

# The Ultimate Comparison: Selling Your SMB Company with 23.investments vs. Other Options

## Introduction

As an SMB owner, you've poured your heart and soul into building your company. Now, you're ready for the next chapter, and finding the right exit strategy is crucial for ensuring a smooth transition and securing your financial future. But with so many options out there, it can be overwhelming to choose the best fit for your needs. That's where we come in. This blog post will provide an ultimate comparison of 23.investments, a tailored solution for [selling your SMB company](#), with other popular alternatives such as Venture Capital, Private Equity, and Brokers. Our aim is to guide you through the key differences, using simple language and a touch of controversy to help you make an informed decision that best suits your business and personal goals.

In the following sections, we will delve into various aspects, such as valuation targets, the selling process, founders/owners commitment, legal terms, returns, cash-out options, and company culture preservation. By the end of this blog post, you will have a clear understanding of why 23.investments stands out as the superior choice for [SMB owners looking to sell their businesses](#) while maintaining their legacy and securing a prosperous future.

# Valuation Target: Realism vs. Inflated Expectations

A fair valuation is crucial when [selling your business](#), as it ensures that both the seller and the buyer enter a mutually beneficial transaction. In this section, we'll compare the valuation approach of 23.investments with that of Venture Capital, Private Equity, and Brokers.

## 23.investments

- Realistic valuations: 23.investments takes a comprehensive approach, factoring in the industry, market, unique advantages, company size, and profit multiples to determine a [fair value](#) for your business.
- Win-win transactions: By focusing on realistic valuations, 23.investments fosters a collaborative environment where both parties can reach a satisfactory agreement.

## Venture Capital

- Inflated expectations: Venture Capital firms are notorious for seeking huge valuations, often detached from the actual value of the company. This can lead to overvaluation, which puts unnecessary pressure on the business and sets unrealistic growth expectations.
- Criticism: This approach can hinder a healthy transaction, as inflated valuations often deter [potential buyers and may result in the business remaining unsold](#).

## Private Equity

- Maximum valuation for the fund: Private Equity firms

tend to focus on maximizing their own fees and squeezing out the highest valuation possible, even if it doesn't accurately reflect the company's worth.

- Criticism: This can lead to an imbalance in the transaction, as the seller may feel pressured to accept an unfavorable deal just to meet the fund's expectations.

## **Brokers**

- Self-serving optimization: Brokers tend to prioritize their own commissions above the best interests of sellers and buyers, leading to less-than-ideal outcomes for both parties.
- Upfront commissions: These commissions are often charged upfront and may still apply even if the company is not sold in the end, leaving sellers at a disadvantage.
- Criticism: This approach not only wastes the seller's time and resources but also diminishes their chances of finding a suitable buyer, as unrealistic valuations deter potential buyers from making offers.

In conclusion, 23.investments offers a more realistic and balanced approach to valuation, taking multiple factors into account to ensure a fair deal for both parties. In contrast, Venture Capital, Private Equity, and Brokers often set inflated expectations, which can hinder the selling process and result in an unsatisfactory outcome for the seller.

# **The Process: Efficiency and**

# Simplicity with 23.investments

The process of selling a business can be a daunting and time-consuming endeavor. In this section, we'll discuss how 23.investments streamlines the process for efficiency and simplicity, and compare it to the lengthy, complex procedures of Venture Capital, Private Equity, and Brokers.

## 23.investments

- **Quick and efficient:** The process with 23.investments is designed for speed and simplicity, with an offer made in just 7 days, diligence completed in 30 days, and the deal closed in less than 60 days.
- **Seller-friendly approach:** By minimizing paperwork and expediting the transaction, 23.investments allows sellers to focus on their business operations and transition with ease.

## Venture Capital

- **Lengthy and complex:** Venture Capital firms are known for their extensive due diligence, which often takes 3-6 months to complete and requires a considerable amount of paperwork.
- **Criticism:** This prolonged process can cause unnecessary stress for sellers, who must juggle the demands of their business with the requirements of the Venture Capital firm.

## Private Equity

- **Time-consuming and complicated:** Much like Venture Capital, Private Equity firms typically take 3-6 months to complete a transaction, with a heavy emphasis on

paperwork and complexity.

