period: period in which tax is due.
- Taxation period: period in which administrative operations take place to determine taxable income (profit/income) and wealth (capital/fortune).

For individuals, regarding cantonal and municipal tax as well as direct federal tax, the fiscal period is the same as the calculation period. As such, tax for the year 2018 (to be paid in instalments throughout the year 2018) would be calculated based on income earned in the 2018 calendar year.

For legal entities, the fiscal period is the same as the calculation period, which in turn corresponds to the company's financial year. Tax for 2018 (also to be paid during the year 2018) is therefore calculated based on the company's financial year ending in the year 2018 (even if this occurs before the calendar year ends).

02. Entreprises

2.1 Main types of tax

Where applicable, companies based in Geneva with an industrial, commercial, financial or service-based activity in the city must pay tax on:

Items subject to tax and types of tax	Authority
Setting up a business in the form of a company (SA or Sàrl): federal stamp duty	Confederation
Net profit: direct federal tax, cantonal and municipal taxes	Confederation/Canton
Capital and reserves (legal entities): cantonal and municipal taxes (the Confederation no longer collects tax on capital as of 1 January 1998)	Canton
Property: cantonal tax	Canton
Profit distribution: withholding tax (safeguard tax)	Confédération
Securities transactions: securities transfer tax	Canton

Delivery of goods and services: value added tax (VAT)	Confederation
Legal acts: registration fees	Canton

2.1.1 Tax due when creating a company

Capital contributions to a newly created company (public limited company, partnership limited by shares, limited liability company, cooperative) and subsequent increases in capital are subject to federal stamp duty at a rate of 1%.

It is calculated based on the amount received by the company in return for issuing participation rights, and at a minimum on the par value of new equity investment. Contributions in kind are assessed on the basis of their market value.

Shares issued during mergers or “concentrations” economically equivalent to a merger, conversions, or demergers are exempt from stamp duty. The same applies to foreign companies transferring their headquarters to Switzerland.

The following are not subject to federal stamp duty:

Participation rights issued upon a company’s founding and in the occurrence of capital increase – applicable to public liability companies, partnerships limited by shares, and limited liability companies, up to the first 1,000,000 francs of capital.

2.1.2 Net income tax

Businesses affected

Legal entities recognised by private or public law are subject to net income tax, in particular:

- companies with share capital, such as public limited companies and limited liability companies, cooperatives, associations and foundations with headquarters in Geneva,
- foreign companies with an industrial, commercial, financial or service activity in Geneva (permanent establishments) or that own real estate in Geneva.

The first category is taxed on its entire net profit from all sources, including any capital gains (global profit), while the second category only owes tax on the net profit attributable to the permanent establishment or property in Geneva.

Please note that other businesses under Swiss law without a legal entity (e.g. limited partnerships or general partnerships) are not subject to tax; only the partners are liable for their share of income from these entities.

Net taxable income

Taxable income is determined based on financial statements prepared in line with commercial accounting principles. Moreover, tax returns are always accompanied by a copy of the financial statements (balance sheet, profit and loss account and notes) approved and signed by the company's competent bodies.

The accounting net profit is of course subject to a whole series of adjustments that take into account the limitations imposed on deductions by tax law. These limitations are:

- depreciation, deductible from taxable income if it complies with commercial usage and, where applicable, if it is in line with the rates prescribed by the administration,
- overheads, which are deductible from taxable income to the extent that they comply with commercial usage,
- interest, deductible from taxable income provided that the rates are reasonable, and the company is adequately capitalised.

Income from foreign sources for companies with their tax domicile in Switzerland

Income from foreign sources is part of taxable profit in Switzerland, unless a provision in domestic or contract law states otherwise.

Switzerland has just over one hundred treaties in place to avoid double taxation. These treaties directly concern the tax treatment of income from a foreign source.

They can be used by companies which are domiciled in Switzerland and are the beneficial owners of the income concerned.

Property income from foreign sources and net profit attributable to permanent establishments abroad (branches, long-term construction sites, etc.) are excluded from the Swiss tax base (and are therefore taxable abroad, if domestic laws provide for this).

However, income from movable capital from foreign sources (i.e. dividends and interest) is fully taxable in Switzerland. Tax on this income is often subject to withholding in the source country. One of the advantages of tax treaties consists precisely in reducing the foreign tax burden by offering substantial reductions in withholding taxes.

