

# U.S. Country Commercial Guides



## Switzerland 2018

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## **Doing Business in Switzerland**

### **Market Overview**

Switzerland has an affluent and cosmopolitan population of 8.4 million people. Its gross domestic product (GDP) was USD 669 billion in 2016 with 2.4% GDP growth forecast for 2018. Ranked number one in innovation and high in R&D investment 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 USD 22 billion in 2017. Services constitute another significant portion of the bilateral trade relationship. In 2016, the U.S. exported to Switzerland over \$32.6 billion in services, predominately business services and intellectual property licenses. In terms of total trade, the U.S. is Switzerland's second largest trading partner, preceded by the EU and followed by China. The United States is one of Switzerland's largest foreign direct investors, with more than \$170 billion invested as of 2016. U.S. companies employ over 90,000 workers in Switzerland.

Boasting a highly automated and efficient manufacturing sector, Switzerland consumes and produces high-quality, value-added industrial/consumer goods, and demonstrates a 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. While Switzerland has generally harmonized its regulations and standards with those of the EU, some exceptions exist for pharmaceuticals, cosmetics, detergents, and chemicals.

### **Market Opportunities**

Switzerland's skilled labor force and high productivity often justify the country's high salaries (USD 85,000 on average). 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, 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-to-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.

## **Political Environment**

### **Political Environment**

For more information on the political and economic environment within Switzerland, please consult the U.S. Department of State's Background Notes page:

<https://www.state.gov/r/pa/ei/bgn/3431.htm>

## **Selling U.S. Products & Services**

### **Using an Agent to Sell U.S. Products and Services**

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 through 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 the 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 (<https://www.zefix.ch/en/search/entity/welcome>) and a request for a financial profile of the company. In the United States, this information can be obtained from Dun & Bradstreet.

**Agents:** According to Swiss law, an agent is a person who is contractually obliged, on a continuous basis and without being an employee, either (i) to act as an intermediary on behalf of one or several principals in business transactions (application agent), or (ii) to conclude such transactions in their names and for their accounts (underwriting agent). Agency contracts are governed by article 418 to 418v of the Swiss Code of Obligations (CO). For insurance agents, additional Swiss Insurance Contract Law applies.

**Brokers:** If the partner company acts like an agent, on a case-by-case or single-deal basis, this arrangement constitutes a brokerage contract rather than an agency contract. Brokerage contracts are governed by special legal rules (article 418a ff CO), unless the parties have stipulated otherwise in writing (article 418a para. 2 CO).

**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 (article 425 ff CO).

### **Establishing an Office**

Any adult can establish a business in Switzerland – irrespective of nationality or place of residence. There is no specific pre-establishment legislation in Switzerland, nor is a minimum percentage of Swiss ownership required for foreign entrepreneurs. Establishing an independent office instead of using an agent may be a preferred solution if a U.S. company has already identified growth prospects in Switzerland and plans to invest financial resources in the Swiss market to develop its market strategy. An independent office may offer greater visibility into the market, provide specific after-sales services, and allow more direct access to local government representatives and business networks.

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 2018 ranks Switzerland 73<sup>rd</sup> in the ease of starting a business, due to the 10 days required to set up a company, and the relatively high initial capital requirements (<http://www.doingbusiness.org/data/exploreeconomies/switzerland#starting-a-business>).

The Swiss government provides helpful 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.easgov.swiss](http://www.easgov.swiss), a company can file company specific information in order 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.

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 from the Swiss-American Chamber of Commerce (<http://www.amcham.ch>) and from the Handbook for Investors published by Switzerland Global Enterprise (SGE) (<https://www.s-ge.com/en/sbh>).

## **Franchising**

Switzerland is generally welcoming to franchise systems. However, the cultural and linguistic differences in the country mean that franchises should be tested in various cultural and linguistic environments: French in Geneva and Lausanne; German in Zurich, Basel and Bern; and Italian in Lugano. Franchising appears in many forms and applicable legal norms depend on the nature of the contract between the franchisor and franchisee. The Swiss Franchise Association (<http://www.franchiseverband.ch/de/home.aspx>) offers additional information and has established a code for its 25 members further describing the relationship between franchisor and franchisee.

## **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). Shopping at home is more popular in Switzerland than in the United States as products ranging from Tupperware and Mary Kay Cosmetics, to lingerie and cleansing agents, are sold in this manner. 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. On a voluntary basis, the 300 members of Switzerland's distance-selling association (<https://www.vsv-versandhandel.ch/>) 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 (<https://www.kmu.admin.ch/kmu/de/home/praktisches-wissen/kmu-betreiben/e-commerce/erstellung-e-commerce-site/die-gesetze-der-schweiz-und-der-eu.html>).

## **Joint Ventures/Licensing**

Joint ventures: 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 (<https://www.weko.admin.ch>) and the Takeover Board (<http://takeover.ch/lang/en>). The Competition Commission 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. (Art. 10 of the Federal Acts on Cartels and other Restraints of Competition: <https://www.admin.ch/opc/en/classified-compilation/19950278/index.html>). Special rules apply for banks.

Licensing: In the absence of a dominant market position, Swiss antitrust law does not restrict an owner's freedom to use her/his industrial property rights, including the exploitation of a patented innovation.

## **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)) that 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 (<https://www.admin.ch/opc/de/classified-compilation/19940432/index.html>).

The Swiss defense department 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 better known by its acronym DDPS, 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.

## **Distribution & Sales Channels**

Distribution channels are varied and 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, most 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 generally 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 (<https://www.handel-schweiz.com/de/>) 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 structure 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 the large, vertically integrated retail establishments. Most of the leading retailers are legally structured as cooperatives. Among the common department store product lines, they carry textiles, leather goods, sports articles, pharmaceuticals, toys, and hardware.

## **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.

## **Selling Factors & Techniques**

**Relationships:** Swiss business partners place high value on a long-term business relationship 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. Moreover, participation in specialized Swiss trade shows demonstrates a commitment to the market (please refer to the section "Trade Promotion and Advertisement" for more details on Swiss trade shows).

**Labelling:** the producing company needs to adapt to Swiss labelling requirements. Information on product labels is typically in German, French and Italian.

**Offers:** an effective company's offer provides relevant information at the outset with objective and detailed information, including the following: exact product description with technical specifications, price details in U.S. dollars or Swiss francs, method of payment, quantities available, packaging, and transport and delivery terms. An offer should also include information on the exporting firm, production equipment available and quality control factors, and financial references. When replying to a public tender, complete requested information should be provided, including all required documents in the proper format.

**Payment terms:** payment terms are usually stipulated in the sales contract and are often open to negotiation depending on the amounts involved. The most common terms are the following: payment 30-60 days net (from the date of the invoice); payment within 10-15 days with 2-3% discount; and payment after 30-60 days with an interest charge. Good customers may expect credit of up to three months.

## **eCommerce**

Approximately 91% of Swiss use the internet at least once per week. Expenditures on telecommunication technologies per capita in Switzerland are among the highest in the world. Many Swiss use the Internet to buy travel services, groceries, consumer electronics, computers, and, household and fashion items. The Swiss online market has been growing at a roughly 9% annual rate, while some companies have increased online sales by about 20% annually.

Large stores such as Migros and Coop, the country's two largest retail supermarket chains, successfully use their online services to deliver directly to clients. The country's largest online retailer is Galaxus, which is majority owned by Migros. Galaxus, growing at double-digit rates, works with Swiss Post to coordinate its delivery services, as does Amazon, in order to lower costs linked to logistics. A key to remaining competitive is optimizing logistics.

## **Domestic e-commerce (B2C)**

Swiss online orders accounted for 9.6% of Swiss retail trade by volume in 2017, amounting to a 50% increase since 2012. Over a third of the growth in 2017 is due to non-Swiss e-commerce providers such as Amazon, Zalando, and Alibaba. Switzerland's largest online provider, Galaxus with an annual turnover approaching \$900 million, has also expanded to Germany to benefit from the European single market, an example other

larger Swiss e-commerce operators are likely to follow. E-commerce between Germany and Switzerland remains a driver of Switzerland's overall e-commerce growth. Opportunities for U.S. online retailers exist for high-quality products as well as for consumer goods (e.g., books, music, software) offered at lower prices. Online retailers widely accept standard means of payment, including Visa, MasterCard, PayPal, and Postfinance.

The Swiss Association for Online Sales, Verband des Schweizerischen Versandhandels (<https://www.vsv-versandhandel.ch/>), unites the 300 online retailers that generate about 60% of the Swiss B2C online sales.

### **Value Added Tax (VAT)**

Any non-Swiss e-commerce company with global revenues over \$100,000 is subject to the Swiss Value Added Tax (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. New legislation coming into force as of January 1, 2019 (<https://www.estv.admin.ch/estv/en/home/mehrwertsteuer/fachinformationen/revmwstg/regelung-fuer-den-versandhandel.html>) will require non-Swiss e-commerce companies to pay VAT for consignments shipped to Switzerland if the VAT amounts to at least \$5. 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.

### **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 (<https://www.mch-group.com/en-US/exhibitions-events/exhibitions-a-z.aspx>) markets about 100 trade fairs in Switzerland, while Swiss Fairs ([www.swissfairs.com](http://www.swissfairs.com)) provides a comprehensive lists 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.

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 Law on Unfair Competition sets out the minimum standards prohibiting misleading advertisements.

Federal Act on Unfair Competition: <https://www.admin.ch/opc/de/classified-compilation/19860391/>

### **Pricing**

Swiss customers highly appreciate quality, timely delivery, and service. This 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.

### **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).

Warranty: equivalent to the EU's warranty specific regulation, Switzerland requires a minimum warranty of two years (CO, Art 210).

Data privacy: as data privacy has become more important for commercial clients and consumers, Switzerland is currently adapting its privacy laws to remain equivalent with EU data privacy standards.

## Protecting Intellectual Property

While Switzerland effectively enforces intellectual property rights linked to patents and trademarks, Swiss authorities have been less rigorous in enforcing copyright laws on the internet. In 2018, USTR placed Switzerland on its Special 301 Watch List (<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/april/ustr-releases-2018-special-301-report>) with the following justification:

“Switzerland remains on the Watch List in 2018. Generally, Switzerland provides high levels of IP protection and enforcement. The United States welcomes the important contributions Switzerland makes to promoting high levels of IP protection and enforcement internationally, including in bilateral and multilateral contexts. Switzerland remains on the Watch List this year due to U.S. concerns regarding specific difficulties in Switzerland’s system of online copyright protection and enforcement. A 2010 decision by the Swiss Federal Supreme Court has been implemented to essentially deprive copyright holders in Switzerland of the means to enforce their rights against online infringers. Enforcement is a critical element of providing meaningful IP protection. Right holders report that Switzerland has become an increasingly popular host country for websites offering infringing content and the services that support them, as indicated in the Out-of-Cycle Reviews of Notorious Markets from recent years. The United States welcomes the steps Switzerland has taken to respond to this serious concern, including the draft amendments to the Swiss Copyright Act as submitted to the Parliament in November 2017, following robust public consultations and stakeholder roundtables to develop recommendations. The draft revisions seek to address the problematic Supreme Court decision from 2010. This legislative process, which began in 2012, is expected to come to a resolution in early 2019. The United States also encourages Switzerland to deter end-users from consuming pirated content through consumer awareness campaigns, public education, and voluntary stakeholder initiatives. The United States looks forward to cooperating with Switzerland to address these and other IP-related challenges.”

In any foreign market, companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](https://www.export.gov/article?id=Protecting-Intellectual-Property) (<https://www.export.gov/article?id=Protecting-Intellectual-Property>) and [Stopfakes.gov](https://www.stopfakes.gov) (<https://www.stopfakes.gov/welcome>) for more resources.

### IP Attaché Contact

Susan Wilson, IP Attaché  
[Susan.wilson@trade.gov](mailto:Susan.wilson@trade.gov)

### 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.

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.

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. Ordering an extract from the debt collection register: <https://www.ch.ch/en/extract-debt-collection-register/>.

The Swiss Commercial Register is based on Federal Law and is implemented within the individual cantons. The Federal Office of Justice maintains a Central Business Names Index on the Internet (ZEFIZ), a listing of the cantonal registers of companies (<https://www.zefix.ch/en/search/entity/welcome>). Entries and changes in the commercial register are published in the Swiss Official Gazette of Commerce (SHAB) (<https://www.zefix.ch/en/search/shab/welcome>). 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.

