

Position paper

Startup-Agenda Switzerland



Reforms for a globally
successful startup ecosystem

Editorial

Switzerland is a country of inventors, where entrepreneurship has deep historical roots. Our innovative strength and the diligence of the people who live and work here have created prosperity for generations. But this prosperity cannot be taken for granted. Switzerland must have the courage to break new ground in order to offer the most attractive conditions for founders. While other countries are deliberately strengthening their startup ecosystems, we are falling behind. The development is gradual, but clear: we are too slow, too bureaucratic, and not ambitious enough. In the global competition for the best ideas and the brightest minds, Switzerland is in danger of falling behind.

Startups are not only growth engines for Switzerland, they are also our most effective tool for solving the major challenges of our time. They develop technologies to combat climate change, drive progress in the treatment of cancer and autoimmune diseases, and revolutionize our mobility, energy, and healthcare systems. These companies are not a niche phenomenon, but rather ensure the future viability of our country. This is precisely why the current situation for startups in Switzerland is alarming. Switzerland offers fundamentally good conditions for starting a business, but when it comes to growth and scaling, it is increasingly becoming a disadvantage for startups. If we fail to keep the best founders here, we will undermine the conditions that create our prosperity.

If we want to remain among the world leaders, we must take action. Startups in Switzerland rarely fail because of their ideas, but rather because of structural hurdles that seem minor on their own but collectively slow down the ecosystem. This is where we come in: with faster approvals, digital authorities, better tax conditions and access to capital, simplified IP transfers, social security for founders, and an education system that takes entrepreneurship seriously.

It requires a willingness to break with old traditions and the courage to try new things. A virtue that has sustained Switzerland's success for decades.

The Swiss Startup Association has worked with a wide range of partners from the startup ecosystem to come up with specific demands to make Switzerland the top startup nation. We bring together the voices of founders and deliver actionable, politically broad-based solutions on how to attract talent to Switzerland, mobilize capital, and make the country a hub for startups. Our goal is a Switzerland that not only celebrates its innovative strength in rankings, but also puts it into practice. A Switzerland that becomes a global magnet for founders because it offers the best conditions.



Raphael Tobler
President of the Swiss Startup Association, publisher

February 2026

This position paper was drafted by the Swiss Startup Association. It was adopted in February 2026 in collaboration with the following partners:

- b2venture
- Deep Tech Nation Switzerland
- ETH Entrepreneurs Club
- Fondazione Agire
- Fondation Campus Biotech Geneva
- FONGIT
- Founderful
- Redalpine
- Swiss Private Equity & Corporate Finance Association
- SICTIC
- Spicehaus
- Startup Nights
- Startupticker.ch
- Swiss Healthcare Startups
- Swiss Startup Days Bern
- Swisspreneur
- Venturelab
- Zühlke Ventures

The content and priorities of the proposed reforms were also validated by a survey of the members of the Swiss Startup Association.¹

Management Summary

Switzerland is one of the most innovative countries in the world. This is not least thanks to its strong universities, excellent research, and flourishing industry. However, in order to secure this lead in the long term, targeted political and structural reforms are needed, particularly to strengthen the startup ecosystem. Startups are not a marginal phenomenon, but key drivers of innovation. They create sustainable jobs, develop new technologies, and make a significant contribution to Switzerland's economic dynamism. The Swiss Startup-Agenda shows how Switzerland can become the world's leading startup nation through targeted measures. This requires targeted reforms in three strategic areas of action:

1 Talent, labor market & education

Access to qualified specialists, including those from third countries, must be facilitated. This requires faster and digitized work permit procedures for both employees and founders. At the same time, fair and startup-friendly framework conditions such as modern employee participation models and better social security for founders are crucial. In addition, there needs to be a cultural shift in education policy, in which entrepreneurship and innovative thinking are anchored early on in the curriculum, as well as labor laws that enable flexible models for startups.

2 Capital and financing

In order for more capital to flow into Swiss startups, attractive and reliable framework conditions for venture capital are needed. These include tax incentives, simplified fund approvals, and a flexible regulatory environment that also takes smaller funds into account. A functioning exit culture and a more dynamic capital market are key prerequisites for enabling growth and scaling in Switzerland. At the same time, domestic investment, particularly by pension funds and established companies, should be specifically promoted so that capital, know-how, and value creation remain in the country in the long term.

3 State, regulation and location promotion

Innovative companies must not be held back by outdated structures. Government services must be digital, efficient, and startup-friendly. A fully digital company formation process that takes just a few days, a one-stop shop for all administrative matters, and the elimination of excessive regulation are essential. It is also important to prevent unnecessary interventions such as an investment review law in order to preserve Switzerland's open climate of innovation. At the same time, tax and legal hurdles must be removed.

Conclusion

Switzerland has the potential to become a global magnet for founders. However, in order to remain competitive internationally, decisive political action is required. The Startup-Agenda Switzerland is the result of broad-based cooperation within the startup ecosystem and shows how startups can be specifically promoted and strengthened as a driver of the future of the Swiss economy. Now is the time for bold reforms – in the interests of innovation, prosperity and future security.



Reform overview

Startup-Agenda

Switzerland

Switzerland is now a strong startup nation, but it is under pressure from international competition. Political reforms are necessary to strengthen the founders in Switzerland. This position paper brings together the key demands of the startup ecosystem and shows what measures need to be taken now. For everyone. For a future-oriented Switzerland.

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Introduction

Innovative strength ensures prosperity for all. To ensure that Switzerland remains one of the world's leading innovation hubs in the future, its strengths must be further developed in a targeted manner. Excellent research, entrepreneurial thinking, strong universities, active large companies, fast-growing SMEs, and courageous startups together form the foundation of our prosperity. Innovation is not an end in itself, but a driver of jobs, added value, and opportunities for the future.

Startups in particular play a key role in this. Startups are part of the engine of innovation and long-term economic benefit. They create highly skilled jobs, drive technological breakthroughs, and contribute significantly to Switzerland's competitiveness. Many companies that are now among the flagships of the Swiss economy were once startups. One example is On Running, founded in Zurich in 2010, which now employs over 3,200 people worldwide, more than 1,000 of them in Switzerland alone. Sensirion, which emerged from an ETH spin-off in 1998, now employs over 1,200 people worldwide, around 900 of whom work at its headquarters in Stäfa. Nextthink and Scandit also generate significant economic value.

