

Facts

concerning Switzerland
for entrepreneurs, advisers and decision-makers

Edition: March 2002

Location:Switzerland

Location



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 - Public law
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german, english, french, italian, spanish

For information and personal advice

Edition: March 2002

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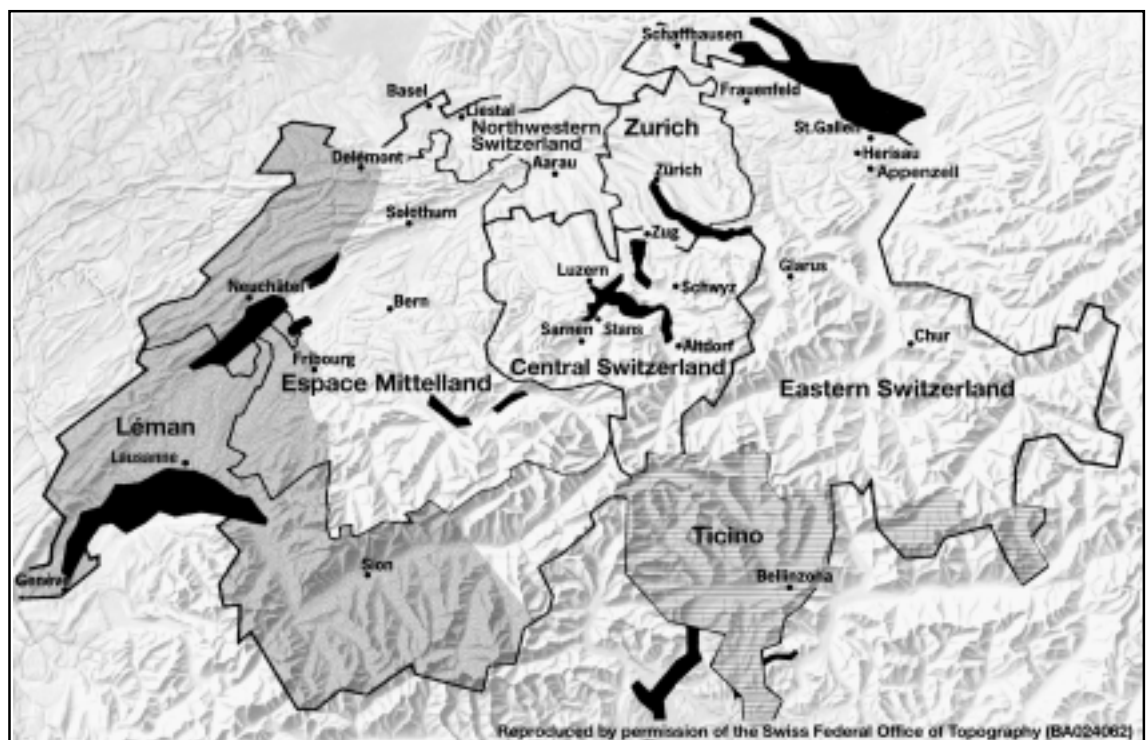
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Switzerland's seven major regions

Region Cantons	Population	
	Number	in%
Central Switzerland LU UR SZ OW NW ZG	685,630	9.4
Eastern Switzerland GR GL SG AR AI TG SH	1,051,350	14.4
Zurich ZH	1,252,800	17.2
Northwestern Switzerland AG BL BS	998,300	13.7
Espace Mittelland BE SO FR NE JU	1,678,550	23.1
Léman GE VD VS	1,316,700	18.1
Ticino TI	301,600	4.1
Switzerland	7,280,000	100.0

Deutschschweiz
 Romandie
 Svizzera italiana



Source: Swiss Federal Statistical Office (SFSO/BFS); Swiss Census 2000

↳ www.statistik.admin.ch

Political stability

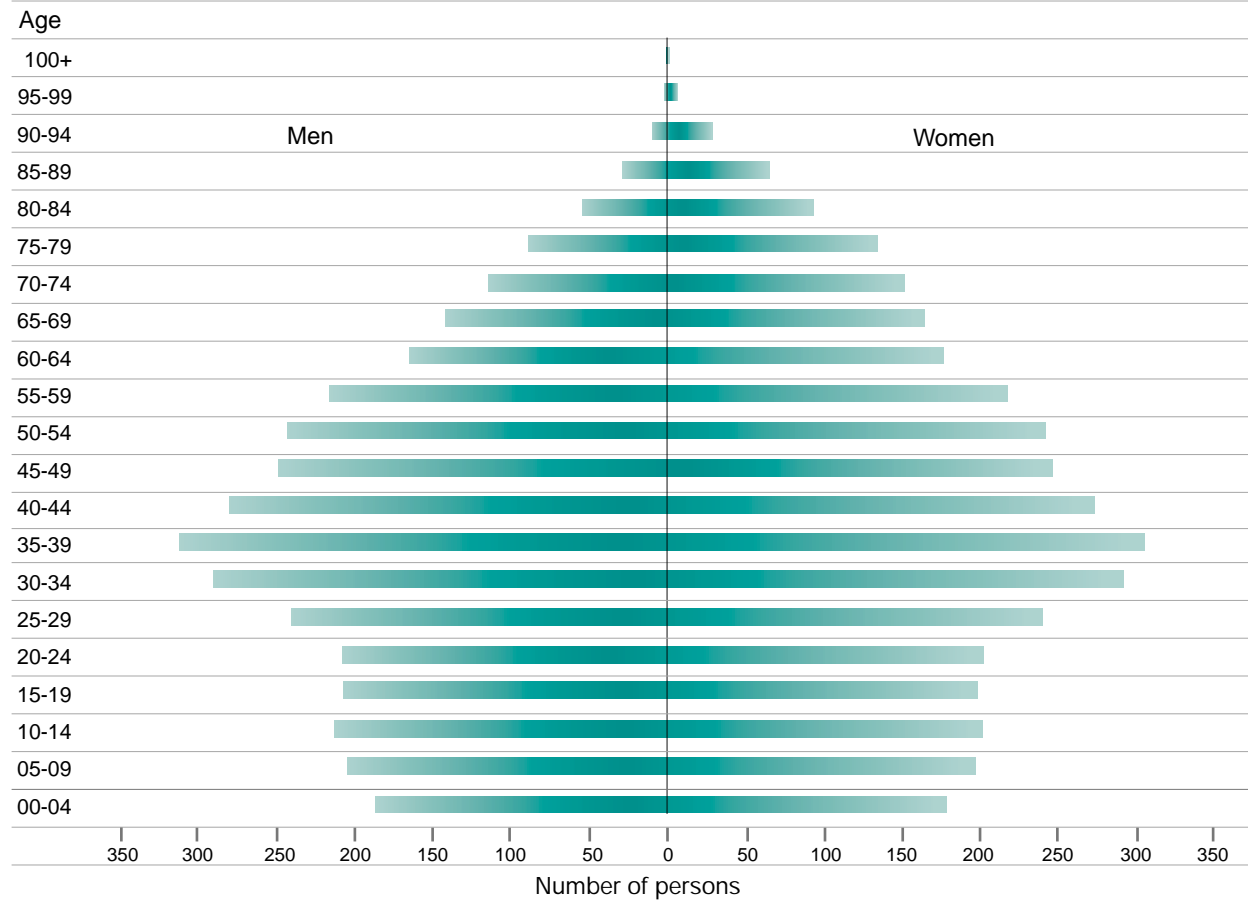
10 = highest score, no risk



Source: IMD The World Competitiveness Yearbook 2001, Tab. 2.3.20

↳ www.imd.ch/wcy.htm

Demographic age structure 2000

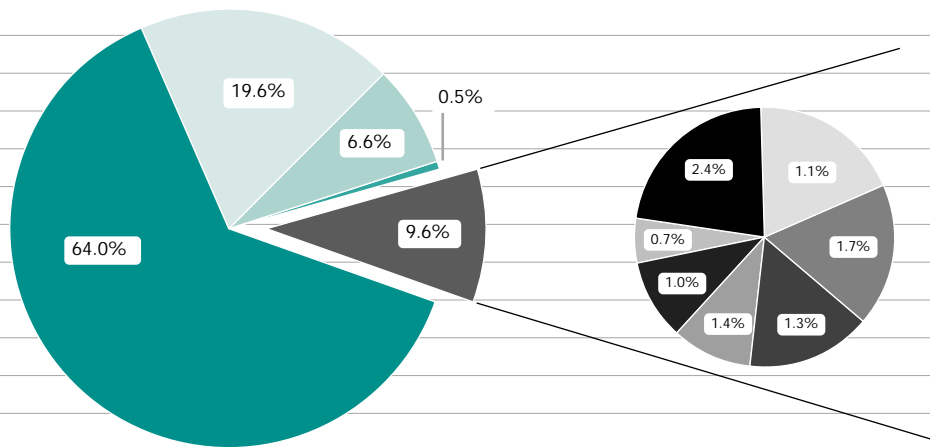


Source: Swiss Federal Statistical Office, Swiss Census 2000

↳ www.statistik.admin.ch

Language diversity

Languages spoken in % of the total population



- | | |
|---|---|
| German | Spanish |
| French | Serbo-croate |
| Italian | Portuguese |
| Rumantsch | Turkish |
| Other languages | English |
| | Albanese |
| | Other languages |

Source: Swiss Federal Statistical Office, Swiss Census 2000

↳ www.statistik.admin.ch

International organizations headquartered in Switzerland

ICRC	International Committee of the Red Cross	Geneva
UNHCR	United Nations High Commissioner for Refugees	Geneva
IOC	International Olympic Committee	Lausanne
ITU	International Telecommunication Union	Geneva
BIZ	Bank for International Settlements	Basle
FIFA	Fédération Internationale de Football Association	Zurich
WTO	World Trade Organization	Geneva
ILO	International Labour Organization	Geneva
WHO	World Health Organization	Geneva
UPU	Universal Postal Union	Berne
WWF	World Wide Fund for Nature	Gland
FIS	International Ski Federation	Thun
UEFA	Union of European Football Associations	Nyon
CERN	European Organization for Nuclear Research	Geneva
ISSI	International Space Science Institute	Berne
CIT	International Rail Transport Committee	Berne
EBU	European Broadcasting Union	Geneva
IRU	International Road Transport Union	Geneva
WIPO	World Intellectual Property Organization	Geneva
WMO	World Meteorological Organization	Geneva

Globalization

Switzerland moved from 4th to 2nd place in the annual Foreign Policy/ATKearney globalization index ranking economic and political integration in 62 countries.

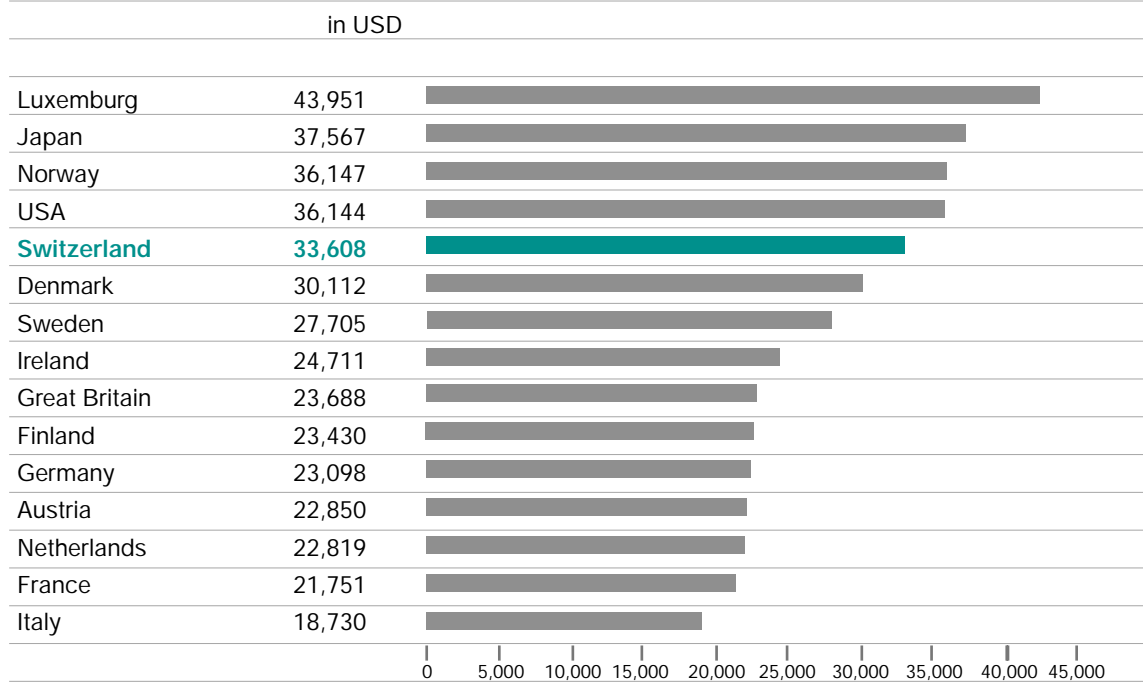
Globalization Index Rankings 2002

1	Ireland	9	Austria
2	Switzerland	10	Great Britain
3	Singapore	11	Norway
4	Netherlands	12	USA
5	Sweden	13	France
6	Finland	14	Germany
7	Canada	15	Portugal
8	Denmark	24	Italy

Quelle: Foreign Policy/ A.T.Kearney

↳ www.atkearney.com

Per capita gross domestic product, 2000



Source: IMD The World Competitiveness Yearbook 2001, Tab. 1.1.17

↳ www.imd.ch/wcy.htm

GDP by sectors

Year 2000

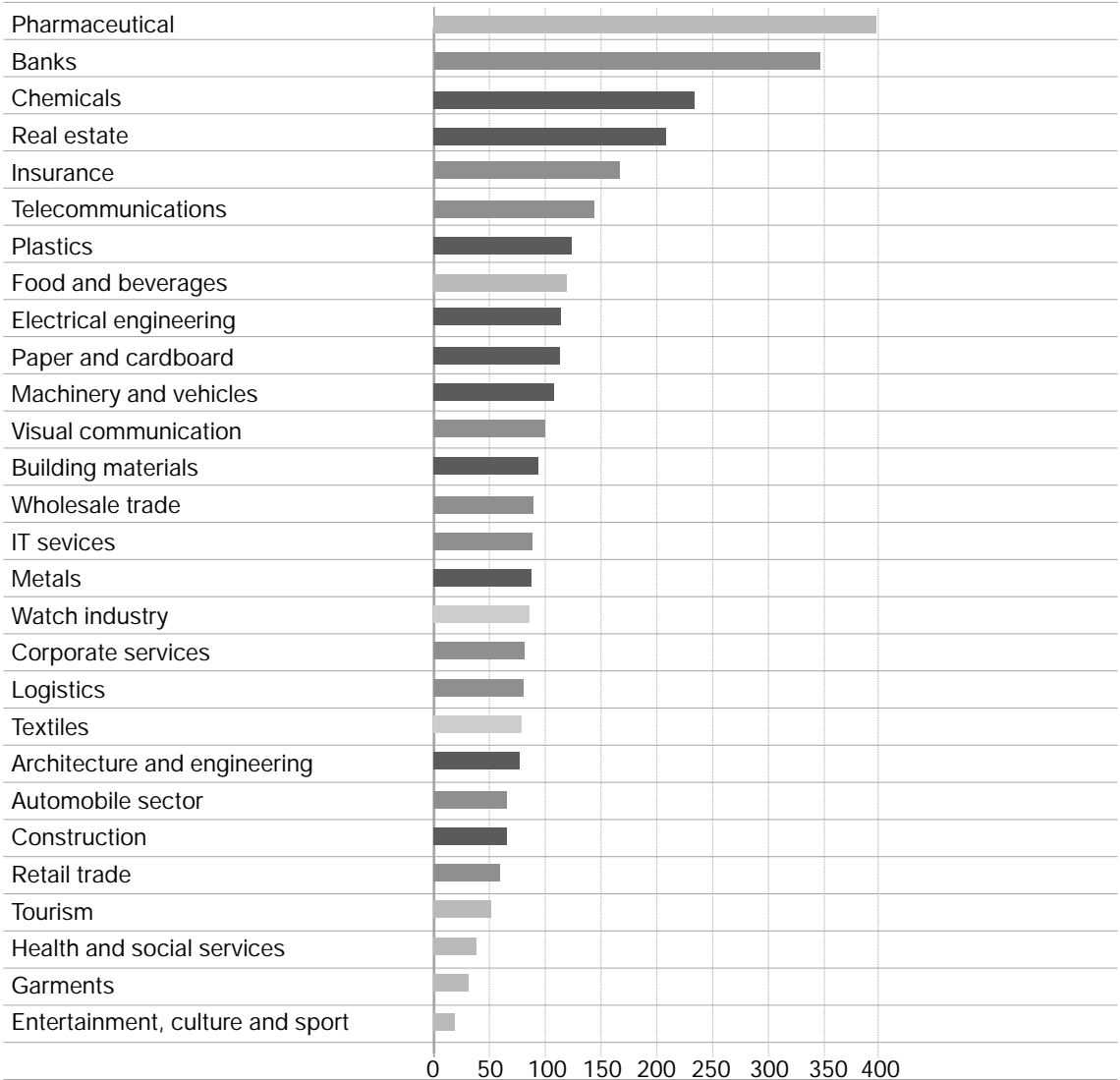
Country	Percentage of GDP			Percentage of total employment		
	Agriculture	Industry	Services	Agriculture	Industry	Services
Austria	2	32	66	6	31	63
Belgium	2	29	69	2	27	71
France	3	25	71	4	25	71
Germany	1	30	69	3	34	63
Great Britain	2	31	67	1	26	73
Italy	3	30	67	5	33	62
Netherlands	3	26	71	3	16	81
Sweden	2	31	67	3	26	71
Switzerland	3	32	65	5	26	69
USA	2	27	71	3	23	74

Source: IMD The World Competitiveness Yearbook 2001, Tab. 1.1.07 und 4.1.04

↳ www.imd.ch/wcy.htm

Production and productivity in key sectors

Nominal net output per employee 2001 level
in thousand CHF



Source: UBS AG, Swiss sectoral trends 2002, Database: BAK Konjunkturforschung Basel AG

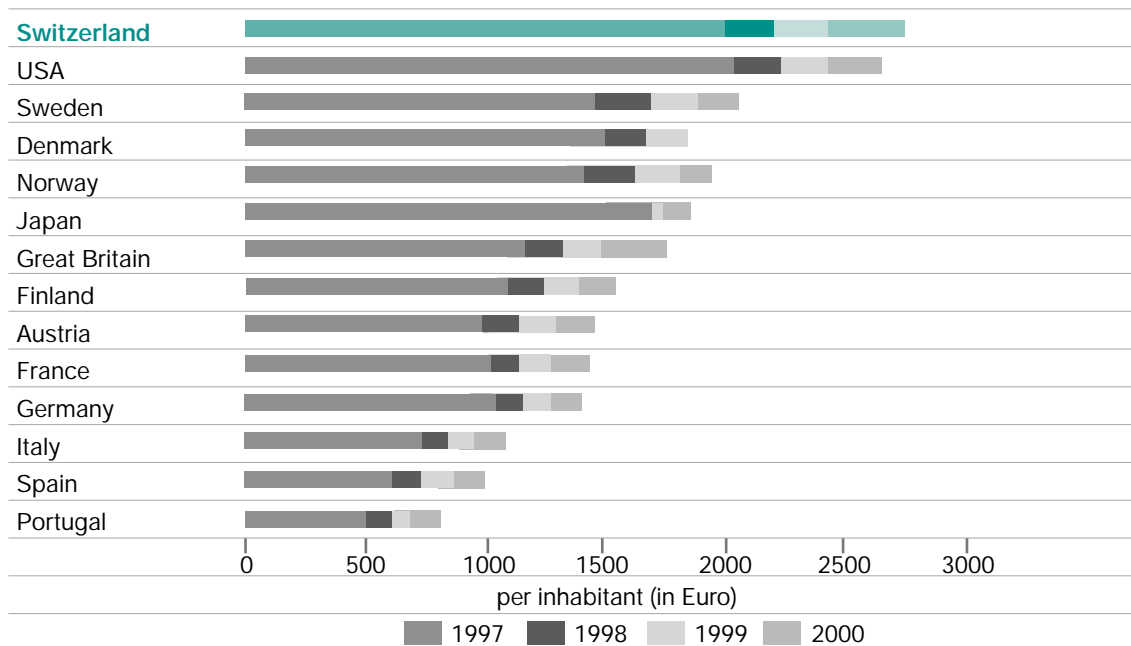
Details on industry structure (percentages of employees) (3rd quarter 2001)

Branche	Employment	
	in 1000	in %
Total (excluding agriculture/forestry)	3,640	100
Food and beverage	65	1.8
Textiles/clothing	24	0.7
Wood and paper	52	1.4
Printing	56	1.5
Chemicals and plastics	92	2.5
Metal industry	104	2.9
Machine building	110	3.0
Office, precision instruments and watches	139	3.8
Vehicles	20	0.5
Other fabrication industries and trade	55	1.5
Energy and water supply	22	0.6
Construction	303	8.3
Wholesale trade	291	8.0
Retail trade	334	9.3
Gastronomy	224	6.2
Public transport	157	4.3
Communications	84	2.3
Credits	133	3.7
Insurance	73	2.0
Information technology services	61	1.7
Consulting services	295	8.2
Public administrations	140	3.8
Education	232	6.3
Health and social services	385	10.7
Other services	179	4.9

Source: Swiss Federal Statistical Office (SFSO/BFS)

↳ www.statistik.admin.ch

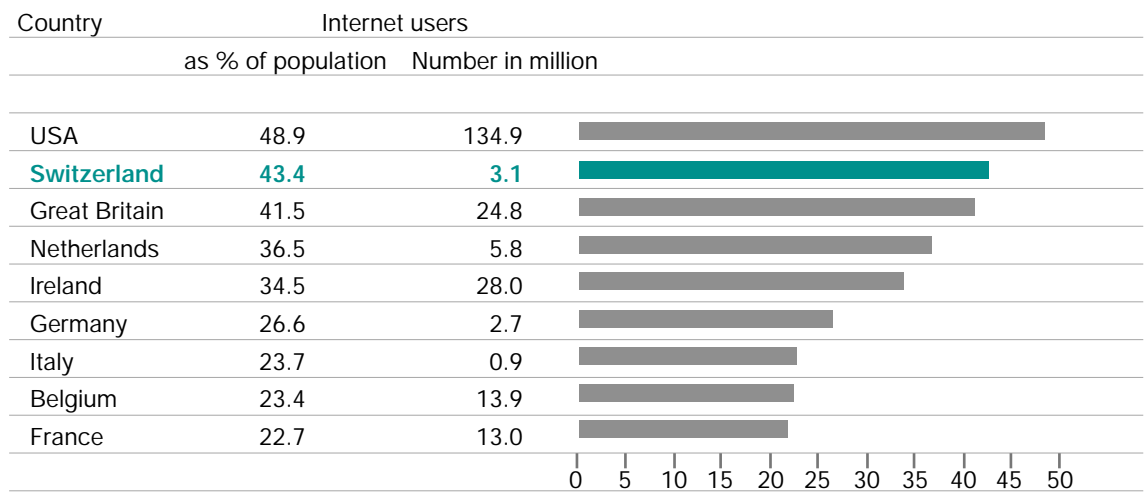
Spending on information and communications technology, International comparison 1997-2000



Source: Swiss Statistical Office: Database: EITO 2001

Internet users

Internet users in % of total population in millions, end of 2000

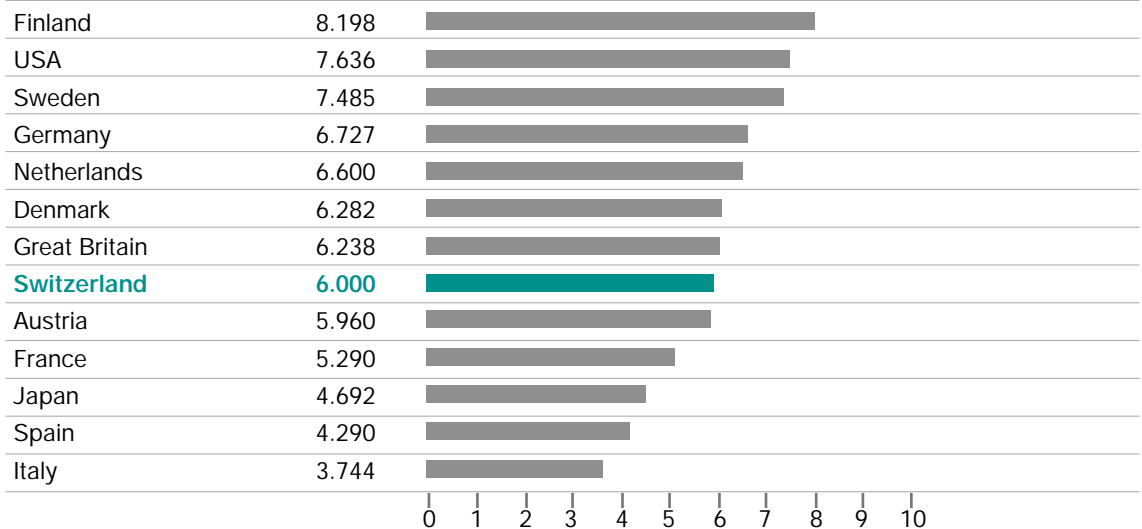


Source: Economic Promotion Geneva, International Comparisons 2001, Database: Internet usage and Commerce in Western Europe, 2000-2004, report published by IDC, Division of IDG, International Data Group, June 2001

↳ www.idc.com

E-commerce

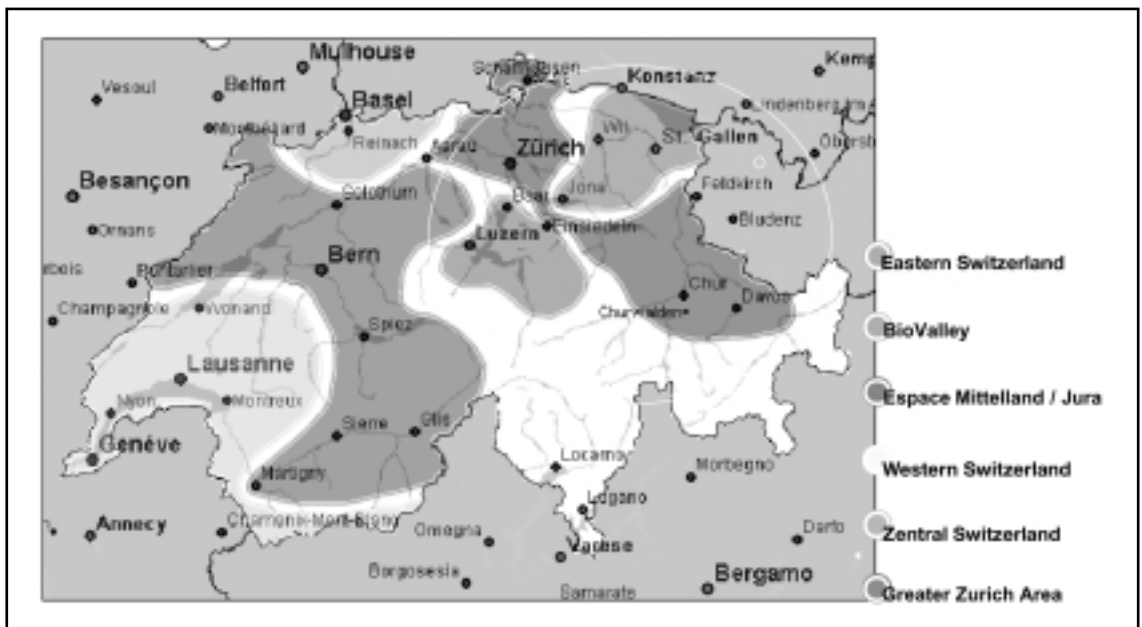
10= Adequately developed
1 = Inadequately developed



Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.2.11

↳ www.imd.ch/wcy.htm

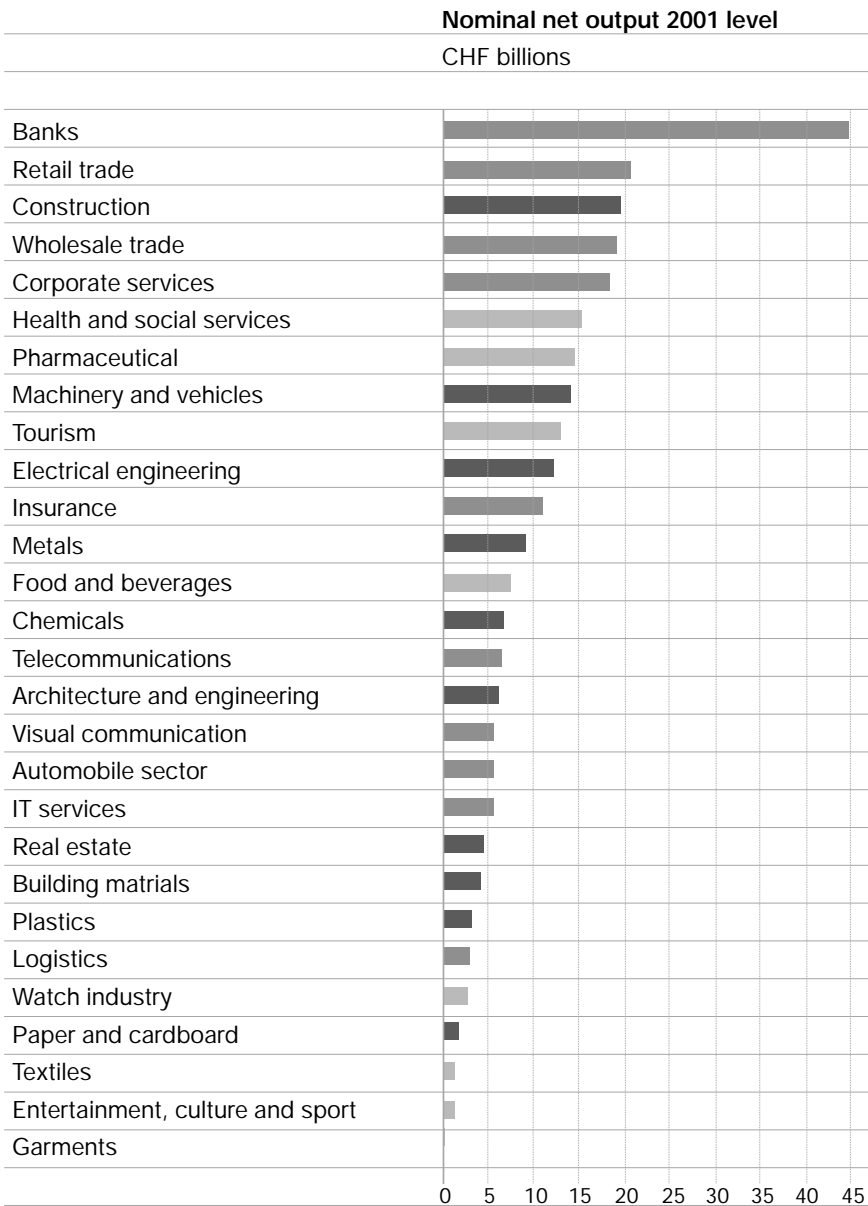
Regional Cluster: Medical Technology



Source: Zurich MedNet

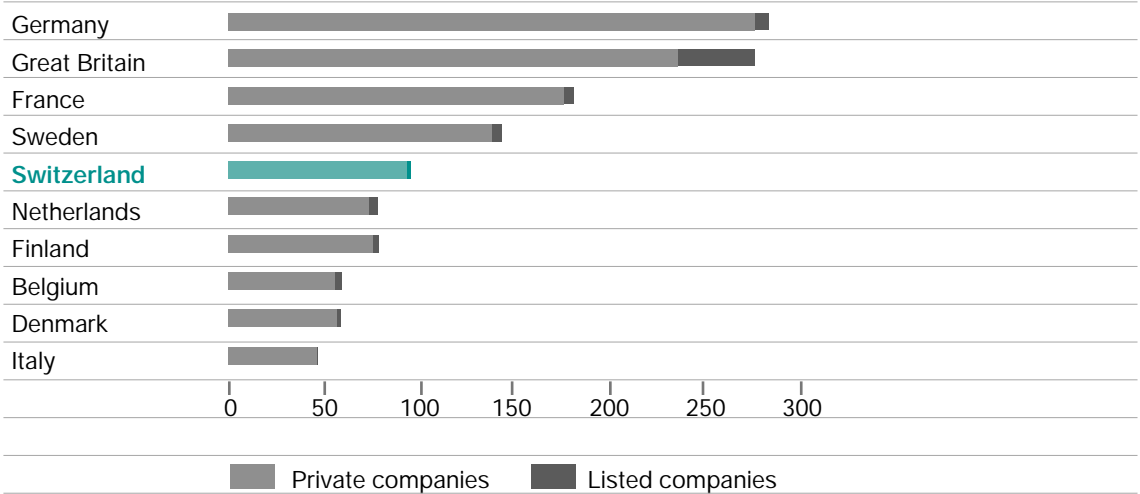
↳ www.zurichmednet.org

Value added by industry and services



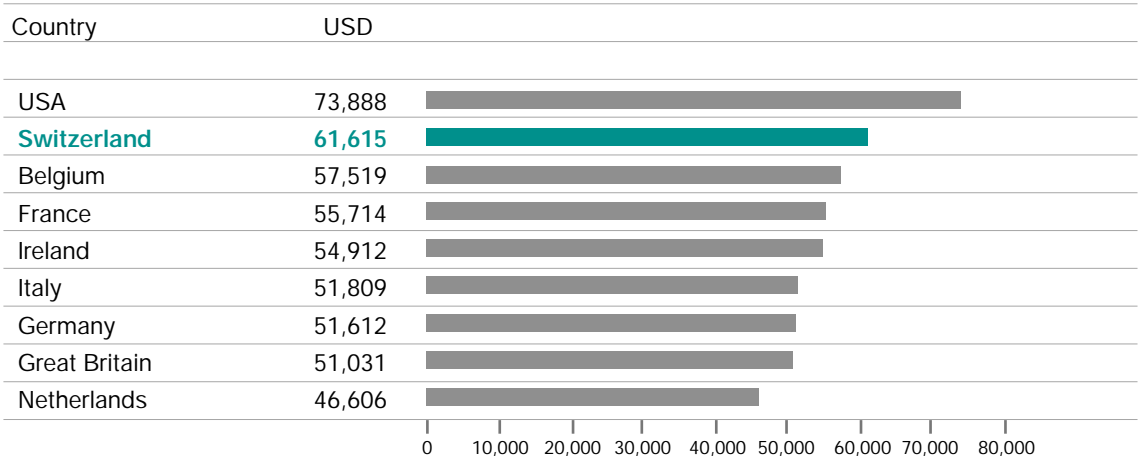
Source: UBS AG, Swiss sectoral trends 2002, Database: BAK Konjunkturforschung Basel AG

