

Why the foundation

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Among the legal forms that Swiss law offers, the crypto projects of Zug chose the foundation more often than any other. The Ethereum Foundation set the pattern in 2014 and was followed by the Tezos Foundation, the Cardano Foundation, the Web3 Foundation, the Dfinity Foundation and many smaller projects.¹ Although the choice surprised observers from common law countries, where the foundation is a less familiar vehicle, for a Swiss lawyer it followed from the nature of the projects.

A crypto project in its early form had no owners in the ordinary sense, since the developers wanted to build an open protocol that would belong to nobody and that anybody could use. The token holders were users of the protocol and held no shares in a company, while the funds raised in the token sale were intended for the development of the protocol and of its ecosystem. Whereas a company would have had shareholders who could claim the funds and the profits, a foundation has no owners: it is an independent legal entity whose assets are dedicated to a purpose that the founder sets once and for all. That structure matched the self-image of the projects and the expectations of their communities.

The foundation also offered practical advantages, since it could be established quickly with a modest initial capital. It was subject to supervision by a public authority, which gave contributors a measure of confidence that the funds would be used for the stated purpose. It could hold crypto-assets, enter into contracts, employ staff and fund third parties through grants. Swiss foundation law was stable, well known and flexible enough to accommodate the unusual purposes of the projects.

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1 Notes

1. Cardano Foundation: CARDANO Stiftung, Dammstrasse 16, 6300 Zug, UID CHE-184.477.354, active (northdata.com, commercial register extract). Web3 Foundation: Web 3.0 Technologies Foundation, Gotthardstrasse 3, 6300 Zug (web3.foundation, privacy policy, updated 9 April 2026). Tezos Foundation: established in Zug on 17 April 2017 (en.wikipedia.org, "Tezos"). DFINITY Foundation: headquarters in Zurich (en.wikipedia.org, "Dfinity"). ↩

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