

GHR Factsheet – November 2018

## Market Access Switzerland

### Questions and Answers

This factsheet focuses on some basic legal framework information tailored to individuals and companies domiciled in a foreign jurisdiction. This factsheet's goal is to give you a short introduction on how you may access the Swiss (and eventually the EU) market or otherwise profit from the benefits Switzerland offers.

In the first section "**Swiss Corporations**", we are going to provide you with some answers to most frequently asked questions relating to the incorporation and management of a Swiss company, while the second section "**Marketplace Switzerland**" will address selected questions concerning the import and marketing conditions of selected products.

#### Swiss Corporations

##### What kind of Swiss corporations exist?

There is the company limited by shares (Ltd) and the limited liability company (LLC). The Swiss Ltd has a share capital of CHF 100,000 out of which at least 50% has to be paid in. The LLC has a quota capital of at least CHF 20,000. The Swiss Franc (CHF) has an approximate par value of the US Dollar (USD).

##### Can foreign companies or individuals incorporate a Swiss corporation?

Yes. A Swiss corporation can be incorporated by basically everyone.

##### What should I consider when it comes to taxes?

Depending on the domicile of the company, Switzerland offers favorable taxation. However, there should always be checked if a there is a double tax treaty between Switzerland and your jurisdiction, as otherwise a shareholder will not be able to claim back the Swiss withholding tax that is levied on profit distributions (which amounts to 35% of the distributed profit). It has to be carefully analyzed on how a business relationship can be structured in order whether through profit shifting measures or the applicability of a double tax treaty of another state - or, of course, by having a tax residency of the shareholder in a state with such a treaty. From case to case, a direct trade / partnership solution might be more favorable than running a proper Swiss company.

##### What can I do with a Swiss corporation?

The business purpose range is broad and almost unlimited. You can establish a trading company as well as a distribution or production company for all kind of products and services, as well as you could also use the company for your personal wealth planning and structuring (private investment vehicles, single family offices etc.).

##### Can I organize global trades over the Swiss corporation?

You can, and many international companies do so. For example, you can use your Swiss company not only to invoice and settle trades in Switzerland, but also e.g. between foreign domiciles. The only trades we would

not recommend to settle over the Swiss company are foreign domestic trades (due to VAT reasons).

### **Do I need to be a Swiss national or resident in Switzerland in order to run a Swiss corporation?**

No. According to Swiss law, at least one board member or director must be domiciled in Switzerland in order to represent the company (and this can also be a fiduciary board member, e.g. one of our attorneys) - all other board members and directors may manage the company from outside of Switzerland.

### **Is it burdensome to have a foreign national elected as a board member or a director?**

Thanks to our network this can be done comparably fast and directly under Swiss law even if the person concerned is not present. Thanks to this procedure, we are able to lower the burdens tremendously.

### **How long does it take to incorporate a Swiss corporation?**

We can usually incorporate a Swiss tailor-made corporation within a few weeks. However, sometimes the due diligence procedures with a Swiss bank take some time (in order to open the share capital bank account as well as the corporate accounts later on).

There are ways to speed up and/or to avoid such due diligence resp. the need to open a Swiss bank account in particular cases. We will be pleased to discuss these possibilities in more detail with you.

### **Can the Swiss corporation acquire real estate?**

As far as the company acquires real estate for business purposes (offices, warehouses etc.), it is unlikely to be subject to restrictions. However, restrictions apply if a company owned by foreign nationals was to acquire real estate for living/housing purposes.

### **Do I need a Swiss company to do business in Switzerland?**

No, you could also trade in direct or enter into a partnership with a local company. However, it will certainly lower market access burdens if your potential Swiss or EU partners see that they can settle the relationship with a Swiss company.

### **How GHR can support you**

We can assist you in the incorporation and legal maintenance (domicile, fiduciary board members etc.) of your company in Switzerland as well as in any partnership / contract negotiations with suppliers, retailers etc. in Switzerland. We will also be able to provide for tax advice and can perform any correspondence with the Swiss tax authorities on your behalf.

## Marketplace Switzerland

### Are there any import bans?

Switzerland knows the usual import bans for illegal products or products coming from protected sources, like certain plants or animals. Apart from that, Switzerland bans the import on stone salt in order to protect the local market (however, sea salt can be imported).