The 10 largest biotech locations in Europe



Source: Ernst & Young, *Biotechnology Report 1998*

Gross Domestic Product (GDP) per person employed in 2000



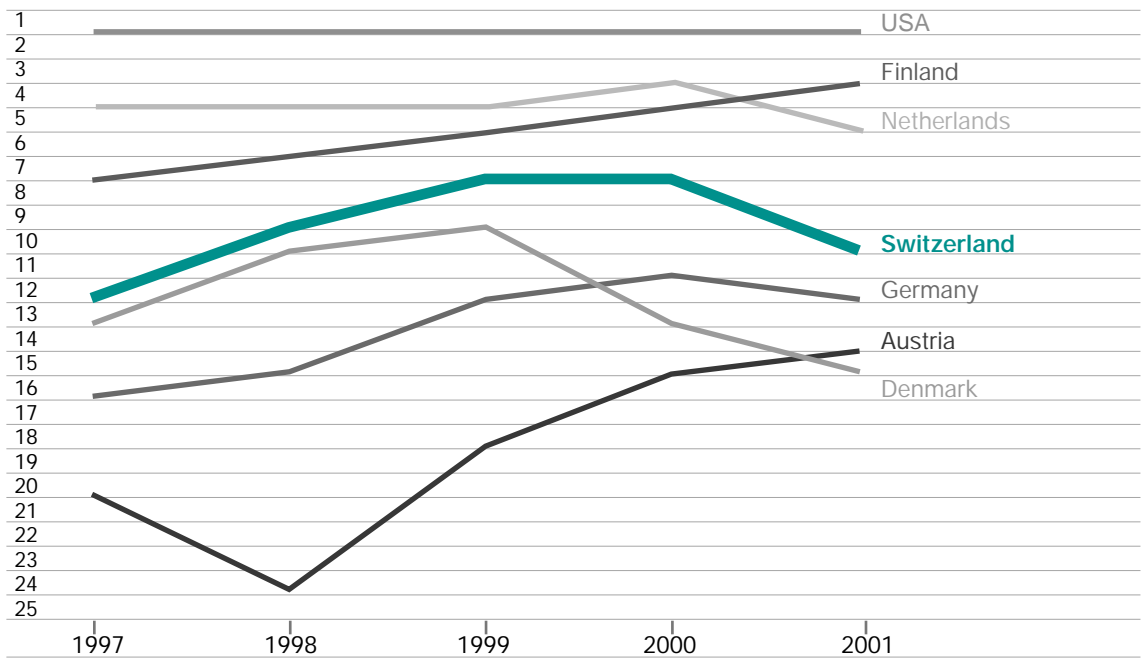
Source: *Economic Promotion Geneva, International Comparisons 2001*;

IMD The World Competitiveness Yearbook 2001, Tab. 3.1.02

↳ www.imd.ch/wcy

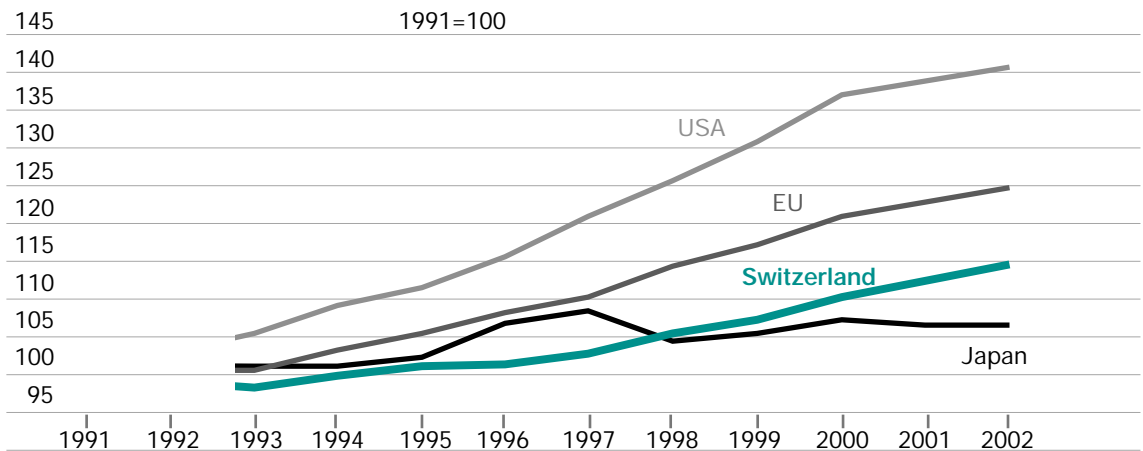
Ranking of competitiveness

After a buoyant year 2000, which will be remembered as one of the most exciting times in decades, 2001 seems to be suffering from an „economic hangover“. When almost half of the world economy loses momentum, one can reasonably expect that it will have a depressive impact on the performance of Europe. In the World Competitiveness Yearbook 2001, Switzerland ranks 10th in overall competitiveness of 49 countries and 6th in Europe.



Source: IMD The World Competitiveness Yearbook 2001, S. 20

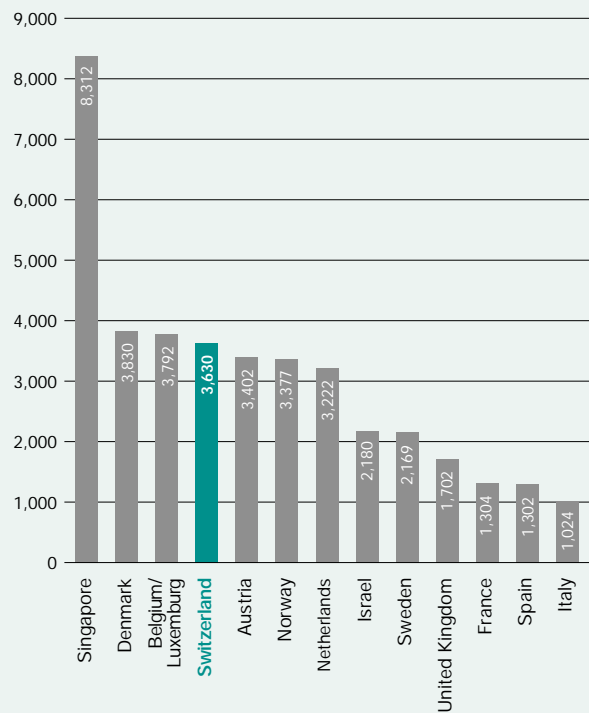
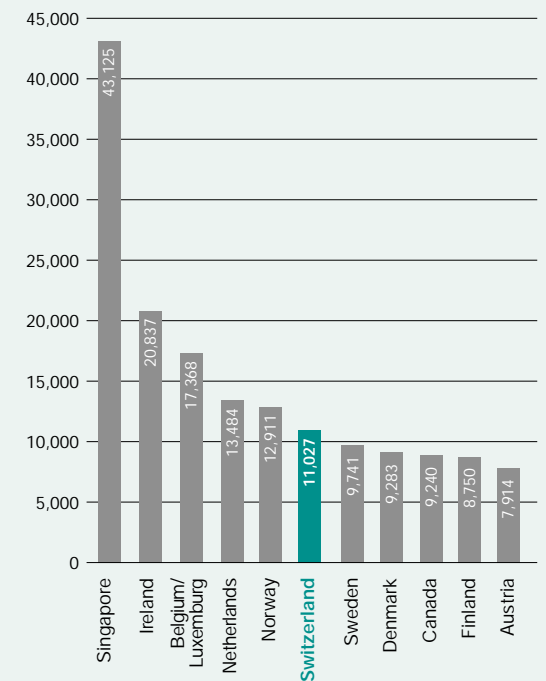
Real economic growth



Source: Credit Suisse, Economic Research & Consulting

Foreign trade – international comparison (2000)

Country	Population Million inhab.	Exports of goods and services			Imports of goods and services			GDP	
		Billion USD	per capita	Share of services in %	Billion USD	per capita	Share of services in %	Billion USD	per capita
Switzerland	7.3	107.0	14,658	32.9	98.0	13,424	18.7	245.3	33,608
USA	276.0	1,056.4	3,826	35.0	1,457.3	5,280	15.8	9,975.7	36,144
Japan	127.0	547.3	4,309	12.4	494.7	3,895	30.3	4,771.0	37,567
Sweden	8.9	106.3	11,943	22.3	95.8	10,782	31.9	228.8	25,705
Germany	83.0	626.7	7,550	13.6	625.8	7,539	25.1	1,917.1	23,098
Austria	8.1	92.8	11,456	42.9	97.2	12,000	41.2	185.1	22,850
Belgium/Luxemburg	10.6	232.1	21,896	20.9	220.4	20,792	21.4	250.3	23,613
Netherlands	15.9	262.3	16,497	23.9	247.0	15,534	25.4	362.8	22,819
United Kingdom	59.5	380.1	6,388	35.7	414.0	6,958	24.8	1,409.4	23,688
France	59.3	375.4	6,331	25.9	362.5	6,112	18.7	1,289.8	21,751
Canada	31.3	314.4	10,044	13.4	291.0	9,297	16.8	700.5	22,379
Italy	57.6	293.6	5,097	25.2	290.3	5,040	24.5	1,078.8	18,730
Spain	40.0	165.8	4,145	45.9	183.5	4,588	19.5	563.1	14,077
China/Hong Kong	1,269.0	494.9	390	9.6	474.1	374	7.9	1,236.7	9,745

Leading exporters of commercial services per capita, 2000
USDLeading exporters of goods per capita, 2000
USD

Source: OSEC, Swiss Foreign Trade 2001/2002; Database: Swiss Customs Administration

Exports and imports by economic area and selected countries

Region/country	Swiss Exports			Swiss Imports			Surplus
	Million CHF		Share in % 2000	Million CHF		Share in % 2000	Million CHF 2000
	1999	2000		1999	2000		
EU European Union	73,796	80,034	58.8	93,409	103,806	74.5	- 23,772
Germany	27,231	29,174	21.5	37,251	40,584	29.1	- 11,410
France	11,093	11,956	8.8	14,419	14,246	10.2	- 2,290
Italy	9,588	10,461	7.7	11,626	12,950	9.3	- 2,489
Great Britain	6,604	7,689	5.7	6,786	8,129	5.9	- 440
Austria	3,871	4,158	3.1	4,691	4,945	3.5	- 787
Netherlands	3,799	4,152	3.1	6,077	7,894	5.7	- 3,742
Spain	3,493	3,773	2.8	2,046	2,418	1.7	1,355
Belgium/Luxemburg	2,615	2,928	2.2	1,677	3,844	2.8	- 916
Sweden	1,597	1,647	1.2	1,838	1,915	1.4	268
Denmark	995	1,048	0.8	1,117	1,140	0.8	92
Greece	853	849	0.6	126	146	0.1	703
Portugal	839	828	0.6	489	514	0.4	314
Finland	709	808	0.6	984	1,243	0.9	- 435
Ireland	510	563	0.4	2,337	3,308	2.4	- 2,745
Other industrialized nations	22,175	26,199	19.3	12,410	15,453	11.1	10,746
USA	14,678	17,427	12.8	7,702	10,288	7.4	7,139
Japan	4,853	5,767	4.2	3,438	3,926	2.8	1,841
Transitional economies	5,066	6,186	4.6	5,281	8,623	6.2	- 2,437
Poland	1,007	1,132	0.8	269	371	0.3	791
Hungary	628	657	0.5	467	625	0.4	32
Russian Federation	355	556	0.4	1,677	3,844	2.8	- 3,288
Czech Republic	672	758	0.6	462	604	0.4	154
China (excl. Hong Kong)	990	1,403	1.0	1,800	2,301	1.7	- 898
Newly industrialized nations	11,632	14,466	10.6	4,456	5,930	4.3	8,536
Hong Kong	2,912	3,841	2.8	656	894	0.6	2,947
Taiwan	1,328	1,527	1.1	802	1,088	0.8	439
Israel	1,392	1,440	1.0	467	503	0.4	937
Developing countries	1,392	9,130	6.7	4,500	5,590	4.0	3,541
OPEC countries	2,633	3,134	2.3	1,383	2,276	1.6	859
Total	120,725	136,015	100.0	120,057	139,402	100.0	- 3,387
NAFTA 1)	16,465	19,670	14.5	8,515	11,058	7.9	8,612
MERCOSUR 2)	1,612	1,761	1.3	520	970	0.7	791
ASEAN 3)	2,879	3,509	2.6	1,367	1,677	1.2	1,832

1) USA, Canada, Mexico

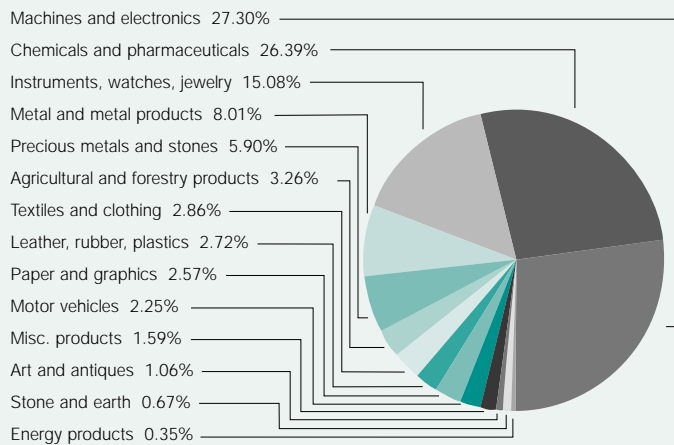
2) Brasil, Argentina, Uruguay, Paraguay, Chile, Bolivia

3) Myanmar, Thailand, Malaysia, Brunei, Singapore, Laos, Vietnam, Philippines, Indonesia, Cambodia

Swiss exports in 2000 by type of product

Product	1990	1999	2000	Change
	Million CHF			from 1999
				in %
Machines and electronics	18,425	33,991	37,137	13.77
Chemicals and pharmaceuticals	25,527	32,642	35,892	5.59
Instruments, watches, jewelry	13,330	17,732	20,516	15.70
Metal and metal products	7,537	9,471	10,892	15.01
Precious metals and stones	5,142	5,324	8,031	50.84
Agricultural and forestry products	2,998	4,014	4,428	10.31
Textiles and clothing	4,984	3,787	3,891	2.74
Leather, rubber, plastics	2,220	3,362	3,698	9.98
Paper and graphics	2,149	3,205	3,495	9.05
Motor vehicles	1,485	3,158	3,054	-3.31
Misc. products	1,562	2,024	2,163	6.86
Art and antiques	2,241	955	1,435	50.27
Stone and earth	604	799	909	13.80
Energy products	58	261	475	81.74
Total	88,260	120,725	136,015	12.67

Swiss exports in 2000 as % of total



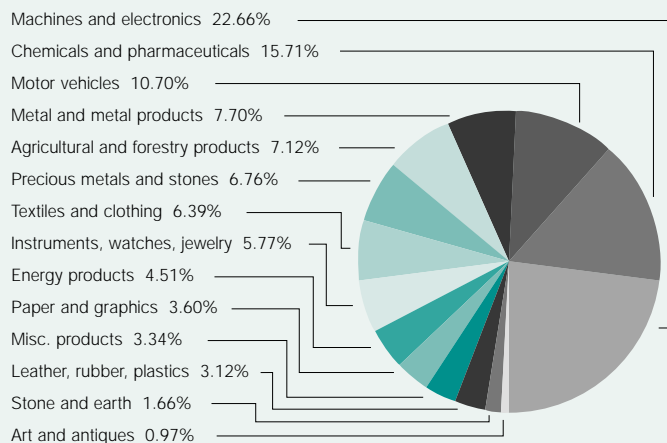
Total: 136'015 million CHF

Source: OSEC, Swiss Foreign Trade 2001/2002, Database: Swiss Customs Administration

Swiss imports in 2000 by type of product

Product	1990	1999	2000	Change
	Million CHF			from 1999
				in %
Machines and electronics	19,794	26,966	31,583	17.12
Chemicals and pharmaceuticals	10,625	19,322	21,899	13.33
Motor vehicles	10,230	14,422	14,903	3.34
Metal and metal products	8,095	9,560	10,735	17.87
Agricultural and forestry products	9,025	9,108	9,925	3.82
Precious metals and stones	8,806	8,521	9,428	67.18
Textiles and clothing	5,786	6,849	8,905	4.50
Instruments, watches, jewelry	5,378	5,639	8,031	17.25
Energy products	3,818	4,594	6,290	79.01
Paper and graphics	3,736	4,391	5,025	9.40
Misc. products	3,476	3,973	4,660	5.35
Leather, rubber, plastics	4,312	3,513	4,345	9.39
Stone and earth	2,143	2,164	2,314	6.94
Art and antiques	1,389	1,002	1,359	35.59
Total	96,613	120,057	139,402	16.11

Swiss imports in 2000 as % of total



Total: 139,402 million CHF

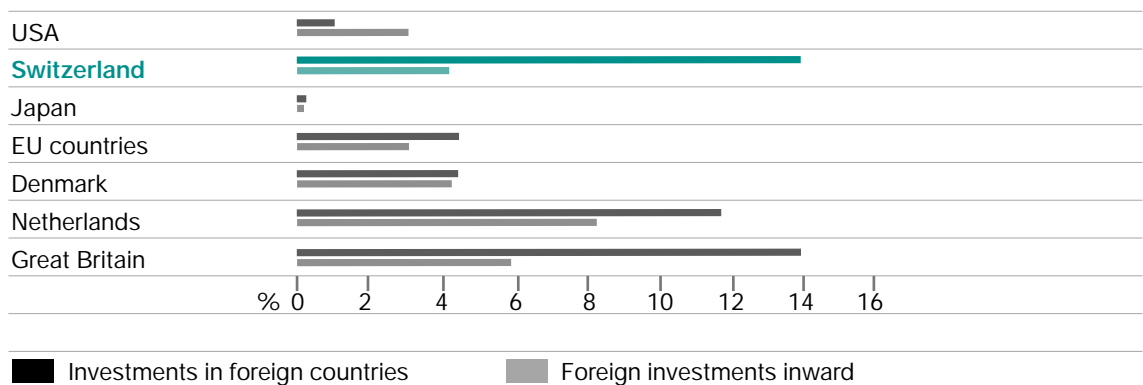
Source: OSEC, Swiss Foreign Trade 2001/2002, Database: Swiss Customs Administration

Portfolio of direct investments as of 2000

Target areas / areas of origin	Swiss direct investment	Foreign direct investment
	abroad	in Switzerland
Cumulated sums by end of 2000 in million CHF		
Industrialized countries	294,871	131,300
EU	178,679	76,203
North America	94,063	52,017
Other industrialized countries	22,129	2,822
Newly industrialized countries	33,015	533
Developing countries	44,680	2,168
Total	372,566	134,001

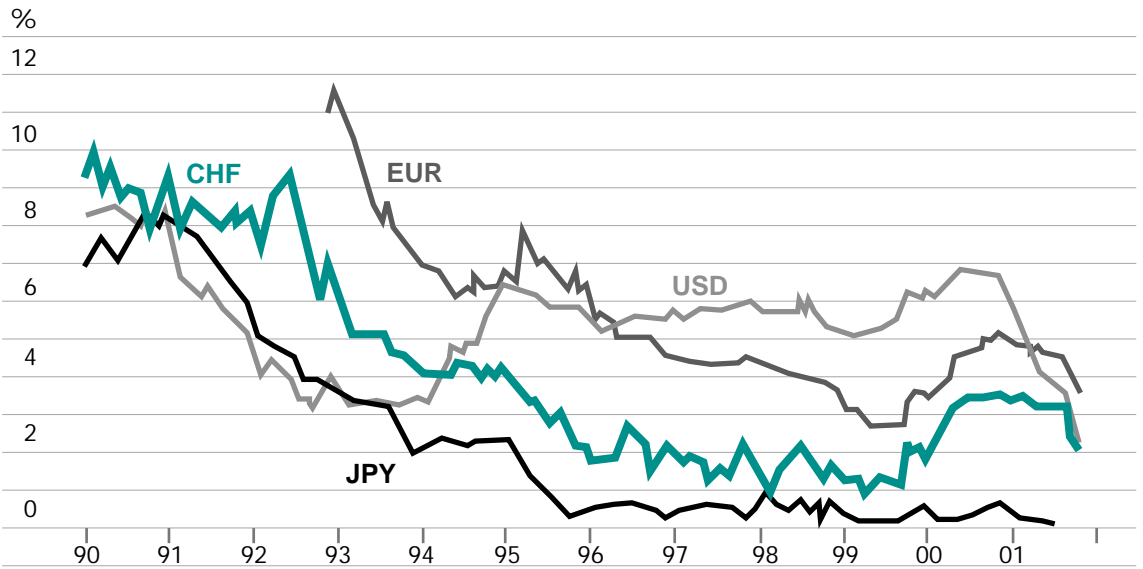
Source: SNB Swiss National Bank

Direct investments in % GDP, 2000



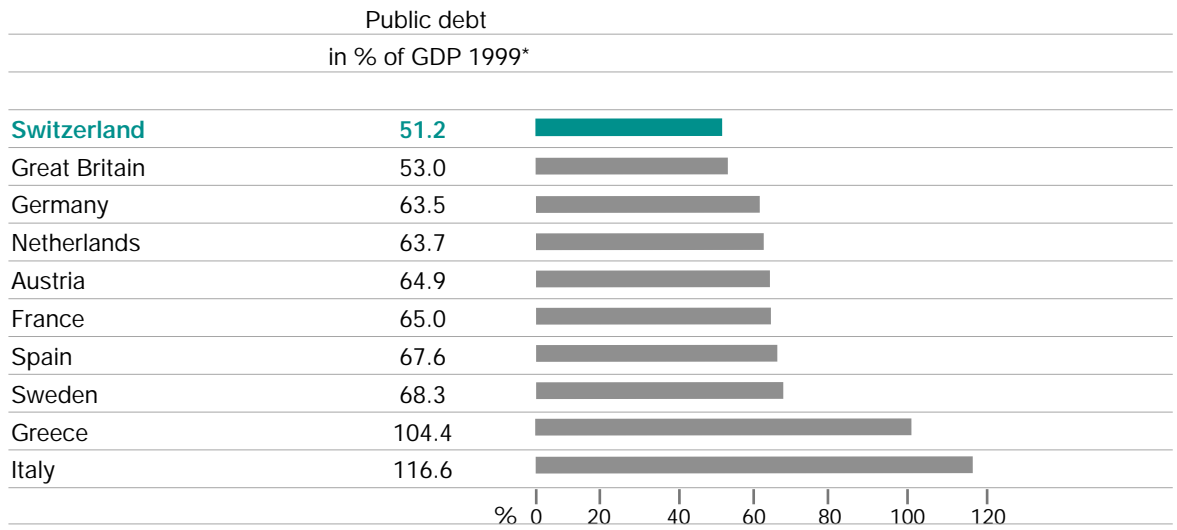
Source: Credit Suisse, Economic Research & Consulting

Euro interest rates (3 months) in %



Source: Credit Suisse

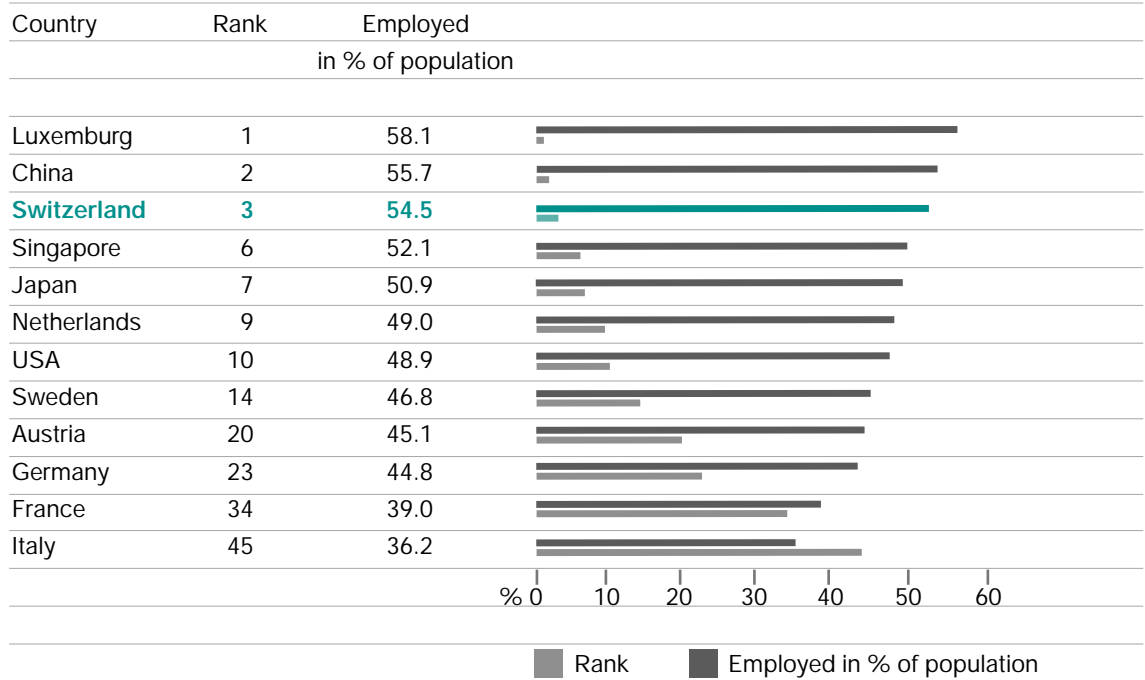
Public finances



* max. admissible value according to Maastricht treaties 60%

Source: *Statistical Data on Switzerland 2001*, Swiss Federal Statistical Office (SFSO/BFS)

Employment in % of total population 2000



Source: IMD The World Competitiveness Yearbook 2001, Tab. 1.4.02

Economic freedom: Index

The most liberal economies (2002)

Country	Rank	
	Worldwide	Europe
Hong Kong	1	
Singapore	2	
New Zealand	3	
Estonia	4	1
Ireland	4	1
Luxemburg	4	1
Netherlands	4	1
USA	4	
Australia	9	
Chile	9	
Great Britain	9	5
Switzerland	12	6
Denmark	12	6

Source: Heritage Foundation, 2002 Index of Economic Freedom

↳ www.heritage.org

Customs treatment of relocation goods (household effects imported by new or returning residents)

Art. 13 of the Customs Regulations

1. Used household effects, intended for use by new or returning Swiss residents, are exempt from duty (Art. 14, par. 8 Civil Code).
2. New or returning residents are physical persons who give up their principal domicile abroad and establish it in Switzerland.
3. Exempt household effects are goods which new or returning resident has used either personally, or which were used in his/her business or profession, during at least six months prior to importation, and which this person intends to use for the same purpose also in the future, as well as household staples of the usual quantity and kind. Alcoholic beverages with an alcohol content over 25° are limited to 12 liters. Automobiles, motor boats and airplanes are exempt for duty only if the new or returning resident pledges to continue using them in the previous manner, for at least another year following their duty-free importation. For vehicles that were registered duty-free and are subsequently sold before the one-year period has expired, the Swiss Federal Department of Finance may re-impose duty, or exempt it, depending on the age of the vehicle.
4. Household effects must be imported in direct conjunction with the change of domicile. If the new or returning resident can demonstrate that the importation is obstructed, exemption from duty may be granted after the obstruction has been eliminated, but no later than 3 years since the change of domicile. For household effects that are imported later, a reasonable reduction of the duty may be granted under circumstances that make the delay plausible.
5. Exemption from customs duty shall be requested at the time the effects are imported. If there are follow-on shipments they shall be registered together with the first shipment.
6. The household effects, personal effects and household staples of persons who have stayed in a foreign country for at least one year but did not give up their Swiss domicile, are treated in the same manner as those of new or returning residents.
7. Household effects and personal effects of persons with domicile abroad who purchase or rent an apartment or home for their own exclusive use in Switzerland, are exempt for customs duty if they were used in the person's own household in the foreign country for at least six months prior to the rental or purchase of the Swiss apartment or home, and if the importation coincides with the purchase or rental of the premises.

Procedures and notes

1. The request for exemption from duty shall be made on the customs declaration and release form ("Erklärung/Abfertigungsantrag", Sections 2 and 3) at the time of the importation of the household effects.
 2. Together with the above form the following shall be submitted to the customs office:
 - a) List of the goods to be imported; goods that do not qualify for exemption from duty shall be declared at the end of the list as "goods subject to duty";
 - b) Swiss residence document (for immigrating foreign nationals);
 - c) Foreign registration certificates of automobiles, motorboats and airplanes;
 - d) Proof of purchase or rental of a home or apartment, or the availability for occupancy (in the case of effects used to furnish secondary residences; also refer to Par. 7 of this Art. 13).

