

Join the Swiss company - an exclusive and prestigious products for business success. Therefore, as a rule, the Swiss company does not use for simple operations, but as a tool of tax planning when creating a complex branched an international group. Since 2008, the Swiss Code of Obligations (Code des obligations) have been significant changes with regard to joint stock companies and limited liability companies generally favorable for foreign participants.

For example, as a member of the Board of Directors can now be not only a Swiss citizen, but any foreign citizen, including citizens of Russia. Abolish the requirement for possession of a member of the board of directors of company shares. Also there was the possibility of establishing joint-stock company Ltd. and the sole founder of

The most common legal forms of Swiss companies - joint stock company (AG, SA) and Limited Liability Company (GmbH, Sarl). Possible to register as associations (Kollektivgesellschaft, Kommanditgesellschaft). Most convenient for the possession of a joint stock company - in this case, the change of ownership is streamlined and does not appear in the register of companies at the same time there is a possibility to change the type of shares to "bearer" - ensuring maximum privacy of ownership.

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Swiss Open Joint Stock Company (AG or SA) is established at least one shareholder (since 2009, previously at least 3), physical or legal Litsov, resident or resident in Switzerland as follows:

- Minimum capital - CHF 100,000 (US \$ 1 is approximately equal to 1 Swiss franc);
- 100% of the capital must be paid at the time of registration;

- how at least 50% of the shares must be paid (but for an amount not less than CHF 100 000);
- Allowed registered shares and bearer shares;
- Shares may be offered freely to the open sale and exchange;
- Company is entitled to control of a single director;
- Most directors must be resident in Switzerland;
- Corporate directors are not permitted;
- Company must keep accounting and annual rent statements, certified by the local auditor.

Private company with limited liability (GmbH, SARL or SGL) is established at least one shareholder (since 2009, previously at least 2), physical or legal Litsov, resident or resident in Switzerland as follows:

- Minimum capital - CHF 20,000 (maximum - limited amount of CHF 2.000.000, or about \$ 2.000.000);
- how at least 50% of the shares must be paid at the time of registration, each shareholder has to subscribe for an amount not less than CHF 1 000;
- Allowed only registered shares;
- Shares may not be offered freely to the open sale and exchange;
- Company is entitled to control of a single director;
- Most directors must be resident in Switzerland;
- Corporate directors are not permitted;
- Company must keep accounting, but must maintain annual accounts certified by the local auditor.

Swiss law provides for the establishment in the country as a general partnership (Kollektivgesellschaft - Societe en nom collectif - Societa in nome collettivo), as well as a limited liability partnership (Kommanditgesellschaft - Societe en commandite - Societa in accomandita).

Name of partnership must contain the name of one partner, which must be a minimum of two (natural or legal person, resident or resident in Switzerland). Payment of any capital in the establishment is not required. Most managing partners must be resident in Switzerland. In terms of tax planning, general partnership (all partners which are equitable for unlimited liability for the debts of the company) may be interesting in that it is not subject to corporate taxation in Switzerland. If the partners are residents of Switzerland and the entire partnership income is not derived from sources in Switzerland, the partners are not subject to taxation in Switzerland. The Partnership must maintain accounting, but it should not take the annual accounts certified

by the local auditor.

Holding companies are not a separate independent type of companies in Switzerland, and this - the economic and legal concept to a particular financial activity based on the so-called test of "substantial part", which in practice means the following:

- Least 75% of the company's assets are invested in other companies (Swiss or foreign). In this case, the holding company must own at least 20% of the share capital of subsidiary (but not less than approximately CHF 2.000.000 \$ 1.000.000);
- Least 75% of the company's income comes from investments in other companies (Swiss or foreign).

Holding company required to pay federal income taxes and federal taxes on capital at a rate of 0.0825% of net assets (paid-up capital plus reserves). Companies for which the holding action is exceptional, enjoy a favorable tax regime in all cantons of Switzerland. Holding company generally does not pay any cantonal or municipal income taxes, but only a small cantonal capital tax, depending on its size. The tax rate on capital in Switzerland varies from canton to canton from 0,5% to 1,5%. The lowest rate - CHF 300 per year charged in the canton of Zug.