For dividends, withholding tax is generally reduced to 15%, 5% or even 0% on share dividends; similarly, that on interest and royalties is generally limited to 10%, 5% or even 0%.

If income from foreign sources is only partially deducted, the residual withholding can be offset against Swiss taxes on this income (flat rate allocation), albeit with certain restrictions.

2.1.3 Tax on capital and reserves

Cantons and municipalities collect tax annually on capital gains and reserves. The Confederation has waived this levy since 1 January 1998.

In Geneva, since the 2020 tax period, basic cantonal tax amounts to 1.8‰ (overall rate of 4.00‰ in the City of Geneva for combined cantonal and municipal tax).

The basic capital gains tax rate is reduced to 0.005‰ for the portion of equity relating to participation rights, patents and comparable rights, as well as loans granted to group companies (overall rate of 0.01‰ in the City of Geneva for combined cantonal and municipal tax).

In addition, the basic cantonal capital gains tax is reduced by the entire amount of the basic cantonal income tax from the 2024 tax period.

2.1.4 Special taxation on business property

Buildings in Geneva are subject to special taxation under the additional property tax (IIC). This tax is calculated on the tax value of the buildings on 31 December of the tax period, with debts non-deductible. For buildings belonging to legal entities, if the building is occupied, the IIC amounts to 1‰ of the tax value. For buildings that are rented out, the tax rate is 1.5‰ if the legal entity does not pursue a profit-making aim, or 2‰ if it pursues a profit-making aim or the income is from property exclusively². If the legal entity only uses part of the building for its operation (mixed-use property), a reduced tax rate of 1‰ is applied to a sum equal to its capitalisation at a fixed rate for each tax period by the State Council for premises used by the owner, which is assessed by comparing it to similar premises. The rate of 1.5‰ or 2‰ applies to the balance of the building value.

Some buildings coming under one of three types – HBM (“low-price residential buildings”), HLM (“low-rent residential buildings”) or HM (“mixed residential buildings”) – may be subject to exemptions for additional property tax. In addition, from 5 August 2010, buildings that meet a high or very high energy performance standard are exempt from additional property tax for a period of 20 years.

2.1.5 Tax on profit distributions (withholding tax)

From the 2009 tax period, the Federal Act on the Improvement of General Fiscal Conditions for Business Activities and Investments (Business Tax Reform Act II) introduced the mitigation of double taxation for holders of “qualifying” shareholdings, i.e. for persons whose participation rights are equivalent to at least 10% of the share capital belonging to a cooperative or company with share capital.

Dividends and profit shares from such participations belonging to private wealth are now taxed at a rate of 70%, both at the cantonal and federal level. If these participations belong to business assets, dividends and profit shares, as well as profits from the disposal of these participations, they are taxed at 70% at the federal level and 60% at the cantonal level.

Distributions made by Swiss companies to their shareholders are subject to 35% withholding tax. This tax is for dividends, as well as all monetary benefits assimilated to profit distributions. When Swiss residents declare their income correctly, they are entitled to a full reimbursement of withholding tax by deduction from cantonal and municipal taxes due.

For foreign residents, withholding tax is generally a non-deductible charge, unless they reside in a treaty country. In this case, partial or total relief can be requested on the basis of treaty provisions. Treaty relief is granted on request. With only a few exceptions, it is not deducted at source. In other words, the Swiss debtor company should deduct the entire withholding tax at the standard rate (35%), even if the foreign resident receives a subsequent reimbursement.

2.1.6 Stamp duty

Stamp duty is a federal tax which can affect some legal transactions, particularly the issue and trade of securities, i.e. capital formation and circulation, as well as insurance premium payments. Stamp duties are generally due within 30 days following the legal act giving rise to them.

There are three types of stamp duty:

- Issuance tax
- Securities transfer tax
- Insurance premium tax

Issuance tax

The purpose of issuance tax is the creation of participation rights and Swiss bonds (i.e. issued in Switzerland by Swiss companies), either for a fee or free of charge. It is therefore collected when participation rights are issued, and when their par value increases. This is for participation rights in the form of shares for public limited companies, limited liability companies, cooperatives, as well as dividend rights and participation certificates for Swiss companies or commercial enterprises with public law status.

The issuance tax on Swiss participation rights is 1.0%.

Currently, however, companies being created, as well as capital increase for public limited and limited liability companies using participation rights issued against payment, benefit from an exemption which has been increased to one million Swiss francs as of 1 January 2006.

For participation rights, tax liability lies with the company.