The customs office may request additional documents for verifying the entitlement to exemption from duty.
 3. Persons who are not present when the goods are cleared through customs shall submit the form "Erklärung/Abfertigungsantrag" and the documents listed in item 2 above to their shipping agent (railway, shipping company, etc.) for submission to the customs office.
 4. Follow-on shipments shall be registered with the customs office by means of a separate list at the time the first shipment is cleared.
 5. Household effects that are exempt for duty can be cleared through customs only on work days during the hours set for clearing commercial goods.
 6. Effects for furnishing secondary residences are exempted from duty only if the country of origin grants the same relief.
 7. Certain goods are subject to import restrictions or prohibitions for commercial, financial, economic, health, veterinary and security reasons. The importation of certain plants and animals is also restricted or prohibited.
 8. If the customs office has any doubt concerning the exemption from duty, the household effects can be cleared provisionally through customs at the assessed rate.
- N.B.: It is a criminal offense to obtain exemption from customs duty by fraudulent means, or to hand over to a third party a vehicle for which the required period of continued personal use is still in effect, without first registering it for customs clearance.

The corresponding form can be obtained from the Swiss Federal Customs Office, the local customs office, or the regional customs directorate.

Work and residence permits

For determining the required procedure and the applicable permit it is necessary to differentiate whether

- The permit is issued before or after the Bilateral Agreements between Switzerland and the EU become effective
- The corresponding persons are EU nationals or foreigners from another country outside the EU

Before inception of the Bilateral Agreements / procedures for non EU nationals	Procedures after inception of the Bilateral Agreements, only applicable to EU nationals
Temporary residence permit (type L) Validity six months for trainees, 18 months for key positions (founding of a company, training of new personnel)	Temporary residence permit Validity 1 year Geographic and vocational mobility Residence permit for family members possible Annual contingent of 115,500 permits for first five years after inception of Bilateral Agreements, no quantitative restriction thereafter Eliminates obligation to leave Switzerland immediately after employment contract is terminated Renewal if continued employment is ensured
4 months permit (Cantonal) Valid for 120 day per year for key positions for founding/setting up a company	
Cross-border commuter permit (type G) Validity 12 months, to be renewed annually Must have been a residence of the border zone for at least 6 months Daily return to country of origin	Only weekly return to home required Geographic mobility within border zone After 5 years border zones will be eliminated
Seasonal permit (type A) For business with seasonally fluctuating work load Validity max. 9 months per year After 36 months an annual permit type B can be applied for This type of permit will be eliminated when the Bilateral Agreements with the EU become effective	No longer applicable

Continued on next page

<p>Annual residence (type B)</p> <p>Year-round employment in Switzerland Legal domicile in Switzerland Residence permits for family members possible Annual renewal is a simple formality</p>	<p>Long-term residence permit</p> <p>Validity 5 years Residence permits for family members possible Annual contingent of 115,500 permits for first five years after inception of Bilateral Agreements, no quantitative restriction thereafter Renewal if continued employment is ensured</p>
<p>Permanent residence permit (type C)</p> <p>Available after 5 years continuous residence in Switzerland The permit holder is not subject to any labor law restrictions Except for the right to vote, to be elected to a public office, and compulsory service in the militia these permit holders are equal to Swiss nationals Of particular importance is the right of permanent residents to be self-employed</p>	<p>Same as above</p>
	<p>2 years after the inception: Liberalization of the cross-border movement of physical persons engaged in the services sector (employers and employees) for up to 90 days per calendar year</p> <p>12 years after the inception: transition to free movement of persons according to EU regulations</p>

Annual permit holders may have their family join them; in this case a work permit is issued also to the spouse. A work permit is obtainable even if the residence of the two spouses is not the same. A spouse may take up residence in a different Canton.

For those considering moving it is advantageous to bundle the various requests and to discuss them in advance in the interest of "bundled solutions". The Cantonal industry and trade promotion offices provide advice regarding the procedure and the time required for processing the applications.

↳ www.europa.admin.ch Topic: Bilateral Agreements Switzerland - EU, Free Movement of Persons

Checklist concerning the acquisition of land and buildings by persons living in a foreign country

Checklist

- Is the intended property purchase exempt from permits (business site or main residence) ?
- Is it a bona-fide real estate purchase transaction ?
- Is the buyer a non-resident alien ?
- Does the transaction qualify for being permitted and are there no reasons for rejection ?

Source: Diener & Wetzel Attorneys, Küsnacht ZH

Guidelines

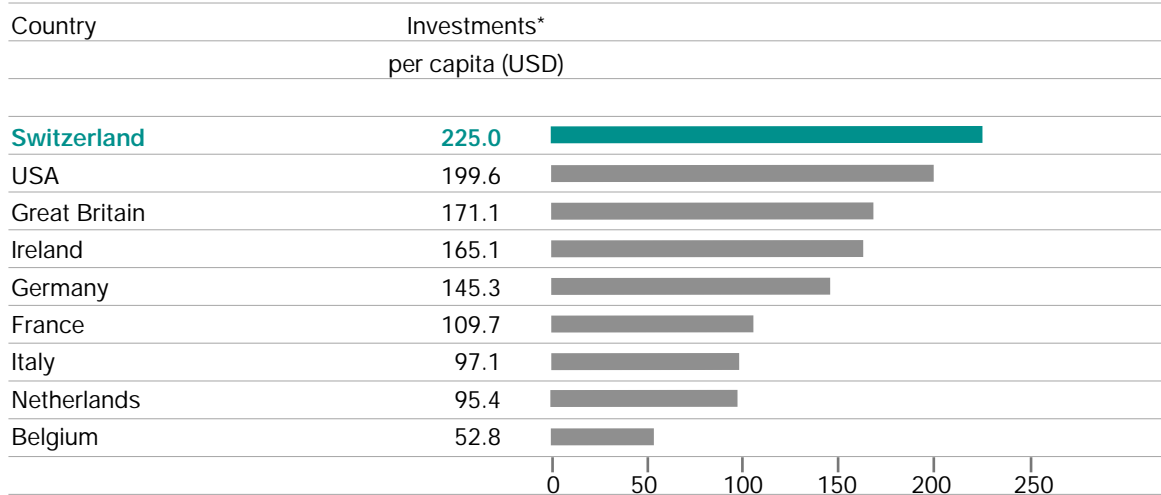
Acquisition of real estate in Switzerland by non-residents, Federal Office of Justice, December 1997
↳ www.ofj.admin.ch Guidelines, pdf document

Time requirement for building permits

The Cantons are responsible for issuing the relevant permits based on the Cantonal building and zoning ordinances. The simplified time and procedure schedule given below is typical but may differ from Canton to Canton. It is based on a normal procedure for commercial/industrial projects without particular difficulties and without the need for any supplementary investigations and special approvals. It is also assumed that no circumstances exist that could lead to appeals/protests.

	Week									
	1	2	3	4	5	6	7	8	9	10
Submission of building permit application	X									
Preliminary evaluation by local building authorities	X	X								
Publication in the official gazette		X								
Appeal/protest procedure		X	X	X						
Processing of appeals/protests				X	X					
Improvements/adaptations by owner					X					
Recommendation by building authorities					X	X				
Decision/approval							X	X	X	
Notification of applicant									X	

Source: Own evaluation of various official statements as well as *Investment Guide Schaffhausen*, February 2001, p. 38

Telecom investments

* 1997

Source: OECD, *Communications Outlook*, 1999

↳ www.oecd.org

Private Utilization of PC/home computer and Internet

Comparison Switzerland / Europe, 2000

	Private utilization PC/home computers	Internet utilization
	in % of surveyed persons	
Switzerland	64	83
Sweden	61	68
Netherlands	60	68
Denmark	56	60
Ireland	49	61
Great Britain	47	57
Germany	46	47
EU *	45	49
Finland	45	65
France	40	55
Italy	37	42
Spain	36	37

* 10 countries of the EU, weighted average

Source: Empirica: ECATT 2000

↳ www.ecatt.com

Comment

- Switzerland is well advanced in the private ownership and utilization of information processing and telecommunications tools. This establishes favorable preconditions for access and utilization of the Internet.
- At the end of 2000, two thirds of the polled Swiss households had a PC or home computer.
- Already with respect to the private IT infrastructure Switzerland has favorable basic conditions for the propagation of the "socio-technological innovation e-commerce" in the business-to-consumer area.

Fact sheet telecommunications data Switzerland

1. Overview of the structure of the telecommunications market Switzerland, year 2000

	Number per 100 inhabitants	Trend 1999 – 2000 in %
Main lines	57	- 1.09
Access channels	72	+ 3.34
Cellular mobile telephone subscribers	64	+ 51.70
CATV connections	36	+ 1.66
Personal Computers	65	+ 9.30
Subscribers to an internetprovider	20	+ 49.63
Internet users	30	+ 42.29

Source: OFCOM / BAKOM, Telecommunications Statistical 2001

2. ISDN connection density

	Number Unit 10 x 3 (year 2000)	Rate of penetration in %	Annual variation in %
ISDN lines	727	10.08	36.85
- Basic access lines	712.25	9.88	0.38
- Primary rate access line	14.30	0.20	0.05
ISDN access channels (2B/30B)	1,853	25.72	28.36
- Basic access channels	1,424.49	19.77	37.70
- Primary rate access channels	428.85	5.95	4.77

Source: OFCOM / BAKOM, Telecommunications Statistical 2001

3. Marktanteile am Mobilfunk

Provider	Market share in % 1)
Swisscom	67.7
TDC	14.7
Orange	17.0
Other	0.6

1) as per June 2001

Source: OFCOM / BAKOM, Telecommunications Statistical 2001

4. Internet use by European comparison

Ranking of seven countries participating in Pan European Internet Survey

Rank	Country
1	Switzerland
2	Great Britain
3	France
4	Germany
5	Austria
6	Belgium
7	Spain

Source: EURO-JICs Pan European Internet Survey 2002

↳ www.ejic.org

5. "Last mile"

In spring 2000 the auction was held for three national licences and five regional licences in each of nine regions. Most of the licences went to companies which wish to enter the Swiss market and provide new (broadband) services. Consequently, an interesting contribution to innovations in the strategic sector of broadband services is to be expected in some segments of the market. The first operational base station was commissioned in December 2000.

Source: OFCOM / BAKOM, Annual report 2000

6. Additional Information

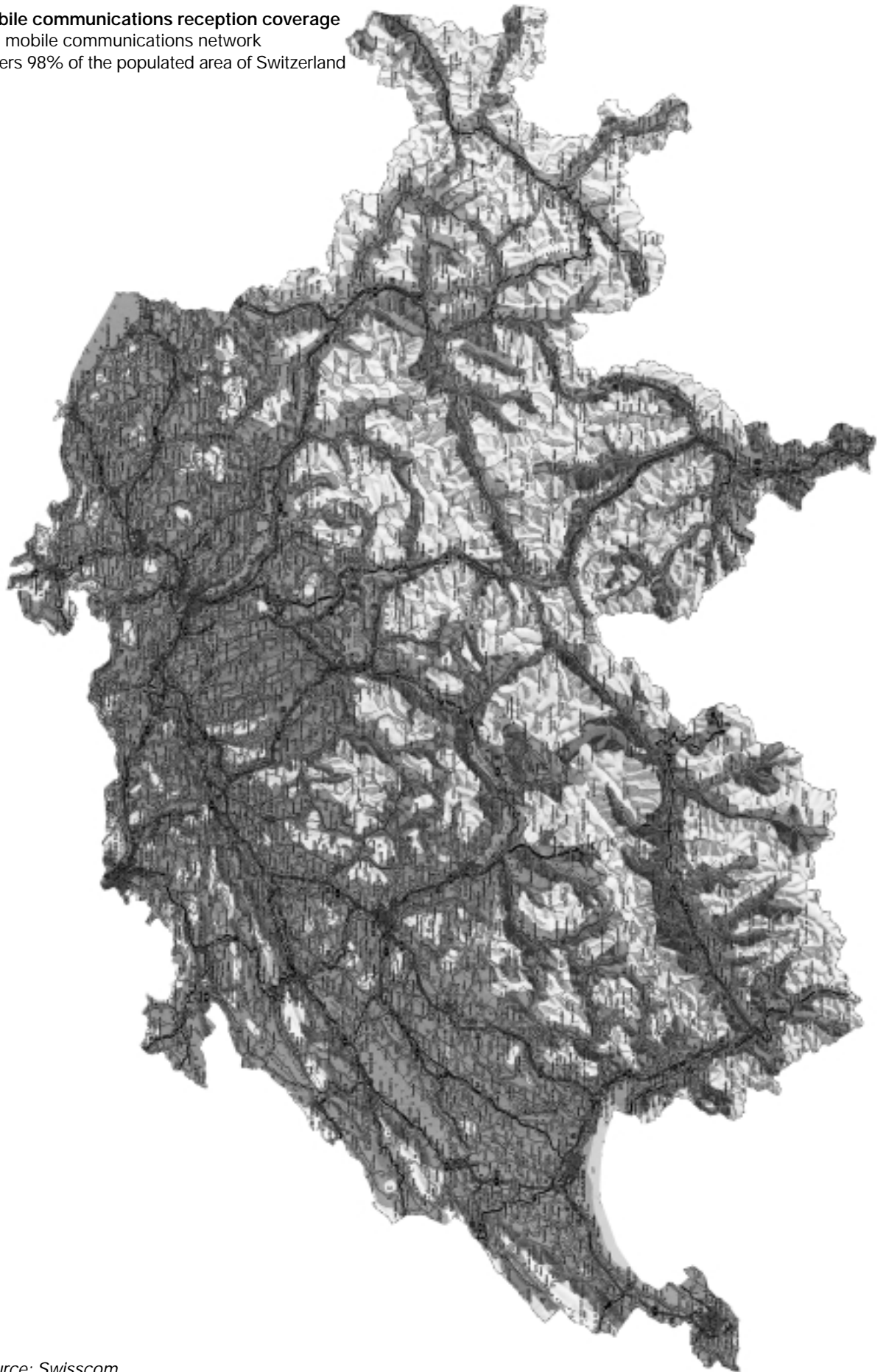
OFCOM / BAKOM Annual reports

↳ www.bakom.ch Telecommunication Statisticals

SICTA Swiss Information and Communications Technology Association

↳ www.sicta.ch

Mobile communications reception coverage
The mobile communications network covers 98% of the populated area of Switzerland

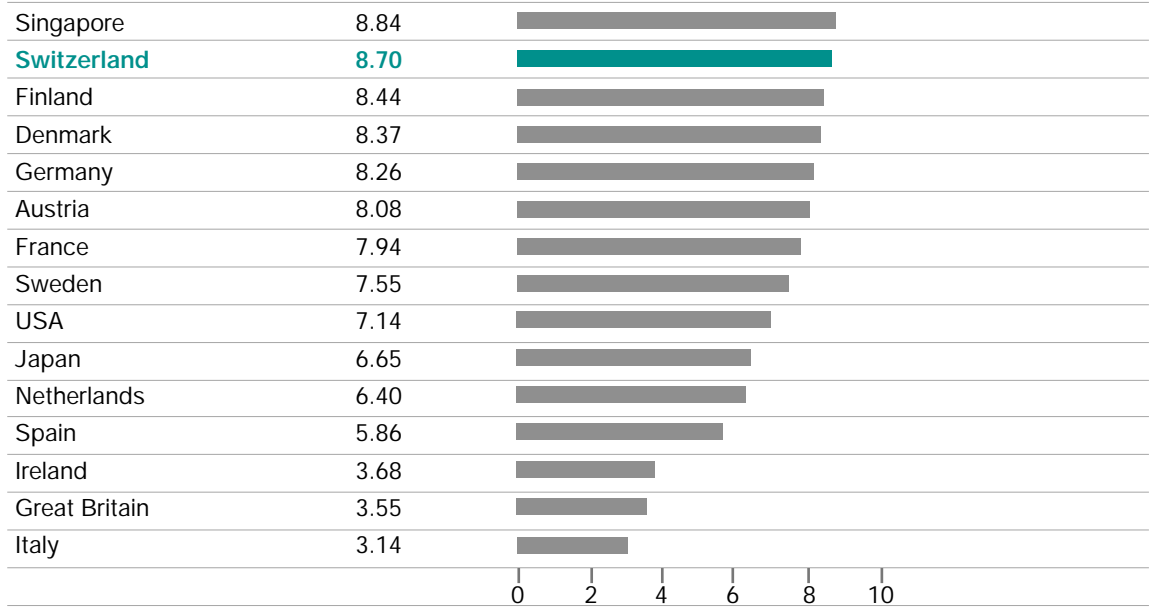


Source: Swisscom

Distribution infrastructure

10 = efficient

1 = inefficient

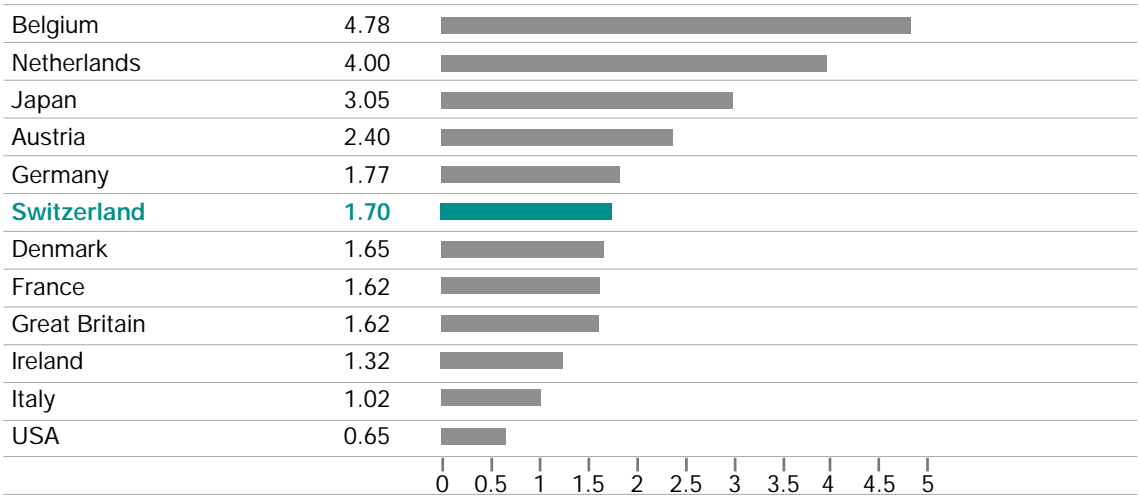


Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.1.07

↳ www.imd.ch/wcy.htm

Highway network: Density

Highway length in km per km² of land area (as per 1998)

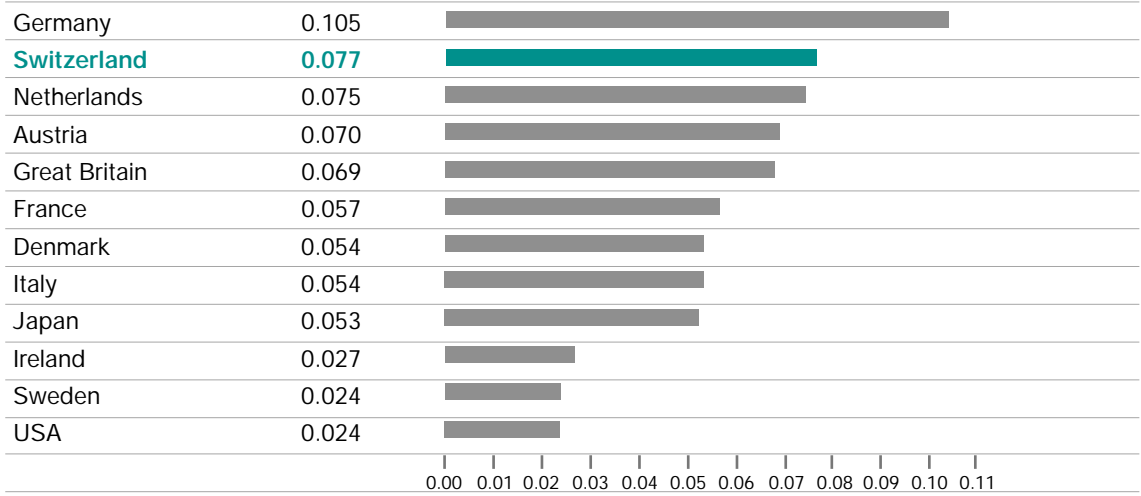


Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.1.06

↳ www.imd.ch/wcy.htm

Rail network: Density

km per km², as per 1999

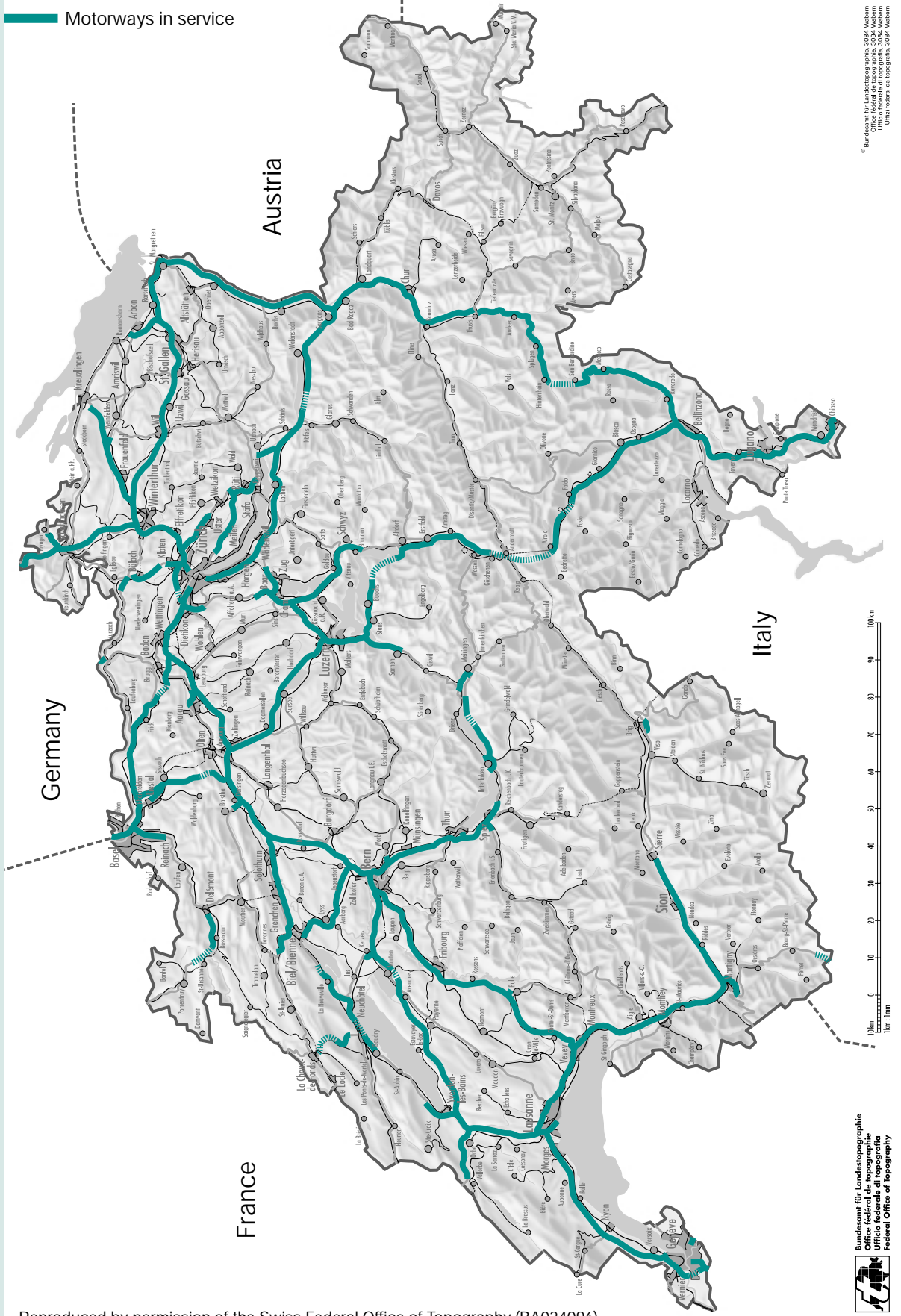


Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.1.08

↳ www.imd.ch/wcy.htm

Motorway network

Motorways in service



© Bundesamt für Landestopographie, 2008; Mobem
 Office fédéral de topographie, 2008; Wabem
 Ufficio federale di topografia, 2008; Waabem
 Ufficio federale di topografia, 2008; Waabem

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Source: www.astra.admin.ch/d/uebersicht/index.html

Border zones for which special heavy vehicle permits are available
As of: 1.1.2002

Maximum admissible gross weight of an individual vehicle or tractor/trailer combination in cross-border traffic (affected communities)

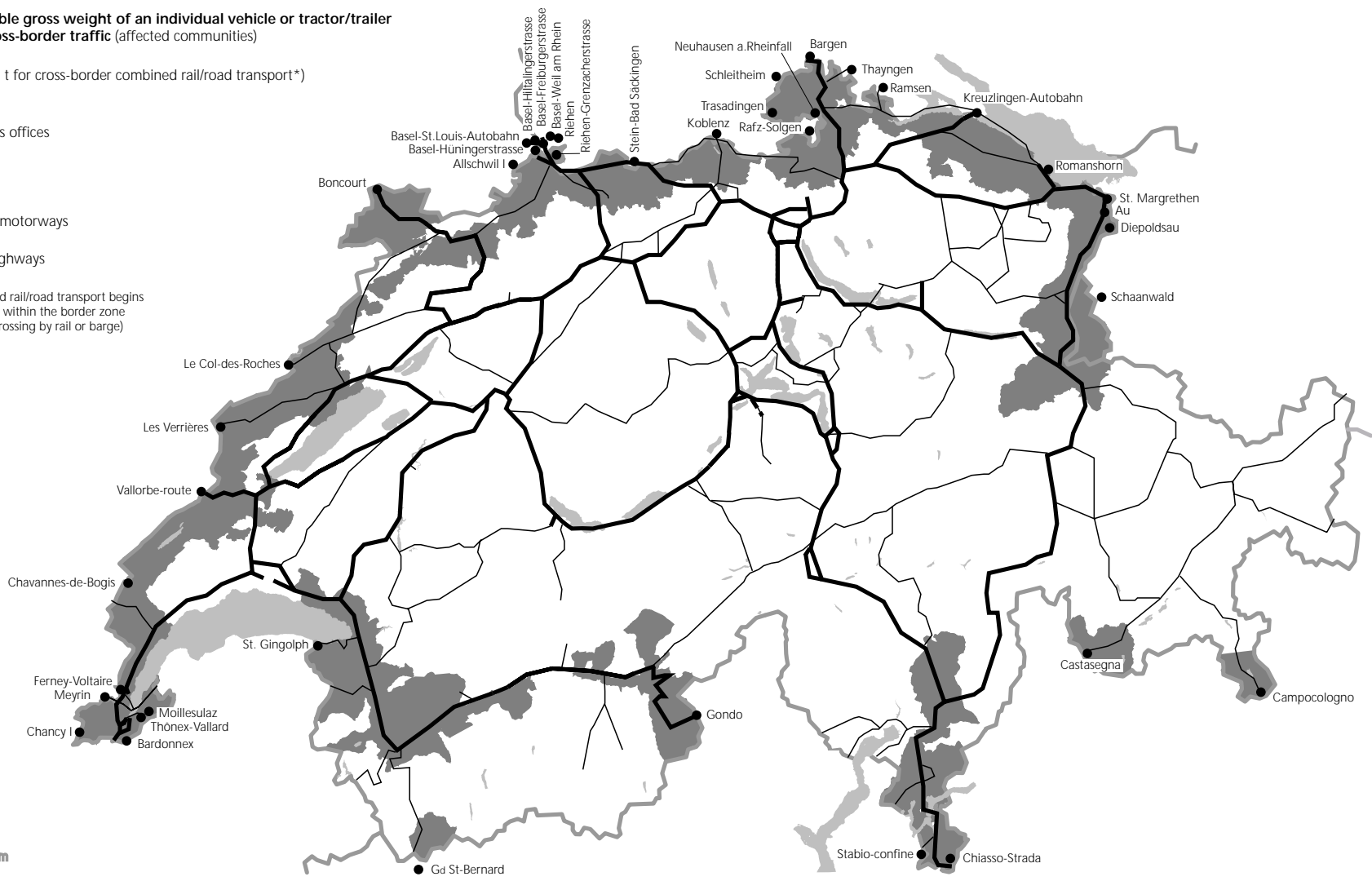
40 t (44 t for cross-border combined rail/road transport*)

Customs offices

Federal motorways

Main highways

* Combined rail/road transport begins and ends within the border zone (border crossing by rail or barge)



Source: Federal Customs Administration

(c) Swiss Federal Office for Regional Planning (ARE) / Simone Rüttimann-Schneuwly, 3184 Wünnewil

