

HOW TO FORM A COMPANY IN SWITZERLAND



How to Form a Company in Switzerland

Switzerland stands out as one of the most crypto-friendly countries, making significant strides in regulatory advancement while maintaining a proactive and supportive stance from both the Swiss government and cantons. This environment fosters innovation for crypto companies, unencumbered by outdated regulations. If you seek a transparent regulatory landscape, robust crypto community, and favorable tax system for licensable crypto activities, Switzerland emerges as a promising jurisdiction.

The [Swiss Financial Market Supervisory Authority \(FINMA\)](#) oversees crypto-related activities in Switzerland, ensuring integrity and compliance with anti-money laundering (AML) regulations. As part of its responsibilities, FINMA grants crypto licenses and ensures regulatory adherence.

Forward-thinking cantons actively attract and nurture crypto companies, fostering a collaborative ecosystem. For instance, the [Crypto Valley Association](#), based in Zug, facilitates cooperation among industry players and authorities through networking events, education initiatives, working groups, and content creation.

Thanks to the support provided by the association, Zug boasts 14 blockchain unicorns—companies valued at over 1 billion USD (approximately 932 million EUR). As an aspiring crypto licensee, considering membership can offer access to one of the most advanced and influential blockchain communities available.

Crypto legislation in Switzerland

Switzerland's cryptocurrency regulations are primarily governed by the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (DLT Act). This pivotal law outlines regulations concerning crypto licensing, trading, anti-money laundering (AML), financial market infrastructure for cryptocurrency trading, and bankruptcy. Its core objective is to safeguard the integrity and stability of the Swiss financial market, holding blockchain companies accountable for any investor damages resulting from misleading information or legal breaches.

The DLT Act designates the Swiss National Bank as the guardian of financial market infrastructure stability. Its duties encompass overseeing financial market participants like DLT trading facilities, central securities depositories, and payment systems, aligning with the Financial Market Infrastructure Act. Upon the Swiss National Bank's request, regulated



entities must furnish all necessary information and documentation to identify risks jeopardizing financial market stability.

Certain crypto companies operating in or from Switzerland are obligated to adhere to AML regulations, including:

- Anti-Money Laundering Act
- Anti-Money Laundering Ordinance
- FINMA Anti-Money Laundering Ordinance

AML regulations typically apply when client assets are transferred to crypto company accounts or when payment transactions, currency exchanges, asset-based lending, leasing, private wealth management, and payment instrument issuance are part of the crypto business model.

Swiss authorities recognize and regulate the following crypto tokens:

- **Payment tokens:** Used for electronic value transfer (e.g., Ether and Bitcoin)
- **Asset-backed tokens:** Supported by tangible assets, often issued during security token offerings (STOs)
- **Debt tokens:** Obligate the issuer to repay part or all of the investment, along with interest
- **Equity tokens:** Entitle token holders to cash payments, without obligation from the issuer to repay the investment
- **Participation tokens:** Provide holders with a share of the issuer's future profit, without repayment obligation
- **Utility tokens:** Grant digital access to specific services or systems, typically on a designated DLT platform (if not classified as securities, they do not require licensing)

The application of securities, banking, and collective investment legislation may vary depending on the type of tokens used in economic activities. Although payment tokens are not recognized as legal tender, FINMA does not classify them as securities since their primary purpose is payment facilitation.

The regulation of initial coin offerings (ICOs) hinges on the token type offered. ICOs involving payment tokens must comply with AML laws, while those involving asset-backed or utility tokens must adhere to securities regulations outlined in the Swiss Code of Obligations.



Business structure for launching a cryptocurrency venture in Switzerland

When establishing a cryptocurrency company in Switzerland, adherence to Company Law is crucial. Specifically, due to the share capital requirement enforced by FINMA, the preferred structure is the stock corporation (AG). However, this isn't the sole prerequisite for such enterprises.

Here are the primary requirements for initiating such a venture:

- The company must possess an authorized share capital of at least 100,000 CHF.
- It must secure licensing in alignment with Anti-Money Laundering Regulations.
- Consequently, acquiring a Switzerland crypto license is imperative.
- Additionally, the company must appoint at least one Swiss resident director.

While the private limited liability company (GmbH) is an alternative, it operates outside of FINMA's jurisdiction, exempting it from the need for a crypto exchange license in Switzerland.

For foreign investors seeking to establish a cryptocurrency enterprise in Switzerland, our local consultants specializing in company formation ensure comprehensive compliance with these prerequisites.

Furthermore, investors responsible for remunerating staff members can greatly benefit from consulting with a payroll specialist. We offer expert guidance and efficient payroll management solutions. Our Swiss-based accountants can generate and distribute payroll lists and statements at the conclusion of each month.