- Criticism: The drawn-out process can lead to frustration and delays, potentially causing the seller to miss out on other opportunities or lose momentum in their business operations.

## **Brokers**

- Uncertain timeline: With brokers, the process can take up to 12 months or even longer, with no guarantee of a successful sale. In fact, only 1 in 20 companies listed with brokers actually sell.
- Limited marketing capabilities: Brokers often rely on traditional and outdated marketing methods, lacking the digital expertise needed to effectively promote and sell businesses in today's online-driven marketplace.
- Criticism: This highly unpredictable timeline can drain the seller's resources, making it difficult to plan for the future and resulting in a negative experience overall.

In summary, 23.investments offers a streamlined, efficient process that respects the seller's time and resources, making it an ideal choice for SMB owners. On the other hand, Venture Capital, Private Equity, and Brokers often involve lengthy, complex procedures that can hinder the seller's ability to manage their business effectively and move on to the next chapter of their lives.

**Founders/Owners**

**Commitment:**

# Flexibility for a Better Future

One of the most critical aspects of selling a business is determining the future involvement of founders and owners. In this section, we'll discuss the flexibility offered by 23.investments in comparison to the rigid commitments required by Venture Capital and Private Equity, as well as the unclear plans provided by Brokers.

## 23.investments

- Flexibility for founders/owners: 23.investments offers a variety of options for founders and owners, allowing them to stay, go, or choose a combination of both. This approach respects the preferences and needs of sellers, ensuring a smooth transition for everyone involved.
- Benefits: This flexibility allows founders/owners to make the best decision for their personal and professional future, whether that means [continuing to contribute to the business](#) or moving on to new opportunities.

## Venture Capital

- Rigid, long-term commitments: Venture Capital firms often require founders/owners to stay involved in the business for 5+ years, effectively locking them into an extended commitment.
- Criticism: This inflexible approach can be detrimental to the well-being and career aspirations of founders/owners, who may feel trapped or limited in their ability to pursue other opportunities.

## Private Equity

- Fixed commitments with earn-out structures: Private Equity firms typically mandate a 3+ year commitment from founders/owners, often combined with performance-based earn-out structures that can tie their financial [success to the business's](#) future performance.
- Criticism: This arrangement can be stressful for founders/owners, as their financial future becomes dependent on the company's success even after they have transitioned away from daily operations.

## Brokers

- Unclear plans: When working with Brokers, the future involvement of founders/owners is often ambiguous, leaving them uncertain [about](#) their role and responsibilities post-sale.
- Rudeness and inflexibility: Some brokers can be dismissive of potential buyers, focusing only on proof of funds and showing little interest in crafting a win-win [deal structure](#) that benefits both the buyer and the seller.
- Conflicting interests: The business model employed by brokers inherently creates a conflict of interest between their own needs, the needs of potential buyers, and the needs of SMB sellers, ultimately hindering the possibility of a successful transaction.
- Criticism: This lack of clarity can be unsettling for sellers, who may feel unsure about their future and struggle to make informed decisions about their personal and professional lives.

In conclusion, 23.investments stands out for its commitment to flexibility and the well-being of founders/owners, allowing them to choose the level of involvement that best suits their

needs and aspirations. In contrast, Venture Capital and Private Equity options impose rigid, long-term commitments that can be stifling, while Brokers often fail to provide clear plans for the future involvement of founders/owners.

## Returns: A Win-Win Partnership with 23.investments

When selling a business, the potential returns play a significant role in shaping the outcome for founders/owners. In this section, we'll explore the realistic deal structures proposed by 23.investments, expose the pressure for high returns and risks associated with Venture Capital, and discuss the short-term focus and disregard for long-term success prevalent in Private Equity and Brokers.

### 23.investments

- Realistic [deal structures](#): 23.investments focuses on creating win-win partnerships that benefit both the seller and the buyer, offering deal structures based on realistic expectations and a long-term vision.
- Benefits: This approach fosters collaboration and ensures that both parties are satisfied with the transaction, ultimately resulting in a successful and sustainable partnership.

### Venture Capital

- Pressure for high returns and risks: Venture Capital firms typically push for 10–100x returns, which translates into immense pressure and high risk for the businesses involved. This demand for exceptional growth often comes with only a 3% chance of success.

