

Office for Economy

kantonschwyz 

Welcome to  
Canton Schwyz

## Table of contents

<b>Foreword</b>	<b>4</b>
<b>My Switzerland</b>	<b>8</b>
<b>My Canton Schwyz</b>	<b>12</b>
<b>Business environment</b>	<b>13</b>
Focus industries	13
Starting a business	16
<b>Taxes</b>	<b>20</b>
Legal entities	20
Individuals	25
<b>Labour market</b>	<b>30</b>
<b>Training</b>	<b>31</b>
<b>Quality of life</b>	<b>31</b>
<b>Personal consultation</b>	<b>34</b>

## Grüezi

Are you thinking about moving your company to Switzerland or setting up a subsidiary here? If so, why not make Canton Schwyz your chosen place to live and work? A cordial welcome to you! Schwyz is a microcosm of Switzerland itself. Not only are the names and coat of arms very similar – the parallels between them are more far-reaching. Just as Switzerland is independent and internationally well-connected as a country, Canton Schwyz has proven itself an autonomous industrial base resilient to economic ups and downs, and offers the additional benefit of wide-ranging co-operations both within Switzerland and abroad. The Canton's consistent top ratings speak for themselves. Schwyz experiences an era of growth – a pleasing situation which however requires our unwavering commitment to sustainable development. Therefore, the Canton's policy is one of sustained and sustainable development of our region as a wonderful place to live in and an interesting place to set up business. More and more companies take an interest in our canton, which minds its resources and fosters the qualities it has to offer. We invite you to discover the benefits of Schwyz for yourself.



Andreas Barraud – Member of the Government, Canton Schwyz  
Head of the Department for Economic Affairs





Türck

3 Ch...len

8 Gotthard  
Einsiedeln

Schindellegi

Roggenacker

Gemeindehaus Dorf

Gem.haus Schloss

Seedamm - Center

Schlossturm 

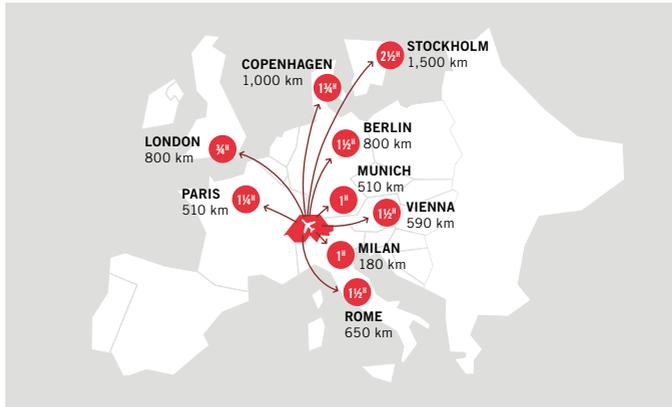
Alpamare  
KulturZentrum



# My Switzerland

Switzerland finds itself in a privileged position: It is part of Central Europe and the main European cities are within easy reach, while three out of the four largest European economies are neighbouring countries.

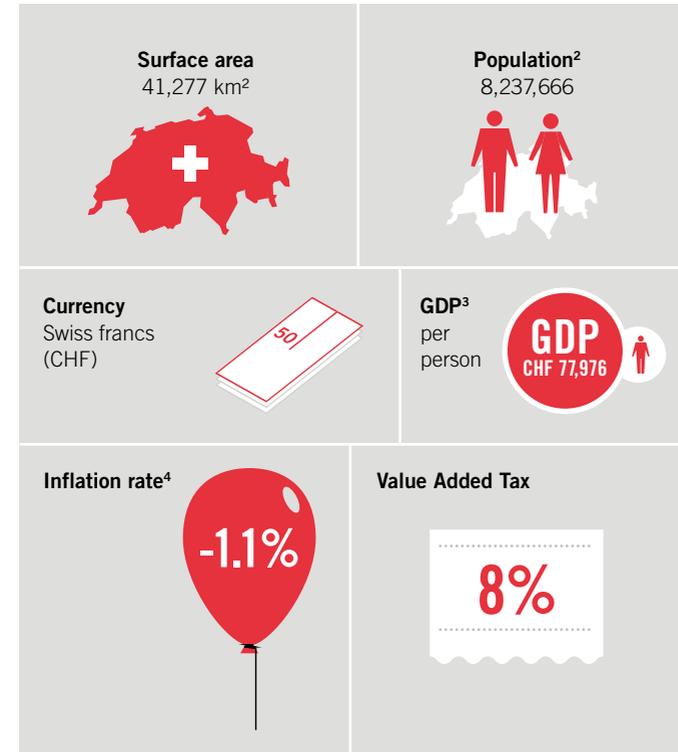
<sup>1</sup> Sources: Liberales Institut, 2015  
Global Competitiveness Report 2014 – 2015  
German Innovation Indicator 2015



