

MANIFEST IN FAVOR OF SWISS START-UPS

Based on suggestions and requests made by many entrepreneurs, Le Réseau and Bilan have identified ten measures they propose to support in order to improve the framework conditions around the creation and growth of new innovative companies in Switzerland.

1. TAX EXEMPTION OF PRIVATE INVESTMENTS INTO START-UPS

A maximum amount invested in a start-up company deducted from the income and/or wealth tax at the time of the investment. This amount would only be taxed when the investment is recovered.

2. ARRANGE THE TAX SYSTEM TO SUPPORT START-UPS

Implement tax measures to support investment into businesses' research and development and reduce tax liabilities on incomes stemming from intellectual property rights.

3. IMPROVE THE EMPLOYEE-PARTICIPATION SCHEMES

Since 2010, employees' options are no longer taxed at the time of grant but when the employee acquires shares following the exercise of options. The situation for non-profitable start-ups is very different as it is difficult to estimate the tax on a « virtual » revenue. Therefore, taxation should happen only when the shares are sold.

4. CREATE A VENTURE CAPITAL FUND OF HEDGE FUNDS

Fuelled voluntarily by pension funds and under the Swiss Confederation supervision, this fund specifically focuses on increasing the number of professional investors in Switzerland (limited partnerships, corporate funds) financing the innovative sectors.

5. CREATE A SECOND MARKET IN SWITZERLAND

The lack of Swiss innovative company IPOs has a negative impact on their valuation and on the whole ecosystem. It is therefore a must to lower the stock entry level or to implement a dedicated stock market segment.

6. FACILITATE THE DEVELOPMENT OF A COLLABORATIVE ECONOMY

Crowd funding and sharing economy should be fostered by a supportive legislation in Switzerland to avoid the risk that these sectors will develop elsewhere.

7. IMPLEMENT A «START-UP VISA»

Ease the immigration of VC's, founders and key employees with an attractive work permit, easily transmissible outside of Switzerland.

8. SWISS SMALL BUSINESS ACT

Implement measures to facilitate the integration of start-ups in call for tenders issued by public authorities and large enterprises in order to help them acquire references.

9. REFORM THE CTI

As the Confederation main supporting tool for innovative SMEs, The Commission for Technology and Innovation needs a simplified administration and an extension of its activities to start-ups not stemming from academic institutions.

10. A SWISS DARPA

Similar to the US army, the Swiss army could put in place an R&D funding agency likely to invest – including in the form of challenges – in long-term, strategic projects capable of generating disruptive technologies.