- Criticism: This high-pressure environment can lead to unhealthy practices within the company, potentially compromising its long-term viability and negatively impacting the founders/owners' financial future.

## **Private Equity**

- Short-term focus: Private Equity firms often aim to flip the company within 3–5 years, disregarding its long-term success in favor of maximizing returns within a limited timeframe.
- Criticism: This short-sighted approach can be detrimental to the company's overall health and sustainability, leaving the business and its employees vulnerable in the long run.

## **Brokers**

- Disregard for long-term success: Brokers tend to prioritize maximizing their commissions and upfront payments, with little to no concern for the company's long-term success or well-being.
- Criticism: This lack of foresight can lead to unfavorable deals for the founders/owners and hinder the business's ability to thrive in the future.

In conclusion, 23.investments offers a balanced approach to returns, focusing on realistic deal structures that promote long-term success and collaboration. In contrast, Venture Capital firms often impose pressure for high returns and risk, while Private Equity and Brokers typically prioritize short-term gains, disregarding the long-term success and sustainability of the business.

# Cash-Out: Fair Deal Structures for All Parties

When selling a business, the cash-out [options](#) available to founders/owners can significantly impact their financial well-being and future prospects. In this section, we'll describe the full or partial cash-out options provided by 23.investments, criticize the limited or non-existent cash-out options offered by Venture Capital and Private Equity, and reinforce the unclear plans presented by Brokers.

## 23.investments

- Full or partial cash-out options: 23.investments offers flexible cash-out options to sellers, enabling them to choose between a full or partial cash-out based on their preferences and needs. These fair deal structures prioritize a win-win outcome for the owner, employees, and investors.
- Benefits: By offering flexible cash-out options, 23.investments empowers founders/owners to make the best decisions for their financial future, whether that involves cashing out entirely or retaining a stake in the business.

## Venture Capital

- Limited or no cash-out options: Venture Capital firms often provide no cash to founders, instead focusing on investing funds for business growth.
- Criticism: This [approach can leave founders/owners with limited financial](#) security, potentially causing stress and inhibiting their ability to pursue new opportunities or enjoy the fruits of their labor.

## Private Equity

- Restricted cash-out options and earn-out plans: Private Equity firms typically offer limited cash to founders, along with tough earn-out plans that may not provide any additional funds for business growth. This approach often involves squeezing the company for profits through price increases and other measures.
- Criticism: These restricted cash-out options can hamper the financial well-being of founders/owners, making it difficult for them to achieve their financial goals or enjoy a comfortable retirement.

## Brokers

- Unclear plans: Brokers often fail to provide clear cash-out plans for founders/owners, leaving them uncertain about their financial future and the potential implications of selling their business.
- Criticism: This lack of clarity can create anxiety and confusion for sellers, making it challenging for them to plan for their future or make informed decisions about their personal and professional lives.

In summary, 23.investments stands out for its flexible and fair cash-out options, which prioritize the financial well-being and future of founders/owners. In contrast, Venture Capital and Private Equity options often limit cash-out opportunities, potentially compromising the financial security of [sellers](#). Meanwhile, Brokers tend to provide unclear cash-out plans, leaving founders/owners feeling uncertain and ill-informed about their financial prospects.

# Preserving and Enhancing Your Company's Essence

The culture of a company is a vital aspect of its identity and success. In this section, we'll applaud the commitment of 23.investments to maintaining company culture and providing long-term support, criticize the limited support and culture destruction caused by Venture Capital and Private Equity, and remind readers of the unclear plans offered by Brokers.

## 23.investments

- Preserving and enhancing company culture: 23.investments respects the existing culture of the companies it acquires, allowing them to operate as-is without imposing significant changes. Additionally, they provide support through digitalization, coaching, and network access, helping businesses grow and thrive in the long term.
- Benefits: This approach ensures that the company's essence remains intact, preserving its unique identity and fostering a healthy work environment for employees.

## Venture Capital

- Limited support and potential culture destruction: Venture Capital firms often focus primarily on fund returns, providing limited support to the [companies they invest](#) in. This single-minded pursuit of profits can jeopardize the company's culture, negatively affecting employees and the overall business.
- Criticism: This approach can undermine the company's core values and long-term success, ultimately damaging the very foundation upon which the business was built.

