

1. Corporate

1.1. Relationship between founders

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
1.1.1.	Equity split & expectations	The share distribution and the contribution of each co-founder are discussed and agreed on in writing.	Co-founder disputes will happen. The question is whether or not you can resolve them. By discussing the equity split and being clear on the expectations, you find out quickly whether the co-founders are aligned.	You can use models like slicing-the-pie or simply split the equity equally. The key is to have had a discussion and a clear rationale.	
1.1.2.	SHA & reverse vesting	In the shareholders' agreement (SHA), the co-founders agree to vest their shares (reverse vesting) and to grant each other an option to purchase the shares of a co-founder leaving the company early.	Life happens and co-founders quit early. Make sure the departing founder does not take too much equity away (dead equity).	Four years vesting with one year cliff is a typical reverse vesting schedule. Of course, the SHA needs to contain other key clauses (drag-along, tag-along, etc.). See further details online.	
1.1.3.	IP assignment	Each co-founder transfers all intellectual property (IP) related to the project such as software code or designs to the company.	If the IP has not been transferred, a co-founder that wrote most of the code may leave and simply keep the IP.	There is a co-founder agreement (pre-incorporation) and a shareholders' agreement (post-incorporation) in place with an IP assignment clause.	
1.1.4.	Non-compete	Each co-founder commits to not compete with the project during and	A co-founder quits to join a competitor and takes	A 6-12 month post-exit non-compete period is typical.	

		for some time after such co-founder left the project/company.	know-how / customers along. The duration of the non-compete cannot be too long, otherwise it risks being invalid.		
1.1.5.	Taxation & timing of share allocation	Co-founders have subscribed to their shares at incorporation or have at least a written record on the equity split at the time of the incorporation.	Transferring shares between co-founders after incorporation can lead to a significant tax impact if the tax value is already higher than nominal value.	Try to avoid large re-distributions of shares after incorporation.	

1.2. Relationship with investors

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
1.2.1.	Equity round vs. convertible loans	Choose the right form of financing for the investment amount and stage of your company.	An equity round takes more time, costs more money, and you have to agree on a valuation already. If the valuation is still too low, it can lead to excessive dilution early on.	For rounds with less than CHF1m investments from less than 10 investors, a convertible loan is typically the right instrument.	
1.2.2.	Financing rounds: Dilution, liquidation preference	Balance the monetary incentives between founders and investors: Avoid excessive founder dilution in early rounds. Include a liquidation preference for investors to protect their	Excessive dilution of founders in early rounds limits room for later rounds: If the founders' share is too small, their dedication to the startup	In a seed round, an investor allocation of 10-20% with a 1x non-participating liquidation preference is typical.	

		interests.	suffers. On the flipside, a liquidation preference protects investors from the founders' temptation of an early exit at a low valuation.		
1.2.3.	Convertibles: Taxation (10/20 rule)	If the total amount invested via CLAs is above CHF 500k, no more than 10 CLAs with substantially identical terms, or no more than 20 CLAs regardless of the terms are concluded.	If the 10/20 rule is not observed, there is a risk that the difference between the investment amount and the value of the shares received is subject to withholding tax of 35%.	Strictly comply with the 10/20 rule.	
1.2.4.	Confidentiality & non-compete	Investors cannot access or use any business secrets for their other own purposes. For potential competitors, a non-compete obligation is considered.	Especially with strategic investors that are in the same industry, there is a real risk that they will simply use the business secrets of the startup.	The best way to protect business secrets is to not disclose them, so having limited information rights for investors with potentially competing interests is key.	

1.3. Corporate structure & governance

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
1.3.1.	Timing of incorporation	Incorporate your company once operations start and liability risks arise.	Without a legal entity, founders are personally liable. Also, business partners and investors expect a legal entity.	Up to 3 months prior to incorporation, you can sign contracts on behalf of the 'company in incorporation'.	

