



Corporate Services

knowing you.



Why Switzerland?

Switzerland is the most competitive business location in the world. There are numerous good reasons to locate a business in Switzerland: innovation and technology, a liberal economic system, political stability, close intertwinings with foreign markets, excellent education and healthcare systems, an outstanding infrastructure, a high standard of living, and a very competitive tax system.

Why Kreston?

At Kreston, we combine the expertise of building up companies and administering them effectively with passion and empathy. Through our extensive knowhow, we support our clients more successfully than any other international professional services network.

As long-term and trusted advisor to today's wealth-creators and guardians, Kreston enables individuals and organizations to thrive and helps them to secure long-term business sustainability for future generations.

Our members benefit from our permanently fresh and future-oriented mindset. The individual consultation of our customers is our main focus.

Foundation Costs:

- | | |
|---|--------------------------|
| • Incorporation of Swiss Companies | CHF 2'000 - 2'900 |
| • Initial consultation | |
| • Name check | |
| • Preparing all the necessary incorporation documents | |
| • Notary public fees | |
| • Account Opening | CHF 1'000 |
| • Onboarding and initial KYC | |
| • Bank's setup fee | |
| • VAT Registration | CHF 300 |

Annual Costs:

- | | |
|-----------------------------------|---------------------------|
| • Directorship | CHF 6'000 |
| • Domiciliation | |
| • own address & office from | CHF 6'000 |
| • own address co-working | CHF 3'000 |
| • c/o address | CHF 1'800 |
| • Corporate Tax Return | CHF 500 |
| • Accounting, HR & Tax | CHF 100-470 / hour |



Swiss legal business entity

Most common legal business entities are either an LLC (GmbH/Sàrl) or a Stock Company (AG/SA).

GmbH/Sàrl CHF 20'000 min. nominal capital

AG/SA CHF 100'000 min. nominal capital

Audit Requirements

The auditing requirement depends on the size and economic importance of the company. Full statutory audits apply to companies that are required to prepare consolidated financial statements, or if two of the three parameters below are exceeded in two financial fiscal years:

- Total assets of CHF 20 million
- Annual sales of CHF 40 million
- An average headcount over the year of 250 employees or more

If these conditions are not met, then the annual financial statements are only subject to a limited audit. Subject to the approval of the shareholders, the audit may be waived, if the company does not exceed more than an average of ten full-time positions during the year.

Accounting Requirements

The law requires that the income statement (profit and loss account) and the balance sheet are prepared annually whereas the financial statements should be complete, clear and understandable in accordance with the accounting and valuation principles. Companies must meet detailed minimum requirements concerning the structure of the annual financial statements in order to increase transparency.

VAT Registration

Any company with an expected annual turnover above CHF 100'000 must register with the Federal Tax Administration (FTA), file quarterly VAT returns, and transfer the relevant VAT amounts within 60 days after the end of a quarter.

VAT Rates

Since 1 January 2018, the standard rate is 7.7% on every taxable supply of goods or services. A reduced rate of 2.5% applies to certain everyday consumer goods, whereas a special rate of 3.7% is charged for hotel accommodations. Some supplies are exempt from tax.

Social Security and Pension Plan Contributions

The Swiss social insurance system is based on three coordinated pillars: state-sponsored, employer-sponsored, and personal plans. Self-responsibility is a key factor in the system. As a result, the overall financial burden for taxes and social security contributions burden remain quite moderate on an international comparison. State-sponsored and employer-sponsored plans are mandatory and equally funded by employer and employee.

1st Pillar (state-sponsored - old age)	10.6%
2nd Pillar (pension plan)	7-18%
Unemployment insurance	2.2%
Accident insurance	1-2%



WHY KRESTON?

Kreston is an international network of over 200 companies in more than 125 countries, with more than 25,000 dedicated professionals.

You will receive first class advice and exceptional service from us wherever in the world you do business.



