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## Doing Business in Switzerland

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### Market Overview

Switzerland has an affluent and cosmopolitan population of 8.54 million people (2018). Foreign nationals comprise approximately 25 percent of the population. Its gross domestic product (GDP) was \$724.925 billion in 2018. Ranked by the World Intellectual Property Organization as the most innovative country in the world and among the countries with the highest spending on R&D as a percentage of GDP, Switzerland is ideally positioned to continue to punch well above its weight in global trade and investment.

The United States and Switzerland enjoy stable and robust trade relations with total exports of U.S. goods amounting to \$17.9 billion in 2019. Services constitute another significant portion of the bilateral trade relationship. In 2019, the U.S. exported to Switzerland over \$46.8 billion in services, predominately business services and intellectual property licenses. In terms of total trade, the United States is Switzerland's second largest trading partner, preceded by Germany and followed by the UK. The United States is the single most important country of origin of foreign direct investment in Switzerland, according to the Swiss National Bank. Total U.S. direct investment in Switzerland at the end of 2019 was valued at \$229 billion. U.S. companies employ approximately 90,000 workers in Switzerland.

Boasting a highly automated and efficient manufacturing sector, Switzerland consumes and produces high-quality, value-added industrial and consumer goods, and shows strong market demand for high-quality products with competitive prices. Beyond manufacturing, Switzerland is known for its top-tier pharmaceutical and financial industries.

Many U.S. firms base their European or regional headquarters in Switzerland, drawn to its world-class infrastructure, business-friendly legal and regulatory environment, low corporate tax rates, and excellent human capital. Its well-regarded vocational education system has been instrumental in cultivating a highly educated, reliable, and flexible workforce that has helped make Switzerland an attractive location for businesses. Switzerland's multilingual and multicultural population can present business strategy and marketing challenges, yet these elements make Switzerland a good potential test market to determine the viability of products for export and make Switzerland a hub for international business activities.

### Market Challenges

The Swiss market is sophisticated, quality-conscious, and competitive. Many consumers prefer to buy Swiss products and Swiss brands that they associate with high quality, even if these items are more expensive than comparable foreign goods. This is especially true for agricultural goods, which can make it challenging for foreign agricultural products to compete in the Swiss market. Currently, the government imposes high tariffs on agricultural goods such as dairy and meat to protect domestic farmers; tariff rates on non-agricultural goods are much lower. Switzerland has generally harmonized its regulations and standards with those of the EU, with some exceptions for pharmaceuticals, detergents, and chemicals.

### Market Opportunities

Switzerland's skilled labor force and high productivity often justify the country's high salaries (\$82,000 on average in 2019). Products with relatively advanced technologies have the best prospects for gaining entry into the Swiss market. For example, the high concentration of computer and internet usage per capita makes Switzerland a sophisticated market for U.S. technology products. Switzerland is an ideal test market for new high-tech and consumer products and is strategically placed as a gateway to EU markets. Switzerland is one of the world's top countries for R&D, with further potential for partnerships in areas like biotech, medtech, nanotech, and renewable energy. The

significant assets under Swiss management pooled from around the world, as well as Swiss financial technology (fintech) talent and experience may be a draw for U.S. financial service providers

### **Market Entry Strategy**

Swiss market entrants should carefully evaluate their prospective partner's technical qualifications and ability to cover the German-, French-, and Italian-speaking regions in the country. Working directly with Swiss importers and distributors may ease market penetration. Early market entry allows businesses to gain and maintain a competitive edge by establishing long-term relationships. Businesses offering high quality and environmentally friendly products and ready to meet customer's needs, which may include selling in small volumes, are best poised for success in Switzerland.

## Leading Sectors for U.S. Exports and Investment

### Aerospace and Defense

This is a best prospect industry sector for Switzerland.

#### Overview

U.S. imports generally account for 30-50% of Swiss imports in the Aerospace and Defense sector. Further opportunities for U.S. exporters exist, as the Swiss Defense Ministry relies on cooperation and expertise from foreign companies, and Swiss aerospace and defense companies are generally open to broadening their base of U.S. suppliers.

Local production of Aerospace and Defense related products amounts to over \$3 billion. RUAG, a state-owned enterprise currently undergoing a partial privatization, is a primary supplier to the Swiss armed forces. As of January 1, 2020, RUAG split into two companies – MRO Switzerland, which will continue to serve the Swiss armed forces, and RUAG International, which will focus on international sales related to space, aerospace, ammunition manufacturing, and other products and services in the civil and international sectors. Switzerland's sole aircraft maker, Pilatus Aircraft, develops and produces high-performance single-engine turboprops and private business jets. Approximately 30 Swiss manufacturers are involved in the development, production, and assembly of structural components, systems integration and services for aircraft, helicopter, and defense systems, and civilian aeronautics and space technology.

<i>(In million USD)</i>	2016	2017	2018	2019
Total Local Production <sup>1</sup>	2,720	3,026	3,160	3,192
Total Exports <sup>2</sup>	2,154	2,181	2,110	2,437
Total Imports <sup>2</sup>	4,088	3,091	3,423	2,851
Imports from the US <sup>2</sup>	2,656	1,113	1,143	1,437
Total Market Size	4,654	3,936	4,473	3,606
Exchange Rates Applied	0.985	0.985	0.978	0.994

(total market size = total local production + imports - exports)

<sup>1</sup> Estimate includes RUAG's net sales and sales of Pilatus Aircraft as a proxy for local production in the Aerospace and Defense sector.

<sup>2</sup> Includes Aerospace products (HS Code 88) and arms and ammunition (HS Code 93) as a proxy for defense goods, per the UN Comtrade database.

#### Leading Subsectors

Fighter jets, weapon systems, military vehicles, and high-tech and innovative solutions linked to the defense or aerospace.

#### Opportunities

Opportunities exist for innovative U.S. suppliers in the field of aerospace and defense. Notably, the Swiss Defense Ministry is planning the acquisition of 36 to 40 fighter jets and a ground-based air defense (GBAD) system as of part of its "Air2030" program, and has allocated a budget estimated at \$6 billion for the aircraft alone. Aircraft and systems under consideration include Boeing's F/A-18 Super Hornet, Lockheed Martin's F-35A, and Raytheon's Patriot systems. There will be a popular vote on the planned fighter jet acquisition program on September 27, 2020, but

voters will not decide on a manufacturer. Unlike the fighter jets, the ground-to-air defense system will not be subject to a popular vote.

### **Web Resources**

Air2030: <https://www.vbs.admin.ch/de/verteidigung/schutz-des-luftraumes.html>

Paris Air Show: <https://www.siae.fr/en/>

General Terms and Conditions for RUAG companies: <https://www.ruag.com/en/general-terms-and-conditions>

Federal Office of Civil Aviation (FOCA): <https://www.bazl.admin.ch/bazl/en/home.html>

Swiss Aerospace Cluster: [https://swiss-aerospace-cluster.ch/?sf\\_paged=2](https://swiss-aerospace-cluster.ch/?sf_paged=2)

## Automotive

### Overview

U.S. automotive suppliers may export to one of the 300 Swiss companies (e.g., Autoneum, AMS, Mikron), that supply the global automotive industry. With no domestic automobile production, Swiss automotive component producers, often in niche areas, are closely linked to German automotive supply chains.

In 2019, Switzerland had over 6.2 million registered vehicles, up 34% compared to 2000. About 2.1% of the working population in Switzerland is involved in the sale and after-sales services of cars in Switzerland. More than 90% of imported cars enter the market through agents that trade exclusively in a particular brand. Certain cars with limited demand, including some U.S. models, may only be available upon request from an importer or through individual importation. In 2019, the automakers with the highest market share in Switzerland included Volkswagen (11.1%), Mercedes (8.6%), BMW (8%), Skoda (7.7%) and Audi (6%). A growing proportion of newly registered vehicles have four-wheel drive capability, popular given mountainous terrain and winter driving conditions. Sales of electric and hybrid vehicles are also growing strongly. Of the 312,902 new vehicles for personal transport registered in 2019, 8.4% were hybrid vehicles, representing 71% growth in sales from 2018. Sales of purely electric vehicles were up 144% compared to 2018, representing 4.2% of new cars registered.

<i>(In million USD)</i>	2015	2016	2017	2018 (Estimated)
Total Local Production <sup>1</sup>	766	678	644	662
Total Exports <sup>2</sup>	2154	2195	2353	2653
Total Imports <sup>2</sup>	13625	13333	13623	14024
Imports from the US <sup>2</sup>	831	822	802	838
Total Market Size	12237	11816	11914	12033
Exchange Rates applied	0.963	0.985	0.985	0.978

(total market size = total local production + imports - exports)

<sup>1</sup>Swiss gross value-added automotive and parts production according to <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.9546390.html>. The growth rate for local production for 2018 was estimated at 2.8%, in line with overall GDP growth for the year.

<sup>2</sup>Imports and exports of motor vehicles and parts (HS Code 8702, 8703, 8704, 8706, 8707, 8708, 8711) as well as engines (8407, 8408), per the UN Comtrade database.

### Leading Subsectors

All products and services aimed at suppliers of the automotive industry.

### Opportunities

Opportunities for U.S. companies exist in the following areas: engines, exhaust, fuel and cooling systems, drivetrains and gearboxes, steering and chassis, brake systems and wheels, safety systems, and electronics.

### Web Resources

Swissmem (association of the Swiss mechanical and electrical engineering industries) provides a list of Swiss automotive suppliers: [www.swissmem.ch](http://www.swissmem.ch)



Swiss Federal Roads Office (FEDRO): [www.astra.admin.ch](http://www.astra.admin.ch)

Swiss Motor Trade Association: [www.agvs.ch](http://www.agvs.ch)

Geneva's annual International Motor show: [www.gims.swiss](http://www.gims.swiss)

## Education

This is a best prospect industry sector for Switzerland.