ICE network
and international high speed train connections

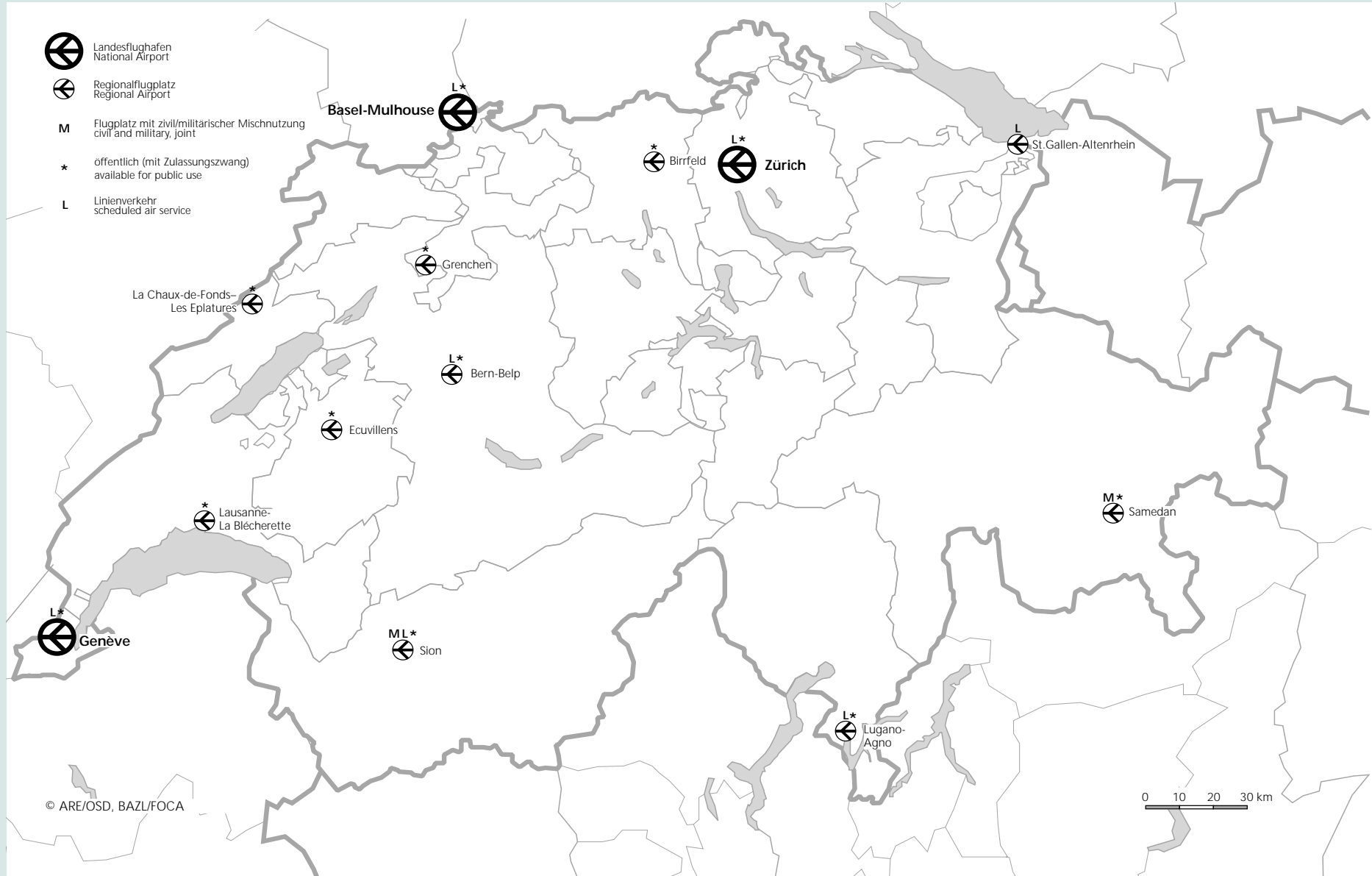


Germany
France
Italy

ICE Inter City Express
TGV Train Grande Vitesse
CIS Cisalpino

National and regional airports of Switzerland

As of: 1.1.2002

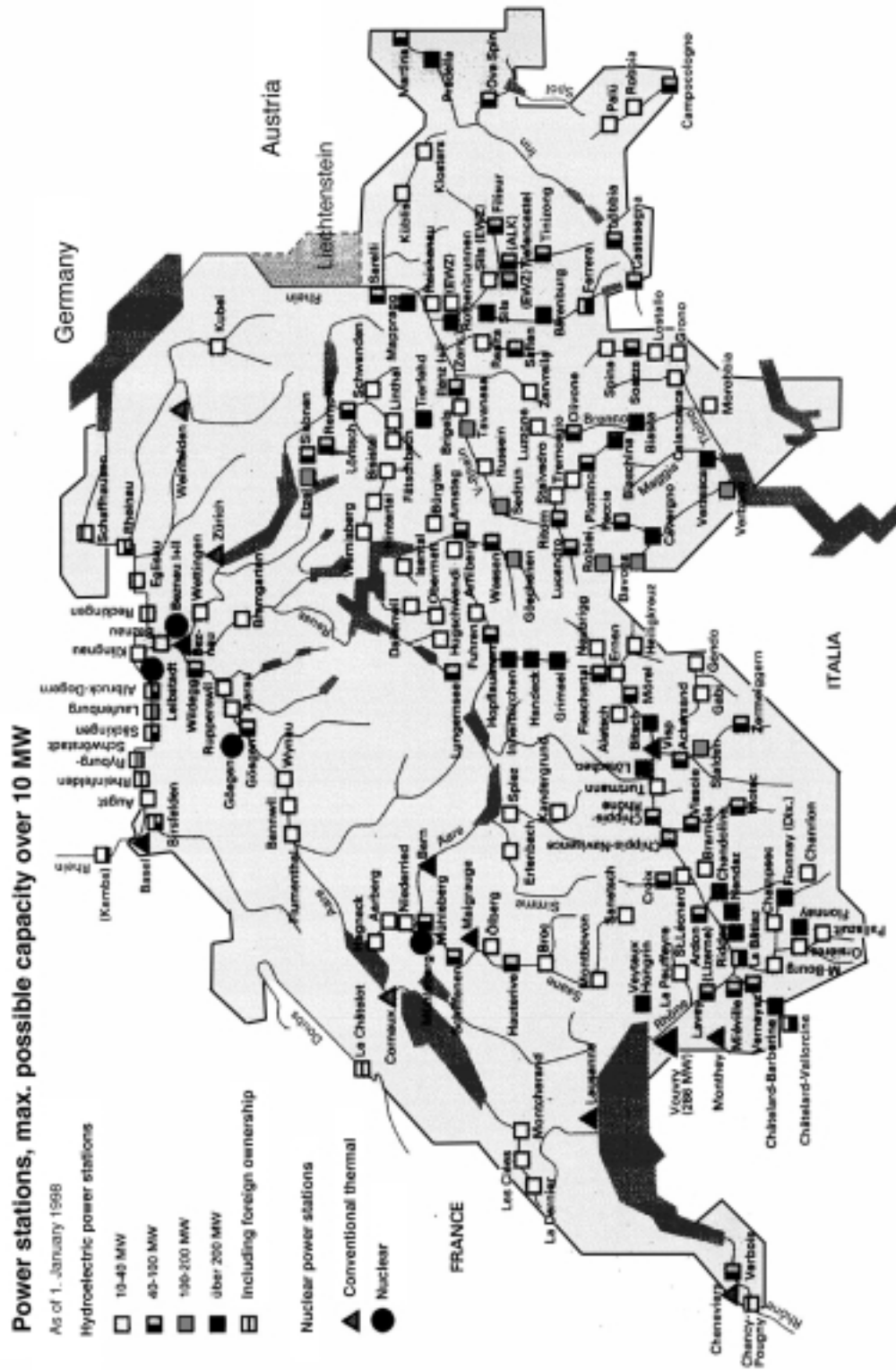


End-user energy consumption in Switzerland, 2000

Energy type	Consumption year 2000	
	in TJ	in %
Mineral oil products	510,360	59.7
- Mineral oil fuel	217,100	25.4
- Motor fuels	293,260	34.3
Electricity	188,540	22.0
Gaz	95,220	11.1
Other	61,170	7.2
- Coal	5,850	0.7
- Wood	19,970	2.4
- Long-distance heat	13,280	1.5
- Refuse	15,740	1.8
- Other renewable	6,330	0.8
Total	855,290	100.0

Source: Swiss Federal Office for Energy

Power generating stations



Source: Swiss Federal Office for Energy BFE

Legal forms of companies - comparative overview

	Proprietorship	Partnership	Corporation (AG)	Limited liability company (GmbH)	Branch (operating facility)
Set-up, inception	No special organization files; the proprietorship begins with the start of operations. In certain cases entry in the commercial register is mandatory	No special organization files; no specific form prescribed (written form is customary and recommended) Entry in commercial register (declaratory character)	Formal organization procedure Entry in commercial register	Formal organization procedure Entry in commercial register	Entry in commercial register
Purpose	Operating a commercial enterprise as the sole proprietor	Trade, manufacturing or other business under the name of a company	Trade, manufacturing or other business under the name of a company	Trade, manufacturing or other business under the name of a company	Legally dependent, economically independent business operation of the main company
Economic beneficiary Founder	Owner	Partners	Shareholders	Partners	Main company
	Swiss or foreign national	Only physical persons. No Swiss national or capital donor or manager required. Only one partner must have domicile in Switzerland	At least 3 founding members (legal entities or physical persons)	At least 2 founding members (physical persons or legal entities)	Main company
Governing bodies	Owner	Partners	General meeting of shareholders, majority of the board members with domicile in Switzerland (exceptions possible for holding companies) Statutory auditors	At least one partner must be domiciled in Switzerland (foreign nationals possible, power of sole signature)	Managing director with domicile in Switzerland
Liability	Proprietor has unlimited liability (incl. private assets)	Subsidiarily to the company's assets the partners are individually and jointly liable without limitation	Company's assets	Company's assets	Main company is also liable
Minimum capital			CHF 100,000 of which at least 20% of the nominal or CHF 50,000 is paid in	CHF 20,000 of which CHF 10,000 paid in max. CHF 2 million	Endowment capital as decided by main company
Advantages +	+ Simplicity	+ Particularly suitable for small companies + No requirements with respect to nationality of partners	+ Satisfies requirements of foreign investors + High degree of investor anonymity + No requirement to publish financial statements + Limited liability + Simple transfer of shares	+ Low minimum capital + Only 2 founders required + No restrictions as to nationality of managing directors + Auditors optional + Limited liability	+ No own capital required + Low founding costs + No board of directors with Swiss majority prescribed
Disadvantages -	- Liability situation	- Liability situation - Social security obligatory	- Costs - Double taxation (income of corporation plus dividends to shareholders)	- More difficult to transfer shares - Low structural flexibility	- No limitation of liability to Swiss branch

Source: Swiss Economy, Data, Possibilities, Chamber of Commerce Switzerland-Austria, 1997; VISCHER Attorneys at law, Basel 2001

Checklist document planning for setting up a company

Company: _____

- | | |
|--|--------------------------|
| Inquiry with Swiss Commercial Register concerning availability of company name | <input type="checkbox"/> |
| Articles of association | <input type="checkbox"/> |
| Information to be provided to notary when company is founded | <input type="checkbox"/> |
| - Company name | |
| - Domicile | |
| - Nominal capital/denomination/paid-in amounts | |
| - Founders, signatory powers | |
| - Board of directors/function/signatory powers | |
| - Statutory auditors | |
| - Persons with signatory power | |
| - Publication media | |
| - Draft articles of association or incorporation | |
| Acceptance letter of statutory auditors | <input type="checkbox"/> |
| Confirmation of paid-in capital | <input type="checkbox"/> |
| Powers of attorney for representing the founders | <input type="checkbox"/> |
| Founders' declaration | <input type="checkbox"/> |
| Subscription form | <input type="checkbox"/> |
| Qualifying shares declaration | <input type="checkbox"/> |
| Proxy agreement, if applicable | <input type="checkbox"/> |
| Agreement for contribution in kind | <input type="checkbox"/> |
| Statutes | <input type="checkbox"/> |
| Shareholder binding agreement, if applicable | <input type="checkbox"/> |
| Form 3 Stamp duty on newly issued securities, if applicable (capital over CHF 250,000) | <input type="checkbox"/> |
| Share certificates | <input type="checkbox"/> |
| Shareholder register | <input type="checkbox"/> |
| | <input type="checkbox"/> |
| | <input type="checkbox"/> |

Source: VISCHER Attorneys at law, Basel; Dr. Hubertus Ludwig

Schedule of activities for setting up a company (corporation)

Steps	Required time in weeks ¹⁾					
	1	2	3	4	5	6
Preliminary search, registration and approval of the company (name)	*					
Preparation for founding required documents ²⁾		*				
Payment of capital ³⁾			*	*		
Founding of company and preparation of relevant documents ⁴⁾			*	*		
Publication in the official gazette of the Canton					*	
Entry of the responsible person(s) in the corresponding registers (commercial register, possibly register of titles)						*
Registration as a taxable enterprise						*

¹⁾ In simple cases, and depending on the Canton of domicile, less time may be required

²⁾ Articles of Agreement, articles of association, registration, etc.

³⁾ Capital contribution at a prescribed depository (bank). The contributing person must show proof of identity. For foreigners it may be useful to present reference letters of Swiss partners.

⁴⁾ These are:

- Statutes
- Acceptance declaration of statutory auditors
- Confirmation of a recognized depository (bank) that the share capital has been paid in and is at the free disposal of the company
- If after founding the company does not have own offices: Domicile acceptance declaration

Source: Own representation based on documents of the Industry and Trade Promotion Offices of the Cantons of Schaffhausen and Zug

Foundation costs for a limited liability company (GmbH)

Assumptions:

Domicile to be established in the Canton of Zurich

Nominal capital CHF 20,000

Cost items	in CHF (approx. amounts)
Notary fees	700
Commercial register fees	800
Preliminary check of documents	200
Attorney fees	1,800
Total	3,500

➔ Original foundation capital and subsequent increases up to CHF 250,000 are exempt from the Swiss Federal stamp duty on newly issued securities.

Source: Association cleverGmbH

↳ www.swiss-gmbh.org

Additional literature/information:

↳ www.kpmg.ch Comparison of the Corporation with the Limited Liability Company (GmbH), pdf Document

Board member fees 1999 (corporations)

Compensation according to functions in CHF

	Function in board of directors				
	President	CEO	Vice president	Management committee member	Board member
Total average	17,959	13,149	12,724	10,171	10,405
Region					
German-speaking Switzerland	17,955	13,505	12,867	10,520	10,520
Other parts of Switzerland	18,001	7,000	10,530	8,582	12,046
Sector					
Manufacturing	14,260	10,636	11,079	6,364	8,278
Industry	20,315	13,796	15,515	13,316	11,925
Trade	18,508	12,264	11,297	--*	11,589
Banking	19,771	--*	12,704	10,597	7,765
Other services	17,265	15,417	10,831	9,104	9,795
Employment					
1 to 10	8,893	13,237	8,728	5,207	6,067
11 to 50	12,603	10,599	8,747	7,379	6,445
51 to 250	20,247	13,585	12,400	10,979	10,914
251 to 499	33,944	14,883	23,325	--*	17,405
500 and over	40,517	--*	--*	--*	27,765
Turnover					
< CHF 2 million	8,092	16,375	10,344	--*	7,740
CHF 2 to 20 million	13,949	10,061	9,968	6,846	7,512
CHF 20 to 50 million	19,115	13,969	10,931	10,897	10,761
CHF 50 to 300 million	34,074	18,378	20,650	18,733	17,265
> CHF 300 million	35,844	--*	--*	--*	26,333
Structure					
Parent company	27,805	19,958	19,966	13,177	15,627
Company without subsidiary	13,147	9,468	8,820	7,378	7,103
Subsidiary	13,542	8,021	10,008	--*	8,750
Family enterprise	18,603	13,715	11,851	9,642	10,276
Non-family enterprise	17,161	12,335	13,599	10,715	10,581

* Fewer than 8 inputs

Source: BDO Visura [↳www.visura.com](http://www.visura.com)



Commercial Registry Office of the Canton of Zurich

Instruction sheet

Formal supporting documentation requirements for commercial registration

1. Application

Entry in the commercial register is basically made by means of an application accompanied by the legally prescribed supporting documents. Persons whose duty it is to make the application are responsible for ensuring that all details that have to be entered be declared to the Commercial Registry Office. Anyone causing a Commercial Registrar to enter a false registration or who conceals a detail that has to be entered may be liable to prosecution (Art.153 StGB).

The application is a written declaration made by the applicants to the Commercial Registry Office by means of which the entry in the commercial register of a given fact (establishment, amendment to the Articles of Association, personnel changes, etc.) is requested. The signatures of the applicants have to be notarised. Signatures appended to a subsequent application, however, need to be authenticated only if they have not already been previously submitted for the same firm, unless the Registrar has reason to doubt their authenticity (Art. 23, paragraph 2, HRegV).

The application is to be signed by the following persons:

• Individually- owned firm:		The owner.
• General partnership and limited partnership:		All partners; except: certain personnel changes (cf. Art. 566 CO).
• Limited liability company:		All managers; except: deletion of a "prokura" possible by one manager alone (Art. 816 CO). Prokura is a special power of attorney granted to a person under the provisions of the CO (Art. 458).
• Joint stock company, cooperative:	- A new entry:	All members of the Board.
	- Other applications:	Chairman (or vice- chairman) of the Board plus one other member. The functions must be clearly indicated by the Commercial Registry entry or the supporting documentation.
• Association, foundation:	- A new entry:	Chairman (or vice- chairman) of the board of administration or board of trustees plus one other member plus all members of the board of administration or board of trustees authorised to sign.
	- Other applications:	Chairman (or vice- chairman) of the board of administration or board of trustees plus one other member. The functions must be clearly indicated by the Commercial Registry entry or the supporting documentation.
• Branch:		Basically, signature by the persons named above for the respective legal forms will suffice. The Commercial Registry Ordinance provides for simplifications in various cases (cf. Art.72 et seq. HRegV).

For all legal forms, the change of business location (the address) within the political municipality can be announced by any of the persons entered in the Commercial Registry as authorised to sign for the firm and changes in details concerning the names, place of citizenship (nationality) or residence of a person entered in the commercial register may be made by such person personally (Art.25 HRegV).

If a legal person does not announce to the Commercial Registry Office the departure of a person whose entry in the Register is required, the person in question may, 30 days after departing the company, make the declaration himself. To this end, he must submit the necessary evidence (Art.25a HRegV). In such cases, the Commercial Registry Office of the Canton of Zurich demands advance payment pursuant to Art.21, paragraph 3, of the Commercial Registry Fees Ordinance.

2. Corporate signatures

Persons authorised to represent a company must deposit their notarised corporate signatures with the Commercial Registry. The company designation shall accompany the signature (Art.26, paragraph 1, HRRegV). The corporate signature can be provided on the application form (which is the normal way) or on a separate signature sheet.

3. Public deeds

Public deeds are to be submitted in the original or as notarised copies.

4. Minutes

Insofar as the law does not prescribe a public deed, decisions or elections of the organs of a legal person are to be recorded in a set of minutes. These can be submitted as:

- notarised extracts from the minutes according to Art.28, paragraph 2, HRRegV (also so-called partial or separate minutes are to be certified);
- a full set of minutes (containing all items on the agenda) which is signed by the minutes secretary in his original hand; here, in the case of the minutes of the board of directors of a joint-stock company, the signature of the chairman of the board is also necessary;
- a decision adopted by circular (board of directors, administration, board of administration, board of trustees, etc. but not, however, general meeting of shareholders) which can also be submitted in the form of an application.

5. Articles of Association (or Incorporation)

The articles of association of a joint-stock company, a corporation with unlimited partners or a limited liability company are to be certified by the person authorised to issue, insofar as they do not form either an integral part of the public deed concerning the founding of the company or a total revision of the articles. If a decision concerns but a partial revision of the articles, it will suffice to submit an uncertified copy of the articles in the updated form along with the public deed. Articles of association of co-operative societies and associations are to be signed by the chairman and secretary of the constituent assembly or general meeting which adopts the changes (Art.28, paragraph 4, HRRegV).

6. Declaration of acceptance of results of an election

The following possibilities exist for proving the acceptance of the results of an election in an organ of a legal person:

- a written declaration of acceptance of results of an election addressed to the company;
- joint signing of the minutes of the electoral meeting;
- joint signing of the of the Commercial Registry application.

7. Statement of resignation

The following possibilities exist for proving a resignation from an organ of a legal person:

- a letter of resignation addressed to the company;
- joint signing of the of the Commercial Registry application.

Should it be obvious beyond any doubt from the minutes of a general meeting of shareholders or of the administration that the person concerned has submitted his resignation to the company, a separate statement of resignation may be waived.

8. Certifications

Application signatures, company signatures, copies, extracts and duplicates of supporting documents have to be certified. The certification has to be effected by a notary or some other person authorised to issue deeds, and certifications effected in a foreign country are to be counter-certified by the relevant Swiss diplomatic or consular representative or by Apostille. The foregoing is subject to any special regulations applicable under international conventions.

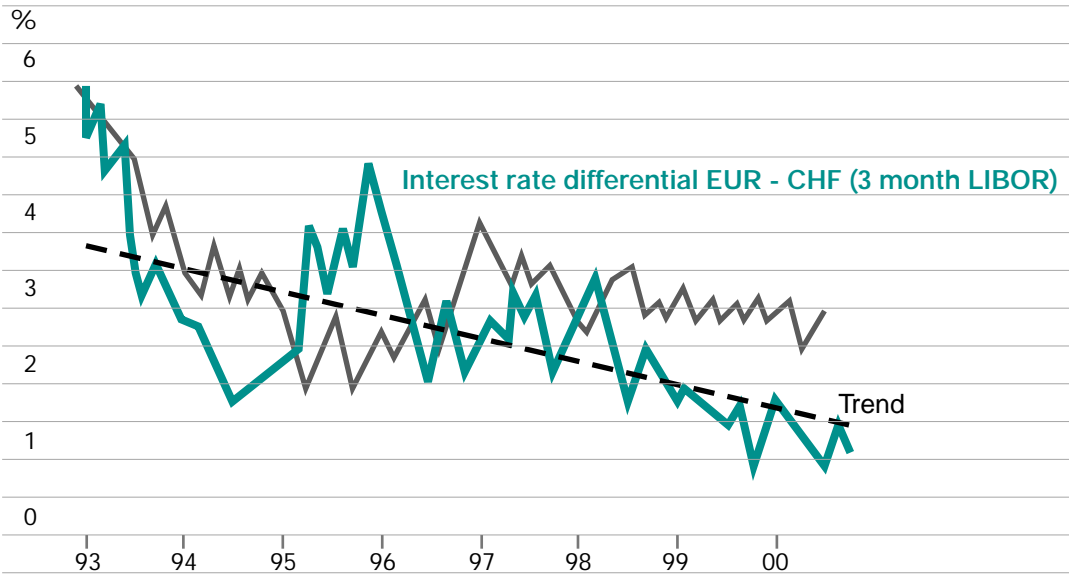
Certification of signatures requires the declaration of first and last name, year of birth, any academic titles, nationality (in the case of Swiss nationals, their place of citizenship) and place of residence (political municipality). An identification document recognized under civil status legislation, such as a passport, identity card or alien's residence permit, is required. Presentation of a driving licence will not suffice.

9. Translations

Important documentary evidence such as articles of association, public deeds, contracts relating to contributions in kind and acquisition of assets, merger contracts, auditing, founding and capital augmentation reports and dispositions on death are to be submitted both in the original foreign language and in German translation. Other documentary evidence need not, as a rule, be submitted in translation provided that it is couched in easily understandable French, Italian, Romansch or English.

Translations are accepted only if done by qualified translators (e.g. qualified interpreter, sworn translator, translator admitted by a Swiss court, university graduate of the relevant mother-tongue, holder of a diploma from a language course recognised under public law). The translator shall, by stating his qualification and appending his notarised (and if necessary counter-certified) signature (indicating first and last name, profession, and place of origin and residence), certify that the translation is a true and proper translation of the version in the foreign language.

EC-Switzerland: Interest differential and exchange rates

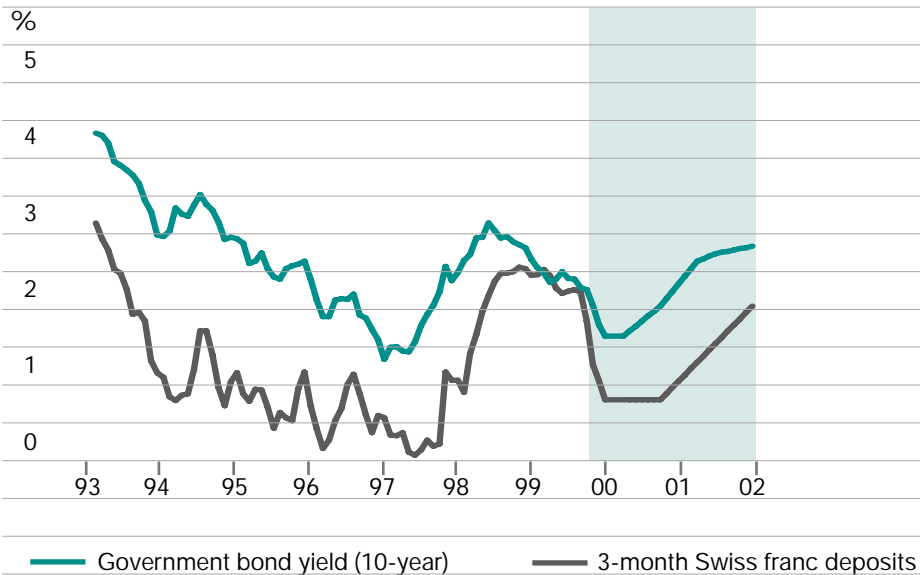


Source: Credit Suisse

Swiss Interest rates

Forecasts starting 4th quarter 2001

Forecast



Source: UBS

Promotion of venture capital

The new Federal law on venture capital companies (RKG) supports the provision of venture capital in two different directions:

- When a recognized venture capital company is founded or its capital is subsequently increased, it is exempt from the 1% stamp duty on newly issued securities. These companies also enjoy advantages in the form of a lower threshold value for claiming the equity participation deduction on the Federal tax return. The new or young companies receiving the venture capital must have their domicile or actual administration as well as major portions of their operational activities in Switzerland, may not be "older" than 5 years and not be owned by any company having more than 100 employees.
- Private persons functioning as business angels (BA) who assist in the foundation and development of new companies are entitled to relief from the Federal Tax. If they tap into their private assets to grant subordinate loans for the foundation and start-up of companies, they can take a lump-sum deduction of max. 50% of the loan amount (which must be at least CHF 50,000), but not to exceed CHF 500,000 over a period of 10 years. If losses are incurred the BA can deduct an additional 50% of the loan from the taxable income which can increase the maximum possible deduction to CHF 750,000.

Additional measures are being planned such as further relief to venture capital providers. The Federal Parliament has adopted a reduction of the minimum nominal share value from CHF 10 to just one centime (0.01 CHF), in context of the law on mergers.

↳ www.kmuinfo.ch Task Force KMU (SME) of seco State Secretariat for Economic Affairs

↳ www.admin.ch/ch/d/sr/c642_15.html Detailed text of the law on venture capital

Additional literature: Location:Switzerland, Internal study with overview of VC institutions by Cantons (2000)

SWX Swiss Exchange

Fact sheet (Status: January 2002)

1. The SWX Swiss Exchange

The SWX is one of most technologically advanced securities exchanges in the world. It boasts not only an extensive product range, but also a fully integrated electronic trading, clearing and settlement system which is still the only one of its kind in the world. With a single mouse-click, trading, payment, settlement and confirmation are completed in the space of two minutes. Participants benefit from moderate transaction costs and low error rates.

2. The SWX Group

The SWX Swiss Exchange operates internationally through its shareholdings (the SWX Group). It offers integrated solutions in specific market segments on a cross-border basis: Eurex is the world's number-one derivatives exchange, virt-x is the first pan-European exchange for integrated trading in blue chips, STOXX has established its index family as the benchmark and EXFEED is a provider of high-quality raw financial data.

3. Meeting point for investors and companies requiring capital

Underpinned by the strength of the Swiss financial marketplace, the SWX Swiss Exchange brings together participants, issuers and investors and ensures excellent liquidity. It regularly holds conferences, forums, panel discussions and workshops, thereby promoting an understanding of the capital market.

4. Various segments with specific profiles ensure increased visibility

Issuers can choose from five different segments, each of which has its own regulations: the main market (for the greater part of the Exchange-traded securities), the segment for investment companies, the SWX New Market (for rapidly growing companies in future-oriented sectors), SWX Local Caps (for companies with local significance or a limited circle of investors) and the segment for real estate companies.

5. The SWX New Market – the sector-oriented growth segment

The SWX New Market was created for young growth companies operating in future-oriented sectors such as life sciences (pharmaceuticals, medicine, biotechnology, etc.), information technology (Internet, software, telecommunication, multimedia, etc.) and micro- and nanotechnology. In these areas, Switzerland boasts an excellent network of relationships between the worlds of academe, science, industry and finance and is among the global leaders in many subsectors.

The SWX New Market is geared toward rapidly growing Swiss and foreign companies requiring large amounts of capital. Being listed in Switzerland is particularly interesting to foreign issuers, since investors tend to diversify their portfolios internationally, emphasizing quality rather than origin.

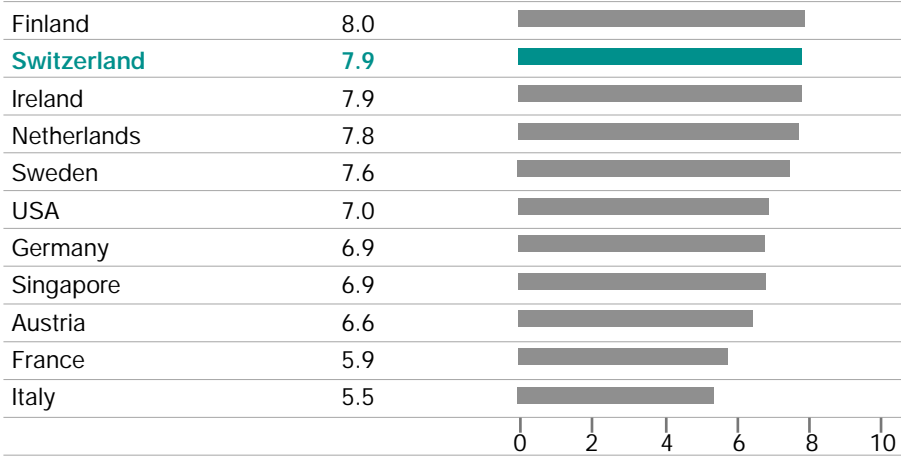
6. An IPO in Switzerland offers companies the following advantages:

- Access to a broad international group of investors
- Market participants (investors, analysts, fund managements, media) with sector-specific expertise
- High visibility and low market-entry costs and service fees
- High market liquidity and a technologically highly advanced trading platform
- Special attention to foreign issuers

↳ www.swx.com

Relationship capital costs/economic development

Maximum: 10 = excellent



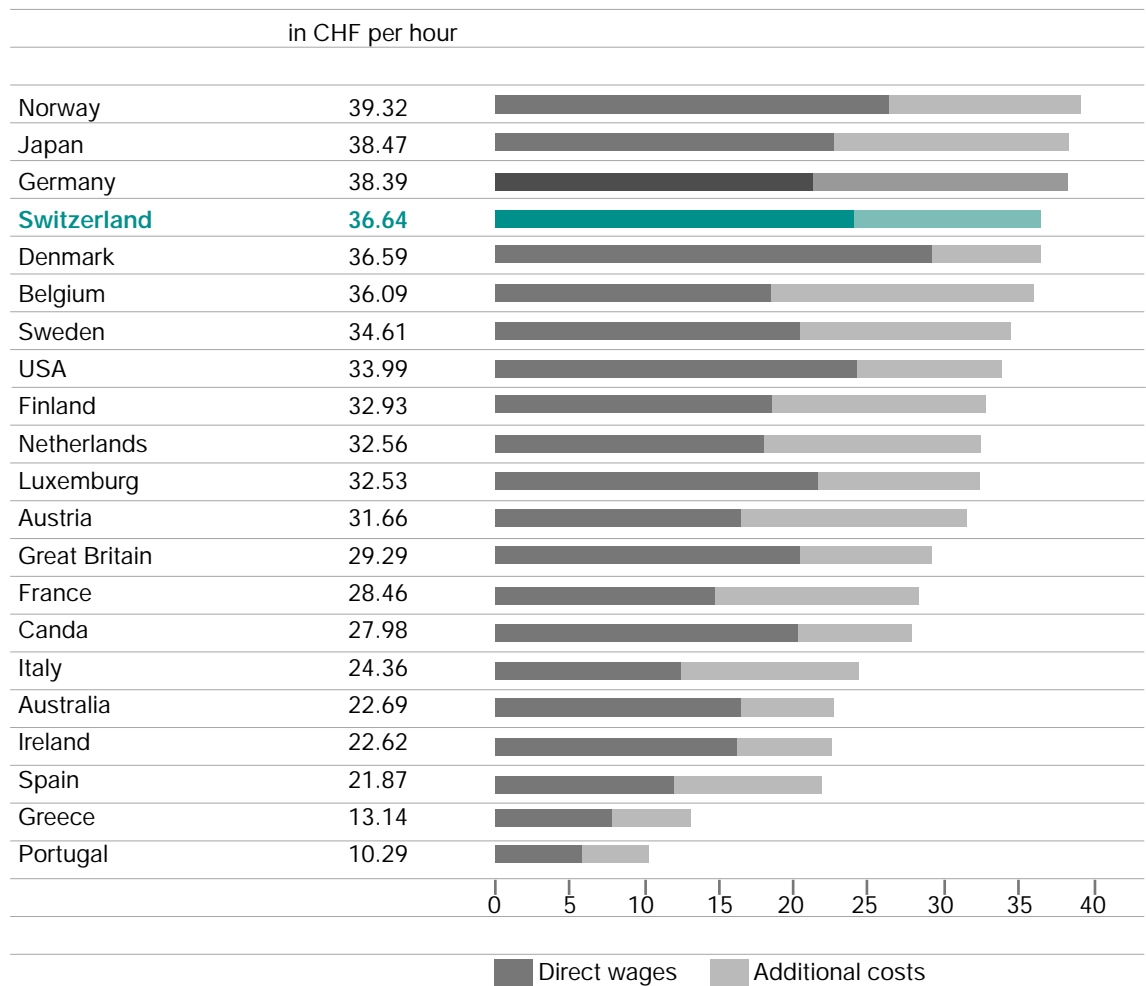
Source: IMD The World Competitiveness Yearbook 2001, Tab. 2.3.02

Industry labor costs by international comparison

One of the accepted truths about Switzerland is that labour costs are high. Statistics confirm this notion, traditionally placing the country towards the top end in international wage comparisons. Over the last few years, however, the situation in Switzerland has begun to ease. According to the annual survey published by the Cologne-based Institute for Business Research, industrial labour costs in Switzerland have risen only 2 % overall since 1996, much more slowly than in other industrialized countries, as wage settlements have remained moderate and companies have not been faced with additional social insurance costs.