Switzerland is a small country of international standing. Economically speaking, it is Europe's most liberal country, as well as being the most competitive and innovative nation in the world.<sup>1</sup> It is divided into a number of cantons with far-reaching decision-making powers. There is a high level of political stability even though the country has several languages and cultures within a relatively small area. There are four national languages in Switzerland: German, French, Italian and Romansh. English is also very widespread. Switzerland has an effective legal system, a powerful currency with a low rate of inflation, comprehensive protection of intellectual property and liberal employment laws – qualities which are especially important when it comes to pursuing business activity.

To be sure of a life of prosperity, security and good health, you would have had to be born in Switzerland in the year 2013. This was the conclusion arrived at by the EIU research unit of the British magazine The Economist: Switzerland is rated number one in the “Where-to-be-born Index”.

## Switzerland in figures



<sup>2</sup> Source: Swiss Federal Statistics Office, 2014

<sup>3</sup> Source: BAK Basel, 2014

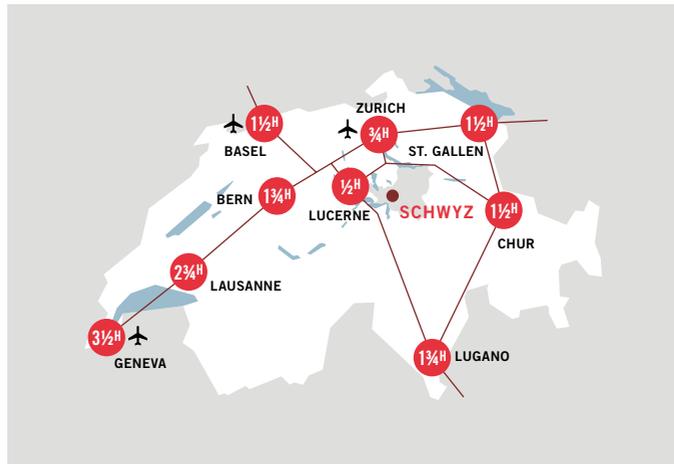
<sup>4</sup> Source: Swiss Federal Statistics Office, 2015



## My Canton Schwyz

Canton Schwyz lies in the heart of Switzerland. In addition to its central location, Schwyz is also one of the country's founding cantons and gave the entire nation its name.

Distances here are short. Zurich International Airport is 45 minutes by car from the cantonal capital, Schwyz. In terms of road and rail transportation, the canton is ideally situated on north-south and east-west links.

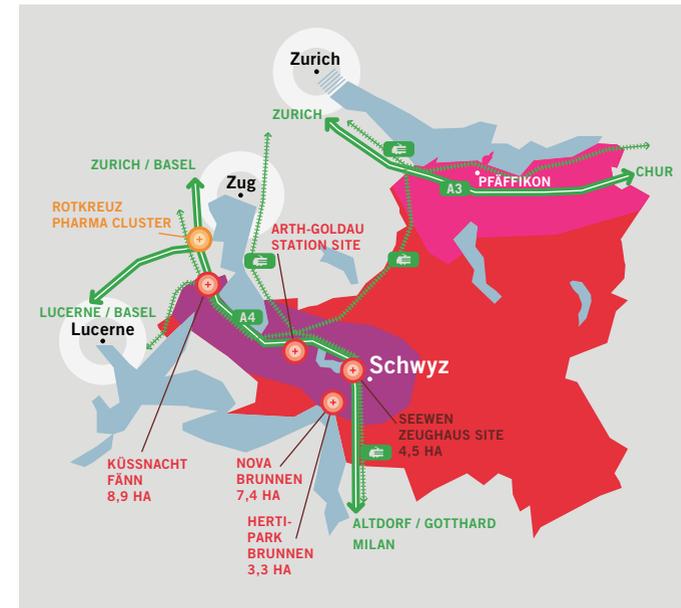


People who live and work in Canton Schwyz are in a heterogeneous environment. Modern development zones alternate with pristine landscapes, imposing mountains and deep blue lakes. These form the backdrop to an economically successful yet authentic region steeped in tradition. The canton also boasts an impressive credit rating: Schwyz reports equity of some CHF 70 million and has an AAA credit rating with Standard & Poor's – the highest possible.

