

Annual Report

2020



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1. Introduction

We officially founded SWESA last spring, in the week before Switzerland went into lockdown. In retrospect, the timing, though not without its challenges, worked out well since we were immediately called into action. Together with other representatives from the startup community, we worked to ensure a guarantee programme was put in place for startups. We have certainly made our mark in Bern in just a relatively short period of time and are working to achieve even more in the future.

Back in autumn 2019 we had conversations with longstanding and newly elected MPs interested in supporting the interests of up-and-coming businesses. A decision was made together with Judith Bellaiche and Andri Silberschmidt to form the Startups and Entrepreneurship parliamentary group. SWESA acts as the sponsor for this cross-party group, which means that the Swiss startup ecosystem now has direct access to political circles for the first time. Topical issues are discussed and corresponding political proposals formulated during the parliamentary group's meetings.

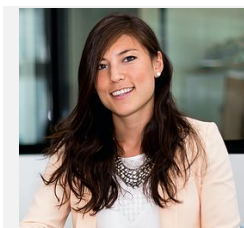
Before signing off, I would like to express my sincere gratitude to my Executive team colleagues – Deborah Heintze, Marc Maurer and Karim Maizar – for their support. Karim in particular went the extra mile with his work on tax issues. Many thanks!

Simon Enderli
President, SWESA

2. Management

The Swiss Entrepreneurs Foundation was the driving force behind SWESA's establishment. The Foundation also aims to improve the business policy framework for startups and entrepreneurs. Its patron is Federal Councillor Guy Parmelin. SWESA has delegated management responsibilities to the Swiss Entrepreneurs Foundation, which has assumed them on a pro bono basis.

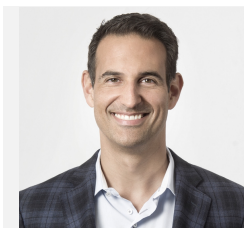
3. Executive Board



Déborah Heintze
CMO and Co-Founder
Lunaphore Technologies SA



Marc Maurer
COO
On AG



Karim Maizar
Partner and Head Startup Desk
Kellerhals Carrard



Simon Enderli
CEO
Swiss Entrepreneurs Foundation

As a result of time restrictions, Lea von Bidder left the Executive Board in mid-2020.