1.3.2.	Location (risk of double-taxation)	The company is incorporated at the location where it is effectively managed and operated.	If your effective operations are different from your place of incorporation, you may be taxed twice: First in the Canton of incorporation and where you actually operate.	Only incorporate in a low tax Canton if you are willing to actually do business from there.	
1.3.3.	Form	Incorporate a Swiss stock corporation (AG/SA) if you intend to raise capital.	The conversion from a limited liability company (GmbH/Sàrl) to an AG costs time and money.	If you don't have the capital to pay in the minimum for an AG (CHF 50k), you can try to get a loan from an investor, friend, or family member.	
1.3.4.	Share transfers	The cap table is always up-to-date with a full record of valid share transfers (wet ink signature on the assignment!)	Any buyer of the company needs to make sure it buys the shares from the rightful owner. If there are doubts on the chain of ownership, this can break a deal.	Make sure to keep a record of all share transfers and the duly signed declarations of assignment (wet-ink or via Swiss QES). Swiss law now allows the issuance of shares on a blockchain (share tokens) which solves the issue of wet-ink signatures.	
1.3.5.	Corporate governance	Have clarity on the roles and responsibilities of each shareholder (shareholder only, advisor, board member, manager), with a clear meeting schedule.	Having regular board meetings and an annual general assembly is not just a legal requirement, it is a key instrument to ensure that the key stakeholders align on the broader strategy on a regular basis.	The board typically has 4-8 fixed meetings a year. The general assembly of shareholders must be held once a year within six months of the end of the financial year.	

1.3.6.	ESOP/PSOP	<p>The implementation of an ESOP and/or a PSOP is considered and if chosen, is implemented properly to ensure (i) the continued enforceability of the drag-along, (ii) tax optimization, and (iii) that it is clear who gets diluted by it.</p>	<p>In an ESOP, the participants become shareholders. As such, they could stop the exit by refusing to sell their shares. Ensuring the enforceability of the drag-along clause in a SHA is key.</p> <p>Tax-wise, ESOP participants are taxed upon exercising their option, even though they have not received any payout yet, but they can then benefit from a tax-free capital gain when selling the shares. On the contrary, PSOP participants are taxed upon payout.</p> <p>Be it for an ESOP or a PSOP, the implementation of the plan will dilute the current shareholders. Clarifying this topic is important to avoid any misunderstanding with investors and other current shareholders.</p>	<p>If an ESOP/PSOP is set up, the following is best practice with regard to the plan itself:</p> <ul style="list-style-type: none"> - Set up the ESOP/PSOP at the time of the company's first financing round. - Have an option pool representing 10% or more of the company's share capital (US companies tend to be more generous than EU companies). - Make sure the board of directors is in charge of the administration of the plan. - Have a 1-year vesting cliff. - Have a vesting period: lasting between 3 and 5 years. - Have 3-month vesting intervals. 	
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1.3.7.	Liquidity management & bankruptcy	Liquidity is managed to ensure the ability to pay taxes and social security contributions. In case of liquidity concerns, (i) appropriate measures are taken swiftly, (ii) no creditors are treated preferentially, and, (iii) if required by law, the bankruptcy judge is informed	The board members are personally liable for unpaid taxes and social security contributions in bankruptcy. Also, not taking swift measures or favouring creditors can lead to financial and criminal liability .	Accrue for taxes and social security in your financial planning. Subordinate the loans of shareholders and investors. In case of liquidity concerns, involve all creditors early to find debt restructuring solutions.	
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2. Regulatory

2.1. General

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
2.1.1.	Sector-specific regulation	The applicable regulatory framework and its impact on the business plan are fully understood and a conscious decision on how to approach regulation is taken.	More often than not, the reason that nobody else has done it before is because it is illegal, especially for highly regulated fields such as medicine and financial services.	Existing regulatory frameworks often do not neatly fit innovative business models. From 'move fast and break things' to '10'000% compliance', there are various approaches to tackling regulation - talk to experts in the field to ensure you make a fully informed decision suitable for your business.	
2.1.2.	Anti-money laundering &	Anti-money laundering requirements (KYC/KYB) and applicable sanctions	It is no longer just the financial sector that has to comply with	Talk to experts to ensure you are aware of requirements and	

	sanctions	are understood and complied with.	anti-money laundering laws and international sanctions, and executives can be personally criminally liable for violations.	best practices in your industry.	
2.1.3.	Consumer protection	B2C businesses are aware of the restrictions related to consumer protection and these are taken into account in the contractual setup.	Consumers are protected by law as the “weak party” in a relationship with a business. Most significantly, unusual clauses buried in the terms & conditions can be voided if it hasn’t been brought to the attention of the consumer.	Speak to experts to understand the concrete limitations and make sure your contractual setup is enforceable.	