## Private Equity

- Disregard for company culture: Private Equity firms are known for prioritizing fund returns over the well-being of the company and its employees, often leading to the destruction of the existing culture. Their primary focus is on financial gains, which can come at the expense of the company's essence and workforce.
- Criticism: This callous approach can be devastating for the company and its employees, resulting in a toxic environment and potential long-term harm to the business.

## Brokers

- Unclear plans: Brokers generally fail to provide clear plans regarding the preservation or enhancement of company culture, leaving sellers in the dark about the future of their business and its employees.
- Criticism: This lack of foresight can result in unfavorable outcomes for the company, its culture, and its workforce, as the seller may be unable to make informed decisions to protect the business's unique identity.

In conclusion, 23.investments demonstrates a strong commitment to preserving and enhancing the culture of the companies it acquires, ensuring the long-term well-being of both the business and its employees. In contrast, Venture Capital and Private Equity options often prioritize financial gains over company culture, potentially causing irreversible damage to the business's core values and workforce. Meanwhile, Brokers fail to provide clear plans regarding company culture, leaving

sellers feeling uncertain about the future of their business and its employees.

## Conclusion

In this article, we have explored the various options available to SMB owners looking to sell their businesses, comparing 23.investments to Venture Capital, Private Equity, and Brokers. Our analysis has highlighted the numerous advantages offered by 23.investments, including realistic valuations, an efficient and straightforward process, flexibility for founders/owners, fair legal terms, mutually beneficial returns, accommodating cash-out options, and a strong commitment to preserving company culture.

As SMB owners contemplate their exit strategies, it is essential to consider the implications of each option thoroughly. By choosing 23.investments, sellers can benefit from a fair, efficient, and flexible approach, ensuring a smooth transition and long-term success for their businesses. Unlike Venture Capital, Private Equity, and Brokers, 23.investments prioritizes the well-being of the company, its employees, and the founders/owners, creating a win-win situation for all parties involved.

In conclusion, we urge SMB owners to explore 23.investments as a viable and promising alternative to traditional options. We encourage you to learn more about the unique benefits offered by 23.investments and make an informed decision for the future of your business, your employees, and your own financial well-being. Don't leave your company's fate in the hands of those who may not have your best interests at heart; take control of your exit strategy and choose 23.investments for a brighter, more secure future.

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# Taxes on the Sale of a Business: A Guide for SMEs in Switzerland

## 1. introduction

### Importance of taxes in the sale of a company, regardless of the purchase price

The sale of a [company is a complex process](#) in which many factors must be taken into account. One of the most important aspects is the tax treatment of the sale. In Switzerland, capital gains from the [sale of private assets](#) are generally tax-free. However, there are exceptions that must be taken into account.

### Frequency of succession or succession planning in SME companies

In the next few years, many SME [companies in Switzerland will be facing a succession plan](#). This transition may have tax implications, especially if the company is sold.

### The various tax aspects in Switzerland for taxing

- **Overview of the Swiss tax system:** Switzerland is known for its favorable tax system and its impact on M&A transactions. For owners who want to sell their business

in Switzerland, it is important to understand the Swiss tax system.

- **Share Deal vs. Asset Deal:** The type of [transaction structure](#) chosen can have a significant impact on the tax implications of the transaction. In a share deal, the buyer acquires the shares of the company, whereas in an asset deal, the buyer acquires the assets of the company.
- **Advantages and disadvantages of each type of [deal structure](#):** From a tax perspective, each type of deal structure has its own advantages and disadvantages. Equity deals tend to be less complicated, while asset deals offer more flexibility in tax planning.
- **Considerations for Swiss buyers compared to international buyers:** Swiss buyers and international buyers have different tax implications when acquiring a business in Switzerland. Swiss buyers are subject to Swiss tax laws, while international buyers may be subject to both the tax laws of their home country and Swiss tax laws.
- **Impact on the final terms of the agreement and the value received by the successor:** Tax considerations can have a significant impact on the final terms of the sale and the value received by the It is important for successors to understand these implications and work with a tax advisor to ensure they get the best possible outcome from the transaction.
- **Important tax aspects:** When [selling a business](#) in Switzerland, it is important to consider various tax aspects such as capital gains tax, VAT and stamp duty. A thorough understanding of these tax aspects and how they apply to the particular transaction is crucial for owners to ensure that they achieve the best possible outcome from the act of sale.

