DAO SUISSE

DAO Radar Switzerland

Authors:
Benjamin Hoelzl
Caspar Leuzinger
Michael Heger
Florian Spychiger

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Editorial by the DAO Suisse Council

Decentralized Autonomous Organizations (DAOs) are often perceived as mysterious and complex entities, a perspective frequently echoed by publications that tend to describe DAOs in abstract terms. But founders, service providers, and academics require detailed and practical information to effectively engage with and understand DAOs. This demand for concrete insights into the operations, governance, and challenges of DAOs highlights the necessity for more focused and informative discourse that bridges the gap between theoretical concepts and the real-world application of DAOs, and this report aims to provide a comprehensive analysis of the DAO ecosystem in Switzerland complemented by hands-on insights from leading DAOs.

DAO Suisse is Switzerland's leading community and resource for DAOs in the country. We provide a dynamic platform that facilitates knowledge transfer, education, and collaboration between industry and academia, representing the interests of the DAO ecosystem in Switzerland. This platform brings together people from diverse backgrounds, offers a networking opportunity, and advocates for clear regulations to protect DAO founders and members.

We view this report as a first step toward creating transparency, promoting understanding, and facilitating informed decision-making for stakeholders. The report aims to foster collaboration, innovation, and the growth of DAOs in Switzerland by providing a comprehensive overview of their legal and tax implications, governance structures, technological foundations, and emerging trends.

We are proud to present this first edition of the DAO Radar Switzerland report. It is both a reflection of where the DAO ecosystem of Switzerland stands today and a foundation for where it is going next. We invite readers to engage with its findings, share its insights, and join us in shaping a resilient, inclusive, and forward-looking DAO ecosystem—rooted in Swiss excellence, but with global reach.

Executive Summary

This report provides the first comprehensive overview of the Decentralized Autonomous Organization (DAO) ecosystem in Switzerland. Based on a combination of quantitative data and qualitative interviews with DAO founders, service providers, and academics, the study explores how DAOs function, the legal and governance frameworks they adopt, and the broader environment in which they operate. Switzerland has established itself as a leading jurisdiction for DAO development with regulatory foresight, institutional stability, and a robust innovation infrastructure.

Key findings

DAOs continue to evolve in terms of structure, governance, and legal status. Many face persistent challenges, such as low voter participation, the concentration of decision-making power among large token holders, and vulnerabilities in governance design. Over 40 percent of the largest DAOs lack legal wrappers, creating significant exposure to legal and regulatory risks. Switzerland offers a flexible and supportive framework, allowing DAOs to incorporate as foundations or associations, which helps bridge the gap between decentralized structures and real-world compliance. At the same time, the technological ecosystem around DAOs has matured significantly. Specialized tooling now supports nearly every aspect of DAO operations, including governance, financial management, community building, and identity verification. Yet, challenges persist in ensuring accessibility, integration, and a seamless user experience. Meanwhile, several trends are reshaping the future of DAOs. These include the use of AI agents to accelerate governance processes, modular and layered governance structures that enable greater adaptability, and the rise of mergers and acquisitions among DAOs as they seek to scale and integrate more efficiently.

Switzerland's unique DAO ecosystem

Switzerland stands out as a global hub for DAOs, thanks to its combination of clear regulation, strong financial infrastructure, and a thriving blockchain ecosystem. Cities like Zug, Zurich, Geneva, and Lugano host hundreds of blockchain-related firms, and Switzerland is home to several of the most prominent DAOs globally, including Safe DAO, Olympus DAO, and dYdX DAO. The Swiss legal environment supports the creation of DAO-compatible legal entities, enabling Switzerland to emerge as a trusted jurisdiction for blockchain innovation. The country's academic institutions play a central role, offering DAO-specific courses and contributing cutting-edge research on governance, economics, and law. Service providers offer specialized legal, tax, and technical expertise tailored to DAOs, while blockchain foundations, such as those of Ethereum and Cardano, have chosen Switzerland as their base of operations. Importantly, Switzerland's own political culture—characterized by federalism, direct democracy, and consensus-driven decision-making—resonates deeply with the governance ideals of DAOs. This alignment makes Switzerland not only a regulatory safe haven but also a conceptual and cultural match for the decentralized future that DAOs represent.

