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### ***How to quickly set up a Company – Crypto, Blockchain or Token?***

***With constant legislative and regulatory changes, companies are compelled to adapt to new situations on a regular basis. Here is what you should know before setting up a company in Switzerland or Liechtenstein with the help of crypto currencies such as stable coins.***

#### ***1. How to set up a company in Switzerland or Liechtenstein?***

*Setting up a company in Switzerland or Liechtenstein requires as a minimum statutes, local director(s) and office as well as a minimum capitalisation. In Switzerland there is a required minimum capital of 100'000 CHF (or 20'000 CHF for LLC) and a mandatory registration with the commercial registry. In Liechtenstein the minimum capital is CHF 50'000 (or 20'000 CHF for LLC). Share capital or debt capital can tokenised and in this way subscribed or transferred on the blockchain (Security Token Offering - STO).*

#### ***2. Difficulties to obtain capital confirmations by Swiss or Liechtenstein banks?***

*Constantly developing laws and international practices leads to stricter implementation of AML/KYC laws within European banks, leave clients with harsher onboarding and identity verification process or even rejection of cash deposits. Even more rigid are the requirements for setting up operating bank accounts. Companies in the crypto or blockchain banks prefer to work with neo banks or payment providers without a full banking license which creates the challenge to obtain a "capital confirmation issued by a bank" which is the formal requirement by law.*

#### ***3. How can Crypto Currency help?***

*One way to speed up the incorporation process or avoid having to obtain a formal "capital confirmation issued by a bank" are contributions in crypto currency, typically stable coins. However, since crypto currencies is still not a recognized currency like e.g. the USD, contributions by cash deposit with crypto are not possible. An alternative are contributions by the founders in-kind by using crypto currencies such as e.g. stable coins.*

#### ***4. Contribution in Kind Agreement?***

*For the incorporation, crypto can be contributed in-kind like other more conventional contributions with a non-cash contribution agreement. The in-kind contribution must be valued by an independent expert valuer and notarized with the current value. On the forefront is the Canton of Zug (Switzerland) since September 2017 with their seamless procedures which*



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*allow contributions in Bitcoin or Ether as an alternative when banking regulations restrict the opportunity of cash contribution. Other Cantons followed their example or intend to do so.*

*Liechtenstein, a well-established point of entry for European markets, follows a more convenient practice, where – unlike Switzerland – crypto needs no valuation report by an independent expert valuer since the reference prices of the main cryptocurrencies are published daily by the tax administration, which accelerates the set up proceedings for companies active in the area of crypto valuta, blockchain and/or token.*

#### **5. Other Aspects worth mentioning?**

*It is advisable to contribute more than the minimum deposit when using crypto to have a safety margin and avoid risks of volatility or even liquidation in case of a crash. One of the many ways to achieve this is through Stablecoins, which tracks a well-established currency such as e.g. the USD and provides security.*

*LINDEMANNLAW can help you incorporate companies with cryptocurrencies in Switzerland and Liechtenstein and provide legal assistance along the way.*

***Please feel free to contact us for more information, we are happy to help.***