### Are there any prohibitive duty quotas?

In particular for agricultural products Switzerland protects its own farmers with prohibitive import duties. This basically applies for fruits and vegetables that Swiss farmers can produce themselves, e.g. tomatoes and cucumbers during the Summer season (while there is no prohibitive duty between 21 October and 30 April) and, in general, e.g. potatoes or honey. Import duty rates can be lowered by buying contingencies which are sold at an auction once per year.

On other products that Switzerland cannot produce, there are no prohibitive duties, e.g. for dates, figs, chickpeas, pomegranates etc. Thanks to free trade agreement, a vast amount of products from many countries are not subject to Swiss import duties at all. Special additional duties (alcohol excises) apply on alcoholic products like wine, beer and liquors.

You could easily check the currently applicable rates on the Swiss customs system, found on [www.tares.ch](http://www.tares.ch) (available also in English).

### Are there any duty free or customs-privileged quotas?

Depending on the product and its preferential origin, privileged quotas are available. Most of these quotas are available upon request on a first-come-first-serve basis,

while some other quotas (e.g. on potatoes resp. products made out of potatoes) may require to be acquired on an auction.

### Are any special permissions needed for an import?

This depends on the product. General import permissions are needed e.g. for agricultural products like fats and oil, rice, coffee, wine, vegetables and fruits. The import of sea salt requires a special permission as well. Such general import permissions are required for the person or entity importing the products in Switzerland. One needs to be aware of applying for such license, but in general it is not too burdensome to obtain it.

Further permission requirements with stricter and more complicated rules apply on the import of e.g. meat and animal products (like fish, milk, eggs, cheese etc.) in general, as well as regulated goods like weapons, medicaments etc.

### Can I import and sell agricultural products "certified organic"?

There are different organic certificates available. The most common, CH-BIO, requires that the imported goods are controlled and certified in the jurisdiction of production or relevant processing through an acknowledged certification company.

### Can I sell my products in the European Union as well if they are in compliance with Swiss law, and the other way around?

Switzerland is not a member state of the European Union, but has concluded a large amount of equivalency treaties. Therefore a product compliant with Swiss law is likely to be compliant with EU law as well, and the other way around. Some adaptation may be required with regard to labelling languages etc.

## What further rules do I need to take into account when marketing a product in Switzerland?

When it comes to foodstuff and beverages, Swiss food safety laws apply. The company dealing with foodstuff or beverages will have to register with the competent food safety authority in Switzerland and showing that it applies a self-regulation compliant with HACCP principles, considering all relevant food safety laws with regard to labelling and prohibited substances (like certain pesticides).

Apart from legal requirements, larger retailers may have additional requirements on products relating to size, color, taste, shelf life etc. This needs to be checked from supplier to supplier.

## How GHR can support you

We can arrange for all licenses and permissions you may need for marketing your products in Switzerland (e.g. food safety regulations for your company, organic trading licenses, general import licenses for olive oil, salt, vegetables etc.). We are also able to assist you on Swiss compliant labelling of your products, which will also allow you to offer white labelling solutions to your Swiss business partners. If you do not run or intend to run your own trading or distribution company in Switzerland, we can support you in contract negotiations with retailers or wholesalers as well as we can advise on partnership agreements if you have a Swiss company who would like to partner with you.

Apart from that, our extensive network allows us to bring you in touch with accredited laboratories for product tests (e.g. on pesticides or "extra virgin"-quality) or other certification authorities. Thanks to our international network with other law firms, we will be able to bring you in touch with professionals for basically every market you may be interested in (which is, in particular, interesting for global distribution companies based in Switzerland).

Please do not hesitate to get in touch with us. We are looking forward to collaborating with you.

### Your dedicated contacts at GHR

Bruno Hunziker ([brunohunziker@ghr.ch](mailto:brunohunziker@ghr.ch))

Stephan A. Hofer ([stephanhofer@ghr.ch](mailto:stephanhofer@ghr.ch))



RECHTSANWÄLTE

**GHR Rechtsanwälte AG**

Tavelweg 2

P.O. Box

CH-3074 Bern Muri

T +41 (0)58 356 50 50

F +41 (0)58 356 50 59

[www.ghr.ch](http://www.ghr.ch)

Seidengasse 13

P.O. Box

CH-8021 Zurich

T +41 (0)58 356 50 00

F +41 (0)58 356 50 09