# Share Deal vs. Asset Deal: What's Right for You?

When it comes to [selling your business](#) in Switzerland, there are two main options: Share Deals and Asset Deals. In order to make an informed decision that best suits your needs and objectives, it is important to understand the key differences and implications of each transaction structure.

## Share deal (often with joint stock company or limited liability company)

- Sale of the shares of a company and not the assets
- The buyer acquires ownership and control of the company, but also assumes all liabilities and obligations
- Tax implications may vary depending on the specifics of the transaction and the buyer's jurisdiction

### Advantages:

- Simplified transfer of ownership and control
- Possibly lower tax impact as capital gains tax is lower than corporate income tax in some cases

### Disadvantages:

- The buyer assumes all liabilities and obligations of the company
- The seller may have limited control over the future of the company and its operations

## **Asset deals (often with sole proprietorship / partnership)**

- Sale of certain assets and liabilities of a company rather than shares
- The buyer acquires ownership of the assets and assumes the liabilities associated with them
- Tax implications may vary depending on the specifics of the transaction and the buyer's jurisdiction

### **Advantages:**

- Greater control over the transfer of certain assets and liabilities
- Possibly lower tax impact as capital gains tax is lower than corporate income tax in some cases
- The seller may retain ownership of the business and its remaining assets

### **Disadvantages:**

- Complex process of transferring certain assets and liabilities
- The seller may still be liable for the remaining liabilities of the company
- Potentially higher tax impact as seller may be taxed on transfer of individual assets

## **2. Tax aspects of the sale of business**

# **Tax-free capital gain on a sale transaction**

In principle, the profit from a sale transaction of private assets is not taxed in Switzerland. This applies in particular when a [private investor realizes a profit from his equity securities traded on the stock exchange.](#)

## **Exceptions: Indirect partial liquidation and lock-up period for divestments**

However, there are two important exceptions to the tax exemption: the indirect partial liquidation and the lock-up period. These two aspects can have significant tax consequences and should be taken into account when planning the sale of a company.

## **3. Differences regarding the tax consequences between the sale of a joint stock company and a limited liability company**

The sale of a corporation or limited liability company can have different tax consequences. It is important to understand these differences and plan accordingly. The same applies to partnerships, which are sometimes treated differently.

## **4. Indirect partial liquidation**

### **Definition and conditions**

Indirect partial liquidation occurs if the shares sold are held by the purchaser as business assets and a dividend of substance is paid to the new owner within five years of the transfer.

## **Tax consequences and risks**

The asset dividend can be taxed as income for the seller, even if he actually has nothing to do with the distribution. This can lead to considerable tax burdens.

## **Contractual protection**

In order to minimize the risk of an indirect partial liquidation, the seller should provide contractual safeguards. These can, for example, include the condition that no substance is distributed from the company's assets within the 5-year lock-up period.

## **5. Lock-up period**

### **Definition and conditions**

The lock-up period is a period of five years after a tax-neutral conversion from a personal enterprise (e.g. sole proprietorship) into an AG or GmbH. If the company is sold within this period, the hidden reserves transferred tax-free at that time may be subject to subsequent taxation.

### **Tax consequences and risks**

The lock-up period can have significant tax consequences. A sale within this period may result in subsequent taxation, which can significantly reduce the financial benefits of the sale.

## **6. Special cases and further exceptions**

## **Sale to a company subject to accounting requirements**

A sale to a company subject to accounting requirements may have special tax implications. In this case, the tax authority will examine for five years whether any substance dividends have been distributed during this period.

## **Substantive dividends and their tax effects**

Substantive dividends are distributions at the expense of reserves that already existed at the time of the sale of the company. They can lead to unexpected tax burdens for the seller.

## **7. Tax aspects of succession planning**

[Succession planning is an important aspect of selling a business.](#) It should be carefully planned and the tax implications taken into account.