2.2. Data protection

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
2.2.1.	Strategy	The impact of data protection regulation on the business model is fully understood and a strategy on how to tackle it is outlined.	General risks are fines for board members (in Switzerland) and for the company (in the EU) and reputational damage. For business models that process data for other companies (many B2B SaaS apps), a proper setup is needed for sales.	For most startups, understanding the key principles and having the basic legal documentation in place (record of processing activities, privacy policy, cookie policy) is enough. Also, the best data protection is good IT security. If the processing of personal data is at the core of your business (social media, B2B	

				SaaS etc.), speak to experts.	
2.2.2.	Applicable laws	It is clarified whether the Swiss FADP, the EU GDPR, both, or others are applicable.	Besides the risks under 2.2.1, it is typically much easier to directly implement compliance for multiple applicable laws than to change your processes later on.	Even if you only start in Switzerland, it often makes sense to directly comply with the only slightly more onerous EU laws to avoid double effort later on.	
2.2.3.	Data mapping / record of processing activities (ROPA)	There is an overview of the key processing activities, incl. types of personal data, controller vs. processor, and overview of sub-processors.	Only when you understand the data flows can you assess and mitigate risks. Also, this is anyhow mandatory for all companies in the EU and for most in Switzerland.	Even if you're not obliged to do one, creating a simple ROPA is a great exercise. Also, a privacy expert will be able to identify your key risks very quickly.	
2.2.4.	Privacy & cookie policy	A privacy policy and a cookies policy are implemented on the website in all languages of the website.	Besides the (rare) fines, not having the basics in place simply gives a very unprofessional impression to business partners and customers.	Do not reinvent the wheel and get a specialised service provider involved. Based on a best practice template and with the ROPA done, you'll have these policies created in no time.	
2.2.5.	Acting as processor (DPA & TOMs)	If the company processes personal data on behalf of other companies, there is a standard 'data processing agreement' (DPA) and technical & organisational measures document (TOMs) in place.	In B2B sales, not having the required documents ready can slow down or kill a sale. Also, the standard DPAs of your customers will often be very one-sided or may simply not fit your business, so it is always better to start the negotiations with your template if possible.	Understand the privacy requirements of your target customers and have appropriate documents in place to make compliance easy for their procurement. Industry experts will know what privacy best practices are with the customers you target.	

2.2.6.	Third party data processors	If the company lets other companies process personal data for which it is responsible for, there are adequate privacy obligations imposed on the processor in a contract.	As a controller, you are responsible and liable for the personal data you let processors handle.	Large vendors (Microsoft etc.) are typically compliant. Opt for EU/CH server locations where possible. With small or non-EU/CH based vendors, do your due diligence before with a focus on IT security (ISO certificate), GDPR compliance, server location (EU/CH).	
2.2.7.	Location of processing	It is clear where personal data is actually processed and, if outside of the EU/CH, adequate measures are taken.	Especially larger business customers may request processing in CH or at least the EU, and changing server locations later can be costly.	Be mindful of server locations from the start and opt for vendors with servers in CH or the EU.	
2.2.8.	Data breach / IT security incident response	There is a clear process on what to do in case of a data breach or an IT security incident.	If your company was hacked, speed is of the essence to mitigate the damage.	Your key people should know who to call and what to do before it happens, even if your systems are down.	

2.3. Accounting, taxation, social security, insurances

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
2.3.1.	Accounting	Accounting is done in accordance with legal requirements (annual balance sheet and profit & loss statement) and all relevant records (expenses, invoices etc.) are stored for at least 10 years.	For this entire section: There will be audits and investors care about your compliance. Just do it properly from the start to avoid time-consuming clean-up work and potential fines later.	If you are not an expert yourself, work with an accountant from the start - it <i>will</i> save you time and money.	

