Axis one: the legal nature of the asset

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Swiss law reached its answer by legislative and doctrinal route. A crypto asset is not a thing (Sache) within Art. 641 ff. of the Civil Code (CC; ZGB), because it lacks physical substance. Nor is it a claim unless it embodies an obligation against an identifiable debtor. What the holder has is a factual power of disposal grounded in control of the private key. The Federal Council's report of 14 December 2018 accepted this analysis and declined to create a new category of property. Instead, the DLT Act of 2020 built two specific bridges. Ledger-based securities under Art. 973d ff. of the Code of Obligations (CO; OR) serve tokens that represent rights. Art. 242a and 242b of the Debt Enforcement and Bankruptcy Act (DEBA; SchKG) provide for the segregation of crypto assets in bankruptcy.[1] The consequence is a two-tier regime. Pure payment tokens such as bitcoin are protected through possession-like control, bankruptcy segregation and the law of unjust enrichment. Tokens that embody rights can be dressed as ledger-based securities and then enjoy the full negotiable-instrument protection of Art. 973e to 973g CO, including good-faith acquisition.

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Singapore reached a comparable position by case law. The Court of Appeal in *Quoine Pte Ltd v B2C2 Ltd* left the proprietary question open while treating the tokens as capable of being held on trust for the purposes of the appeal.[2] The High Court in *CLM v CLN* granted a proprietary injunction over stolen bitcoin and ether, holding that they satisfied the *Ainsworth* indicia of property.[3] The decisive step came in *ByBit Fintech Ltd v Ho Kai Xin*, where the court held that USDT is a thing in action and therefore property capable of being held on trust. The court rejected the argument that a stablecoin without an enforceable redemption claim against the issuer could not be a chose in action.[4] Singapore therefore treats crypto assets as property for the purposes of trusts, tracing and injunctions, without a statute saying so.

The practical difference is where the certainty lies. In Switzerland the holder of a tokenised share knows from Art. 973d CO exactly which registration agreement and which ledger qualities are required, while a purchaser acquires in good faith under Art. 973e para. 3 CO. In Singapore a tokenised share remains a share under the Companies Act 1967, with the token serving as evidence of the entry in the register. The proprietary status of the token as such rests on *ByBit*. For a pure payment token the positions reverse: Singapore's property characterisation gives the holder trust and tracing remedies that Swiss law supplies only through the more cumbersome routes of Art. 242a DEBA and Art. 62 ff. CO.[5]

Question	Switzerland	Singapore
Source of the rule	Federal Council report 2018; DLT Act 2020 (CO, DEBA)	Case law: Quoine (2020), CLM v CLN (2022), ByBit (2023)
Pure payment token	Not a thing; factual power of disposal; no good-faith acquisition	Property (thing in action); can be held on trust
Token representing rights	Ledger-based security, Art. 973d ff. CO, if registration agreement and ledger meet statutory criteria	Underlying right (share, debt, unit) governed by its own statute; token is record or evidence
Good-faith acquisition	Yes for ledger-based securities (Art. 973e para. 3 CO); no for payment tokens	Equity's defences (bona fide purchaser for value) apply to the thing in action

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Question	Switzerland	Singapore
Trust over tokens	Only via Hague Trusts Convention and Art. 149a ff. PILA; no domestic trust	Express, resulting and constructive trusts available
Lost key	Asset lost; no legal mechanism to recreate	Asset lost; court cannot restore control
Open points at 30 June 2026	Treatment of tokens that are neither payment tokens nor ledger-based securities (governance, LP tokens)	Whether Singapore adopts a statutory "third category"; status of NFTs with off-chain content

Client question

"We hold tokenised bonds issued by a Zug AG and USDC on a Singapore exchange. Which of these is 'ours' in the strict legal sense?" The tokenised bonds are ledger-based securities if the issuer's terms contain the registration agreement required by Art. 973d CO. You then hold a negotiable instrument that can be pledged, transferred and acquired in good faith on the ledger. The USDC on the exchange is, under Singapore law, a thing in action belonging in equity to you if the exchange holds it on trust under its terms and the statutory trust requirements of the Payment Services Act. If the terms make the exchange your debtor instead, you have a claim against it and nothing more. Read the terms before you read the law.

Notes

1. Federal Council, report "Legal framework for distributed ledger technology and blockchain in Switzerland" of 14 December 2018; Federal Act on the Adaptation of Federal Law to Developments in Distributed Electronic Register Technology of 25 September 2020, in force 1 February and 1 August 2021 (AS 2021 33 and AS 2021 400). The private-law analysis is set out in Part D, Chapters I to III. ↩
2. Quoine Pte Ltd v B2C2 Ltd [2020] SGCA(I) 02, at [144]. The decision is analysed in Part J, Chapter I. ↩

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3. CLM v CLN and others [2022] SGHC 46. ↩
4. ByBit Fintech Ltd v Ho Kai Xin and others [2023] SGHC 199, at [27] to [36]. The court referred to the "third category" analysis of the Law Commission of England and Wales. It found that Singapore law did not need that category to reach the result. ↩
5. On the Swiss remedies for misdirected transfers see Part D, Chapter II; on Singapore tracing and constructive trusts see Part J, Chapter IV. ↩

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