### Overview

Swiss public spending on education above OECD averages and strong purchasing power offer opportunities for U.S. companies in the education sector. Switzerland's decentralized educational system devolves many purchasing decisions to the cantons and municipalities. Regional, linguistic and cultural differences play an important role in the procurement of goods and services related to education.

<i>(In million USD)</i>	2015	2016	2017	2018 (Estimated)
Total Local Production <sup>1</sup>	3942	3929	3979	4091
Total Exports <sup>2</sup>	142	152	166	132
Total Imports <sup>2</sup>	534	532	539	559
Imports from the US <sup>2</sup>	14	15	17	15
Total Market Size	4334	4309	4352	4518
Exchange Rates Applied	0.963	0.985	0.985	0.978

(total market size = total local production + imports - exports)

<sup>1</sup>Swiss gross value-added in the education and training sector per: <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.9546390.html>. 2018 estimate is based on a 2.8% growth assumption, in line with overall GDP growth for the year.

<sup>2</sup>Goods include instruments for demonstrational purposes (HS Code 9023) and printed books (HS Code 4901), per the UN Comtrade database.

### Leading Subsectors

Educational travel (amounting to about \$78 million per year according to <https://apps.bea.gov/iTable/iTable.cfm?reqid=62&step=9&isuri=1&6210=4>).

### Opportunities

Opportunities for U.S. companies exist in education technology, software, instruments for demonstrational purposes, and educational travel.

### Web Resources

Website on the Swiss educational system: <http://www.edk.ch/dyn/11910.php>

Swiss Trade Fair on education (Swissdidac / Worlddidac): <https://www.swissdidac-bern.ch/sdd-de.aspx>

## Energy

This is a best prospect industry sector for Switzerland.

### Overview

Switzerland's overall energy consumption in 2019 included petroleum products (49%), electric power (25%), natural gas (14%), and wood and coal (5%). Switzerland is nearly self-sufficient in electricity production and the country trades actively on the European energy grid. In 2019, more than 600 hydroelectric plants generated 56% of electricity consumed in Switzerland. Its five nuclear plants generated another 35% of electricity consumed in Switzerland, but also export approximately two-thirds of their total production. Switzerland will decommission its nuclear power plants over time by taking them offline at the end of their current expected lifespan. The first plant, Muehleberg, was taken offline in December 2019. Under Switzerland's Energy Strategy 2050, Switzerland intends to nearly triple output from non-hydro renewable sources such as wind and solar by 2035. Switzerland is embedded in the European energy grid via its national grid manager (Swissgrid) which links Switzerland to France, Germany, Italy, and Austria.

<i>(In million USD)</i>	2015	2016	2017	2018 (Estimated)
Total Local Production <sup>1</sup>	9878	8102	8295	8527
Total Exports <sup>2</sup>	4843	4299	4440	5069
Total Imports <sup>2</sup>	8403	6651	8013	9238
Imports from the US <sup>2</sup>	365	514	426	434
Total Market Size	13438	10454	11868	12696
Exchange Rates Applied	0.963	0.985	0.985	0.978

(total market size = total local production + imports - exports)

<sup>1</sup> Swiss gross value-added in the energy supply sector per:

<https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.9546390.html>. For 2018, assumed growth rate of 2.8% in line with overall GDP growth.

<sup>2</sup> Includes goods linked to electric power including hydro, nuclear, wind and solar power (HS Codes 8401, 8402, 8410, 8411, 8502, 8541), as well as crude oil, refined petroleum, natural gas and electricity (HS Codes 2709, 2710, 2711 and 2716), per the UN Comtrade database.

### Leading Subsectors

Renewables in general, smart energy grids, petroleum (crude and refined).

### Opportunities

With Switzerland's five nuclear power plants to be decommissioned between 2019 and 2034, services related to decommissioning may offer opportunities for U.S. companies, including spent nuclear fuel storage systems. Renewables such as hydropower, solar power, and wind power will be further increased, while the development of a smart energy grid may also offer opportunities for U.S. companies. U.S. crude oil and refined petroleum also offer opportunities in the Swiss market.

## **Web Resources**

Swiss Federal Office of Energy: <https://www.bfe.admin.ch/bfe/en/home.html>

Switzerland's national grid company (Swissgrid): [www.swissgrid.ch](http://www.swissgrid.ch)

Association of Swiss Electricity Companies: [www.strom.ch](http://www.strom.ch)

Energy Strategy 2050: <https://www.uvek.admin.ch/uvek/en/home/energy/energy-strategy-2050.html>

## Equipment and Machinery

This is a best prospect industry sector for Switzerland.

### Overview

U.S. companies producing equipment and machinery (including ICT equipment) may find opportunities to supply Switzerland's global corporations in the pharmaceutical (Novartis, Roche), chemical (Syngenta, Clariant, Firmenich, Givaudan), machinery (ABB), food processing (Nestlé), financial (UBS, Credit Suisse, Zurich Insurance, SwissRe) and commodity trading (Glencore, Mercuria) sectors, or small and medium enterprises requiring high tech machinery and equipment.

<i>(In million USD)</i>	2015	2016	2017	2018 (Estimated)
Total Local Production <sup>1</sup>	41820	39190	38687	39771
Total Exports <sup>2</sup>	35058	34593	35967	37749
Total Imports <sup>2</sup>	31340	30964	33026	34981
Imports from the US <sup>2</sup>	1540	1561	1680	1625
Total Market Size	38102	35561	35746	37003
Exchange Rates Applied	0.963	0.985	0.985	0.978

(total market size = total local production + imports - exports)

<sup>1</sup>Swiss gross value-added in the sectors of electrical equipment, mechanical engineering, equipment repair, data processing equipment, and watches per: <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.9546390.html>. For 2018, assumed growth rate of 2.8% in line with overall GDP growth.

<sup>2</sup>Includes goods in the category of machinery (HS Codes 84 and 85), per the UN Comtrade database.

### Leading subsectors

Automatic data processing machines, turbines, electric apparatus for telecom.

### Opportunities

Opportunities exist in the leading subsectors including in the field of laboratory equipment, batteries, and pumps. ICT related services (also partially reflected in HS Code 85) include cloud computing (including software from the cloud), cyber security, the construction of data centers, blockchain applications, Internet of Things, Big Data, Health IT, Agro IT and Artificial Intelligence.

### Web Resources

Association of the Swiss mechanical and electrical engineering industries (Swissmem): [www.swissmem.ch](http://www.swissmem.ch)

Cluster for precision industry: <http://www.cluster-precision.ch/en/>

## Healthcare

This is a best prospect industry sector for Switzerland.

### Overview

Swiss healthcare spending reached 11.9% of GDP in 2018, according to the OECD, higher than any other European country. There are opportunities for U.S. companies offering innovative medical technology (medtech) and pharmaceutical products to the Swiss market. U.S. companies may also find opportunities to supply global pharma companies based in Switzerland, including Novartis and Roche. An abundance of smaller entities and various medtech companies are active as manufacturers, suppliers, service providers, and sales companies. About 46,000 employees work directly for the Swiss pharmaceutical industry and another 55,000 work in the medtech industry.

<i>(In million USD)</i>	2015	2016	2017	2018 (Estimated)
Total Local Production <sup>1</sup>	35816	36303	37125	38164
Total Exports <sup>2</sup>	63683	70744	73924	79248
Total Imports <sup>2</sup>	23710	26705	30786	32229
Imports from the US <sup>2</sup>	4300	4670	4346	4374
Total Market Size	-4157	-7736	-6013	-8855
Exchange Rates Applied	0.963	0.985	0.985	0.978

(total market size = total local production + imports - exports)

<sup>1</sup>Swiss gross value-added in the sectors of education and training as outlined in <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.9546390.html>. Figures for 2018 assume 2.8% growth, in line with GDP.

<sup>2</sup> Estimates include pharmaceutical products (HS Code 30) and med tech products (HS Code 9018), per the UN Comtrade database.

### Leading Subsectors

Drugs, instruments and appliances used in medical, surgical, dental or veterinary sciences, drugs in general, human and animal blood, vaccines, and bandages.

### Opportunities

Opportunities for U.S. suppliers delivering the Swiss market include all leading subsectors.

### Web Resources

Swiss Agency for Therapeutic Products (Swiss government agency regulating the Swiss market access): [www.swissmedic.ch](http://www.swissmedic.ch)

Association of pharmaceutical companies doing research in Switzerland (interpharma): [www.interpharma.ch](http://www.interpharma.ch)

Business Association Chemistry Pharma Biotech (scienceindustries Switzerland): <https://www.scienceindustries.ch/>

IFAS trade fair in Zurich (October 20 to 23, 2020): <http://www.ifas-messe.ch/en/trade-fair>

ILMAC trade fair in Basel with a focus on lab equipment (September 24 to 27, 2019): <https://www.ilmac.ch/de-CH.aspx>

## **Travel and Tourism**

This is a best prospect industry sector for Switzerland.

### **Overview**

U.S. companies have opportunities to offer travel services to Swiss travelers, who are frequent visitors to the United States and have strong purchasing power. In 2019, U.S. companies offered \$1.8 billion in travel services to Swiss travelers, while U.S. travelers spent \$1.25 billion for trips to Switzerland.<sup>1</sup> In 2019, over 400,000 Swiss travelers visited the United States.<sup>2</sup> Most travel services provided to Swiss visitors are related to personal travel.

<sup>1</sup> Source: U.S. Trade in Services, by Type of Service and by Country or Affiliation: ([https://www.bea.gov/iTable/index\\_ita.cfm](https://www.bea.gov/iTable/index_ita.cfm))

<sup>2</sup> Source: Visit USA [https://www.vusa.ch/economic\\_data\\_en.php#us\\_travel](https://www.vusa.ch/economic_data_en.php#us_travel)

Note: detailed data on travel and tourism are not available from Swiss sources.

