



# Freeing up Profit by Investing in Switzerland

Legal aspects associated with setting  
up your headquarters or principal  
company in Switzerland

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# Overview:

Setting up a company to serve as headquarters or principal company:

- case study: IP branch in Switzerland
- case study: allocation of sales function in Switzerland
- practical aspects: legal forms of doing business in Switzerland  
(how to set up a branch or company)



# Case Study: Transfer of Intellectual Property to Switzerland („IP Branch“)

- Centralizing your IP is very much a business case !
  - IP-audit: know what you have
  - better control
  - easier and cheaper administration
  - better enforcement
  - use of IP for financing (mortgage, securitisation)
  - tax planning
- „IP“: patents, copyrights, trademarks, trade names, trade secrets only?

# Case Study: Transfer of Intellectual Property to Switzerland („IP Branch“)

- „Intangibles“: customer lists and relationships, supplier relationships, management and marketing systems (like customer relationship management or enterprise resource planning, information technology, retail organisation), important contracts like exclusive dealerships  
→ could be put to use for tax planning
- How to get the IP to Switzerland?
  - assignment of IP to SwissCo
  - building up new IP using SwissCo



# Case Study: Transfer of Intellectual Property to Switzerland („IP Branch“)

- Switzerland as a base for a global IP strategy
- stable, efficient and well respected legal system with low-cost access to enforcement
- the IP law is an open and tolerant system:
  - service marks allowed
  - holding companies and other non-manufacturing companies have full rights as owners of IP
  - no restrictions to transfer registered or non-registered IP-rights
- little scrutiny from competition law authorities / far less competition law regulation than in EU



# Case study: Allocation of sales functions

- set up Swiss Corporation
- transfer contractual agreements to SwissCo
  - few issues with new contracts
  - assignment of existing contracts possible?
- use SwissCo for more!
  - European headquarters with accounting, marketing, sales, logistics and other
  - Shared services like finance, information technology, legal department



# Legal forms of doing business

## Basic choices:

- joint venture or partnership with Swiss firm, acquiring existing company?
- subsidiary or branch?
- new company: legal form
  - corporation → first choice for most purposes
  - limited liability company



# Practical aspects: setting up a corporation

- Minimum Capital: CHF 100'000 (CHF 50'000 need to be paid in)
- 3 shareholders, 1 director
- costs: appr. CHF 6'000
- time: 2-3 weeks
- by-laws and shareholder agreements allow tailor-made solutions

# Establishing and managing an enterprise

- liberal regime – less regulation than other continental European legislations
- government license needed for few specific sectors (e.g. banks, investment funds, insurance companies, employment services)
- professional licenses for physicians, dentists, lawyers – recognition of EU diploma
- premises: rent or buy?
- workforce (below)



# Liberal labour laws

- latitude for negotiating individual employment contracts – few collective tariff agreements
  - mandatory notice period for termination:
    - 1 month in 1st year
    - 2 months in years 2-9
    - 3 months from year 10
- low costs of downsizing or exit



# Thank you for your attention!

- Questions?

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