

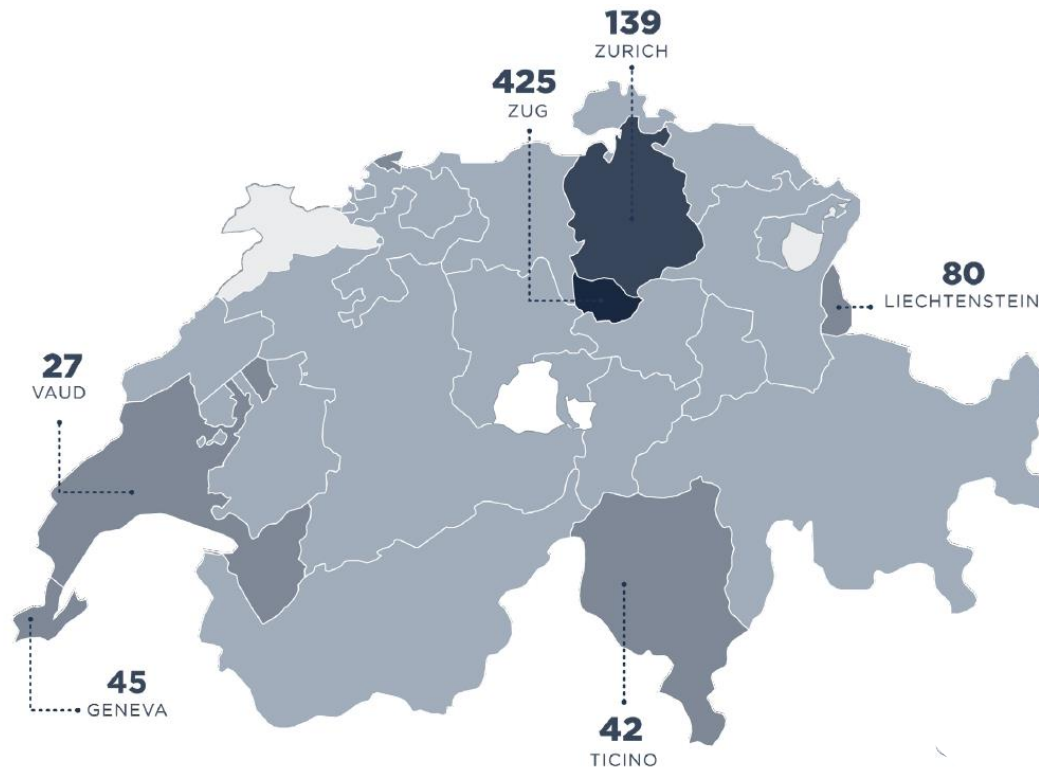
SWISS
BLOCKCHAIN
FEDERATION

Crypto Nation Switzerland.

Presentation. February 2020.



Crypto Nation Switzerland



840

companies active
in blockchain

Number of startups per Canton.
Only Cantons with 20+ registered companies are named.

Source: CV Maps

Crypto Valley by the Numbers



5 Unicorns

startups with a valuation of < \$1bn,
as of Feb 2020

Ethereum
Dfinity
Polkadot
Bitmain
Libra

+\$25bn

total valuation of
companies

840

companies active
in blockchain and
cryptocurrencies

4,400

employees in
Crypto Valley

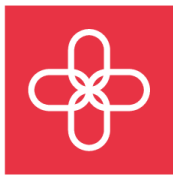
Unique History: Crypto Valley

Over the past years, numerous startups settled in the area around Zug, Switzerland, and created a unique ecosystem known as '**Crypto Valley**'

- ✚ Ethereum launched in 2015, creating a global and community-driven technology innovation. The resulting 'ICO boom' of 2017 & 2018 was driven by many domestic and foreign projects.
- ✚ In 2016, the city of Zug announced that it would accept Bitcoin. The world took notice, and Zug started to attract even more blockchain companies.
- ✚ In 2018, the Swiss supervisory body of financial markets (Finma) stepped in to provide guidance and classifications for tokens, clarifying what was and what was not allowed under current law.