### **Leading Subsectors**

Transportation, accommodation, rental vehicles.

### **Opportunities**

Opportunities exist in all subsectors.

### **Web Resources**

Swiss Travel Agencies Association: <https://www.srv.ch>

Swiss Travel Association of Retailers: <https://star.ch/>

The visit USA Committee: <https://www.visittheusa.com/>

Travel Inside (Swiss trade magazine for tourism): <https://abouttravel.ch/reisebranche/>



## **Customs, Regulations and Standards**

### **Trade Barriers**

Switzerland generally meets its commitments under WTO and bilateral agreements, making it a desirable market for U.S. products and services. Switzerland has signaled its interest in pursuing a potential free trade agreement (FTA) with the United States.

However, some barriers to trade still remain in a select few areas that present limitations to U.S. market opportunities in Switzerland and of which U.S. businesses should be aware. Swiss agriculture is highly subsidized and regulated, with price controls, import restrictions, tariff rate quotas, and tariffs all supporting domestic production. Recently there have been signs that Switzerland is willing to reduce agricultural barriers somewhat. Under a proposed free trade agreement between the European Free Trade Association (EFTA, of which Switzerland is a member) and the Mercosur states of South America, Switzerland has signaled a willingness to introduce more generous tariff rate quotas than previously.

Imports of nearly all agricultural products, particularly those that compete with Swiss products, are subject to seasonal import duties, tariff rate quotas, and import licensing. U.S. agricultural product access to the Swiss market further faces challenges from restrictive standards of some private sector actors and certain government regulations.

Switzerland also has a strict regulatory regime for agricultural biotechnology products. In order for biotech food or animal feed products to be imported and sold on the Swiss market, they must undergo a lengthy approval process. In addition, labeling is required for products containing biotech ingredients or derived from such ingredients. A moratorium on planting biotechnology crops and marketing agricultural biotechnology animals is currently scheduled to remain in force through the end of 2021.

A continuing obstacle for certain U.S. exporters, particularly those of high-value products, is the food retailing system. Two retail giants, Migros and Coop, account for nearly 70% of grocery sales and dominate the Swiss food retail market. U.S. exporters are disadvantaged because the two food chains emphasize their own store brand products and favor products from their own processing plants over international brands. Another barrier for U.S. brands represented by these major retail chains is their policy not to sell foods produced with agricultural biotechnology.

In January 2017, the U.S. and Swiss governments concluded the U.S.-Swiss Privacy Shield Framework to provide companies a mechanism to comply with Swiss data protection requirements when transferring personal data from Switzerland to the United States. U.S. companies have been able to submit self-certifications since April 12, 2017. The Swiss-U.S. Privacy Shield aligns with the EU-U.S. Privacy Shield, and replaces the previous U.S.-Swiss Safe Harbor Framework. It is not yet clear how a July 2020 ruling by the European Court of Justice regarding the U.S.-EU Privacy Shield framework will affect the similar Swiss-U.S. mechanism.

Some Swiss sectors operate under state or cantonal monopoly, such as long-distance rail transportation, delivery of letters up to 50 grams, some types of property insurance, and the production and importation of salt, though Switzerland's growing trend towards liberalization has removed many barriers to competition in automotive, electrical, telecommunications, and postal industries.

### **Import Tariffs**

Swiss customs duties are generally "specific" rather than "ad valorem". Duties vary according to the item imported. Swiss customs use the Harmonized System (HS) for the classification of goods. Customs duties are levied per 100 kilograms of gross weight, unless some other method of calculation is specified in the tariff (e.g., per unit, per meter, per liter). The gross dutiable weight includes the actual weight of the goods and their packaging, including the weight of any fixing material and supports on which the goods are placed. More information in English can be found on the homepage of the [Swiss Customs Office](#) (Eidgenössische Zollverwaltung).

Switzerland tends to impose low tariff rates on overall imports. In 2018 the trade-weighted average applied rate was 2%, according to the WTO. However, this includes a large volume of trade duty free with the European Union, European Free Trade Association, and other partners with whom Switzerland has bilateral free trade agreements. The simple average most-favored nation (MFN) rate was 6.0% in 2018. While non-agricultural goods from MFN countries only faced a simple average tariff rate of 1.7% in 2018, duties of 32.4% were applied to agricultural goods, and rising as high as 138.9% for dairy products. Agricultural goods that are not produced domestically in Switzerland usually have lower tariffs, such as coffee and tea (3.7%), or fish and fish products (0.2%).

For detailed information in English on tariff rates on a good from a given country, please consult the [Swiss Customs-Tares database](#).

## Import Requirements and Documentation

The requirements that govern goods imported into Switzerland and their corresponding documents vary depending on the type of product in question. Separate agencies oversee the various approval processes. For information on the documentation needed to transport goods across the borders of Switzerland during customs clearance, please refer to the “Customs Regulations” section of this chapter.

Two different scenarios apply for products to be placed on the market in Switzerland:

1. Under the “[Cassis de Dijon principle](#),” products that have already been introduced legally in markets of the EU or the European Economic Area (EEA) may be legally introduced in Switzerland, apart from certain exceptions published in a “negative list” to this principle. Similarly, products may be introduced in Switzerland if they fall under the scope of a mutual recognition agreement (MRA) with the EU, EEA, European Free Trade Association (EFTA), Turkey, or Canada.
2. Products that do not fall under the scope of an MRA or the Cassis de Dijon principle must comply with Swiss technical regulations to be placed on the Swiss market. The [State Secretariat for Economic Affairs Portal of Swiss technical regulations](#), available in English, provides information on the relevant regulations.

Many agricultural products require “[general import permits](#)” (GIPs), which are issued by the Federal Office of Agriculture (FOAG) without charge. They are valid indefinitely and are non-transferrable. Goods such as meat, herbs, fruits, vegetables, potatoes, and dairy products may be subject to tariff rate quotas, and obtaining a GIP is a prerequisite for a producer to be eligible for inclusion in the quota. Animals and animal products must be inspected by the [veterinary border service](#) on import or during transit. Some plants and plant products require a plant passport issued by FOAG, or even an import permit which is granted by the Food Safety and Veterinary Office (FSVO) in the case of protected plants.

Imported food must comply with applicable Swiss food regulations which are enforced by the FSVO. Switzerland and the U.S. concluded an organic food equivalency arrangement in 2015, whereby certified-organic products from the U.S. may be imported to Switzerland and maintain their organic status. Food produced through agricultural biotechnology is subject to strict authorization and marking requirements in Switzerland, especially if intended for consumption. No import authorization is needed for the importation of spirits, though alcohol duty, VAT, and customs duties still apply.

Information pertaining to import regulations of an array of industrial products (such as transportation equipment, machinery, chemicals, and medical equipment), cosmetics, weapons, pyrotechnics, and precious metals through the [State Secretariat for Economic Affairs’ \(SECO\) “Import Platform.”](#)

All goods imported into Switzerland, as well as all that transit through the country, must be declared to the Federal Customs Administration (FCA) via a written form or [online](#).

## Labeling and Marking Requirements

Product safety testing and certification is mandatory for the Swiss market. To enable the free movement of goods and services with the EU, Switzerland adheres to common EU standards. Switzerland and the EU concluded a

bilateral agreement on mutual recognition in relation to conformity assessment, which entered into force in 2002. In Switzerland, the Federal Act on Product Safety seeks to guarantee the safety of products and reduce technical trade barriers by harmonizing Swiss legislation with that of the European Union. Generally, labeling and marking requirements follow EU regulations (CE labeling); however, a CE marking is not required for a product made only for Swiss domestic use. The State Secretariat for Economic Affairs (SECO) coordinates the implementation of the Federal Act on Product Safety and more information can be found on their [webpage on product safety](#) (available in German, French and Italian).

Switzerland has stringent labeling requirements for food, including ingredients and health information, but also country of production and origin of ingredients. Full information can be found on the [Federal Food Safety and Veterinary Office](#) website. All foods and additives made from genetically modified organisms (GMOs) must be labeled as such.

## **U.S. Export Controls**

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "[Know Your Customer](#)" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has

authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the [e-CFR](#) (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

## Temporary Entry

Switzerland's Federal Customs Administration offers a temporary importation procedure for cases in which goods are used in Switzerland only for a limited period of time and which are not to be released into free circulation. Common purposes include exhibitions, tests and trials, sporting events, and professional and contractor equipment. This circumstance requires a "customs declaration for temporary admission" form (ZAVV) or the international customs document ATA Carnet (described below). In a temporary importation case, no import taxes are levied against the product, though a security deposit is collected in the amount of the applicable duty if the goods were to be permanently imported. Payment can be made in the form of a cash deposit or a surety bond. The deposit is ultimately refunded once the goods in question are re-exported in their entirety in the given time frame, which is generally two years.

Goods that can be "temporarily imported" must be exported un-altered. If the transporter wants to repair or process the goods, Swiss [inward processing procedures](#) allow for duty free importation. In some cases, the goods may be exempted from value added tax (VAT).

For goods transiting Switzerland, there are two main procedures: the Common Transit Procedure (CTP) and the Transports Internationaux Routiers (TIR) procedure. The CTP, an electronic procedure which allows for a simple and cost-efficient way to transport goods through multiple countries, is currently applied to road, rail, and air traffic in the EU and EFTA countries. A deposit must be paid in the country in which the procedure begins and will be refunded once the goods reach their destination. Upon initiating the procedure, the system generates a customs document that must accompany the goods until they reach their destination within the designated time frame. TIR functions similarly but encompasses more countries and only applies to road transportation. The TIR carnet functions as the customs document and must accompany the transit. In both cases, no transit duties or fees are levied.