The Kompass Register (<https://ch.kompass.com/>), 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.

### **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 Embassy's Consular Section also maintains a list of lawyers by canton on its website (<https://ch.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/attorneys/>).

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 Matter, or through a letter interrogatory. For information on this complex legal process, contact the Embassy Bern Consular Section ([bernacs@state.gov](mailto:bernacs@state.gov)).

### **Principle Business Associations**

Economiesuisse is the largest business association encompassing 100,000 Swiss businesses ([www.economiesuisse.ch](http://www.economiesuisse.ch)). Almost every industry branch 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 visit our leading sectors section, which lists key contacts and resources by industry sector.

### **Limitations on Selling US Products and Services**

Switzerland has exempted certain sectors from the Global Procurement Act (GPA), including the management of drinking water, energy, transportation, telecommunication 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).

### **Web Resources**

Swiss public tenders:

Publication of all Swiss government tenders: [www.simap.ch](http://www.simap.ch)

Company status and lists:

Central Business Names Index on the Internet (ZEFIX): <https://www.zefix.ch/en/search/entity/welcome>

Swiss Official Gazette of Commerce (SHAB): <https://www.zefix.ch/en/search/shab/welcome>

Company lists by sector: <https://ch.kompass.com/>

Ordering an extract from the debt collection register: <https://www.ch.ch/en/extract-debt-collection-register/>

Creating an office in Switzerland

Steps to follow to create an office: [www.easgov.swiss](http://www.easgov.swiss)

Distance selling in Switzerland

SECO link on distance-selling: <https://www.kmu.admin.ch/kmu/de/home/praktisches-wissen/kmu-betreiben/e-commerce/erstellung-e-commerce-site/die-gesetze-der-schweiz-und-der-eu.html>

Legislation on advertisement

<https://www.admin.ch/opc/de/classified-compilation/19860391/>

Associations:

Swiss-American Chamber of Commerce: <http://www.amcham.ch>

Switzerland Global Enterprise: <https://www.s-ge.com/en/sbh>

Swiss Franchise Association: <http://www.franchiseverband.ch/en/Home/Franchise-in-Switzerland.aspx>

Swiss Association of Direct Marketing Companies: [www.svdf.ch](http://www.svdf.ch)

Switzerland's distance selling association: <https://www.vsv-versandhandel.ch/>

Swiss Trade Association: <https://www.handel-schweiz.com/de/>

Swiss Association for Online Sales: <https://www.vsv-versandhandel.ch/>

EconomieSuisse (Largest Swiss Business Association): [www.economiesuisse.ch](http://www.economiesuisse.ch)

Swiss Bankers Association: [www.swissbanking.ch](http://www.swissbanking.ch)

Swiss Electrical and Mechanical Engineering Industries: [www.swissmem.ch](http://www.swissmem.ch)

Swiss government entities and laws:

Competition Commission: <https://www.weko.admin.ch>

Takeover Board: <http://takeover.ch/lang/en>

Federal Acts on Cartels and other Restraints of Competition: <https://www.admin.ch/opc/en/classified-compilation/19950278/index.html>

Federal Procurement Act: <https://www.admin.ch/opc/de/classified-compilation/19940432/index.html>

New mail order regulations as of January 1, 2019:  
<https://www.estv.admin.ch/estv/en/home/mehrwertsteuer/fachinformationen/revmwstg/regelung-fuer-den-versandhandel.html>

Trade events:

MCH Group: <https://www.mch-group.com/en-US/exhibitions-events/exhibitions-a-z.aspx>

Swiss Fairs: [www.swissfairs.com](http://www.swissfairs.com)

Intellectual property rights:

Special 301 report 2018: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/april/ustr-releases-2018-special-301-report>

Attorneys:

U.S. Embassy Bern Consular Section: <https://ch.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/attorneys/>

## Leading Sectors for US Exports & Investments

### Aerospace and Defense

This is a best prospect industry sector for Switzerland.

#### Overview

U.S. companies account for roughly 30% 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 roughly \$3 billion. RUAG, a state owned enterprise, is a primary supplier to the Swiss armed forces. 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>	2014	2015	2016	2017 (Estimated)
Total Local Production <sup>1</sup>	3,475	3,255	2,883	3,057
Total Exports <sup>2</sup>	2,577	2,714	4,931	1,953
Total Imports <sup>2</sup>	1,612	1,752	3,909	2,990
Imports from the US <sup>2</sup>	546	553	2,538	1,086
Total Market Size	2,510	2,293	1,861	4,094
Exchange Rates Applied	0.915	0.963	0.985	0.985

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

<sup>1</sup> Estimate includes RUAG's overall sales and sales of Pilatus Aircraft to reflect local production in the Aerospace sector.

<sup>2</sup> Includes Aerospace products traded (HS Code 88) and arms and ammunition (HS Code 93) as a proxy for defense goods, per Global Trade Atlas referring to data from the U.S. Census and Swiss Customs.

#### Leading Sub-Sectors

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 considering an acquisition of 30 to 40 fighter jets and a ground-based air defense (GBAD) system as part of its "Air2030" program. The total value of the jets and the ground-based air defense system is estimated at \$8 billion. Aircraft and systems under consideration include Boeing's F/A-18 Super Hornet, Lockheed Martin's F-35 Lightning, and Raytheon's Patriot systems. Currently, the Swiss government's proposal is undergoing a public review period until September 22, 2018 and will likely be followed by a popular vote in 2019 or 2020.

## 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 for 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

This is a best prospect industry sector for Switzerland.

### 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 2017, Switzerland had 6.1 million registered vehicles, up 32% 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 a limited demand, including some U.S. models, may only be available upon request from an importer or through individual importation. Between May 2017 and May 2018, the automakers with the highest number of registrations in Switzerland included Volkswagen (12.3%), BMW (8%), Mercedes (7.9%), Skoda (6.8%) and Audi (6.2%). About half of newly registered vehicles had four-wheel drive capability, popular given mountainous terrain and winter driving conditions, and 4.1% of the newly registered cars were hybrid electric vehicles.

<i>(In million USD)</i>	2014	2015	2016	2017 (Estimated)
Total Local Production <sup>1</sup>	856	782	748	763
Total Exports <sup>2</sup>	355	389	491	523
Total Imports <sup>2</sup>	10,527	10,441	10,235	10,477
Imports from the US <sup>2</sup>	648	704	699	700
Total Market Size	11,028	10,834	10,238	10,717
Exchange Rates applied	0.915	0.963	0.985	0.985

(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.3322003.html>. The growth rate for local production for 2017 was estimated at 2%.

<sup>2</sup>Imports and exports of cars (HS Code 8703) as outlined by Global Trade Atlas, based on data from census.gov and Swiss customs.

## Leading Sub-Sectors

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)

## Chemicals

This is a best prospect industry sector for Switzerland.

## Overview

U.S. companies have opportunities to supply the Swiss chemical industry with technology, ingredients, and services. As a hub for global chemical supply chains, Switzerland imports nearly \$20 billion in chemicals annually, while exporting over \$10 billion. About 160 Swiss-based companies produce chemicals, many of which also produce products for the biotech and pharmaceutical industry. These companies specialize in various chemical products such as intermediates and active pharmaceutical ingredients, ingredients for consumer products (e.g., dishwasher agents, cosmetics and perfume industry or agricultural industry) or the chemical industry (e.g., salts, vitamins, sweeteners, iron preparations, adhesives and sealants, plastics industry, polyesters, alkaline, analytical reagents and solvents, pigments, polymers, dispersion binders).

<i>(In million USD)</i>	2014	2015	2016 (Estimated)	2017 (Estimated)
Total Local Production <sup>1</sup>	7,805	7,757	7,990	8,229
Total Exports <sup>2</sup>	15,610	11,802	12,949	11,619
Total Imports <sup>2</sup>	19,847	18,104	19,264	19,973
Imports from the US <sup>2</sup>	630	500	428	479
Total Market Size	12,042	14,059	14,305	16,583
Exchange Rates	0.915	0.963	0.985	0.985

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

<sup>1</sup> Swiss gross value-added in the chemical sector per: <https://www.bfs.admin.ch/bfs/de/home/statistiken/volkswirtschaft/volkswirtschaftliche-gesamtrechnung/produktionskonto.assetdetail.3322003.html>. The estimated growth rate was 3% for 2016 and 2017.

<sup>2</sup> Imports and exports of chemicals (HS Codes 28 and 29) as outlined by Global Trade Atlas referring to data from Census.gov and Swiss customs.

## Leading Sub-Sectors

Heterocyclic compounds (HS Code 2932 & 2933), hormones (HS Code 2937), nucleic acids and salts (HS Code 2934), antibiotics (HS Code 2941), Ketones (HS Code 2914), oxygen-function amino-compounds (HS Code 2922), amine-function compounds (HS Code 2921), acyclic alcohols (HS Code 2905).

## Opportunities

Opportunities for U.S. companies exist in the leading sub-sectors.

## Web Resources

Swiss and international associations relating to the chemical industry : <https://www.chemengineering.com/de/Links/Verb%C3%A4nde>

## 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>	2014	2015	2016	2017 (Estimated)
Total Local Production <sup>1</sup>	3,679	3,797	3,844	3,921
Total Exports <sup>2</sup>	141	118	118	118
Total Imports <sup>2</sup>	610	529	528	540
Imports from the US <sup>2</sup>	14	14	16	17
Total Market Size	4,148	4,208	4,254	4,343
Exchange Rates Applied	0.915	0.963	0.985	0.985

(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.3322008.html>. 2017 estimate is based on a 2% growth assumption.

<sup>2</sup>Goods include instruments for demonstrational purposes (HS Code 9023) and printed books (HS Code 4901).

## Leading Sub-Sectors

Educational travel (amounting to about \$60 million per year according to <https://www.bea.gov/international/>). Switzerland imports \$39 million annually in instruments designed for demonstrational purposes (HS Code 9023).

## 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://worlddidac.org/exhibitions/worlddidac-swissdidac-bern-switzerland/>

## Energy

This is a best prospect industry sector for Switzerland.

### Overview

Switzerland's overall energy mix includes imported oil (51%) and natural gas (15%), and largely domestic electric power generation (33%), including hydropower and nuclear. Switzerland is nearly self-sufficient in electricity production and the country trades actively on the European energy grid. Currently, more than 600 hydroelectric plants generate nearly 60% of Switzerland's electricity. Its five nuclear plants generate another 33.5% of Swiss electricity, with renewables (4.3%) and conventional and geothermal power (2.2%) providing the balance. 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>	2014	2015	2016 (Estimated)	2017 (Estimated)
Total Local Production <sup>1</sup>	8,121	9,513	9,513	9,513
Total Exports	1,380	999	839	942
Total Imports	10,260	6,329	4,876	5,788
Imports from the US	66	174	248	88
Total Market Size	8,441	9,738	9,681	9,608
Exchange Rates applied	0.915	0.963	0.985	0.985

(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.3322003.html>. No data available for 2016 and 2017. Estimates based on 2015 data.

<sup>2</sup> Includes goods linked to electric power including hydro, nuclear, wind and solar power (HS Codes 8401, 8502, 8410, 8541), crude oil and refined petroleum (HS Codes 2709 and 2710).

### Leading Sub-Sectors

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

### Opportunities

Switzerland's five nuclear power plants will be decommissioned between 2019 and 2034 and services related to decommissioning may offer opportunities for U.S. companies. 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. U.S. exports to Switzerland of refined petroleum grew steadily between 2014 and 2017 from \$4 million

to \$29 million, while U.S. crude oil exports to Switzerland began in 2015 and have amounted to between \$16 million and \$139 million annually.

### Web Resources

Swiss Federal Office of Energy: <http://www.bfe.admin.ch/kontakt/index.html?lang=en>

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)

### 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 (Mercuria) sectors or small and medium enterprises requiring high tech machinery and equipment.

<i>(In million USD)</i>	2014	2015	2016	2017 (Estimated)
Total Local Production <sup>1</sup>	43,302	40,272	40,272	40,272
Total Exports <sup>2</sup>	39,006	34,814	34,401	36,019
Total Imports <sup>2</sup>	34,589	31,348	30,775	32,956
Imports from the US <sup>2</sup>	1,494	1,530	1,352	1,670
Total Market Size	38,885	36,806	36,646	37,209
Exchange Rates Applied	0.915	0.963	0.985	0.985

(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.3322003.html>. No data available for 2016 and 2017. Estimates based on 2015 data.

