The five decisions

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

Five decisions recur in almost every mandate, whatever the client's label. The first is where to incorporate. Swiss company law offers the AG, the GmbH, the foundation and the association, each with a settled role in protocol structuring. Singapore offers the private limited company, the company limited by guarantee, the variable capital company and the limited liability partnership. Part P, Chapters II and III, analyse the vehicles in detail. Here it is enough to say that the choice is driven less by corporate law than by the licence the business will need, the tax position of its founders and the willingness of banks to open an account.

The second decision is where to be licensed. Switzerland regulates by activity under a cascade of federal acts, with FINMA and the self-regulatory organisations sharing the perimeter. Singapore licenses the same activities under the Payment Services Act 2019, the Securities and Futures Act 2001 and, since 30 June 2025, the digital token service provider regime in Part 9 of the Financial Services and Markets Act 2022.[1] A business that serves customers in both places may need two licences. A business that serves customers in neither place from a Singapore company may still need a Singapore licence, while a business that merely has a Swiss AG in the group may become a Swiss financial intermediary through the back door of anti-money-laundering law. Parts E, F, K and L treat these questions.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

The third decision is where to hold. The private key is the only fact that matters in an insolvency, as Part B, Chapter II explains. The two legal orders protect the customer of a failed custodian in different ways. Switzerland has a statutory segregation rule for crypto-based assets in Art. 242a and 242b of the Debt Enforcement and Bankruptcy Act (DEBA; SchKG), introduced by the DLT Act in 2021.[2] Singapore relies on the law of trusts and on the segregation requirements that MAS imposes on licensees. Since *ByBit Fintech Ltd v Ho Kai Xin* [2023] SGHC 199 the High Court has also treated a stablecoin balance as a thing in action capable of being held on trust.[3] Which of the two protects a given customer better depends on the custody model, as Parts D, J and O show.

The fourth decision is where to live. A founder whose tokens have appreciated faces a tax event somewhere, to which the two hubs give very different answers. Switzerland exempts private capital gains from income tax but levies an annual wealth tax on the tokens, while the canton of Zug offers expenditure-based taxation to qualifying foreigners. Singapore has no capital gains tax, taxes on a territorial basis with a remittance rule and has tightened its family-office incentives since 2023. Part G, Part M and Part P, Chapter I give the arithmetic. The decision is rarely purely fiscal. Schooling, permits, the spouse's career and the founder's own tolerance for Alpine winters or equatorial humidity count for as much as the tax rate.

The fifth decision is where to litigate or, more often, where to recover. When tokens are stolen or a counterparty collapses, the victim needs a court that will freeze, disclose and trace quickly. Singapore's courts have granted proprietary injunctions and disclosure orders against exchanges in a series of cases since *CLM v CLN* [2022] SGHC 46, and have allowed service by non-fungible token.[4] Switzerland offers civil attachment under Art. 271 ff. DEBA, criminal seizure under the Criminal Procedure Code and a prosecutor in Zug who has seen a crypto case before. Parts H and N explain both toolkits and the way they interlock in a cross-border fraud.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Client question

"We are a protocol team of nine people in four countries. Our investors want a Swiss foundation, our exchange partner wants a Singapore company, and our tax adviser says we should decide where the founders will live before we do anything else. Who is right?"

All three are right, which is why the order of decisions matters. You should fix the founders' tax residence first, because a token event that happens while a founder is resident in a high-tax state is taxed there whatever the foundation does. You can then design the entity chain around the licence you will actually need, which depends on what the business does with customer assets, and only then choose the treasury vehicle. A Zug foundation holding the protocol treasury, a Zug GmbH employing the developers and a Singapore private limited company running the Asian exchange relationships is a common pattern, although it is not the only one. Part P, Chapter IV sets out the operating models.

Notes

1. Payment Services Act 2019 (No. 2 of 2019), Singapore Statutes Online; Securities and Futures Act 2001 (2020 Rev. Ed.); Financial Services and Markets Act 2022 (No. 18 of 2022), Part 9, in operation for digital token service providers from 30 June 2025. ↩
2. Federal Act on Debt Enforcement and Bankruptcy of 11 April 1889 (SR 281.1), Art. 242a and 242b, inserted by the Federal Act of 25 September 2020 on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (AS 2021 33), in force 1 August 2021. ↩
3. ByBit Fintech Ltd v Ho Kai Xin and others, General Division of the High Court, Philip Jeyaretnam J, judgment of 25 July 2023, paras 4 and 36; neutral citation in the text. ↩
4. CLM v CLN and others, General Division of the High Court, 2022, SGHC 46; Janesh s/o Rajkumar v Unknown Person ("CHEFPIERRE"), General Division of the High Court, 2022, SGHC 264. ↩

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice. Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

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