According to the latest comparison, Norway, Japan and Germany had higher labour costs in 2000 than Switzerland, where the average hourly wage was CHF 36.60.

Industrial labour costs 2000 compared internationally



Switzerland has one advantage in that, although the country is third highest in terms of wages paid (behind Denmark and the US), non-wage labour costs are kept within acceptable limits. These costs, which include employer social security contributions, paid holidays and sick leave, add an extra 52 % to direct wages in Switzerland as against an unweighted average of 61 % for all industrialized nations. Moreover, since productivity in Switzerland is relatively high, taxation moderate and capital cost low, it is a very attractive and highquality place to do business.

Source: UBS Outlook 2/2001; Institute of the German Economy Cologne, exchange rate conversions by UBS

Ancillary labor costsA) Wage-dependent social benefit contributions by the employer ¹⁾

Wage costs per hour worked	100.0 %
----------------------------	---------

Social benefits paid in the form of wages

Paid vacation	20-25 days	9.0 %
Paid holidays	approx. 10 days	4.2 %
Paid education leave	approx. 4 days	1.5 %
Paid sick days	approx. 10 days	4.0 %
Year-end bonus	13th month wage	8.3 %
Total		<u>27.0 %</u>

Total wage cost and social benefits paid in the form of wages:	127.0%
--	--------

Additional social benefits paid by employers

		Rate:	of 127%
Statutory social security	AHV, IV, EO	5.05 %	6.4 %
Statutory unemployment ins.	ALV	1.5 %	1.9 %
Statutory pension plan	BVG	6.0 %	7.6 %
Accident insurance	UVG (BU = occupational, NBU = non-occupational)	2.0 %	2.5 %
Family allowance	FAK	1.5 %	1.9 %
Total			<u>20.3 %</u>

Wage costs plus additional social benefits per hour worked:	120.3%
---	--------

Summary

The wage costs and social benefits per hour worked are:

Wage cost	100.0 %
Social benefits paid in form of wages	27.0 %
Additional social benefits	20.3 %
Total social benefits	47.3 %

¹⁾ Approximate values; can fluctuate by region, company, tariff agreement and workforce structure

Continued on next page >

B) Wage and wage-dependent social benefits

Determined on the basis of the monthly wage

Wage costs

Monthly salary		100%
Social benefits paid in the form of wages		
Paid vacation	20-25 days	9.0 %
Paid holidays	approx. 10 days	4.2 %
Paid education leave	approx. 4 days	1.5 %
Paid sick days	approx. 10 days	4.0 %
Year-end bonus	13th month wage	8.3 %
Total		<u>27.0 %</u>

Additional social benefits paid by employer

Statutory social security	AHV, IV, EO	Rate: 5.05 %
Unemployment insurance	ALV	1.5 %
Statutory pension plan	BVG	6.0 %
Accident insurance	UVG	2.0 %
Family allowance	FAK	1.5 %
Total		<u>16.05 %</u>

Summary

Based on the monthly wage the annual wage and social benefit costs for an employee can be budgeted as follows:

$$(\text{Monthly salary} \times 13) \times 1.16$$

These values are approximate and can differ by region, sector, company type, workforce structure as well as collective and/or individual employment agreements.

Status: January 2002

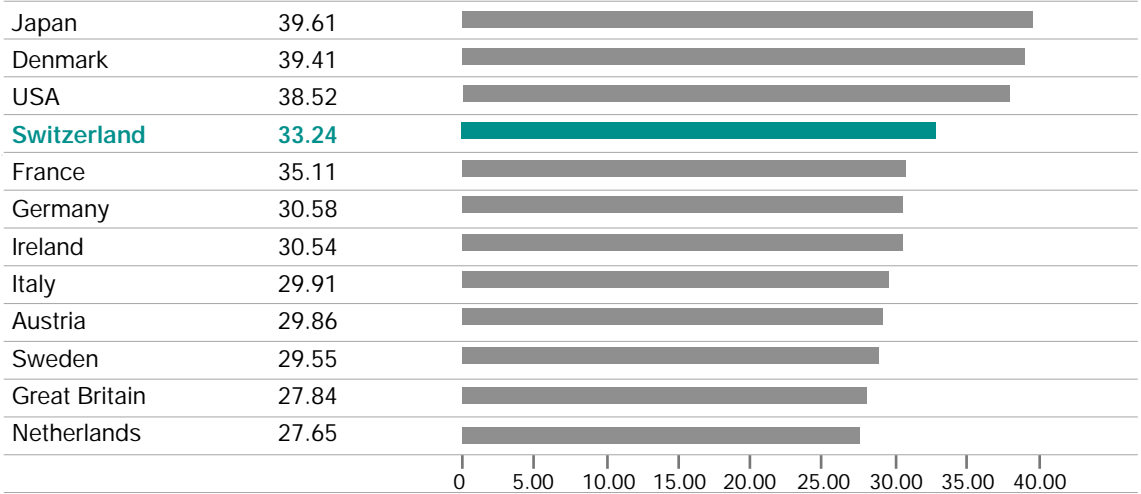
Source: *Dürst Personalkontakte, CH-8704 Herrliberg/Zurich*

See Chapter 10 Human capital

Work productivity

GDP per worker per hour

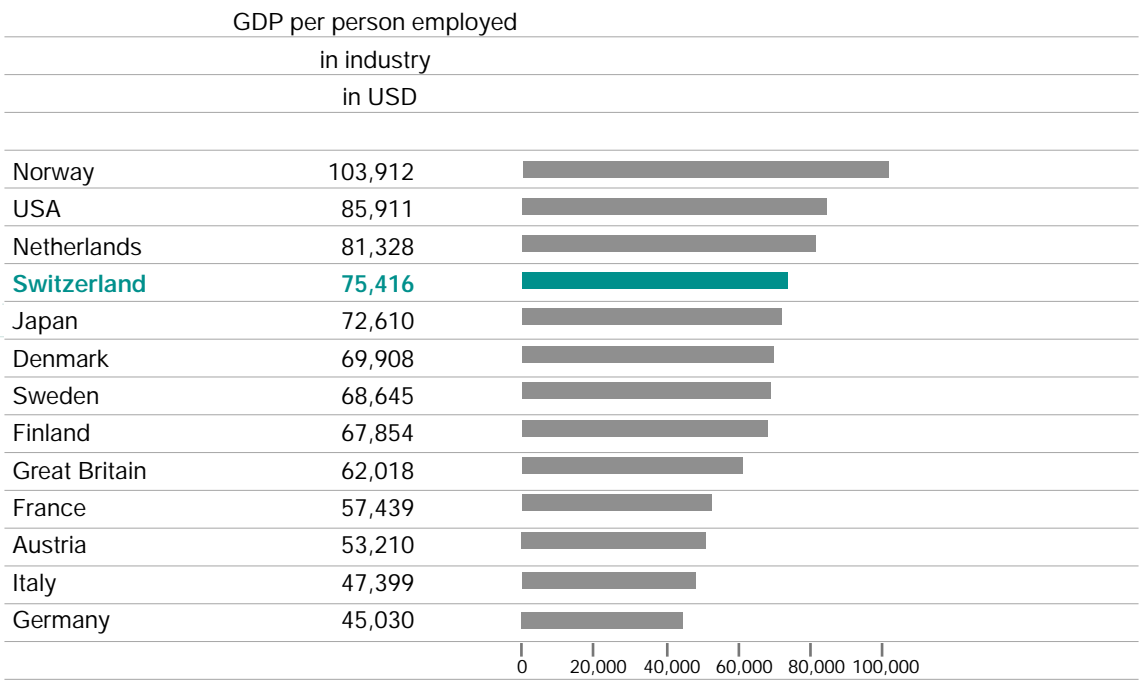
in USD



Source: IMD The World Competitiveness Yearbook 2001, Tab. 3.1.05

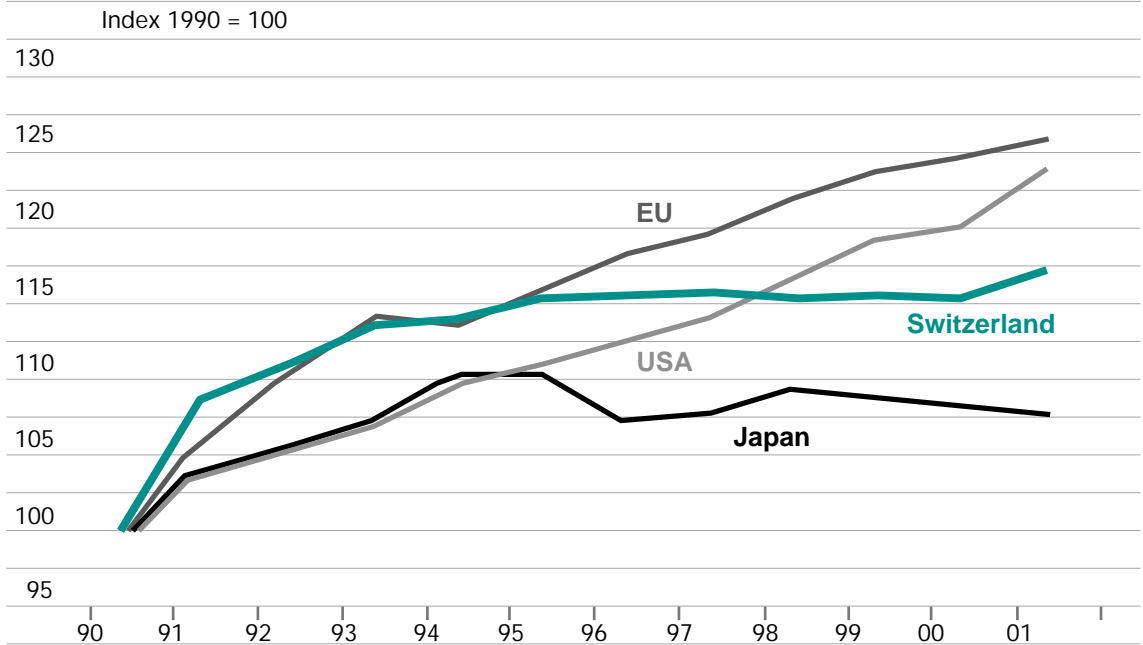
↳ www.imd.ch/wcy.htm

Industry labor productivity 2000



Source: IMD The World Competitiveness Yearbook 2001, Tab. 3.1.09

Unit labor costs

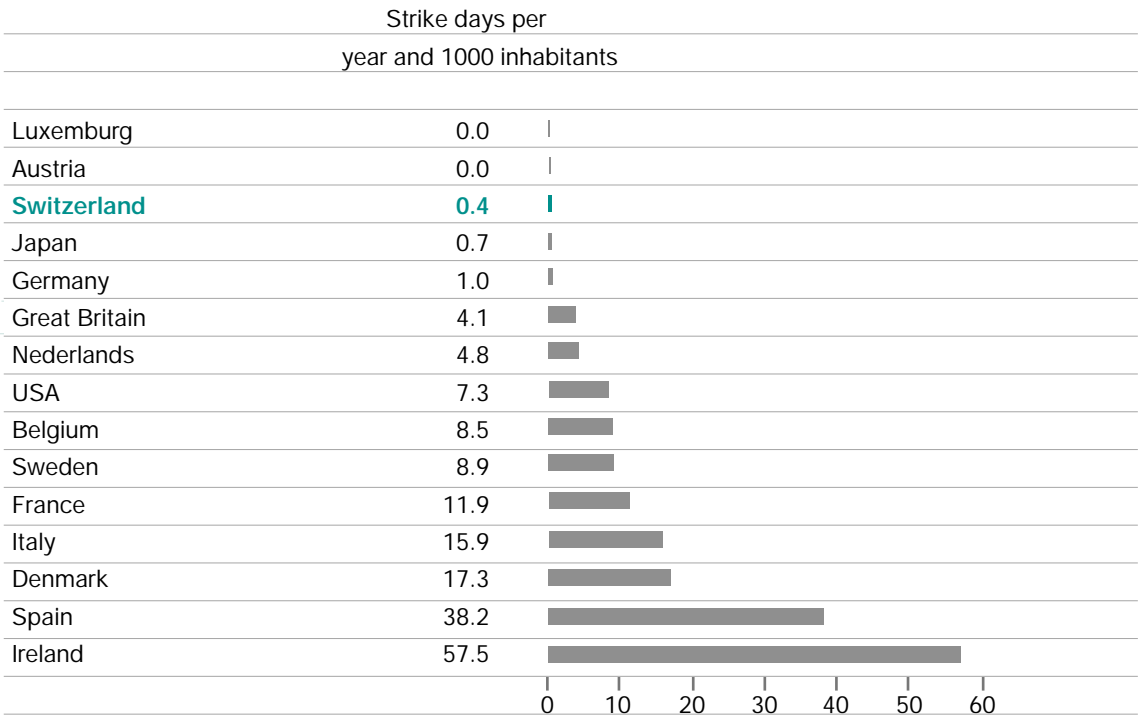


Source: Credit Suisse, Economic Research & Consulting

Working hours, vacation/holidays in international comparison

Country	Annual hours	Vacation and paid holidays	Weekly hours worked
	hours	days	hours
Switzerland	1856	31	40.5
USA	1824	25	39.2
Ireland	1794	35	40.8
Great Britain	1785	38	38.4
France	1780	35	38.2
Italy	1746	39	39.5
Belgium	1740	32	37.6
Germany	1683	43	37.8
Netherlands	1652	39	36.8

Source: Economic Promotion Geneva, International Comparisons 2001, based on: Corporate Consulting & Technology (CC&T), Galileo Group, Geneva, June 2001

Labor conflicts

Source: ILO Yearbook of Labor Statistics 2000; IMD The World Competitiveness Yearbook 2001, Tab. 3.2.08

↳ www.imd.ch/wcy.htm

Range of gross wages in Switzerland

The following approximate values can be taken as a guideline for gross wages in Switzerland:

Position	Gross wage based on 13 monthly salaries	
	in EUR	in CHF(0,68 EUR)
Managing director of a medium sized company	from 115,600	from 170,000
Department manager of a production department with over 100 employees, many years of experience	from 100,640	from 148,000
Credit administrator with 10 years of experience, with family	70,040 - 81,600	103,000 - 120,000
Engineer Advanced technical college or university degree, five years experience	51,680 - 78,880	76,000 - 116,000
Secretary of a department manager 1 foreign language, age approx. 25 years	38,760 - 48,960	57,000 - 72,000
Skilled worker in industry with ten years experience	41,480 - 53,040	61,000 - 78,000
Unskilled worker Age approx. 25 years	27,200 - 33,320	40,000 - 49,000

Source: *Dürst Personalkontakte, CH-8704 Herrliberg/Zurich*

See 8.2 Labor costs: Annual compensation of top management by international comparison

Additional literature/information:

- Periodic official publications on wage level and structure by sectors and regions:
↳ www.admin.ch/bfs Swiss Federal Statistical Office, wage structure survey (every 2 years)
- International wage level comparison see "Prices and wages around the world. An international purchase power comparison", UBS 2000

Annual compensation of top management by international comparison

Companies with an annual turnover of over USD 250 million (2000), incl. employer contributions

Director (chief executive officer, managing director), top positions in the corporate hierarchy

Country	Wage costs to employer (7) = (3+4+5+6)	Basic gross salary (1)	Incentive bonuses (2)	Total salary (3) = (1)+(2)	Performance bonuses (4)	Employer contributions (5)	Other compensation (6)
	in USD						
Ireland	154,944	80,518	22,545	103,063	13,824	29,888	8,169
Netherlands	294,568	153,829	47,687	201,516	11,480	64,082	17,490
Belgium	295,178	142,039	48,293	190,332	22,197	72,633	10,016
Italy	340,891	174,728	62,902	237,630	20,656	73,524	9,081
France	362,567	164,517	62,516	227,033	20,803	86,955	27,776
Switzerland	394,445	241,339	82,055	323,394	15,840	43,271	11,940
Great Britain	398,166	199,062	103,512	302,574	37,360	34,251	23,981
Germany	419,583	176,630	79,483	256,113	15,289	135,740	12,441
USA	722,341	334,235	210,568	544,803	105,136	20,712	51,690

(1) All fixed salary elements, incl. 13th month pay and vacation

(2) Performance component 2000 or 2001, based on performance result 2000

(4) Long-term performance incentives 2000 or 2001, based on performance 2000. Calculation basis comprises share options, bonus shares, subscription rights or cash payments

(5) Social insurance, statutory pension plan

(6) Total of employer payments for private pension plan, life insurance and disability insurance, medical costs, etc. In kind payments such as company car, club memberships, etc.

Source: *Economic Promotion Geneva, International Comparisons 2001, based on: Corporate Consulting & Technology (CC & T SA.), Galileo Group, Geneva, May 2001*

Lease prices for office and industrial premises, interregional comparison

Price example for business premises

Location region	Office space	
	Rent per m2 in CHF/year from*	to*
Agglomeration Zurich	120	300
Suburban area of Zurich	125	295
City of Zurich	175	490
Agglomeration Berne	110	235
Suburban area of Berne	120	240
City of Berne	145	325
Agglomeration Basel	110	240
Suburban area of Basel	110	240
City of Basel	150	290
Agglomeration Lake Geneva	125	295
Suburban area Lake Geneva	150	360
City of Geneva	195	445
City of Lausanne	150	275
Suburban area of St. Gallen	65	195
City of St. Gallen	125	240
Canton Ticino	115	245
Average for Switzerland	120	310

	Industrial/Commercial premises	
	Rent per m2 in CHF/year from*	to*
Agglomeration Zurich	70	195
Suburban area of Zurich	70	200
City of Zurich	75	330
Agglomeration Berne	60	195
Suburban area of Berne	70	180
City of Berne	65	270
Agglomeration Basel	50	200
Suburban area of Basel	55	200
City of Basel	70	235
Agglomeration Lake Geneva	70	210
Suburban area Lake Geneva	80	215
City of Geneva	85	315
City of Lausanne	60	240
Suburban area of St. Gallen	105	200
City of St. Gallen	50	200
Canton Ticino	65	210
Average for Switzerland	60	215

Continued on next page >

	Retail store premises Rent per m2 in CHF/year	
	from*	to*
Agglomeration Zurich	155	400
Suburban area of Zurich	165	365
City of Zurich	180	610
Agglomeration Berne	120	320
Suburban area of Berne	140	330
City of Berne	160	805
Agglomeration Basel	50	390
Suburban area of Basel	160	475
City of Basel	150	485
Agglomeration Lake Geneva	100	330
Suburban area Lake Geneva	140	400
City of Geneva	175	480
City of Lausanne	145	355
Suburban area of St. Gallen	115	365
City of St. Gallen	125	495
Canton Ticino	125	290
Average for Switzerland	120	390

* 10% quartile and 90% quartile

Source: Raum Information Wüest & Partner AG, Zurich, 2002

Office space: availability

Comparison of office space markets in European cities	
	Vacancy rate
Amsterdam	2.1%
Barcelona	2.4%
Berlin	7.8%
Frankfurt	4.5%
Geneva	3.0%
Hamburg	5.0%
London	3.0%
Madrid	2.0%
Milano	4.0%
München	1.5%
Paris	1.6%
Rome	4.0%
Vienna	1.8%
Zurich	1.5%

Source: Colliers International (2001)

Office costs by international comparison (Switzerland, based on the example of Geneva)

Minimum rental costs per year in USD per m2 for offices in business district, incl. ancillary costs

The total costs comprise the rent, various taxes and duties, VAT and conversion factor. This allows realistic comparison of rented premises and eliminates country-specific allocation differences (e.g. for common areas such as staircase and elevator which often are included in the calculation of the rented space).

VAT according to local conditions, not systematically recorded.

City	Offices in business districts					
	Minimum annual rent per m2	Conversion factor	Dues	Taxes	VAT	Minimum total space costs
	Min. USD	(London = 100)	%	%	%	Min. USD
Brussels	211	0.83	14.0	16.0	0.0	321
Geneva	419	1.00	8.0	0.0	0.0	452
Amsterdam	271	1.00	10.0	1.0	17.5	348
Milan	352	0.91	10.0	0.0	20.0	503
Munich	324	0.93	8.5	1.1	16.0	438
Dublin	466	1.00	12.0	10.0	21.0	666
Frankfurt	498	0.93	8.5	1.1	16.0	672
Paris	650	1.00	10.0	6.0	20.6	888
London	1,261	1.00	8.5	28.5	17.5	1,948

Note:

The prices are not representative for prestige buildings and locations such as:

- Air-conditioned and fully equipped offices with an area over 1000 m2 in city center or business centers
- Retail sales areas over 140 m2 in shopping malls
- Industrial building with at least 6 m ceiling height as well as space units over 1500 m2

Source: *Economic Promotion Geneva, International Comparisons 2001, based on S. Schofield & Partners Corporate & Investment Real Estate Services (CIRES), Geneva June 2001*

Energy prices

Light fuel oil prices for industry, 4th Quarter 2001

Country	Light fuel oil in USD / 1000 Liters ¹⁾
USA	212.5
Switzerland	234.0
Belgium	254.6
Great Britain	257.5
Japan	258.4
France	273.4
Ireland	273.4
Sweden	273.4
Germany	297.7
Denmark	359.3
Italy	599.2
Total OECD	258.8

¹⁾ incl. duties and taxes*Source: International Energy Agency, Energy Prices and Taxes, 4th Quarter, 2001*

Premium unleaded gasoline prices (95 RON), 4th quarter 2001

Country	Premium unleaded gasoline (95 RON) in USD / litre ¹⁾
USA	0.490
Ireland	0.739
Switzerland	0.815
Austria	0.839
Belgium	0.940
Germany	0.950
Italy	0.963
France	0.965
Sweden	0.966
Denmark	1.020
Netherlands	1.063
Great Britain	1.105
Total OECD	0.621

¹⁾ incl. duties and taxes*Source: International Energy Agency, Energy Prices and Taxes, 4th Quarter, 2001*

Industrial electric power prices, international comparison

Price comparison, Industrial consumer, category le*)
as per July 1st, 2001, before VAT

Country	Industrial Consumer	Industrial Consumer	
	Cents ⁴⁾ / kWh	cEUR / kWh	
Belgium	11.30	7.69	
Denmark	9.28	6.31	
Germany	10.61	7.22	
Greece	8.67	5.90	
Spain	8.50	5.78	
France	8.10	5.51	
Ireland	9.73	6.62	
Italy	15.48	10.53	
Luxemburg	10.67	7.26	
Netherlands	9.64	6.56	
Portugal	9.57	6.51	
Finland	6.23	4.24	
Sweden	5.51	3.75	
Great Britain	10.20	6.94	
EU ^{1) 2)}	9.31	6.33	
Switzerland ³⁾	14.04	9.55	
*) Industrial Standard Consumer, EU Type le			
Definitions:			
Annual consumption	2,000,000 kWh		
Voltage applied	10 - 20000 Volt		
Consumer type	le according EU EUROSTAT		
VAT	excl.		
Exchange rate EUR / CHF	1,47		
Target-date	01.07.2001		
Details:			
	kWh/kW	summer	winter
Consumption during peak-hours	kWh	600,000	600,000
Consumption "off-peak" hours	kWh	400,000	400,000
Maximum power demand	kW	500	500

Typical Industrial Standard Consumer, EU Type le:
Pharmaceutical production, 50 employees, airconditioned building
Small sized IT center
Mechanical engineering company, 50 employees
Mid sized bakery, electrical ovens
Small sized galvanising plant, electrical furnace
Mid sized hotel, 80 - 100 beds
Cold-storage plant

¹⁾ Source: Eurostat

²⁾ unweighted average

³⁾ unweighted average, 28 communities

⁴⁾ Cent = 0,01 CHF/0,0068 EUR

Source: Enerprice

↳ www.enerprice.ch

Downsizing costs

Statutory notice periods (2000) in months for an employee with 8 years of service

The information relates to office personnel with open-ended employment contract. Additional regulations may be applicable in areas with collective employment agreements.

Country	Notice period in months
Ireland	1
Great Britain	1.8
Switzerland	2
France	2
Germany	2
USA (1)	2
Italy	3
Belgium (2)	6
Netherlands	24

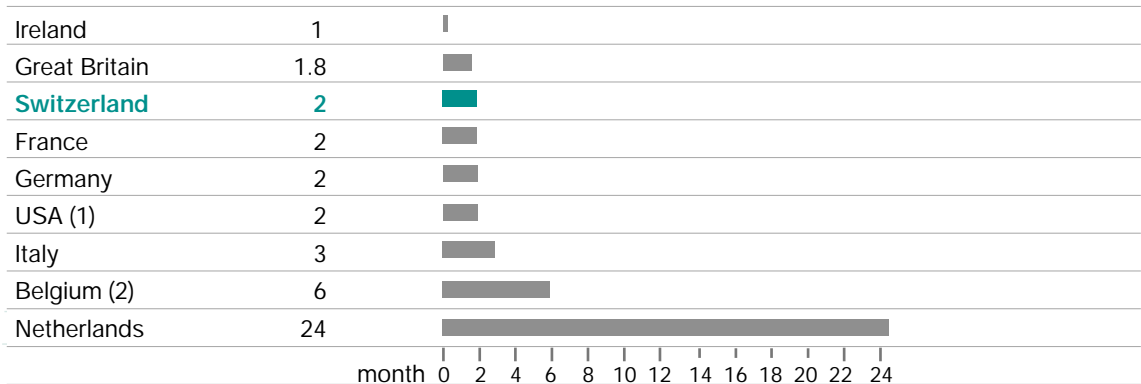
Notes:

(1) USA: Minimum notice period mandatory for companies with 100 and more employees. For smaller companies there is no statutory minimum but in practice it is 2 weeks.

(2) Belgium: For employees with an annual salary of max. USD 24,369 (BF 911'000).

Source: *Economic Promotion Geneva, International Comparisons 2001, based on: Corporate Consulting & Technology (CC&T), Galileo Group, Geneva, June 2001*

Notice period in months



Source: *Economic Promotion Geneva, International Comparisons 2001, based on: Corporate Consulting & Technology (CC&T), Galileo Group, Geneva, June 2001*

↳ www.imd.ch/wcy.htm

Time spent for government-related administrative tasks - country comparison

In hours per month

Time spent for	Switzerland	Germany	Austria
Social insurance	19.49	24.81	24.49
Taxes and duties	12.85	29.38	27.50
Statistical	2.69	4.77	4.05
Permits	15.42	56.64	56.85
Environmental protection	4.05	5.86	6.39
Total	54.50	121.46	119.28
Index (Switzerland = 100)	100	223	219

Source: „Die Volkswirtschaft – Magazin für Wirtschaftspolitik“ 8/2000, S.7

↳ www.seco-admin.ch News/Publications, "Die Volkswirtschaft" (French and German only)

Fact sheet structuring principles

based on the example of a company or an entrepreneur from Germany in Switzerland

1. Preliminary remarks

The objective of tax planning is to lower the long-term overall tax burden (to the entrepreneur). National tax laws partially seek to impose limits on tax planning, e.g. in that sole proprietorships are not recognized under tax law, or by making the domicile change to a foreign country a tax event. Important principles for suitable structuring are outlined below based on a company or entrepreneur from Germany. It would apply analogously to numerous other countries.

First it is necessary to determine the domicile of the entrepreneur. In the following we differentiate between the entrepreneur having domicile in Switzerland and domicile in Germany.

2. Domicile of the entrepreneur

2.1 In Switzerland

The domicile of the entrepreneur, i.e. the focal point of his/her life, must be located in Switzerland. The taxation is then principally governed by Swiss law. German tax law is applicable only in exceptional situations. Exceptions apply only to assets and income components that are still located in Germany (e.g. Company or real estate). However, if the German tax authorities come to the conclusion that the focal point of life is still in Germany, the Swiss (tax) domicile will not be recognized.

The departure from Germany has the effect that departure taxes must be settled via the (German) tax substrate to which the German tax authorities will in future no longer have any access. This departure tax is payable even though the taxpayer does not realize any income.

2.2 In Germany

If the entrepreneur remains in Germany and retains the focal point of his/her life in Germany, it is first necessary to determine whether the investment in Switzerland is recognized for tax purposes. To prevent unwanted tax saving models, Germany has implemented a non-resident tax law which unilaterally does not recognize certain (tax-related) structures. For example, if a corporation (AG, SA) is founded in Switzerland and more than 50% of the shares are owned by German nationals whose tax rate is below 25% under German tax law and whose income is passive according to Germany interpretation, the Swiss joint stock company will a priori not be recognized for tax purposes and the net income is added to the German company or entrepreneur, subject to a deduction for Swiss taxes paid. As the tax in Switzerland is practically always below 25% from the German viewpoint, the type and nature of the income - passive income - is decisive. Passive income comprises dividends, interest and licenses, but under German tax law the catalog is so broad that a thorough investigation is required, whether or not the structure will be upheld under German non-resident tax law.

Assuming that the structure is upheld by the German non-resident tax law, decisive is whether the German investor is a joint stock company or a partnership.

Continued on next page >

3. Legal form of the company

3.1 Joint stock company

The Swiss joint stock company (AG, SA or GmbH) is owned by the German joint stock company. Profits of the Swiss joint stock company are initially taxed in Switzerland according to the Swiss tax system. When dividends are paid, the anticipatory tax is deducted which, based on the double taxation convention with Germany, is reduced to zero from 1st of January 2002 on (20% shareholding). In Germany the dividend is largely exempted with the framework of the intercompany tax concession. Even the sale of the Swiss joint stock company is largely exempt from taxes in Germany. However, if the profit of the German company is distributed to the entrepreneur, the dividends are again taxed under the Germany tax code.

3.2 Partnerships

The German partnership owns (under tax law) a branch in Switzerland. Branches of German partnerships are treated in Switzerland in the same manner as joint stock companies. Profits can be repatriated to Germany without anticipatory tax and Germany does not separately tax the profit of the branch, i.e. the profit is earned directly by the German entrepreneur and is taxed only once. If the partnership would set up its operation in Switzerland in form of a joint stock company (AG, SA or GmbH), the tax burden in Switzerland would be largely similar, however, the dividend payment to Germany would again be taxed under German tax law which in effect amounts to double taxation.

4. Summary

The statements above have been strongly simplified. Tax regulations have become so complex that consultation with a specialist is advisable before any investment is made. The problems occur not so much in Switzerland but rather in the foreign country, i.e. in conjunctions with the foreign tax system the basically advantageous Swiss tax system may have the opposite effect.