Although Switzerland ranks high in international innovation rankings, largely thanks to patent applications from established large companies, particularly in the pharmaceutical industry, young companies often face obstacles. Ultimately, good framework conditions determine where innovation flourishes and where value creation remains. If founders find the best conditions in Switzerland, they will develop their ideas in Switzerland, create jobs here, and have the opportunity to build companies that contribute to Switzerland's economic strength in the long term. Switzerland already offers good conditions for companies, but there is a lack of targeted measures to make the country a leading startup nation. That is why targeted measures are now needed so that founders consciously choose Switzerland as their location and stay here not despite, but because of the framework conditions.

This position paper outlines the necessary requirements for Switzerland to specifically promote startups in order to secure its leadership in innovation, retain value creation within the country and create long-term prosperity for all. Only through decisive reforms can Switzerland exploit its full potential for innovation.

The following demands are divided into three clusters according to topic. Cluster 1 contains demands relating to **talent, the labor market, and education**. The primary aim of these demands is to retain highly qualified specialists who were trained in Switzerland and, if necessary, to attract additional talent to Switzerland. Furthermore, these demands are intended to ensure that entrepreneurial thinking is promoted in schools. These demands are also intended to inspire young talent to pursue entrepreneurship. Cluster 1 also deals with framework conditions that offer founders a certain degree of flexibility and social security at the same time. Cluster 2 revolves around **capital and financing**. Startups need capital to grow, drive innovation, and remain globally competitive. Since the Swiss capital market is not yet optimally geared towards young companies, this position paper aims to create attractive framework conditions for venture capital funds and tax incentives for investors and startups. Cluster 3 deals with the topics of **government, regulation, and location promotion**. A competitive startup ecosystem needs an efficient and modern government that does not slow down innovation with unnecessary bureaucracy. Paper forms, long waiting times, and inefficient processes cost Swiss startups a lot of time, money, and resources today, which is why an efficient and digital government must be created. Not all demands concern the same level of responsibility: some require decisions at the federal level, while others fall under the responsibility of the cantons.²

² Many of the demands can be implemented by adopting already proven cantonal instruments without having to create new solutions.

Reforms for a globally
successful startup ecosystem

1

Talent, labor market
and education

Prio 1

1.1 Startup-friendly employee participation plans (ESOP/PSOP)

Initial situation

Employee participation plans such as ESOP and PSOP are key instruments that enable key personnel in startups to share in the company's success and be retained in the long term. Such models are intended to create incentives to take on responsibility and increase overall company value. In practice, however, there are numerous challenges, such as complex tax treatment with cantonal differences, potential tax burdens before the realization of an actual financial gain, or unclear contractual terms, for example, regarding vesting, resignation, or exit scenarios. Tax rulings are necessary to mitigate challenges related to tax consequences, but they entail additional effort, legal and administrative costs.³

Objective

Introduction of clear, uniform, and startup-friendly regulations for employee participation programs throughout Switzerland.

Measures

- Introduction of uniform grace periods for share acquisitions after the company's founding, so that "late co-founders" are also treated as founders for tax purposes.
- Consideration of the actual purchase price paid for taxation purposes in order to avoid overtaxation.
- Introduction of a sliding scale of reduced taxation, with the possibility of tax-free capital gains after five years.
- Orientation towards proven international best practices for promoting talent and innovation.
- Reduction of administrative hurdles in the implementation of share ownership programs.
- Examination of tax relief for employees when selling employee shareholdings in the context of an exit.

81 percent of SSA members surveyed consider this issue to be important.

According to the standards of the "Not optional" initiative, Switzerland ranks last out of 25 countries and is in the "Ripe for Change" category. Source: www.notoptional.eu



Karim Maizar

Member of the board of Swiss Startup Association, Partner Kellerhals Carrard

"ESOPs are an indispensable tool for Swiss startups to attract and retain top talent. Although the tax treatment in this country can offer advantages under certain circumstances, there is a clear need for improvement, especially because tax authorities do not follow a uniform and transparent practice, employee shares are still subject to excessive tax burdens, and the current regulations for startups are difficult to understand."

Prio 1

1.2 Social security for entrepreneurs⁴

Initial situation

Founders bear a high personal risk. They invest years of their lives in building up a company, often without a salary or with a greatly reduced income. If the startup fails, they are not only left without an income, but are also not entitled to unemployment insurance if they act in an employer-like position. According to the relevant guidelines, this is the case if they hold a formal position on the board of directors at the time in question. This deters potential founders and disproportionately increases their personal risk. Other countries have already developed models that offer social security to founders. The Swiss Confederation should likewise examine the introduction of such a model.

Objective

Creation of entitlement to unemployment insurance for founders, even if they formally hold executive positions.

Measures

- Adjustment of unemployment insurance provisions so that founders are entitled to benefits after the failure of a startup.
- Examination of models from other countries (e.g., France, Denmark).
- Clear definition of requirements (e.g., minimum duration of activity, proof of founding).

³ The wealth tax on unrealized gains poses challenges for founders, as they do not have sufficient cash flow to pay it. Clear regulations are necessary to prevent legal uncertainty.

⁴ This matter is already being dealt with in Parliament: Item of business 20.406



Raphaël Mahaim
National Council member, Swiss Green Party

“Founders bear the entrepreneurial risk, but the safety net in case of failure is incomplete. They are often not entitled to unemployment insurance benefits even though they pay into the insurance, and benefits in the event of illness or parenthood are often insufficient. Modern social security that reflects the realities of entrepreneurship and young professionals with family responsibilities would not only strengthen fairness, stability, and predictability, but also encourage more startups.”

Prio 1

1.3 Enable more spin-offs from universities and research institutes

Initial situation

Switzerland has world-leading universities such as ETH, EPFL, and UZH. These universities have established structures for promoting spin-offs, which is reflected in the number and quality of the spin-offs they have produced. At the same time, other universities still have untapped potential in this area, particularly with regard to uniform, transparent processes and supportive framework conditions. Often, a lack of clear legal frameworks and complicated IP transfers prevent groundbreaking research projects from giving rise to new companies. In addition, some universities want to retain excessive equity stakes when spin-offs are created, which hinders later financing and thus the growth of the company.