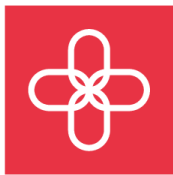


Switzerland's Location Factors

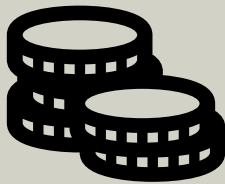


Attractive Business Location

- + Neutrality, decentralization & direct democracy
- + Low taxation
- + World-class talent
- + Economic strength & sound policies
- + Privacy culture
- + High quality of life & purchase power
- + Proximity & access to global markets
- + Productivity & competitiveness
- + World-class infrastructure
- + Predictable & secure legal framework
- + Friendly business environment



Economic Strength & Sound Policies



Swiss Franc:
Strong and stable **currency**



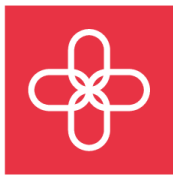
Very high rate of
labor productivity



World's highest **GDP**
per capita

Source: [Forbes](#) / [statista](#)

Given its world-leading, centuries-old rule of law institutions and culture of privacy, plus its decentralized, bottom-up, citizen-controlled political system, Switzerland has a strong tradition of legal security, predictability and protection of intellectual and property rights



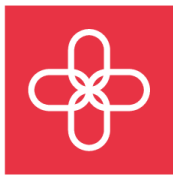
Friendly Business Environment

Attractive conditions:

- + Excellent domestic & global business networks
- + Flexible labor laws
- + Low bureaucracy
- + Sophisticated & respected legal system
- + Low corruption
- + Availability of investment capital
- + Low corporate & personal taxes
- + High service levels



State authorities are open & easily accessible for developing improved regulations



World-Class Talent

- + #1 in the world for ease of attracting & retaining world-class talent
- + High-quality education system: ETH Zurich and Lausanne, UZH Blockchain Center, practice-oriented Universities of Applied Science
- + Most R&D investments per capita and many Nobel laureates
- + Although wage levels are high, it does not necessarily translate into higher labor costs, since productivity levels are exceptionally high

‘You get what you pay for’:

The Swiss work systematically & accurately, they are innovative, they are self-starters, and they are honest

These are especially relevant considerations for creative intellectual work such as software engineering

Pioneering Blockchain Regulation



Business-Friendly Regulation

Regulatory frameworks in Switzerland and Liechtenstein are among the world's most **innovative & business-friendly** settings. Both jurisdictions are in the process of creating regulatory environments that allow for blockchain projects to flourish, aiming to increase legal certainty, remove barriers to entry for DLT/blockchain businesses, and reduce the risk of abuse.

Switzerland is developing a comprehensive legal framework for DLT/blockchain businesses, achieved by **adapting existing laws** in a pragmatic, flexible, and principles-based way instead of introducing a technology-specific law. This will allow continued evolution as an innovative & sustainable location for blockchain companies active in capital markets and other applications.

The Swiss Federal Government, the federal regulator, cantonal governments, tax authorities, self-regulatory organizations and industry associations such as the Swiss Blockchain Federation, together with leading law firms and private companies, continue to enable the **most advanced regulatory framework** for digital financial assets and cryptocurrencies in the world.

Until Summer 2020:

Negotiations on a Federal Law in Switzerland to improve the framework conditions for Blockchain/DLT



Financial Industry as the Main Driver

- + Switzerland is a **leading global financial hub**. As a sign of the industry's maturity, more and more large banks and corporations are becoming interested and active in the field.
- + The strong development of the finance cluster is underlined by an active involvement of agile **Swiss private banks**, as well as specialized firms for digital assets such as brokers, custodians, and transaction-related services.
- + Infrastructure, settlement, and securities operations using crypto technologies are **tested and vetted** by SDX, the digital exchange initiative of SIX Group (which is owned by large Swiss banks), the Swiss National Bank (SNB), and the Bank of International Settlement (BIS).