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

### Leading Sub-Sectors

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

### Opportunities

Opportunities exist in the leading sub-sectors 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 12.7% of GDP in 2017, allowing opportunities for U.S. companies offering innovative medical 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 med tech companies are active as manufacturers, suppliers, service providers, and sales companies. About 46,000 employees are directly working for the Swiss pharmaceutical industry and another 55,000 are working in the med tech industry.

Mio USD	2014	2015	2016 <sup>2</sup>	2017 (Estimated) <sup>2</sup>
Total Local Production <sup>1</sup>	33,229	34,490	36,890	37,996
Total Exports <sup>3</sup>	65,953	63,227	70,386	73,943
Total Imports <sup>3</sup>	25,611	23,527	26,568	30,808
Imports from the US <sup>3</sup>	4,421	4,278	4,639	4,345
Total Market Size	-4,026	-3,885	-6,928	-5,139
Exchange Rates	0.915	0.963	0.985	0.985

(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.3322008.html>

<sup>2</sup> Based on a 3% estimated annual growth rate.

<sup>3</sup> Estimates include pharmaceutical products (HS Code 30) and med tech products (HS Code 9018).

### Leading Sub-Sectors

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 sub-sectors.

## 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://en.scienceindustries.ch/public-home>

IFAS trade fair in Zurich (October 23 to 26, 2018): <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 2016, U.S. companies offered \$1.9 billion in travel services to Swiss travelers, while U.S. travelers spent \$1.2 billion for trips to Switzerland.<sup>1</sup> In 2017, about 500,000 Swiss travelers visited the United States, spending in average of 18 days in the United States.<sup>2</sup> Most of these travel services are linked to business related activities.

<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 Sub-Sectors**

Transportation, accomodation, rental vehicles.

### **Opportunities**

Opportunities exist in all sub-sectors, particularly considering a growing number of direct flights from Switzerland to the United States (e.g., Edelweiss Air launched a direct flight from Zürich to Denver in 2017).

### **Web Resources**

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

Swiss Travel Associatino 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 & Standards**

### **Trade Barriers**

Switzerland generally meets its commitments under WTO and bilateral agreements, making it a desirable trade destination for U.S. products and services. 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, production quotas, import restrictions, and tariffs all supporting domestic production. Imports of nearly all agricultural products, particularly those that compete with Swiss products, are subject to seasonal import duties, quotas, and import licensing. Agricultural products not produced in Switzerland, such as tropical fruit and nuts, tend to have lower tariffs. U.S. agricultural product access to the Swiss market further faces challenges from restrictive private standards 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 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.

Although Switzerland generally maintains high standards of intellectual property rights (IPR) protection and enforcement and makes important contributions to promoting such protection and enforcement internationally, Switzerland remained on the 2018 Special 301 Watch List due to the lack of sufficient measures to address online copyright piracy.

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.

Some Swiss sectors operate under state monopoly, such as rail transportation, postal services, and insurance services, 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, <https://www.ezv.admin.ch/ezv/en/home.html>).

Switzerland tends to impose low tariff rates on overall imports, with an average 2016 rate of 6.3%. While non-agricultural goods only faced an average tariff rate of 1.7% in 2016, duties of 34.2% were applied to agricultural goods, and animal and dairy products saw tariffs of 110% and 133.2%, respectively. Agricultural goods such as tropical fruits and nuts, which are not produced domestically in Switzerland, usually have lower tariffs.

For detailed information in English on tariff rates on a good from a given country, please consult the Swiss Customs-Tares database:

[https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAju\\_dS5-BKRI-389593159](https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAju_dS5-BKRI-389593159)

## **Import Requirements & 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.

Switzerland’s application of the “Cassis de Dijon” principle stipulates that products lawfully placed on the market in the EU may also be placed on the market in Switzerland, barring certain exceptions which are published in a “negative list” to the Cassis de Dijon principle. Other goods fall under regulations for “Third Country” goods.

Many agricultural products require “general import permits” (GIP) 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 are subject to quotas. Obtaining a GIP is a prerequisite for a producer to be included in the quota. Animals and animal products must be inspected by the Swiss Food Safety and Veterinary Office at the border. 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 in the U.S. may be imported to Switzerland and maintain their organic status. Foods produced through agricultural biotechnology are 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.

Protected species of animals and plants are either prohibited or only possible under limited conditions as Switzerland abides by 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.

The following link leads to a Swiss government query tool which can be used to determine which requirements apply to a given agricultural product, as well as to check whether and to what extent trade is possible in CITES-protected animals and plants: <https://www.blv.admin.ch/blv/en/home/import-und-export/import.html>

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" may be found here:

[https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Technische\\_Handelsbarrieren/Importplattform0.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelsbarrieren/Importplattform0.html)

## **Labeling/Marking Requirements**

Product safety testing and certification is mandatory for the Swiss markets. 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 that entered into force on June 1, 2002. In Switzerland, the Federal Act on Product Safety (PrSG) seeks to guarantee the safety of products on the market and to reduce technical trade barriers by harmonizing Swiss legislation with that of the European Union.

As mentioned in the "Import Requirements and Documentation" section, agricultural biotechnology products are subject to especially strict marking requirements. Generally, labeling and marking requirements follow EU regulations (CE labeling). The State Secretariat for Economic Affairs (Staatssekretariat für Wirtschaft: <https://www.seco.admin.ch/seco/de/home/Arbeit/Arbeitsbedingungen/Produktsicherheit.html>) coordinates the implementation of the Federal Act on Product Safety and more information can be found on their webpage on product safety.

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

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

BIS has developed a list of "red flag indicators" or warning signs intended to discover possible violations of the EAR. These are posted at: <https://www.bis.doc.gov/index.php/enforcement/oe/compliance/23-compliance-a-training/51-red-flag-indicators>

Also, BIS has "Know Your Customer" guidance at: <https://www.bis.doc.gov/index.php/compliance-a-training/export-management-a-compliance/23-compliance-a-training/47-know-your-customer-guidance>

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at +1(800) 424-2980, or via the confidential lead page at: [https://www.bis.doc.gov/index.php?option=com\\_rsform&formId=14](https://www.bis.doc.gov/index.php?option=com_rsform&formId=14)

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web <http://www.bis.doc.gov>.

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at <https://www.bis.doc.gov/index.php/compliance-a-training/current-seminar-schedule>.

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: <http://www.bis.doc.gov/>

## Temporary Entry

Switzerland's Customs Administration offers a temporary admissions procedure with necessary forms (ZAVV) for cases in which goods are imported into Switzerland temporarily with the intention of being re-exported. When this applies, no import taxes will be levied against the product, though a security deposit will be collected in the amount of the applicable duty if the goods were permanently imported. Payment can be made in the form of a cash deposit, a surety bond from a customs agency, or a securities deposit. 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.

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 which can be used in Switzerland for non-consumable items. Employed by over 60 countries, its main advantage is swift tax assessment at border controls. With an ATA Carnet, no deposit must be paid upon entering the border, and the good in question may be imported tax free for up to one year before it must be re-exported. Most often, the ATA carnet is used for goods for exhibitions and trade fairs, professional equipment, and commercial samples.

For goods temporarily imported into Switzerland for processing or repair, the Swiss inward processing procedure allows duty free importation with a duty drawback right. In some cases, the goods may be exempted from value added tax (VAT).

For more detailed instructions in English on how to handle temporary entry goods, visit:

<https://www.ezv.admin.ch/ezv/en/home/information-companies/declaring-goods/importation-into-switzerland/temporary-importation.html>

## Prohibited & Restricted Imports

To find out whether a specific good is banned or restricted from being imported to Switzerland, consult the Tares database:

[https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAJu\\_dS5-BKR!-389593159](https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAJu_dS5-BKR!-389593159)

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:

- Counterfeit items
- Cultural Property
- Drugs and narcotics
- PIC Pesticides
- Precious Metals

- Protected Animals and Plants
- Pyrotechnics and explosives
- Radar warning devices
- Waste material
- Weapons

For more information in English about bans or restrictions on imports, visit the Swiss Federal Customs Office: <https://www.ezv.admin.ch/ezv/en/home/information-companies/bans--restrictions-and-conditions.html>

## Customs Regulations

Goods intended for permanent importation into Switzerland must be delivered to a Swiss customs office and declared for customs clearance.

The following documents should accompany the products:

- Invoices
- Certificates of Origin
- Authorizations/Certificates
- Official confirmations
- Analysis certificates
- Delivery notes
- Cargo Manifests
- Weight certificates
- Assessment instructions

Switzerland employs an electronic customs declaration system called the “e-dec” through which customs declaration forms may be submitted. The party in charge of declaration must be authorized for electronic customs clearance by the Directorate General of Customs. The web application can be accessed here:

<https://www.ezv.admin.ch/ezv/en/home/customs-declaration/declaration-companies/e-dec-import/import-customs-declaration-e-dec-web.html>

The customs clearance agencies, freight forwarders, or logistics companies charged with customs formalities generally pay duties and value added tax (VAT) upon crossing the border and later invoice the total cost and service fee to the client. Before 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:

<https://www.webapps.ezv.admin.ch/apps/contactForm/index.php?lang=en>

## Standards for Trade

### Overview

As a member of CEN (European agency for standards), Switzerland adopts any new European standards in reconciliation with any conflicting national standards. Switzerland applies “Harmonized European Standards” pertaining to health, safety and environmental criteria. All products covered by those standards must carry the CE label as a sign of compliance in all EU countries, including Swiss products exported into the EU. However, Switzerland does not require the CE label on products for Swiss domestic use.

All standards organizations in Switzerland fall under the umbrella of SNV, the Schweizerische Normen Vereinigung or Swiss Standards Association. SNV provides local manufacturers with guidance on worldwide

standards, serves as the link to relevant European (CEN) and international organizations (ISO), and is responsible for introducing the Swiss position at conferences and meetings.

Swiss standardization through the SNV is a decentralized system which delegates responsibilities within autonomous standards sectors. Approximately 3,000 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 as part of an agreement 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.

Any company, institution, or individual with representation in the SNV may submit a written proposal for a new standard so long as it contains a rationale and specific suggestions. Once the need for the creation of the new standard has been identified and the funding secured, the proposal becomes a standardization project. At that point, any interested party that dispatches experts to the SNV's working bodies or specialist areas may participate in drafting standards.

### **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

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

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

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

Standard documents can be browsed or purchased on the SNV's website: [www.shop.snv.ch](http://www.shop.snv.ch)

### *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 U.S. government 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 countries and industry sectors 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 (NIST), part of the U.S. Department of Commerce.

### **Testing, inspection and certification**

Conformity assessment is controlled by a multitude of laboratories and companies that must be accredited by a Swiss Government Agency known as "SAS" (Schweizerische Akkreditierungsstelle). This agency is comparable to the U.S. NIST and includes its own extensive testing laboratories. It is the sole authority that provides relevant laboratories and companies with the accreditation to certify products in specific areas according to standards ISO/EC 17000 and EN 45000. The accreditation procedure is a complex process that includes the physical inspection of the laboratories and equipment, the staffing, and a determination of the organization's level of independence and possible conflicts of interest.

Swiss Federal Office for Metrology and Accreditation

Lindenweg 50, CH-3003 Bern-Wabern, Switzerland

Phone: +41 31 323 3511; Fax +41 31 323 3510; [www.sas.ch](http://www.sas.ch)

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.ch](http://www.sas.ch) (in English).

Underwriter Laboratories (UL) maintains its office in Switzerland:

UL International (Schweiz) AG

Ringstrasse 1, CH-8604 Schwerzenbach, Switzerland

Phone: +41 43 355 4020; Fax +41 43 355 4039; <http://www.ul-europe.com>

### **Publication of technical regulations**

SNV (see above) publishes all new norms in its “SNV Bulletin” in a dedicated section called “SWITEC” (<https://www.snv.ch/en/services/switec-infocenter/information-switec-snv-news/>). Nearly all new standards published in the SNV Bulletin have first been processed and approved by CEN.