1971

FOUNDED



125+

COUNTRIES



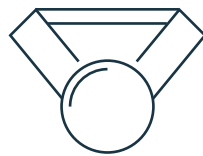
200+

FIRMS



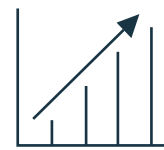
25,000+

PEOPLE



12th*

LARGEST GLOBAL
ACCOUNTING NETWORK

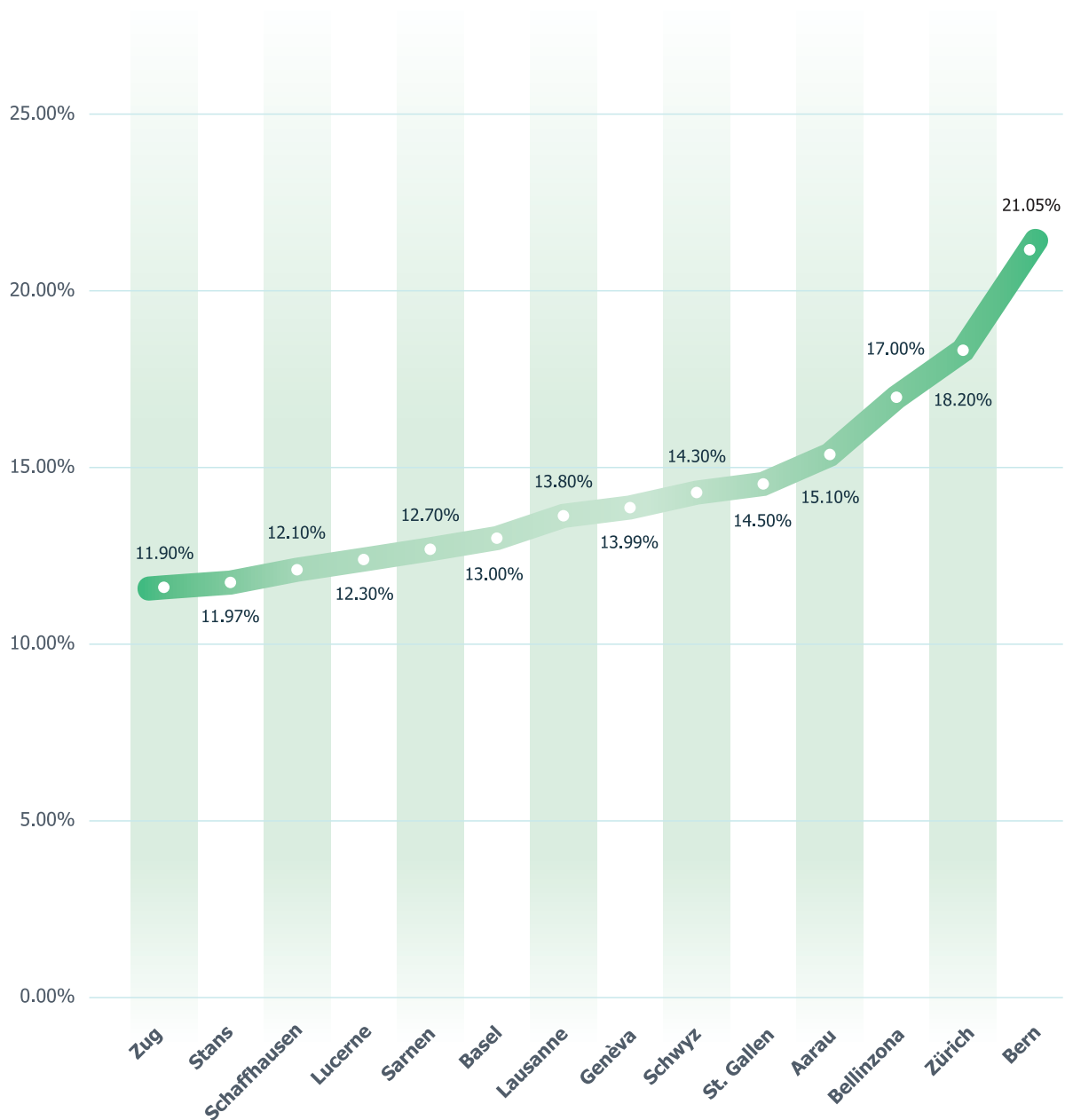


\$2.3bn+

IN REVENUES



EFFECTIVE CORPORATE TAX RATES 2020





Corporate Income Tax

Ordinary tax rates between vary depending on the Canton from 11,5% up to 22% Additionally, Switzerland offers a patent box and a special deduction for R&D costs in accordance with the international accepted OECD standards.

Taxation of Individuals

Individual tax rates are typically progressive, whereas a maximum tax rate of 11.5% applies at the federal level. The cantons may set their own tax rates. The applicable cantonal tax rates therefore vary significantly from canton to canton (approximately 10,33% to 27,09% in cantonal capitals).

Capital gains realized on personal property or on movable or immovable property are exempt from taxation whereas gains realized on movable business-related property are attributed to ordinary income.

Wealth tax is only levied at the cantonal / communal level in accordance with the respective cantonal tax regulations and rates. The maximum tax burden varies considerably and ranges from 0,135% to 0,87%. The federal government does not levy any wealth tax.

Taxation based on expenditure (flat-rate taxation)

Tax payers resident in Switzerland, who meet specific requirements are taxed on the basis of their expenses and cost of living in Switzerland.

For direct federal tax, a minimum taxable income of CHF 400,000 has been in effect since January 1, 2016.

Withholding Tax

A federal withholding tax of 35% is levied at source on the gross amount of dividend distributions by Swiss companies, on income from bonds and similar indebtedness by Swiss issuers, as well as on certain distributions of income by Swiss investment funds, and interest payments on deposits with Swiss banking establishments.

For Swiss resident corporate taxpayers, withholding tax is reimbursed by way of a refund, whereas for individuals the tax is credited against total tax liability through the regular taxation procedure.

