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Services for recruiting agencies in Switzerland

SECO guidelines

Recruiting agencies in Switzerland are subject to SECO guidelines (PAV Weisungen AVG, available in German, French and Italian). These state that every recruitment agency in Switzerland must apply for a license and requires a person who, as the responsible director, applies for and subsequently holds the company's license. For simplicity, we call this responsible person the "license holder", although the license is issued to the company in each case. However, without a "license holder", this license is not valid.

This "license holder" must meet certain requirements, e.g. he must be Swiss or have at least a B, better a C license and have several years of professional experience. The "license holder" is also personally liable for the correct completion of administrative tasks in the area of human resources, e.g. registration with social insurance and pension funds, payment of all contributions, but also all contacts with the Swiss authorities. He is the official representative of the company in Switzerland. However, the "license holder" is not responsible for the recruitment of personnel.

SECO requires the "license holder" to work at least 50% of the time for the licensed company. This must be proven in the license application, e.g. with an employment contract. Exceptions are granted if a "license holder" works for several companies (up to three) at the same location.

In summary, the "license holder" is thus liable for the above-mentioned processes, is obliged for legal reasons to work for the licensed company in a fixed workload and is on its payroll. Therefore, it makes sense that the "license holder" takes over work and has the supervision of processes that cover his entire area of responsibility. In this way, the "license holder" can both, fulfill his responsibility and contribute his knowledge to the licensed company.

Important: in Switzerland, placed candidates are by default temporary employees of the agency licensed by SECO and are considered temporary employees. Employment contracts are concluded with them, which must comply with SECO standards.

In exceptional cases, however, it is also possible to conclude B2B contracts with the GmbH of a contractor. However, these contracts must meet certain conditions so that there is no pseudo self-employment.



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Our Services

- Incorporating your business in Switzerland
- Help in finding the best form of organization and process
- Application for the necessary licenses
- Providing you with suitable office premises in the low-tax Canton of Zug
- Search for a qualified "license holder" or....
- Providing the "license holder"

The "license holder" provided by us must be employed by the company with a predetermined amount of work, as required by SECO. The following services, among others, can then be provided by this "license holder" (the services can also be provided by qualified employees):

- Management and representation of the company
- Management and organization of the entire Swiss office depending on the business structure*
- Compliance, especially for the recruitment business in Switzerland
- Application for permits, dealing with the authorities
- Business Management, dealing with customers and employees
- Trust services and tax consulting

All these services can also be performed by us without providing the "license holder" ourselves. For this purpose, we can offer knowledge of 13 years of experience in consulting and coaching start-up companies and 4 years of experience in managing international recruitment companies in Switzerland.

* Services in detail

- **Point of contact:** For parent company, Swiss partners, clients, authorities and employees
- **Accounting:** Collecting incoming bills (in Switzerland, invoices are usually sent as paper copy), accounting independently or in cooperation with the accounting department of the company, e-Banking, VAT and tax return. As for payroll, please see below.
- **Payroll:** Service is carried out by our partner company, a highly qualified full-service payroll provider. However, the entire process is controlled and monitored by us.
- **Compliance:** We provide all compliance services for the Swiss agency either ourselves or, if external expertise is required, with our partner attorneys.
- **Further services:** Postal service; collaborating with the authorities; storage of documents, such as contracts, official documents, bills etc., because such documents usually will be paper posted in Switzerland; applying for work permits; dealing with insurance companies and pension funds; dealing with clients when necessary; signing contracts (only as the "license holder"); providing contractors with necessary information for their daily life in Switzerland etc.
- **Supervising:** All the processes have to be supervised by the "license holder", as this person can held personally liable in certain cases.
- **Important:** The above is a working example of what we can do for the agency. This depends on how the agency would like to organize the workflow in Switzerland and how this workflow integrates in the agencies existing structure.



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Cost estimate

Incorporation and License

- Incorporation of company, external fees for lawyer etc.: **CHF 2,500 - CHF 4,000**
- Application process, official fees of the authorities: **CHF 2,750 - CHF 3,500**
- Hourly rate for compliance services: **CHF 220 per hour.**
Hourly rate for administration services: **CHF 140 per hour.**

Capital for limited liability company and bank guarantee for the staff leasing license

- Limited liability company (GmbH): **CHF 20,000**
- Public liability company (AG): **CHF 100,000**
- Staff leasing license: security deposit of **CHF 100,000** (deposit guarantee, cash on bank account or medium-term obligation) is mandatory

Office space according to SECO guidelines

- For agencies with up to 25 temporary employees. from **CHF 499/mt.**
- For agencies with more than 25 temporary employees, from **CHF 790/mt.**



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FAQ's

Cost of adviser to help us

Total cost depends on how much there is to organise.
Fee is CHF 220 / h

Rough estimate on time to incorporate the company

If all required documents are complete, **it usually takes 2-4 weeks** to incorporate.