Switzerland is not only a recognized global financial center, it still provides interesting opportunities for tax planning. \* Taxation in this country at the federal, cantonal and municipal level. And in the last two levels is not uniform tax rates, despite the adoption of the Law of 12.14.1990 "On the harmonization of direct taxation of the cantons and municipalities." Information in English available on the official website of the Federal Tax Administration of Switzerland: <http://www.estv.admin.ch/e/dokumentation/publikationen/steuersystem.htm>

## BANKING

Privacy Swiss bank guarantee under the Law on Banking Secrecy, "which was adopted in 1713. However, in respect of tax information, not all that bright. In 2004, Switzerland and the EU signed an agreement that provides for exchange of information on tax evasion, so that EU

citizens, there are some nuances.

As Russia, Ukraine and other CIS countries from outside the EU, the situation on the exchange of information, it was not covered. Direct agreement between Russia and Switzerland also does not involve such an exchange. Moreover - the exchange of information implies, even for citizens of EU and U.S. information only about personal accounts and not in any way relate to the corporate accounts of companies.

### TAXES.

Corporate profits - a resident of Switzerland, including dividends, interest, royalties, and gains from sale of fixed assets subject to tax corporate income tax. For clarity, a company recognized as a tax resident of Switzerland, if it is established in this State, has a permanent establishment or effectively managed and controlled in Switzerland. In general, the tax base of Swiss corporate tax generated by the rules, similar to Russian. That is the company's revenues are reduced by the amount of reasonable expenses.

Corporate tax rate consists of two parts. The federal portion is charged at a flat rate of 8.5 percent. However, in accordance with existing rules, the tax is not calculated to profit, and is extracted from it. Therefore, the effective tax rate is 7.83 percent.

*For example, when determining the amount of income tax from 100 Swiss francs should use the following calculation: 100 Swiss Francs:  $108.5\% \times 8.5\% = 7.83$  Swiss francs. Which corresponds to an effective rate of 7.83 percent. Cantonal or municipal rates vary in each canton.*

*The lowest regional corporate tax rates have set the cantons of Appenzell Auserroden and Obwalden - 6 percent (see table 1).*

*Thus, we can say that the overall effective corporate tax rate in Switzerland varies from 12,7 (100%:  $(100\% + 8.5\% + 6\%) \times (8,5\% + 6\%)$ ) to 24,2 per cent, depending on the canton and municipality finding taxpayers.*

*The average value in 2008 was 19,2 percent.*

Table 1: "The size of the corporate tax on the cantons for 2008 \*

<b>Table 1: "The size of the corporate tax on the cantons for 2008 *</b>		Name of the canton
<a href="#">Appenzell Ausserrhoden (Appenzell Ausserrhoden)</a>	12,7	<a href="http://www.ar.ch">http://www.ar.ch</a>
<a href="#">Obwalden (Obwalden)</a>	12,7	<a href="http://www.ow.ch">http://www.ow.ch</a>
<a href="#">Schwyz (Schwyz)</a>	14,7	<a href="http://www.sz.ch">http://www.sz.ch</a>
<a href="#">Appenzell Inner Rhodes (Appenzell Innerrhoden)</a>	14,8	<a href="http://www.ai.ch">http://www.ai.ch</a>
<a href="#">Nidwalden (Nidwalden)</a>	14,9	<a href="http://www.nw.ch">http://www.nw.ch</a>
<a href="#">Schaffgauzen (Schaffhausen)</a>	16	<a href="http://www.sh.ch">http://www.sh.ch</a>
<a href="#">Zug (Zug)</a>	16,1	<a href="http://www.zug.ch">http://www.zug.ch</a>
<a href="#">Uri (Uri)</a>	16,3	<a href="http://www.ur.ch">http://www.ur.ch</a>
<a href="#">Thurgau (Thurgau)</a>	17	<a href="http://www.tg.ch">http://www.tg.ch</a>
<a href="#">St. Gallen (St. Gallen)</a>	18,8	<a href="http://www.sg.ch">http://www.sg.ch</a>
<a href="#">Grisons (Graubünden)</a>	18,9	<a href="http://www.gr.ch">http://www.gr.ch</a>
<a href="#">Lucerne (Luzern)</a>	18,9	<a href="http://www.lu.ch">http://www.lu.ch</a>
<a href="#">Glarus (Glarus)</a>	20,6	<a href="http://www.gl.ch">http://www.gl.ch</a>
<a href="#">Basel Village (Basel-Landschaft)</a>	20,7	<a href="http://www.baselland.ch">http://www.baselland.ch</a>
<a href="#">Ticino (Ticino)</a>	20,8	<a href="http://www.ti.ch">http://www.ti.ch</a>
<a href="#">Jura (Jura)</a>	21,1	<a href="http://www.ju.ch">http://www.ju.ch</a>
<a href="#">Zurich (Zürich)</a>	21,2	<a href="http://www.zh.ch">http://www.zh.ch</a>
<a href="#">Valais (Valais)</a>	21,5	<a href="http://www.vs.ch">http://www.vs.ch</a>
<a href="#">Fribourg (Fribourg)</a>	21,6	<a href="http://www.fr.ch">http://www.fr.ch</a>
<a href="#">Bern (Bern)</a>	21,7	<a href="http://www.be.ch">http://www.be.ch</a>
<a href="#">Aargau (Aargau)</a>	22	<a href="http://www.ag.ch">http://www.ag.ch</a>
<a href="#">Neuchâtel (Neuchâtel)</a>	22,2	<a href="http://www.ne.ch">http://www.ne.ch</a>
<a href="#">Solothurn (Solothurn)</a>	22,8	<a href="http://www.so.ch">http://www.so.ch</a>
<a href="#">In (Vaud)</a>	23,6	<a href="http://www.vd.ch">http://www.vd.ch</a>
<a href="#">Basel City (Basel-Stadt)</a>	24	<a href="http://www.bs.ch">http://www.bs.ch</a>
<a href="#">Geneva (Genève)</a>	24,2	<a href="http://www.ge.ch">http://www.ge.ch</a>