2.3.2.	Audit requirements	In principle, companies need to do a limited audit of their financials by an independent auditor. A company may opt-out if it has no more than 10 full-time employees. A company must conduct a full audit if, for two consecutive fiscal years, any two of the following three threshold values are exceeded: CHF 20M balance-sheet total, CHF 40M annual revenue, and 250 full-time employees.		Opt-out at incorporation, but make sure to appoint and auditor once you reach the 10 person threshold.	
2.3.3.	Tax planning	Understand how taxes impact your business model and address any tax risks appropriately.	Simple best practices can save you a lot of taxes. Also, tax questions can be very complex and, e.g., not levying VAT even though you would need to can lead to high tax repayments later and to personal liability of board members for unpaid taxes.	Having a good tax expert on your side almost always has a positive RoI. Clarify uncertain tax questions with experts and obtain tax rulings if needed.	
2.3.4.	VAT registration	If the annual turnover (not profits) is expected to be greater than CHF 100'000 p.a., the company has to register with the Federal Tax Authorities and obtain a VAT number.		Even if you do not meet the threshold yet, you can register already so that VAT paid to other companies may be claimed back.	You can register online here .
2.3.5.	Social security (1st & 2nd pillar)	The social security contribution and pension requirements are understood and complied with.		Do not overengineer your setup to try to avoid social security contributions - it simply creates work and risk of later repayment.	See an overview of the Swiss 3 Pillar system here .

2.3.6.	Insurances	The mandatory accident insurance and other adequate insurances are set up.		<p>Most common optional insurances include:</p> <ul style="list-style-type: none"> - Sick leave insurance (to cover salary payments in case of prolonged illness of employees) - Professional liability insurance - Directors & officers' insurance to cover personal liability of board members 	
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3. Intellectual property

3.1. IP strategy

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
3.1.1.	IP strategy	A clear IP strategy is discussed and implemented.	IP ownership gives you a monopoly on commercialising certain IP such as a brand or a patent and especially in the tech sector, IP is often a company's most valuable asset. Mistakes in the IP strategy can allow competitors to more easily compete against you.	Understand what your core IP is and speak with experts early on to have a legal and contractual setup in line with your IP strategy.	

3.1.2.	Freedom to operate (FTO)	It is verified that you can market your product without infringing the IP of others.	If you infringe on the IP of others, they can prohibit you from marketing your product and your investment in building your brand, technology or other IP asset may be for nothing.	Especially for patentable technology, engage experts early to conduct an FTO search. For your brand, conduct searches for similar brands. For code, avoid copy-pasting code and use open source code very consciously.	
3.1.3.	Limitations of IP protection & secrecy	Understand the limitations of the legal protection of IP and consider factual secrecy as an alternative.	The legal protection of IP has two major limitations, it is time-limited (e.g., 20 years for patents), and enforcement can be very difficult (ever heard of thePirateBay.org?)	Keeping your IP strictly secret is often the more efficient protection than relying on the legal system (e.g., the Google algorithm or the Coca Cola recipe).	
3.1.4.	IP ownership paper trail	The company can easily prove its rights to all its key IP assets.	Not being able to prove ownership or licensing rights to IP can result in a failed exit, an aborted financing round, or a missed commercial opportunity.	Document and store all proof of IP ownership such as agreements with any employee, freelancer, and third party company involved in the development of the IP.	
3.1.5.	Assigned IP	<p>Anyone who creates IP for the company validly transfers such IP to the company with a comprehensive IP assignment clause.</p> <p>The assignor (i) waives any rights that would prevent the assignment based on mandatory law (ii) and undertakes to assist in the registration of the assigned IP if needed.</p>	Considering the importance of IP, unclear wording with regard to the extent of the assigned IP can lead to disputes blocking the company's commercial operation or exit.	Ensure proper form (e.g., written form for the transfer of trademarks) and use the following wording: " <i>[Assignor] hereby irrevocably assigns and transfers to [Assignee] all rights and titles in and to [Assigned IP].</i> "	Generate our standard IP assignment for free here .

