The Federal Council's 2022 position

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

The Federal Council published its report on decentralised finance on 16 December 2022 in response to a parliamentary postulate.

The report deliberately declined to define "sufficiently decentralised". It identified indicators: the absence of admin keys, the immutability of the code, the distribution of governance tokens, the absence of a dominant developer and the absence of an entity that profits from the protocol's operation. The author's practice is to assess each indicator and to document the assessment, because FINMA has made clear in individual cases that it will look through claims of decentralisation to the facts of control. The Federal Council's 2025 consultation on crypto institutions, discussed in Chapter IV and Part C, Chapter VI, revisited the question. It proposed to bring certain DeFi-adjacent service providers within a licensing regime. The author's understanding is that it did not propose to regulate protocols as such.

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com