\* The table is prepared based on the tables of KPMG Switzerland: [http://www.kpmg.ch/docs/20080910\\_Corporate\\_Tax\\_Rate\\_Survey\\_2008.pdf](http://www.kpmg.ch/docs/20080910_Corporate_Tax_Rate_Survey_2008.pdf)

It turns out that the Swiss minimum rate of 12.7 percent is almost twice as low as in effect in 2008 Russia's tax rate, while in most cases, corporate tax will not apply to the company's revenues, and federal can be minimized by conventional methods.

Dividends. With regard to the taxation of dividends, the Swiss company that they pay, as a general rule must withhold tax at source at a rate of 35 percent (Law of 10.13.1965 "About the tax at source). Regardless of whether a recipient of such amounts resident status or not.

Recipient of the dividends, which is a resident of Switzerland, including amounts received in the taxable base for corporate tax. At the same time to avoid double taxation, legal entities - residents can receive a refund of withheld taxes from them. Non-residents withholding tax withheld at source, non-refundable, but its amount may be reduced in accordance with international tax agreements, of Switzerland. The decrease may be effected by the return or offset the tax withheld on account of the sums which the founder has to pay into the budget of his country.

For companies resident in Switzerland, receiving dividends, there is one indulgence. Organization can not pay the federal portion of the corporate tax rate (7.83 percent) to those amounts, if she has signs of a qualified participation. In this case, the share of the parent organization in the capital of a subsidiary company shall be not less than 20 percent, or the market value of such participation shall not exceed two million Swiss francs (about 2 small. Dollars.). Since 2011, these limits will be reduced to 10 per cent and 1 million Swiss francs (about 1 million dollars.) Respectively.

Interest. Note, in Switzerland there are rules on thin capitalization. For tax purposes, interest paid to the founder of the amount of debt that exceeds the size allowed shall be deemed a dividend. For example, for financial firms the maximum amount of debt is 6 / 7 (85.71%) of the market value of owned assets of the debtor. Interest on loans and royalties paid by both residents and nonresidents of Switzerland (except for those which are recognized by dividends), tax at source is not exempt.

### Taxation of income of individuals in SWITZERLAND

Unlike Russia, the Swiss pay the employer does not withhold tax. Worker himself at the end of the year must declare all their income and pay tax. However, in respect of foreign workers has

a system similar to that which exists in the CIS.

Income tax rate in Switzerland progressive. The maximum rate at the federal level - 11.5 percent. Depending on income level and marital status, it can be reduced. At the regional level, rates are also progressive and range from 1 to 13 percent.

Social insurance contributions are funded on a 50/50 employer and employee. In this case, the employer transfers to the budget of the entire amount, keeping the proper half of the salary of the employee. Standard combined rate of contributions for social insurance is 12.1 percent.