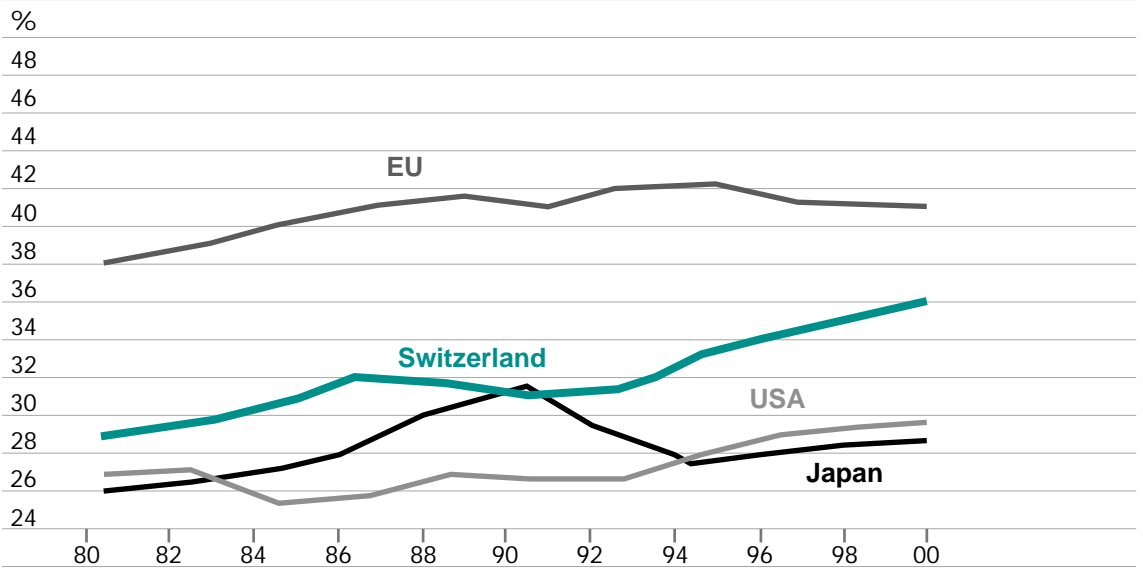
5. Bibliographical note

Oberson, X./Hull, H. Switzerland in International Tax Law, IBFD Publications, 1996

Author: Dr. Hubertus Ludwig, VISCHER Attorneys at Law, January 2002

Fiscal burden

Tax receipts incl. social security as % of GDP



Source: Credit Suisse

Tax regime based on company type and fiscal jurisdiction

Company	Swiss Federation	Cantons/Municipalities	
	Profit	Profit	Capital
Operating company	N+	N+	N+
Holding company	V	V	V
Domiciliary company	N	V	V

N Normal taxation

N+ As a rule normal taxation, relief for new companies for a max. period of 10 years possible (at Federal level: only in the economic renewal areas according to ordinance of Oct. 6, 1995)

V Relief or exemption

Tax burden in Switzerland: Corporations

Case study (Canton: Basel-City BS)

	Income tax rate	Capital tax rate
Direct Federal tax	8.5 %	
Cantonal tax (max. rate)	24.5 %	0.5 %
Total	33.0 % = CHF 99,000	0.5 % = CHF 2,500
Net operating result before taxes	401,500 CHF	
Less income and capital tax	101,500 CHF	
Annual net income after tax	300,000 CHF	
Taxes in % of operating income before taxes	25.28 %	

Source: Dr. Hubertus Ludwig, VISCHER Attorneys at Law, Basel

Tax burden in Switzerland: Corporations, intercantonal comparison 2000

Taxation of net income of an operating corporation, capital and reserves
2,000,000 CHF and annual net income 400,000 CHF ¹⁾

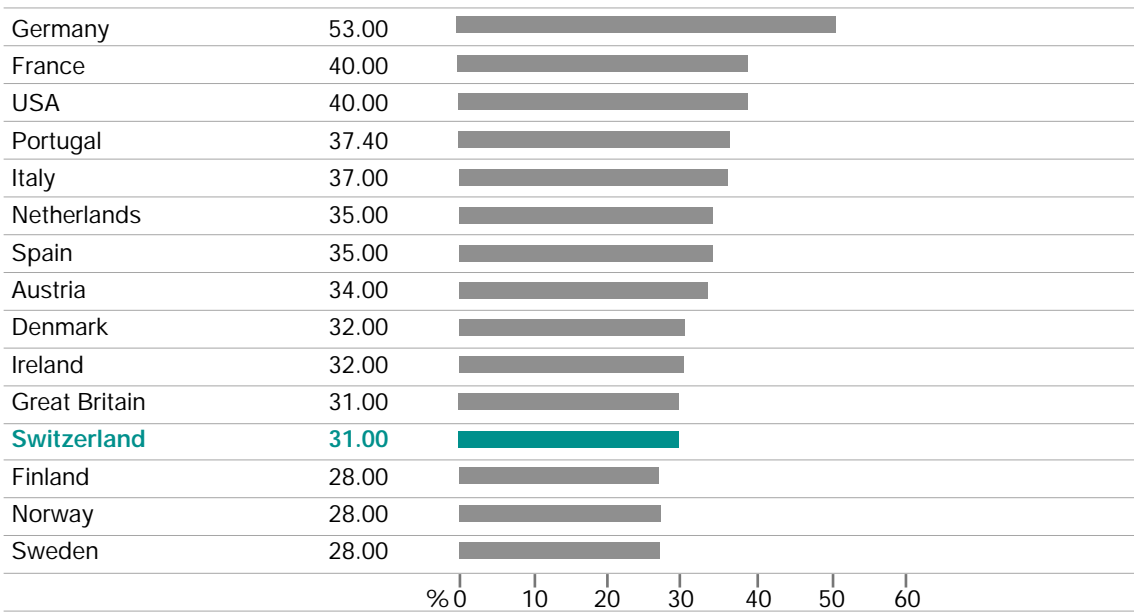
Capitals of Cantons	Relevant net income in CHF	Amount of tax in CHF		
		Canton and Community	Confederation	Total
Zurich	295,100	79,819	25,083	104,902
Berne	307,700	66,151	26,154	92,305
Lucerne	313,700	59,647	26,665	86,312
Altdorf	301,600	72,824	25,636	98,460
Schwyz	308,400	65,425	26,214	91,639
Sarnen	315,300	57,886	26,800	84,686
Stans	315,400	57,741	26,809	84,550
Glarus	294,400	80,609	25,024	105,633
Zug	329,300	42,668	27,990	70,658
Fribourg	292,700	82,478	24,879	107,357
Solothurn	298,800	75,819	25,398	101,217
Basel	294,600	80,409	25,041	105,450
Liestal	298,000	76,715	25,330	102,045
Schaffhausen	300,000	74,520	25,500	100,020
Herisau	303,600	70,631	25,806	96,437
Appenzell	315,500	57,695	26,817	84,512
St. Gallen	313,800	59,556	26,673	86,229
Chur	305,900	68,018	26,001	94,019
Aarau	303,500	70,757	25,797	96,554
Frauenfeld	310,000	63,697	26,350	90,047
Bellinzona	311,100	62,398	26,443	88,841
Lausanne	290,400	84,979	24,684	109,663
Sion	292,400	82,743	24,854	107,597
Neuchâtel	268,300	108,834	22,805	131,639
Geneva	297,200	77,539	25,262	102,801
Delémont	303,200	71,064	25,772	96,836

¹⁾ Annual net income before taxes paid in fiscal year

Source: Swiss Federal Tax Administration, *Tax burden in Switzerland 2000, Capitals of Cantons*
↳ www.estv.admin.ch/data pdf document (German only)

Taxes in % of net operating income

in % of net income before taxes, 1999



Source: IMD, *The World Competitiveness Yearbook 2001*, Tab. 2.2.07

↳ <http://www.imd.ch/wcy.htm>

International tax burden comparison for physical persons

Assuming non-itemized deductions and equivalent income levels the tax burden in Switzerland and Germany results in the following comparison:

Switzerland: Physical person, married , no kids, no additional income (example: Canton Basel City BS, 2001)

		in CHF	
Gross income	100,000	150,000	200,000
Itemized deductions *	- 11,550	- 17,109	- 22,634
Net income	88,450	132,891	177,366
Lump-sum deductions **	- 8,400	- 8,400	- 8,400
Taxable income	80,050	124,491	168,966
Taxes Switzerland			
- Total in CHF	14,907	29,511	46,817
- in % of gross income	14.9	19.7	23.4

* Itemized deductions = actual expenditure
(see Chapter 10.3):
5.05% AHV/IV/EO
1.50% ALV I
1.00% ALV II
5.00% Pension plan

** Non-itemized deductions:
Travel to work 500
Gen. professional expenses 700
Insurance 1,000
Family exemptions 6,200

Germany: Physical person, married

		in EUR	
Gross income	65,000	97,500	130,000
Employee lump-sum amount (advertising cost allowance)	- 1,044	- 1,044	- 1,044
	63,956	96,456	128,956
Statutory social welfare contributions **	- 4,002	- 4,002	- 4,002
Lump-sum deductions***	- 72	- 72	- 72
Taxable income	59,882	92,382	124,882
Income tax	12,786	25,504	40,824
Solidarity premium (5.5%)	703	1,403	2,245
Taxes Germany			
- Total in EUR	13,489	26,907	43,069
- In % of gross income	20.8	27.6	33.1

* Higher advertising costs allowed if itemized (e.g. travel expense)

** Max. deductible amount is limited to EUR 4,002 but actual employee expense is EUR 12,500

*** Special expenditures deductible without limit

Source: Dr. Hubertus Ludwig, VISCHER Attorneys at Law, Basel; Heiko Kubaile, Ernst & Young Deutsche Allgemeine Treuhand AG

Income tax: intercantonal comparison

Effective individual tax rates on income for a married couple without children, Tax year 1999 (Federal, cantonal, municipal and parish taxes combined)

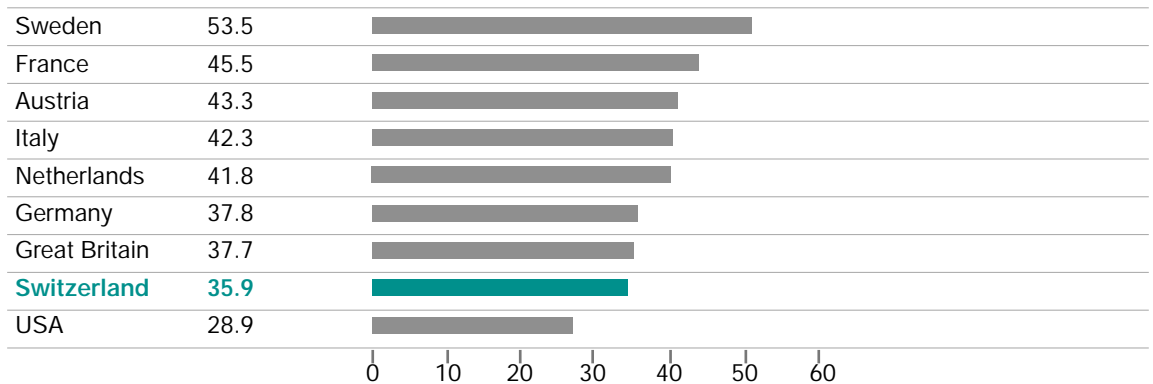
Capitals of Cantons Confederation		Gross employment income in CHF				
		40,000	60,000	80,000	100,000	200,000
		Tax burden in %				
Zurich	(ZH)	4.08	6.43	8.18	9.57	14.64
Berne	(BE)	7.17	10.10	12.10	13.78	18.71
Lucerne	(LU)	6.89	9.35	11.85	13.73	17.87
Altdorf	(UR)	4.34	6.55	8.66	9.93	15.14
Schwyz	(SZ)	4.61	6.65	7.85	8.91	12.11
Sarnen	(OW)	5.90	7.87	10.00	11.38	14.23
Stans	(NW)	3.77	5.68	7.30	8.40	11.24
Glarus	(GL)	5.17	7.80	10.01	11.48	16.61
Zug	(ZG)	2.53	4.01	5.27	6.29	9.19
Fribourg	(FR)	5.10	9.08	11.32	13.01	18.27
Solothurn	(SO)	4.44	8.41	11.57	13.64	19.41
Basel	(BS)	5.51	9.03	12.14	14.68	19.91
Liestal	(BL)	5.18	8.56	10.94	13.11	18.89
Schaffhausen	(SH)	5.22	8.10	10.44	12.28	17.61
Herisau	(AR)	6.59	8.51	9.97	11.50	15.79
Appenzell	(AI)	4.88	6.83	8.31	9.35	12.55
St. Gallen	(SG)	5.81	8.65	10.95	12.94	18.48
Chur	(GR)	2.98	5.18	7.71	9.87	15.63
Aarau	(AG)	5.30	7.08	8.72	10.52	16.36
Frauenfeld	(TG)	4.94	8.27	10.44	12.14	17.70
Bellinzona	(TI)	3.76	6.84	9.76	12.05	18.64
Lausanne	(VD)	3.61	9.71	11.94	13.10	17.67
Sion	(VS)	6.07	8.39	9.98	11.32	17.91
Neuchâtel	(NE)	5.20	9.05	11.82	14.03	19.11
Geneva	(GE)	2.36	7.75	11.67	14.18	20.27
Delemont	(JU)	6.08	10.08	12.74	14.60	19.42
Direct Federal Tax		0.22	0.59	1.17	1.73	5.78

Source: Swiss Federal Tax Administration

↳ www.estv.admin.ch/data

Taxes and statutory social insurance contributions in % of GDP

Year 2000¹⁾ (estimated)



¹⁾USA: 1999

Source: OECD, Revenue Statistics of OECD Member Countries 1965 - 2000, Tab. 3 and 39

Lump-sum taxation

The federal tax legislation as well as a number of cantonal tax laws provide the possibility of a so called lump-sum taxation especially for foreign nationals who have their residence in Switzerland without working here. In order to qualify for this privileged tax regime, the individual concerned is required to have had his or her residence outside Switzerland for at least a period of ten years immediately prior to taking up residence in Switzerland.

Under the system of lump-sum taxation, the individual's taxable income is determined on the basis of the total expenses of living. These are defined as being at least five times the rental value of the individual's living accommodation in Switzerland or, if higher, equal to his or her income from Swiss real estate, mortgages, shares, bonds etc., plus any income remitted from foreign sources for which double taxation relief is obtained based on a treaty (so-called comparative calculation). In order to apply for the DTT with Austria, Belgium, Germany, Italy, Norway and the United States of America, it is necessary to take all income from these countries into account of the comparative calculation (so-called modified lump-sum taxation)

Since it is in general only possible to obtain a residence permit for non-employed persons who are older than 55 years of age, who can demonstrate close ties to Switzerland and actually transfer their centre of vital interests to Switzerland, lump-sum taxation is usually restricted to individuals who decide to spend their retirement years in Switzerland. Nevertheless, in special cases a lump-sum taxation is possible as well for younger persons. In case of married persons, it is possible to apply for a lump-sum taxation for one spouse and for ordinary taxation for the other one. Thus, the overall taxation can be optimised.

Source: Arthur Andersen AG, Bern (2001)

↳ www.andersen.com

Deduction of special professional expenses of expatriates

Since beginning of 2001: New tax deduction possibilities according to the Swiss Federal ordinance of Oct. 3, 2000 concerning the deduction on the Swiss Federal income tax declaration of special professional expenditures by managers and specialists temporarily working in Switzerland (Expatriates ordinance, ExpaV)

Expatriates are foreign managers and specialists (e.g. in information technology and telecommunications sector) who are temporarily sent to Switzerland by a foreign employer. As these persons maintain their ties to the foreign country during their stay in Switzerland, they incur extraordinary professional expenditures that shall be taken into consideration for tax purposes.

So far over half of the Cantons allow expatriates to take special deductions on the Cantonal and municipal taxes. Now also the Swiss Federal Department of Finance has issued an ordinance concerning the deduction of extraordinary professional expenses of expatriates. This is intended to simplify the delegation of expatriates to Switzerland and to make the location Switzerland more attractive.

Extraordinary professional expenses under this ordinance are travel, lodging and relocation expenses as well as the apartment rental costs incurred in Switzerland if permanent residence is still maintained in the home country. It also includes the expenditures for attending a foreign-language school by children, if the public schools do not offer adequate teaching.

Except for the cost of schools, a monthly lump-sum deduction of CHF 1,500 can be taken. This solution has been chosen to simplify the tax assessment. Higher costs and the costs for private schools can be deducted based on documented expenditures. A precondition for the deduction of extraordinary professional expenditures is that they are paid by the expatriate rather than the employer.

Depending on the situation, expatriates are assessed under the regular procedure, or they are subject to withholding tax. The method for claiming these deductions depends, therefore, on the tax assessment procedure.

↳ www.efd.admin.ch/ch/d/sr/c642_118_3.html (pdf document, wording of the ExpaV ordinance)

Additional literature: Information documents from the Cantonal Industry and Trade Promotion Offices

Effects of double taxation treaties (DTT)

For taxpayers who are professionally active in both countries of a double taxation convention the question is always what effect this treaty actually has on them.

Example: A German publisher publishes the latest novel of a successful author living in Switzerland. The royalties paid to the author are subject to a withholding tax of 25% in Germany, plus solidarity premium. Because the author must also pay taxes on his royalties in Switzerland, his country of residence, he would have to pay taxes twice without the double taxation convention. Because of the double taxation convention only the country of residence may tax such income. Germany is, therefore, not entitled to any taxes on the royalties of the author.

↳ www.efd.admin.ch/data/dba/e/index.htm Double Taxation, Introduction

Withholding tax

Switzerland has at its disposal a broad net of treaties concluded with other countries concerning the avoidance of the double taxation on the income (DTT). The actual treaties lead basically to a significant reduction on the withholding tax levied on dividends, interest and royalties. The remaining tax at source is not deductible, but Switzerland credits the respective tax on a lump-sum basis. In the case of subsidiaries there is usually an additional reduction agreed if the parent company holds a certain participation quota. The following table points out the reduced withholding tax rates in the respective countries in accordance with the applicable DTT (as per January 1st, 2001). Please note that this table shows some examples from the whole list.

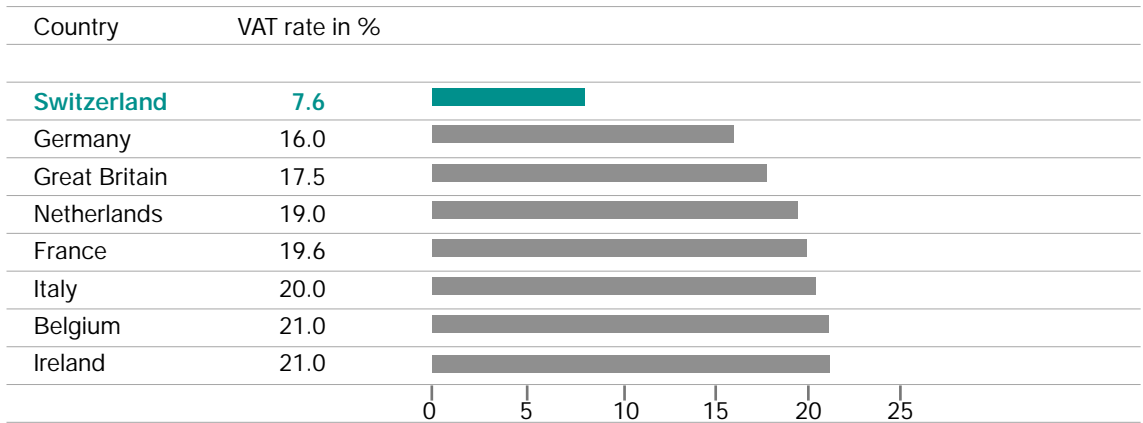
Country	Dividends			Interest Rate (%)	Royalties Rate (%)
	Ordinary Rate (%)	Subsidiaries			
		Reduced Rate (%)	Participation (%)		
Australia	15	15		10	10
Austria	5	5		5	5
Belarus	15	5	25	8	10/5/3
Belgium	15	10	25	10	0
Canada	15	5	10	10	10
Czech Republic	15	5	25	0	5
Denmark (inkl. Färöe Islands)	0	0		0	0
Finland	5	0	20	0	0
France	15	0	10	0	5
Germany	10	5	20	0	0
Greece	35	35		10	5
Hungary	10	10		10	0
Ireland	15		25	0	0
Italy	15	15		12.5	5
Japan	15	10	25	10	10
Luxembourg	15	0	25	10	0
Mexico	15	5	25	15/10	10
Netherlands	15	0	25	5	0
Norway	15	5	25	0	0
Poland	15	5	25	10	0
Portugal	15	10	25	10	5
Russia	15	5	20	10	0
Singapore	15	10	25	10	5
Slovakia	15	5	25	10	5
Slovenia	15	5	25	5	5
South Africa	7.5	7.5		10	0
Spain	15	10	25	10	5
Sweden	15	0	25	5	0
United Kingdom	15	5	25	0	0
United States	15	5	10	0	0

Source: Arthur Andersen AG, Bern (2001)

↳ www.andersen.com

Value added tax by international comparison

Normal rate, applicable to most consumer goods. All countries apply lower rates for certain basic goods, medicaments and cultural requirements.

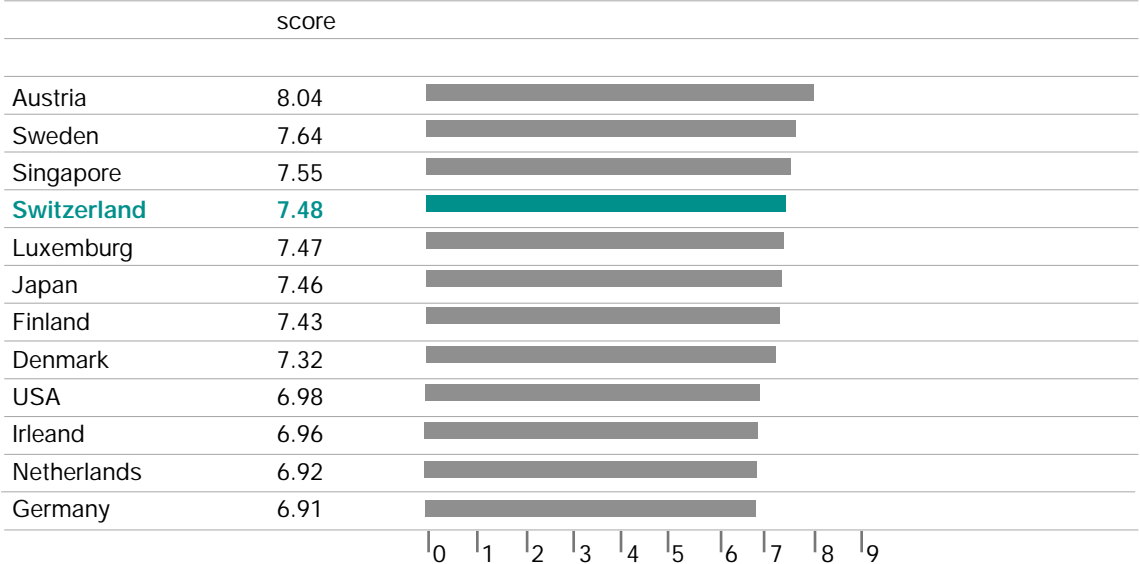


Source: *Worldwide Corporate Tax Guide 2001, Ernst & Young, Jan. 2001*

↳ www.ey.com

Work motivation by international comparison

10 = Highest score



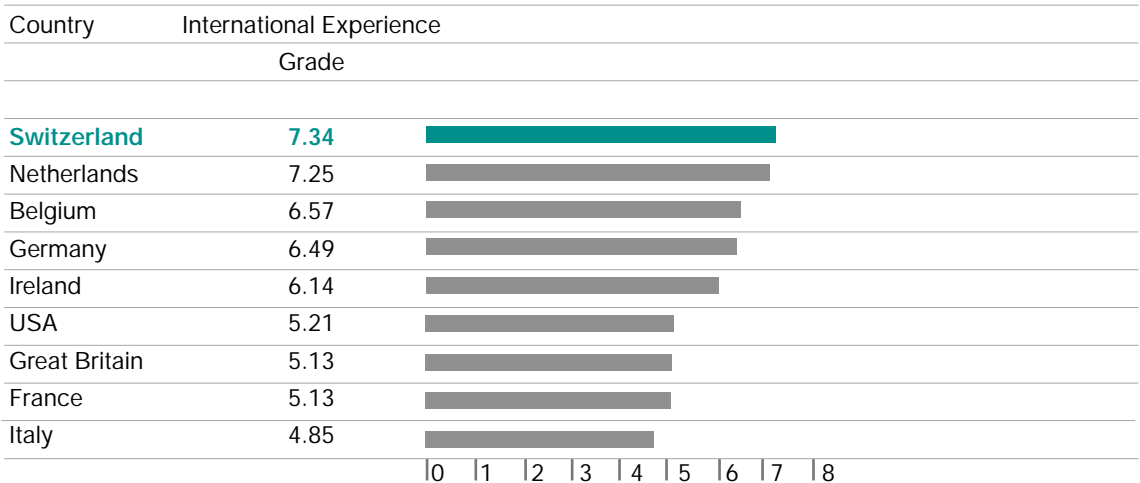
Source: IMD The World Competitiveness Yearbook 2001, Tab. 3.2.07

↳ www.imd.ch/wcy.htm

Business experience of the management

Management usually has significant experience in international business and postings abroad: towards 10

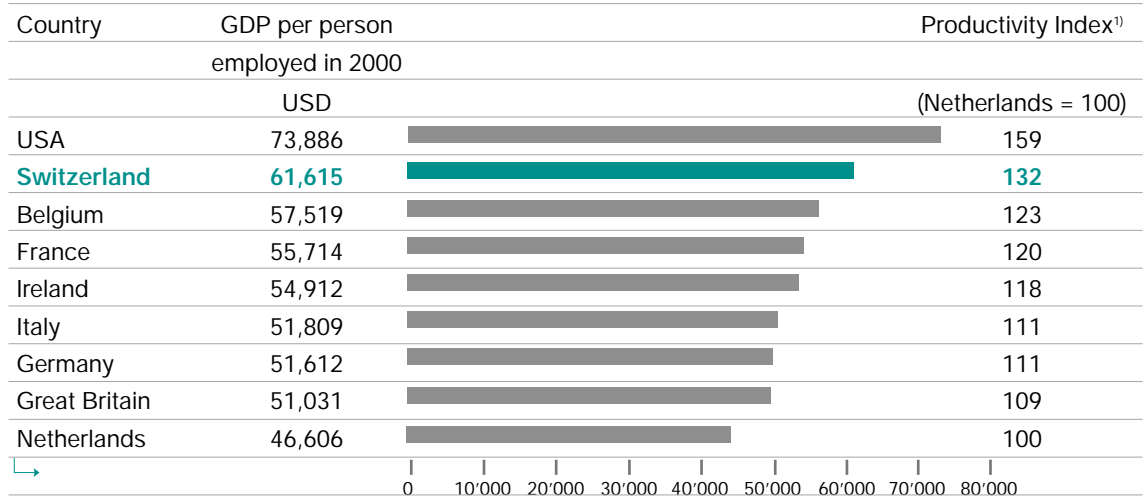
Management usually has no significant experience in international business and postings abroad: towards 1



Source: IMD The World Competitiveness Yearbook 2001, Tab. 3.2.17

↳ www.imd.ch/wcy

Overall productivity



¹⁾ The productivity index figures were computed on the basis of IMD data

Source: *Economic Promotion Geneva, International Comparisons 2001;*
IMD The World Competitiveness Yearbook 2001, Tab. 3.1.02

↳ www.imd.ch/wcy

Deregulation of the labor market

 Ranking 2001

Country	Ranking ¹⁾	Score ²⁾
Hongkong	1	8.4
Singapore	2	8.1
Switzerland	4	7.5
USA	6	7.3
Denmark	7	7.2
Great Britain	8	6.6
Ireland	9	6.4
Netherlands	21	4.9
Austria	23	4.7
Germany	40	3.0
Italy	46	2.6
France	49	2.1

¹⁾ 49 Countries evaluated

²⁾ 10 = Highest score

 Source: IMD The World Competitiveness Yearbook 2001, Tab. 2.4.11

[↳ www.imd.ch/wcy](http://www.imd.ch/wcy)

Labor law Switzerland

Fact sheet - Extract from: Swiss labor law, overview by Peter Muri, lic. jur. Attorney, Jürg Vetterli, lic. jur. Attorney, Dominik Kumschick, lic. jur. Attorney; Muri Attorneys, CH-8570 Weinfelden

This text is only of an informative nature and has been prepared for a specific event. It does not claim to be complete and its aim is not serve as or be a substitute for concrete legal consultation. The authors assume no liability for the effectiveness or suitability of the formulated examples in specific cases.

I. Legal base

The Swiss Labor Law comprises fewer ordinances than the legal system in EU countries. For this reason there is greater freedom for legislation. The legal decisions are basically liberal.

The following statutory laws are principally applicable:

- Swiss Code of Obligations
- Labor participation law
- Equality law
- Labor law
- Few additional special ordinances (chauffeurs, etc.)

1. Legal provisions of the labor law

Legal provisions, if preemptory, have priority over any collective tariff or employment agreements. To the extent that legal provisions are preemptory, nothing different can be contractually agreed to either in collective labor agreements or individual employment agreements, or at least nothing that is less favorable to the employees.

Certain labor law regulations may be altered through collective labor agreements but not individual employment contracts.

Conversely, if a statutory provision is not preemptory, the agreements between the parties take precedence.

2. Collective tariff agreements (collective employment agreements)

Collective employment agreements (abbr. GAV) are negotiated between an employer or employer association, and a union. Over 1,000 different agreements of this type exist in Switzerland. The provisions of a collective employment agreement are binding only if the corresponding shop is unionized. Employers and employees are free whether they wish to join an association or union.

The Swiss Federal Government has declared certain collective employment agreements to be generally binding nationwide. At present there are 14 such collective employment agreements in force. These agreements presently are binding on approx. 30,000 employers and 200,000 employees. The most important generally binding collective employment agreement is the one for the construction industry. It regulates the employment conditions between some 6,600 employers and about 100,000 employees.

3. Employment agreements

Employment agreements do not have to be in writing. It is recommended, however, particularly from the viewpoint of the employer, to choose the written form. The objective is to minimize risks. In larger companies it is recommended to have so-called "rules of employment" which contains the most important employment provisions. The employment agreement itself then contains only provisions on wages, notice period, as well as special terms (anti-competitive restrictions). Employment agreements and "rules of employment" must conform to the preemptory provisions of the Swiss Code of Obligations and the provisions of collective employment agreements, where such are applicable.

The "rules of employment" should not be confused with the agreements between the employer and the works council, as practiced in EU countries. However, industrial companies are required to establish "works rules". These contain rules on the occupational health protection and accident prevention. The employees or their representatives must be consulted before the rules are put into force.

II. Working time

1. Normal working time and maximum working time

In Switzerland we differentiate between normal working time and maximum working time. As outlined below this differentiation is important for the definition of overtime.

The normal working time is the time to be worked in accordance with the employment agreement or the collective employment agreement. In Switzerland it is 40 to 44 hours per week.

The weekly maximum working time for employees in industrial companies, for office personnel, for technical and other employees as well as sales personnel in large companies of the retail trade is 45 hours. For other employees, including those in the trade, the maximum working time is 50 hours.

2. Overtime

The difference between the normal working time and the maximum working time is referred to as overtime. The employee is obliged to perform such work to the extent that he/she is able to do so and which he/or she may be reasonably expected to perform. According to the law, overtime must be compensated with a premium of 25%. It is possible, however, to waive the premium in writing. Instead of overtime pay the employee may be compensated through paid leave of at least the same duration, provided both the employer and employee mutually agree to this. For employees in managerial positions it is possible to compensate overtime generally through normal wages.