Incorporation costs + minimum share capital required for a Swiss agency

Incorporation of an Ltd. (GmbH): around CHF 2,500 – 4,000 for lawyer and official fees

Share capital required for **Ltd. (GmbH): CHF 20,000**

Share capital required for **PLC (AG): CHF 100,000**

Rough estimate on time to get the licence

As always, this depends on several variables, such as completeness of the mandatory documentation, the workload at SECO, etc.

In our experience, it takes **between 6 and 10 weeks after company incorporation to obtain all cantonal and SECO licences (1 - 3 weeks for cantonal only).**

When we receive the Canton licence what does this allow us to do in recruitment terms that we can't do unless we have the SECO? For example could we place local Swiss people in Switzerland if we only had a Canton licence?

With the cantonal permit, you can recruit contractors who are either Swiss nationals, have a C or B permit and live in Switzerland, or already have a valid G permit, which can be extended. For EU/EFTA and other foreign contractors without the above permits, you need a SECO permit.

Director to work for us - minimum number of days we would need to pay someone for and is it an easy role to fill

Mandatory according to SECO are 2.5 days per week or a 50% presence for an agency. However, in order to reduce costs at the beginning, we usually agree on a **40% presence** time with the agency at the beginning.

The **role of the managing director is complex**. In order to obtain a SECO license in the first place, certain requirements must be met.

Good knowledge of Swiss legislation, experience in human resources, experience in managing a Swiss company as well as **language skills** are also in our experience indispensable for building a successful business.

Of course, many tasks can also be performed with external providers. However, by law, **the „license holder“ has a certain personal responsibility** and must be able to monitor the processes, if only out of self-interest.



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Cost of an office

According to SECO, a Swiss employment agency must provide its own office space, which must meet certain requirements (e.g. lockable cabinets, etc.). No bogus rental agreements are allowed (e.g. sublease with a lawyer). This will be checked by SECO.

Office space that **meets all the legal SECO requirements** can be rented here in the **business center (low tax Canton Zug) from CHF 849/month** (if I am the "license holder", the office space must be here by law).

Any other fees for setting up or running a company?

Mandatory is **pension fund, accident insurance, social security** and **daily sickness benefits insurance**, where the costs will be split between employer and employee.

Also mandatory is a **liability insurance for the company (approx. CHF 2,000 per year)**.

Cost of getting a license(contract & perm)

Official fees for the licenses are up to **CHF 3,500**

We would want to provide perm and contract

There is a **SECO license for Perm (no deposit required)** and one for **Perm and Contracting (CHF 100,000 deposit)**.

We would likely have Umbrella workers & freelancers. Is this possible

This is an important point: Placed candidates are by default temporary employees of the agency licensed by SECO and are considered temporary employees. Employment contracts are concluded with them, which must comply with SECO standards.

In exceptional cases, however, it is also possible to conclude B2B contracts with the GmbH of a contractor. However, these contracts must meet certain conditions so that there is no pseudo self-employment.

Cost of payroll

Organized with our full service provider, it starts **around CHF 1,500/month for 20 contractors**.

Best location for Pharma and Biotech Businesses

There are two major hubs for Pharma and Biotechs in Switzerland: Basel and Zug / Zurich. **We are located in Zug, which is a low tax canton.**

Any other costs missed out?

As mentioned above, for **contract (staff leasing)**, a **deposit of CHF 100,000 (deposit guarantee, cash on bank account or medium-term obligation)** is mandatory.



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In brief: incorporating a recruitment agency in Switzerland

- Determination of a qualified "license holder"
- Determine the location of the company
- Conclusion of a lease agreement for office space
- Establishment of the company (GmbH or AG; limited liability company or public liability company) with a lawyer
- Set up a Swiss bank account with online banking access
- Application for the Cantonal and SECO licenses
 - Collecting and submitting all necessary documents to the relevant cantonal office
 - After receiving the cantonal permit, submission of all documents to SECO (State Secretariat for Economic Affairs)