### **Contact Information**

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

1. SNV – Schweizerische Normen Vereinigung  
Bürglistrasse 29, CH-8400 Winterthur, Switzerland  
Phone +41 52 224 5454; Fax +41 52 224 5474; [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. Publishes new standards in its “SNV Bulletin” (instead of a “National Gazette”)
2. Electrosuisse, SEV Verband für Elektro- Energie- und Informationstechnik  
Luppenstrasse 1, CH-8320 Fehraltdorf, Switzerland  
Phone +41 44 956 1111; Fax +41 44 956 1122; [www.electrosuisse.ch](http://www.electrosuisse.ch)  
Sector covered: electrical safety standards, electromagnetic emissions
3. SIA, Schweiz. Ingenieur- & Architektenverein  
Selnaustrasse 16, CH-8001 Zürich, Switzerland  
Phone +41 44 283 1515; Fax +41 44 283 1516; [www.sia.ch](http://www.sia.ch)  
Sector covered: building standards (above and underground construction, cultural aspects, environmental criteria, insulation, air-cond/heating/safety)
4. VSS, Schweiz. 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)  
Sector covered: traffic safety, planning of public and private sector transportation networks, energy efficiency, signaling, safety in tunnels, financing
5. SVGW, Schweiz. 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)  
Sector covered: quality standards of processes and equipment for drinking water and natural gas
6. VSA, Verband Schweiz. Abwasser- und Gewässerschutzfachleute

- Europastrasse 3, P.O. Box, CH-8152 Glattbrugg, Switzerland  
Phone +41 43 343 7070; Fax +41 43 343 7071; [www.vsa.ch](http://www.vsa.ch)  
Sector covered: sewage treatment and water pollution control
7. BAFU, Bundesamt für Umwelt (Swiss Environmental Agency)  
Papiermühlestrasse 172, CH-3003 Bern-Ittigen, Switzerland  
Phone: +41 58 462 9311; Fax +41 58 462 9981; [www.bafu.admin.ch](http://www.bafu.admin.ch)
  8. ASUT, Swiss Telecommunication Association  
Klösterlistutz 8, CH-3013 Bern, Switzerland  
Phone +41 31 560 66 66; +41 31 560 66 67; [www.asut.ch](http://www.asut.ch)  
Sector covered: Communications equipment
  9. BAKOM, Swiss Federal Office for 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)
  10. Swissmem, ASM Verband Schweiz. Arbeitgeber der Maschinenindustrie  
Pfungstweidstrasse 102, CH-8005 Zürich, Switzerland  
Phone +41 44 384 4111; Fax +41 44 384 4242; [www.swissmem.ch](http://www.swissmem.ch)  
Sector covered: industrial machinery such as machine tools, textile machines, packaging machine, power generating and distribution equipment etc.
  11. Interpharma, Verband forschender Pharmafirmen in der Schweiz  
Petersgraben 35, P.O. Box CH-4003 Basel, Switzerland  
Phone +41 61 264 3400; Fax: +41 61 264 3435; [www.interpharma.ch](http://www.interpharma.ch)  
Sector covered: manufacturers of pharmaceuticals with own research departments
  12. SWISSMEDIC, Swiss Agency for Therapeutic Products  
Hallerstrasse 7, CH-3000 Bern 9, Switzerland  
Phone +41 31 322 0211; Fax +41 31 322 0212; [www.swissmedic.ch](http://www.swissmedic.ch)  
Sector covered: Swiss government agency comparable to the U.S. FDA
  13. SUVA, Schweiz. Unfallversicherungsanstalt  
Fluhmattstrasse 1, CH-6002 Luzern, Switzerland  
Phone +41 41 419 5111; Fax +41 41 419 5828; [www.suva.ch](http://www.suva.ch)  
Sector covered: occupational safety, agency comparable to U.S. OSHA
  14. BAG – Swiss Public Health Agency (FOPH)  
Schwarzenburgstrasse 157, CH-3003 Bern, Switzerland  
Phone: +41 58 462 2111; Fax +41 31 323 3772; [www.bag.admin.ch](http://www.bag.admin.ch)  
Sector covered: public health

## Trade Agreements

Switzerland has signed 30 free trade agreements (FTAs) with 40 countries and is currently in trade negotiations with India, Indonesia, and the Mercosur states, among others. Most of Switzerland's trade

agreements were signed through the European Free Trade Association (EFTA), a regional trade organization composed of Switzerland, Liechtenstein, Iceland, and Norway. EFTA members maintain their own external tariffs, although tariff duties on trade in industrial products among member countries have been eliminated. Though Switzerland is not a member of the European Union (EU), it has a series of bilateral agreements with the EU that guarantee many of the same economic advantages and lowered barriers to trade that EU members enjoy. Preferential or duty-free rates apply to goods imported from the EU-EFTA free trade area when an importer makes a request on the import declaration and produces a certificate of origin. The Swiss accord tariff preferences under the Generalized System of Preferences (GSP) to developing countries. Switzerland has also signed bilateral trade agreements with the EEA, China, Japan, and the Faroe Islands.

The United States and Switzerland have strong bilateral 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 led to the signing of a Joint Declaration on e-commerce in 2008.

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

[https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/Liste\\_der\\_Freihandelsabkommen\\_der\\_Schweiz.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/Liste_der_Freihandelsabkommen_der_Schweiz.html)

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

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:

<https://www.sbf.admin.ch/sbf/en/home/bildung/recognition-of-foreign-qualifications/recognition-procedure-on-establishment.html> (available only in German, French, or Italian)

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. 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.

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

### **Web Resources**

Swiss Customs Office (EZV):

<https://www.ezv.admin.ch/ezv/en/home.html>

Swiss Customs Office (EZV) bans and restrictions page:

<https://www.ezv.admin.ch/ezv/en/home/information-companies/bans--restrictions-and-conditions.html>

[Swiss Customs Office temporary importation page:](#)

<https://www.ezv.admin.ch/ezv/en/home/information-companies/declaring-goods/importation-into-switzerland/temporary-importation.html>

E-dec online customs application:

<https://www.ezv.admin.ch/ezv/en/home/customs-declaration/declaration-companies/e-dec-import/import-customs-declaration-e-dec-web.html>

Swiss Customs-Tares Database:

[https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAJu\\_dS5-BKR!-389593159](https://xtares.admin.ch/tares/login/loginFormFiller.do;jsessionid=Hmc7FSjdIVarLUhzuV221oxTgCij8bBCHHU486Z9eAJu_dS5-BKR!-389593159)

Federal Food Safety and Veterinary Office import requirement query:

<https://www.blv.admin.ch/blv/en/home/import-und-export/import.html>

Swiss State Secretariat for Economic Affairs (SECO) import platform:

[https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Technische\\_Handelsbarrieren/Importplattform0.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Technische_Handelsbarrieren/Importplattform0.html)

Swiss State Secretariat for Economic Affairs (SECO) product safety webpage:

<https://www.seco.admin.ch/seco/de/home/Arbeit/Arbeitsbedingungen/Produktsicherheit.html>

Swiss Standards Association standards shop:

[www.shop.snv.ch](http://www.shop.snv.ch)

Swiss State Secretariat for Education, Research, and Innovation (SERI) licensing requirements:

<https://www.sbfi.admin.ch/sbfi/en/home/bildung/recognition-of-foreign-qualifications/recognition-procedure-on-establishment.html>

Swiss Federal Office for Metrology and Accreditation:

[www.sas.ch](http://www.sas.ch)

U.S. Department of Commerce's Bureau of Industry and Security:

<https://www.bis.doc.gov/>

## Investment Climate Statement

### Executive Summary

At the national level, the Swiss government enacts laws and regulations governing corporate structure, the financial system, and immigration, and concludes international trade and investment treaties. The Swiss federal system grants Switzerland's 26 cantons (i.e., states) significant independence to shape investment policies and set incentives to attract investment. This federal approach to governance has helped the Swiss maintain long-term economic and political stability, a transparent legal system, an extensive and reliable infrastructure, efficient capital markets, and an excellent quality of life for the country's 8.4 million inhabitants. Many U.S. firms base their European or regional headquarters in Switzerland, drawn to the country's low corporate tax rates, productive and multilingual work force, and famously well maintained infrastructure and transportation networks. U.S. companies also choose Switzerland as a gateway to markets in Eastern Europe, the Middle East, and beyond. Furthermore, U.S. companies select Switzerland due to its more flexible labor laws when compared with other European locations.

In 2017, the World Economic Forum once again rated Switzerland the world's most competitive economy – the country's ninth consecutive #1 ranking. That high ranking not only reflects the country's sound institutional environment, but also Switzerland's ubiquitously high levels of technological and scientific research and investment. With very few exceptions, Switzerland welcomes foreign investment, accords it national treatment, and does not impose, facilitate, or allow barriers to trade. According to the OECD, Swiss public administration ranks high globally in output efficiency and enjoys the highest public confidence of any national government in the OECD. Switzerland's judiciary system is equally effective and efficient, posting the shortest trial length of any of the OECD's 35 member countries. Its competitive economy and openness to investment brought Switzerland's cumulative inward direct investment to USD 986 billion in 2016 according to the IMF.

Many of Switzerland's cantons make significant use of financial incentives to attract investment to their jurisdictions. Some of the more forward-leaning cantons have occasionally waived taxes for new firms for up to ten years. However, this practice has been criticized by the European Union, –Switzerland's top trading partner, with which Switzerland has many bilateral treaties–and is consequently likely to be phased out between 2019 and 2020. The first attempt to introduce legislation that would have abolished tax privileges for foreign companies was rejected by Swiss voters in a February 12, 2017 referendum. New draft legislation to bring Switzerland's corporate tax system in line with OECD standards is expected later in 2018. Individual income tax and corporate tax rates vary widely across Switzerland's 26 cantons, depending upon cantonal tax incentives. Zurich, which is sometimes used as a reference point for corporate location tax calculations within Switzerland, has a combined corporate tax rate of roughly 25%, which includes municipal, cantonal, and federal tax.

There are no "forced localization" laws designed to require foreign investors to use domestic content in goods or technology (e.g., data storage within Switzerland). Nevertheless, the Swiss Federal Council decided on February 9, 2014, to exclude foreign-held companies from bidding on particular critical infrastructure projects that have a strong nexus between information and communication technologies (ICT) and the Federal Administration. While the Federal Council's decision does not spell out specific sectors subject to this exclusion, it is widely interpreted to apply to ICT projects linked to areas such as Switzerland's defense, railways, energy grid, and the Swiss National Bank. A legal interpretation of this decision is still pending. Were a foreign bidder to challenge a bidding exclusion based on this decision, a Swiss court would determine whether the ruling applied to the specific sector involved.

Switzerland follows strict privacy laws and certain data may not be collected in Switzerland, as it is deemed personal and particularly "worthy of protection."

According to WIPO’s World Intellectual Property Indicators, Switzerland is ranked 8th globally in filing patents, 9th in industrial designs, and 13th in trademarks, reflecting Switzerland’s overall strong intellectual property protection. While Switzerland effectively enforces intellectual property rights linked to patents and trademarks, Swiss authorities have been less rigorous in enforcing copyright laws on the internet. In 2016, USTR placed Switzerland on its Special 301 Watch List due to continuing shortcomings in protecting copyrighted material online. If approved by parliament, a new Copyright Act will address these shortcomings as of 2019.

Some formerly public Swiss monopolies continue to retain market dominance despite partial or full privatization. As a result, foreign investors sometimes find it difficult to enter these markets (e.g. telecommunications, certain types of public transportation, postal services, alcohol and spirits, aerospace and defense, certain types of insurances and banking services, and salt). Additionally, the OECD ranks Switzerland’s educational, healthcare, and agriculture costs and subsidies as relatively “high” when rated against output. The Swiss agricultural sector remains one of the most protected and heavily subsidized markets in the world. Switzerland’s agricultural sector receives heavy government support (direct payments comprise two thirds of an average farm’s profits) and has one of the lowest levels of productivity among OECD members.

### Liechtenstein

Liechtenstein’s investment conditions are identical in most key aspects to those in Switzerland, due to its integration into the Swiss economy. The two countries form a customs union and Swiss authorities are responsible for implementing import and export regulations. Both countries are members of the European Free Trade Association (EFTA, including Iceland and Norway), an intergovernmental trade organization and [free trade area](#) that operates in parallel with the [European Union](#) (EU). Liechtenstein participates in the EU single market through the European Economic Area (EEA), unlike Switzerland which has opted for a set of bilateral agreements with the EU instead of being part of the EEA. Liechtenstein has a stable and open economy employing 37,453 people – almost exceeding its domestic population of 37,810 – and requiring a substantial number of foreign workers. Some 54% of the Liechtenstein workforce are foreigners, mainly Swiss and Austrians, commuting daily to Liechtenstein. (Liechtenstein was granted an exception to the EU Free Movement of People Agreement enabling the country not to grant residence permits to its workers). Liechtenstein is one of the world’s wealthiest countries. Liechtenstein’s gross domestic product per capita (at current USD) amounted to USD 168,146 in 2015 and is the highest in the world. According to the [Liechtenstein Statistical Yearbook](#), the services sector, particularly in finance, accounts for 61% of Liechtenstein’s jobs, followed by the manufacturing sector (particularly machine tools, precision instruments, and dental products), which employs 38% of the work force. Agriculture accounts for less than 1% of the country’s employment.

