

18 REASONS
FOR OPENING YOUR BUSINESS IN
Switzerland



Why setting up a business in Switzerland

Are you thinking to move your headquarter to Europe? Are you looking to establish your business in one of the most competitive countries of the world?

Are some or all of the following key elements important for your decision?

- 1) Strong economy and currency
- 2) Liberal tax system
- 3) Liberal labor market
- 4) Efficient and reliable administration
- 5) Outstanding infrastructure
- 6) Important financial center
- 7) Head office of multinational firms
- 8) High level of education and innovation
- 9) High quality of life
- 10) Central location in Europe
- 11) Political and financial stability
- 12) Excellent public infrastructure
- 13) Highly educated workforce
- 14) High productivity
- 15) Innovative country with high spend on research and development (R&D) and technology
- 16) Purchasing power amongst the world's highest
- 17) Reliable business, legal and regulatory environment
- 18) Low Value Added Tax (VAT) compared to many European Union (EU) countries

Then you have hit the nail on **Switzerland**.

The more clearly and concretely the business strategy is defined at the initial stage, the faster it is possible to move from planning to implementation of your project. Once I've checked that your desired company name is free, and the capital has been deposited, a company can be registered in one-two weeks.

To establish yourself or your business in Switzerland will require securing relationships with key partners such as government officials, bankers and corporate professionals. You need experienced advisors to build a network of contacts and help you to become established in this environment and to meet all of your business objectives.

By establishing your business in Switzerland, you benefit from the excellent reputation that Switzerland enjoys.

Very important is to have a clear strategy on your key motivations for such a step. By focusing your business on Europe and due to the highly competitive nature of today's business environment, it demands a sophisticated European and worldwide market strategy. The choice of your European location is a key element of such a strategy, and your decision must take into consideration a location's advantages and benefits, which offer the highest chances of success and minimize risks and uncertainties.

Switzerland is still one of the most advantageous business locations in Europe. Liberal market conditions and a future-oriented research and technology base help to position the country as an open and efficient location for domestic and foreign businesses alike.

For these reasons many of the world's major companies have chosen Switzerland as the location for their global, European or regional headquarters, their international finance companies or research facilities. The success of these large groups, can be utilized as benchmark for the SME's or for private investors. The mechanism is similar.

The Swiss tax system is very much in line with the country's reputation as a center for international trade and finance. Many tax privileges have been introduced in order to entice foreign investment in Switzerland, while there are very few restrictions on Swiss investment abroad. Switzerland also has an extensive network of treaties for the avoidance of double taxation.

General Swiss benefits

A business-friendly government in a country with moderate taxation Switzerland is consistently ranked among the top business-friendly countries. Fundamental criteria, such as long-term political stability, guaranteed protection of free competition and property ownership, as well as our legal system are particularly strong.

- + **Currency and price stability**
Switzerland has a long tradition of economic and financial stability, which is evident in low inflation rates, as well as in low interest rates. In addition, the Swiss Franc plays a significant role in the asset management and issue underwriting businesses.

- + **First-rate infrastructure**
As confirmed through international studies, Switzerland has the best-maintained and developed infrastructure in Europe after Finland.

+ Efficient capital market

Having one of the strongest professional international banking systems, Switzerland is one of the world's largest offshore financial centers, ahead of London, New York and Frankfurt. Particularly after the BREXIT, Switzerland has become a hot candidate for shifting operations.

Holding Company

A holding company in Switzerland is an ideal solution for the investors who need to manage substantial shares (majority) of other companies, especially when they are resident for tax purposes outside the Swiss borders. There are several countries in Europe that offer favorable prospects for holding companies, such as Luxembourg, Spain and England, but Switzerland is currently the country offering the best tax benefits for this sector.

In particular some Cantons, (Federal States) in order to qualify for the status of Holding in these cantons, it is necessary that investments in foreign companies represent at least two-thirds of the total assets or revenues.