3. Extra work

If the weekly maximum working time of 45 or 50 hours is exceeded, this is referred to as extra work. Under the new labor law the extra work may not exceed two hours per day for an individual employee. In total the extra work may not exceed 170 hours per year for employees with a weekly maximum working time of 45 hours, and 140 hours for employees with a weekly maximum working time of 50 hours.

Unless compensated by paid leave within a reasonable time, extra work must be compensated with a premium of 25%.

In contrast to many European countries the consent of the employee representatives or works council is not necessary in Switzerland for overtime or extra work. Neither is it necessary to obtain government approval as long as the above time limits are not exceeded.

4. Day work and evening work

Working hours from 06:00 to 20:00 are considered as day work; the hours from 20:00 to 23:00 as evening work. Day and evening work require no permission. However, evening work may be introduced only after consultation with the employee representatives, or if there are none, after consultation with the corresponding employees. This rule allows the introduction of a 2-shift operation without government approval.

The working time of an individual employee, including breaks and overtime, must be within a period of 14 hours.

5. Night work

Government approval is required if night work is needed.

For temporary night work a premium of 25% must be paid. For continual or regularly recurring night work the employees are entitled to a paid leave of 10% of the time worked during night hours. This leave must be granted within one year.

There is no entitlement for compensation in form of paid leave in the following cases:

- If the average shift time, including breaks, does not exceed 7 hours, or
- The person working at night is employed only for 4 days per week.

6. Work on Sundays and holidays

Sunday is the time between Saturday 23:00 and Sunday 23:00. Aside from special regulations applicable to certain business sectors, government approval is needed for work on such days. For temporary Sunday work the employer must pay a premium of 50%. For continual or regularly Sunday work the employee is entitled to compensation in the form of paid leave.

In addition to Sundays, August 1st is treated in Switzerland as being equal to a Sunday. The Cantons may declare up to eight additional holidays as being equal to a Sunday.

7. Working time models, shift operation and continuous operation

In practice there are many possibilities to adopt the working time to the requirements of a business. For example: flex hours, band width model, two-shift operation or continuous operation (7x24 h x 365 days). In particular in the case of continuous operation the daily and weekly maximum hours can be extended and the rest time be distributed differently.

III. Absence of the employee due to illness, accident, pregnancy and delivery

In the case of an accident the insurance solution is mandatory. According to the accident insurance law the employee receives 80% of the insured wages beginning with the 3rd day. The statutory accident insurance covers wages up to the maximum of CHF 106,800 per year. For employees who earn more, extended insurance coverage is normally arranged.

In case of illness, pregnancy and maternity, there are two possibilities how a Swiss employer may fulfill his obligations of paying wages to an employee who is prevented for working for no fault of his/her own. The employer may choose to bear the risk himself or he may arrange for insurance.

If the employer does not arrange group insurance for his employees he is obliged to pay the employee the full wages for a "limited time" if the employee is unable to work for no fault of his/her own. The length of this "limited time" has been defined by the courts in the form of so-called scales.

In practice, however, employers arrange for group insurance. Sometimes also maternity benefits are integrated into this insurance. In most case, however, the employers continue to pay wages during the "limited period" of maternity. Such insurance solutions must be equivalent to the statutory wage continuation obligation for a "limited period". As a rule, equivalency is deemed to exist if the employer provides group insurance that pays 80% of the wages during 720 days. The employer must pay at least half of the insurance premium. Insurance solutions for maternity benefits require wage continuation for 16 weeks, of which eight weeks after delivery. In practice other insurance solutions are frequently encountered. It is possible, for example, that the employer continues to pay wages for 3 months before the insurance coverage sets in.

IV. Vacation

The statutory vacation entitlement in Switzerland is four weeks or 20 days per full year of service. Employees under the age of 20 are entitled to 25 vacation days. There are no further statutory vacation entitlements. However, longer vacations are customary in collective employment agreements, e.g. 25 days per year are usually granted after the age of 50.

During vacation, wages are paid in exactly the same manner as for the regular work. Additional vacation money, as frequently encountered in tariff agreements in the EU, is unknown in Switzerland.

V. Participation, employee representation (industrial relations law)

Under European law, the possibility of establishing a works council is subject to much fewer preconditions than in Switzerland. In particular the works councils in Europe have far greater competences than the so-called employee representatives according to Swiss law. The major difference is that in contrast to the works council, Swiss employee representatives are not able to prevail with their own views or to force a decision. Their rights are limited to being informed, having their views heard, and providing decision input. The ability to make use of these rights must as a rule be granted to the employees before the employer's decision. The number of cases where the employee representatives must be consulted remains in narrow limits.

1. Right to employee representation

In shops with at least 50 employees the workforce may elect one or several representatives from among their peers. If no employee representatives are chosen the right to information and being heard remains directly with the individual employees.

2. Right to be informed and to participate in decision-making

The employee representatives are entitled to timely and comprehensive information on all matters, the knowledge of which is a precondition for properly fulfilling their assignments. At least once per year the employer shall inform the employee representatives concerning the effect of the business trend on the employment and the employees.

The employee representatives in particular have the following rights to participate in the decision-making:

- Regarding questions of work safety and occupational health
- In the organization of the working time and definition of the work schedules
- In the transition of ownership of the company or a section thereof
- In the event of mass layoffs

VI. Anti-competitive restrictions

Under certain conditions the employee may be contractually bound to refrain from engaging in any competitive activity after termination of the employment. All employees are covered by the relevant law. In practice, however, demanding requirements are imposed on the formulation and enforcement of such anti-competitive restrictions. There is no mandatory provision for compensating the employee for agreeing to such anti-competitive restrictions.

VII. Notice of termination

The fundamental principle is that the employer or the employee may freely terminate the employment agreement, subject to the applicable notice period. Under Swiss law there the employee representatives or the works council have no say in this. Only in the case of mass layoffs do the employee representatives have the right to be consulted. Otherwise the recipient of the termination notice only has the right of having the reason for termination stated in writing. There is no investigation whether or not the termination is socially unjustified, i.e. whether the reasons are related to the person of the employee or whether weighty business considerations made the layoff necessary.

1. Notice periods

During the probationary period which normally covers the first three months of employment, the employment may be terminated at any time subject to 7 days notice. Thereafter the notice period is one month (effective as of the end of a month) if the employment duration was less than one year. From the 2nd to the 9th year of employment the notice period is two months and thereafter it is three months. These periods can be extended in writing but never shortened to less than 1 month in favor of the employer (exception: first year under a collective employment agreement).

The employment can also be terminated without notice for weighty reasons. The preconditions for this are roughly the same as under European labor law, except that the employee is not entitled to have the works council determine, whether or not the termination is socially unjustifiable.

2. Protection against unlawful dismissal

Only in few cases does the Swiss labor law provide protection against dismissal. We differentiate between protection against willful dismissal and protection against dismissal during barred periods.

a) Abusive dismissal

Swiss law recognizes principally the following situations that imply abusive dismissal. Notice of termination is considered to be abusive if it is given by either party:

- Due to a characteristic which the other party may properly have as part of its personality, unless this characteristic is related to the employment or adversely affects the co-operation with fellow employees. This involves notice given because of a personal characteristic of the one to whom notice is given. In particular the following characteristics are meant:
Gender, marital status, origin, race, citizenship, etc.
- Because the other party is exercising a constitutional right, unless the exercise of this right violates an obligation under the employment agreement or adversely affects the co-operation with other employees.
- Solely for the purpose of preventing the accrual of rights (e.g. bonuses) of the other party arising out of the employment.
- Because the other party in good faith asserts rights arising out of the employment agreement. In particular this is intended to prevent vindictive notice of termination.
- Because the other party has been called up for performing social work in lieu of compulsory militia duty.
- Because the employee belongs to a union or does not belong to a union, or because the employee performs legal union activities. While the employee is the elected representative of an institution within or affiliated with the company and the employer cannot demonstrate that the dismissal was for cause.

A willful dismissal is basically legal. However, there is liability for compensation up to the amount of 6 months wages.

b) Dismissal during barred periods

The employer may not terminate the employment during the following barred periods:

- If the other party is on militia duty, during the 4 weeks before and after, and during the period of militia service itself, if the service duration is at least 11 days.
- Illness or accident of the employee: In the first year of employment during 30 days of absence, from the 2nd to the 5th year of service during 90 days, and after the 6th year during 180 days.
- During pregnancy and the 16 weeks following delivery.
- Participation of an employee in a disaster relief operation abroad.

The employee may not terminate the employment if a manager, whose function he/she is able to perform or if the employer himself is prevented from performing his/her activity under the above preconditions.

Notices given during such barred periods are invalid. If notice is given before the beginning of a barred period and if the barred period has not yet expired when the notice period ends, the notice period is extended by the duration of the interruption.

There is no liability for damages or the like.

It is necessary to clearly differentiate between termination during barred periods and the obligation to continue wage payment. It may happen that the employer is no longer obligated to continue wage payment but the employment contract is still in force because it has been extended by the duration of the barred period.

Aside from the regulations concerning mass layoffs and equal treatment of men and women, there is no other protection against termination other than above. Of course, there is also no right to continue working.

Social security: Premiums and benefits

Current premiums and benefits, 1st, 2nd and 3rd pillar

As of: 01.01.2002

		Premium	Benefit CHF per month
1st pillar			
Old age insurance premiums and pensions			
Singles pension	min./max.	8.4 %	1,005 / 2,010
Couples pension	min./max.	8.4 %	1,508 / 3,015
Widow's pension	min./max.	8.4 %	804 / 1,608
Invalidity insurance premiums and benefits			
Singles benefits	min./max	1.4 %	1,005 / 2,010
Individual benefits for couples	min./max.	1.4 %	1,508 / 3,015
Supplementary benefits for spouse	min./max.	1.4 %	302 / 603
2nd Pillar		Limits CHF	
Contributions to company-sponsored pension plan			
Maximum AHV wage		74,160	
Coordination amount		24,720	
Maximum coordinated wage		49,440	
Minimum coordinated wage		3,090	
3rd Pillar			
Tax deduction for recognized retirement plans			
Employee	max.	5,933	
Self-employed: 20% of income	max.	29,664	

Source: Visura, Zoom 2/2000, Swiss Federal Office for Social Security

Example: Calculation of social insurance contributions on wages

The actual impact of the social insurance contributions on the employee's earnings is shown below based on two examples:

- A) Medium income
- B) High income

A) Social insurance contributions on medium income: Example wage statement John Doe, month of March 2002

Wages:

- Monthly salary		CHF	5,500.00
- Overtime pay	10 hours	CHF	390.50*

* The hourly wage is calculated on the basis of a monthly salary as follows:
For a 42-hour week the average monthly working time is 176 hours $\rightarrow (5,500 : 176) + 25\% \times 10 \text{ h} = \text{CHF } 390.50$

Earnings subject to social security insurance	CHF	5,890.50
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Travel expenses:

- Travel expenses reimbursement according to receipts	CHF	550.00
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Children allowance:

- Children allowance for 1 child	CHF	150.00
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(The amount of the family allowance is based on Cantonal law and may differ. The employer may at his own expense arrange for corresponding insurance; uniform premium 2% of wages)

Gross wages	CHF	6,590.50
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Deductions from wages:

- Statutory social security insurance	5.05% on CHF 5,890.50	CHF	297.50
- Unemployment insurance	1.5% on CHF 5,890.50	CHF	88.35
- Non-occupational accident insurance	2.0% on CHF 5,890.50	CHF	117.80
Employer sponsored pension plan (according to statutes)		CHF	330.00

Paid-out wages	CHF	5,756.85
----------------	-----	----------

Vacation balance:

- Allowance year 2002	20 days
- Vacation taken up to prior month	5 days
- Vacation balance as of June 1	15 days

Notes:

Taxes on wages are assessed based on the taxpayers (employee) declaration to which the wage statement (summary of annual wages) of the employer is to be attached. Normally there is no withholding except for: foreign nationals with only a temporary residence permit. In these cases the employer must deduct the taxes directly from the wages and remit them to the Cantonal tax authorities.

Source: Dürst Personalkontakte, CH-8704 Herrliberg/Zurich

B) Social insurance contributions on high wages: Example wage statement on high income

Monthly salary* with insured earnings falling into the bracket from CHF 106,801 to CHF 267,000 per year or CHF 8,901 to CHF 22,250 per month, January 2000

Designation	Number/base	Rate	Deduction	Earnings
Monthly wage	1.00	10,200.--		10,200.--
Overtime**	12.00	73.25		879.--
Total wages subject to social insurance contributions				11,079.--
Children allowance ¹⁾	2.00	150.--		300.--
Education allowance ²⁾	1.00	180.--		180.--
Family allowance ³⁾	1.00	320.--		320.--
Total gross wages				11,879.--
Social insurance AHV/IV/EO ⁴⁾	11,079.--	5.05%	559.50	
Unemployment insurance ALV I ⁵⁾	8,900.--	1.500%	133.50	
Unemployment insurance II	2,179.--	1.000%	21.80	
Non-occupational accident insurance ⁶⁾	8,900.--	2.000%	178.--	
Sick pay insurance ⁷⁾	11,079.--	0.485%	57.75	
Union dues ⁸⁾	1.00		25.--	
Pension plan, fixed ⁹⁾	1.00		208.20	- 1,179.75
Total net wages ¹⁰⁾				10,699.25
Paid-out wages				10,699.25
Vacation allowance in days	20.00			
Vacation taken up to prior month	- 5.00			
Vacation balance in days	15.00			

* For salaried employees the monthly wage statement is always exclusive of any pro-rata amount for the 13th month pay and vacation (the principle is that vacation shall not be paid out but actually taken).

** Overtime is based on the hourly rate plus 25% premium.

^{1), 2)} Depends on Cantonal law and is reimbursed to the employer by the government.

³⁾ Relatively rare, depends on employer.

⁴⁾ Employee's share (50%), the other half is paid by the employer.

⁵⁾ ALV I: Up to CHF 106,800 per year or CHF 8,900 per month, employer and employee each pay 1.5%.
ALV II: On high incomes the employer and employee each pay 1% on the earnings in the second bracket from CHF 108,601 to CHF 267,000 per year or CHF 8,901 to 22,250 per month), based on the wages on which the statutory social insurance contribution is calculated.

⁶⁾ Occupational accident insurance must be paid entirely by the employer (and therefore does not appear on the wage statement); the contribution to non-occupational accident insurance may be charged to the employee. For non-occupational accident insurance the maximum insurable wage is CHF 106,800.

⁷⁾ If sick pay insurance is arranged to cover the statutory wage continuation requirements and if the benefits under this insurance are superior to the statutory minimum, half of the premium may be charged to the employee.

⁸⁾ Collective labor agreements (GAV) may stipulate an employee and employer contribution.

⁹⁾ Pension plan costs are charged to the insured by the pension plan, normally in 12 monthly installments. There is no deduction on the 13th month pay.

¹⁰⁾ This is not the base on which social insurance contributions are calculated.

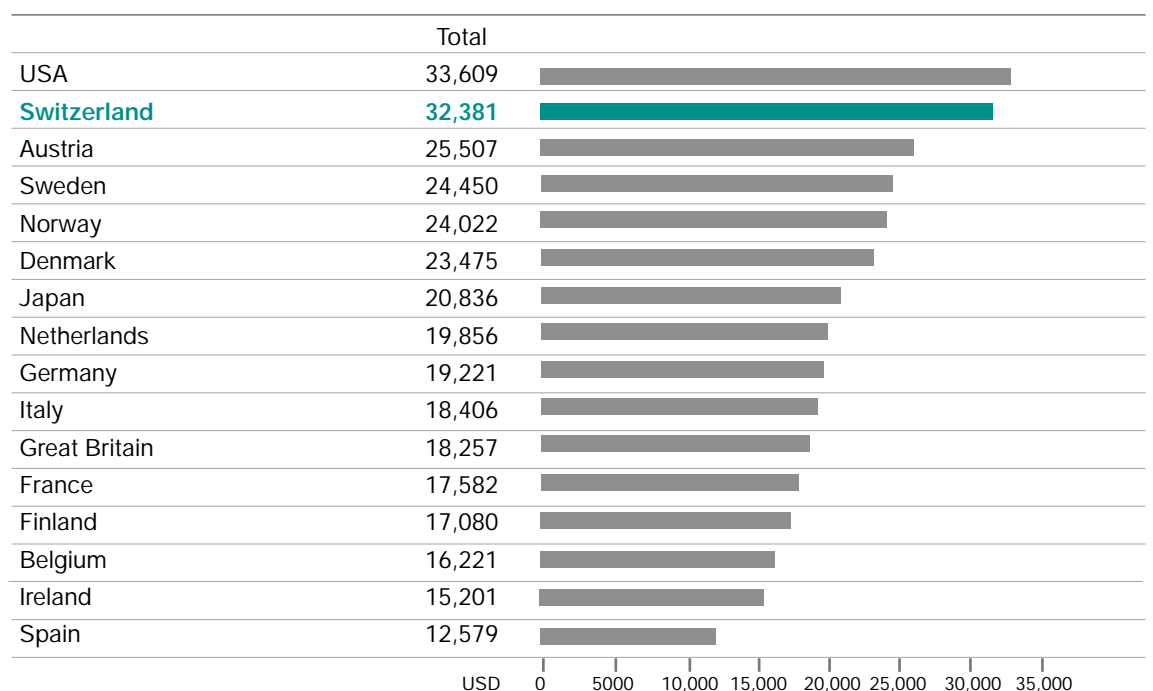
Source: Swiss Federal Social Insurance Office (editor), *Social Security Guidelines (status Jan. 1st, 2000)* p.68

↳ www.bsv.admin.ch/kmu-ratgeber

Education Expenditures

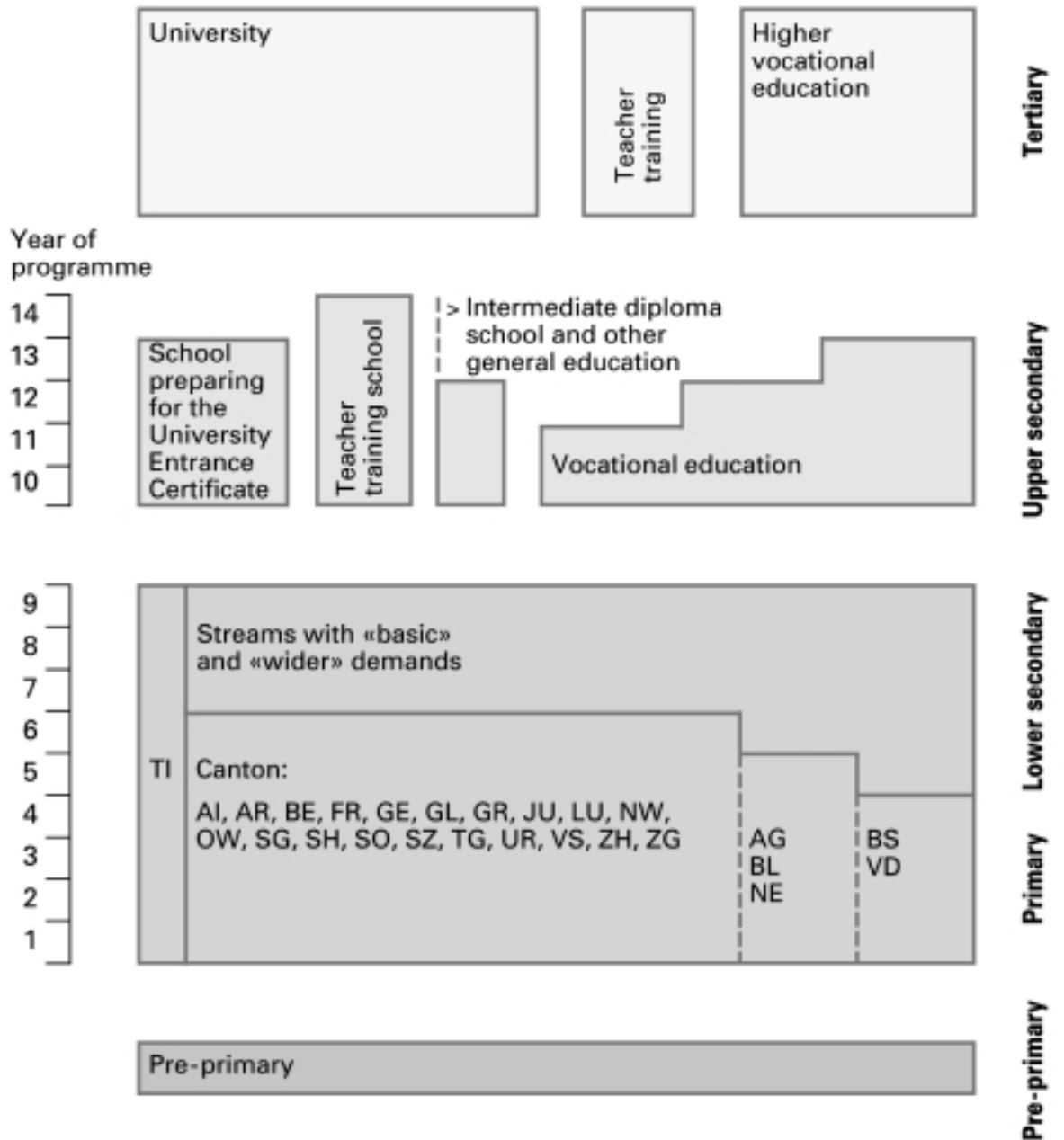
	Expenditures per student in USD, at purchase power parity (1998)			
	Level			Total
	Primary	Secondary	Tertiary	
United States	6,043	7,764	19,802	33,609
Great Britain	3,329	5,230	9,699	18,257
Switzerland	6,470	9,348	16,563	32,381
Sweden	5,579	5,648	13,224	24,450
Spain	3,267	4,274	5,038	12,579
Norway	5,761	7,343	10,918	24,022
Netherlands	3,795	5,304	10,757	19,856
Japan	5,075	5,890	9,871	20,836
Italy	5,653	6,458	6,295	18,406
Ireland	2,745	3,934	8,522	15,201
Germany	3,531	6,209	9,481	19,221
France	3,752	6,605	7,226	17,582
Finland	4,641	5,111	7,327	17,080
Denmark	6,713	7,200	9,562	23,475
Belgium	3,743	5,970	6,508	16,221
Austria	6,065	8,163	11,279	25,507
Country mean	3,940	5,294	9,063	18,296
OECD total	3,915	5,625	11,720	21,259

Expenditures per student in USD, at purchase power parity (1998)



Source: OECD, Education at a Glance 2001

Structure of the education system



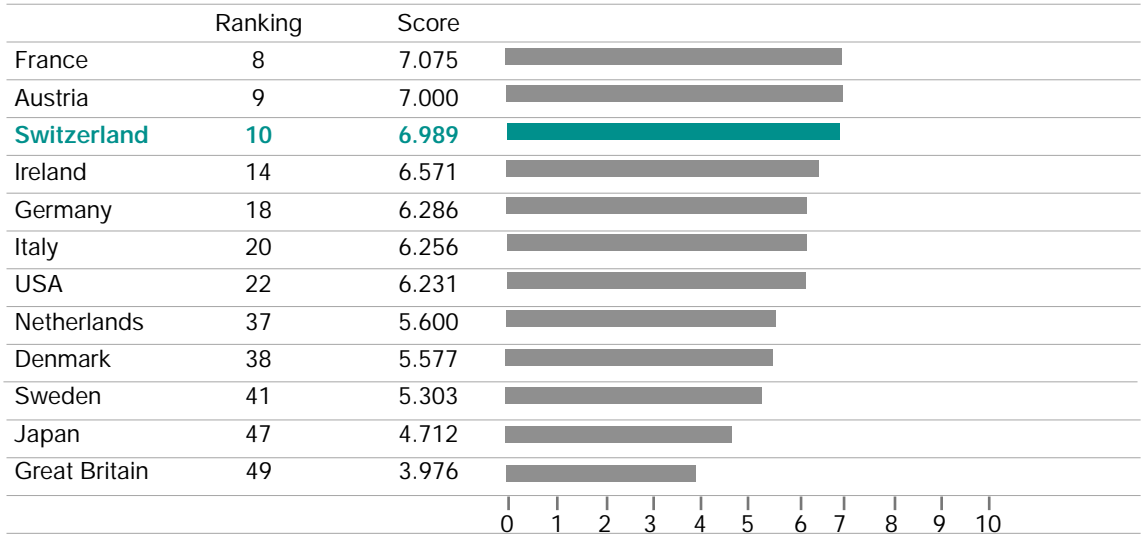
Source: Swiss Federal Statistical Office (SFSO/BFS)
 ↳ www.statistik.admin.ch

Science & Technology and Youth

Score 2001

10 = interest very high

1 = interest very low



Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.3.16

↳ www.imd.ch/wcy.htm

High-tech Potential 2001

Countries best placed to develop their high-technology industries

Rank	Country		
1	Switzerland	11	Finland
2	Sweden	12	Germany
3	USA	13	Japan
4	Ireland
5	Netherlands	16	France
6	Hungary
7	Canada	18	Denmark
8	Belgium	19	Norway
9	Great Britain	20	Italy
10	South Korea		

Source: Financial Times; Database: OECD, Science, Technology and Industry Scoreboard 2001

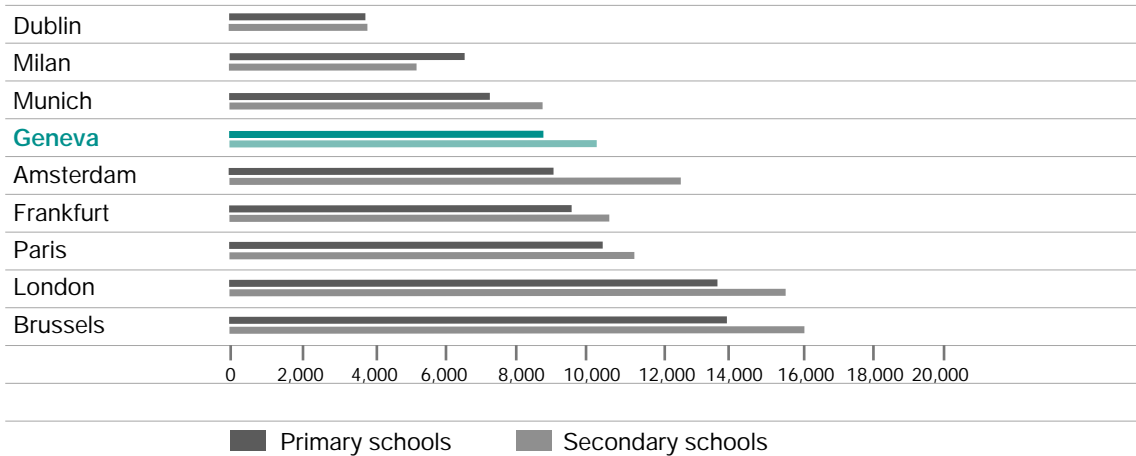
↳ www.oecd.org

Education cost for private schools, international comparison

Average annual fees in USD, primary and secondary school level

City	Private schools (Primary)			Private schools (Secondary)		
	Languages			Languages		
	English	French	German	English	French	German
Dublin	3,707	1,369	2,008	3,800	1,864	2,008
Milan	6,581	2,459	2,806	5,293	3,026	2,806
Munich	7,258	1,742	-	8,501	2,469	-
Geneva	8,579	4,953	4,781	10,257	5,927	5,629
Amsterdam	8,956	2,927	-	12,464	5,052	-
Frankfurt	9,440	1,971	2,778	10,485	2,469	2,778
Paris	10,367	2,524	3,798	11,370	2,524	3,798
London	13,662	2,850	2,997	15,439	3,468	3,745
Brussels	13,886	2,253	3,164	16,083	2,732	3,677

Education cost in the English speaking private schools (in USD)



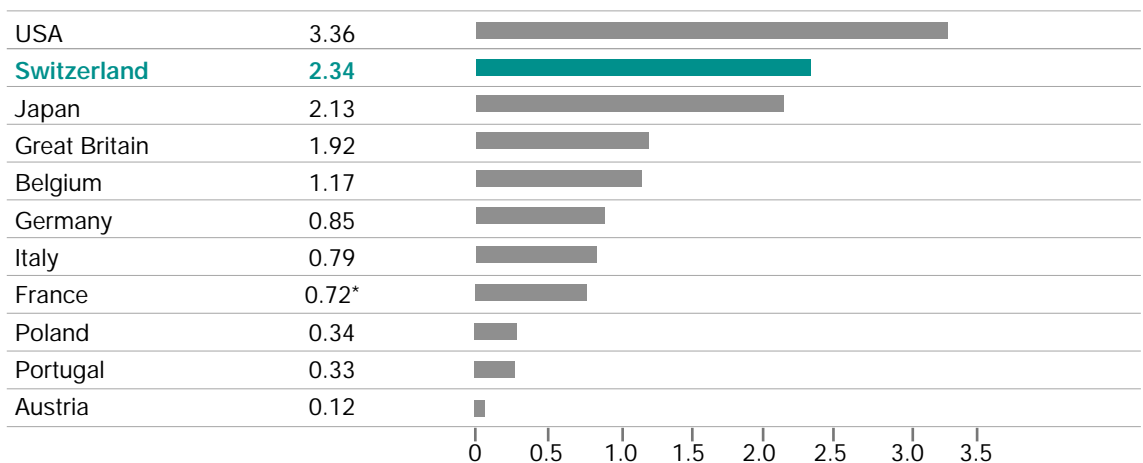
Source: *Economic Promotion Geneva, International Comparisons 2001, based on Cost-of-Living Report, William M. Mercer – Corporate Resources Group Services/W.M.MERCER - CRG, Geneva, 2000*

↳ www.wmmercer.com

Technology balance: Ranking

The technology balance of a country is calculated from the ratio between its technology exports (e.g. international license agreements) and its imports (e.g. purchase of foreign patents, know-how and R&D). The standard measured variable is the Coverage Ratio. The graphic is based on the figures of the year 1998.

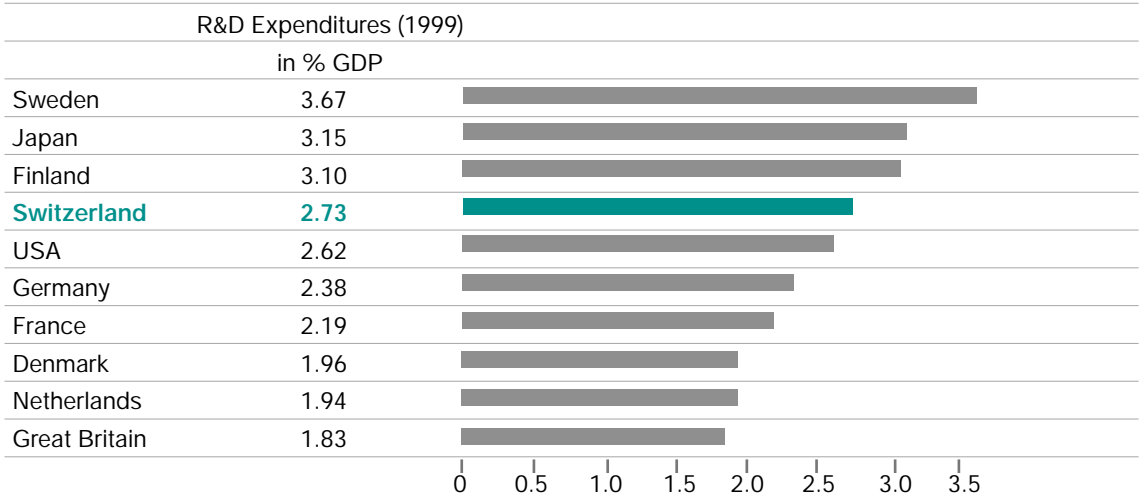
With the second highest positive coverage ratio Switzerland is near the very top as an exporter of technology. This underscores its role as a high-tech and innovation location.