International comparison shows that Switzerland still has untapped potential for spin-offs. Countries such as Israel and the US have clear spin-off programs with financial support. This opens up an opportunity for Switzerland to make even greater use of the economic potential of cutting-edge research and to further increase the number of spin-offs.



Dr. Stefan Kyora
Editor in Chief, Startupticker.ch

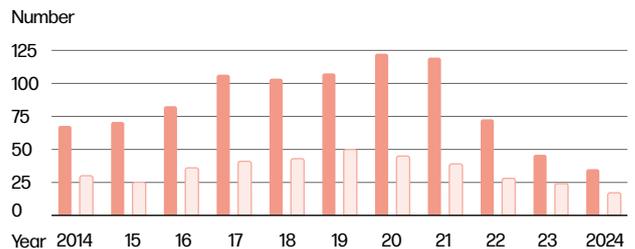
“Thanks to its deep tech focus, numerous spin-offs, and an increasing number of well-financed scaleups, the Swiss startup ecosystem has gained momentum and international stature. The task now is to remove the obstacles to the next big step. Scaleups should be able to recruit the best talent worldwide more easily and offer them attractive compensation packages.”

Objective

Maximizing the qualitative and quantitative potential for spin-offs at Swiss universities.

Measures

- Establishment of joint, cross-university platforms and funding formats to systematically connect founding teams across locations and disciplines.
- Transparent and simplified legal frameworks for technology transfer.
- Targeted and structured funding programs that support students and researchers in transforming their ideas and projects into market-ready companies, thereby creating new businesses and jobs in Switzerland.



Spin-offs and normal startups by year of establishment (only financed companies included)

● Startups ● Spin-offs

Source: Startupticker.ch

Prio 1

1.4 Simpler and faster work permits for employees from third countries

Initial situation

Many companies, especially startups, depend on highly qualified specialists. Some of these excellently trained and internationally sought-after specialists also come from abroad. However, the current system for work permits is slow, complicated, and inflexible. As a result, permits for skilled workers from third countries often take several months to process. These bureaucratic hurdles make it difficult for companies to quickly hire urgently needed talent. Other countries offer faster and simpler procedures, which makes Switzerland less attractive in international competition for talent.

Objective

To simplify and accelerate the admission procedures to the labor market for qualified professionals from third countries.

Measures

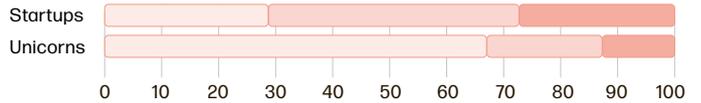
- Maximum processing time of two weeks for applications for labor market admission.
- Simplification of administrative processes through digital solutions.⁵
- Transparent and uniform procedures for companies to hire skilled workers more quickly.
- Uniform implementation in all cantons and recognition of employee contributions when determining the applicable market salary levels.

⁵ With easygov.swiss, companies can complete certain foreign nationals law notifications and permit applications online. However, the service is currently only available for specific procedures in selected cantons.



Stef van Grieken
Co-Founder & CEO Cradle

“International founders are essential for startup creation in Switzerland, but there is no reliable and practical startup visa. If we want new companies to be established here and stay in the long term, we must actively attract talent to Switzerland – instead of making market entry unnecessarily difficult for them.”



Nationality mix in startup founding, in percent

○ Abroad ● Mixed ● Switzerland

Source: Avenir Suisse (2023), Grenzenlos innovativ, S.22



Adrian Locher
Founder & General Partner, Merantix Capital

“Artificial intelligence is the industrial revolution of our time, and Switzerland is right at the heart of it: we have one of the best AI talent pools in Europe, and ETH and EPFL are among the top five universities worldwide for research-intensive technology spin-offs. As an entrepreneur and investor, I see it as my duty to connect these talents with entrepreneurial experience and to advocate for startup-friendly conditions in Switzerland—this is the only way to create tech champions that can succeed globally.”

Prio 1

1.5

Simpler and faster work permits for founders from third countries

Initial situation

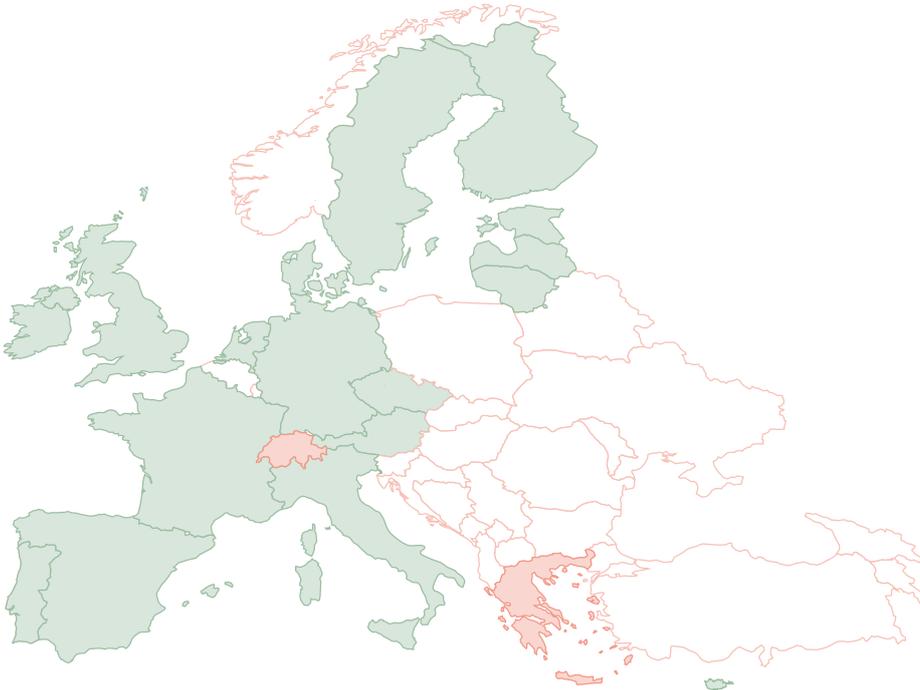
Foreign nationals establish more than half of all startups in Switzerland, as well as 78 percent of all unicorns. However, Switzerland does not have any special work permits for startup founders, which discourages foreign talent from establishing a company in Switzerland. There is a lack of clear, transparent, and attractive rules for founders from third countries who wish to establish a company in Switzerland.⁶ In addition, authorities impose high bureaucratic hurdles on third-country nationals, which are virtually impossible to overcome in practice. These include requirements such as already established companies, Swiss bank accounts or rental agreements, which are difficult to obtain without a residence permit. Other countries such as Canada and Estonia offer startup visas with an accelerated procedure.⁷ Switzerland runs the risk of losing innovative founders to other countries.

