

Further general conditions

Entry, acquisition of real estates, labour law, social insurance law, industrial property law, quality assurance, legal aid

Work and Residence Permit

The presence of **foreigners in Switzerland** for gainful purpose requires **permission**. Permission for employees entering for the first time is primarily granted to citizens from states of the European Union (EU) and then to citizens from states of the other traditional recruiting areas (e.g. U.S.A., Canada etc.)

For annual or short-term residents entering Switzerland for the first time for taking up gainful employment and residence the KIGA (Kanton office for industry, Trade and work) shall check if the requirements for exercising a gainful employment are fulfilled. Based on this decision the KAFA (Kanton office for foreign affairs) will issue a residence permit.

Currently, efforts are being made to **liberalize** the **Swiss foreigner policy**.

Short-term residence permits (4 months)

The following requirements must be fulfilled to grant a short-term residence permit:

- Duration and purpose must be fixed in advance.
- The foreigner can not replace (rotation) another short-term resident or seasonal worker.
- The foreigner must not have lived in the previous year in Switzerland for gainful employment with a seasonal permit for more than seven months.
- The number of short-term employed foreigners may only exceed one-fourth of the total staff in the facility in proven exceptional cases.

Short-term residence permits (6 months)

Such permission will only be granted if the KIGA grants a unit from the Kanton quota and a federal quota of the Federal Office for Foreign Affairs can be utilized. This permission does not allow you to bring family members. This permission can neither be extended nor renewed.

Seasonal permission

Such permission will only be granted to employees who will take up their gainful employment on seasonal facility (building trade, agriculture, catering trade etc.) for which the KIGA has allocated a unit from the Kanton quota.

Annual residence permit

The Kanton Office for Foreign Affairs or the Federal Office for Foreign Affairs can grant such permission (permit „B“), if the following requirements are fulfilled:

- Taking up residence in the Kanton Zug
either:
- qualified training or
- special knowledge or
- management function in international enterprises
- creation or maintenance of jobs
- allocation of a unit from the Kanton quota through the economic directorate

Residence permit

A residence permit („C“) may be granted to the foreigner after many years (as a rule 5 to 10 years) and an uninterrupted stay.

Unlike stay permit the residence permit is unconditional and unlimited.

Domiciliation in Switzerland?

We would like to advise you.

Acquisition of Real Estates

In the Kanton Zug it is by far possible to purchase real estates without restriction and permission. No restrictions exist for the acquisition of real estates through Swiss companies as well as for foreigners holding residence permits (permit “C”). They are not considered as foreigners. They may acquire all types of real estates without permission.

Acquisition for business purposes

Foreign companies as well as foreigners with an annual residence permit (permit „B“) or having residence in a foreign country may in exceptional cases acquire without permission business premises and business spaces for their own company and also business premises and business spaces which are hired or leased from third parties. The acquisition for own needs may also cover building land. In this case, it is recommended to contact the economic directorate.

Acquisition for dwelling purposes

Foreigners holding an annual permit (permit „B“) can acquire real estates up to 3'000 sqm. For their own dwelling purposes without permission. The acquisition of larger areas is possible, it must however be agreed with the economic directorate. The acquisition of real estates for dwelling purposes is basically not possible for foreign companies.

Labour Law / Employment

Unlike most of its European neighbours Switzerland has a **liberal** labour law. With regard to the content and termination of the employment there are less mandatory provisions compared to abroad.

In addition, the Swiss labour law is relating to employees' inventions and developments of trade specimens and models are markedly **employer-friendly**.

In Switzerland only a few working days are lost on worldwide basis to walkouts or strikes. The majority of employees are **not organized in trade unions**.

It is significant that Switzerland has not only a well developed school system, but also four national languages and the local workers are therefore highly qualified above average in respect of languages. In addition, many advance training institutions ensure a well-founded training of the workers.

Social Insurance Law

The social precaution in Switzerland is based on three risks: Age, death and invalidity according to the three-column principle: The state-run basic insurance (1st column) is supplemented by the occupational precaution (2nd column) and completed by the **private, tax-reducible individual precaution** (3rd column) as required.

Insurance cover		Liability
1st column: Existence security: Minimum security of the existence at old age and in the event of invalidity	AHV/IV	10,1 % from wages equally paid by employer and employee
2nd column: Occupational precaution: Protection of the usual life	BVG	Equally paid by employer and employee
3rd column: Voluntary, individual additional precaution		Basically payable by employee

An international study shows the varying mandatory employer's shares in different countries as percentage of the average income:

Country	Employer's share	Share compared to Switzerland
Switzerland	16 %	100 %
Germany	23 %	144 %
France	47 %	294 %
Italy	50 %	313 %
Austria	26 %	163 %

Employers in Switzerland have therefore an appreciably lower burden through social insurances than employers in our neighbouring countries.

Concrete load to the employer

The employer must usually contribute to the following social insurances. The employers' contributions are on average based on the following percentages of the relevant wages:

Old-age insurance (AHV)	4,20 %
Invalidity insurance (IV)	0,70 %
Income replacement (EO)	0,15 %
Unemployment insurance (AVIG)	1,50 %
Family allowance	1,60 %
Accident insurance	2,00 %
Occupational precaution (BVG)	6,00 %
Total	16,15 %

Basically the employer pays his share to some of these insurances. Contact for the insurance organs is usually the employer.

Industrial Property Law

As a traditional country of inventions Switzerland offers a comprehensive international and national commercial legal aid. Therefore, Switzerland has entered into all relevant international treaties for the protection of industrial properties. At national level, it should be emphasized that the Federal Office for intellectual properties has been privatized and modernized.

Quality Assurance

In 1999 a **new law** (Money Laundering Act) was ratified in Switzerland imparting due diligence on companies in the finance service sector. This law is strongly leaned against the due diligence which is already applicable to banks.

Legal Aid

Switzerland has a comprehensive legal aid system at Kanton as well as at Federal level. Government agreements with other states warrant that the judgements delivered in Switzerland are subjected to a simplified enforcement.