

Overview of the main legal forms of companies

	Sole proprietorship	General partnership	Joint stock company (AG)	Limited liability company (GmbH)
Statutory regulations	No statutory regulations.	Art. 552–593 SCO.	Art. 620–763 SCO.	Art. 772–827 SCO.
Suitability	Suitable for individuals who run a company.	Suitable for several partners who jointly run a company and want flexible rules in accordance with their needs (set out in the partnership agreement).	Suitable for profit-oriented enterprises (individuals, several partners, many partners).	Suitable for profit-oriented enterprises (individuals, several partners, many partners).
Legal status/liability of the company owner	Sole ownership. Company owner is the contracting party. He/she is personally liable without restriction for all debts. Company owner is subject to debt enforcement.	Partnership. Only the general partnership is subject to debt enforcement. Partners have personal, unlimited and joint and several liability for the general partnership's debts.	Legal entity. Only the AG is subject to debt enforcement. No liability of shareholders for the debts of the AG (provided the shares are fully paidin).	Legal entity. Only the GmbH is subject to debt enforcement. No liability of partners for the debts of the GmbH.
Minimum number of owners	One person	Two or more persons are partners.	One shareholder	One partner
Formation	Informal: through the commencement of business activities; Registration with the social security office of the canton in question is mandatory.	Conclusion of an agreement among the partners (format not prescribed). If the general partnership performs business activities it must be entered in the commercial register. Registration with the social security office is mandatory.	Constituting assembly of shareholders before a notary; registration of incorporation in the commercial register at the seat of the company.	Constituting assembly of partners before a notary; Registration of incorporation in the commercial register at the seat of the company.
Minimum capital	No minimum capital required.	No minimum capital required.	CHF 100,000 (of which CHF 50,000 paid in)	CHF 20,000
Auditors	Not required	Not required	Limited audit: as of 10 full-time positions. Ordinary audit: if two of the three following figures is exceeded: <ul style="list-style-type: none"> ▪ total assets of CHF 20 million ▪ sales proceeds of CHF 40 million ▪ 250 full-time positions (annual average). 	Limited audit: as of 10 full-time positions. Ordinary audit: if two of the three following figures is exceeded: <ul style="list-style-type: none"> ▪ total assets of CHF 20 million ▪ sales proceeds of CHF 40 million ▪ 250 full-time positions (annual average).
Company name	Last name of the owner with or without first name. Additional words are permitted (activity, made-up name).	Free choice of company name (person's name, area of activity, made-up name). Addition of "GP" is always required.	Free choice of company name (person's name, area of activity, made-up name). Addition of "AG" is always required.	Free choice of company name (person's name, area of activity, made-up name). Addition of "GmbH" is always required.
Nationality/place of residence	Not mandatory	At least one general partner with unlimited liability must be domiciled in Switzerland.	At least one member of the Board of Directors must be domiciled in Switzerland and be an authorized signatory.	At least one executive manager must be domiciled in Switzerland and be an authorized signatory.

	Sole proprietorship	General partnership	Joint stock company (AG)	Limited liability company (GmbH)
Taxes	Owner is liable for all income and assets arising from business and private activities.	Each partner is liable for taxation of his/her portion of the company's income and assets as well as for his/her personal income and assets.	Only the AG is subject to tax on earnings and capital arising from business activities. The shareholders (private individuals) are liable to pay tax when they receive distributions (dividends) from the AG.	Only the GmbH is subject to tax on earnings and capital arising from business activities. The partners (private individuals) are liable to pay tax when they receive distributions (dividends) from the GmbH.
Accounting obligation	If sales revenues exceed CHF 500,000 per year (exception: "free professions" such as lawyers, doctors, etc.).	Yes	Yes	Yes
Advantages	Allows for simple, informal activities; almost no requirement to adhere to provisions of company law.	Allows for flexible regulations regarding company arrangements (distribution of profit, activities, etc.).	Complete exclusion of personal liability for company debts. Several partners may have stakes in the company. Simple transfer of shares (no public certification). Better acceptance among clients, suppliers and investors. Anonymity of shareholders.	Complete exclusion of personal liability for company debts. Several individuals may have stakes in the company. Simple transfer of ordinary units (no public certification). Low minimum capital (CHF 20,000).
Disadvantages	Personal liability. Frequently poor creditworthiness due to lack of statutory auditors. Partners may not have stakes in the company. Depending on the canton, no family allowances may be payable (children's/education allowances). No unemployment benefit.	Personal liability. Frequently poor creditworthiness due to lack of statutory auditors. Depending on the canton, no family allowances may be payable (children's/education allowances). No unemployment benefit.	Costs. Compliance with company law provisions (possible need for statutory auditors, etc.). Taxation at level of AG and shareholder.	Poorer acceptance among clients, suppliers, and investors. Lack of anonymity of the partners. Compliance with company law provisions (possible need for statutory auditors, etc.). Taxation at level of GmbH and partners.

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