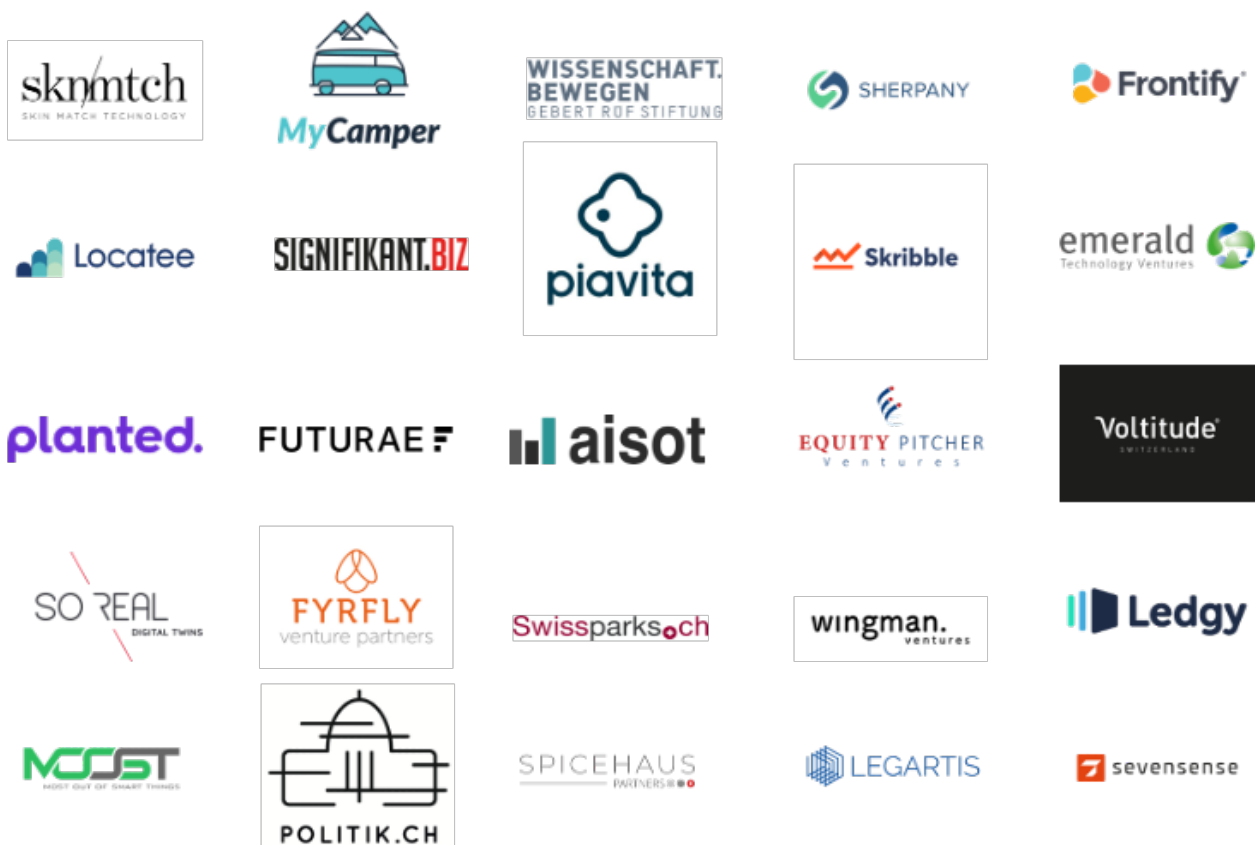
None of the Executive Board members receive any remuneration for their duties.

4. Members

Members are the lifeblood of the association and provide funds to cover its needs. Startups are able to join for a token payment of one Swiss franc. SWESA's members enjoy the following benefits:

- Members can contact SWESA concerning policy issues they are facing. The issues are checked out and then submitted to the parliamentary group for discussion.
- Informative newsletter providing briefings on parliamentary debates and updates on issues relevant to members.
- Invitations to networking events that help to promote conversations between business and political circles.
- Participation in questionnaires and surveys, as well as access to the results.
- Conversations/networking with other members.
- Support provided through the SWESA network for specific issues.

We are delighted that more than 130 members have already joined us in our first year, and we want to build further on these foundations.



A full membership list is available at www.swesa.ch/mitglieder.

5. Our charter

Unlike other associations and organisations in the startup ecosystem, SWESA is concentrating solely on political aspects, for the time being at least. The Executive team has drafted a charter based on various questionnaires that guides the association’s work. Our goal is to make a difference in the following areas through our activities:

- **Taxes & filings** We aim to make tax conditions as attractive as possible for the entire ecosystem. That includes founders and employees, as well as investors.
- **Talents** We endeavour to give Swiss startups easier access to the top talents, in terms of both quotas and regulatory processes.
- **IP & patents** Existing patent processes need to be simplified. Swissness should be used as a positive force to gain footholds in international markets.
- **Innovation & support** We strive to make sure the federal development agencies (Innosuisse, S-GE etc.) put businesses at the forefront of their efforts. They need to raise the quality of their services and make them easily accessible.
- **Founders** We champion entrepreneurship and endeavour to keep the regulatory hurdles for newly founded businesses as low as possible.
- **Financing** We aim to drive forward political discussion to help raise more Swiss venture capital in the future.
- **Sustainability** We are committed to sustainability in the pursuit of all our initiatives. That includes our relationship with the environment, our social interactions and our efforts to build an attractive and future-oriented business environment.

