

## The most common legal structures

	<b>Sole proprietorship</b>	<b>Joint stock company (corporation) (AG)</b>	<b>Limited liability company (GmbH)</b>
<b>Incorporation, foundation</b>	No special deed of incorporation; sole proprietorship is founded when it commences trading under a trading name. Entry in the companies Register is compulsory if turnover is higher than from CHF 100'000 per year.	Formal, notarized incorporation procedure Entry in Companies Register	Formal incorporation procedure Entry in Companies Register
<b>Purpose</b>	To run a business as the sole proprietor	To run a commercial, manufacturing or other business under a trading name	To run a commercial, manufacturing or other business under a trading name
<b>Ownership</b>	Owner	Shareholders	Shareholders (partners)
<b>Founders</b>	Swiss citizens or foreigners with settlement (C) permit or B permit for EU nationals	At least 3 founder members (natural persons or bodies corporate)	At least 1 founder member (natural person or body corporate)
<b>Company bodies</b>	Owner	General meeting of shareholders Board of Directors Auditors	General meeting of shareholders Directors Auditors (optional)
<b>Liability</b>	Owner has unlimited liability (incl. private assets)	Company assets	Company assets
<b>Minimum capital</b>		CHF 100 000, of which at least 20% of the par value of the shares or CHF 50 000 (whichever is greater) must be paid up	CHF 20 000, the total sum must be paid up Initial contribution of at least CHF 100 per founder (possibility of multiple interests per founder)
<b>Costs</b>	No incorporation costs Possibly costs of entry in the Companies Register Administration costs	Notarized memorandum and articles of association approx. CHF 2500 Auditors (trustees) approx. CHF 3000 to 5000 Stamp duty of 1% of capital over CHF 1 000 000.	Notarized memorandum and articles of association approx. CHF 2500 Optional: auditors' costs. Stamp duty of 1% of capital over CHF 1 000 000
<b>Advantages +</b>	+ Simple	+ High degree of Investor anonymity + No duty of disclosure + Limited liability + Easy share transfers	+ Low minimum capital + Only one founder needed + No restrictions on directors' nationality + Auditors optional + Limited liability
<b>Disadvantages -</b>	- Liability	- Costs - Double taxation (company profits and dividends)	- Shares more difficult to transfer - Low structural flexibility