The ATA carnet is another international customs document that can be used in Switzerland for the temporary importation, exportation, and transit of goods. With an ATA Carnet, no deposit must be paid upon entering the border, and the goods in question may be imported tax free for up to one year before re-export. Most often, the ATA carnet is used for goods for exhibitions and trade fairs, professional equipment, and commercial samples.

More detailed instructions in English on how to handle temporary entry goods and transit through Switzerland are available at the [Federal Customs Administration website](#).

## Prohibited and Restricted Imports

To find out whether a specific good is banned or restricted from import to Switzerland, consult the [Tares database](#).

Enter the HS code of a good and check to see if the "display details" page references a "permit obligation." If so, goods of the selected type may only be imported or exported with the specified permit.

The following is a non-exhaustive list of the types of items that face bans or restrictions for importation into Switzerland:

- Weapons: For the import, export, or transit of arms or ammunition, including components and accessories, you must present them to a Customs Office and register them.

- Objects containing precious metals: These must be reported to a Precious Metal Control Office.
- Counterfeit watches and jewelry
- Cultural property
- Therapeutic products and doping substances
- Narcotics
- Protected Animals and Plants - Switzerland abides by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (the CITES convention). Imports of CITES-protected animals, plants, and derived products require CITES export permits issued by CITES enforcement authorities of the country of origin, as well as permits from FSVO. Inspections of such goods will be carried out upon importation. Commercial importers who trade in products derived from CITES-protected species (furs, skins, tissue etc.) may apply for an open import license to avoid applying for a new import permit for every shipment.
- Hazardous chemicals and pesticides
- Waste material
- Ozone-depleting substances
- Pyrotechnics
- Radar warning devices

## Customs Regulations

Goods imported into or exported from Switzerland, as well all those in transit through the country, must be declared to the Federal Customs Administration (FCA) via a written form or [online](#). If you wish to declare and clear goods electronically, you must be registered with the customs client administration. You can find out how to do this at the FCA [website](#).

The following documents should accompany the products:

- Invoices
- Certificates of Origin
- Authorizations/Certificates
- Official confirmations
- Analysis certificates

Depending on the circumstances, the following documents might be useful:

- Delivery notes
- Cargo manifests
- Weight certificates
- Assessment instructions

Customs clearance agencies, freight forwarders, or logistics companies are authorized to handle customs formalities. Before the goods are imported, both parties should clarify who is in charge of handling the customs clearance.

Further questions may be directed towards the Swiss Federal Customs Administration through their [contact form](#).

## Standards for Trade

### Overview

As a member of CEN (European Committee for Standardization), CENELEC (European Committee for Electrotechnical Standardization) and ETSI (European Telecommunications Standards Institute), Switzerland adopts any new European standards in reconciliation with any conflicting national standards. Currently, approximately 26,000 standards make up the Swiss set of standards. Of these, only around 1,000

are purely Swiss standards; the other 25,000 are European or international standards which have been adopted as Swiss standards.

All standards organizations in Switzerland fall under the umbrella of the Swiss Association for Standardization (Schweizerische Normen-Vereinigung or SNV). This private-sector organization provides local manufacturers with guidance on worldwide standards, serves as the link to relevant European (CEN) and international organizations (ISO), and is responsible for representing the Swiss position at conferences and meetings.

Swiss standardization through the SNV is a decentralized system which delegates responsibilities within autonomous standards sectors. Swiss experts from business, public administration, research, and society contribute to drafting the content of standards. When two parties mutually agree to abide by a given standard, or if the legislature mandates its compliance, a standard becomes binding. Otherwise, standards may be voluntarily adopted, and there is no legal obligation to comply with them.

Standards are not developed by the legislator, a government authority, or a national regulator, but by the interested parties themselves. All interested parties may become involved with the work of the standard committees and contribute their expertise. Every standard is submitted to the professional community for comment before it is finally adopted. Draft standards are published outside the competent standards committee for broader comment, and are also available to specialists who are not members of recognized standardization organizations. The technical content of a standard is reviewed at least once every five years, to ensure that it is up to date. The monitoring of all Swiss standards is carried out by the SNV.

### **Standards**

Standards in Switzerland are designated by a number with an alphanumeric prefix which indicates the standard origin and level of recognition. They are as follows:

SN – denotes a national standard primarily of national interest

EN – denotes a European standard

SN EN – denotes the unchanged national adoption of a European standard

SN ISO – denotes the unchanged national adoption of an international standard

SN EN ISO – denotes the unchanged a national adoption of a Europe-wide international standard

### **Testing, Inspection and Certification**

Conformity assessment is controlled by a multitude of laboratories and companies that must be accredited by the Swiss Accreditation Service (SAS), as Swiss government agency. The accreditation procedure is complex, and includes physical inspection of the laboratories and equipment, staffing, and a determination of the organization's level of independence and possible conflicts of interest.

Product certification is covered by laboratories and companies licensed or accredited by SAS. All relevant laboratories and companies are listed by sector on the SAS website [www.sas.admin.ch](http://www.sas.admin.ch) (in English).

### **Publication of technical regulations**

Experts from companies and organizations can participate in standardization in various ways. The type and degree of participation depends on the interests and available resources of the participants – an expert in a national standards committee could vote on draft standards. An expert in the CEN or ISO working groups could actively participate in the development of the standards. Someone with experience managing a European or international technical committee could advise during the process.

Final standards are available for purchase on the SNV website ([shop.snv.ch](http://shop.snv.ch)), or are available to be read free of charge in person at one of [four locations in Switzerland](#).

## Contact Information

Major organizations/agencies with programs to propose and/or implement standards:

- SNV – Swiss Association for Standardization  
Sulzeralle 70, CH-8404 Winterthur, Switzerland  
Phone +41 52 224 5454; [info@snv.ch](mailto:info@snv.ch); [www.snv.ch](http://www.snv.ch)  
Association serving as the national umbrella for all Swiss organizations interested in standards.  
Provides guidance on new standards.
- Electrosuisse – Verband für Elektro- Energie- und Informationstechnik  
Luppenstrasse 1, CH-8320 Fehraltorf, Switzerland  
Phone +41 44 956 1111; Fax +41 44 956 1122; [www.electrosuisse.ch](http://www.electrosuisse.ch)  
Sectors covered: electrical safety standards, electromagnetic emissions
- SIA – Swiss Society of Engineers and Architects  
Selnaustrasse 16, CH-8001 Zürich, Switzerland  
Phone +41 44 283 1515; [www.sia.ch](http://www.sia.ch)  
Sectors covered: building standards (above and underground construction, cultural aspects, environmental criteria, insulation, air-conditioning/heating/safety)
- VSS – Schweizerischer Verband der Strassen- und Verkehrsfachleute  
Sihlquai 255, CH-8005 Zürich, Switzerland  
Phone +41 44 269 4020; Fax +41 44 252 3130; [www.vss.ch](http://www.vss.ch)  
Sectors covered: traffic safety, planning of public and private sector transportation networks, energy efficiency, signaling, safety in tunnels, financing
- SVGW – Schweizerischer Verein des Gas- und Wasserfaches  
Grütlistrasse 44, CH-8002 Zürich, Switzerland  
Phone: +41 44 288 3333; Fax +41 44 202 1633; [www.svgw.ch](http://www.svgw.ch)  
Sectors covered: quality standards of processes and equipment for drinking water and natural gas
- VSA – Verband Schweiz. Abwasser- und Gewässerschutzfachleute  
Europastrasse 3, P.O. Box, CH-8152 Glattbrugg, Switzerland  
Phone +41 43 343 7070; [www.vsa.ch](http://www.vsa.ch)  
Sectors covered: sewage treatment and water pollution control
- BAFU – Bundesamt für Umwelt (Federal Office for the Environment)  
Papiermühlestrasse 172, CH-3003 Bern-Ittigen, Switzerland  
Phone: +41 58 462 9311; [www.bafu.admin.ch](http://www.bafu.admin.ch)
- ASUT – Swiss Telecommunication Association  
Hirschengraben 8, CH-3011 Bern, Switzerland  
Phone +41 31 560 66 66; [info@asut.ch](mailto:info@asut.ch); [www.asut.ch](http://www.asut.ch)  
Sectors covered: Communications equipment
- BAKOM – Swiss Federal Office of Communications  
Zukunftstrasse 44, P.O. Box 332, CH-2501 Biel, Switzerland  
Phone +41 58 460 5511; Fax +41 58 463 1824  
Sector covered: telecommunications incl. radio and TV; [www.bakom.admin.ch](http://www.bakom.admin.ch)

- **Swissmem** – Swiss association of mechanical and electrical engineering industries  
Pfungstweidstrasse 102, CH-8005 Zürich, Switzerland  
Phone +41 44 384 4111; Fax +41 44 384 4242; [www.swissmem.ch](http://www.swissmem.ch)  
Sectors covered: industrial machinery, e.g. machine tools, textile machinery, packaging machines, power generating and distribution equipment
- **Interpharma** – Verband der forschenden pharmazeutischen Firmen der Schweiz  
Petersgraben 35, Pf CH-4009 Basel, Switzerland  
Phone +41 61 264 3400; [www.interpharma.ch](http://www.interpharma.ch)  
Sectors covered: research-based pharmaceuticals
- **Swissmedic** – Swiss Agency for Therapeutic Products  
Hallerstrasse 7, CH-3000 Bern 9, Switzerland  
Phone +41 31 322 0211; [www.swissmedic.ch](http://www.swissmedic.ch)  
Sectors covered: Swiss government agency comparable to the U.S. FDA
- **SUVA** – Swiss National Accident Insurance Fund  
Fluhmattstrasse 1, CH-6002 Luzern, Switzerland  
Phone +41 41 419 5111; Fax +41 41 419 5828; [www.suva.ch](http://www.suva.ch)  
Sectors covered: occupational safety agency comparable to U.S. OSHA
- **BAG** – Swiss Federal Office of Public Health (FOPH)  
Schwarzenburgstrasse 157, CH-3003 Bern, Switzerland  
Phone: +41 58 462 2111; [www.bag.admin.ch](http://www.bag.admin.ch)  
Sectors covered: public health

*Notify U.S.:*

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. **Notify U.S.** ([www.nist.gov/notifyus](http://www.nist.gov/notifyus)) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

## **Trade Agreements**

In addition to the European Free Trade Association (EFTA) Convention, a regional trade organization comprised of Switzerland, Liechtenstein, Iceland, and Norway, and a free trade agreement (FTA) with the European Union (EU), Switzerland currently has a network of 30 FTAs with 40 partners. Most of Switzerland's trade agreements were signed through EFTA; however, Switzerland has the option of concluding FTAs outside of EFTA, as it did with Japan and China. Ratification of an FTA that was signed between Indonesia and EFTA countries in December 2018 has stalled in Switzerland, due to concerns from Swiss environmentalists and farmers. A free trade agreement between EFTA and the Mercosur countries of South America has been negotiated but not yet signed. Switzerland has signaled its interest in pursuing a potential free trade agreement (FTA) with the United States.



