

Glossary of Swiss business law

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Swiss law uses German, French and Italian terms that have no exact English equivalent. This glossary explains the terms you will meet most often when doing business in Switzerland.

AG / SA (Aktiengesellschaft / société anonyme)

Company limited by shares; minimum share capital CHF 100,000 (Art. 620 ff. OR).

GmbH / Sàrl

Limited liability company; minimum capital CHF 20,000; members are entered in the commercial register (Art. 772 ff. OR).

Commercial register (Handelsregister)

Public cantonal register of companies, their officers and authorised signatories; entries are published in the Swiss Official Gazette of Commerce (SOGC).

Capital band (Kapitalband)

Authorisation of the board to increase or reduce the share capital within a range of up to 50 per cent for up to five years (Art. 653s ff. OR).

Capital contribution reserves (Kapitaleinlagereserven)

Reserves from shareholder contributions; they can be repaid free of withholding tax (Art. 5 para. 1^{bis} VStG).

Participation deduction (Beteiligungsabzug)

Relief from profit tax on dividends and gains from qualifying participations (Art. 69 f. DBG).

Withholding tax (Verrechnungssteuer)

Federal tax of 35 per cent on dividends and bond interest, refundable to residents and reduced under double taxation treaties (VStG).

Stamp duty (Stempelabgabe)

Federal duty on the issue of equity (1 per cent above CHF 1 million) and on securities transactions through Swiss dealers (StG).

VAT (Mehrwertsteuer)

Value added tax; standard rate 8.1 per cent since 1 January 2024.

Canton and commune

The 26 cantons and their communes levy their own income, wealth and profit taxes; rates differ considerably.

FINMA

Swiss Financial Market Supervisory Authority; licenses and supervises banks, insurers, securities firms and fund managers.

SECO

State Secretariat for Economic Affairs; responsible, among other things, for sanctions and export control.

FTA / ESTV

Federal Tax Administration; levies withholding tax, stamp duty and VAT and supervises federal income tax.

AMLA / GwG

Anti-Money Laundering Act; sets the due diligence duties of banks and other financial intermediaries.

FinSA / FIDLEG

Financial Services Act; governs the offering of financial instruments and the prospectus.

FMIA / FinfraG

Financial Market Infrastructure Act; governs exchanges, disclosure of shareholdings, takeovers and market abuse.

Lump-sum taxation (Pauschalbesteuerung)

Taxation of foreign nationals who do not work in Switzerland on the basis of their expenditure (Art. 14 DBG).

DLT securities (Registerwertrechte)

Rights recorded on a blockchain that can be transferred only through the ledger (Art. 973d ff. OR).

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

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