Liechtenstein reformed its tax system in 2011. Its corporate tax rate, at 12.5%, is one of the lowest in Europe. Capital gains, inheritance, and gift taxes have been abolished. The Embassy has no recorded complaints from U.S. investors stemming from market restrictions in Liechtenstein.

*Table 1: Switzerland*

Measure	Year	Index/Rank	Website Address
TI Corruption Perceptions Index	2017	3 of 175	<a href="http://www.transparency.org/research/cpi/overview">http://www.transparency.org/research/cpi/overview</a>
World Bank’s Doing Business Report “Ease of	2017	33 of 190	<a href="http://www.doingbusiness.org/rankings">http://www.doingbusiness.org/rankings</a>

<b>Global Innovation Index</b>	2017	1 of 127	<a href="https://www.globalinnovationindex.org/analysis-indicator">https://www.globalinnovationindex.org/analysis-indicator</a>
<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	2016	USD 172,608	<a href="http://www.bea.gov/international/factsheet/">http://www.bea.gov/international/factsheet/</a>
<b>World Bank GNI per capita</b>	2016	USD 81,240	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

**Openness to and Restrictions upon Foreign Investment**

**Policies Towards Foreign Direct Investment**

With the exception of a heavily protected agricultural sector, foreign investment into Switzerland is generally not hampered by significant barriers, with no reported discrimination against foreign investors or foreign-owned investments. Incidents of trade discrimination do exist, for example with regards to agricultural goods such as bovine genetics products. Some city and cantonal governments offer access to an ombudsman, who may address a wide variety of issues involving individuals and the government, but does not focus exclusively on investment issues.

**Limits on Foreign Control and Right to Private Ownership and Establishment**

Foreign and domestic enterprises may engage in various forms of remunerative activities in Switzerland and may freely establish, acquire, and dispose of interests in business enterprises in Switzerland. There are, however, some investment restrictions in areas under state monopolies, including certain types of public transportation, postal services, alcohol and spirits, aerospace and defense, certain types of insurance and banking services, and the trade in salt. Restrictions (in the form of domicile requirements) also exist in air and maritime transport, hydroelectric and nuclear power, operation of oil and gas pipelines, and the transportation of explosive materials. Additionally, the following legal restrictions apply within Switzerland:

Corporate boards: The board of directors of a company registered in Switzerland must consist of a majority of Swiss citizens residing in Switzerland; at least one member of the board of directors who is authorized to represent the company (i.e., to sign legal documents) must be domiciled in Switzerland. If the board of directors consists of a single person, this person must have Swiss citizenship and be domiciled in Switzerland. Foreign controlled companies usually meet these requirements by nominating Swiss directors who hold shares and perform functions on a fiduciary basis. Mitigating these requirements is the fact that the manager of a company need not be a Swiss citizen and, with the exception of banks, company shares can be controlled by foreigners. The establishment of a commercial presence by persons or enterprises without legal status under Swiss law requires an establishment authorization according to cantonal law. The aforementioned requirements do not generally pose a major hardship or impediment for U.S. investors.

Hostile takeovers: Swiss corporate shares can be issued both as registered shares (in the name of the holder) or bearer shares. Provided the shares are not listed on a stock exchange, Swiss companies may, in their articles of incorporation, impose certain restrictions on the transfer of registered shares to prevent hostile takeovers by foreign or domestic companies (article 685a of the Code of Obligations). Hostile takeovers can also be annulled by public companies; however, legislation introduced in 1992 made this practice more difficult. Public companies must cite in their statutes significant justification (relevant to the survival, conduct, and purpose of their business) to prevent or hinder a takeover by a foreign entity. Furthermore, public corporations may limit the number of registered shares that can be held by any shareholder to a percentage of the issued registered stock. In practice, many corporations limit the number of shares to 2-5% of the relevant stock. Under the public takeover provisions of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (2015), a formal notification is required when an investor purchases more than 3% of a Swiss company's shares. An "opt-out" clause is available for firms which do not want to be taken over by a hostile bidder, but such opt-outs must be approved by a super-majority of shareholders and must take place well in advance of any takeover attempt.

Banking: Those wishing to establish banking operations in Switzerland must obtain prior approval from the Swiss Financial Market Supervisory Authority (FINMA), a largely independent agency, administered under the Swiss Federal Department of Finance. FINMA promotes confidence in financial markets and works to protect customers, creditors, and investors. FINMA approval of bank operations is generally granted if the following conditions are met: reciprocity on the part of the foreign state; the foreign bank's name must not give the impression that the bank is Swiss; the bank must adhere to Swiss monetary and credit policy; and a majority of the bank's management must have their permanent residence in Switzerland. Otherwise, foreign banks are subject to the same regulatory requirements as domestic banks.

Banks organized under Swiss law must inform FINMA before they open a branch, subsidiary, or representation abroad. Foreign or domestic investors have to inform FINMA before acquiring or disposing of a qualified majority of shares of a bank organized under Swiss law. If exceptional temporary capital outflows threaten Swiss monetary policy, the Swiss National Bank, the country's independent central bank, may force other institutions to seek approval before selling foreign bonds or other financial instruments. On December 20, 2008, government protection of current accounts held in Swiss banks was raised from CHF 30,000 to CHF 100,000.

Insurance: A federal ordinance requires the placement of all risks physically situated in Switzerland with companies located in the country. Therefore, it is necessary for foreign insurers wishing to provide liability coverage in Switzerland to establish a subsidiary or branch there.

U.S. investors have not identified any specific restrictions that create market access challenges for foreign investors.

### **Other Investment Policy Reviews**

The World Trade Organization (WTO) published a Trade Policy Review of Switzerland and Liechtenstein in September 2017 that includes investment information. Other reports containing elements referring to the investment climate in Switzerland include the OECD Economic Survey of November 2017.

- Link to the WTO report:

[https://www.wto.org/english/tratop\\_e/tpr\\_e/tp\\_rep\\_e.htm#bycountry](https://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm#bycountry)

- Link to the OECD reports / papers: [http://www.oecd-ilibrary.org/economics/oecd-economic-surveys-switzerland\\_19990464;jsessionid=174m5wrgvwd7j.x-oecd-live-02](http://www.oecd-ilibrary.org/economics/oecd-economic-surveys-switzerland_19990464;jsessionid=174m5wrgvwd7j.x-oecd-live-02)

The Swiss government-affiliated non-profit organization Switzerland Global Enterprise (SGE) has a nationwide mandate to attract foreign business to Switzerland on behalf of the Swiss Confederation. SGE promotes Switzerland as an economic hub and fosters exports, imports, and investments. Larger regional offices include the Greater Geneva-Berne Area (that covers large parts of Western Switzerland), the Greater Zurich Area, and the Basel Area. Each canton has a business promotion office dedicated to helping facilitate real estate location, beneficial tax arrangements, and employee recruitment plans. There is no minimum threshold -- in terms of the number of jobs created or initial investment amount -- for foreign companies to qualify for help to establish in Switzerland. Nevertheless, Swiss promotion offices generally focus on attracting medium-sized entities (creating between 50 and 249 jobs in their region).

#### References:

- The Swiss government's online portal ("easygov") is Switzerland's online registration website and includes links to the main local interlocutors for business related questions: <https://www.easygov.swiss/easygov/#/>
- Switzerland Global Enterprise plays a role in connecting companies with potential host regions: <https://www.s-ge.com/en/investment-promotion>
- Some of the larger promotion offices are:
  - Invest Western Switzerland Area: <http://ggba-switzerland.ch/>
  - Greater Zurich Area: <https://www.greaterzuricharea.com>
  - Basel Area: <http://www.baselarea.ch/>

Switzerland has a dual system for granting work permits and allowing foreigners to create their own companies in Switzerland. Employees from the EU/EFTA area can benefit from the EU Free Movement of Persons Agreement. U.S. citizens who are not citizens of an EU/EFTA country and want to become self-employed in Switzerland must meet Swiss labor market requirements. The criteria for admittance, usually not creating a hindrance for U.S. persons, are contained in the Federal Act on Foreign Nationals (FNA), the Decree on Admittance, Residence and Employment (VZAE) and the provisions of the FNA and the VZAE.

- The Federal Act on Foreign Nationals (FNA) (unofficial English translation): <https://www.admin.ch/opc/en/classified-compilation/20020232/index.html>
- Decree on Admittance, Residence and Employment (VZAE) (not available in English): <https://www.admin.ch/opc/de/classified-compilation/20070993/index.html>
- Provisions of the FNA and the VZAE (not available in English): <http://www.ejpd.admin.ch/dam/data/bfm/rechtsgrundlagen/weisungen/auslaender/weisungen-aug-d.pdf>

Setting up a company in Switzerland requires registration at the relevant cantonal Commercial Registry. The cost for registering a company is typically \$1,300 - \$15,200, depending on the company type. These costs mainly cover the Public Notary and entry into the Commercial Registry.

Other steps/procedures for registration include: 1) placing paid-in capital in an escrow account with a bank; 2) drafting articles of association in the presence of a notary public; 3) filing a deed certifying the articles of association with the local commercial register to obtain a legal entity registration; 4) paying the stamp tax at a post office or bank after receiving an assessment by mail; 5) registering for VAT; and 6) enrolling employees in the social insurance system (federal and cantonal authorities).

The World Bank Doing Business Report 2018 ranks Switzerland 73<sup>rd</sup> in the ease of starting a business, due to the six-step registration process, the 10 days required to set up a company, and the relatively high initial capital requirements.

### **Outward Investment**

Switzerland does not explicitly promote or incentivize outward investment nor does it restrict domestic investors from investing abroad.

### **Bilateral Investment Agreements and Taxation Treaties**

The United States and Switzerland do not have a bilateral investment agreement. Switzerland has concluded numerous investment protection treaties with developing and emerging market economies; over 112 BITs and 29 relevant FTAs with investment commitments remain in force.

See the UNCTAD Investment Policy Hub for a full listing of BITs: <http://investmentpolicyhub.unctad.org/IIA/CountryBits/203#iiaInnerMenu>

Currently, Switzerland is in various stages of discussions regarding FTAs with Algeria, Belarus, Ecuador, India, Indonesia, Kazakhstan, Malaysia, MERCOSUR, Russia, Thailand, and Vietnam.

Switzerland concluded an Income Tax Treaty with the United States in 1996. <https://www.irs.gov/businesses/international-businesses/switzerland-tax-treaty-documents>

A 2009 Protocol to this Treaty—ratified by Switzerland but not by the U.S. Senate—has not entered into force.

### **Legal Regime**

#### **Transparency of the Regulatory System**

The Swiss government uses transparent policies and effective laws to foster a competitive investment climate. Proposed laws and regulations are open for three-month public comment from interested parties, interest groups, cantons, and cities before being discussed within the bicameral parliament. Proposals may be subject to facultative or automatic referenda that allow Swiss voters to reject or accept the proposals. Only in rare instances are regulations reviewed on the basis of political or customer preferences rather than scientific analysis, such as the case of the extension of a moratorium until 2021 on planting GMO crops.

#### **International Regulatory Considerations**

Switzerland is not a member of the European Union. However, with rare exceptions, Switzerland adopts most EU standards.

The WTO concluded in 2017 that Switzerland has regularly notified its draft technical regulations, ordinances, and conformity assessment procedures to the TBT Committee. Switzerland has been a signatory to the Trade Facilitation Agreement (TFA) since September 2, 2015.

#### **Legal System and Judicial Independence**

Swiss civil law is codified in the Swiss Civil Code (which governs the status of individuals, family law, inheritance law, and property law) and in the Swiss Code of Obligations (which governs contracts, torts, commercial law, company law, law of checks and other payment instruments). Switzerland's civil legal system is divided into public and private law. Public law governs the organization of the state, as well as the relationships between the state and private individuals or other entities, such as companies. Constitutional law, administrative law, tax law, criminal law, criminal procedure, public international law, civil procedure, debt enforcement, and bankruptcy law are sub-divisions of public law. Private law governs relationships

among individuals or entities. Intellectual property law (copyright, patents, trademarks, etc.) is also an area of private law. Labor is governed by both private and public law.