Period for consideration	from 8 months
The annual fee for supervision	from 3,500 €
State fee for application	from 1,750 €
Required share capital	from 300,000 €
Local staff member	At least 3
Physical office	Required
Corporate income tax	11% – 24%



Accounting audit	Required
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Documents required to establish a company in Switzerland

- Founders' identification documents
- Residence permits
- A copy of a rental agreement confirming the registered office's presence in Switzerland
- Articles of Association
- Company bylaws
- The Stampa declaration affirms no additional contributions or asset recoveries beyond those stated in the Articles of Association
- The Lex Friedrich declaration, authorizing foreign citizens to purchase real estate in Switzerland

Different types of crypto licenses are available in Switzerland

- **Swiss Crypto Exchange License:** Enables the operation of platforms facilitating the exchange of cryptocurrencies and fiat currencies.
- **Swiss Crypto Broker License:** Authorizes the brokerage of cryptocurrency transactions.
- **Swiss Crypto Trading License:** Designed for entities directly involved in the buying and selling of cryptocurrencies.
- **Swiss VASP Crypto License:** Intended for providers offering a comprehensive suite of crypto-related services.



To establish a Swiss company, you need to follow these steps:

1. Register your company name using the [EasyGov platform](#). This automatically enters your company into the [Swiss Business and Enterprise Register](#) and assigns a Unique Enterprise ID Number (UID).
2. Verify that the chosen name isn't already registered by checking the [Central Business Name Index](#).
3. Open a Swiss bank account and transfer the required minimum share capital. If the capital exceeds 1,000,000 CHF (approximately 983,526 EUR), a Stamp Duty of 1% on the minimum share capital is levied, payable within 30 days from the company registration date. Guidelines for opening a corporate bank account for blockchain companies are available from the [Swiss Bankers Association](#).
4. Find a notary to verify the Articles of Association and other corporate documents. The notary will also prepare an application for company registration once you provide proof of the transferred initial share capital.
5. Companies with a turnover exceeding 100,000 CHF (approximately 98,352 EUR) must register with the [Commercial Register](#), incurring a cost of 600 CHF (approximately 590 EUR).
6. Submit the notarized documents by post or online through a dedicated website.
7. Register with the Federal Tax Administration and cantonal tax authorities.
8. Register your employees with the Federal Social Insurance Office and Cantonal Compensation Office (Ausgleichskasse).
9. Obtain business insurance.
10. Apply for a crypto license granted by FINMA.
11. When the application for company formation is processed, the Commercial Register publishes its details in the Swiss Commercial Newspaper, marking the company as fully registered.

The administrative requirements for each company, as well as the involvement of regulatory bodies, depend on the nature of crypto activities. Therefore, it's crucial to clearly define the scope of crypto operations before initiating the company formation process.

Crypto tax in Switzerland

The tax treatment of crypto companies hinges on their economic activities' nature and purpose. Cryptocurrencies are generally not considered fiat money; instead, they are categorized as assets and thus fall under relevant taxation laws.



Tax residence status is another pivotal factor. Tax residents are liable to pay taxes on their global income, while non-resident companies are taxed solely on income generated within Switzerland.

Switzerland's tax administration system is complex, with responsibilities shared among the Federal Tax Administration (FTA), cantons, and municipalities. Federal tax rates remain constant, while cantonal tax rates are annually defined and published on each canton's official website. Although taxation frameworks vary by location, the tax year typically aligns with the accounting year.

Most crypto licensees are subject to various taxes at federal, cantonal, or communal levels, including:

- Corporate Income Tax (CIT) – 12%-21%
- Capital Gains Tax (CGT) – 0.001%-0.5%
- Value Added Tax (VAT) – 7.7%
- Withholding Tax (WHT) – 35%
- Social Security Contributions (SSC) – 0.5%-5.3%
- Issuance Stamp Duty (ISD) – 1%

Corporate Income Tax is imposed at federal, cantonal, and communal levels. The Federal Corporate Income Tax is levied at a rate of 8.5% on post-tax profit. Cantonal and communal rates vary significantly.

For example, in Zug, home to Crypto Valley, the Cantonal Corporate Income Tax is merely 11.85%, one of Switzerland's lowest rates. Conversely, the canton of Bern currently imposes 21%. Unsure which Swiss location suits your crypto business best? Our team at Regulated United Europe (RUE) offers personalized consultations.

Capital Gains Tax is levied at the cantonal level on specific gains from certain crypto activities. Initial coin offering (ICO) proceeds and new token issuances aren't considered taxable income. Depending on the transaction type, payment token transfers may be treated as securities, subject to capital gains taxation.

VAT exemption applies to payment token transactions, including exchanges, as they qualify as means of payment akin to traditional currency. Related commissions and fees are exempt from VAT as financial service fees.

Switzerland boasts around 100 international double taxation agreements, safeguarding taxpayers' income from being taxed twice. Typically, the credit method applies if certain conditions are met. Additionally, companies with predominantly foreign operations may



qualify for cantonal and communal tax exemptions, subject to effective tax rates of 7.83%-11% on foreign source profits under specific conditions.