Research Methodology

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For this report, we collected public data from organizations in the Swiss ecosystem to create a comprehensive overview of the DAO ecosystem in Switzerland. Based on this overview, we conducted 18 in-depth interviews with a range of stakeholders, including DAO founders, service providers, and academics. The purpose of these interviews was to supplement the initial data collection with firsthand experiences and perspectives, thereby enhancing the depth and accuracy of our analysis. When we used additional sources, we indicate them directly at the corresponding places in the report. This combination of quantitative data gathering and qualitative insights enables a balanced and detailed exploration of the DAO ecosystem, ensuring that our findings are both informative and reflective of the current state of DAOs. It is clear, however, that this report is merely a snapshot in time because the DAO ecosystem in Switzerland is constantly evolving.

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Decentralized Autonomous Organizations

04 Decentralized Autonomous Organizations

A DAO is a digital community

A decentralized autonomous organization (DAO) is a digital community where individuals with a common purpose, mission, or goal collaborate without a central leader or governing entity. Unlike traditional organizations, DAOs operate on blockchain technology, enabling transparent and democratic decision-making processes. However, there is no single definition of a DAO and diverse people have different views (see Figure 1).

DAOs exist both onchain (directly on blockchain platforms) and offchain (through traditional online communities). Members can join by purchasing governance tokens or NFTs, or simply by joining communication channels such as Discord servers or Telegram groups. Governance tokens often grant voting rights, allowing members to influence the DAO's decisions and direction.

In theory, DAOs have three core features:

- **Decentralization:** Decisions are made collectively by the community rather than by a single centralized entity.
- **Autonomy:** DAOs can automatically execute operations via smart contracts, reducing the need for human intervention.
- **Organization:** Governed by predefined rules encoded in smart contracts, DAOs function similarly to traditional organizations but with more transparency and fewer intermediaries.

In practice, most DAOs exhibit a mix of these features. While many strive for decentralization, achieving full autonomy is more challenging, and only a few DAOs operate without any human oversight. Prominent examples of DAOs include MakerDAO[1], which manages the DAI stablecoin, and Uniswap, a decentralized exchange protocol. These organizations have demonstrated the potential for DAOs to revolutionize industries by providing decentralized financial services and governance models.

Figure 1: DAO definitions of four interviewed DAO experts.

[1] MakerDAO has been rebranded to Sky: https://sky.money/

History

The concept of Decentralized Autonomous Organizations (DAOs) was first introduced in 2014 by Vitalik Buterin, emphasizing the importance of internal capital for differentiation [Original Post]. This foundational idea led to numerous experiments, successes, and failures that have shaped the development of DAOs over the years. In 2015, MakerDAO emerged as a precursor to other DAOs on the Ethereum network, introducing the stablecoin DAI. However, 2016 marked a pivotal moment with the launch and subsequent hack of "The DAO."

Launched in April 2016 as a venture capital fund on the Ethereum blockchain, The DAO revolutionized crowdfunding by allowing anyone to invest ether in exchange for tokens representing equity and voting rights. It attracted over $150 million within weeks, significantly boosting ether's value. However, a coding flaw in June 2016 enabled the theft of millions in ether, causing a crash in both The DAO's token value and ether's market price. To recover the stolen funds, Ethereum's core developers, led by Vitalik Buterin, executed a controversial hard fork as depicted in Figure 2, resulting in the creation of two blockchains: Ethereum (ETH) and Ethereum Classic (ETC). Despite the fork, the thieves retained their loot on Ethereum Classic, highlighting the challenges of smart contract-based investments. In the same year, Aragon was launched to simplify the creation and management of DAOs (see Aragon Case Study)

By 2019, MolochDAO introduced the concept of rage quitting, allowing members to exit with their assets, thereby protecting minority holders. Compound's 2020 launch of a delegated governance framework marked a significant innovation, promoting autonomous protocol management. The bull market of 2021 heightened interest in DAOs. ConstitutionDAO, aiming to purchase an original copy of the United States Constitution, garnered mainstream media attention. However, rising on-chain transaction costs led DAOs to explore off-chain scaling solutions, such as Snapshot voting. Despite some DAOs fading away, many have evolved into significant entities, continuously exploring new governance models to enhance coordination and adaptability. At the time of writing, there have been established more than 50,000 DAOs globally with more than CHF 15.9 billion in their treasuries, underscoring the diversity and dynamic nature of DAOs and their path towards more refined decentralized governance mechanisms [DeepDAO]. However, many of these organizations may no longer be active. Nevertheless, these numbers show the high rate of activity and experimentation in the DAO field.