## **8. Practical tips and strategies**

### **Preparation for the sale of the company**

Good preparation is the key to a successful company sale. This includes a thorough valuation of the company, consideration of all tax aspects and the development of an effective sales strategy.

### **Contractual arrangements and safeguards**

Contractual arrangements and safeguards can help minimize the risk of unexpected tax charges. They should be carefully

planned and reviewed by an experienced lawyer or tax advisor.

## **Tax optimization before the sale**

Effective pre-sale tax optimization can minimize potential tax burdens and maximize net proceeds from the sale.

## **9. Case studies and examples from practice**

Case studies and real-world examples can provide valuable insights into the [tax](#) aspects of selling a business. They can help identify potential pitfalls and develop effective tax optimization strategies.

## **10. Effects of tax legislation on the value of the company**

Tax legislation can have a significant impact on the value of a business. It is important to understand this impact and take it into account when planning the sale of a business.

## **11. Role of consultants and experts in the sale of companies**

Consultants and experts can be a valuable support during the sale of the company. They can help with the valuation of the business, tax optimization planning and negotiation of the sale agreement.

## **12. Conclusion**

The sale of a company is a complex process in which many factors must be taken into account. The tax aspects are of particular importance. Through careful planning and

consideration of all relevant tax aspects, the sale can be carried out successfully and with minimal tax risk.

## **Outlook and further resources**

There are several resources available for more information and assistance with selling a business. These include reference books, consulting firms and online resources. It is important to be well informed and to seek professional assistance if needed. Likewise, in addition to taxes, it is certainly also advisable to look at social security contributions, the timing of the sale and any differences depending on the canton.

## **Frequently asked questions about selling company taxes in Switzerland**

### **What do I have to consider from a tax point of view if I want to sell my company?**

Taxes are usually incurred on the sale of a company. However, taxation depends on various factors, such as the legal form of the company, the sale price as well as the time of the sale. It is advisable to consult a tax advisor to clarify the tax consequences of selling a company.

### **What taxes are incurred when**

## **selling a company?**

When selling a company, different taxes may be incurred, such as income taxes, capital gains taxes, profit taxes or social security contributions. The exact tax consequences vary depending on the legal form of the company and the sale price.

## **Are corporations and limited liability companies different for tax purposes when selling?**

AGs and GmbHs are treated differently for tax purposes. For example, in the event of a sale of an

## **What does the sale of a company mean?**

The sale of a [company means that the owner or group](#) of owners transfer their rights to the company to another individual or legal entity.

## **What is a corporation?**

A corporation is a legal entity established by at least two persons to carry out an entrepreneurial activity. The corporation has its own assets and is therefore limited by liability.

## **What is the difference between an AG and a GmbH?**

The AG (joint stock company) and the GmbH (limited liability company) are both corporations, but have different requirements for their formation, structure and liability.

## **What are partnerships?**

Partnerships are [companies in which the partners](#) are personally liable for the debts of the company. These include, for example, sole proprietorships, the collective partnership and the limited partnership.

## **Who are the buyers when selling a company?**

Buyers in the sale of a company may be individuals or legal entities interested in the business activity and assets.

## **What is a sole proprietorship?**

A sole proprietorship is an entrepreneurial activity run by a natural person. The owner is personally liable for the debts of the company.

## **What is the best legal form for a company?**

The choice of legal form depends on various factors such as liability, taxation, formation costs and the size of the company. There is no perfect legal form that is suitable for everyone.

## **What are the tax consequences of selling a company?**

When a company is sold, various taxes may be incurred, such as income tax, withholding tax, VAT and real estate gains tax.

## **What is a dividend?**

A dividend is a portion of a corporation's earnings that is distributed to shareholders.

## **How is the selling price of a company determined?**

The selling price of a company is determined based on the book value, the difference between the book value and the market value, and the earning power of the company.

In the case of an AG, a dividend may be distributed, whereas in the case of a GmbH, a distribution may be made as a capital gain or similar. It is advisable in each case to observe the specific tax regulations for the chosen legal form of the company.

## **How is the profit from the sale of a company taxed?**

The gain from the sale of a company can be taxed differently depending on whether it is an asset deal or a share deal. As a rule, in the case of an asset deal, the gain from the indirect partial liquidation is determined, whereas in the case of a share deal, the capital gain of the seller is taxed.