However, tax exemptions apply to equity securities created or increased through mergers, conversions or demergers of companies with share capital or cooperatives, as well as limited companies domiciled abroad transferring their headquarters to Switzerland.

Securities transfer tax

Securities transfer tax applies to the purchase and sale of Swiss and foreign securities by Swiss securities dealers (mainly banks or pension funds).

The tax rate is:

- 1.5‰ for securities issued by an entity domiciled in Switzerland,
- 3.0‰ for securities issued by an entity domiciled abroad.

This tax is calculated based on the security's exchange value, i.e. the price paid on its purchase or sale. The securities transfer tax may be passed on to end customers.

To keep the Swiss financial centre attractive despite the internationalisation of securities trading and growing competition from foreign stock exchanges, federal stamp duty has been subject to several revisions in recent years, with some exemptions made on securities transfer tax.

Insurance premium tax

Stamp duty on insurance premiums essentially applies to the payment of premiums on public liability insurance, fire insurance, CASCO insurance and home insurance.

The rate is calculated based on the amount of the insurance premium: in principle, it is 5%. Single premium life insurance policies subject to surrender are an exception, with a rate of 2.5%.

Personal insurance such as life insurance, for which premiums are paid periodically, health insurance, accident insurance, disability insurance and unemployment insurance are exempt.

2.1.7 Property registration fees

The main legal acts regarding property, particularly transactions, are subject to cantonal registration fees. For transfers of ownership (sale), the rate is 3%.

2.2 Tax rates

Since the 2024 tax period for companies with share capital and cooperatives, income tax is set at a fixed proportional rate for cantons, municipalities and the Confederation. The figures below are representative of a company with headquarters in the City of Geneva.

- Confederation (statutory rate) : 8.50%
- Canton and municipality (statutory rate) : 8.70%
- Total (statutory rate) : 17.20%

The tax rate applies to remaining profit after cantonal, municipal and federal taxes have been deducted (excluding fines), which are considered as a deductible expense from the taxable income. This accounts for the notable difference between the statutory rate and effective tax rate, expressed as a % of profit before taxes. In the example above, the statutory rate is 17.20%, while the effective tax rate on profit before tax is 14.68%.

Example:

Profit before tax	100%
Direct federal tax (effective rate)	07,25%
Cantonal and municipal tax (effective rate)	07,43%
Total (effective rate)	14,68%
Net profit after tax	85,32%

After compulsory allocation to legal reserves, net profit after tax may be distributed to shareholders; at this time, it will be subject to withholding tax.

Features

Patents and comparable rights: At the taxpayer's request and under certain conditions in the legal provisions, the net profit from patents and comparable rights may be taxed at a preferential rate.

Additional deduction for R&D expenses: On request, the Department of Finance will authorise the deduction of R&D expenses incurred in Switzerland by the taxpayer, whether directly or through third parties, at an amount exceeding by 50% the R&D expenses justified by commercial use. The details of the conditions for this measure are given in the relevant legal provisions.

2.2.1 Minimum tax rates

Since 1 January 2024, the minimum taxation set by the OECD and the G20 has come into force in Switzerland and the canton of Geneva.

In summary, companies based in Switzerland that are part of a multinational group with a turnover of more than 750 million euros will have to pay tax on profit at an effective rate of at least 15%.

For companies that fit this profile in the canton of Geneva, to the extent that the effective tax rate is normally less than 15%, an additional tax will apply to reach the minimum rate of 15% (Swiss additional tax).

The practical rules for implementing this reform are detailed in a Federal Ordinance (Ordinance on the Minimum Taxation of Large Business Groups/OIMin).

2.3 Specific measures for economic promotion (tax reductions decided by the State Council)

2.3.1 New businesses

Newly created companies can receive significant tax relief, facilitating their establishment and growth. These advantages depend on the planned activity's economic interest for the canton and municipality where the company is based, particularly its impact on employment and contribution in terms of new technologies. An activity that competes with one already present is a disqualifying factor for tax relief.

Here, tax relief means exemption from the cantonal tax burden. It can be requested for a period not exceeding 10 years, up to a maximum of 100%. For example, the exemption could be the maximum in the first year and then reduced by 10% each year, meaning that in the tenth year it would be 10%, and at the end of that period, the exemption would end.

2.3.1.1 JEDI status

Among the State Council's main objectives are promoting innovation and enabling new companies to grow. The law granting "JEDI" status to young companies that are developing innovations allows administrative procedures to be simplified on the one hand, and on the other encourages new companies to be created.