Judiciary organization differs by canton. (Smaller cantons have only one court, while larger cantons have multiple courts.) All cantons have a high court, which includes a specialized commercial court in four cantons (Zurich, Bern, St. Gallen and Aargau). Cantonal high court decisions can be appealed to the Swiss Supreme Court. The court system is independent, competent, and fair.

Switzerland is party to a number of bilateral and multilateral treaties governing the recognition and enforcement of foreign judgments. The Lugano Convention, a multilateral treaty tying Switzerland to European legal conventions, entered into force in 2011, (replacing an older legal framework with the same name). A set of bilateral treaties is also in place to handle judgments of specific foreign courts. While no such agreement is in place between the United States and Switzerland, Switzerland operates under the New York Convention on Recognition and Enforcement of Foreign Arbitral Law, meaning local courts must enforce international arbitration awards under certain circumstances.

### **Laws and Regulations on Foreign Direct Investment**

The major laws governing foreign investment in Switzerland are the Swiss Code of Obligations, the Lex Friedrich/Koller, Switzerland's Securities Law, and the Cartel Law. There is no specific screening of foreign investment beyond a normal anti-trust review. There are few sectoral or geographic incentives or restrictions. Several exceptions are described below in the section on performance requirements and incentives.

Some former public monopolies retain their historical market dominance despite partial or full privatization. Foreign investors sometimes find it difficult to enter these markets due to high entry costs and the relatively small size and linguistic divisions of the Swiss market (e.g. certain types of public transportation, postal services, alcohol and spirits, aerospace and defense, certain types of insurances and banking services, and the trade in salt).

There is no pronounced interference in the court system that should affect foreign investors.

Useful websites:

- The Swiss Code of Obligations including an unofficial English translation: <https://www.admin.ch/opc/en/classified-compilation/19110009/index.html>
- Information on the acquisition of property in Switzerland by persons abroad: <https://www.bj.admin.ch/dam/data/bj/wirtschaft/grundstueckerwerb/lex-e.pdf>
- The Federal Act on Stock Exchanges and Securities Trading (unofficial English translation): <http://www.six-swiss-exchange.com/download/participants/participation/education/sesta-stock-exchange-act-en.pdf>
- The Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Unofficial English translation): <https://www.admin.ch/opc/en/classified-compilation/20141779/index.html>
- The Federal Act on Cartels and other Restraints of Competition including an unofficial English translation: <https://www.admin.ch/opc/en/classified-compilation/19950278/index.html>
- Switzerland Global Enterprise provides a "handbook for investors" with the relevant laws: <https://www.s-ge.com/en/publication/handbook-investors/handbook-investors>

### **Competition and Anti-Trust Laws**

The [Swiss Competition Commission](#) and the [Swiss Takeover Board](#) review competition-related concerns. In 2017, the Swiss Takeover Board concluded that Chinese conglomerate HNA had failed to list the HNA co-founders correctly as beneficial owners in its acquisition prospectus of Swiss airline caterer gategroup and tasked the Swiss financial regulator and stock exchange to investigate potential breaches of Swiss financial regulations.

### **Expropriation and Compensation**

There are no known cases of expropriation within Switzerland.

### **Dispute Settlement**

#### *ICSID Convention and New York Convention*

Switzerland has been a member of the International Center for Settlement of Investment Disputes (ICSID) since June 14, 1968, and a member of the New York Convention on Recognition and Enforcement of Foreign Arbitral Law since June 1, 1965. Switzerland's Federal Act on Private International Law (Art. 190 and 194) sets a minimum standard for the implementation of international arbitration awards in Switzerland.

#### *Investor-State Dispute Settlement*

Based on Switzerland's membership in the New York Convention on Recognition and Enforcement of Foreign Arbitral Law, local courts are entitled to enforce international arbitration awards. According to Switzerland's State Secretariat for Economic Affairs, Switzerland has never been a party to an investment dispute involving international arbitration.

#### *International Commercial Arbitration and Foreign Courts*

Swiss courts recognize and enforce foreign arbitral awards in the framework of the [Convention on the Recognition and Enforcement of Foreign Arbitral Awards](#). Post has no knowledge of any investor disputes in Switzerland involving U.S. persons within the last 10 years.

As business associations organized at the cantonal level, the Chambers of Commerce and Industry, of Basel, Bern, Geneva, Lausanne, Lugano, Neuchâtel, and Zurich have established the Swiss Chambers' Arbitration Institution. This entity offers dispute resolution based on Swiss Rules of International Arbitration and Swiss Rules of Commercial Mediation. According to the Swiss Chambers' Arbitration Institution, 100 cases were submitted in 2015, and 89 of these cases involved foreign parties. 96 of these cases were accepted under Swiss rules; 36 cases were Swiss, 24 included parties from Western Europe, and 6 included parties from North America.

### **Bankruptcy Regulations**

Switzerland's bankruptcy law does not criminalize bankruptcy. Under the bankruptcy law, the same rights and obligations apply to foreign and Swiss contract holders.

Swiss authorities provide information about Swiss residents and companies regarding debts registered with the debt collection register.

The World Bank's 2018 "Doing Business" survey ranks Switzerland 45<sup>th</sup> out of 190 countries in resolving insolvency. The average time to close a business in Switzerland is three years (compared to 1.7 years average across the OECD), with an average of 46.7 cents on the dollar recovered by claimants from insolvent firms (compared to 71.2 cents OECD average).

The Swiss Federal Statute on Private International Law (PILS, Art. 166-175, in force since January 1, 1989) governs Swiss recognition of foreign insolvency proceedings, including bankruptcies, foreign composition, and arrangements. Swiss law requires reciprocity for recognition of foreign insolvency.

Federal Statute on Debt Enforcement and Bankruptcy of 11 April 1889 ([full text](#) in German, French or Italian).

## **Industrial Policies**

### **Investment Incentives**

Many of Switzerland's cantons make significant use of financial incentives to attract investment to their jurisdictions. Some of the more forward-leaning cantons have occasionally waived taxes for new firms for up to ten years. However, this practice has been criticized by the OECD and European Union. To satisfy OECD and EU standards, the Federal Council has proposed "Corporate Tax Reform 17," which will be sent to the parliament during 2018. The new proposed corporate tax code aims to abolish special tax privileges for foreign firms and establish a level playing field between Swiss and foreign companies, while allowing cantons to offer various tax deductions to incentivize investment. While the Swiss parliament's eventual vote and a potential referendum may impact the final form of Corporate Tax Reform 17, many cantons have already lowered their overall corporate tax rate independently of the reform to accommodate foreign companies. Zurich, which is sometimes used as a reference point for corporate location tax calculations within Switzerland, has a combined corporate tax rate of roughly 25%, which includes municipal, cantonal, and federal tax.

Individual income tax rates also vary widely across the 26 cantons.

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

Switzerland's free ports remain an important hub particularly for art works and collectibles from all over the world. The country has taken steps in recent years to minimize the risks of abuse in free ports and to ensure that processes are in line with international standards.

### **Performance and Data Localization Requirements**

There are no "forced localization" laws designed to require foreign investors to use domestic content in goods or technology (e.g., data storage within Switzerland). In a June 2017 court decision regarding a February 2014 Federal Council decision to exclude a foreign competitor from bidding on services related to the government's critical infrastructure, the court ruled in favor of the Swiss State-Owned Enterprise involved in the bid. U.S. companies have to date not voiced concerns. Switzerland follows strict privacy laws and certain data may not be collected in Switzerland, as it is deemed personal and particularly "worthy of protection." The collection of certain data may need to be registered at the office of the Federal Data Protection and Information Commissioner. Some foreign companies have located data centers in Switzerland due to the country's strict privacy rules and neutrality.

## **Protection of Property Rights**

### **Real Property**

Physical property rights are recognized and enforced within Switzerland, which currently ranks 16<sup>th</sup> out of 190 countries in the ease of transferring and registering property, according to the World Bank's Doing Business Report 2018.

### **Intellectual Property Rights**

According to WIPO's World Intellectual Property Indicators, Switzerland ranks 8<sup>th</sup> globally in filing patents, 9<sup>th</sup> in industrial designs, and 13<sup>th</sup> in trademarks, reflecting Switzerland's overall strong intellectual property protection. Switzerland effectively enforces intellectual property rights linked to patents and trademarks. In 2016, USTR placed Switzerland on its Special 301 Watch List due to continuing shortcomings in protecting copyrighted material online. A legal proposal to address these issues was sent to parliament in November 2017. If the proposed draft law is approved, the new law is expected to provide rightsholders with necessary tools to limit online piracy, including stay-down obligations for Swiss internet hosting providers and allowing the use of IP addresses to file complaints against illegal uploaders.

Federal customs authorities in Switzerland have the authority to seize counterfeit goods upon request from owners of intellectual property (i.e., patent, trademark or copyright) or related interest groups (e.g., professional associations). Goods can be seized for 10 days if there is reasonable suspicion that they are counterfeit. Provisional measures can also be obtained from a Swiss court to ensure evidence is not destroyed. If the destruction of goods is requested by an intellectual property owner, the owner of the goods can dispute that claim in writing within 10 days. In 2017 Swiss customs conducted 1,633 interventions and seized counterfeit goods valued at \$20 million (not including pharmaceuticals). Of the goods seized at the Swiss border, 84% concerned bags, watches and jewelry.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

#### *Resources for Rights Holders*

Desiree Baron, Political/Economic Counselor  
Thomas (Toby) Wolf, Economic/Commercial Officer  
U.S. Embassy in Bern, Sulgeneckstrasse 17, 3003 Bern, Switzerland  
+41 31 357 7424  
[Business-bern@state.gov](mailto:Business-bern@state.gov)

#### *Country / Economy resources*

Swiss American Chamber of Commerce  
Talacker 41  
8001 Zurich  
+41 43 443 72 00  
[info@amcham.ch](mailto:info@amcham.ch)

### **Financial Sector**

#### **Capital Markets and Portfolio Investment**

The Swiss government's attitude toward foreign portfolio investment and market structures are positive, resulting in frequent high global rankings.

## **Money and Banking System**

Switzerland is home to a sophisticated banking system that provides a high degree of service to both foreign and domestic entities. Switzerland also has an effective regulatory system that encourages and facilitates portfolio investment. Domestic and foreign bidders are treated equally when it comes to hostile takeovers within Switzerland. The Swiss Bankers Association (SBA), a trade association of almost 300 member financial institutions, estimated that Switzerland's banks held assets amounting to USD 7 trillion in 2017, almost half of which belong to foreigners. The largest banks, UBS and Credit Suisse, each hold about USD 1 trillion in assets, while Raiffeisen Switzerland holds about USD 220 billion and Zurich Cantonal Bank holds roughly USD 172 billion. Swiss banks maintain a high ratio of deposit assets when compared with the country's GDP (178%), a measure of the strength of the financial system. Switzerland also maintains an independent central bank – the Swiss National Bank (SNB).

U.S. citizens resident in Switzerland may face difficulties in opening bank accounts at smaller Swiss banks as a result of the administrative costs of complying with additional regulatory and administrative procedures required for U.S. related person accounts under accepted disclosure rules.

The Swiss government created a blockchain task force in January 2018 to foster cooperation between the traditional banking sector and the nascent industry and to discuss potential legal and regulatory reforms to attract blockchain technologies while maintaining anti-money laundering controls.

Several associations provide information about Swiss banks that offer services to U.S. clients:

- [http://www.amcham.ch/publications/p\\_publications.asp?publication=Other%20Chamber%20Publications](http://www.amcham.ch/publications/p_publications.asp?publication=Other%20Chamber%20Publications)
- <http://americanswelcome-expats.swiss/list-of-swiss-banks.php>

## **Foreign Exchange and Remittances**

### *Foreign Exchange Policies*

Since 2015, the SNB has attempted to prevent further strengthening of the Swiss franc by instituting a negative interest rate for commercial bank deposits at the SNB, currently -0.75%, while continuing an expansionary monetary policy through intervention in the foreign currency market. As of March 15, 2018, the SNB maintained its assessment that the Swiss Franc is “highly valued.” The strength of the franc has lowered effective prices of imports to Switzerland, but it also has harmed Swiss competitiveness as an export-oriented economy. On January 15, 2015 the Swiss National Bank (SNB) abandoned the Swiss franc's euro peg (1.20 CHF/EUR). In the wake of the SNB's announcement, the franc increased over 30% in value against the euro, but currently trades at around 1.15 CHF/EUR. The Swiss franc currently trades around parity with the dollar, with one Swiss franc equaling 1.04 USD (as of 04/17/2018).

