

Incorporation of an Individual Company or a Partnership

Legal form	Individual company (Einzelunternehmen)	Unlimited partnership (Kollektivgesellschaft)	Limited partnership (Kommanditgesellschaft)
Legal basis	Swiss Code of Obligations (CO) art. 945 f.; art. 37 ff. HRegV	Swiss Code of Obligations (CO) art. 552 – 593; art. 950 ff. CO; art. 40 ff. HRegV	Swiss Code of Obligations (CO) art. 594 – 619; art. 950 ff. OR; art. 40 HRegV
Purpose	Operating a commercial business as sole owner	Trade, manufacturing or other activities pursued in accordance with commercial principles	
Legal structure	Wholly owned by the owner	Partnership	
Company name	Family name (surname) of the owner; Possible additions: activity, fantasy description	Free selection of name with addition of the legal form “KLG” or “Kollektivgesellschaft” (English translations of legal form: “Partnership”)	Free selection of name with addition of the legal form “KMG” or “Kommanditgesellschaft” (English translations of legal form: “Limited Partnership”)
Founding requirements	Start of self-employed, continuous and commercial activity	Conclusion of a partnership agreement, no specific form required, i.e. the partnership (Kollektivgesellschaft) and the limited partnership (Kommanditgesellschaft) come into existence without any written agreement. If the activity pursued by the partnership is not commercial, the partnership (Kollektivgesellschaft) and the limited partnership (Kommanditgesellschaft) mandatorily require the entry into the commercial register to come into existence.	
Beneficial owner	Sole owner	Partners	
Founder	1 natural person	Minimum 2 natural persons	Minimum 1 natural person as partner with unlimited liability (general partner) and minimum 1 natural person or legal entity as partner with limited liability (limited partner)

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Governing bodies	Owner, auditors (optional)	Partners, auditors (optional)	
Management	By the owner and the people entrusted by the owner (optional). No citizenship requirement.	By each partner individually (if not otherwise stipulated by partners' resolution). No citizenship requirement.	By each general partner individually (if not otherwise stipulated by partners' resolution); limited partners are excluded from management. No citizenship requirement.
Representation	By the owner and people entrusted by the owner (optional). No citizenship requirement.	By minimum 1 partner with sole signature authority. No citizenship requirement.	By minimum 1 general partner with sole signature authority. No citizenship requirement.
Liability	Unlimited liability of the owner, including private assets.	Primarily company assets, subsidiarily unlimited joint liability of the partners, including private assets.	Primarily company assets, subsidiarily general partners, including private assets. The liability of the limited partners is limited to the amount registered in the commercial register.
Minimum capital	Not applicable.	Not applicable (capital amount and shares according to the provisions of the partnership agreement).	Not applicable (capital amount and shares according to the provisions of the partnership agreement). The liability amount of each limited partner must be registered in the commercial register.

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Advantages +	<ul style="list-style-type: none"> + No legal founding regulations (registration with commercial register when turnover amounts to at least CHF 100'000) + Minor administrative cost + No double taxation of the owner (in contrast to the capital company) 	<ul style="list-style-type: none"> + Easy incorporation (conclusion of partnership agreement; registration with the commercial register) + Each partner can do business in the name of the partnership 	<ul style="list-style-type: none"> + Easy incorporation (conclusion of partnership agreement; registration with the commercial register) + Legal entities can become limited partners + Actual paid amount by the limited partner can be higher than amount registered in the commercial register
Disadvantages -	<ul style="list-style-type: none"> - Unlimited liability with all private assets - Difficult raising of capital 	<ul style="list-style-type: none"> - Unlimited joint liability by the partners with all private assets - Only private persons can become partners 	<ul style="list-style-type: none"> - All partners (incl. limited partners) are disclosed in the commercial register - Subsidiary liability of general partner(s) with all private assets