

## Incorporation of a Capital Company

Legal form	Corporation (LTD) (Aktiengesellschaft, AG)	Limited Liability Company (LLC) (Gesellschaft mit beschränkter Haftung, GmbH)
Legal basis	Swiss Code of Obligations (CO) art. 620 – 763; art. 950 ff. CO; art. 43 ff. HRegV	Swiss Code of Obligation (CO) art. 772 – 827; art. 950 ff. OR; art. 71 ff. HRegV
Purpose	Trade, manufacturing or other activities pursued in accordance with commercial principles	
Legal structure	Legal entity	
Company name	Free selection of name with addition of the legal form "AG" or "Aktiengesellschaft" (English translations of legal form: "LTD", "INC", "CORP", "Limited" or "Corporation")	Free selection of name with addition of the legal form „GmbH" or "Gesellschaft mit beschränkter Haftung" (English translations of legal form: "LTD LIAB CO", "LLC" or "Limited Liability Compa- ny")
Founding requirements	Notarization of incorporation, including articles of associa- tion, election of the board of directors and the auditors, registration in the commercial register.	Notarization of incorporation, including articles of associa- tion, election of the managers and the auditors, registration in the commercial register.
Beneficial owner	Shareholders	Quotaholders
Founder	Minimum 1 natural person or legal entity	
Governing bodies	Shareholders' meeting, board of directors, auditors according to the three-step system: ordi- nary audit, limited audit or no audit ("opting-out").	Quotaholders' meeting, man- agement, auditors according to the three-step system: ordi- nary audit, limited audit or no audit ("opting-out").
Management	By all members of the board of directors.  The management can be dele- gated to one or to several members of the board of direc- tors or to a third person, where-	By all quotaholders.  The management can be dele- gated to one or to several quotaholder(s) or to a third person, whereas this possibility

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	as this possibility must explicitly be provided by the articles of association and the organisation regulations.  No citizenship requirement.	must be provided by the articles of association.  No citizenship requirement.
<b>Representation</b>	Minimum 1 legal representative of the company (member of the board of directors or director with individual signature authority) has to be domiciled in Switzerland.  No citizenship requirement	Minimum 1 legal representative of the company (manager or director with individual signature authority) has to be domiciled in Switzerland.  No citizenship requirement
<b>Liability</b>	Company assets	
<b>Minimum share capital</b>	CHF 100'000 (at least 20% respectively CHF 50'000 to be paid-in)	CHF 20'000 (to be fully paid-in)
<b>Advantages +</b>	+ Limited liability + Easy transfer of shares + Anonymity of investors	+ Limited liability + Small minimum quota capital + Many possibilities to shape the articles of association
<b>Disadvantages -</b>	- Minimum share capital - Double taxation (profit to be taxed at the level of the AG, dividends to be taxed at the level of the shareholder)	- Minimum quota capital - Double taxation (profit to be taxed at the level of the GmbH, dividends to be taxed at the level of the shareholder)