In this way, the law aims to simplify procedures for granting tax relief to young innovative companies. Such companies will no longer have to provide a complex file to submit a request for tax exemption. All they need to do is fill out a questionnaire highlighting what makes the company innovative.

This approach is reserved for young, innovative companies acting as legal entities that meet all of the following 6 criteria:

- Innovative projects that are being developed in the field of goods and services
- The headquarters or permanent premises are in the canton
- Most of their business activity takes place in the canton
- The company has not been created following a merger, demerger, conversion, transfer of assets, and is not a company with assets and liabilities or an extension of a pre-existing activity or a company taking over a pre-existing activity
- The company is not listed on the stock exchange, and its listing on specialised stock exchanges for small and medium-sized companies is reserved
- Every year since its formation, the company has spent at least 35% of expenses on research activities, and at least half of which on Swiss territory.

If the company meets the required conditions and obtains "JEDI" status, it can then send its file to the cantonal tax administration to process the exemption request. It should be noted that "JEDI" status does not include any training rights.

Additional information from the Cantonal Office for Economy and Innovation (OCEI):
innovation.ge.ch

2.3.2 Company restructuring

Similar tax reliefs can be obtained if a company already established in Geneva changes the essential nature of its activity or abandons the production of certain goods to manufacture a new range of products involving significant investment or the use of different technical processes. However, simply reorganising activities or the natural development of business operations does not qualify for the tax relief. The decision falls under the authority of the State Council.

2.3.3 Companies affected by the 15% minimum tax

Given that the effective tax rate on profits in the canton of Geneva is around 14.7% (company with headquarters in the City of Geneva), tax relief can no longer be granted to companies affected by the minimum tax of 15% in the future (see point 2.2.1 above).

2.4 Value added tax (VAT)

Since 1 January 1995, Eurocompatible value added tax (VAT) has been integrated into the Swiss tax system. This tax makes it possible to comply with the principle of competitive neutrality. The new tax also eliminates the notion of a wholesaler.

Tax principles

VAT is a general tax on the consumption of goods and services.

Rate

VAT involves four rate categories:

1. Normal rate: 8.1%
2. Reduced rate: 2.6%
3. Special rate for accommodation services: 3.8%
4. Flat rates: applicable on request to companies with an annual turnover of less than CHF 5,024,000 (VAT included) whose tax contributions do not exceed CHF 108,000. Flat rates are branch-specific tax rates that considerably simplify the settlement with the Federal Tax Administration (FTA), since the input tax does not have to be determined. When applying one of these methods, the tax due is calculated by multiplying the gross turnover, i.e. turnover including VAT, by the net tax rate or flat rate granted by the FTA. However, in invoices sent to customers, the taxable entity must indicate the legal rate of tax.

Transactions subject to the reduced rate of 2.6% are:

- water supplied by pipes,
- solid and liquid foodstuffs, except alcoholic beverages and excluding catering services,
- livestock, poultry, fish,
- cereals,
- seeds, plants, cut flowers and others,
- medicines,
- newspapers, magazines, books, printed materials, except those used for advertising,
- radio/TV services, except those of a commercial nature,
- sport and cultural activities.

An exhaustive list of transactions outside the scope of this tax is given in the ordinance governing Article 21 VATA (health, social security, education, culture, insurance, money and capital markets, property sale and rent (except voluntary taxation), etc.).

Exempt transactions are exports of goods and certain services provided to recipients abroad.

These transactions are zero-rated, i.e. they always give right to recovery of input tax, unlike operations that are excluded.

Transactions subject to VAT are all those that are not exempt from paying the tax by law, such as:

- the delivery of goods: the transfer of the right to disposal (trade) and the delivery of items manufactured for third parties (production), including work carried out on items even without modification (verifying, adjusting, controls, etc.). Delivery does not necessarily mean a transfer of ownership; rent and leasing annuities also count as delivery. Energy is also part of deliverable goods (electricity, gas, heat, cold, pressure, vacuum, etc.);

- service provision: transfers of value or intangible rights (copyrights, trademarks, samples, models, patents, expertise, etc.) are also considered as a service provision. The same applies to waiving or tolerating an action or state (for example, acceptance or prohibition of competition in return for compensation).
- self-supply: acquiring goods from your own company or the construction/repair/ conversion of buildings intended for sale or rent.
- imported goods, except for:
 - goods in small quantities where the amount of tax does not exceed CHF 5 per customs clearance request;
 - goods admitted free of customs duties;
 - goods cleared with a transit bill for temporary import or export;
 - goods returned of Swiss origin.
- the provision of services from abroad for use in Switzerland if these services are taxable in Switzerland and if their cost exceeds CHF 10,000 per year (this CHF 10,000 is not exempt from tax).