## Business environment

Schwyz borders on the conurbation areas of Zurich, Zug and Lucerne and forms part of the Greater Zurich Area. GDP growth in the canton is above the Swiss average and productivity is remarkably high.

The canton offers attractive conditions both for residents and businesses. This is reflected in the steadily increasing number of domiciled companies and a growing population. The various zones of development and economic zones of Canton Schwyz with their ample space and land reserves are crucial to the prospects and current success of the region.



For further information on development areas in Canton Schwyz, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)



## Focus industries

Canton Schwyz has a diverse corporate landscape. In addition to offering a particular focus in the area of financial services, the canton is also an attractive base for international headquarters and for companies operating in the fields of medical technology, pharmaceuticals, high-precision technology and ICT. Focus areas are reflected in a finance cluster in the Pfäffikon area and a health cluster ([www.healthtech.ch](http://www.healthtech.ch)) which has its geographical centre between Küssnacht and Brunnen. Other industries of key importance to Canton Schwyz are tourism and timber.

For further information on focus industries and clusters, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)





**These companies have opted  
for Canton Schwyz**



**Estée Lauder AG**

Sector: Life science  
Function: Production  
and sales  
Site: Lachen



**Kühne + Nagel  
International AG**

Sector: Logistics  
Function: Headquarters  
Site: Schindellegi



**LGT Capital Partners AG**

Sector: Finance  
Function: Headquarters  
Site: Pfäffikon



**Man Investments AG**

Sector: Finance  
Function: Product  
development, marketing  
and sales  
Site: Pfäffikon



**Max Felchlin AG**

Sector: Food  
Function: Headquarters  
Site: Schwyz



**Octapharma AG**

Sector: Life science  
Function: Headquarters  
Site: Lachen



**Proman AG**

Sector: Industrial plant  
engineering  
Function: Headquarters  
Site: Wollerau



**Victorinox AG**

Sector: Knife manufacturer  
Function: Headquarters  
Site: Ibach



**Starting a business**

For further information  
on starting a business, see  
[www.schwyz-economy.ch](http://www.schwyz-economy.ch)



Starting a business in Switzerland is straightforward. Essentially, anyone can operate a company. Certain professions require a special permit. Since the canton is a strong financial centre, entrepreneurs have easier access to investors.



## Taxes

<sup>5</sup> Source: BAK Taxation Index 2015

<sup>6</sup> Minimum tax is equal to capital tax

<sup>7</sup> Source: BAK Taxation Index 2015

Canton Schwyz has one of the lowest tax burdens<sup>5</sup> in Switzerland and occupies a leading position in Europe as a whole. Its fiscal policy is sustainable and far-sighted. This makes it an attractive location for both legal entities and individuals.

### Legal entities

As regards corporate income tax in Canton Schwyz, legal entities are subject to a minimum tax<sup>6</sup> based on the company's equity; this tax is charged as a minimum amount. If the corporate income tax turns out to be higher than the minimum tax, the latter is not payable. The level of these two taxes is based on the applicable municipal tax rate. The effective tax burden for companies based in Canton Schwyz is more attractive than in many well-known places such as Zug, Zurich, Dublin, London, New York and Singapore.<sup>7</sup> The only federal tax is corporate income tax.

### Corporate income tax

The following figures apply to regularly taxed corporations (companies limited by shares, limited liability companies) and cooperatives. They show the tax burden on taxable corporate income in the form of cantonal, district, municipal and church tax (not including federal tax and minimum tax). Special tax-related factors (participation exemption, intercantonal tax allocation, tax status, etc.) are not accounted for in this calculation.

Profit before taxes	Wollerau	Freienbach Pfäffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	5,047	5,329	6,634	6,831	8,492	8,067
250,000	12,617	13,322	16,586	17,077	21,229	20,167
1,000,000	50,467	53,286	66,344	68,309	84,917	80,668
5,000,000	252,337	266,430	331,721	341,543	424,587	403,338
10,000,000	504,674	532,860	663,442	683,086	849,174	806,676

(STATUS 2016, AMOUNTS IN CHF)

The following figures are based on the same scenario as above, including direct federal tax.