### **Remittance Policies**

There are currently no restrictions on converting, repatriating, or transferring funds associated with an investment (including remittances of capital, earnings, loan repayments, lease payments, royalties) into a freely usable currency and at the a legal market clearing rate.

### **Sovereign Wealth Funds**

Switzerland does not have a sovereign wealth fund or an asset management bureau. Some among the Swiss polity have suggested that the Swiss National Bank establish a sovereign wealth fund to invest a portion of its sizable reserves in Swiss business ventures.

## State-Owned Enterprises

The Swiss Confederation is the largest or sole shareholder in Switzerland's five State-Owned Enterprises (SOEs), active in the areas of ground transportation (SBB), information and communication (Swiss Post, Swisscom), defense (RUAG), and aerospace (Skyguide). These companies are typically responsible for "public function mandates," but may also cover commercial activities (e.g., Swisscom in the area of telecommunications). SOEs typically have commercial relationships with private industry; Swisscom and Ruag are also active in foreign markets. Private sector competitors can compete with SOEs under the same terms and conditions with respect to access to markets, credit, and other business operations. Additional SOEs controlled by the cantons are active in the areas of energy, water supply, and a number of subsectors. SOEs may benefit from exclusive rights and privileges (some of which are listed in Table A 3.2 of the [WTO Trade Policy Review](#)).

Switzerland is a party to the WTO Government Procurement Agreement (GPA). Some areas are partly or fully exempted from the GPA, such as the management of drinking water, energy, transportation, telecommunication and defense. Private companies may encounter difficulties gaining business in these exempted sectors.

## Privatization Program

Switzerland has no current plans to privatize any of its state-owned enterprises.

## Responsible Business Conduct

The Swiss Confederation and Swiss companies are generally aware of the importance of pursuing the due diligence approach to responsible business conduct (RBC) and demonstrating corporate social responsibility (CSR). In response to criticism from civil society about the business practices of Swiss companies abroad, the Swiss government commissioned a series of reports on the government's role in ensuring CSR, particularly in the commodities sector, and in December 2016 published a national action plan in conjunction with its commitments under the UN Guiding Principles on Business and Human Rights (<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-64884.html>). In June 2017, the Swiss government report on the progress of the [action plan](#) concluded that Switzerland promotes voluntary principles, such as the upholding of human rights standards, and also supports including mandatory CSR market incentives, such as minimum conditions for the protection of workers abroad, in forthcoming legislation.

The latest updates on corporate social responsibility are available on [https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik\\_Wirtschaftliche\\_Zusammenarbeit/Wirtschaftsbeziehungen/Gesellschaftliche\\_Verantwortung\\_der\\_Unternehmen.html](https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Gesellschaftliche_Verantwortung_der_Unternehmen.html)

An ongoing political debate questioning whether Swiss courts should exercise jurisdiction over alleged abuses (human rights and environmental) by Swiss companies in foreign countries may culminate in an eventual vote on a popular initiative known as the "Responsible Business Initiative."

Of additional note, Switzerland ranked 1st out 180 countries in the 2018 Yale University-based Environmental Performance Index (EPI).

The Swiss government also participates in the implementation of the OECD Due Diligence Guide for Responsible Supply Chains of Minerals from Conflict and High Risk Areas. Switzerland is a member of the Extractive Industries Transparency Initiative and supports the Better Gold Initiative, which promotes responsible gold mining in Peru, with plans to expand to Bolivia and Colombia. Switzerland's Contact Point for the OECD Guidelines, at the State Secretariat for Economic Affairs (SECO) within the Federal Department of Economic Affairs, Education, and Research, may be contacted at: <http://mneguidelines.oecd.org/ncps/switzerland.htm>

Information about the Swiss Better Gold Association: <http://www.swissbettergold.ch/en/about>

Switzerland has signed a number of nonbinding agreements outlining best practices for corporations, including the Voluntary Principles on Security and Human Rights and the International Code of Conduct for Private Security Service Providers.

In 2013, Swiss voters approved a referendum allowing shareholders to curb excessive executive pay. The "Thun Group," a Switzerland-based grouping of banks examining human rights issues, is a global leader in translating the responsible business conduct (RBC) approach into voluntary guidelines for the financial sector.

## **Corruption**

Under Swiss law, officials are not to accept anything that would "challenge their independence and capacity to act." According to the law, the range of permissible receipt of "individual advantages" is a sliding scale, depending on the role of the official. Some officials may receive advantages up to several hundred Swiss francs, while others may receive no advantages at all (e.g., those working for financial regulators). The upper limit value for gifts, such as champagne or watches, is a grey area that varies according to department and canton. Transparency International has recommended that at the federal level a maximum sum should be set.

The law provides criminal penalties for official corruption, and the government generally implements these laws effectively. Investigating and prosecuting government corruption is a federal responsibility. A majority of cantons requires members of cantonal parliaments to disclose their interests. A joint working group comprising representatives of various federal government agencies works under the leadership of the Federal Department of Foreign Affairs to combat corruption. Some multinationals have assisted with the fight against corruption by setting up internal hotlines to enable staff to report problems anonymously.

On September 24, 2009, Switzerland ratified the United Nations Convention against Corruption. Swiss Government experts believe this ratification did not result in significant domestic changes, since passive and active corruption of public servants was already considered a crime under the Swiss Criminal Code (Art. 322).

A Group of States against Corruption (GRECO, Council of Europe) review in March 2017 recommended the adoption of a code of ethics/conduct, together with awareness-raising measures, for members of the federal parliament, judges, and the Office of the Attorney General (OAG) to avoid conflict of interests. In March 2018, the OECD recommended that Switzerland adopt an appropriate legal framework to protect private sector whistleblowers from discrimination and disciplinary action, to ensure that sanctions imposed for foreign bribery against natural and legal persons are effective, proportionate, and dissuasive, and to ensure broader and more systematic publication of concluded foreign bribery cases. The OECD positively highlighted Switzerland's proactive policy on seizure and confiscation, its active involvement in mutual legal assistance, and its role as a promoter of cooperation in field of foreign bribery.

A number of Swiss federal administrative authorities are involved in combating bribery. The Swiss State Secretariat for Economic Affairs (SECO) deals with issues relating to the OECD Convention. The Federal Office of Justice deals with those relating to the Council of Europe Convention. The Federal Department of Foreign Affairs deals with the UN Convention. The power to prosecute and judge corruption offenses is shared between Swiss cantons and the Swiss federal government. For the federal government, the competent authorities are the Office of the Attorney General, the Federal Criminal Court and the Federal Police. In the cantons, the relevant actors are the cantonal judicial authorities and the cantonal police forces.

### *UN Anticorruption Convention, OECD Convention on Combatting Bribery*

In February 2001, Switzerland signed the Council of Europe's Criminal Law Convention on Corruption. In 1997 signed the OECD Anti-Bribery Convention, which entered into force on May 1, 2000. Switzerland signed the

UN Convention against Corruption in December 2003. Switzerland ratified the UN Anticorruption Convention on September 24, 2009.

In order to implement the Council of Europe's convention, the Swiss parliament amended the Penal Code to make bribery of foreign public officials a federal offense (Title Nineteen "Bribery"); these amendments entered into force on May 1, 2000. In accordance with the revised 1997 OECD Anti-Bribery Convention, the Swiss parliament amended legislation on direct taxes of the Confederation, cantons, and townships to prohibit the tax deductibility of bribes; these amendments became effective on January 1, 2001.

Switzerland maintains an effective legal and policy framework to combat domestic corruption. U.S. firms investing in Switzerland have not raised with the Embassy any corruption concerns in recent years. Offering or accepting bribes in Switzerland is subject to criminal and civil penalties, including imprisonment for up to five years.

### **Resources to Report Corruption**

Government Agency Contact:

Michel Huissoud

Director

Swiss Federal Audit Office

Monbijoustrasse 45

3003 Bern / Switzerland

Ph. +41 58 463 10 35

Messages can be submitted via <https://www.bkms-system.ch/bkwebanon/report/clientInfo?cin=5efk11>

"Watchdog" Organization Contact:

Martin Hilti

Executive Director

Transparency International Switzerland

Schanzeneckstrasse 25

P.O. Box 8509

3001 Bern / Switzerland

Ph. +41 31 382 3550

E-Mail: [info@transparency.ch](mailto:info@transparency.ch)

### **Political and Security Environment**

Political violence is rare in Switzerland but is perpetrated by representatives of both left- and right-wing groups, including nuclear power opponents and neo-Nazi groups. In April 2011, a letter bomb targeting employees of a nuclear power lobbying organization exploded. A group of Turkish nationalists clashed with a group of Kurdish independence supporters on the streets of Bern (the nation's political capital) in 2015. During the resulting violence, two protestors were killed and a number of people were injured. Lower-level clashes between left-wing demonstrators and the police happen several times a year, but violence is directed at police officers rather than businesses or members of the public.

### **Labor Policies and Practices**

The Swiss labor force is highly educated and highly skilled. The Swiss economy is capital intensive and geared toward high value-added products and services. In 2017, 75.9% of the workforce was employed in services,

21.0% in manufacturing, and 3.1% in agriculture. Full-time work compared to part-time work is more prevalent among foreign workers than among Swiss workers: 73% of the foreign working population work full-time, while only 60% of their Swiss peers work full-time. Wages in Switzerland are among the highest in the world. Switzerland continues to observe International Labor Organization (ILO) core conventions. Government regulations cover maximum work hours, minimum length of holidays, sick leave, compulsory military service, contract termination, and other requirements. There is no minimum wage law.

Foreigners fill not only low-skilled, low-wage jobs, but also highly technical positions in the manufacturing and service industries. Foreigners account for 31.2 % of Switzerland's labor force estimated at about 5 million people. Many foreign nationals are long-time Swiss residents who have not applied for or been granted Swiss citizenship. Foreign seasonal workers take many low-wage jobs in agriculture.

In a February 9, 2014 national initiative, Swiss voters decided to impose limits on immigration, via parliamentary action, which could have negated the Swiss-EU Free Movement of Persons Agreement and carried potentially significant implications for the immigrant-dependent labor market. In the wake of the 2014 immigration referendum, the government introduced a series of measures aimed at bringing into the labor market traditionally underemployed groups – women, older job seekers, refugees, and temporarily accepted asylum seekers. In December 2016, the parliament responded to the 2014 initiative by legislating a requirement that companies in sectors with more than 5% unemployment provide information on job openings to government-run employment centers. These centers would provide employers with suitable candidates, which employers would be required to interview before filling a job. However, registration at the employment centers would be open to cross-border commuters and EU residents at large, thus blunting the effect of the legislation, which is expected to be implemented by the Federal Council as of July 2018.

Switzerland generally prohibits commerce on Sunday. Swiss voters narrowly accepted a 2005 revision of the Swiss Federal labor law in order to provide flexible working hours, such as Sunday openings, in major railway stations and airports. Shopping hours outside of these locations remain mainly regulated by cantonal laws. Employees in the retail sector and in restaurants and bars, in cooperation with other interests, have been successful in resisting the easing of the federal and cantonal laws governing opening hours, but in recent years the State Secretariat for Economic Affairs (SECO) has loosened work restrictions on Sundays in a few specific instances, for example in allowing for a limited number of outlet malls to be open on Sundays.

Approximately a quarter of Switzerland's full-time workers are unionized. Labor-management relations are generally constructive, with a willingness on both sides to settle disputes by negotiation rather than labor action. According to the Federal Office of statistics, some 602 collective agreements exist in Switzerland today, of which approximately 61.5% concern the services sector, 37.5% the manufacturing sector, and 1% the agricultural sector; these are usually renewed without major difficulties. Trade unions continue to promote a wider coverage of collective agreements for the Swiss labor force. Although the number of workdays lost to strikes in Switzerland is among the lowest in the OECD, Swiss trade unions have encouraged workers to strike on several occasions in recent years. In difficult economic times, employers may temporarily shift their full-time employees to part-time by registering with cantonal authorities and justifying reductions as necessary to business activities. Employees can reject the shift to part-time work, but risk dismissal. Responsibility for establishing and enforcing rules for part-time work ultimately belongs to the Federal Council, the seven-member executive of the Swiss government.