The United States and Switzerland have strong bilateral economic ties, though no formal free trade agreement has been negotiated between the two parties. Geneva is host to the headquarters of the World Trade Organization (WTO), several UN agencies, and other international bodies. In 2006, the United States and Switzerland formed the “Trade and Investment Cooperation Forum” in order to discuss and achieve progress in trade topics of mutual interest. Since then, the Forum has addressed various registration and regulatory complications individual companies faced in either the U.S. or Switzerland, and the Forum’s work led to the signing of a Joint Declaration on e-commerce in 2008. Another vehicle for bilateral cooperation is the U.S.-Swiss Joint Economic Commission, which covers issues of bilateral economic relations, including anti-money laundering efforts, counterterrorism, regulatory cooperation, and intellectual property rights, among other topics.

For a comprehensive list in English of Switzerland’s trade agreements with other countries, visit [the Swiss Secretariat for Economic Affairs’ \(SECO\) website](#).

### **Licensing Requirements for Professional Services**

As in the United States, professional service providers in Switzerland often require operating licenses. Licensing is not always regulated at the federal level and may be devolved to the individual cantons, so requirements vary depending on location and sector. Some cantons may not require licenses for a given service, while others do.

Foreign individuals or companies who wish to conduct business in Switzerland may seek Swiss recognition of their foreign credentials. When neither federal nor cantonal licensing requirements exist for a profession, foreign businesses do not need to obtain extra authorization to serve clients professionally.

For a full list of regulated professions that require certification along with the authority in charge of granting authorization, visit the [State Secretariat for Education, Research, and Innovation’s \(SERI\) website](#).

To inquire about the recognition of specific foreign professional qualifications, contact SERI via telephone at +41 58 462 28 26 or via email at [contactpoint@sbf.admin.ch](mailto:contactpoint@sbf.admin.ch).

## Selling US Products and Services

### Distribution & Sales Channels

#### Overview

Distribution channels in Switzerland are varied, but are generally similar to those in the United States. Capital goods manufacturers may prefer exporting directly when contracts with a limited number of customers represent an appreciable share of the market. However, often new-to-market exporters and exporters with products that require training for use and after-sales service engage the services of a technically qualified Swiss agent with good market knowledge. As a rule, Swiss buyers of raw materials use specialized importers. Large orders, however, may also be placed directly with foreign producers. Some of the largest international trading and shipping firms are based in Switzerland. They operate networks of bonded warehouses and other facilities offering services for international trade.

**Consumer Goods:** Suppliers of consumer goods may deal with an importer or wholesaler, engage the services of a representative, or sell directly to buying offices of large retail chains, especially if dealing with mass-produced goods. A representative or agent, who usually specialized in one or more product groups, is often responsible for distribution in all of Switzerland.

**Import and Wholesale Trade:** Many Swiss wholesalers are also importers who may expect exclusive regional or national rights for the imported product. Wholesalers maintain stocks of a range of products and provide quality control, transport, warehousing, and financing. Associations of wholesalers in various sectors protect their common interests and facilitate more effective competition with other forms of distribution. Many wholesalers and importers also belong to the [Swiss Trade Association](#), through sector associations.

**Retail Trade:** Department stores, chain stores, consumer cooperatives, discount stores, and supermarkets comprise the majority of retailers that deal in a wide range of products and services. Vertical structures and centralized buying give them a competitive advantage over independent retailers. The number of independent retailers is decreasing, giving way to a growing number of discount stores and supermarkets. Retailers with competitive prices are gaining market share. Individual retailers have set up organizations to provide wholesale purchasing, importing, and other services to compete with large, vertically integrated retail establishments. Some leading retailers are legally structured as cooperatives.

#### Using an Agent or Distributor

An agent is not required to do business in Switzerland. However, a U.S. business wishing to sell products or services in Switzerland may benefit from an agent familiar with potential clients and Swiss business culture, as well as from an agent's local market expertise and locally-based after-sales services. Working through an agent allows a company to test the market while limiting costs, compared to running an independent office. A network of agents serving the various linguistic regions of Switzerland (German, French and Italian) may be a beneficial option.

The process of considering a potential Swiss partner firm begins with a check of the [cantonal commercial registries](#) and a request for a financial profile of the company.

**Agents:** According to Swiss law, an agent is a person who undertakes to act on a continuous basis as an intermediary for one or more principals in facilitating or concluding transactions on their behalf and for their account without entering into an employment relationship with them.

Agency contracts are governed by article 418a through 418v of the Swiss Code of Obligations (which can be found [here](#)); Articles 419 through 424 further govern the actions of the agent and principal. Commission agents: If the partner company acts in his own name rather than in the principal's name in exchange for

payment of a commission to sell and/or purchase goods, the partner company is not a (commercial) agent, but a commission agent, subject to another legal regime (Swiss Code of Obligations, Article 425).

### **Establishing an Office**

Entrepreneurs from countries outside the EU/EFTA area who want to become self-employed in Switzerland must meet Swiss labor market requirements. The only third-country nationals who have a legal right to establish a business are individuals with a “C”-type residence permit, spouses of a “C” permit holder, and spouses of Swiss citizens. All other third-country nationals outside the EU/EFTA area must submit an application to the respective cantonal authority. It is decisive in the evaluation that the company have a “lasting positive effect or influence on the Swiss labor market.” A lasting positive effect on the Swiss labour market is considered to be given if the new company or self-employed person contributes to the industry-specific diversification of the regional economy, preserves or creates several jobs for local staff, makes substantial investments and generates new orders for the Swiss economy.

If an application is accepted by cantonal authorities, the entrepreneur is granted at least a short-term residence permit for third-country nationals (an “L” permit) or a residence permit (“B” permit). Both permits are subject to quotas set annually by the Federal Council.

The actual mechanics of forming and registering an office in Switzerland can be accomplished within a few weeks, but the planning process can be more time-consuming and involves many factors. The [World Bank Doing Business Report 2020](#) ranks Switzerland 36<sup>th</sup> in the ease of starting a business. Switzerland ranked high in “trading across borders,” “getting electricity,” and “paying taxes,” but lower in “getting credit” and “protecting minority investors.”

The Swiss government provides checklists and initial guidance on what legal form to choose to set up a business in Switzerland. By registering at the Swiss government’s website [www.easygov.swiss](http://www.easygov.swiss), a company can file information to determine the most appropriate legal structure, the necessary steps, and important contact details. Swiss cantons also have specialized economic promotion agencies in place that can help with questions related to the opening of a new business.

Location is among the most important factors to consider when establishing an office in Switzerland. There are wide differences in tax laws, availability of work permits, availability of labor force, and availability and cost of business facilities among Swiss cantons. Some cantons may offer special incentives for foreign investors. The choice of business location also impacts potential market size and the linguistic requirements of the employees.

The Swiss government recommends potential new businesses search the [Zefix database](#) to make sure their potential business name is not already in use in Switzerland.

Detailed information on investment in Switzerland is included in the Investment Climate Statement, Chapter 6.

Detailed information regarding setting up and staffing a business enterprise in Switzerland is available on the [SME Portal for small and medium-sized enterprises](#) on the website of the Federal Department of Economic Affairs, Education, and Research as well as from the [Handbook for Investors](#) published by Switzerland Global Enterprise (SGE).

### **Franchising**

Switzerland is generally welcoming to franchise systems. Franchising appears in many forms and applicable legal norms depend on the nature of the contract between the franchisor and franchisee. Switzerland has no specific legislation on franchising. The [Swiss Franchise Association](#) offers additional information about the legal environment for franchising in Switzerland.

## **Direct Marketing**

There are various channels of direct marketing widely practiced in Switzerland, including sales over the internet, sales calls, or visits by a company representative at home to present a product (shopping at home). Companies need to focus on the clarity and completeness of the information they provide to consumers prior to purchase, and on their approaches to collecting and using customer data. The more than 330 members of Switzerland's [mail order association](#) comply with a code of conduct which includes voluntarily offering consumers the right to cancel a purchase within 14 days. The [State Secretariat for Economic Affairs \(SECO\) website](#) provides a brief overview of the most important provisions based on Swiss rules regarding distance-selling and on-line commerce. The website of the [Swiss Association of Direct Marketing Companies](#) also provides background information.