Profit before taxes	Wollerau	Freienbach Pfäffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	12,485	12,745	13,949	14,130	15,661	15,269
250,000	31,214	31,863	34,872	35,325	39,151	38,172
1,000,000	124,855	127,453	139,488	141,298	156,606	152,689
5,000,000	624,274	637,263	697,439	706,491	783,029	763,445
10,000,000	1,248,548	1,274,526	1,394,877	1,412,983	1,566,059	1,526,890

(STATUS 2016, AMOUNTS IN CHF)

## Tax on capital<sup>8</sup>

The following figures show the tax burden on taxable capital in the form of cantonal, district and municipal tax.

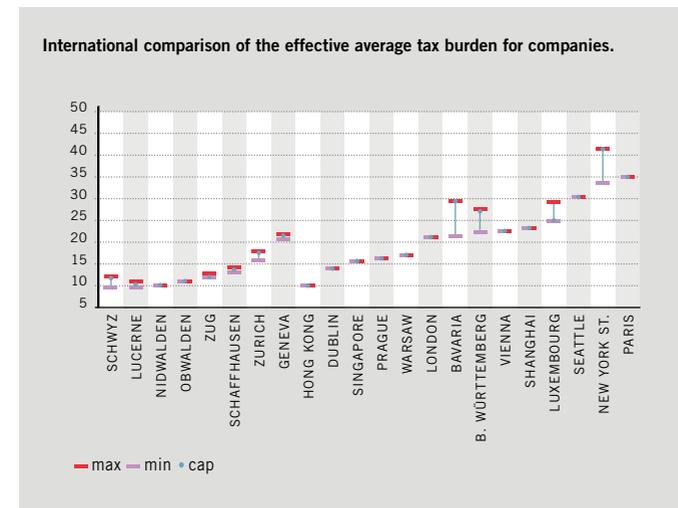
<sup>8</sup> Equal to minimum tax

Capital	Wollerau	Freienbach Pfäffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	256	271	343	354	447	423
250,000	256	271	343	354	447	423
1,000,000	1,024	1,085	1,369	1,412	1,787	1,690
5,000,000	5,121	5,423	6,844	7,061	8,934	8,448
10,000,000	10,242	10,845	13,688	14,122	17,868	16,897

(STATUS 2016, AMOUNTS IN CHF)

Only the higher of the two amounts is payable: corporate income tax or minimum tax.

## International comparison



(SOURCE: BAK TAXATION INDEX 2015, FIGURES IN PER CENT)



## Special advantages for legal entities

The tax regime in Canton Schwyz is particularly advantageous for companies that fall into one of the following categories:

For further information on taxation of legal entities in Canton Schwyz including a tax calculator, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)

WEB

**Pure holding companies:** These are corporations and cooperatives whose main purpose is to permanently administer holdings and which do not engage in business activities in Switzerland.

<b>Cantonal corporate income tax:</b>	None.
<b>Cantonal minimum tax:</b>	The amount depends on the individual municipal tax rate, at least CHF 100.
<b>Federal corporate income tax:</b>	Generally speaking, no corporate income tax is paid on net profit as long as the total profit is income from investment; otherwise a proportional reduction of the taxation amount applies.
<b>Federal minimum tax:</b>	None.

**Mixed companies:** These are corporations and cooperatives whose business operations are predominantly foreign-based, with any business activity in Switzerland itself being of a secondary nature. At least 80 per cent of gross income comes from a foreign source and at least 80 per cent of expenses for services provided by the company itself or by third parties is incurred abroad.

<b>Cantonal corporate income tax:</b>	Income on shareholdings is tax free. The remaining revenue from Switzerland is taxed as normal, as is 15 per cent of the remaining revenue from abroad.
<b>Cantonal minimum tax:</b>	The amount depends on the individual municipal tax rate, at least CHF 100.
<b>Federal corporate income tax:</b>	Participation exemption, same taxation as for corporations.
<b>Federal minimum tax:</b>	None.



## Individuals

For individuals, the tax burden is extremely low in Canton Schwyz – the rates of income and wealth tax as well as tax on lump-sum pension payments plans are among the most attractive in the world. What is more, there is no gift or inheritance tax, which is unique in Switzerland.

### Tax on income

For individuals, the income tax rate runs on a progressive scale up to CHF 230,400, for jointly taxable spouses up to CHF 437,800. There is an additional cantonal tax scale for individuals up to CHF 385,900 and for jointly taxable spouses up to CHF 733,300.