6. Parliamentary group

The cross-party Startups and Entrepreneurship parliamentary group provides our direct connection to the political sphere of influence. Like SWESA, it was formed in spring 2020, by Judith Bellaiche and Andri Silberschmidt, its joint chairs. The grouping is open to all parliamentarians interested in furthering the interests of startups and innovative SMEs.



From left to right: Alois Gmür, Esther Friedli, Min Li Marti, Andri Silberschmidt, Judith Bellaiche, Gerhard Andrey

Core team:

Judith Bellaiche

National Councillor, GLP, ZH

Alois Gmür

National Councillor, CVP, SZ

Min Li Marti

National Councillor, SP, ZH

Andri Silberschmidt

National Councillor, FDP, ZH

Esther Friedli

National Councillor, SVP, SG

Gerhard Andrey

National Councillor, Greens, FR

Other members:

Marianne Binder-Keller

National Councillor, CVP, AG

Kurt Fluri

National Councillor, FDP, SO

Ruedi Noser

Councillor of States, FDP, ZH

Damien Cottier

National Councillor, FDP, NE

Johanna Gapany

National Councillor, FDP, FR

Fabio Regazzi

National Councillor, CVP, TI

Jacqueline De Quattro

National Councillor, FDP, VD

Lars Guggisberg

National Councillor, SVP, BE

Maja Riniker

National Councillor, FDP, AG

Marcel Dobler

National Councillor, FDP, SG

Charles Juillard

Councillor of States, CVP, JU

Beat Walti

National Councillor, FDP, ZH

Beat Flach

National Councillor, GLP, AG

Isabelle Moret

National Councillor, FDP, VD

7. Activities and initiatives

SWESA made its influence count in several working parties and launched several procedural requests in cooperation with the parliamentary group, even though this was just its first year in existence.

- **Startup Taskforce**

When the Federal guarantee scheme was launched to address the Covid-19 pandemic, startups were largely overlooked. For example, businesses that were not yet generating any revenues did not qualify for support. With substantial backing and support from all the major players in the Swiss startup scene, we successfully persuaded the Federal Council to set up a startup guarantee programme worth over CHF 154 million. By the end of 2020, almost CHF 100 million of that amount had been paid out.

- **Taxation of employee shareholdings**

The taxation of employee shareholdings was the main focus of the parliamentary group's second meeting. During the discussions, Adrian Hug, Head of the Swiss Federal Tax Administration (FTA) presented the official standpoint, while Marc Maurer, COO of On, spotlighted the challenges startups face with employee shareholdings. In an encouraging development, significant adjustments proposed in circular no. 37 were accepted. Under the new arrangements, employee shares are no longer subject to capital gains tax when sold to an independent third party after a holding period of five years.

- **Taxation of business angels**

The tax treatment of investments in Swiss startups was the topic considered at the third session of the parliamentary group. Esther Cahn, CEO and co-founder of Signifikant Solutions, reported on her first-hand experience of the tax risks with investments made by investor syndicates. For example, there is a risk that the return achieved when they exit may have to be taxed as income. Based on the subsequent discussion, Andri Silberschmidt submitted an interpellation, which requested that the Federal Council give an opinion on various points.

- **Startup visas**

At its fourth session, the parliamentary group considered the topic of startup visas. While many industrialised and emerging economies have already introduced special work permits for recently established businesses, there is no special category of permit for startup founders. Previous procedural requests aiming to change this state of affairs were rejected. At present, talks are being held with Economiesuisse, the Swiss business federation, to establish the requisite components of a procedural request to make progress in this area.

- **Swiss group of tax policy experts**

The *Steuerstandort Schweiz* group of tax policy experts met for the first time in autumn 2020, tasked by Federal Councillor Ueli Maurer to pinpoint areas in which Swiss tax policy could be enhanced. SWESA, represented by Karim Maizar, was invited to present the requests of the startup ecosystem. In all, it identified 16 action areas in which Swiss tax policy should be enhanced. Of particular relevance to us are the following aspects:

- **Cut capital levies and wealth taxes**

Lowering taxes eroding a company's very foundations helps to increase the resilience of businesses, encourages investments and makes Switzerland a more attractive location for highly capitalised companies.