Objective

Introduction of a special work permit for startup founders with accelerated processing, simplified procedures, and transparent criteria.

Measures

- Introduction of a special residence permit for founders from third countries to promote innovation in Switzerland.
- Simplification of requirements and digital processing of labor market admission procedures.
- Establishment of a central information center for international founders that positions Switzerland as an attractive place to start a business, provides all relevant information and instructions in one place, and is available in English.
- Cooperation with innovation promotion programs (e.g., Innosuisse) that confirm that international founders meet certain mandatory innovation criteria.



European countries with startup visa programs

● has a visa ● has no visa

Source: nanoglobals.com

⁶ Official federal or cantonal websites are confusing, complicated, and often not available in English. In many cantons, the relevant application forms cannot be found and cannot be filled out digitally.

⁷ Other pioneers in the field of work permits for founders are Latvia, Lithuania, Finland, Estonia, Denmark, and the Netherlands. They are considered particularly "founder-friendly" because they do not require a minimum capital investment. The United Kingdom is also considered a favorable location for founders because it does not require a minimum capital investment.

Prio 2

1.6 Embedding entrepreneurship in education

Initial situation

While countries such as the US and Sweden have integrated entrepreneurship into their curricula at an early stage, entrepreneurship remains a marginal topic in Swiss education. Content related to entrepreneurship is only introduced late in the Swiss education system, if at all, and on a voluntary basis. Schoolchildren and students receive little practical insight into startups and business creation. When these topics are covered, it is usually on a voluntary basis and depends on the teachers involved. As a result, many young talents do not consider entrepreneurship as a career option. In order to establish a strong culture of innovation in the long term, entrepreneurship must be promoted at an early stage. This is not just about entrepreneurship in the narrow sense, but also about recognizing opportunities, solving problems quickly, taking responsibility for one's own decisions, and developing a healthy risk culture in which failure is understood as part of learning and not as a failure.

Objectives

- Make entrepreneurship visible as a career path.
- Integrate entrepreneurial skills such as business model development, financing, and market entry into school and academic education in a structured and systematic manner.

Measures

- Introduction of compulsory entrepreneurship courses in secondary level 2 and tertiary education at universities and higher technical colleges.
- Establishment of startup support programs and startup centers at universities.
- Promotion of practical projects between schools/universities and startups so that young talents can gain experience at an early stage.

79 percent of SSA members surveyed consider this issue to be important.



Raphael Tobler
President of the Swiss Startup Association,
CEO & Co-Founder at eduwo, Chairman of the Board of Directors at Home of Innovation

“Entrepreneurship is part of Switzerland’s DNA, but it is hardly anchored in our education system. If we want a genuine culture of innovation, we must teach entrepreneurial skills as a matter of course, just like mathematics or languages – recognizing opportunities, testing ideas, developing solutions, and giving young people concrete insights into startups. Only then will entrepreneurship become visible as a real career path.”

Prio 3

1.7 Flexible working time models for startups

Initial situation

Swiss labor law is very static, based on an outdated social model, and offers little flexibility for startups to adapt quickly to market changes. However, young companies in particular depend on agile working models to work efficiently and attract talent. Countries such as the Netherlands and Denmark have modern regulations for flexible working hours and remote work. Switzerland is lagging behind: rigid regulations on working hours and overtime make it difficult for startups to work dynamically.⁸

Objectives

- Adapting labor law to allow for greater flexibility in dynamic business environments.
- Promoting remote and hybrid working models without unnecessary bureaucratic hurdles.

Measures

- Introduction of a project-based working time model for dynamic business environments.
- Relaxation of regulatory restrictions on home working and flexible working hours.
- Adaptation of labor law to enable modern employment models (e.g. employees working abroad).

⁸ Remote work remains limited by tax and social security hurdles: Working abroad for up to 20 percent of the year is usually unproblematic, but anything beyond that may trigger tax obligations. Within Switzerland, cantonal differences and unclear terminology make planning difficult – especially for startups without a legal department.

Capital and financing

Prio 1

2.1 Improve framework conditions for venture capital and fund structures

Initial situation

Although Switzerland is a leading international financial center, many venture capital funds prefer to set up their structures abroad because the legal and tax conditions for fund structures in Switzerland are unattractive.⁹ However, when there is a lack of growth capital from Switzerland, it often comes from abroad. As a result, many companies relocate their headquarters or significant parts of them abroad, while domestic financing secures jobs and value creation here. Even the introduction of the Limited Qualified Investor Fund (L-QIF) in 2024, which was supposed to make Switzerland an attractive fund location, did not bring about the desired changes.¹⁰ Ultimately, the lack of attractiveness of Switzerland as a fund location means that less capital flows into Swiss startups. The limited attractiveness of Switzerland as a fund location results in reduced capital flows into Swiss startups.

Objective

Improved tax and regulatory framework conditions for venture capital funds based in Switzerland.

Measures

- Introduction of end-to-end digital processes with government agencies (e.g., FINMA approval, reporting, etc.).
- Creation of tax incentives for venture capital funds registered in Switzerland.
- Simplification of regulatory requirements for venture capital funds.
- Introduction of a national fund structure to bring an additional billion Swiss francs per year into the Swiss startup market.

80 percent of SSA members surveyed consider this issue to be important.