The following figures apply to a married couple with two children. They show the tax burden on taxable income in the form of cantonal, district and municipal tax (not including church tax, federal tax and wealth tax).

Income	Wollerau	Freienbach Präffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	6,960	7,382	9,214	9,439	11,834	11,130
250,000	21,377	22,675	28,301	28,993	36,350	34,186
500,000	48,617	51,354	63,217	64,677	80,189	75,627
1,000,000	113,105	118,580	142,305	145,225	176,250	167,125
2,000,000	226,210	237,160	284,610	290,450	352,500	334,250

(STATUS 2016, AMOUNTS IN CHF)

The following figures are based on the same scenario as above, including direct federal tax.

Income	Wollerau	Freienbach Präffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	8,928	9,350	11,182	11,407	13,802	13,098
250,000	40,439	41,737	47,363	48,055	55,412	53,248
500,000	100,179	102,916	114,779	116,239	131,751	127,189
1,000,000	228,105	233,580	257,305	260,225	291,250	282,125
2,000,000	456,210	467,160	514,610	520,450	582,500	564,250

(STATUS 2016, AMOUNTS IN CHF)

## Tax on dividends

In order to reduce the double tax burden on dividends, Canton Schwyz has a system of privileged dividend taxation. According to this, income from dividends is reduced by 50 per cent before being included in the tax assessment. For example, with a dividend income of CHF 10,000, only CHF 5,000 is counted as taxable income. As far as direct federal tax is concerned, taxation is also reduced by 50 per cent (business assets) or 40 per cent (private assets).

The following figures apply to a married couple with two children. They show the tax burden on taxable income in the form of cantonal, district and municipal tax (not including church tax, federal tax and wealth tax).

Dividend	Wollerau	Freienbach Pfäffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
100,000	2,723	2,888	3,604	3,693	4,629	4,354
250,000	9,334	9,901	12,357	12,659	15,871	14,927
500,000	21,377	22,675	28,301	28,993	36,350	34,186
1,000,000	48,617	51,354	63,217	64,677	80,189	75,627
2,000,000	113,105	118,580	142,305	145,225	176,250	167,125

(STATUS 2016, AMOUNTS IN CHF)

## Wealth tax

The rate of wealth tax in Canton Schwyz is proportional. There is no federal wealth tax.

The following figures apply to a married couple with two children. They show the tax burden on taxable assets in the form of cantonal, district and municipal tax (not including church tax).

Assets	Wollerau	Freienbach Pfäffikon	Lachen	Küssnacht	Einsiedeln	Schwyz
500,000	741	786	981	1,005	1,260	1,185
2,500,000	3,705	3,930	4,905	5,025	6,300	5,925
5,000,000	7,410	7,860	9,810	10,050	12,600	11,850
10,000,000	14,820	15,720	19,620	20,100	25,200	23,700
50,000,000	74,100	78,600	98,100	100,500	126,000	118,500

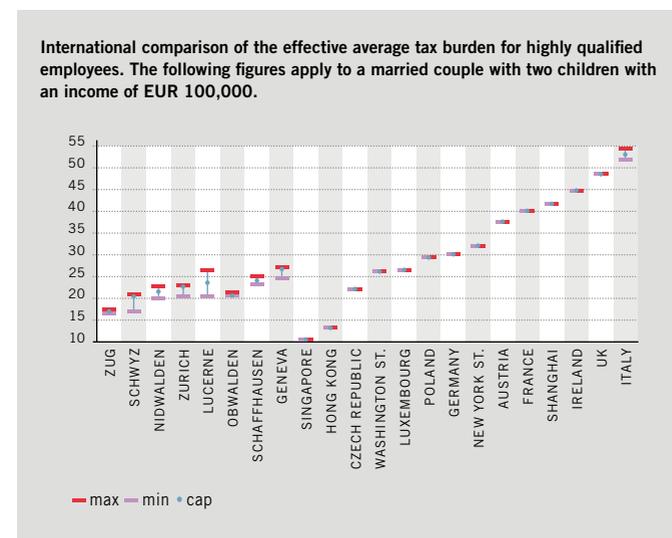
(STATUS 2016, AMOUNTS IN CHF)

