



Sole proprietor

General partnership

Public Limited Company
(PLC) (AG)

Limited Liability
Company (LLC)
(GmbH)

	Sole proprietor	General partnership	Public Limited Company (PLC) (AG)	Limited Liability Company (LLC) (GmbH)
Legal regulation	No legal regulation.	Art. 552 - 593 OR.	Art. 620 - 763 OR.	Art. 772 - 827 OR.
Suitability	Suitable for individual persons running a business	Suitable for multiple partner who want to run a business together and want a flexible regulation of their requirements (in their articles of association)	Suitable for profit.oriented companies (individual persons, multiple partners, many partners)	Suitable for profit.oriented companies (individual persons, multiple partners, many partners)
Legal status / Liability of the company owners	Sole ownership by the firm owner becomes the contracting party. He is unlimitedly liable for any debts. Claims get collected from the business owner.	Partnership. Only the general partnership is prosecuted for debts. The partners are personally liable for the debts of the general partnership.	Legal Person. Only the PLC is prosecuted for debts. Shareholders have no liability for the debts of the PLC (as long as the shares are fully paid up).	Legal person. Only the LLC is prosecuted for debts. Shareholders have no liability for the debts of the LLC.
Minimum number of owners	One person	Two or more persons are partners	One Shareholder	One Associate
Formation	Without form: Through the commencement of business activity; mandatory registration with the SVA (social insurance of the canton)	Signing of a (formless) contract by the partners. If the general partnership follows a trade, it has to be entered into the commercial register. Registration with the SVA is mandatory	Foundation meeting of the shareholders in the presence of a notary; Registration of the foundation with the trade register at the domicile of the company.	Foundation meeting of the shareholders in the presence of a notary; Registration of the foundation with the trade register at the domicile of the company.
Auditors	Not required	Not required	Full Audit when two of the following three figures are exceeded: - Total assets of 20 Mio CHF - Turnover of 40 Mio CHF - 250 full time jobs in the yearly average Limited audit: 10 full time jobs	Full Audit when two of the following three figures are exceeded: - Total assets of 20 Mio CHF - Turnover of 40 Mio CHF - 250 full time jobs in the yearly average Limited audit: 10 full time jobs
Minimum capital	no minimum capital required	no minimum capital required	CHF 100'000 (of which min CHF 50'000 has to be paid in)	CHF 20'000
Company name	Additional terms are permitted (Business activity, fantasy terms)	Surname of at least one of the partner with an addition that suggests the partnership status (e.g. "& partner" Additional terms are permitted (business activity, fantasy terms)	Free choice of the company (Person's names, business activity, fantasy terms) Suffix "AG" always required	Free choice of the company (Person's names, business activity, fantasy terms) Suffix "GmbH" always required
Nationality/Domicile	None	None	At least of the the members of the board of directors has to have his domicile in Switzerland and be authorised to sign contracts.	At least of the the members of the board of directors has to have his domicile in Switzerland and be authorised to sign contracts.
Taxes	The owner is taxable for the whole amount of business and private income, as well as private and business assets.	Each partner is taxable for the his portion of the income and assets in the partnership as well as his private income and assets.	Only the PLC is taxable for ist profits and capital. The shareholders (private persons) become taxable when they receive distributions of profits (dividends) from the PLC	Only the LLC is taxable for ist profits and capital. The shareholders (private persons) become taxable when they receive distributions of profits (dividends) from the LLC.

Family allowances	Varies by canton. No family allowance for self-employed persons in ZG, ZH, SO, AG, TG, UR, OW, RF, IR, GR, TI, NE, JU. In the other cantons eligibility has to be determined individually.	Varies by canton. No family allowance for self-employed persons in ZG, ZH, SO, AG, TG, UR, OW, RF, IR, GR, TI, NE, JU. In the other cantons eligibility has to be determined individually.	Yes as an employee of the own PLC.	Yes as an employee of the own LLC.
Legal obligation to keep records	Only with an annual turnover of more than CHF 100'000 (exceptions: free professions" such as lawyers or medical doctors, etc.)	Yes	Yes	Yes
Advantages	Allows an uncomplicated, formless activity; almost no compliance with regulations of the company law required	Enables a flexible regulation of the circumstances of the company (profit, distribution, activity, etc.)	Exclusion from any liability for the debts of the company Multiple partners can participate in teh company. Easy transfer of share (no public attestation) Better acceptance with clients, suppliers, and investors Anonymity of Shareholders	Exclusion from any liability for the debts of the company Multiple partners can participate in teh company. Easy transfer of share (no public attestation) Low minimum capital (CHF 20'000)
Disadvantages	Personal liability Often bad creditworthiness because of the lack of auditors No partners can be involved in the business Depending on canton there are no family allowances (child and education allowances) No unemployment aid	Personal liability Often bad creditworthiness because of the lack of auditors Depending on canton there are no family allowances (child and education allowances) No unemployment aid	Cost Adherence to company law (auditors where necessary etc.) Taxation on the level of the PLC and the shreholder.	Worse acceptance with clients, suppliers, and investors than PLC Lack of anonymity of the associates Adherense to compan law (auditors where necessary etc.) Taxation on the level of the LLV and the shareholder