For non-resident taxpayers, the withholding tax generally represents a final tax burden. However, a partial or total refund may be granted based on an international double tax treaty or a bilateral agreement concluded by Switzerland with the country in which the recipient of the earnings is residing.

Most double taxation agreements provide for a reduction of the normal 35% rate on dividends. The reduced rate is usually 15% for portfolio investors and 0%, 5%, or 10% for substantial corporate owners.



OUR SERVICES

Kreston members act as trusted and long-term counsellors, guiding individuals and their organisations through professional challenges to enable them to achieve both business and personal goals. Our services offering quality advice across all sectors include:



- Statutory audit and assessments
- Tax efficient structuring and compliance - both corporate and individual



- Consultancy
- Cross border acquisitions and due diligence for both purchaser and vendor



- Restructuring and reorganisation
- Global indirect taxes and customs duties



- Forensic accounting, valuations and litigation support
- Transfer pricing



- International fund raising, initial public offerings, venture capital, private equity
- Compliance with International Financial Reporting Standards and US GAAP



- Risk management and internal auditing services
- International business planning, strategy, budgets and forecasts



- Global technology and software selection services



- Multinational corporate and employment law

- International wealth and fiduciary services

- Outsourcing of accounting, payroll, company secretarial and other functions



a & o kreston ag, CHE-115.359.835 VAT
hello@kreston.ch, +41 (0)58 101 02 02
Schochenmühlestrasse 4, 6340 Baar (ZG)
Husmatt 1, 5405 Baden-Dättwil (AG)
Rothenburgstrasse 34, 6274 Eschenbach (LU)
Seestrasse 166, 8810 Horgen (ZH)
Birmensdorferstrasse 123, 8003 Zürich (ZH)
www.kreston.ch

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