Important benefits of holding company in Switzerland consist in the beneficial tax regime which is around 8% overall: 7.8% for the corporate income tax on capital and a corporate officer tax that oscillates between 0,35% and 0.075% of the capital. The disadvantage is that the standard tax rate for the source in Switzerland is 35%, even though it has some treaties, which can reduce this rate to 5-15%.

In terms of dividends received by subsidiaries from the Swiss company, you have to watch the available double taxation treaties. Most of the treaties apply a rate of 15%, even though Switzerland has signed an agreement with the European Union so that dividends paid by a subsidiary of a Swiss holding company shall not be liable for taxation in various conditions. This puts Switzerland in the favorable position of being able to receive dividends from EU countries free of withholding tax.

Both the cantons and the federal authorities recognize favorable treatment when opening a holding company in Switzerland. The Swiss holding companies must have at least 20% or CHF 2 million of the share capital of other companies and they pay a reduced tax on the dividends they received. The reduction of the tax due is based on the relationship between dividend income (net) and the gross profit. The deduction on equity is guaranteed both at federal and cantonal level. The result consists in almost no federal taxes on pure holding companies.

Moreover, cantons exempt Swiss holding companies from all taxes on income, creating a holding privilege. The holding company is, therefore, not dependent on a deduction on capital investment. The net result is that all dividends and profits from the sale of the same, as well as interest income, are exempted from tax payments

Further information on the subject

<http://www.doingbusiness.org/data/exploreeconomies/switzerland/starting-a-business/>

If you are thinking of starting a company in Switzerland, you need to be aware that there are seven **different types of companies** to choose from:

1. Single-owner company or sole proprietorship

This is the most common type of company after the standard corporation or 'joint-stock' company. It is most suitable for sole owners of a business or other professionals who work for themselves, such as freelancers, small businesses and individual entrepreneurs. They tend to refer to businesses run by one individual, who must be a Swiss resident.

There is unlimited liability and the individual's name must appear in the business name (such as 'John Smith Consultancy' or 'Smith IT services'). Registration with the Chamber of Commerce is mandatory if annual sales exceed CHF 100,000.

2. General partnership

A general partnership is an association of people operating a commercial business; it is similar to sole proprietorship but with more than one person involved. This category is used when two or more people jointly operate a company. No limited capital is required, all partners must be Swiss residents and the company must have a Swiss address. The name of one of the partners must appear in the business name of the company (such as 'Smith and Co').

All partners have unlimited liability and registration with the Chamber of Commerce and Commercial Registry is mandatory. The general partnership is not an incorporated enterprise and therefore has no legal entity, although it may prosecute and be prosecuted under the firm's name. Once the partnership has been registered, full accounts with profit and loss statements need to be kept.

3. Limited partnership

This is a much less common version of the general partnership. In this type of company, general partners have unlimited liability, while limited partners may be liable up to an agreed amount. Registration with the Chamber of Commerce is mandatory.

4. Corporation/Joint-stock company (AG/SA)

This is the most common form taken by businesses, where the corporation is considered an independent legal entity. A member of the board or a director must be a resident of Switzerland, with sole signatory rights. This prerequisite can also be met if two members of the board or two directors have joint signatory rights and are residents of Switzerland.

Liability is limited to the value of the company's assets and the minimum amount of shareholders' equity is CHF 100,000, of which CHF 50,000 must be fully paid for. The company must comply with formal incorporation procedures. Processing the registration generally takes between two and four weeks, after which the company is a legally recognized entity.

5. Limited liability company (GmbH/Sàrl)

Another legal entity, this type of company requires a minimum shareholders' equity of CHF 20,000, of which CHF 10,000 must be fully paid for. At least one managing director who is authorized to sign on behalf of the company must be resident in Switzerland.

In general, all members participate jointly in the management and representation of the GmbH/Sàrl, however, the management of the company may be conferred to non-members. This type of company is cheaper to start than a limited company, but – contrary to the AG/SA – the shareholders are publicly listed in the commercial register. Members are jointly liable for the company's debts up to the registered capital amount.

6. Subsidiary

A subsidiary is a legally independent company affiliated to a foreign entity, and tends to operate more as a 'Swiss' than a 'branch' company. It can take the form of a corporation or a limited liability company.