First Two Crypto Banks Globally



- Licensed and supervised Swiss banks bridging digital and traditional assets, operating since 2019
- Providing accounts and custody for fiat and digital assets

The introduction of crypto banks highlights the maturing of the industry and further professional development of companies based in Crypto Valley. As new tools, services, and security arrive, it can be expected that more corporations will begin entering cryptocurrencies and blockchain technology industries.

Blockchain Ecosystem



Blockchain Ecosystem



Banks

Traditional banking sector vs. private banks
Large banks, central banks and regulators are increasingly interested
Regulatory certainty allows early private movers to expand their offering



VC firms

Dramatic increase in funding over the past several years
Early-stage technology requires in-depth expertise
Public blockchain protocols have become investors themselves



Blockchain Solution Providers

Early-stage technology requires experts for implementation
Startups, corporates & government develop applications together
Important involvement of established companies (e.g. PwC, Swisscom)



Universities

Symbiotic relationship with a growing industry
Publishing of white papers and participation in expert groups
Promotion of knowledge exchange (e.g. 'Banking Meets DLT')



Law firms

Regulatory framework in CH & FL provides unique clarity
Corporate players and well-funded startups boost the industry
Legal advice by experts in corporate law, capital markets, IP & tax

Top 10 Companies

by valuation according to the CV VC Top 50 Report H2/2019



Ethereum

Decentralized platform for smart contracts



Dfinity

Blockchain-based world computer network



Bitmain

Parent company of several brands



Tezos

Protocol utilizing proof-of-stake



Polkadot

Blockchain networks under shared security

Blockchain Technology

Blockchain Fintech



Libra Association

Open-source membership community



Bitcoin Suisse

Pioneering crypto-financial services



SEBA Bank

Licensed crypto bank



Xapo

'Fort Knox' of bitcoin storage (WSJ)