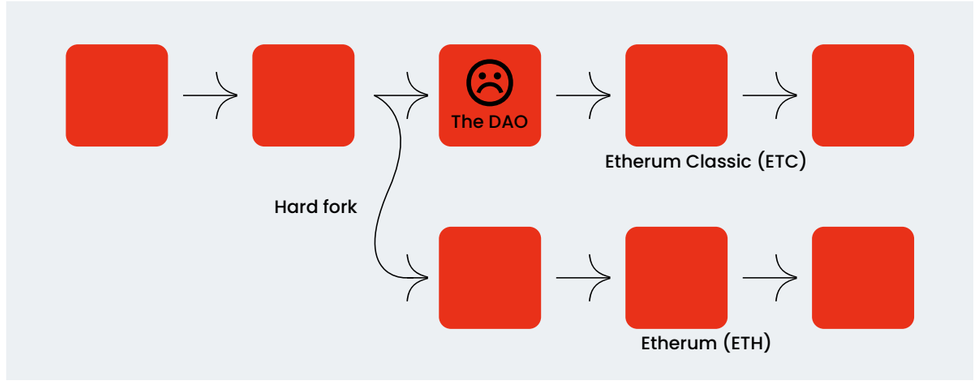

Figure 2: The Ethereum hard fork because of The DAO hack (source: mirror/daovoice)

DAOs vs. traditional organizations

Decentralized Autonomous Organizations (DAOs) offer a more democratic and equitable way of organizing compared to traditional organizations. While traditional organizations rely on hierarchical structures and centralized decision-making, DAOs leverage blockchain technology to facilitate more inclusive and transparent governance. The main differences are shown in Table 1.

- **Coordination:** DAOs have the potential to address global coordination failures in areas such as open-source funding, climate change, and biodiversity collapse by mobilizing resources and efforts on a global scale.
- **Member Participation:** In DAOs, members have a voice in the decision-making process and can participate directly in governance. This contrasts with traditional organizations where decision-making is often concentrated at the top levels of management.
- **Transparency and Accountability:** DAOs often utilize blockchain technology, which enables members to view the organization's performance and the decisions being made. Traditional organizations may lack this level of transparency.
- **Adaptability:** DAOs can adapt more quickly to changing market conditions due to their decentralized nature, allowing for faster decision-making and implementation.

	Traditional organizations	Decentralized Autonomous Organizations
Decision-making	Centralized, often limited to a small group of people	Decentralized, involves all members, uses a voting system
Ownership	Owned by a small group of shareholders	Decentralized ownership by all members
Transparency	Decisions are generally kept confidential	All decisions are published on a public blockchain ledger
Type of governance	Hierarchical, with clear lines of responsibility	Flat, with no hierarchy

Table 1: Comparison of traditional organizations vs. decentralized autonomous organizations (inspired by pixelplex.io)

Types of DAOs

In general, DAOs can be categorized into three types: **Capital Allocation DAOs**, **Social DAOs**, and **Governance DAOs**.

Capital Allocation DAOs pool funds from members and collaboratively decide on their deployment towards common goals. This could involve acquiring real-world assets or investing in emerging projects. For example, ConstitutionDAO mobilized $ 47 million in Ether to acquire an original copy of the United States Constitution. Other examples include "The LAO" and "DAO 2," which invest in new ventures and projects.

Social DAOs focus on creating platforms for individuals to connect, share knowledge, and collaborate. They use tokens to represent membership and participation in governance, fostering a community-centric environment. BanklessDAO, for instance, provides a space for individuals interested in decentralized finance to network and co-create value, highlighting the potential of DAOs to build and strengthen community bonds.

Governance DAOs are closely linked to significant financial protocols, where token ownership grants members decision-making authority. These DAOs are crucial in shaping the protocols they govern, ensuring that decision-making is decentralized and reflects the community's consensus. Examples include Uniswap, SAFE DAO, and MakerDAO, where token holders influence the evolution of the protocol and its alignment with community interests, as well as ecosystem stability. By understanding these differences and types, it becomes clear how DAOs offer a transformative approach to organization and governance, addressing both traditional limitations and new opportunities in the digital age.

