

## **Manager / Director of a Sàrl or SA in Switzerland**

**Since 2015, a company founded in Switzerland (Sàrl or SA) must be represented by a person residing on Swiss soil. Foreigners who do not reside in Switzerland can therefore not set up a company. Hutter Consulting offers you a solution: management mandates**

### **Who needs it ?**

Since 2015, foreigners who wish to create a capital company (SA and Sàrl) in Switzerland and who do not reside there themselves need a representative domiciled in Switzerland. In the case of a Sàrl, art. 814 al. 4 provides that the company must be represented by at least one manager or director domiciled in Switzerland. With regard to a SA, Art. 718 al. 4 CO stipulates that at least one member of the board of directors or a manager must be domiciled in Switzerland. For small businesses, it is usually a fiduciary agent who takes on this role and takes care of the administration of the firm.

### **What are the tasks of a Manager or a Director ?**

A manager or a member of the board of directors ensures the organization and administration of the company and is responsible for all matters which are not the responsibility of the general meeting. In accordance with art. 810 para. 2 CO, this includes in particular the following obligations :

1. exercise the senior management of the company and establish the necessary instructions;
2. decide on the organization of the company within the framework of the law and the articles of association;
3. set the accounting principles and financial control as well as the financial plan, insofar as this is necessary for the management of the company;
4. exercise supervision over people responsible for parts of the management to ensure, in particular, that they observe the law, the articles of association, the regulations and the given instructions;
5. prepare the management report (annual financial statements, annual report and, where applicable, group accounts);
6. prepare the shareholders' meeting and execute its decisions;
7. inform the judge in the event of over-indebtedness.

In the event that there is only one manager, the latter must also perform the following functions in accordance with para. 3:

1. convene and lead the assembly of associates/partners;
2. make all communications to associates/partners;
3. ensure that the necessary requisitions are filed with the office of the commercial register.

According to art. 716a CO, the Board of Directors must also appoint and dismiss the persons responsible for the management and representation of the company.

#### **What are the responsibilities of a Manager or a Director ?**

Although only the assets of the company are engaged in the event of debts of a capital company, art. 754 CO provides that directors and managers can also be held personally liable. If there is damage and it can be proven that a director or manager has intentionally or negligently breached an obligation and there is a link between this breach and the damage, he is personally liable. For example, the manager is liable for value added tax and unpaid social security contributions. A management mandate is therefore not without risk and often requires the payment of a deposit.

#### **How much does this service cost ?**

Hutter Consulting offers management mandates from CHF 5,000 per year.