Sygnum Bank

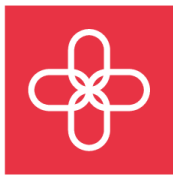
Licensed crypto bank

The Swiss Blockchain Federation

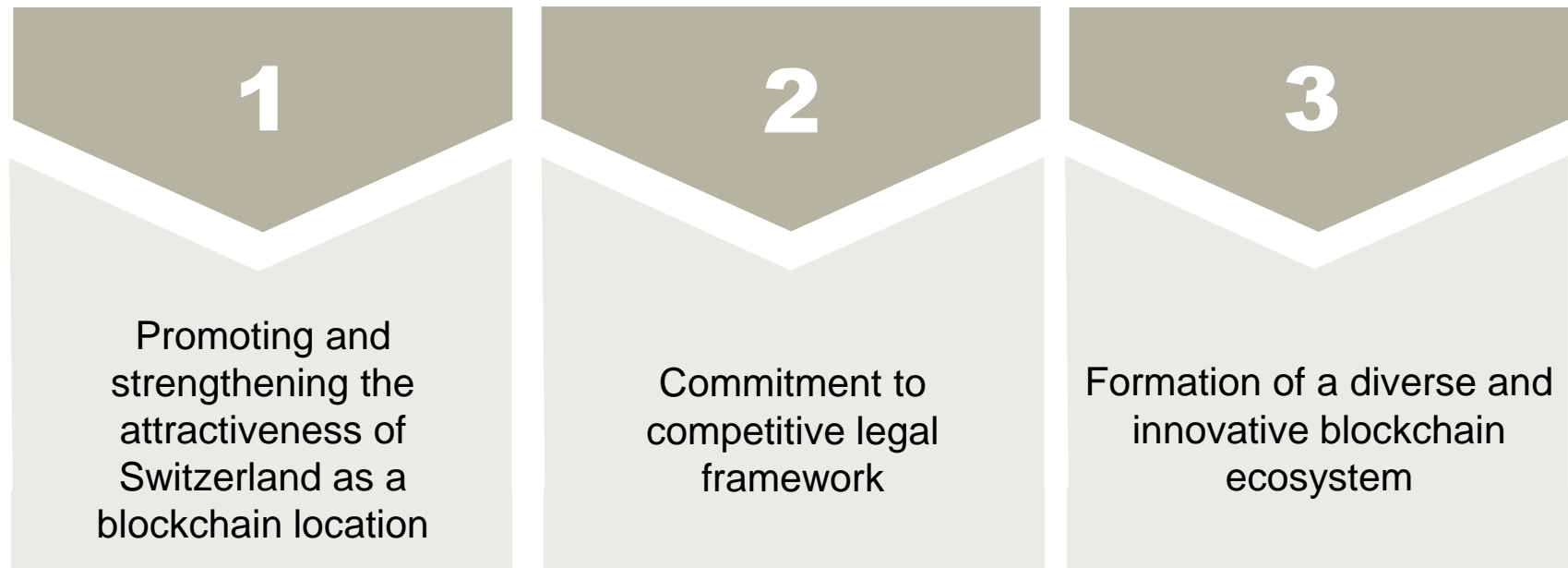
The Swiss Blockchain Federation

Public-private partnership bringing together actors from the blockchain sector, business, science, society and politics

- ✚ Point of contact for all questions and concerns concerning blockchain technology in Switzerland
- ✚ Initiation of projects in the field of communication, education and knowledge transfer
- ✚ Umbrella organization for existing initiatives and associations
- ✚ Financially supported by over 70 members, the State Secretariat of Education, Research and Innovation (SERI) and the Cantons of Tessin, Zug and Zurich



Goals of the Swiss Blockchain Federation



Members of the Swiss Blockchain Federation

Cantons	Tessin, Zug, Zurich
Board Members	Government Councillor Heinz Tännler (President), Lorenz Furrer (Vice President), Mathias Ruch (Chairman Expert Council), Lukas André, Marc Bernegger, René Hüsler, Patricia Pesenti, Stefano Rizzi, Prof. Dr. Fabian Schär, Philipp Stauffer, Government Councillor Silvia Thalmann-Gut, Arthur Vayloyan, Government Councillor Carmen Walker Späh, Prof. Dr. Rolf H. Weber
Corporations and Organizations (Members or associated individuals)	Bitcoin Suisse AG, Bitmain Switzerland AG, Bity, Blockchain Investment Advisory Sagl, Center for Innovative Finance at the University of Basel, ChainSecurity, Copernicus Asset Management SA, CoreLedger, Crypto Finance Conference, Crypto Valley Association, CV VC, Dalaw, daura AG, Digital Switzerland, Etherisc, University of Applied Sciences Western Switzerland, Falcon Private Bank, furrerhugi. ag, Fyrfly Venture Partners, Hochschule Luzern, Homburger AG, Hypothekarbank Lenzburg AG, IBM Switzerland, Inacta, IOHK, Kellerhals Carrard, KORE, Lisk Foundation, MAMA Multichain Asset Managers Association Exchange, Melonport, Metall Zug AG, modum.io AG, Novartis, Porini Foundation, Procivis AG, PwC Strategy&, Restart Energy, SDX, SEBA Crypto AG, Tezos Foundation, University of Zurich, VI Partners, VSE, Xupery, Xwiss AG, Zwicky Windlin & Partner

Relevant Links

Category	Name	Link
Ecosystem	Swiss Blockchain Federation	blockchainfederation.ch
	CV VC	cvvc.com
	Bitcoin Suisse	bitcoinsuisse.com
	Crypto Valley Association	cryptovalley.swiss
News	Crypto Valley Journal	cvj.ch
	Matthew Allen / SWI	swissinfo.ch
	CNNMoney Switzerland "On the Block"	cnnmoney.ch
	startupticker.ch	startupticker.ch
	finews.ch	finews.ch
	Fintech Switzerland	fintechnews.ch
	10x10	10x10.ch
	Cointelegraph	cointelegraph.com
	coindesk	coindesk.com

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