The prohibition on strikes by Swiss public servants was generally repealed in 2000, although restrictions remain in place in a few cantons. The Federal Council may now only restrict or prohibit the right to strike where it affects the security of the state, external relations, or the supply of vital goods to the country.

Switzerland's average unemployment rate was 4.8% in 2017 (according to the ILO), or 3.2% according to the State Secretariat for Economic Affairs (SECO), using a different methodology. The average unemployment rate

was 8.3% for foreigners and 3.5% for Swiss citizens in 2016 (according to the ILO). All cantons bordering EU countries experience higher unemployment rates than Switzerland as a whole. The unemployment rate of young workers aged 15-24 is slightly below the average unemployment rate (3.1%, SECO), and the rate for older employees (50-64 years) is even lower (2.8%, SECO). According to Swiss labor statistics, 85% of unemployed workers found a new position within 12 months in 2017.

Switzerland does not have a free trade agreement with the United States and no agreed bilateral labor standards.

### OPIC and Other Investment Insurance Programs

There is no OPIC agreement between the U.S. and Switzerland. Switzerland is a member of the World Bank Group's Multilateral Investment Guarantee Agency (MIGA); the country has not signed a political risk insurance agreement with any Western European country or the United States.

### Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data		Host Country Statistical source*	USG or international statistical source	USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other	
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$ billion USD)	2016	\$669	2015	\$669	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
Foreign Direct Investment	Host Country Statistical source***	USG or international statistical source	USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other		
U.S. FDI in partner country (\$ billion USD, stock positions)	2016	\$126.1	2016	\$172.6	<a href="http://www.selectusa.gov/data">www.selectusa.gov/data</a>
Host country's FDI in the United States (\$billion USD, stock positions)	2016	\$238.0	2016	\$196.6	<a href="http://www.selectusa.gov/data">www.selectusa.gov/data</a>

<b>Total inbound stock of FDI as % host GDP</b>	2016	146.4%	2016	130%**
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Average exchange rate for 2016: 1 USD = 0.985 CHF

\*Sources: Swiss National Bank / Federal Office of Statistics

\*\*According to the OECD

\*\*\*Significant statistical discrepancies are due to methodological differences in measuring foreign direct investment.

As the OECD Benchmark Definition of Foreign Investment concludes, there “are two possible approaches to identify the home country (of the direct investor) for inward FDI and the host country (of the direct investment enterprise) for outward FDI:

- by immediate host country/investing country (IHC/IIC)
- by ultimate host country/ultimate investing country (UHC/UIC)

Switzerland uses the immediate investing country approach (IIC) and the United States uses the more complex ultimate investing country approach (UIC). The OECD report explains in detail how the two different approaches generate different figures.

*Table 3: Sources and Destination of FDI*

**Direct Investment from/in Counterpart Economy Data** (according to <http://data.imf.org/?sk=40313609-F037-48C1-84B1-E1F1CE54D6D5>)

**From Top Five Sources/To Top Five Destinations (2016) (US Dollars, Millions)**

Inward Direct Investment			Outward Direct Investment		
Total Inward	985,724	100%	Total Outward	1,196,781	100%
Netherlands	317,138	32%	United States	230,285	19%
Luxembourg	190,558	19%	Luxembourg	170,486	14%
United States	122,028	12%	Netherlands	126,036	11%
United Kingdom	50,729	5%	Ireland	98,031	8%
Austria	41,962	4%	United Kingdom	53,216	4%

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

**Portfolio Investment Assets** (as of June 2017, according to IMF's Coordinated Portfolio Investment Survey (CPIS))

**Top Five Partners (Millions, US Dollars)**

Total	Equity Securities		Total Debt Securities					
All Countries	1,357,560	100%	All Countries	688,341 100%	All Countries	669,219	100%	
United States	313,533	23%	Luxembourg	189,624	28%	United States	174,290	26%
Luxembourg	224,082	17%	United States	139,263	20%	Netherlands	59,505	9%
France	84,827	6%	Ireland	64,078	9%	France	54,674	8%
Germany	84,438	6%	Cayman Islands	53,674	8%	United Kingdom	48,477	7%
United Kingdom	78,965	6%	United Kingdom	30,488	4%	Germany	44,248	7%

**Contact for More Information on the Investment Climate Statement**

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 Raphael Vogel, Economic Specialist  
 U.S. Embassy in Bern, Sulgeneckstrasse 17, 3003 Bern  
 +41 31 357 7319  
[Business-bern@state.gov](mailto:Business-bern@state.gov)

## Trade & Project 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. The most common methods of payment, according to Export.gov, are:

#### *Cash in Advance*

With cash-in-advance payment terms, an exporter can avoid credit risk because payment is received before the ownership of the goods is transferred. For international sales, wire transfers and credit cards are the most commonly used cash-in-advance options available to exporters. Escrow services are becoming another cash-in-advance option for small export transactions. However, requiring payment in advance is the least attractive option for the buyer, because it creates unfavorable cash flow. Foreign buyers are also concerned that the goods may not be sent if payment is made in advance. Thus, exporters who insist on this payment method as their sole manner of doing business may lose to competitors who offer more attractive payment terms.

#### *Open Account*

An open account transaction is a sale where the goods are shipped and delivered before payment is due, which in international sales is typically in 30, 60 or 90 days. This is one of the most advantageous options to the importer in terms of cash flow and cost, but it is consequently one of the highest risk options for an exporter. Due to intense competition in export markets, foreign buyers often press exporters for open account terms since the extension of credit by the seller to the buyer is more common abroad. Therefore, exporters who are reluctant to extend credit may lose a sale to their competitors. When offering open account terms, the exporter can seek extra protection using export credit insurance.

#### *Letter of Credit*

Letters of credit (LCs) are one of the most secure instruments available to international traders. An LC is a commitment by a bank on behalf of the buyer that payment will be made to the exporter, provided that the terms and conditions stated in the LC have been met, as verified through the presentation of all required documents. The buyer establishes credit and pays his or her bank to render this service. An LC is useful when reliable credit information about a foreign buyer is difficult to obtain, but the exporter is satisfied with the creditworthiness of the buyer's foreign bank. An LC also protects the buyer since no payment obligation arises until the goods have been shipped as promised.

#### *Documentary Collections*

A documentary collection (D/C) is a transaction whereby the exporter entrusts the collection of the payment for a sale to its bank (remitting bank), which sends the documents that its buyer needs to the importer's bank (collecting bank), with instructions to release the documents to the buyer for payment. Funds are received from the importer and remitted to the exporter through the banks involved in the collection in exchange for those documents. D/Cs involve using a draft that requires the importer to pay the face amount either at sight (document against payment) or on a specified date (document against acceptance). The collection letter gives instructions that specify the documents required for the transfer of title to the goods. Although banks act as facilitators for their clients, D/Cs offer no verification process and limited recourse in the event of non-payment. D/Cs are generally less expensive than LCs.

#### *Consignment*

Consignment in international trade is a variation of open account in which payment is sent to the exporter only after the goods have been sold by the foreign distributor to the end customer. An international consignment

transaction is based on a contractual arrangement in which the foreign distributor receives, manages, and sells the goods for the exporter who retains title to the goods until they are sold. Consignment helps exporters become more competitive on the basis of better availability and faster delivery of goods. Selling on consignment can also help exporters reduce the direct costs of storing and managing inventory. The key to success in exporting on consignment is to partner with a reputable and trustworthy foreign distributor or a third-party logistics provider. Appropriate insurance should be in place to cover consigned goods in transit or in possession of a foreign distributor as well as to mitigate the risk of non-payment.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at [www.Export.gov/TradeFinanceGuide](http://www.Export.gov/TradeFinanceGuide).

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. With a bank guarantee, the bank promises to pay a beneficiary in the event that the other party in a transaction fails to meet their contractual obligations. It is therefore similar to a letter of credit, but distinct in that the payment of the security in a bank guarantee occurs if the party in question does not meet its obligations.

The following credit-rating agencies have been recognized by the Swiss Financial Market Supervisory Authority (FINMA): DBRS, fedafin AG, Fitch Ratings, Moody's Investors Service, 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 266 banks as of 2017. 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 banking system at the end of 2016 amounted to USD 6.8 trillion (Swiss francs 6.7 trillion) 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, the 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. As the SNB fulfills a public task, it is administered with the cooperation and supervision of the Confederation.

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 inter-bank 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 7 ministers, including the President of the Confederation) appoints six SNB Council members, including the SNB president and vice president. The 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 the financial markets in accordance with financial market 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 significant 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.

**The Raiffeisen Group:** The Raiffeisen Group consists of 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 99 foreign banks in Switzerland 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. More than 3 million private customers use postal accounts and the PostFinance Card. In 2016, customer deposits amounted to USD 111 billion (Swiss francs 110 billion).

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 on behalf of the Swiss financial center. 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.

Eurex: Eurex is one of the world's leading derivatives exchanges and is jointly operated by the German Futures and Options Exchange, Deutsche Börse AG, and SIX Swiss Exchange. Eurex offers a broad range of international benchmark products and operates the most liquid fixed income markets, featuring open and low-cost electronic access. With market participants connected from 700 locations worldwide, trading volume at Eurex exceeds 1.5 billion contracts annually.

### **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 only to counter exceptional circumstances, such as massive 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>

## **Project Financing**

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 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.

## **Financing Web Resources**

Swiss National Bank (SNB)  
<http://www.snb.ch>

Swiss Financial Market Supervisory Authority (FINMA)  
<http://www.finma.ch>

Swiss Bankers Association  
<http://www.swissbanking.org>

Association of Foreign Banks in Switzerland

<http://www.foreignbanks.ch>

SIX Interbank Clearing

<http://www.six.ch>

SIX Group

<http://www.six-group.com>

United States' Export.gov Trade Finance Guide:

[www.Export.gov/TradeFinanceGuide](http://www.Export.gov/TradeFinanceGuide)

Switzerland's State Secretariat for Economic Affairs (SECO) page in English:

<https://www.seco.admin.ch/seco/en/home.html>

## 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 within a working day.

The U.S. Department of State currently assigns Switzerland 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:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Switzerland.html>

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 here: <https://travel.state.gov/content/travel/en/international-travel/before-you-go/schengen.html>.

Swiss residency and work permits for longer stays or employment are difficult to obtain, as the Swiss government, at Cantonal level, imposes limitations on immigration and the country's foreign work force. 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 Swiss Embassy in the United States' website:

<https://www.eda.admin.ch/countries/usa/en/home/visa/entry-ch.html>

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 and help with the process.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <https://travel.state.gov/content/travel/en/us-visas.html/>

## **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 or Maestro 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 on-going 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.

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**

The Swiss transportation infrastructure is excellent. The major international airports are in Zurich, Geneva and Basel and smaller airports are located throughout the country. 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 at <https://www.sbb.ch/en/home.html> 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 national languages: German, French, Italian, and Romansch. Swiss-German is spoken by the majority of Swiss in the central and northeast portions of the country. French is the principal language of Geneva and the western cantons. Italian is spoken in the south, especially in the canton of Ticino (Lugano/Locarno). 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. 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, <https://www.bag.admin.ch/bag/en/home.html>) 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: <https://wwwnc.cdc.gov/travel/destinations/list>

### **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 8:00am to 12:00pm and from 2:00pm to 5:00pm 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, though Easter, Christmas, and New Year are celebrated throughout the country. Others 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). ATA Carnets (customs documents allowing the transit of goods through the country) are used widely throughout Switzerland and Europe for products shown at trade exhibitions. Trade exhibit materials can enter freely with a Carnet as long as they leave the country after the event. If a product is sold at the exhibition, applicable duties and VAT must be paid. All international trade fairs in Switzerland have customs offices that facilitate the payment of fees and clearing of items in an expeditious fashion.

### **Travel Related Web Resources**

U.S. Department of State's consular information sheet on Switzerland:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Switzerland.html>

United States Embassy in Bern, Switzerland:

<https://ch.usembassy.gov/>

Switzerland's embassy in the United States' visa requirements page:

<https://www.eda.admin.ch/countries/usa/en/home/visa/entry-ch.html>

U.S. Department of State's visa requirements page:

<https://travel.state.gov/content/travel/en/us-visas.html/>

Switzerland's national rail transportation service:

<https://www.sbb.ch/en/home.html>

Swiss Federal Office of Public Health:

<https://www.bag.admin.ch/bag/en/home.html>

U.S. Centers for Disease Control and Prevention vaccine list:

<https://wwwnc.cdc.gov/travel/destinations/list>

List of Swiss holidays:

<https://publicholidays.ch/>