DAOs and legal wrappers

Of the largest 100 DAOs globally, more than 40% lack a legal wrapper, which creates legal risks and operational challenges for their members, contributors, and token holders. These challenges include issues related to liability and interactions with the legal and financial systems. Recognizing the necessity of a legal structure, DAOs have limited jurisdictional options for establishing a legal wrapper. Prominent jurisdictions include the US states of Wyoming and Colorado, the Cayman Islands, the Marshall Islands, Liechtenstein, and Switzerland.

While each jurisdiction offers unique advantages, Switzerland stands out for its holistic approach to Web3 regulation and innovation. Switzerland has always been at the forefront of Web3 developments due to its vibrant ecosystem that attracts diverse stakeholders and partners. Its combination of DAO-friendly legislation and an innovation-driven environment makes it a haven for DAOs. Switzerland's regulatory and legal environment for DAOs is globally recognized. The DLT Act of 2020, which facilitates the tokenization of shares, marked a significant leap forward, positioning Switzerland as a magnet for blockchain and crypto innovations. Comprehensive legal structures for DAO incorporation in Switzerland provide a flexible foundation, offering options ranging from associations to foundations and corporate structures. This flexibility caters to the unique needs of DAOs, ensuring their successful incorporation and operation. Another compelling reason for DAOs to consider Switzerland is its economic and infrastructure advantages. Favorable economic factors such as low taxes, coupled with a supportive ecosystem of service providers, academic institutions, and financial institutions, create a thriving environment for DAOs.

Despite their decentralized nature, DAOs must still navigate the complexities of the real world. This irony underscores the importance of selecting a stable and neutral jurisdiction, such as Switzerland. The country's stability and neutrality offer a robust framework for DAOs to interact with traditional legal and financial systems, bridging the gap between decentralized ideals and practical realities. By choosing Switzerland, DAOs can benefit from a stable legal environment that supports innovation while addressing the practicalities of operating in the real world.

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DAO Ecosystem in Switzerland

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DAO Ecosystem in Switzerland

Overview

Switzerland has positioned itself as a global hotspot for crypto with more than 1,700 crypto companies, not only because of its open approach to regulation, its political and financial stability, and its abundance of investor capital, but also because of its thriving ecosystem with vibrant communities in Crypto Valley, Western Switzerland, and Ticino.

The collaborative efforts of regulatory bodies such as the State Secretariat for Economic Affairs (SECO), the Swiss Financial Market Supervisory Authority (FINMA), and the Blockchain Task Force have provided transparent guidelines and resolved disputes efficiently. This harmonious relationship between the regulatory framework and the crypto industry enhances the success rate of Swiss crypto ventures. It promotes job creation and economic growth, cementing Switzerland's position as a leading global crypto hub.

This is evident in the growing number of DAOs, including prominent ones such as Safe DAO ($226.4 million), Olympus DAO ($173.8 million), dYdX DAO ($71.4 million), and Curve DAO ($25.7 million), which have chosen Switzerland for their legal setup. According to Deepdao.io, as of May 2025, these DAOs are among the largest in terms of treasury, comprising approximately CHF 0.5 billion in assets – more than 3% of all DAO treasuries globally (Figure 3).

Treasuries of DAOs with Swiss Legal Wrapper

In USD million (as of May 2025)

Note: This information is derived from various sources including DeepDAO, offical websites, and Etherscan.