3.1.6.	University IP	If at least one of the founders created IP while being employed by or at a university (e.g., PhD, Post Doc researcher, master student), it is assessed whether a licence on the IP must be obtained from the university, and such licence is obtained if necessary.	Ownership to the IP created while being employed or studying at a university may be automatically assigned to the university by law. Without a licence, the university can block the company's use of such IP.	Reach out to the technology transfer office to negotiate a licensing agreement. Talk to other founders and experts to be best prepared for the negotiation by knowing how much royalties and equity you're willing to give out.	Guidelines for start-ups at EPFL
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3.2. Protecting your IP

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
3.2.1.	Copyright	All copyright is formally assigned to the company.	If not explicitly agreed otherwise, the creator owns the copyright. If it is not formally assigned to the company, the creator could prevent the company from using the copyrighted work (e.g., source code).	Make sure that everyone involved in the project (early advisors, freelancers, board members) has a contract with an IP assignment clause.	
3.2.2.	Brand and trademark	Before choosing a brand name, the availability of the domain name and trademark is verified and the registration of a trademark is considered.	Registering a trademark protects your brand and forces potential competitors to file an objection. Also, if a competitor registers your non-registered brand, you'll have to change your brand, which is costly and risky from a marketing perspective.	Avoid descriptive brand names (e.g., apple for apples) and trademarks creating a risk of confusion to make sure the trademark can be registered. When registering a trademark, make sure to include all relevant classes related to your goods and services.	Nice Classification

3.2.3.	Patents	When a technical invention is developed by the company, a freedom-to-operate research is conducted and a patent strategy is established at the beginning of the R&D process. Confidentiality agreements are signed to protect the R&D results until the patent is granted.	Until your patent is protected, make sure to only disclose the invention to persons with a confidentiality obligation. Otherwise, the invention may not be considered 'novel' anymore or others may patent the same or very similar invention before you.	Speak with patent attorneys early on for a tailored strategy. Be aware that patent attorneys specialise in specific technical areas. Ensure proper confidentiality obligations when disclosing your invention. Avoid publishing articles or speaking at conferences prior to filing your patent.	Generate our standard NDA for free here . IGE: What is an invention? IGE: What is a patent?
3.2.4.	Know-how & data	Know-how and data are kept confidential and are shared only on a need-to-know basis.	Know-how & data cannot be protected by law (e.g., registration) and must be protected by confidentiality and other organisational measures (e.g., restricted access).	Ensure proper confidentiality obligations when disclosing your know-how and data.	Generate our standard NDA for free here .

3.3. Commercialising IP

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
3.3.1.	Maintain your commercial control and freedom	IP licence agreements are carefully drafted to ensure that you do not limit your control over your IP involuntarily or give your contracting parties overly broad rights.	Giving exclusivity or worse, transferring IP, to a contracting party can severely limit how you can commercialise your IP. Also, make sure the way your contracting parties are	A typical licence addresses the following: <ul style="list-style-type: none"> - Object of the licence (which IP?) - Purpose (what can they use for, and what not?) 	

			entitled to use your IP is clearly limited to avoid that they build competing products.	<ul style="list-style-type: none"> - Licence fee - Geographical scope - Duration - Exclusivity - Transferability - Sublicensability - Revocability 	
3.3.2.	Open source licence	If open source components are used, compliance with the licence terms is carefully considered.	Amending open-source code or mixing it with proprietary code might lead to the requirement to disclose and open-source the whole code (licence infection, be especially careful with copyleft-licences (e.g. GPL)).	Use open source components with care and ensure anyone coding for you is briefed on the issue. Conduct regular open source licence audits.	