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## **Asset            or            Share            Deal?**

# Navigating the Pros and Cons of Acquiring a Company in Switzerland

In Switzerland, there are two ways to acquire a company: through an asset deal or a share deal. Both options have their advantages and disadvantages, which should be carefully considered before making a decision. In this article, we will discuss the differences between the two options and their respective pros and cons.

## Asset Deal

In an [asset deal](#), the buyer acquires specific assets and liabilities of the target company, rather than the company itself. This [means that the buyer can choose which assets](#) and liabilities they want to acquire, rather than taking on the entire company. The seller is then left with the remaining assets and liabilities, which can be transferred to a new company or liquidated.

### Pros:

1. **Reduced liability:** By only acquiring specific assets and liabilities, the buyer can reduce their potential liability. This is particularly important if the target company has significant debts or liabilities.
2. **Tax advantages:** Depending on the assets being acquired, there may be tax advantages to an asset deal. For example, if the buyer is acquiring specific assets rather than the entire company, they may be able to claim tax deductions on those assets.
3. **Flexibility:** An asset deal provides more [flexibility for the buyer to restructure the target company](#). They can

choose which assets and liabilities they want to acquire, and can then reorganize the company as they see fit.

## Cons:

1. **Increased transaction costs:** An [asset deal](#) can be more complex and time-consuming than a share deal. This is because the buyer must [identify and acquire specific assets](#), which can involve negotiating with multiple parties.
2. **Transfer of contracts:** In an asset deal, contracts with [third parties](#) must be transferred to the buyer. This can be a [complex and time-consuming process](#), particularly if there are multiple contracts with different parties.
3. **Potential disputes:** If the seller is left with assets and liabilities that are not desirable, they may dispute the terms of the transaction. This can lead to additional costs and delays.

## Share Deal

In a share deal, the buyer acquires all of the shares of the target company. This [means that the buyer is acquiring the entire company](#), including all assets and liabilities.

## Pros:

1. **Simplicity:** A share deal is generally simpler and quicker than an asset deal. This is because the buyer is acquiring the entire company, rather than specific assets and liabilities.
2. **Transfer of contracts:** In a share deal, contracts with third parties remain with the company. This means that there is no need to transfer contracts to the buyer.
3. **Synergies:** A share deal can create synergies between the buyer and the target company. This is because the buyer

is acquiring the entire company, including its employees and culture.

## Cons:

1. **Increased liability:** By acquiring the entire company, the buyer is taking on all of the liabilities of the target company. This can be a significant risk if the target company has significant debts or liabilities.
2. **Reduced flexibility:** A share deal provides less flexibility for the buyer to restructure the target company. They must [work with the existing assets and liabilities of the company](#), rather than choosing which assets and liabilities they want to acquire.
3. **Tax implications:** Depending on the [structure of the deal](#), there may be tax implications to a share deal. For example, if the buyer is acquiring a company with significant assets, they may be subject to higher taxes.

## Conclusion

In conclusion, both asset deals and share deals have their advantages and disadvantages. An asset deal provides more flexibility and reduced liability, but can be more complex and time-consuming. A share deal is generally simpler and quicker, but comes with increased liability and reduced flexibility. Ultimately, the decision between an asset deal and a share deal will depend on the specific circumstances of the transaction. It is important to carefully consider the pros and cons of each option before making a decision. Consulting with a legal professional with experience in Swiss corporate law can also be helpful in navigating the complexities of the transaction.

It is also important to note that the type of deal may impact the rights and obligations of the parties involved, such as

the transfer of employees or licenses. It is important to ensure that all relevant [legal and regulatory](#) requirements are met in the transaction.

In addition, the valuation of the company is also an important consideration when choosing between an asset deal and a share deal. In an asset deal, the [valuation is typically based on the value of the assets](#) being acquired, while in a share deal, the valuation is based on the value of the entire company. This can impact the price and terms of the transaction, as well as the tax implications.

In summary, choosing between an [asset deal and a share](#) deal requires careful consideration of the specific circumstances of the transaction, including the potential liabilities and tax implications. It is important to seek the advice of legal and financial professionals to ensure that the [transaction is structured](#) in a way that meets the needs of all parties involved.