

Zug and the Crypto Valley: companies, foundations and the ecosystem

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

In 2014 the Ethereum Foundation was established in Zug, and within a few years the small canton had become the best-known location for blockchain companies in Europe. Today about 715 companies working with crypto assets, blockchain and digital assets are based there. The reasons are practical: a moderate tax burden, authorities that understand the subject, a network of specialised lawyers, auditors and banks, and a legal framework that has given the industry legal certainty since 2021.

1 How the Crypto Valley developed

The Ethereum Foundation (Stiftung Ethereum) chose Zug in 2014 to support the development of the Ethereum protocol, and many protocol projects followed its example. In 2016 the town of Zug began to accept Bitcoin for small municipal fees, and since 2021 the canton has accepted tax payments in Bitcoin and Ether. Around these early projects an ecosystem grew that now includes exchanges, custodians, asset managers, tokenisation platforms, software developers and the advisers who serve them. Zurich, with its banks and the Swiss stock exchange, is about half an hour away.

2 Foundations for protocol projects

Many protocol projects use a Swiss foundation under Articles 80 et seq. of the Civil Code. A foundation has no owners or shareholders; its assets are dedicated to a purpose defined in the deed of foundation, such as the development and promotion of an open-source protocol. This suits projects that want to show that the network is not controlled by a company pursuing profits for its shareholders.

A foundation with an international purpose is supervised by the Federal Supervisory Authority for Foundations, which reviews each year whether the foundation's assets are used in accordance with its purpose. The foundation board must organise the foundation accordingly, keep proper accounts and have them audited. A foundation can own operating companies and hold intellectual property, but it cannot distribute profits to its founders.

3 Companies for operating businesses

Operating businesses, such as exchanges, custodians, software developers and service providers, are usually set up as a company limited by shares (AG) or a limited liability company (GmbH). The shares of an AG can be issued as ledger-based securities under the DLT Act, as explained in the article on [the DLT Act](#). The share capital of an AG or GmbH can be paid in crypto assets as a contribution in kind, subject to the rules on valuation and the auditor's confirmation. Whether a business needs a financial market licence depends on its activity and is explained in the article on [licences for crypto businesses](#).

4 Tax

The effective profit tax in the town of Zug is 11.71 per cent in 2026, among the lowest in Switzerland. The cantonal tax administration is experienced with crypto businesses and tokens, and advance tax rulings on token issues, staking or the valuation of crypto assets can be obtained quickly. The general rules are explained in the article on [the taxation of crypto assets](#).

5 What to consider when setting up in Zug

- Describe the business model precisely before choosing the legal form, so that the regulatory position is clear from the start.
- Plan the bank relationship early: banks will ask for the regulatory analysis, the source of the crypto assets and the ownership of the company, as explained in the article on [bankability](#).
- Ensure that at least one person authorised to represent the company lives in Switzerland (Article 718 paragraph 4 of the Code of Obligations for the AG, Article 814 paragraph 3 for the GmbH).
- Build real substance: premises, staff and board meetings in Zug support tax residence and treaty access.
- Consider the limits of a small canton: offices and housing are scarce, so larger teams often combine Zug with Zurich.

6 How Ressos Legal helps

I advise blockchain projects and crypto businesses on setting up in Zug: the choice between foundation and company, formation and articles, the regulatory analysis, tax rulings and the bank relationship. [Contact me](#) for a first conversation.

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-crypto-valley-foundations