4. Contracts

4.1. Contractual set-up

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
4.1.1.	Contract management	The company is able to prove the content of its agreements and has an overview of key agreements with their notice periods.	In case of disputes, it is crucial to be able to prove what agreement has been concluded and not having a signed agreement makes debt enforcement proceedings more difficult. Also, having a view on the notice periods can save you a lot of money with auto-renewal subscriptions (think of your gym membership).	Ensure customers accept your terms in a way you can prove it later. Keep a copy of executed agreements with partners and suppliers. Have an overview of key agreements with their notice periods.	
4.1.2.	Customer agreement and general terms & conditions	There is a solid template for customer agreements (B2B) and/or general terms & conditions (B2C) for the core products and services.	Ambiguity on the scope of your service can lead to a situation where you are required to deliver much more than you calculated the fees for. Lack of a clear risk allocation for when things do go wrong can lead to liability way beyond the fees you receive. In B2B, a poorly drafted template can slow down or even kill the sales process.	As you seek product-market fit early on, your services will likely change often. There is no need to overengineer your terms from the beginning, but make sure you have basic terms in place that protect you from the key risks. Fine-tune the terms on a regular basis as your services evolve.	

4.2. Contract drafting

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
4.2.1.	Applicable law & jurisdiction	In cross-border contexts (i.e., if a party is located abroad or if goods or services are provided abroad), each agreement specifies which law applies and which courts are competent. Opt for your 'home law' and 'home courts' where possible. When selling to consumers, local laws are complied with.	If not explicitly agreed and especially when selling to consumers, foreign laws may apply and foreign courts may be competent. This can lead to unintended liability and high legal fees for foreign lawyers.	Use the following wording: <i>"This Agreement is governed by substantive Swiss law (excl. CISG) and subject to the exclusive jurisdiction of the ordinary courts of [Zurich], Switzerland."</i> Avoid accepting foreign laws and jurisdictions where possible.	
4.2.2.	Liability	Liability is limited to the maximum extent possible, taking into account both commercial considerations and mandatory liability.	Without limitation of liability, one major incident can kill your company. Also, as per the law, liability cannot be excluded and is mandatory for (i) intent and gross negligence, and (ii) bodily harm. There are additional sector-specific and consumer protection limitations to consider. If the clause excludes liability for these violations, the whole liability clause could be voided by a court, meaning that the company's liability would	Make sure that the contract states that liability is unlimited for intentional and grossly negligent breach of contract as well as for bodily harm (i.e., mandatory liability) Except for mandatory liability, liability can either be fully excluded or capped: <ul style="list-style-type: none"> - Excluded liability: All liability other than mandatory liability is entirely excluded, within the limits of applicable law. - Capped liability: The 	

			<p>become unlimited.</p> <p>Be aware that overly one-sided liability clauses may slow down the sales process as customers push back.</p>	<p>liability is capped to a defined amount, either in CHF or corresponding to the total amount due by the customer during a given period (e.g., 12 months) preceding the liability event.</p>	
4.2.3.	Confidentiality	All customers, partners, and suppliers, with whom the company shares information are subject to a confidentiality clause or an NDA.	Competitors or big players can be ruthless and take advantage of any information you provide them in the course of your collaboration if such information is not protected by a confidentiality clause. Also, be aware that confidentiality clauses are hard to enforce and simply <i>not</i> disclosing information is the best protection.	Keep track of the scope of the confidentiality obligations for each counterparty to make sure any information is marked as confidential when applicable. Share sensitive information on a strict 'need-to-know' basis.	Generate our standard NDA for free here .

5. HR

5.1. Relationship with employees

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
5.1.1.	Employment agreement	All employment agreements are signed with wet-ink signature (or QES) and a copy of the signed agreement is stored by the company.	Some provisions (e.g., specific notice period, extension of probation period, non-compete, etc.) require wet-ink signature (or QES) to be valid. If this is not the case, the default (employee-friendly) rules automatically apply.	To speed up the hiring process, you can first sign a digital copy and then sign a wet-ink copy on the employee's first day.	Generate our standard employment agreement for free here .
5.1.2.	Probation period	The duration of the probation period is set to 3 months.	By law, the probation period is 1 month. During that time, both parties can terminate within 7 days. After, termination becomes costlier.	1 month is a very short period to determine whether someone is a good fit for the company. The probation period should be extended to 3 months.	Generate our standard employment agreement for free here .
5.1.3.	Termination notice	The duration of the notice period is carefully considered and the statutory termination only towards the end of a month is changed.	If you do not agree otherwise, the statutory standard applies with a notice period between one and three months and termination is only valid towards the end of a month. Long notice periods and limitations on timing can	In almost all cases, when things do not work out, having the option of a fast exit is preferred. Ensure that the termination is possible with effect towards any day of the month (and not only for the end of the month) and the notice period is limited to the legal	Generate our standard employment agreement for free here .