## Intercantonal comparison

The average Schwyz family works only until 4 February until its tax has been paid. This gives Schwyz an excellent rating as compared to other Swiss cantons. This calculation applies to a married couple with two children with an income of CHF 100,000 and assets of CHF 500,000.<sup>9</sup>

<sup>9</sup> Source: Credit Suisse, Economic Research, 2015

## International comparison



(SOURCE: BAK TAXATION INDEX 2015, FIGURES IN PER CENT)

## Lump-sum taxation for individuals

Those who take up their domicile in Canton Schwyz and do not pursue gainful employment can, in some cases, be taxed based on a lump-sum taxation instead of paying regular income and wealth tax. The same applies to individuals who have been out of the country for ten years or more. Private living costs are taken as the assessment basis for lump-sum taxation.

For further information on taxation of individuals in Canton Schwyz including a tax calculator, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)





## Labour market

<sup>10</sup> Source: Swiss State Secretariat for Economic Affairs, annual averages 2015

The labour market in Switzerland is characterised by a high level of social stability, liberal employment laws and a motivated and a highly qualified workforce. Swiss employees are a secure asset for every company. The problem of unemployment is virtually unknown in this country: the rate in Canton Schwyz is 1.7 per cent, in Switzerland as a whole it is 3.3 per cent.<sup>10</sup>

For further information on applying for work and residence permits in Switzerland, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)



Work and residence permits for nationals of the European Union (EU) and the European Free Trade Association (EFTA) are issued quickly and unbureaucratically, provided requirements are met. Nationals from “third countries” – countries which do not belong to the EU or EFTA – have to meet additional criteria to obtain a work and residence permit for Switzerland.

While the level of pay in Switzerland is comparatively high, this has to be seen in relation to the innovative strength of companies and the excellent productivity of employees. Taking into account the working hours, high employee loyalty rate, good work morale and moderate non-wage labour costs, the cost-benefit ratio for employers is excellent. Since Switzerland has an efficient social insurance system, social security contributions here are low by international comparison.

## Training

Switzerland has an excellent educational system, which is widely regarded as ranking among the best in the world. Canton Schwyz and its surrounding areas offer state-funded and private schools at all levels – from primary education to university. These include international schools as well as educational institutions for Russian-speaking students. Switzerland’s academic institutions train their students to be excellent professionals. In fact, Switzerland may boast to have the largest number of Nobel Prize winning scientists<sup>11</sup> in proportion to its population.

Canton Schwyz invests itself in the transfer of knowledge and technology. Resident companies may participate in a knowledge network, which includes specialised institutions such as technical colleges, universities, universities of applied sciences and technology centres. Schwyz moreover collaborates closely with partners in innovation, among them the Micro Center Central-Switzerland (MCCS) and Innovationstransfer Zentralschweiz (ITZ). From such collaborative ventures, companies gather their innovative strength and competitive lead.

## Quality of life

Becoming a resident in Canton Schwyz, one can take advantage of a living environment with a lot to offer. A wide range of sports, leisure and cultural activities is available. The countryside is pristine featuring beautiful villages and small towns. Modern and traditional facets of life exist comfortably side by side in this homely location. Schwyz combines lakes and mountains, agriculture and high-tech, tranquillity and dynamism.

In its very diversity the region is distinctive and unique, which is part of the region’s charm and success. People, who come here, live snug and safe lives. The crime rate is extremely low. Residents, among them prominent figures from the economy, culture, sports and entertainment, appreciate the region for all these features.

<sup>11</sup> Source: Die Weltwoche, issue 42/2002

For details of knowledge and technology transfer and innovation promotion, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)



For details of all outdoor, leisure and cultural highlights of Canton Schwyz, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)





## Personal consultation

For details of advisory services provided by the Economic Development Office of Canton Schwyz, see [www.schwyz-economy.ch](http://www.schwyz-economy.ch)



The consultants of the Economic Development Office of Canton Schwyz are more than willing to offer their expertise and valuable contacts to interested investors, both from Switzerland and abroad. If you are

- + considering Schwyz as a new base and have questions about starting a business,

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- + interested in finding out more about the tax regime,

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- + looking for access to universities or research institutions,

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- + seeking support in recruiting manpower,

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- + in need of work and residence permits for yourself or your employees,

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- + in search of a suitable property,

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we will be glad to advise. We are also able to arrange additional services such as innovation promotion coaches or development programmes for specific sectors. We hope to hear from you and look forward to a successful collaboration.

### Office for Economy Canton Schwyz

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