

FOREIGN PERSONS WORKING IN SWITZERLAND

Switzerland has a dual system for granting foreign nationals access to the Swiss labour market. Persons from EU or EFTA member states, regardless of their qualifications, are granted easy access to the Swiss labour market under the terms of the Agreement on the Free Movement of Persons.

However, not every citizen of the EU/EFTA area is treated equally. Roughly, the EU/EFTA-states may be divided into three groups:

- **EU-15/EFTA:** For citizens of France, Germany, Austria, Italy, Spain, Portugal, the UK, Ireland, Denmark, Sweden, Finland, Belgium, the Netherlands, Luxemburg, Greece, Norway, Iceland und Liechtenstein the „full free movement of persons“ has been in effect since June 1, 2007. No more transitional measures apply.
- **EU-10:** There is a separate interim agreement to implement a controlled, step-by-step opening of the Swiss employment market for employees from the following new member states: Poland, Hungary, Czech Republic, Slovenia, Slovakia, Estonia, Lithuania, Latvia, Cyprus and Malta. Restrictions within the employment market may remain in effect until April 30, 2011.
- **Bulgaria and Romania:** Nationals from Bulgaria and Romania wishing to take up employment in Switzerland are subject to special interim provisions. The same applies to service providers from particular sectors as well as self-employed persons.

Workers from all other states – referred to as „third states“ – are admitted in limited numbers to the labour market in Switzerland, under the condition that they be properly qualified and that no person from the Swiss labour market or another EU/EFTA member state could be recruited to fill the position. Experience has shown that this category of employees has a better chance of professional and social integration than less qualified persons.

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REVISION OF SWISS DIVORCE LAW

According to Swiss divorce law, both spouses have to file for divorce if they want to terminate their marriage by mutual agreement. The court hears both parties in order to establish that both sides wish to divorce and that they have agreed on the terms of the divorce. Until the end of January 2010 a respite of 2 months applied for spouses who wished to divorce by mutual agreement, after which they had to reconfirm both their intention to divorce as well as the agreement on the terms of the divorce. Since February 1st, 2010, this confirmation is no longer necessary. Divorce agreements become effective immediately with the signing of the agreement and – contrary to law and practice in the past – cannot be easily revoked within a legal waiting period.

To avoid hasty divorces, as was the intention of the former rule, the revised civil law statute states explicitly that the hearing of the court can be conducted over several court sessions rather than just one. With the harmonization of the 26 cantonal laws on civil procedure, which will go into effect on January 1st, 2011, Swiss divorce law will undergo further changes – mostly concerning procedural issues.

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IMPACT OF THE FINANCIAL CRISIS ON SWISS BUSINESSES

According to the Expert Group on Economic Forecasts of the Federal Government, economic recovery in Switzerland has stabilized, and the short-term outlook reveals to be friendlier than a few months ago. However, a decline in the unemployment rate is not expected before next year.

Within the Greater Zurich Area there are still numerous companies which have ordered their employees to work short time. Short time work is a state-subsidized instrument to reduce personnel reductions. Roughly speaking, employees reduce their working hours. A portion of their salaries is then paid by the State. Thus, a business does not need to reduce the number of personnel in order to cut personnel costs. The instrument of state-subsidized short time work is often used within restructuring processes and can save a company from bankruptcy. However, state-subsidized short time work does not always prevent bankruptcy as statistics indicate.

Within the first quarter of 2010 nearly 1050 companies or registered businesses declared bankruptcy. In comparison to the first quarter of 2009 this is an increase of 30%. Thus, the figures indicate that businesses in Switzerland still suffer from the economic crisis.

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DEMAND FOR SINGLE FAMILY HOMES GOING DOWN

According to a new study undertaken by Credit Suisse, the desire to acquire a single family home does not rank as highly on the wish list of potential home owners as a couple of years ago. Dropping prices for single family homes during the last four quarters and increasing vacancies are evidence for this development.

The study refers to demography in explaining the trend: Those baby boomers who bought a property in the late 70^{ies}, when they were between 30 and 40 years old, increasingly experience the single family home as a burden. The houses are too big – the children have left and the place has become oversized for the remaining parents – and they lack necessary comfort – often the original purchase had already been financed by bank credit, so no additional investments were made to renovate the place in order to meet the requirements of residents of more advanced age. The so called „Stockwerkeigentum“ (condominium-principled ownership), a legal construction created in 1965 by the Swiss legislator to satisfy the economical need for apartment ownership, appears to conform more specifically to the changed requirements of that generation – in particular as a fair share of recently created units combine the convenience of large living-room areas with integrated kitchen sections and bedrooms with direct access to bathrooms.

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Understanding the business interests of our clients, as well as analyzing and providing efficient solutions for complex legal issues, constitute our core competencies. As a medium sized law firm we offer timely and reliable assistance in a wide range of practice areas.

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