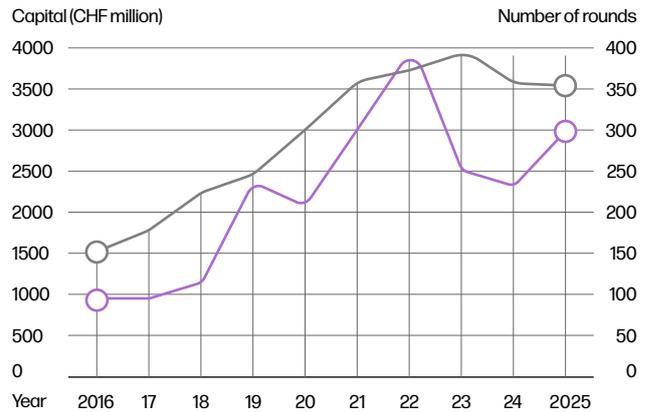
Thomas Heimann
Deputy General Secretary & Board Member VC Chair SECA,
Co-Autor Swiss Venture Capital Report

“Growth financing in Switzerland is largely fed by foreign funds. This means that, compared to other European countries, Switzerland runs the risk of startups being sold too early, increasingly migrating abroad during the growth phase, and thus losing the expensive upfront investments in R&D. A world-leading startup nation also needs world-leading, attractive, and innovative framework conditions for venture capital.”



Céline Weber
Swiss National Council member, GLP

“Switzerland, a country of innovation, is the cradle of numerous startups. Unfortunately, our country lacks risk-taking investors to enable these startups to grow, so that they still too often migrate abroad to develop from startups into established companies.”



Capital invested and number of financing rounds in Swiss startups since 2016

○ Financing Rounds ○ Invested Capital (CHF in millions)

Source: Swiss Venture Capital Report / startupticker.ch

⁹ Swiss fund products are unattractive, particularly due to withholding tax and the lack of passporting.

¹⁰ The L-QIF is structured in such a way that it only makes sense to market the fund to Swiss investors. Due to the lack of EU passporting, the product cannot be distributed in the EU without significant hurdles, which is a major disadvantage for VC funds.

Prio 1

2.2 Stronger cooperation between established companies and startups

Initial situation

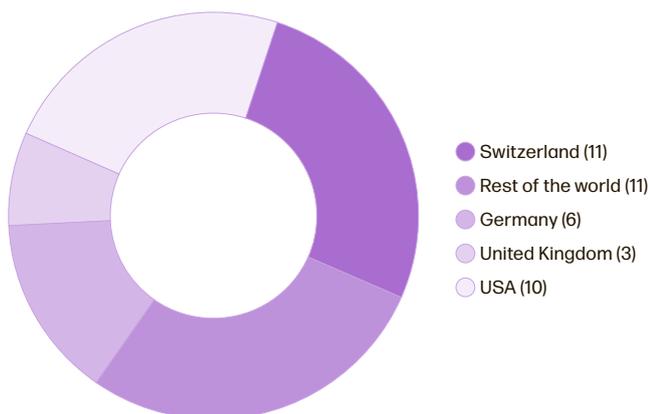
Investing in and acquiring startups offers great opportunities. This applies to both startups and established companies. Startups gain access to new resources, markets, and capital, while established companies gain innovation, new business models, and talent through such collaborations. Nevertheless, such transactions remain rare in Switzerland. Instead, investors and buyers often come from abroad. One reason for this is the lack of tax or regulatory incentives, as well as a certain cultural and strategic reluctance on the part of established companies to engage in startup collaborations.

Objective

Promotion of corporate venture capital (CVC) and M&A activities in the Swiss startup ecosystem.

Measures

- Introduction of an investment allowance for companies that invest in and/or acquire Swiss startups.
- Examination of the introduction of an innovation investment fund with state co-investment to share risks and promote engagement.
- Establishment of a digital tool for targeted networking of startups with corporations, investors, and SMEs.
- Promote public recognition and goodwill through awards or seals of approval for companies that invest in the local startup scene.



Buyers of Swiss startups, by country of origin (2024)

Source: Startupticker.ch

Prio 1

2.3 Investments by pension funds in venture capital

Initial situation

Although the legal basis for pension fund investments in startups exists, this potential has hardly been exploited to date. Many pension funds shy away from the risk and have little knowledge of how the startup ecosystem works. There is a lack of an appropriate investment culture, suitable structures for risk diversification, and the expertise to professionally review and evaluate startup investments. As a result, a significant portion of institutional capital does not flow into innovation promotion but remains tied up in traditional asset classes.

Objective

To facilitate and promote pension fund investments in Swiss startups and/or venture capital funds (including funds of funds).

Measures

- Raising awareness and providing further training for decision-makers in pension funds on the opportunities and mechanisms of venture capital investments.
- Review, development, and promotion of suitable financial instruments for risk reduction (e.g., fund structures, guarantees, co-investment models).
- Establishment of exchange and competence platforms between pension funds, investors, and startup associations to promote trust and know-how.

Prio 2

2.4 Expand exit and growth opportunities in Switzerland (Growth Market Regime)

Initial situation

The trend toward longer exit periods ties up capital from investors and employees, thereby reducing the attractiveness of startup investments in Switzerland.¹¹ Although options exist in the form of the private market and SIX and BX, Swiss capital market law is primarily geared toward large companies. For scaleups, access to the capital market in Switzerland remains unrealistic at present. The SIX segment “Sparks,” created in 2021, was intended to facilitate access for smaller companies, but it is designed as a regulated market and is largely subject to the same strict prospectus and disclosure requirements as the main segment. In contrast, the EU’s “SME Growth Markets” offers significantly easier access to the stock market thanks to MTF status and a simplified growth prospectus.¹² In addition, startups in the EU are supported with additional offers and easier obligations. There is no comparable legal framework in Switzerland. Swiss scaleups are thus prevented from going public on the Swiss stock exchange due to major financial hurdles.¹³ Overall, this means that high-growth companies continue to migrate to foreign market.

Objectives

- Creation of a legal basis for a growth market that functions in a manner equivalent to the EU Growth Regime.
- Competitive incentives for Swiss startups to list on the Swiss stock exchange.

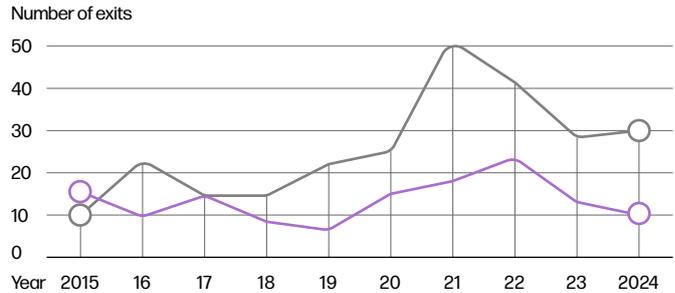
Measures

- Review and amend legal provisions governing access to secondaries and the capital market.
- Active dialogue with SIX on the creation of a growth market/adjustment of the Spark regime.
- Mobilize banks to give institutional and retail investors access to a Swiss growth market.
- Simplification of certain requirements such as prospectus and disclosure obligations.



