

## Features of a limited partnership

- Purpose:**
- Running a business trade with 2 or more natural persons
- Creation:**
- By signing of a partner contract
- Legal entity:**
- No own legal entity - the company is, however, capable of taking actions, suing or being sued and being claimed against for debt
- Form regulations:**
- Signing of a partner contract
  - Registration in the register of commerce
- Organs:**
- Partners
- Company designation:**
- The personal name of at least one partner with unlimited liability must be included with the addition: " Co.", "& Cie-", "+ Son", "+ Heirs" and "Bros." etc. (The personal name of limited partners may not be included in the company name, otherwise they become liable in the same way as general partners.)
- Foundation:**
- Number of founders
    - 2 or more persons
    - At least 1 with general partner with complete liability (general partner) and one partner with limited liability (limited partner).
    - Limited partners may be juridical persons.
  - Origin of founders
    - Swiss and foreign citizens (at least one representative must be resident in Switzerland).
- Liability:**
- General partner: Unlimited
  - Limited partner: Liability only up to a limited amount (only if his/her name is **not** included in the company designation, otherwise he/she also bears unlimited liability).
- Taxes:**
- The partners pay tax on both business income and capital assets together.
- Recommendations
- Carefully draw up a written partner contract.
- Advantages:**
- No minimum capital
  - Simple foundation
  - Combination of the strength and capital of 2 or more persons in order to achieve a mutual business objective.
  - Unlimited liability of general partners
  - Limited liability of limited partners
- Disadvantages:**
- Independence of the company from the partners (if 1 of 2 leaves, this may endanger existence of the company although conversion into a proprietorship is possible)
  - Restraint of trade agreement among the partners if no other converse agreements are reached.
  - Any disagreements between the partners