Liability:

In principle, all companies are subject to VAT, regardless of their legal status. If, however, the turnover for services subject to VAT is less than CHF 100,000 per year (or CHF 250,000 for not-for-profit sport and cultural associations, as well as charitable bodies), the organisation is exempt from VAT. However, any organisations who do not pay VAT cannot claim input taxes.

The following categories do not pay value added tax:

- farmers, foresters and horticulturists on products from their own land;
- livestock dealers on turnover relating to the livestock trade;
- milk collection centres on turnover for milk sold to processing companies;
- non-profit sports companies and charitable bodies managed on a voluntary basis whose annual turnover does not exceed CHF 250,000.

It is nevertheless possible to voluntarily waive exemption from tax liability, provided that the company aims to generate income of a permanent nature (it must not be a hobby or passion) . It is possible to become liable voluntarily for the start of each current tax period.

Registration procedure:

The annual turnover determining liability is calculated according to the considerations received (income) for deliveries or services that are subject to tax and carried out on Swiss territory, plus the value of deliveries to oneself. Exports of goods and services are also taken into consideration.

Compulsory tax liability begins at the end of the calendar year in which the turnover threshold is reached. Voluntary liability is not backdated.

Companies that find they meet the conditions for tax liability are required to register automatically.

2.5 Acquisition tax

The Federal Act on Value Added Tax (VATA) also regulates acquisition tax which may be due on the acquisition of certain services provided by foreign companies. However, this only concerns service provision which is governed by the recipient's principle place of business.

Examples include:

- advertising service provision
- advisory services, wealth management, trustees, lawyers, etc.
- management services
- data processing services
- staffing agencies
- the transfer and granting of intangible rights

No acquisition tax is due if the services are exempt from paying VAT.

If the recipient is VAT registered, such acquisitions must be declared and taxed.

A recipient who is not VAT registered will be liable for tax in two situations. Firstly, if services are acquired by the recipient for more than CHF 10,000 per calendar year. Secondly, in the case of deliveries on Swiss territory, if the competent authorities have informed the recipient in writing of liability to acquisition tax.

The rates are identical to VAT rates.

03. Natural persons

3.1 Income tax

The Confederation, cantons and municipalities all collect personal income tax.

3.1.1 Persons subject to income tax

Those subject to the tax are:

1. people who are domiciled or staying in Switzerland, on their entire net income from all sources (global income),
2. people who are neither domiciled nor staying in Switzerland, on income from Swiss sources, in particular labour income and income from movable capital (interest, dividends) from Swiss sources,

3. people who are neither domiciled nor staying in Switzerland, on property income from Swiss sources, and income linked to the operation of a business or permanent establishment in Switzerland.

The first and third categories must complete an annual tax return. Taxes due by the second category are generally deducted at source, known as withholding tax on earned income, and withholding tax for income from movable capital.

3.1.2 Taxable income

Taxable income includes all income from work and capital received during the calendar year. Labour income includes:

- with regard to employees, all cash benefits (basic salary, 13th-month salary, bonuses, gratuities, employee shares or options, etc.) and benefits in kind (for example, living accommodation or a company car),
- for self-employed people, the net profit from their industrial, commercial, financial or freelance activity, including capital gains made through their work.

Capital income includes:

- land revenue from Swiss sources including, where applicable, the rent value of buildings occupied by the owner,
- interest, dividends and royalties from Swiss and foreign sources.

3.1.3 Income from foreign sources for natural persons domiciled or staying in the canton

Income from foreign sources is part of taxable income in Switzerland, unless a provision in domestic or contract law states otherwise.

Switzerland has just over one hundred treaties in place to avoid double taxation. These treaties directly concern the tax treatment of income from a foreign source. They can be used by natural persons who are domiciled in Switzerland and are the beneficial owners of the income concerned.

In particular, if domestic law so provides, property income from foreign sources and income linked to the operation of a business or establishment are excluded from the Swiss tax base. This excluded income is, however, taken into consideration to determine the overall rate applicable to taxable income.