## **Joint Ventures/Licensing**

U.S. firms may use joint ventures in Switzerland in order to improve market penetration. In Switzerland, joint venture legislation falls under the purview of the [Competition Commission \(COMCO\)](#) and the [Takeover Board](#). COMCO may prohibit the establishment of a joint venture that creates a dominant market position likely to eliminate effective competition, unless the establishment of the joint venture improves conditions for competition in another market (see [article 10 of the Federal Act on Cartels and other Restraints of Competition](#)). Special rules apply for banks. COMCO actively participates in different networks of competition authorities such as the Competition Committee of the Organisation for Economic Co-operation and Development (OECD) or the International Competition Network (ICN). In 2014, an agreement between the Swiss Confederation and the European Union on cooperation in the application of their competition laws entered into force. The agreement enables COMCO and the Directorate-General for Competition of the European Commission to notify and coordinate enforcement activities and to exchange information.

Licensing is also a potential avenue for market entry in Switzerland. Unless the rights holder has a dominant market position, Swiss antitrust law does not restrict owners' freedom to use their industrial property rights, including the exploitation of a patented innovation.

## **Express Delivery**

Many international express delivery companies, such as DHL, FedEx, and UPS, are active in Switzerland. These companies ship domestically and internationally, provide a wide range of delivery options and prices, and have grown significantly as a result of the increasing importance of e-commerce and due to market opening following the partial liberalization of the Swiss government owned "Swiss Post." Express deliveries sent within Switzerland are generally reliable and usually arrive at their destination within one business day, while deliveries sent from the U.S. to Switzerland typically take 3 to 4 days.

## **Due Diligence**

Although the vast majority of Swiss importers are financially reliable business partners for U.S. exporters, there are, nonetheless, occasional bankruptcies. U.S. exporters should use normal precautions and analyze relevant company financial background information before establishing a business relationship.

When conducting due diligence, the [Swiss Commercial Register](#) is a key source for checking the background of Swiss companies. Swiss companies with annual sales of \$100,000 or more must be listed in the Swiss Commercial Register with the following information:

- name of firm
- legal form
- head office (legal domicile)
- list of branch offices, purpose

- owners, partners, managing directors
- persons having power of attorney
- number of shareholders
- year of establishment
- share capital
- registration number

Any firm listed in the Swiss Commercial Register is considered a legitimate company and is required to keep accounts and to maintain a balance sheet. However, the register does not reveal information about a company's financial status and business practices.

Each canton also maintains information on whether or not a registered company has defaulted on payments. That information can be obtained directly from the relevant cantonal debt enforcement office (a list can be found [here](#)).

Debt enforcement agencies provide information on whether or not any debt collections were made by Swiss companies. Debt enforcement agencies require a letter of interest in order to provide this type of information.

The [Kompas Register](#), a listing of most Swiss companies, is roughly equivalent to the American Thomas Register. Provided by the listed companies, the information includes complete contact address, bank reference, name of president, members of the Board and managing director, a short description of company's activity, trademarks, share capital, number of employees, and year of establishment.

## eCommerce

### Assessment of Current Buyer Behavior in Market

More than 90% of the consumers in Switzerland use the internet, and 95% percent of the population between the ages of 15 and 55 use the internet every day. The online share of retail sales in Switzerland is currently 8.3%, and in the areas of media, home electronics, and fashion, the share of sales generated on the internet is significantly above this average. However, food is still a limited sector (although the COVID-19 pandemic has led to a significant increase in online grocery sales, according to media reports). Approximately 83% of smartphone users in Switzerland state that they also shop on their smartphones.

In 2019, Swiss online shops grew faster than foreign online shops. The volume of small goods shipments from Asia even fell for the first time in many years. In total, Swiss residents spent CHF 8.3 billion in local online shops in 2019, and around CHF 2 billion in foreign online shops.

The Swiss government's SME Portal includes a [section](#) dedicated to eCommerce resources. The Swiss Association for Online Sales ([Verband des Schweizerischen Versandhandels](#)) unites over 330 online retailers that generate about 60% of Swiss B2C online sales.

### Local eCommerce Sales Rules & Regulations

An eCommerce site must provide certain information to internet users so that it is legally secure, including information about the operator and specific product information. The ordering process must be optimized and clear, and the order confirmation must include specific information. Details of these requirements can be found on the Swiss SME portal [here](#). The Federal Tax Administration has a summary of relevant issues for mail-order trade [here](#).

Swiss legislation does not guarantee the customer the right to change his mind and return a product after an online purchase; the right of withdrawal only exists if the seller grants it on his own initiative. In this case, the web shop must explicitly state its conditions.

## Local eCommerce Business Service Provider Ecosystem

The Swiss Commerce Association offers information on the Swiss online business ecosystem, and members can utilize framework contracts with association conditions for package delivery, card payments, credit checks, debt collection and other services. They also have a calendar of upcoming events in Switzerland related to eCommerce at their [website](#).

## Selling Factors & Techniques

**Relationships:** Swiss business partners place high value on long-term business relationships and commitment to the market. New-to-market U.S. exporters gain considerable market exposure by participating in trade shows and connecting to Swiss clients. To a greater extent than their U.S. counterparts, Swiss buyers, agents and distributors visit the major industry-specific trade shows within Europe (often taking place in Germany or France) to find new products.

## Trade Promotion & Advertising

**Trade fairs:** Switzerland has a limited selection of specialized trade fairs, several of which are world renowned such as Art Basel for art, Basel World for watches and jewellery, and the Geneva Auto Show. [MCH Group](#) markets about 100 trade fairs in Switzerland, while [Swiss Fairs](#) provides a comprehensive list of fairs organized in Switzerland. Presence at these events fosters relationships with clients and distributors. Many of the most important trade fairs for Swiss producers and distributors take place outside of Switzerland, including in Germany and France, where companies meet clients from the entire European Union and beyond. However, the COVID-19 pandemic has resulted in the cancellation of most 2020 trade fairs in Switzerland.

**Advertising:** Companies may find it useful to make use of advertising for certain consumer goods or services based on the diversity of Swiss consumers. Regulation of advertising in Switzerland is a mix between basic rules and voluntary guidelines developed by the major industry associations. The [Federal Act on Unfair Competition](#) sets out minimum standards prohibiting misleading advertisements. Additional regulations on advertising can be found on the Federal Office of Communications website [here](#) (in German).

## Pricing

Swiss customers highly appreciate quality, timely delivery, and service. This sometimes allows companies to charge a premium compared to other European markets. In business to business (B2B) transactions, however, Swiss companies have become more price-conscious.

Domestic transaction with companies with annual revenue of over CHF 100,000 are subject to value added tax (VAT). Standard Swiss VAT rates for traditional retailers are 2.5% for food, books, newspapers, medicines and consumer goods, while the standard rate for other goods and services is 7.7%. A rate of 3.7% applies for overnight stays in hotels. Services in the areas of education, culture, and healthcare are exempt from the tax.

Any non-Swiss e-commerce company with global revenues over \$100,000 is also subject to Swiss VAT. Online purchases shipped from outside Switzerland are not subject to VAT if the value is below \$65. Online purchases shipped within Switzerland are subject to a VAT rate of 7.7% for sales up to \$200, and 2.5% for transactions over \$200. [Legislation](#) which came into force in January 2019 requires non-Swiss e-commerce companies to pay VAT for consignments shipped to Switzerland if the VAT amounts to at least \$5.

## Sales Service/Customer Support

**Support:** Swiss commercial customers expect to be able to pick up the phone, talk to the dealer, and have replacement parts or service work immediately available. U.S. exporters should appoint distributors based **on language region, as customers expect customer support in the local language (German, French, or Italian)**.

## **Local Professional Services**

American citizens involved in disputes with either private individuals or business enterprises may seek recourse under the laws of the applicable cantonal jurisdiction. If legal action is to be undertaken in Switzerland, a local lawyer should be engaged either directly or via an American attorney. It is important to be aware of the differences between the Swiss and U.S. legal systems before filing a legal case. Once a Swiss lawyer files a complaint with a court, the court decides whether to serve the complaint. The Martindale-Hubbell Law Directory contains an extensive list of lawyers licensed to practice in Switzerland. The U.S. Embassy's Consular Section also maintains a [list of lawyers by canton](#) on its website.

The only methods for a non-Swiss court or lawyer to obtain testimony or to serve process in civil matters in Switzerland are through the Hague Convention on taking of Evidence Abroad in Civil or Commercial Matters, the Hague Convention on the Service Abroad of Judicial and Extra-judicial Documents in Civil and Commercial Matters, or through a letter interrogatory. For information on this complex legal process, contact the Embassy Bern Consular Section ([bermacs@state.gov](mailto:bermacs@state.gov)).

## **Principal Business Associations**

Economiesuisse is the largest business association in Switzerland, encompassing 100,000 Swiss businesses ([www.economiesuisse.ch](http://www.economiesuisse.ch)). Almost every sector has its own business association that serves as an interest group to lobby on behalf of its members. Such associations include, for example, the Swiss Bankers Association ([www.swissbanking.ch](http://www.swissbanking.ch)) and Switzerland's Association for Mechanical and Electrical Engineering Industries ([www.swissmem.ch](http://www.swissmem.ch)).

For industry-specific business associations, please see our leading sectors section, which lists key contacts **and resources by industry sector**.

## **Limitations on Selling U.S. Products and Services**

Switzerland has exempted certain sectors from the WTO's Government Procurement Agreement (GPA), including the management of drinking water, energy, transportation, telecommunications and defense. These sectors are thus more difficult for non-Swiss companies to enter. In particular circumstances, non-Swiss companies may not be allowed to participate in a public bid (e.g. bidding on public tenders for IT-related services associated to critical government infrastructure).

## **Trade Financing**

### **Methods of Payment**

Choosing the right method of trade finance is important to ensuring timely and reliable payment while also remaining competitive in the export market. Switzerland has a sophisticated system of banking and finance, in which most methods of payments familiar to U.S. companies are available, including open account, letter of credit, cash in advance, documentary collection, and factoring. For B2C transactions, payment through postal checks and various mobile applications are also widely used.