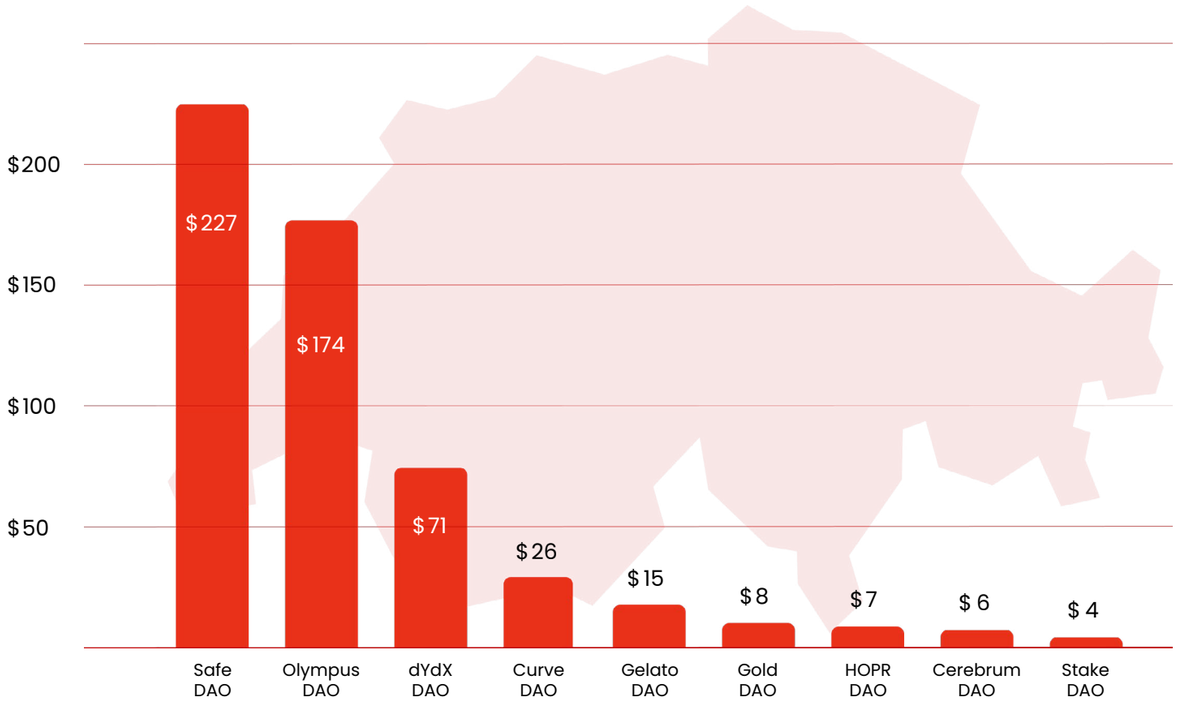

Figure 3: Treasuries of prominent DAOs in Switzerland.

Mapping the DAO ecosystem in Switzerland

Figure 4 shows the DAOs having a legal entity in Switzerland. Besides DAOs, there are six main stakeholders in the DAO ecosystem in Switzerland:

- **Academics:** Researchers like Prof. Claudio J. Tessone (University of Zurich), Prof. Florence Guillaume (University of Neuchâtel), and Prof. Fabian Schaer (University of Basel) study DAO-specific topics, including their legal status and economic impacts. Swiss universities offer DAO-related courses such as the ZHAW CAS Blockchain & Decentralized Finance and serve as talent pools for DAO members and founders.
- **Service Providers:** Specialized providers in legal, tax, marketing, and technical fields support DAOs. MME's 2020 guide on DAO incorporation in Switzerland has led to an expanded sector offering comprehensive legal, accounting, and tax services.
- **Technology Firms:** Companies such as Aragon provide tools for DAO founders and Web3 businesses. Aktionariat facilitates the issuance of tokenized shares, leveraging the Swiss Tokenized Securities Act of 2021.
- **L1 and L2 Blockchains:** Blockchains, including Ethereum, Cardano, Near, Hedera, and Polkadot have foundations in Switzerland, mainly in Zug, to develop their ecosystems.
- **Crypto Communities:** Groups such as the Crypto Valley Association, the Swiss Metaverse Association, and Women in Web3 Switzerland host regular events for DAO enthusiasts.
- **Investors:** While international investors predominantly drive Web3 investments in Switzerland, Swiss investors also play a significant role. The CV VC Top 50 Report reveals that approximately 5% of global blockchain venture deals take place in Crypto Valley, highlighting notable contributions from local investors.

Switzerland's regulatory strategy has effectively nurtured the cryptocurrency industry, exemplified by Zug's top ranking on CoinDesk's Crypto Hubs 2023 list and its over 700 crypto and blockchain firms. This model illustrates how clear regulations and supportive relationships foster innovation and growth, thereby strengthening Switzerland's digital assets ecosystem and setting a global precedent for the benefits of regulatory clarity.