* 1997

Source: OECD, Main Science and Technology Indicators 2000

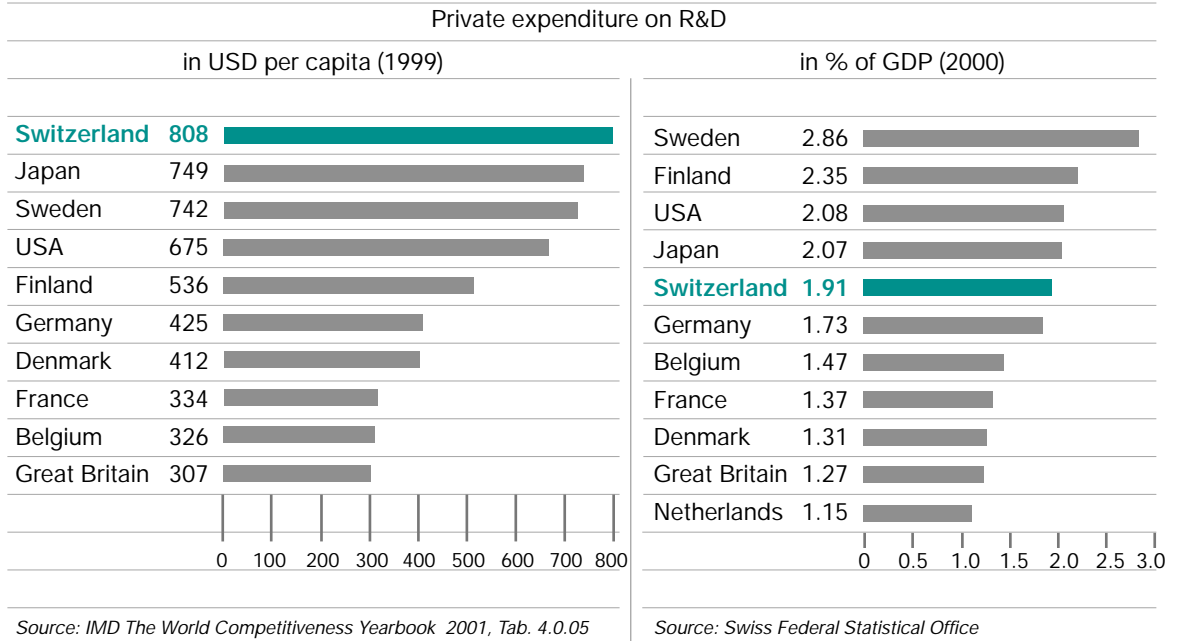
R&D expenditures



Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.3.03

↳ www.imd.ch/wcy.htm

Business Expenditure on R & D



Research and Development: Country ranking

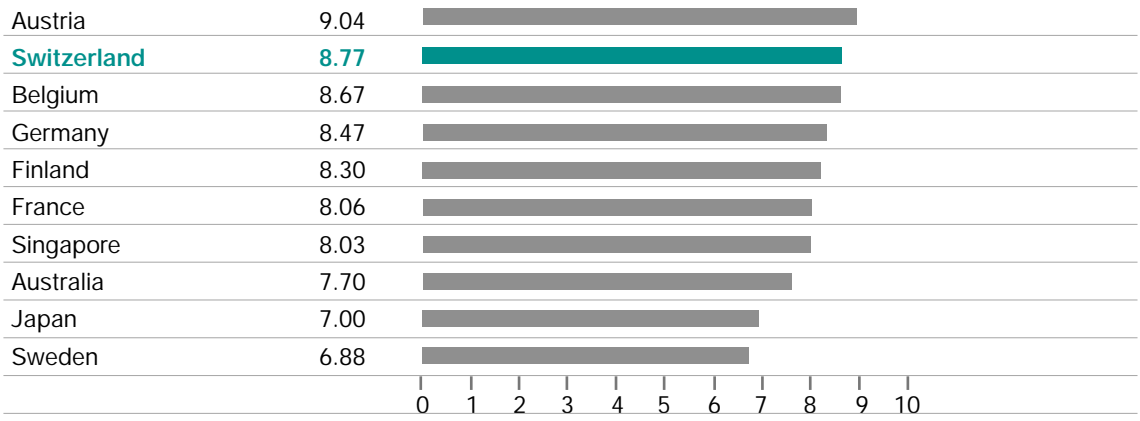
Switzerland takes a favourable position with respect to cost-relevant factors. The enormous commitment to research and development is evidenced by the top position. The analysis ranks the positions of 47 countries.

Characteristic	Per capita R&D expenditure	R&D per capita % of GDP	Employment in Expenditure in	Nobel prizes R&D per capita	Active patents per capita
Year	1999	1999	1999	2000	1998
Sweden	3	1	3	1	3
Switzerland	1	5	5	2	2
USA	4	6	-	5	14
Japan	2	2	4	19	8
Denmark	6	11	6	4	10
Germany	7	8	9	8	15
Netherlands	11	12	10	7	7
Finland	5	3	1	24	16
Great Britain	15	16	30	3	-
IMD Tab. ...	4.3.02	4.3.03	4.3.07	4.3.14	4.3.21

Source: IMD The World Competitiveness Yearbook 2001

Public health infrastructure

Quality of health care (highest score = 10)



Source: IMD The World Competitiveness Yearbook 2001, Tab. 4.4.05

Housing costs

	3-Room apartment Rent in CHF / month from * to *	
Agglomeration Zurich	785	1,795
Suburban area of Zurich	1,020	1,900
City of Zurich	1,060	1,940
Agglomeration of Berne	700	1,340
Suburban area of Berne	840	1,445
City of Berne	915	1,595
Agglomeration of Basel	765	1,500
Suburban area of Basel	935	1,690
City of Basel	915	1,425
Agglomeration Lake Geneva	840	1,565
Suburban area Lake Geneva	820	1,680
City of Geneva	980	1,680
City of Lausanne	900	1,440
Suburban area of St. Gallen	750	1,430
City of St. Gallen	775	1,310
Canton Ticino	720	1,430
Avarage for Switzerland	750	1,545
	5-Room single-family home Purchase price in CHF from * to *	
Agglomeration Zurich	495,000	990,000
Suburban area of Zurich	555,000	1,180,000
City of Zurich	500,000	1,415,000
Agglomeration of Berne	435,000	770,000
Suburban area of Berne	515,000	860,000
City of Berne	415,000	1,050,000
Agglomeration of Basel	465,000	890,000
Suburban area of Basel	560,000	1,095,000
City of Basel	405,000	1,085,000
Agglomeration Lake Geneva	500,000	1,150,000
Suburban area Lake Geneva	555,000	1,290,000
City of Geneva	495,000	1,730,000
City of Lausanne	385,000	1,180,000
Suburban area of St. Gallen	485,000	770,000
City of St. Gallen	390,000	1,010,000
Canton Ticino	450,000	1,190,000
Avarage for Switzerland	440,000	895,000

* 10% quartile and 90% quartile

Source: Raum Information Wüest & Partner AG, Zurich, 2002

Apartment rental prices by international comparison

Cities	Furnished 4-room apartment ^{1,2}			Unfurnished 3-room apartment ^{1,3}			Local rental costs ⁴
	Price range in CHF			Price range in CHF			in CHF
	Expensive	Medium	Economical	Expensive	Medium	Economical	Average
Amsterdam	4,960	2,840	1,770	2,920	1,880	1,200	660
Berlin	2,960	2,280	1,720	1,520	1,180	730	890
Brussels	2,420	1,740	1,160	1,160	970	770	1,160
Geneva	3,250	2,150	1,600	1,700	1,300	1,000	1,100
London	7,630	6,110	3,560	6,110	4,070	2,040	2,160
Milan	3,020	1,970	1,210	2,090	1,340	1,020	990
New York	12,050	7,480	5,070	7,770	3,650	2,910	2,240
Paris	3,570	2,860	2,030	2,340	1,620	1,280	1,310
Stockholm	2,460	1,560	1,090	1,430	1,000	780	950
Tokyo	9,760	5,860	4,960	5,080	3,590	1,800	2,810
Vienna	3,350	2,720	2,210	1,700	1,360	1,140	960
Zurich	3,800	2,900	1,900	2,700	1,900	1,400	1,280

¹ Average rental value (ignoring extreme values) per month which a person in search of an apartment likely had to pay at the time of the survey.

² The rental values are based on apartments constructed after 1980 (4 rooms plus kitchen, bath, with garage), including all incidental costs, which conform to the living comfort desired by Europeans in management positions and are located in an area preferred by them.

³ The rental values are for apartments constructed after 1980 (3 rooms plus kitchen, bath, without garage, incl. incidental costs) with average comfort to local standards, close to the city.

⁴ The figures should be taken only as approximate values, i.e. as a guideline for the average rental price level (monthly gross rent) of a majority of domestic households.

Source: UBS "Prices and wages around the world. An international purchase power comparison", 2000

Domestic purchase power of wages

Cost of living – Index summary 2001 ¹⁾

Rank	City	Index (New York = 100)
1	Tokyo	134.0
2	Moscow	132.4
3	Hong Kong	130.0
8	New York	100.0
12	London	92.9
16	Singapore	86.4
19	San Francisco	84.4
20	Chicago	83.3
32	Geneva	79.7
33	Zurich	79.5
55	Copenhagen	71.4
57	Paris	70.4
58	Milan	69.9
60	Vienna	69.6

¹⁾ The survey covers 144 cities and measures the comparative cost of over 200 items in each location. These include the cost of housing, food, clothing, and household goods, together with transport and entertainment. The data is used to assist multinational companies in determining compensation allowances for their expatriate workers.

Source: W.M. Mercer, *Worldwide cost of living survey 2001*

↳ www.wmmercercost.com

Living costs (food) by international comparison *

Time to be worked for the purchase of ...

	... 1 Hamburger	... 1 kg of bread	... 1 kg of rice
Cities	in minutes		
Amsterdam	16	10	10
Berlin	17	10	11
Brussels	21	13	17
Geneva	16	9	11
London	18	6	8
Milan	21	22	22
New York	12	15	9
Paris	19	17	20
Stockholm	19	18	23
Tokyo	9	14	15
Vienna	16	13	11
Zurich	15	10	7

* Price of the corresponding product divided by the weighted net hourly wage from 12 professions

Source: UBS "Prices and wages around the world. An international purchase power comparison", 2000

Living quality of major cities - worldwide comparison

Zurich, Berne and Geneva are among the 11 cities with the highest quality of living from among 200 cities and economic metropolises around the world.

City	Country	Value (N.Y. = 100)
Vancouver	Canada	106.5
Zurich	Switzerland	106.5
Vienna	Austria	106
Geneva	Switzerland	105.5
Sydney	Australia	105.5
Kopenhagen	Denmark	105.5
Auckland	New Zealand	105
Helsinki	Finland	105
Berne	Switzerland	104.5
Frankfurt	Germany	104.5
Munich	Germany	104.5

Source: William M. Mercer Companies LLC, Worldwide Quality of Life Survey 2001

↳ www.wmmercer.com/global/english/resource/resource_news_topic_022501a.htm

Holidays in Switzerland

Principle

The Cantons have the sole responsibility for declaring public holidays. The Swiss Federal legislators have defined only August 1st as a national holiday. This holiday is treated in all of Switzerland like a Sunday.

Public holidays (nationwide)

New Year	January 1 st
Berthold's Day	January 2 nd
Good Friday	
Easter Monday	
Ascension Day	
Whit Monday	
Independence Day	August 1 st
Assumption	*
All Saints' Day	November 1 st
Immaculate Conception	*
Christmas Day	December 25 th
Boxing Day	Dezember 26 th

* only in Cantons or regions with majority of roman-catholic population

Additional information

List of holidays:

A complete list of the holidays designated as public non-working days will be published in an appendix to the Swiss Labor Law (ArG) per end of 2002. Not mentioned are holidays that always fall on a Sunday.

Calendar:

"Feiertage Schweiz 2002/2003", Ackermann Druck AG, CH-3097 Bern-Liebefeld (German only)

Effect on the employer

Wage payment:

Wage payment for working time lost on account of holidays is a matter of the Swiss Civil Code and as such does not fall within the jurisdiction of the Cantons. The Swiss Federal legislators did not prescribe mandatory wage payment for holidays. The wage payment is, therefore, to be regulated by the employment agreement.

Permission to work on holidays:

For work on holidays which the Cantons have designated as being equal to a Sunday, a permit for Sunday work is needed and possibly also a police permit in accordance with the Cantonal rest day law. No permit is needed for businesses that are exempt from Sunday work prohibition (Ordinance 2 to ArG).

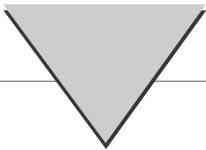
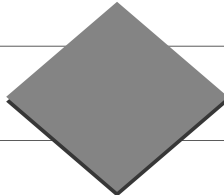
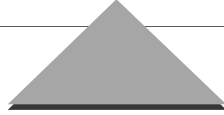
↳ www.admin.ch/sr Topic Labour Law ArG (Site in German only)

Task sharing Federal Government - Cantons in industry and trade promotion

1. Outline

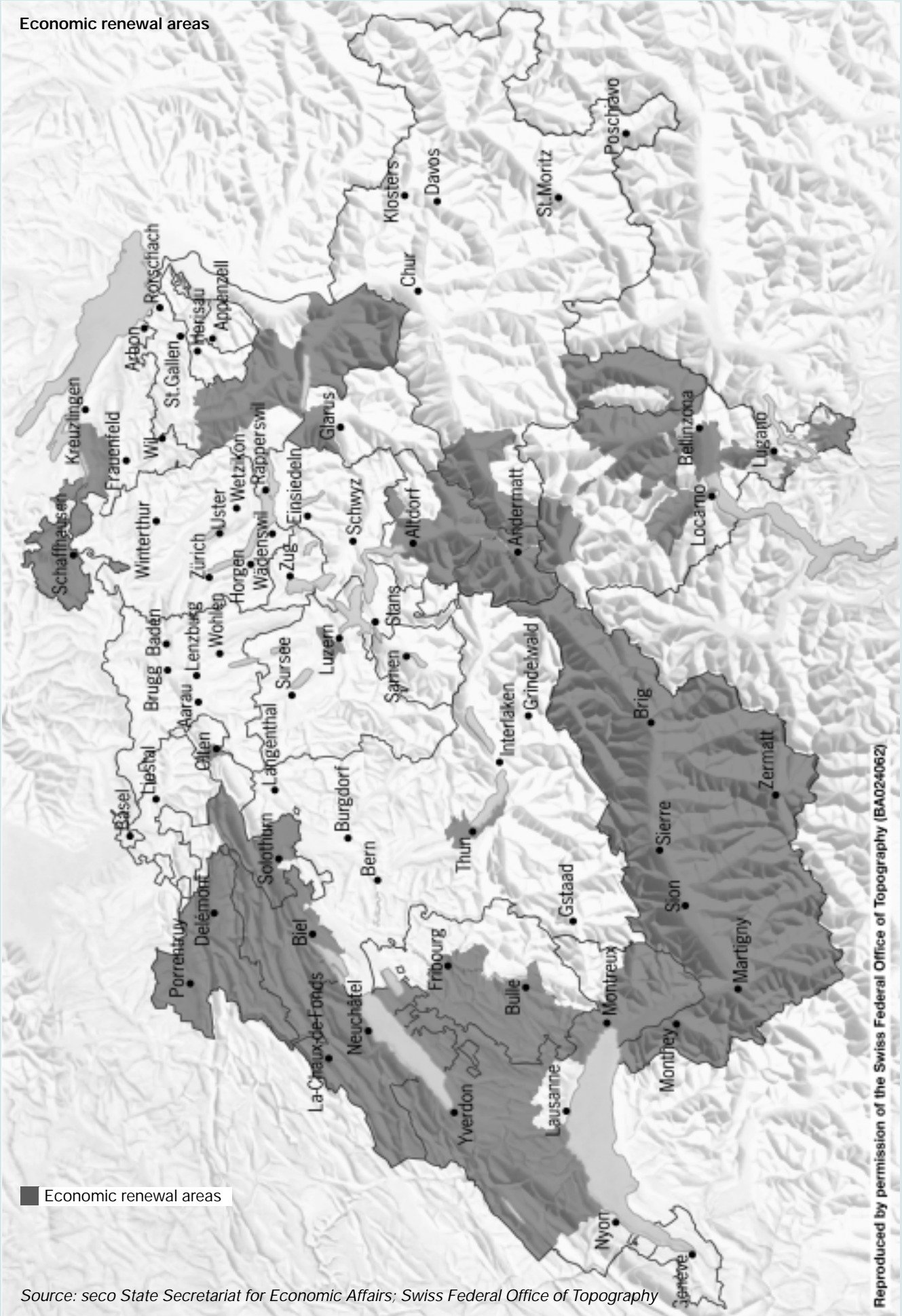
- Market prospecting and provision of information, particularly abroad, are essentially tasks of the Swiss Federation and handled by "Location:Switzerland". However, the Cantons are also consulted.
- In concrete customer acquisition the Cantons are competitors and play a central role. They also implement the Federal promotion measures in their own territory.
- Local cultivation of customer relations - also after the investment has been made - is organized by the Cantons through their closest contact points: the regions and municipalities.

2. Example of the self-positioning of a Swiss Canton in the location promotion

Tasks	Actors	Federal Government	Cantons	
		Location:Switzerland	Cantonal Industry and Trade Promotion	Region/City/Municipality
Economic information				
Acquisition				
Customer relations Reception				

Source: Own representation according to KAWE Berne

Economic renewal areas



Source: seco State Secretariat for Economic Affairs; Swiss Federal Office of Topography

Reproduced by permission of the Swiss Federal Office of Topography (BA024062)

Federal assistance programs for economic renewal areas

Fact sheet with examples

The assistance package of the Swiss Federal Government for the benefit of economically significant investment projects in so-called economic renewal areas (see map) comprises three instruments. These can be used cumulatively.

1. Guarantees for investment credits of a bank up to one third of the total costs of the project. Maximum duration of the guarantee: 8 years.
2. Interest cost subsidy on bank credits up to one third of the total costs of the project. Maximum duration of the interest subsidy: 5 years
3. Tax relief in form of partial or complete exemption from direct Federal taxes for a period of maximum 10 years.

The precondition are that :

- the investment project promises a positive effect on the regional labor market
- the project has a significant investment content, and
- is suitable for improving the economic base of the region in the sense of diversifying the employers and industries

The individual qualifying criteria and conditions are summarized in the leaflets of the responsible Federal office [↳ www.seco-admin.ch](http://www.seco-admin.ch) ➔ Business location Switzerland (leaflets in German)

The Federal development subsidies are tied to the respective activities of the Cantons. The Cantons must participate at least in the same scope as the Swiss Federation and for each of the incentive instruments applied: By assuming half the risk of the guarantee granted by the Federation, by assuming half of the interest subsidy costs, as well as by granting tax relief on Cantonal and Municipal taxes at least for the same duration and in the same scope as the Swiss Federation.

The applications are always processed by Industry and Trade Promotion office of the respective Canton which also provide information on the application procedure. A preliminary discussion with the Cantonal Industry and Trade Promotion office, with participation of the lending bank, is advisable.

See 14.1 Addresses of Cantonal Industry and Trade Promotion offices

In practice it makes a difference whether the project to be supported is predominantly a "hard investment" (building, machinery, equipment, patents) and largely consists of expenditures that are capitalized on the balance sheet, or whether the major part of the investments to be financed are setup and startup expenditures (development, marketing, engineering, research). This influences the amount of possible financial assistance. This can best be clarified based on two examples:

Continued on next page >

Example 1

Construction and expansion project of a company that is manufacturing precision components in the field of medicinal technology. The premises are leased. The company is a subsidiary of an international group. Location in the Jura region (which formerly was a mono-structured "watchmaker region"). Creation of additional 25 to 40 jobs for qualified personnel and employees that are to be retrained in engineering, production, development and marketing. Project to be completed within 3 to 4 years.

	in CHF	Comment
<i>Investments to be financed:</i>		
"Hard" investment costs	7,000,000	Purchase of land, building costs, furnishings, machinery
Start-up costs	2,000,000	Marketing, development
Total costs	9,000,000	Qualifying project costs against which the incentive subsidies are measured
<i>Financing structure:</i>		
Equity	3,000,000	Share capital increase, shareholder loan
Bank financing I, "normal"	3,000,000	Terms depend on rating of the company by the lending bank; maturity not earlier than credit II for which guarantee is given
Bank financing II with guarantee	3,000,000	= Maximum guarantee because 1/3 of total costs
<i>Interest subsidy</i>	Federation: $\frac{1}{4}$ Canton: $\frac{1}{4}$ = 1/2 of market interest rate during 5 years	on 3,000,000 at market interest rate of 6% results in cumulative interest savings over 5 years of CHF 450,000
<i>Tax relief:</i>		Dependent on impact of the project on the national and regional economy
Canton (incl. Municipality)	8 years	Complete exemption from profit and capital tax by Canton and Municipality where company is domiciled
Federation	Same as Canton	Complete exemption from profit tax (there is no capital tax at Federal level)

Continued on next page >

Example 2

Establishment of a Swiss branch by a software development company. Premises to be rented in the chosen region in which metalworking has traditionally been the dominant industry. Phased creation of 30 to 80 jobs within 2 to 5 years is expected.

	in CHF	Comment
<i>Investments to be financed:</i>		
"Hard" investment costs	1,000,000	Furnishings, machinery and equipment
Start-up costs	6,200,000	Marketing, engineering, research and development
Total costs	7,200,000	Qualifying project costs against which the incentive subsidies are measured
<i>Financing structure:</i>		
Equity	2,400,000	Share capital, subordinate loans
Bank financing I, "normal"	3,300,000	Terms depend on rating of the company by the lending bank; maturity not earlier than credit II for which guarantee is given
Bank financing II with guarantee	1,500,000	= Maximum amount of the guarantee because at least 2/3 of the guaranteed credit is used for financing "hard" investments. Maximum 1/3 of the guaranteed loan and/or interest subsidy may be used for financing start-up costs
<i>Interest subsidy</i>	Federation: $\frac{1}{4}$ Canton: $\frac{1}{4}$ = $\frac{1}{2}$ of market interest rate during 5 years	on 1,500,000 at market interest rate of 7% results in cumulative interest savings over 5 years of CHF 262,500
<i>Tax relief:</i>		Dependent on impact of the project on the national and regional economy
Canton (incl. Municipality)	8 years by 100% + 2 years by 50%	Regressive exemption from profit and capital tax by Canton and Municipality where company is domiciled. Maximum duration
Federation	Same as Canton	Regressive exemption from profit tax (there is no capital tax at Federal level)

Leasing costs that form part of the project financing may be taken into consideration in the total costs but cannot be covered by the guarantee.

Outlook

This incentive program has been extended until June 30, 2006 and expanded so that also institutions and individual projects for joint business promotion such as business parks, trade shows, competence and service centers, contests for young entrepreneurs, joint sales and marketing efforts of multiple companies or entire business sectors, etc. can qualify.

Source: Own representation based on [↳ www.seco-admin.ch](http://www.seco-admin.ch) Standortpolitik, Bundesbeschluss zugunsten wirtschaftlicher Erneuerungsgebiete, Instrumente

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SEIN Swiss Export Information Network
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Abbreviations

Some of the most frequently mentioned abbreviations in this handbook and in the documentation of the Cantonal industry and trade promotion offices are spelled out below.

AHV	Social security insurance system (government sponsored)
ALV	Unemployment insurance
BFS	Federal Statistical Office
BVG	Federal law on compulsory company-sponsored pension plans
CHF	Swiss franc
CTA	Collective Tariff Agreement
DTT	Double taxation treaties
EO	Wage continuation during militia service
FOCA	Federal Office for Civil Aviation
GAV	Collective tariff agreement
HVF	Heavy Vehicle Fee
IMD	International Institute for Management Development
IV	Disability insurance
OR	Swiss Code of Obligations
OSEC	Business Network Switzerland
SFSO	Federal Statistical Office
seco	State Secretariat for Economic Affairs of the Swiss Federal Department for Economic Affairs
SWX	Swiss stock exchange

Cantons:

AG	Aargau	NW	Nidwalden
AI	Appenzell Inner Rhodes	OW	Obwalden
AR	Appenzell Outer Rhodes	SG	St. Gallen
BE	Bern	SH	Schaffhausen
BL	Basel-Country	SO	Solothurn
BS	Basel-City	SZ	Schwyz
FR	Fribourg	TG	Thurgau
GE	Geneva	TI	Ticino
GL	Glarus	UR	Uri
GR	The Grisons	VD	Vaud
JU	Jura	VS	Valais
LU	Lucerne	ZG	Zug
NE	Neuchâtel	ZH	Zurich

Checklist

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**Confidential information
on investment project in Switzerland
(Checklist)**

The following information is helpful for efficient and fast processing of the investment project. This questionnaire contains all information required by the chief representative of the Swiss Government or the State Secretariat for Economic Affairs (seco) and the Cantonal Industry and Trade Promotion representatives who need to be included in project so that appropriate proposals and offers can be prepared. The information should be as complete as possible so that time consuming checkbacks can be avoided. **All information provided will be treated confidentially.**

1. **Prospective investor**
- 1.1 Name and address of the company
(to which future correspondence is to be addressed, if desired. Will be marked as confidential)
- 1.2 Telephone number Extension number
- 1.3 Supplementary telephone number (mobile phone)
- 1.4 Fax number
- 1.5 Responsible contact person for project
- 1.5.1 Function / position
2. **Company information**
- 2.1 Date company has originally been founded in the home country
- 2.2 Entry in commercial register, place/number
- 2.3 For corporations: Share capital
For limited liability companies, partnerships: Name of partners
- 2.4 Subsidiaries outside the home country
- 2.5 Number of employees
- 2.5.1 In home country
- 2.5.2 Total, including subsidiaries
- 2.6 Turnover fiscal years 2000 2001

3. Mission of the company

- 3.1 Products manufactured or services provided in home country (if possible, supply brief company documentation, brochures or the like that amplify this)
- 3.2 Products to be manufactured or services to be provided in Switzerland
- 3.3 Will the new Swiss company supply only the Swiss market or also export markets?
- 3.3.1 If also export markets, which are the principal ones

4. Real estate

- Planned is
- Purchase/lease of industrial land
- Purchase/rental/leasing of a building

Requirement:	Immediate	Medium term	Long term
Land m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Manufacturing area m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Special rooms m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Offices, number/m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Roofed warehousing area m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Outdoor storage area m ²	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>		
Special requirements of the building or land (e.g. statics)	<input type="text"/>		

5. Infrastructural requirements

- (Transport access, energy consumption, water, waste water, possibly special sewage treatment systems)
- Are particular emissions to be expected from the planned manufacturing site?

6. Personnel requirement

Vocational groups, qualification

Number

Immediately

Medium term

Long term

7. Work and residence permits

Are work and residence permits required for company owner, management personnel

or specialists?

Yes

No

If yes, how many?

8. Economic ties to Switzerland

8.1 Do any relevant economic ties to Switzerland exist already (e.g. key customers, suppliers)?

8.2 Required subcontractors, suppliers or services

9. Preferred or excluded sites

9.1 Which Cantons or regions have already been taken into consideration?

9.2 Which region will be excluded with certainty and why?

10. Time schedule

When shall the project be realized?

11. Supplementary information

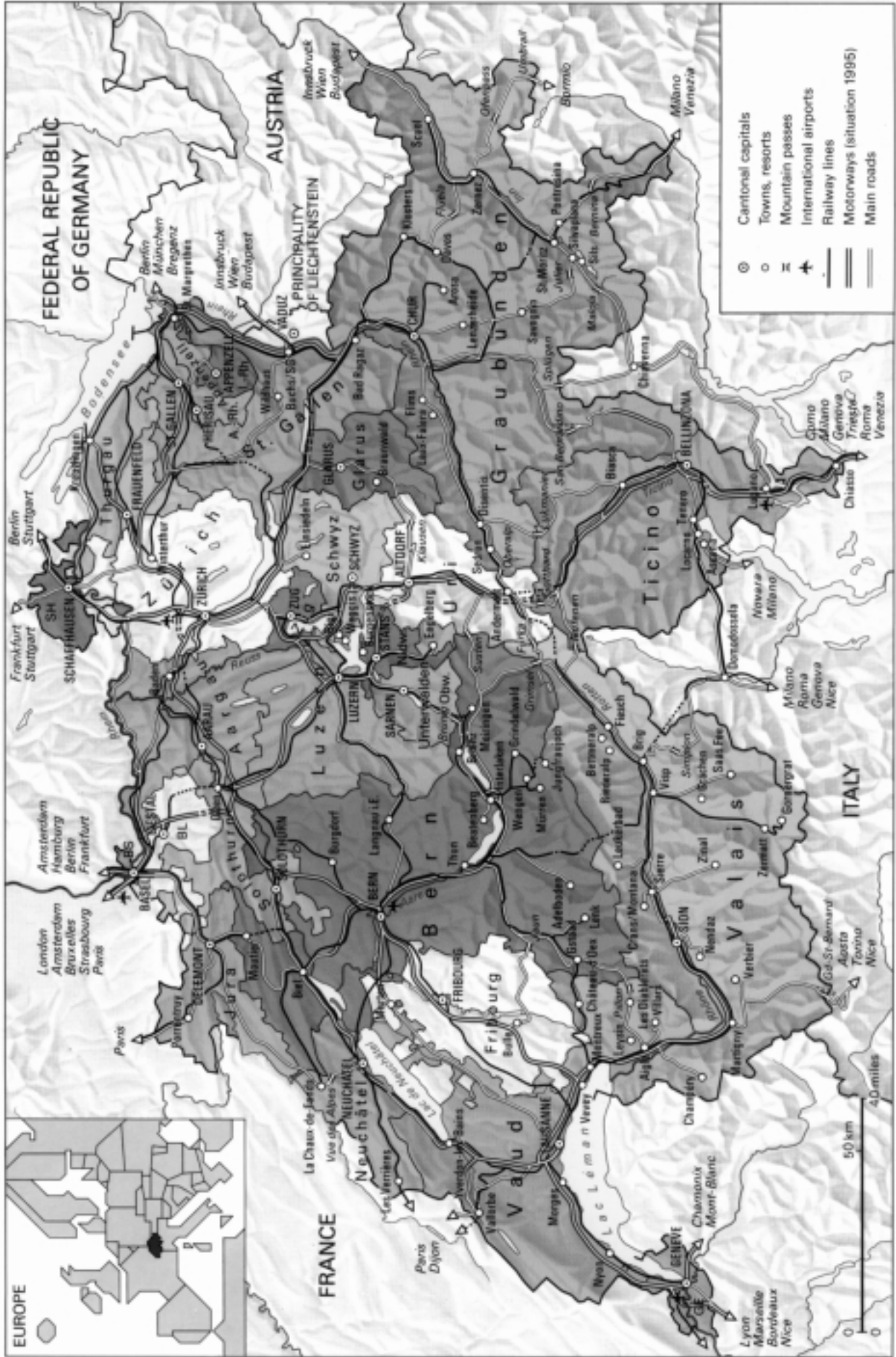
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Place, date

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Switzerland



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For your personal notes

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VISCHER

ATTORNEYS AT LAW

Zurich

Basel

Our team of 60 attorneys will advise you in all legal and tax matters regarding investments in Switzerland.

Acquisition of a Swiss Company ...

27 Tax Systems ...

Value-Added-Tax ...

Transfer Prices !

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Specialists are available to you in the following fields:

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- Real Estate and Construction
- International Trade
- IT, Telecommunications
- Machine Industry
- Media and Entertainment
- Life Sciences, Health
- Private Clients

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