When conducting business with a Swiss bank, the most common trade finance instruments offered will be letters of credit (sometimes referred to as documentary credit), documentary collections, and bank guarantees.

For more information about these methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

The following credit-rating agencies have been recognized by the Swiss Financial Market Supervisory Authority (FINMA): A.M. Best Rating Services Inc., DBRS, fedafin AG, Fitch Ratings, Moody's Investors Service, Scope Ratings, and Standard & Poor's Ratings Services.

Swiss companies behave reliably when it comes to payment, and usually pay in advance or within 30 days. Should an entity fail to pay its debts, however, debt collection agencies can help with contacting a debtor and providing advice throughout the collection process. Domestic agencies or international agencies that regularly operate in Switzerland possess thorough knowledge of customary practice and applicable laws and remain unaffected by language barriers. If debt collection cannot be settled amicably, the matter may be brought before the Debt Collection Office (Betreibungsamt) of the appropriate canton, which will initiate legal action.

For information on routine monetary transactions and accepted credit cards, please refer to the “currency” section of the Business Travel chapter.

## **Banking Systems**

Switzerland is one of the world’s foremost banking and financial centers, with 246 banks at the end of 2019. The banking network is highly developed, and Swiss banks are among the world’s leaders in specialized fields such as private banking and asset management. The total assets of the Swiss banks at the end of 2019 amounted to \$3.4 trillion (3.3 trillion Swiss francs) including assets managed by Swiss banks abroad. The physical presence of U.S. and other foreign entities in Switzerland is vital to successful financial services trade and continues to play an important role in the competitiveness of the Swiss financial services sector. The banking landscape in Switzerland is diverse, including universal banks, cantonal banks, private banks, and wealth and asset managers.

Established in 1907, the Swiss National Bank (SNB) has executive offices in Bern and Zurich and branch offices in Basel, Geneva, Lausanne, Lucerne, Lugano, and St. Gallen. More than half of its share capital is held by the cantons, cantonal banks, and other public bodies; Swiss citizens own the remaining shares. Although the Federal Government is not a shareholder, it has statutory power to appoint the majority of the Bank Council members as well as the three members of the Governing Board and their deputies.

The SNB conducts the country’s monetary policy as an independent central bank. Its primary goal is to ensure price stability, while taking due account of economic developments. It determines and implements monetary and credit policy, has the exclusive right to issue or withdraw bank notes and coins, and serves as a clearing-house for interbank transfers. Furthermore, it has an arrangement with the Principality of Liechtenstein to permit the use of the Swiss Franc as that country’s currency, and clears Liechtenstein’s transactions.

The SNB Bank Council oversees and controls the conduct of business by the SNB. It consists of 11 members. The Federal Council (Switzerland’s executive body of seven ministers, including the President of the Confederation) appoints six SNB Council members, including the SNB president and vice president. SNB shareholders appoint the remaining five members. The SNB’s managing and executive body is the Governing Board, which is responsible for monetary policy, asset investment strategy, and international monetary cooperation. The Enlarged Governing Board consists of the three members of the Governing Board and their deputies. It is responsible for strategic and operational management. Upon the recommendation of the Bank Council, the Federal Council appoints the members of the Governing Board and their deputies.

The Financial Market Supervisory Authority (FINMA) groups together under one authority the government supervision of banks, insurance companies, stock exchanges, and securities dealers as well as other financial intermediaries in Switzerland. FINMA was formed in 2009 as a merger of the Federal Office of Private Insurance (FOPI), the Swiss Federal Banking Commission (SFBC), and the Anti-Money Laundering Control Authority. The aim of FINMA is to protect creditors, investors, and insured persons, and to ensure the general functioning of financial markets in accordance with legislation. It thus helps reinforce Switzerland’s image and competitiveness as a financial center. The provisions of criminal law on money laundering and the Federal Money-laundering Act are binding for all providers of financial services.



The Anti-Money Laundering Act, the Anti-Money Laundering Ordinance, and the FINMA Anti-Money Laundering Ordinance establish the legal basis for combatting money laundering in Switzerland, strengthening due diligence obligations on the part of banks and other financial intermediaries.

The following is information on the key players of the Swiss banking sector:

**UBS AG and Credit Suisse:** The two largest banks, UBS AG and the Credit Suisse Group, together account for nearly 50% of the assets of all Swiss banks. They are universal banks engaged in all types of banking business.

**Cantonal banks:** Cantonal banks are defined as banks with a statutory basis under cantonal law, with the canton holding a minimum of one-third of the banks' capital and voting rights. The 24 cantonal banks are engaged in all banking businesses with an emphasis on lending and deposits.

**Raiffeisen Banks:** Raiffeisen Banks are affiliated independent banks with strong local roots and organized along cooperative lines. In recent years, Raiffeisen has positioned and established itself as the third largest banking group in Switzerland. Raiffeisen meanwhile counts 3.7 million Swiss citizens among its customers. Of these, some 1.9 million are members of the cooperative, and hence co-owners of their Raiffeisen bank.

**Private Banks:** Private banks include individually owned firms, collectives, and limited partnerships. Their field of activity is asset management, chiefly for private clients.

**Foreign banks:** The 71 foreign-controlled banks in Switzerland at the end of 2019 each have a majority shareholder domiciled abroad. All foreign banks in Switzerland are subject to the same laws and supervision as banks whose majority shareholder is Swiss.

**Commercial & Investment banks:** As a rule, commercial banks are universal banks for which mortgage investments play a significant role in addition to commercial loans.

**Consumer credit institutes:** Consumer credit institutes specialize in small loans to private individuals and industry.

**Post Finance:** The activities of Post Finance are run by the governmental postal service and include payments, investments, savings, mortgages, loans, and provident and retirement planning. Around 2.7 million private customers use postal accounts and the PostFinance Card. In 2019, customer deposits amounted to \$110 billion (106.8 billion Swiss francs).

SIX Interbank Clearing, a subsidiary of SIX Group, operates the SIC and euroSIC interbank payment systems. These systems allow participating financial institutions to securely make cashless payments in Swiss francs and euros in real time among themselves. The SIC system processes interbank payments in francs on behalf of and under the supervision of the Swiss National Bank. In association with Swiss Euro Clearing Bank (SECB), SIX Interbank Clearing provides the processing of euro transactions through the euroSIC system. Both interbank systems provide financial institutions within Switzerland and beyond its borders with efficient access to national and international payment traffic.

SIX Group, which emerged from the merger of the SWX Group, SIS Group and Telekurs Group at the beginning of 1988, is owned by its users (130 banks of various sizes and orientation). As one of Europe's leading securities exchange and financial market infrastructure operators, SIX Group offers services that address all aspects of Swiss and cross-border securities trading as well as securities offerings. The company's other business fields focus on rendering cost effective and efficient services in the areas of clearing, settlement, securities safekeeping and administration, as well as supplying international financial information for investment advisors, portfolio managers, financial analysts and administrators of securities transactions. In addition, its services in the area of payment transactions cover the acceptance and processing of payments made with credit, debit and customer cards, as well as the handling of interbank transfers and e-invoices.

## Foreign Exchange Controls

The Swiss franc is freely convertible. With the exception of certain regulations applicable to banks and finance companies, there are no exchange controls. The SNB has authority to introduce measures concerning minimum reserve requirements, foreign currency position, foreign source funds, and a calendar for public issues of bonds and shares. These measures are intended for use to counter exceptional circumstances, such as large-scale speculation resulting in overvaluation of the Swiss currency leading to significant problems for the Swiss export industry. Bank accounts may be maintained in local or foreign currencies either within or outside Switzerland without restriction. There is no distinction between resident and nonresident accounts.

Repatriation of capital, loans, dividends, interest, royalties, service fees, and branch office profits can be transacted without limitation through any bank. Export proceeds may be disposed of freely. Leading and lagging of import and export payments is allowed; there are no limitations and no requirement for prior authorization. Netting of trade-related payments and financial transactions is also allowed without prior authorization.

## US Banks & Local Correspondent Banks

Bank Morgan Stanley, Ltd.  
Beethovenstrasse 33  
CH-8002 Zurich, Switzerland  
Tel: +41 44 588 1000, Fax: +41 44 588 1074  
<http://www.morganstanley.com>

Citibank (Switzerland) AG  
Hardstrasse 201  
CH-8010 Zurich, Switzerland  
Tel: +41 58 750 50 00, Fax: +41 58 750 55 88  
<http://www.citigroup.com>

Goldman Sachs Bank AG  
Claridenstrasse 25  
CH-8021 Zurich, Switzerland  
Tel: +41 44 224 1000  
<http://www.goldmansachs.com>

J.P. Morgan (Suisse) SA  
Rue de Confederation 8  
CH-1211 Geneva 11, Switzerland  
Tel: +41 22 744 1111, Fax: +41 22 744 1444  
<http://www.jpmorgan.com>

Global Banking and Markets  
Merrill Lynch Capital Markets AG  
Stockerhof  
Stockerstrasse 23  
Zurich, 8039  
Tel: +41 44 297 7400, Fax: +41 44 291 4460  
<https://www.ml.com>

## Protecting Intellectual Property

While Switzerland effectively enforces intellectual property rights linked to patents and trademarks, Switzerland was until recently on USTR's Special 301 Watch List due to specific difficulties in enforcing copyright laws on the Internet. In 2020, USTR removed Switzerland from the [Watch List](#) in recognition of recently enacted legislation that came into force on April 1, 2020, and is intended to address these difficulties. This was an important step after many years of engagement, and the United States will carefully monitor the implementation, interpretation, and effectiveness of the newly enacted legislation.

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at [Stevan.Mitchell@trade.gov](mailto:Stevan.Mitchell@trade.gov).

for more resources.

