

Competition from other jurisdictions

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Zug's foundation model faces competition from several jurisdictions that have created legal forms designed for crypto projects. The Cayman Islands offer the foundation company, a company without shareholders introduced in 2017, which Cayman law firms describe as the most popular vehicle for wrapping DAOs.¹ In 2019 Liechtenstein adopted its Token and Trustworthy Technology Service Provider Act, which introduced a comprehensive civil law framework for tokens and a register of service providers.² Abu Dhabi Global Market adopted regulations for distributed ledger technology foundations in 2023. Wyoming in the United States recognised the decentralised autonomous organisation as a form of limited liability company in 2021.³

These alternatives have drawn projects away from Zug. A Cayman foundation company can be set up quickly, is not subject to supervision comparable to that of the Swiss federal foundation supervisor and pays no income tax. Although many projects that launched after 2020 chose it for those reasons, the Swiss foundation remains attractive for projects that value the reputation of Swiss institutions and the presence of an experienced ecosystem. The Ethereum Foundation, the Cardano Foundation and the Web3 Foundation have kept their seats in Zug.⁴

1 Notes

1. Walkers, "Cayman Islands Foundation Companies: The Leading Vehicle for wrapping a DAO", November 2024, [walkersglobal.com](https://walkersglobal.com/foundation-companies-introduced-under-the-foundation-companies-act-2017-need-not-have-shareholders-the-most-popular-and-versatile-vehicle-for-wrapping-daos/): foundation companies introduced under the Foundation Companies Act 2017, need not have shareholders, "the most popular and versatile vehicle for 'wrapping DAOs'". No source was found for a ranking across all token projects outside Switzerland. ↩
2. Gesetz vom 3. Oktober 2019 über Token und VT-Dienstleister (Token- und VT-Dienstleister-Gesetz, TVTG), LGBI. 2019 Nr. 301,

Competition from other jurisdictions

gesetze.li; Art. 51: entry into force on 1 January 2020 subject to the unused expiry of the referendum period. ↩

3. Reed Smith, "Decentralised autonomous organisations: ADGM issues new rules for DLT foundations", reedsmith.com: ADGM released the Distributed Ledger Technology Foundations Regulations 2023 on 2 November 2023; en.wikipedia.org, "Decentralized autonomous organization": "On 1 July 2021, Wyoming became the first US state to recognize DAOs as a legal entity". ↩
4. Stiftung Ethereum, Zeughausgasse 7a, 6300 Zug, UID CHE-292.124.800, entered 14 July 2014, active (moneyhouse.ch) and named as controller at that address in the ethereum.org privacy policy of 24 September 2026. CARDANO Stiftung, Dammstrasse 16, 6300 Zug, active, register change of 11 September 2026 (northdata.com). Web 3.0 Technologies Foundation, Gotthardstrasse 3, 6300 Zug (web3.foundation, privacy policy, updated 9 April 2026). ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/zug-competition-from-other-jurisdictions