



BLOCKCHAIN TASKFORCE

Press Release

New recommendations promote the liberal and responsible regulation of Switzerland's blockchain industry

Switzerland's Blockchain Taskforce presents its "White Paper" to Federal Councillor Johann N. Schneider-Ammann

The Blockchain Taskforce today released its recommendations on regulating and promoting the industry in the city of Zug, Switzerland's Crypto Valley. Federal Councillor Johann Schneider-Ammann received the recommendations, presented in a White Paper drawn up by around 50 industry leaders at the Blockchain Summit. The Taskforce will change its name to the Swiss Blockchain Institute in the course of the year, while continuing to develop further recommendations. An Initial Coin Offering (ICO) will be used to finance future activities.

Zug, 26 April 2018 – Federal Councillor Johann N. Schneider-Ammann was today presented with a document containing a host of recommendations for the development of the Swiss blockchain industry at the Blockchain Summit in the Swiss city of Zug. The paper was compiled by the Blockchain Taskforce, an industry-led group intended to complement the work of the governing Swiss Federal Council's Blockchain/ICO Working Group.

At the core of the White Paper is the matter of Initial Coin Offerings (ICOs) and the tokens issued by Blockchain companies. A second important topic is the difficulty experienced by the blockchain industry in accessing Switzerland's financial market infrastructure. At present, companies in Crypto Valley have to switch to foreign banks to open business accounts.

The broad-based Taskforce concluded that many of the issues surrounding the new business models can be resolved without fundamental changes to the law. Yet for companies, legal uncertainty continues to surround the status quo because no judicial precedent exists. A change to the Code of Obligations – the part of Swiss civil law governing contract law and corporations – although not mandatory, is recommended as politically desirable. The legal processes surrounding the trade in tokens should be clarified.

The White Paper presents various options for the future, such as exempting digital transmissions from legal requirements governing written transactions. However, this would require the establishment of a decentralised trade register. In a position paper published at the Blockchain Summit, the ICO/Token Working Group under Prof Dr Mirjam Eggen of the University of Bern provided further analysis and recommendations on the issue.

The Taskforce decided against recommending an adjustment to existing money laundering legislation, on the grounds that existing rules were adequate, if applied consistently to the new financial technology. The group also warned against a straight transposition of existing regulatory supervision to the blockchain industry. The Taskforce also advocated the establishment of a so-called "sandbox"; an experimental legislative space where more flexible rules can be applied, modelled on those already created by the Swiss Financial Market



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Supervisory Authority FINMA for other start-up sectors. Existing money laundering rules and the obligation to issue a financial prospectus would still apply in the sandbox.

It is essential for the viability of the Blockchain Group, and of the business hub more widely that young companies are able to open a Swiss bank account. A working group headed by the Swiss Bankers Association will draw up a specific list of requirements for blockchain companies, which will also specify how information must be obtained to identify investors and clients if it relates to financial market services. The criteria and processes must be in line with the agreement on the code of conduct for the due diligence of banks.

Blockchain Taskforce to run its own ICO

The Blockchain Taskforce intends to continue its work, particularly with regard to content and policy. At its last meeting, the group decided to launch an Initial Coin Offering (ICO) to put future Crypto Valley operations on a stable financial footing. The Taskforce will be renamed the Swiss Blockchain Institute and will provide further recommendations, while monitoring, researching and lobbying for the emerging industry.

The Taskforce comprises some 50 leading figures from the worlds of business, science and politics, a format that provides a sustainable platform for the next 2-3 years of operation. Members include Federal Councillors Ueli Maurer and Johann N. Schneider-Ammann as well as government advisers Carmen Walker-Späh, Ernst Stocker, Heinz Tännler, Matthias Michel and Christian Vitta. The Taskforce was initiated by Mathias Ruch, Managing Partner of Lakeside Partners, and Lorenz Furrer, Managing Partner of furrerhugi and Narwal Blockchain PR.

The Blockchain White Paper and supporting documents can be downloaded here:

www.blockchaintaskforce.ch

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