Swiss DAO Ecosystem Map

as of May 2025

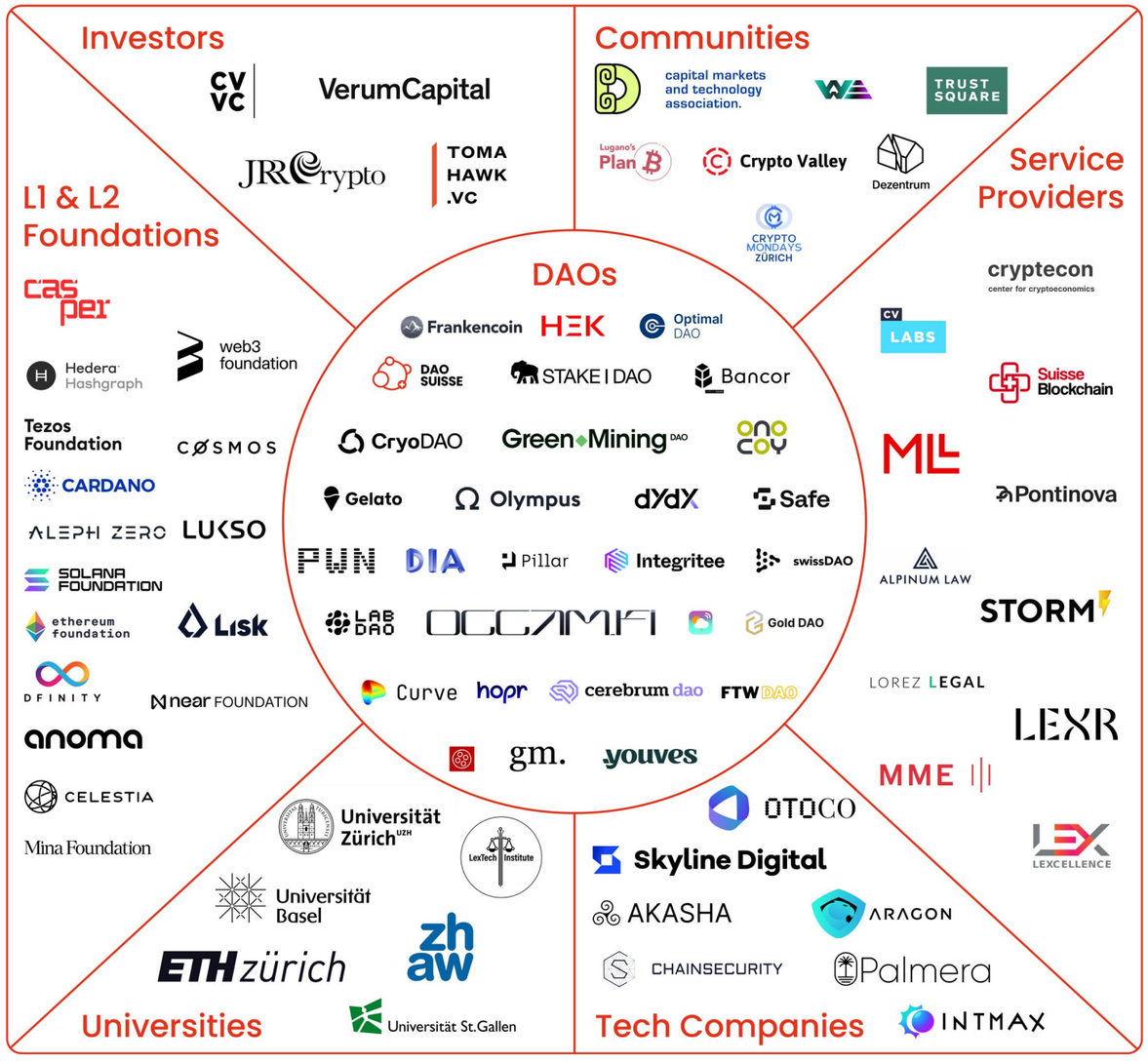

Figure 4: The DAO ecosystem of Switzerland.

Aragon DAO Case Study

Aragon is a key player in the DAO ecosystem in Switzerland. It is based in Zug, Switzerland, and over the years, it has made significant advancements in technology and governance for DAOs, such as the Aragon App, a no-code DAO platform, and Aragon OSx, an operating system that allows for the creation of a custom DAO with just a few lines of code. Aragon has been at the forefront of bringing user-friendly DAO governance to a broader audience, requiring minimal to no coding skills. With more than $27 billion entrusted to Aragon's infrastructure, it has become the largest DAO software provider in the market.

In its 2017 whitepaper, Aragon's vision was to establish a token-governed digital jurisdiction that fosters economic growth through a secure ecosystem for organizations, entrepreneurs, and investors.

