Zug protocol foundation

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The Swiss foundation is established by public deed before a notary, registered in the commercial register and placed under the supervision of the competent authority, which for protocol foundations with international scope is the Federal Supervisory Authority for Foundations (ESA) in Berne.[1] The timeline is driven by the supervisory authority's preliminary review of the deed and regulations, which is optional in law and indispensable in practice. The tax exemption application, if one is made, adds further months.

Phase	Content	Duration	Official fees	Professional costs
1	Structuring memorandum: purpose, assets, board, relationship to OpCo and token	3–6 weeks	None	CHF 15,000–40,000
2	Drafting of deed, regulations, treasury and conflict rules	3–6 weeks	None	CHF 15,000–30,000
3	Preliminary review by ESA	4–12 weeks	ESA fee CHF 500–2,000 (indicative)	CHF 5,000–10,000
4	Notarisation and commercial register filing in Zug	1–3 weeks	Notary CHF 1,000–3,000; register CHF 600–1,000 (indicative)	—
5	Endowment transfer (fiat and tokens), bank account, custody	2–8 weeks (bank onboarding is the bottleneck)	None	—
6	Tax exemption application to the Zug tax administration (optional)	3–6 months	None	CHF 10,000–25,000
7	Annual: audit (unless exempted), ESA reporting, tax return	Ongoing	ESA annual supervision fee by assets	Audit CHF 8,000–25,000

The elapsed time from first meeting to a registered foundation with an operating bank account is three to six months. The step clients underestimate is the bank account. Swiss banks that accept protocol foundations as clients require the foundation's source of funds (usually the founder's token allocation or a token sale) to be documented to AML standards, and several banks will not accept a foundation whose only asset is its own token. A foundation that needs a bank account to pay a notary

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has a chicken-and-egg problem that is solved by the founder advancing the costs and the foundation reimbursing them after endowment.

Notes

1. Civil Code Art. 80–89a; Ordinance on the Federal Supervisory Authority for Foundations and its fee schedule; the Zug practice is described in Part P, Chapter II.

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