Joanne Sieber
CEO Deeptech Nation Switzerland

“Switzerland is losing its best startups not because of a lack of innovation, but because of a lack of growth capital. We must do everything we can to ensure that Swiss capital seizes the attractive opportunities in the deep tech sector and finances Swiss pioneers.”



Exits in Switzerland since 2015 by buyer origin

○ Foreign buyer ○ Swiss buyer

Source: Swiss Venture Capital Report / Startupticker.ch



Benjamin Fischer
Swiss National Council, SVP

“If we want to keep leading startups here, we finally need a venture capital market that can compete internationally. But if you want to strengthen venture capital in Switzerland, you have to lower the regulatory hurdles. A modern fund location is a prerequisite for Swiss capital to also finance Swiss startups.”

¹¹ Today often 10-12 years instead of 4-5 years in the past

¹² e.g., Nasdaq First North, Euronext Growth

¹³ These arise from extensive prospectus, due diligence, and disclosure requirements

Prio 2

2.5 Create tax incentives for private startup investments

Initial situation

Startups rely on private investors to finance their growth in the early years. However, in Switzerland, apart from tax-free capital gains, there are hardly any tax incentives for investing in young companies, which means that many investors invest in established companies rather than startups. In the UK and France, business angels and VC investors receive significant tax breaks to encourage startup investments. Similar tax incentives for startup investors could unlock significant capital flows and enable more growth.¹⁴

Objective

Tax incentives for business angels and institutional investors who invest in startups.

Measures

- Introduction of a tax deduction for investments in startups.
- Clearer and more attractive rules for tax-free capital gains for private individuals investing in startups.
- Clear and attractive financial market regulation of the requirements for syndicates of startup investors up to CHF 10 million and for their administrators.

! 83 percent of SSA members surveyed consider this issue to be important.



Andy Yen
Founder and CEO Proton

“Over the past ten years, every notable Swiss scaleup has either been listed abroad or relocated abroad. The reasons for this trend are well known: Swiss investors must start leading scaleup rounds in order to bring Swiss unicorns to the Swiss stock exchange. These issues must be addressed now if Switzerland wants to remain economically competitive and relevant in the coming decades.”



Dr. sc. ETH Thomas Dübendorfer
Angel Investor and Internet Entrepreneur

“Private investments in startups are an investment in the future of an innovative Switzerland. There is considerable legal uncertainty surrounding investment syndicates and the taxation of capital gains on the sale of startup investments. There is a lack of attractive nationwide tax incentives for private venture capitalists, such as those in the United Kingdom. Clearer and more attractive framework conditions for angel investors are needed to create more sustainable jobs in our country and maintain Switzerland’s position as a hub for innovation.”

Prio 3

2.6 Simplify asset manager licensing¹⁵

Initial situation

Small venture capital funds are currently subject to the same regulatory requirements as large asset managers. These include comprehensive compliance obligations, high FINMA fees, and complex audit processes. These requirements result in disproportionately high costs and administrative burdens that are particularly difficult for young funds with limited volumes to bear. Many potential fund founders are therefore moving abroad, which deprives Switzerland as a center of innovation of capital and know-how. Targeted relief for small funds would strengthen the local investment landscape and channel more capital into Swiss startups.

Objective

Reduce regulatory hurdles for small venture capital funds to strengthen Switzerland as an investment location.

Measures

- Introduction of a simplified license category („light license“) for funds up to a certain volume (e.g., CHF 75 million).
- Reduction of capital requirements, reporting obligations, and auditing costs for funds with limited investment volumes.
- Review and adjustment of the FINMA fee structure to make the establishment of new, small VC funds in Switzerland more attractive.

¹⁴ Certain tax exemptions for natural persons already exist; however, significant cantonal differences remain

¹⁵ FINMA license as an independent asset manager

State, regulation and location promotion

Prio 1

3.1 Efficient and digital government services

Initial situation

When it comes to the digitization of administrative processes, Switzerland has some catching up to do compared to leading innovation hubs. Starting a business in Switzerland often takes several weeks, while digital pioneers such as Estonia, Singapore, and the Netherlands make it possible to start a new company online within 24 hours. In addition, many administrative processes are still paper-based, which costs time and money. With average costs of CHF 2,500 to 5,000, starting a business in Switzerland is significantly more expensive than in other European countries, where a company can be founded for as little as CHF 150 to 400. In addition, startups have to struggle through an insufficiently networked administration instead of being able to handle everything from a single source.¹⁶ Investments are also characterized by bureaucratic processes.

Objective

Company formations and administrative processes must become completely digital and efficient (within a few days).

Measures

- Introduction of a central digital administration portal that bundles and digitally maps all startup-related processes such as company formation, tax registration, and labor law approvals.
- Abolition of paper forms: all applications and registrations must be possible electronically throughout the process, which can be implemented with the Notary Digitization Act.
- Shortening of processing times for approvals and applications, particularly for startups, HR changes, tax issues, and patent applications.



Andri Silberschmidt
Swiss National Council, FDP

“Today’s successful startups are tomorrow’s major employers. This is another reason why the political framework conditions for entrepreneurship need to be improved.”



Dominik Blunschy
Swiss National Council, The Center

“Our universities are among the best in the world for research, but we invest too little in the people who turn them into real businesses. Switzerland needs a talent system that rewards courage instead of punishing mistakes. Anyone who wants to start a business shouldn’t have to fight bureaucracy, but markets.”

Prio 2

3.2 Close cooperation with Europe, Horizon programs, and stronger international links

Initial situation

Switzerland is one of the most innovative countries in the world, but its exclusion from Horizon Europe in the past and its lack of integration into European innovation networks significantly weaken the startup ecosystem. Switzerland is often too small a market for new companies. Startups need to operate internationally quickly. That is why easy and fast market access to countries in the EU and the US is very important. Startups in the EU have access to billions in funding, while Swiss startups are increasingly excluded. This limited access to European research collaborations makes it difficult for startups to access new technologies and partners. Closer cooperation with the EU is crucial for Swiss startups to compete in the global market.

