

Establishment of a Branch Office

Legal form	Branch Office / Permanent Establishment
Legal basis	Swiss Code of Obligations (CO) art. 931 para. 2, art. 952; art. 109 et seqq. HRegV
Purpose	Business that is legally part of a principal company, but has little economic independence
Company name	<p><i>Branch office of a legal entity with its legal offices in Switzerland:</i> The company name of the principal company must be reflected in the company name of the branch office without any changes. If an addition is added to the company name of the branch office, the term „Zweigniederlassung“ needs to be added to the company name.</p> <p><i>Branch office of a legal entity with its legal offices abroad:</i> The company name of a branch office with its legal offices abroad must contain the following: (i) the unchanged company name of the principal company; (ii) the town of the legal offices of the principal company; (iii) the term „Zweigniederlassung“; and (iv) the community (Gemeinde) of the legal offices of the branch office.</p>
Requirements for founding	Registration in the commercial register
Founder	Principal company
Governing bodies	Governing bodies of the principal company
Management	Own management
Representation	<p><i>Branch office of a legal entity with its legal offices in Switzerland:</i> According to the representation at the principal company.</p> <p><i>Branch office of a legal entity with its legal offices abroad:</i> At least one person with single signing authority with its residence in Switzerland.</p> <p>No citizenship requirement.</p>
Liability	Principal company / D&O liability
Special requirements	Legal obligation to register the branch office in the commercial register (art. 931 CO)
Advantages +	+ no own share capital required + easy foundation and minor costs
Disadvantages -	- no limitation of liability to the branch office