The Swiss association

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The association (Verein) under Art. 60 ff. CC has become the second Swiss wrapper and in some respects a better one for DAOs. An association has members, who may be the token holders. It acquires legal personality on adopting written articles, without registration unless it conducts a commercial business. Its members are not liable for its debts under Art. 75a CC. Its supreme body is the general meeting of members, which may be held and vote electronically, so that a DAO's on-chain governance can be constituted as the association's general meeting. It may pursue an idealistic purpose, which may include the development and promotion of a protocol, and may engage in commercial activity in pursuit of that purpose if it registers.

The association thus solves the problem the foundation cannot: it gives the token holders' vote legal force. If the articles provide that membership is evidenced by holding a governance token, that voting power is proportional to holdings and that resolutions are adopted on-chain, a court will treat the on-chain vote as a resolution of the general meeting. The committee (Vorstand) must execute it. Several protocol communities have adopted this structure since 2021, including through the "DAO association" templates published by Swiss practitioners.[1]

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The association's limits are two. An association whose purpose is in substance economic, meaning that it exists to produce returns for its members, is not permitted under Art. 60 para. 1 CC and may be dissolved or reclassified as a simple partnership, so the articles must frame the purpose as the development of the protocol and not the enrichment of holders. And an association that holds a large treasury and employs staff must register, keep accounts and may face the AMLA if it moves tokens for others. Neither limit has prevented the structure from spreading.

Feature	Swiss foundation	Swiss association	Singapore CLG
Legal basis	Art. 80 ff. CC	Art. 60 ff. CC	Companies Act 1967, s. 17
Members	None	Yes; may be token holders	Yes; guarantors, usually few
Owners	None	None	None (no share capital)
Formation	Public deed; register entry; supervision	Written articles; registration only if commercial	ACRA incorporation
Supervision	Federal or cantonal supervisory authority	None (general meeting)	ACRA; directors' duties; possibly Charities Act if charitable
Can DAO vote bind the body	No; board owes duty to purpose	Yes, if articles so provide	Indirectly, through members' resolutions or constitution
Can distribute to token holders	No	No (idealistic purpose)	No (CLG applies income to its objects)
Member liability	n/a	None (Art. 75a CC)	Limited to guarantee amount
Tax	Possible exemption under Art. 56 lit. g DFTA	Ordinary unless exempt	Ordinary unless charity status

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Feature	Swiss foundation	Swiss association	Singapore CLG
Typical use	Protocol treasury, grants, IP	Governance body, membership organisation	Grants, ecosystem funding; Vauld-era "foundations"

Notes

1. The Swiss association as a DAO wrapper is analysed in the legal literature since 2021 and in the Swiss Blockchain Federation's position papers; model articles are collected in Part Q, Chapter III. Civil Code, SR 210, Arts 60–79, in particular Art. 64 (general meeting), Art. 69 (committee) and Art. 75a (liability). ↩

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