However, income from movable capital (i.e. dividends and interest) is fully taxable in Switzerland. Tax on this income is often subject to withholding in the source country. One of the advantages of tax treaties consists precisely in reducing the foreign tax burden by offering substantial reductions in withholding taxes.

For dividends, withholding tax is generally reduced to 15%, or even 10% or 5%, whereas that on interest and royalties is generally limited to 10% or even 0%.

If income from foreign sources is only partially deducted, the residual withholding can be offset against Swiss taxes on this income (flat rate allocation).

3.1.4 Deductions

The main deductions apply to:

- social security contributions, including contributions to a recognised occupational pension scheme,
- passive interest,
- professional insurance premiums (with upper limits for Federal Direct Tax),
- with regard to employees, fixed professional costs; and, under certain conditions, actual costs but to a limited extent,
- with regard to self-employed people, overheads for commercial usage (income acquisition costs).

If part of the overall income is exempt in Switzerland (for example, property income from foreign sources), deductions are distributed proportionally.

3.1.5 Tax rates

Income tax rates are progressive depending on the level of taxable income, i.e. the result of the sum of the taxpayer's income minus deductions provided for by law. Income splitting has been introduced into cantonal law, whereby two taxpayers are taxed on their collective income, at the rate of half the total income amount.

For example, a couple with a net taxable income of CHF 120,000 is taxed on CHF 120,000 at the rate applicable to half the amount, i.e. CHF 60,000.

Taxpayers who can benefit from income splitting:

- married people and registered partners living in the same household,
- single, widowed, divorced, legally separated or de facto taxpayers living in the same household with their minor or adult children, or a friend or relative with family responsibilities under the definition in Article 39, paragraph 2 LIPP who is essentially responsible for care duties.

From the 2024 tax period, parents living in two separate households, assuming equal responsibility for their children's care and expenses, will now be able to benefit from the same tax burden reduction in the form of partial income splitting (1/8 division).

3.2 Capital gains tax on property

Capital gains on property (i.e. the net profit from the disposition of buildings or shares of buildings in the canton) made by companies are part of their taxable profit and are subject to capital gains tax. Similarly, capital gains made by professionals on property are subject to normal taxation under personal income tax.

Capital gains made by individuals (non-professionals) on property are subject to a specific tax: the tax on property profits and gains. This is calculated on the difference between the property's disposition value and the acquisition value, with regressive rates depending on the duration of the property's ownership. Long-term capital gains (> 25 years) are not taxed, while short-term capital gains (< 2 years) are taxed at 50%.

3.3 Wealth tax

The canton and municipalities (not the Confederation) collect tax on individual wealth. Those subject to wealth tax each year are:

- people domiciled or staying in Switzerland for their overall net wealth (with the exception of property or commercial wealth located outside the canton, which is taken into account to determine the tax rate),
- people who are neither domiciled nor staying in Switzerland for property or commercial assets located in the canton, at the rate of the person's overall wealth.

As a rule, the object of this tax is the taxpayer's overall wealth. Part of taxable wealth includes all movable assets (e.g. securities and cash held in the bank) and property assets (e.g. buildings), life and annuity insurance subject to surrender, as well as wealth invested in commercial or agricultural operations. Household furniture and everyday personal items are exempt. The tax base for wealth is determined by the individual's net wealth. This means that all existing debts are deducted from the taxpayer's gross asset value. Wealth tax is collected at a progressive rate, ranging from 0% to around 1%.

Useful addresses

Département des finances, des ressources humaines et des affaires extérieures (DF)

(Department of Finance, Human Resources and External Affairs
Hôtel des Finances, Cantonal Tax Administration)

Hôtel des finances, Administration fiscale cantonale
Rue du Stand 26 | Case postale 3937 | 1211 Genève 3
Tél. 022 327 70 00 | ge.ch/contacter-afc

Administration fédérale des contributions (AFC), Division principale de la taxe sur la valeur ajoutée, Service de l'assujettissement

(Federal Tax Administration (FTA), Main Value Added Tax Division,
Taxation Department)

Schwarztorstrasse 50 | 3003 Berne
Tél. 058 462 71 06 | estv.admin.ch

Office cantonal de l'économie et de l'innovation (OCEI)

(Cantonal Office for Economy and Innovation (OCEI))

Rue de l'Hôtel-de-Ville 11 | Case postale | 1211 Genève 3
Tél. 022 388 34 34 | innovation.ge.ch