Objectives

- Create better access to European and international markets and innovation funding.
- Secure and integrate Switzerland into Horizon programs in the long term.

Measures

- Political initiative to resume and maintain EU partnerships in the field of innovation and research.
- Create national replacement programs for research and development if full EU cooperation is not possible.
- Promote the internationalization of Swiss startups to facilitate market entry in Europe.

¹⁶ Switzerland’s federal system results in a wide variety of administrative processes and tax systems

Prio 2

3.3 Abolition of stamp duty

Initial situation

Stamp duty is a tax on the issuance and trading of securities. It makes capital increases more expensive and makes it more difficult for startups to obtain investment. Switzerland is one of the few countries that still levies such a tax. International investors avoid Switzerland because their investments here are unnecessarily more expensive. Abolishing stamp duty would enable more startups to raise capital and become more successful in the long term.

Objective

Abolition of stamp duty on capital increases and investments in startups.

Measures

- Short-term: Amend the law to abolish stamp duty for startups.
- Long-term: Complete abolition of stamp duty at the national level for all companies.

Prio 2

3.4 Extension of loss carry-forward to 10 years

Initial situation

Startups, especially those in the deep tech sector, often need many years to become profitable. Currently, companies in Switzerland can only carry forward losses for tax purposes for seven years, which is not sufficient to create long-term planning security. In countries such as Germany and the United States, there are longer-term loss carryforward rules that enable startups to better offset their early losses. Extending the loss carryforward to at least 10 years would significantly ease the burden on Swiss startups and give them more time to stabilize financially.

Objective

Extension of the tax loss carryforward from 7 to 10 years.¹⁷

Measures

- Legal amendment of tax regulations to extend the loss carryforward.
- Introduction of more flexible loss offset models for startups.

Prio 2

3.5 Creation of innovation zones in accordance with Article 64 of the Federal Constitution

Initial situation

Switzerland has outstanding research institutions and a strong startup ecosystem. Nevertheless, there is a lack of specifically defined innovation zones in which research, startups, and private capital are systematically brought together. International models such as “opportunity zones” show that clearly defined innovation zones can greatly accelerate investment, startups, and cooperation. In the Swiss context, there are constitutional provisions (Art. 64 of the Federal Constitution) to strengthen innovation promotion programmatically and legally without conflicting with the principle of equal treatment. However, there is currently a lack of appropriate framework conditions and pilot projects to implement such innovation zones in Switzerland.

Objective

Creation of legally and programmatically defined innovation zones that facilitate startups, research transfers and investments and strengthen cooperation between universities, startups and private capital.

Measures

- Drafting of a national innovation zones act based on Art. 64 of the Federal Constitution, which uses the promotion of research and innovation as its foundation.
- Definition of innovation zones in collaboration with cantons, universities, and the startup community (e.g., areas around ETH/EPFL, innovation parks, deep tech hubs).
- Regulatory relief within the zones, e.g., simplified approval procedures, easier cooperation between universities and startups, faster IP transfer.
- Targeted promotion of investment through programmatic instruments, such as matching funds, innovation grants, pilot infrastructures, or co-financing models



Islam Alijaj
National Council, SP

“I grew up in an environment where opportunities weren’t handed to you on a silver platter—you had to fight for them. That’s exactly why I believe so strongly in startups and innovation: they give people the opportunity to turn an idea into reality. When we in Switzerland empower courageous founders, we are investing not only in technologies, but also in future opportunities for everyone.”

¹⁷ The National Council has already approved this request. The proposal is now pending a decision by the Council of States

Prio 3

3.6 Adaptation of restructuring law to the reality of startups

Initial situation

Startups are often capital-intensive in their early stages and initially generate little revenue. This makes them particularly vulnerable to imminent insolvency (CO 725), half capital loss (CO 725a) or over-indebtedness (CO 725b).^{18,19} During their growth phase, startups usually have few hidden reserves or realizable collateral, which is why they often lack the financial leeway to stabilize their balance sheets. Such financial bottlenecks can severely undermine the confidence of investors and business partners.

Objective

Startup-compatible design of CO 725, which does not penalize the early-stage phase and avoids disproportionate restructuring obligations.

Measures

- Develop startup-specific restructuring mechanisms.
- Longer deadlines for early-stage startups in the event of half capital loss and over-indebtedness.

Prio 3

3.7 Creation of a Swiss R&D Fellowship program

Initial situation

The current budget cuts and growing uncertainty in the US research environment present Switzerland with a unique opportunity to strengthen its position as a leading international research and innovation hub. By targeting the recruitment of outstanding researchers and their teams, Switzerland can significantly expand its expertise, innovative strength, and global visibility in the field of research and development. However, this requires attractive framework conditions that are internationally competitive and actively promote the influx of top talent.