			significantly increase restructuring costs.	minimum of 1 month.	
5.1.4.	IP assignment	All IP created by the employee (not only when performing their obligations) is transferred and assigned to the company.	While IP created by employees in the course of their work for the employer and in performance of their contractual obligations belong to the employer by law, this does not apply to IP produced by the employee in the course of their work for the employer but not in performance of their contractual obligations. Without a specific clause, the employee may retain some IP and prohibit the company from using it.	Have a wide IP assignment clause, such as the one in our standard employment agreement, in your template.	Generate our standard employment agreement for free here .

5.1.5.	Bonus	Bonus are tied to specific measurable goals, or labelled as discretionary in the employment agreement and on every single bonus payment letter.	If bonuses are paid regularly (e.g., three years in a row), they may become part of the mandatory salary, meaning the employee will have a claim to the bonus for the future, even if the company's results are negative.	To avoid having to pay undesired bonuses, best practice is to tie the bonus to specific measurable goals. In such cases, the bonus is only due if the goals are met. If this practice is not in place and a bonus is paid anyway, make sure to label the payment of the bonus as "discretionary", both on the employment agreement and on each payment letter.	Generate our standard employment agreement for free here .
5.1.6.	Work permit	No employee is working for the company from Switzerland without having the right to work in Switzerland.	Working illegally in Switzerland is a crime for both the employee and the employer.	When signing an employment agreement that must be submitted during the work permit application process, include a clause stating that this employment relationship is subject to the successful grant of a work permit for the employee.	

5.2. Relationship with freelancers

Item nr.	Topic	Requirement	Risks	Best practices	Further reading
5.2.1.	Pseudo-independence	Factual employees are not hired as freelancers.	There are major financial risks if someone is hired and paid	It does not matter what the contract is called. Just because	Information page from

			<p>as a freelancer but is later found to be, in fact, an employee:</p> <ul style="list-style-type: none"> - If the "false freelancer" has a workplace accident, the company's accident insurance may refuse to pay for the damages and the company may end up paying for all of the damages. - The company will have to pay all social security benefits retroactively on all amounts paid to the freelancer. In case of bankruptcy, the board members are personally liable for the payment of the social security benefits. - In case of a dispute with the "freelancer", the freelancer could claim the extended employment law notice periods to apply (and threaten to inform the authorities). 	<p>someone is labelled as a freelancer does not prove they are indeed one. Best practice is to make sure the freelancer (i) appears publicly as independent (e.g., website, LinkedIn, etc.), (ii) has multiple customers, (iii) freely organizes their work, and (iv) uses their own tools and resources.</p> <p>In doubt about a specific case, speak with experts before signing the agreement.</p>	<p>SECO.</p>
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5.2.2.	Freelancer agreement	<p>A freelancer agreement including the following clauses is concluded with all freelancers:</p> <ul style="list-style-type: none"> - IP assignment: All IP created by the freelancer is assigned to the company. - Confidentiality: All exchanged information remains confidential. - Non-solicitation: The freelancer is forbidden from interfering with the company's employees, customers, and suppliers. - Independence: The freelancer is responsible for registering and paying all social security contributions and taxes on their remuneration. 	<p>During the collaboration, the freelancer will have access to confidential information and learn about the company's employees, customers, and providers. The contract must prevent the freelancer from using this information for their own benefit to the detriment of the company.</p> <p>Having some IP owned by a freelancer who can prevent you from providing your services or selling your company is a major risk. Be sure to have all IP assigned to and owned by the company.</p>	<p>Speak to experts to draft a freelancer agreement template tailored to your needs that you can reuse for all freelancers.</p>	
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