IP Attaché Contact

Susan Wilson, IP Attaché

[Susan.wilson@trade.gov](mailto:Susan.wilson@trade.gov)

## Selling to the Public Sector

### Selling to the Government

Switzerland is a party to the WTO Government Procurement Agreement (GPA), but has not deposited its instruments of acceptance of the 2014 revised GPA. U.S. companies can identify potential business opportunities via the Swiss government's electronic platform simap ([www.simap.ch](http://www.simap.ch)), which publishes all government tenders within the GPA framework. Nevertheless, some areas are partly or fully exempted from the GPA, such as the management of drinking water, energy, transportation, telecommunication and defense. Swiss legislation about public procurement are governed by the [Federal Act on Public Procurement](#).

The Swiss Federal Department of Defense is heavily reliant upon cooperation and expertise from foreign companies due to limited capacity within Switzerland. Procurement by armasuisse, a part of the Federal Department of Defense, Civil Protection and Sports, may involve offsets. Offset transactions are used to open up access to foreign markets for Swiss industry or to strengthen its position in these markets.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center, coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

### Financing of Projects

Transportation projects are mostly financed through public funds in Switzerland, but other large-scale projects in areas like real estate and energy are usually financed through special purpose vehicles using both debt and equity. Special purpose vehicles are separate legal entities that act as off-balance-sheet subsidiaries of companies created for the purpose of financing a project. Prior to investing in a project, authorizations, licenses or concessions may be required based on the investment in question. These are then granted by the

appropriate federal or cantonal authority. Foreign investment may be restricted in sectors controlled by public monopolies such as transportation or water supply.

Generally speaking, there is no special financing offered by the government for projects in Switzerland. The federal government may grant long-term loans at preferential interest rates for a limited category of projects in designated regions, primarily in remote, mountainous areas, that are threatened with economic decline. Cantonal and communal governments offer a wider variety of incentives, including financing, for investment projects in their respective areas. Most cantons maintain economic development agencies, some with offices or representatives abroad, for the purpose of attracting projects and investments.

## **Business Travel**

### **Business Customs**

As a prosperous, highly developed democracy, Switzerland's business customs and practices are similar to those of other western European countries. While some American business representatives may find their Swiss counterparts somewhat conservative and formal, business customs in Switzerland correspond generally to those of the United States. Punctuality, particularly in German-speaking areas, is very important. Allowing ample lead-time in setting up business appointments is expected, and one should not expect to "drop in" without an appointment.

The data privacy and control over business-relevant information is important for Swiss businesses. U.S. businesses should be prepared to address any related concerns by Swiss businesses when envisioning partnering with these companies.

### **Travel Advisory**

Switzerland is generally a very safe country for travel, with a low rate of violent crime and an absence of terrorist attacks in recent history. However, pick pocketing and purse snatchings occur, especially during peak tourist periods and during major conferences, shows, and exhibits. Loss or theft of a U.S. passport should be reported to the local police immediately and then to the American Embassy in Bern at +41 (0) 31 357 7011. Under most circumstances, a replacement can be issued quickly.

Due to a Global Health Advisory caused by COVID-19, the U.S. Department of State currently assigns Switzerland a Travel Advisory Level 3, "Reconsider Travel." However, prior to the coronavirus pandemic, Switzerland was at the lowest possible Travel Advisory Level of 1, which instructs travelers to exercise normal precautions. Note, however, that conditions can change in a given country at any time, and that Switzerland maintains open borders with its neighboring Western European countries, allowing potential terrorists to enter and exit the country anonymously. For travel advisory updates and general information on traveling to Switzerland, visit the [State Department's consular information sheet on Switzerland](#).

Countrywide emergency telephone numbers are: Police 117; Fire 118; and Ambulance 144. There is usually an English-speaking contact available.

### ***Visa Requirements***

A valid passport with at least 90 days of validity beyond the day of departure from the Schengen area is required to enter Switzerland from a non-Schengen Zone country such as the United States. The U.S. Embassy recommends traveling with a passport valid for at least six months. No visa is required for individuals who travel to Switzerland for tourist or business purposes for a duration of less than 90 days, but visas are required for stays exceeding 90 days. If you are traveling to other Schengen zone countries, please note that you may stay for a total of 90 days in the Schengen zone (regardless of country). Please review the U.S. Department of State's [guide to traveling in the Schengen zone](#).

Swiss residency and work permits for longer stays or employment are difficult to obtain, as the Swiss government, at the cantonal level, imposes limitations on immigration and the country's foreign workforce. Foreign citizens must have a work permit before commencing employment and the complicated process of obtaining a work visa can take several months.

For more information on visa requirements, visit the [website of the Swiss Embassy in the United States](#). The Consular Section of the Swiss Embassy in Washington, or the Swiss Consular Offices in Atlanta, Boston, New York, or San Francisco can offer more information on the process.

U.S. companies that require travel of foreign businesspersons to the United States are advised that security evaluations are handled via an interagency process. Visa applicants should go to the [State Department Visa Website](#).

### **Currency**

Switzerland's currency is the Swiss franc (CHF). Though some shops, restaurants, hotels, and ticket machines in larger cities may accept euros on occasion, travelers should expect to use Swiss francs for transactions. Cash is used for purchases more frequently than in the United States, but most hotels, businesses, and shops will accept credit cards. American Express, MasterCard, and Visa are the most common credit cards that American travelers can use in Switzerland. It is recommended to notify your bank in advance of overseas travel so that they do not mistake transactions abroad as fraudulent charges.

Many ATMs are connected to the Cirrus, Maestro or other international systems for cash withdrawal. While a currency exchange fee is typically attached to the withdrawal, using an ATM is usually cheaper than exchanging dollars for Swiss francs at a currency exchange booth in a train station or airport.

### **Telecommunications/Electronics**

Telecommunications are modern and, with ongoing liberalization, dropping dramatically in price. Visiting U.S.-based business travelers may operate GSM-based cell phones in Switzerland. Cell phones are easily rented from vendors in Swiss airports and short-term sim cards are widely available.

The standard voltage in Switzerland is 230V with a frequency of 50Hz. Type C (2-pin) and type J (3-pin) sockets are used (type C plugs will fit type J sockets).

### **Transportation**

Swiss transportation infrastructure is excellent. The major international airports are in Zurich, Geneva, and Basel. Despite the country's mountainous terrain, road and rail networks are very well maintained and efficient, though snow chains are required on some mountainous roads during the winter. High-speed trains link Zurich and Bern in one hour and Zurich and Geneva within two and a half hours. Tickets can be purchased [online](#) with the smartphone app of national railway operator SBB, or at train stations. The public tram and bus systems in urban areas are punctual and safe.

### **Language**

Switzerland is a multilingual country with four official languages: German, French, Italian, and Romansch. Swiss German is spoken by the majority of Swiss in the central and northeast portions of the country (Zurich, Bern, and Basel). French is the principal language of Geneva and the western cantons. Italian is spoken in the south, especially in canton Ticino, where the cities of Lugano and Locarno are located. About one percent of the population speaks Romansch; it maintains official status in the easternmost canton of Graubünden (Grisons). In business and tourist centers throughout the country, people will likely be able to communicate in English.

### **Health**

Switzerland has excellent health care facilities. Like many European countries, Switzerland has been affected by the COVID-19 pandemic. (For the latest travel advisory related to COVID-19 in Switzerland see the State Department's

[Country Information page on Switzerland.](#)) Health services are expensive, and U.S. medical insurance may not be valid outside the United States. Very few health insurance companies pay for medical evacuation back to the United States. As such, travelers should check their insurance policies for specific overseas coverage, and the State Department strongly recommends supplemental insurance to cover medical evacuation.

If traveling with prescription medication, check with the [Swiss Federal Office of Public Health](#) (Bundesamt für Gesundheit) to ensure the medication is legal in Switzerland. Always carry your prescription medication in original packaging with your doctor's prescription. U.S. prescriptions cannot generally be filled in Switzerland, so bring enough medication for your trip. A Swiss physician can write Swiss prescriptions, but the available drugs may differ from those in the United States.

Lastly, consult the U.S. Centers for Disease Control and Prevention's [recommended list of vaccinations](#) before traveling abroad to Switzerland.

### **Local Time, Business Hours and Holidays**

Switzerland is located in the Central European Time Zone. Local time in Switzerland is Central European Standard Time (CET, GMT+1). In the summer months Switzerland observes daylight savings time (GMT+2).

Generally, business hours during the week in Switzerland run from 8:00 a.m. to 12:00 p.m. and from 2:00 p.m. to 5:00 p.m., with a lunch break in between. Except for restaurants, businesses and stores are closed on Sundays unless located in major train stations or airports.

Only the Swiss National Day on August 1 is designated a national holiday, although Easter, Christmas, and New Year's Day are celebrated throughout the country. Other holidays are determined at the cantonal level. For a list of holidays by canton, visit <https://publicholidays.ch/>.

### **Temporary Entry of Materials or Personal Belongings**

Traveling provisions, fuel already in the tank of a vehicle, and personal effects, including laptop computers, do not need to be declared and can enter Switzerland freely. However, goods in excess of CHF 300 must be declared at customs and will be charged duty and value added tax (VAT). Additionally, certain sensitive foodstuffs (primarily meat, butter and cream), alcoholic beverages, and tobacco products have duty-free allowances that may be less than CHF 300, and must be declared.

There are four possibilities for declaring goods in tourist traffic:

- Verbal customs declaration at border crossing
- Use the red channel in airports to declare goods to Swiss Customs
- Customs declaration with the QuickZoll smartphone app
- Written customs declaration

All information for individuals entering Switzerland can be found, in English, on the Swiss Federal Customs Administration website [here](#),

## **Investment Climate Statement (ICS)**

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

## **Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.