7. Branch

A branch is a legally dependent but financially independent wing of a head office that operates outside of its home country. In this type of company, the foreign parent company is liable and the branch is taxed in Switzerland as a Swiss company. One Swiss resident with legal authority is required

Our services and your advisor:

We offer you a 360 degree services through our network (lawyers, fiduciaries, real estate, banks, insurances, authorities). Further, we support directly as director, interim manager or integration advisor.

If you are interested in talking to me, I'm more than happy to support you and to be at your side. I'm a Swiss citizen and speak Swiss German, German, French and Italian.

Nelson M Peña, August 2017

Your Advisor and Management Coach

Surname: Peña
Name: Nelson M.
Birth date: 15.12.1960
Nationalities: Switzerland / Spain
Residence: Lugano / Biel-Bienne, Switzerland
Email: nelson.m.pena@imci-group.com
Phone: +41 79 349 25 26
Skype: nelson.m.pena



Education:

- + 2009-2012 DVNLP NLP Practitioner / Master / Coach, Switzerland
- + 2001-2003 EX MBA Business School Lausanne, Switzerland
- + 2000-2001 Dipl. Controller SIB / CA Gauting, Germany
- + 1997-1998 MSc. Marketing Management / chart., Switzerland
- + 1995-1994 MSc. Sales Management / chart., Switzerland

Academic Expertise:

- + Lecturer at the Business School Berne in Marketing, Leadership, Strategy
- + Expert in higher chartered examinations of the Swiss Federation

Languages:

Fluently in English, German, French, Italian and Spanish. Mother tongue is Swiss German-Spanish.

General Experience:

Since 1998 Executive interim Manager in 16 executive mandates, mostly as CEO. Further led or co-signed projects for over 50 companies. Worked in all five continents and over 25 countries. Experience in supporting as advisor, coach and sparring partner to CEO's, business owner, multinationals as well as SME's.

Specialties are interim management, post-integration assignments of M&A operations, project financing, commercial and business development, strategy, leadership, restructuring, change management.

IMC International as a company

IMCI Group International Ltd. is a London based advisory group, with Swiss roots going back to 1998 and as the funder and global CEO, Mr. Nelson M Peña, started his career as interim manager and strategic advisor. In 2004 he founded the company in Switzerland as **IMC** as a single proprietorship firm and in 2010 he launch the group as **IMC Intl.**, initially as a network organization of high level professionals, with 16 associates in 10 countries and five business lines.

Over the time **IMCI Group International** has become a fast growing and a truly international business advisory group in **M&A/Corporate Finance**. Further we do support clients and investors in **restructuring and expansion** activities.

IMCI Group has kept its consulting soul in aspects of restructuring and expansion support. Additionally through **IMCI Coaching & Advisory**, we deliver a 360 degree solution in HRM, Interim Management, Succession Management, Business Coaching and Trainings.

Through our company **IMCI Investment Services Ltd.**, the group is offering Bank Guarantees, Project Funding, Trade/leverage Trade and Bond Programs, as other side capital services. This combination of investment banking and corporate consulting state of art has made of **IMCI Group** a very successful firm and unique in its market positioning.

Since 2010 we have incorporated high level Private Equity Professionals, Investment Bankers and Asset Managers with a proven track industrial record. Together, **the team has created a value of over 15 Bio. €, in all over the word. Combined with ca 600 advisory assignments.**

Through **IMCI Group Consultancy** we do restructure and develop the business of our clients, supporting them to be more profitable and sustainable growing. For firms looking for expanding their business into other regions or globally, or to enter new markets in general, we are able to propose international task forces of experienced interim managers, advisors with an executive management and project management profiles. This eventually in cooperation with our corporate finance services.

IMC has signed over two dozen strategic JV Cooperations and is operating through own organization of companies and representatives, supported by a network of business associates in over 50 countries and all five continents. With an Investor Panel present worldwide (family offices, investment and merchant banks, funds), with access to a total of over 40'000 investors, top 20 banks, insurances and stock exchanges. IMC can cover a broad variety of investment sources and 360 degree financial solutions.