Objective

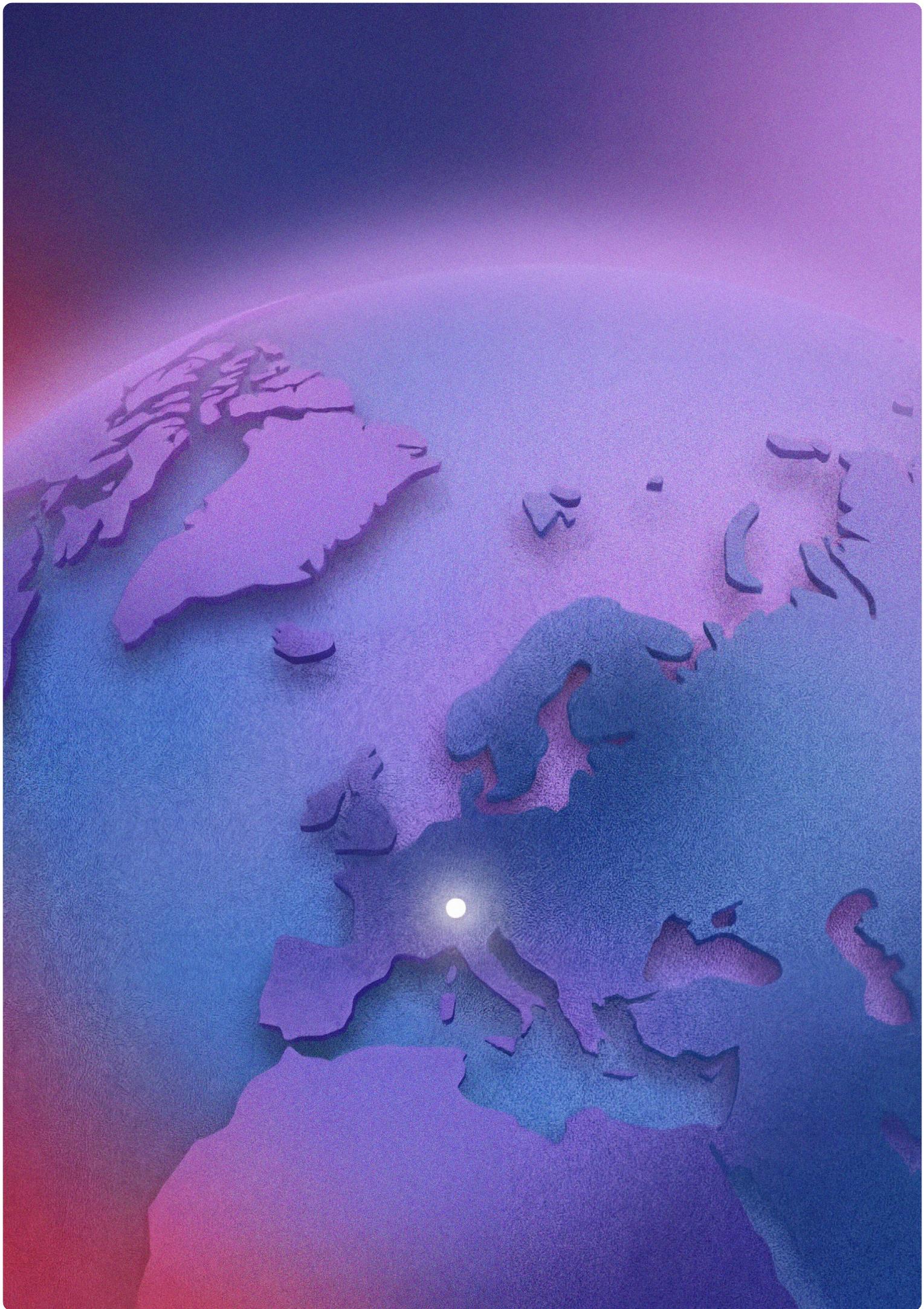
Targeted recruitment of highly qualified researchers and research teams from abroad to strengthen Switzerland as a center of innovation and research.

Measures

- Introduction of a national “Swiss R&D Fellowship” program with attractive funding conditions for top international researchers.
- Support for the establishment of research teams and infrastructures at Swiss universities and innovation centers.
- International positioning of Switzerland as a preferred location for excellent research through targeted communication and recruitment initiatives.

¹⁸ Half of the share capital and legal reserves are no longer covered

¹⁹ Capital loss has increased to such an extent that the company's liabilities are no longer covered by its assets.



Reforms for a globally
successful startup ecosystem



Call to Action

Strengthening startups – Implementing reforms

Switzerland has the potential to become one of the world's leading startup nations. It has first-class universities, a strong economy, and an innovative culture. But without targeted reforms, it risks losing ground in international competition. This position paper outlines the steps necessary to strengthen startups in Switzerland.

1 Talent, labor market and education

Simpler visa processes and more attractive working conditions for startup employees, as well as the promotion of entrepreneurial thinking in education.

2 Capital and financing

Tax incentives and better framework conditions for venture capital.

3 State, regulation and location promotion

Faster processes, modern digital administration, and a reduction in regulatory burdens.

Conclusion

These measures are not only crucial for start-ups; they are essential for the economic future of Switzerland. After all, startups are not just companies, they are drivers of *innovation*, *creators of jobs*, and *leaders in technology*.

Politics, business, and society must act now. Bold reforms are necessary to unlock Switzerland's full innovation potential. The time is ripe for a Switzerland that not only scores well in innovation rankings but also actually *offers the best conditions for founders*.

Definitions

The following glossary serves to define key terms uniformly in order to ensure a common understanding and avoid misunderstandings.

Term	Definition
Board of Directors (BoD)	The highest governing and supervisory body of a stock corporation. It holds strategic responsibility, oversees executive management, and represents the company externally
Business angel	Private individual who supports startups with capital, expertise, and contacts, usually in exchange for convertible debt instruments or equity
Capital increase	Process by which companies raise new equity capital by issuing additional shares
Deep tech	Startups with particularly sophisticated, research-intensive products
Direct investment	Long-term participation by a foreign investor in a Swiss company with the aim of influencing its business activities (e.g., through takeovers or the acquisition of shares)
ESOP/PSOP	Participation models (Employee/Phantom Stock Ownership Plan) in which employees participate in the company's success or value
Horizon Europe	The EU's central research and innovation program
IP transfer	Intellectual property transfer; transfer of intellectual property rights (e.g., patents from a research institution to a company)
IPO	Initial public offering; A company's first listing on a stock exchange, where its shares are traded publicly
Loss carryforward	Possibility to carry forward tax losses to future years in order to offset them against future profits.

Term	Definition
L-QIF	Limited Qualified Investor Fund; New Swiss fund type that is less heavily regulated and only open to professional investors
M&A	Mergers & Acquisitions; mergers and acquisitions, e.g., when a larger company buys a startup
Passporting	EU regulations that allow banks and financial companies to offer their services in all EEA countries with a single license; does not apply in Switzerland
Pension fund assets	Assets from the pension fund that, under certain conditions, are invested in funds that can then invest in startups
Remote work	Working outside the company location, e.g., from home or on the road
SME	Small and medium-sized enterprises with fewer than 250 employees
Spin-off	Company that is spun off from an existing organization (e.g., university/company) in order to commercially exploit innovative technology
Startup	A young, innovative company with a science- or technology-based solution that is characterized by high scalability, ambitious growth plans and international market demand
Tax-free capital gains	Capital gains from the sale of private assets, which are tax-free in Switzerland for private individuals
Tax ruling	Advance decision by the tax authority on the tax treatment of a specific set of facts or transaction.
Venture capital	Risk capital that professional investors invest in young, high-growth companies in exchange for equity stakes.
Withholding tax	Tax that is deducted directly from certain capital income before payment is received. A refund is only possible if properly declared and if the taxpayer is domiciled in Switzerland.

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