- **Eliminate transaction taxes**

Getting rid of transaction taxes promotes risk diversification, supports self-financing and strengthens the environment in Switzerland.

- **Introduce a financing-agnostic approach**

The tax system should support the productive use of capital and thus promote growth by maintaining a financing-agnostic approach.

- **Champion research, development and innovation**

Research, development and innovation are the pillars supporting greater competitiveness, location-specific appeal and growth.

- **Expand the scope of loss carryforwards**

Greater flexibility to carry losses forward enables businesses to bear risks.

By the end of June, the FDF intends to submit proposals to the Federal Council for a decision based on the recommendations of the group of experts.

8. Annual accounts

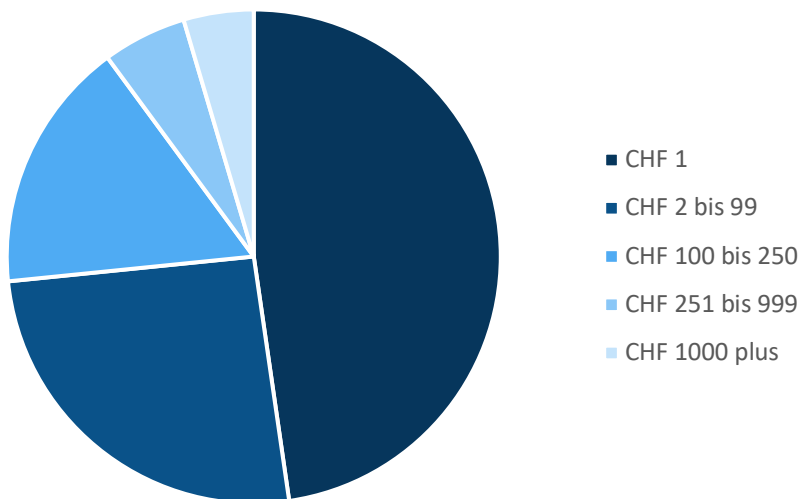
When the association was formed, a decision was made not to set the membership categories too rigidly. Instead, minimum contributions were laid down for the various categories. Startups and SMEs can thus join as members for as little as one Swiss franc. Infrastructure and tools, monitoring of political business and organization of meetings and events are the main purposes for which member contributions are used. The annual accounts are as follows:

Profit & loss statement - 10 March to 31 December 2020

Membership fees	11,100
Donations	1,000
Services purchased	-1,315
Gross profit	10,785
Personnel expense	-
Other personnel expense	-145
Marketing expense	-
IT and administrative expense	-5,534
Operating profit (EBIT)	5,146
Financial expense	-109
Net profit	4,997
Association's capital at 31 December 2020	4,997

▪ **Structure of membership contributions**

Membership contributions to year-end 2020 break down as follows:



▪ **Commentary on the annual accounts**

Since membership contributions are for members to determine, a relatively high number of them opted to pay the minimum contribution of CHF 1. This is understandable because a new association first needs to prove itself and demonstrate the value of its work. Conversely, it is obvious that the cost of SWESA's activities would not be covered by the proceeds currently raised from members if the Executive team and business unit were not working pro bono. In addition, the pandemic meant that no in-person events could go ahead, which had positive effects on outlays. The Executive Board decided that it would leave the minimum contribution unchanged to stabilise and indeed expand its membership base.

9. Outlook

In our second year, we want to sharpen the focus of our activities and build up our membership. We are also looking to establish partnerships with representatives from the startup ecosystem and other business federations. We will also press ahead with our goal of giving the interests of startups and innovative SMEs a more prominent voice in Bern. That's what we are concentrating on and is the yardstick by which we will measure our success.

Finally, we wish to thank everyone who has shown SWESA support in one form or another during the first year of its existence – as a member, advisor, sponsor, Executive Board member, partner or politician.

31 March 2021

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