### SPECIAL TAXES IN SWITZERLAND

The amount of tax on transfer of immovable property varies from 1 percent to 3 percent of the transaction. Moreover, a tax exempt not only the sale of real estate, but also a change of ownership on other grounds. For example, if the sale of shares of the company that owns the property. Some cantons do not levy this tax, such as Zurich.

Tax on the issuance of securities depends on their form. In particular, in respect of the shares applied rate of 1 percent of the amount of accommodation. If the shares are issued for amounts less than 1 million Swiss francs, the tax is not charged. With respect to the bond issue rate applies 0.06 or 0.12 percent from the loan amount annually until maturity.

Tax on transfer of securities bumagv for Swiss securities is calculated at a rate of 0.15 percent of the amount of the transaction, foreign - 0,3 percent. Implementation of Eurobonds and bonds denominated in foreign currency, is exempt from it.

### TAX BENEFITS DEPEND ON TYPE OF COMPANIES

Widely known in the world tax incentives provided by law in Switzerland from 14.12.1990 &quot;On the harmonization of direct taxation of the cantons and municipalities.&quot; Their use depends on the type of company.

Domiciled, and mixed (Domiciliary and Mixed Companies, in some cantons - Auxiliary Companies) said the company, operating entirely abroad or mainly outside Switzerland. Their income derived from foreign sources is taxed at reduced rates at the level of cantons and municipalities (reduction can reach 70-90 per cent). In addition, dividends from a qualified participation exempt from taxation. Basically, these companies use as an international trading companies, holding companies, holders of intellectual property, operating outside the market in Switzerland.

Holding companies (Holding Companies) can be completely exempt from cantonal and municipal corporate tax, including exemption from taxation of income from financial participation. At the federal level, the complete liberation of these companies is not available - it is limited to only release the proceeds of a qualified participation.

Service Companies (Service Companies), as a rule, provide services to multinational groups in the coordination and management: technical, administrative and scientific support, including conducting research, and services promotion. Liberation at the cantonal and municipal level are provided similar to domicile and mixed companies.

Company-principal (Principal Companies) is a Swiss company that is part of an international group, if it accepts the risks and liabilities for certain types of activities: acquisition, planning, research and development, production and distribution, development of marketing strategies, logistics, finance and administration. For such structures, Swiss law allows a lower total tax rate of corporate tax up to 5 - 10 percent, or may remove him for a period of 10 years.

### INTERNATIONAL TAX RELATIONS SWITZERLAND EXTENSIVE

Switzerland has concluded 75 agreements on avoidance of double taxation, including from countries that are recognized tax havens and offshore. Among the partners of this country can be distinguished British Virgin Islands, Liechtenstein, Luxembourg, Netherlands, Belize, UK, Germany, Italy, as well as former Soviet countries: Russia, Ukraine, Belarus, Estonia, Latvia, Lithuania, Kazakhstan, Kyrgyzstan, and Uzbekistan. С действующими соглашениями, которые доступны на французском и немецком языках, можно ознакомиться на сайте налоговой администрации Швейцарии <http://www.estv.admin.ch> .

В качестве мер по борьбе с налоговыми злоупотреблениями, швейцарские компании, контролируемые нерезидентами, обязаны распределять не менее 25 процентов своих пассивных доходов в качестве дивидендов. Ведь в этом случае эти суммы попадут под налогообложение по ставке 35 процентов. Кроме того, такие компании могут воспользоваться преимуществами межгосударственных соглашений в отношении дивидендов, процентов или роялти из иностранных источников только в том случае, если их налогооблагаемый доход из источников в Швейцарии достигает как минимум половины пассивного дохода из иностранных источников.

Однако эти положения не действуют в отношении иностранных компаний, ведущих активную коммерческую деятельность, холдинговых компаний, а также компаний, более половины акций которых котируются и регулярно торгуются на фондовой бирже.

Помимо соглашений об избежании двойного налогообложения, Швейцарией и Европейским сообществом в 2004 году было заключен договор, который предусматривает отмену налога у источника при выплате дивидендов между взаимозависимыми компаниями, расположенными в разных государствах ЕС, а также устранение двойного налогообложения материнских компаний по доходам, полученным от дочерних фирм.