In **2016 IMCI GROUP** was short listed for nomination as **“Best International M&A Advisory Partner – Global 2016”** by Capital Finance International www.cfi.com. We hold since 2013 two TV shows at the **Swiss Financial TV – Dukascopy TV** in Geneva.

IMCI GROUP is represented in all five continents and in over 50 countries and led by an international board.

Our Consultancy services and input to clients and organizations:

IMCI's input, services fields, advisory, expertise	PEOPLE	PROCESS	PERFORMANCE	PRODUCTS	PROFIT	GROWTH
	Leadership issues	Workflow	Productivity	Product Mix	Strategies	Surveys
	Change / Transformation	CIT	Objectives setting	Portfolio	Controlling	Negotiation
	Motivation / Development	Information	Motivation	Development	Tools	Key Accounts
	Recruitment	Communication	Controlling	Innovation	Investment	New Markets
	Retention	Quality Management	Leadership	Product Communication	Disinvestment	New Segments
	Right Profiles	Production	Management Techniques	Brand Communication	M&A activities	Expansion
	Technical HRM issues	Operations	Efficiency	Sales Force	Reporting	M&A
	Culture	Planning	Improvement	Pricing	Pricing	Company Settings
	Management Capabilities	Business Intelligence	KPI's	Promtion	Cost-Management	Optimizing
	Team Building	CRM	Balance Score Card	Distribution	Taxes	Restructuring
	Client	Organization	Strategies	Offline Communication	Legal	Reengineering
	Stakeholders	Outsourcing		Online Communication	Balance Score Card	Alliances
	Reputation	Insourcing		Internet	KPI's	Cooperations
	Recruitment / Search	Strategies		Research / Surveys	Strategies	Legal
	Training	Optimization		Legal		Strategies
	Legal	Fixing		Strategies		
	Strategies			Brand Reputation		

Our Financial Strategies

IMC is offering a wide range of funding sources up from €10 Mio., and +Bio. developing the appropriate financial strategies for our clients as:

- Debt Refinancing
- Short Term & Long Term Loans. From US \$ 10 Million to US \$ 1 Billion +
- Floating of Bonds
- PIPEs (Private Investments in Public Companies)
- Recapitalizations
- Equity buy out
- Project Financing
- Private Equity Funds
- Provide Passive & Active Equity From US \$ 10 Million to US \$ > Billion +
- Debt & Working Capital Instruments for expanding business
- Bank Guarantees (BG) Stand by Letter of Credit (SBLC) & Letter of credit (LC)
- M&A operations

Our Financial Services

- Projects and deal assessments, Company valuation and Market study
- Strategic analysis and proposals
- Business plan elaboration according to the highest standards required by the most rigorous investors.
- Teaser or executive summary of the business to be presented to investors
- Risk assessment using the most modern tools like Montecarlo Simulation.
- Start up advisors and management, Turnaround advisors and management
- Due diligente
- Board / Management Sparring and Coaching
- MBO's and LBO's advisors

IMCI+ GROUP INTERNATIONAL

making the difference

making the difference

NELSON M. PEÑA
CEO & President
Sr Executive Management Consultant
Business Coach

IMCI+ GROUP INTERNATIONAL

IMCI Group International Ltd.

Corporate Finance | M&A | Restructuring | Strategy | Expansion
Intl HQ's: 8, Northumberland Avenue, London WC2N 5BY - UK
+44 (0) 207 127 0654 | info@imci-group.com
www.imci-group.com making the difference

Short listed for nomination as **Best International M&A Advisory Partner – Global 2016** by **Capital Finance International** www.cfi.co

Swiss Financial TV Media Partner – Dukascopy TV - Geneva
<https://www.dukascopy.com/plugins/tvPlay/?id=209470>
<https://www.dukascopy.com/plugins/tvPlay/?id=208987>

Join me on LinkedIn: <https://www.linkedin.com/in/nelsonmpena/>

© 2016-2017 IMCI Group International Ltd. All Rights Reserved