Over time, Aragon has introduced several groundbreaking innovations in the realm of DAOs that have addressed some of the common challenges faced by these entities. Innovations include the management of DAOs through the Aragon OSx, which provides a toolbox for managing DAOs. Remarkably, Aragon's smart contracts have maintained a stellar security record, with no hacks reported, attesting to the robustness and reliability of their codebase. Additionally, Aragon has focused on making their platforms more accessible and user-friendly by emphasizing upgradeability, modularity, and an exceptional user experience. Their ultimate goal is to achieve a no-code platform for everything, significantly lowering the barrier to entry for users and democratizing access to DAO creation and management. This suite of innovations not only positions Aragon as a leader in the DAO space but also paves the way for more secure, efficient, and inclusive decentralized governance models.

Yet, the exemplar of DAOs found itself compelled to close its own DAO, encountering constraints inherent to the openness of its governance structure that limited product development and hindered overall progress.

The Swiss-based Aragon Association, established to manage and distribute the $25 million raised in an ICO within just 15 minutes, announced on November 2, 2023 a pivotal shift in its operations, culminating in its dissolution. This decision marked a significant reorientation for the Aragon Project, clarifying the Association's role in relation to the project itself.

In a strategic move to wind down, the Association planned to distribute the majority of its assets, including 86,343 Ether, to its token holders. This redistribution was part of a broader strategy involving three key changes: allowing Aragon Network Token (ANT) holders to redeem their tokens for Ethereum (ETH), dissolving the Association, and reconstituting the project with a new, product-focused approach. This drastic course of action followed the realization that the existing governance structures, including both the Association and the ANT token, were no longer fit to steer the project, necessitating a "total reset" to address foundational challenges that had impeded progress.

The Aragon DAO faced inherent constraints that posed significant challenges to its governance and operational efficacy. One of the primary issues was the reliance on token voting for decision-making processes, which inherently led to a form of plutocracy. In this system, those holding larger amounts of tokens wielded disproportionate influence over decisions, sidelining smaller token holders and potentially leading to governance that favored the wealthy. Additionally, Aragon DAOs lacked effective Sybil-resistant measures that would enable a more democratic, one-person-one-vote system. This limitation further exacerbated the governance issues by making it difficult to implement equitable voting mechanisms.

Another notable constraint was the undervaluation of ANT (Aragon's native token) in contrast to the treasury balance. This scenario poses a significant risk, as a sufficiently large and coordinated group could exploit this governance vulnerability by implementing a malicious proposal to transfer treasury assets to a wallet controlled by the attackers. Such an action would leave the attackers with a profit equivalent to the value of the treasury minus the cost of acquiring enough ANT tokens to win the proposal. This highlights the critical need for more robust governance mechanisms that can prevent such exploits, but also underscores the urgency of truly democratic governance systems in DAOs.

As the Aragon Project moves forward, the winding down of the Association and its encompassing DAO marks a significant transition. Despite this phase of closure, the commitment to creating the best DAO tools remains unwavering. The Aragon team is dedicated to continuing its mission, ensuring that the future of decentralized governance is built on a foundation of innovation and excellence—without the bottlenecks resulting from open governance. With the ultimate goal of once again becoming a DAO, this transition period is crucial for building the necessary infrastructure and governance models that support the broader vision. This approach ensures that when the time comes, the transition back to a DAO structure will be supported by a robust framework that enhances operational effectiveness, democratic participation, and overall security, laying a solid groundwork for the future of decentralized autonomous organizations.

06

Organization

Organization

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Forming of DAOs

DAOs can be initiated in various ways, typically emerging from a small collective of founders or a broader community of users and subscribers through mechanisms such as token drops. Initially, the structure of a DAO tends to be more centralized, with founding members establishing a governance framework and strategic direction. However, this centralization is only the beginning of a DAO's lifecycle. As the organization matures and adapts, it transitions to become more decentralized — an evolutionary process that reflects the dynamic nature of a DAO and its ability to adapt based on community engagement. This gradual shift allows a DAO to continually refine its governance and operational strategies, increasing its effectiveness in achieving its goals and serving its members more efficiently.

Purpose, Culture and Incentives

At the core of any DAO is its purpose, which creates a strong sense of connection and commitment within the community. In the formative stages, this shared purpose is essential to aligning the community around clear, common goals. As the DAO evolves, its purpose may change, requiring regular community engagement to reevaluate and refocus goals. The culture within a DAO and the incentives it provides are also critical. These elements drive community engagement and participation, which are essential for effective decentralized governance.

Organizational Design

Incorporating the DAO Design Framework shown in Figure 5 developed by researchers at ZHAW School of Management and Law[2], we recognize that organizational design is a complex, evolving area that must be aligned with the DAO's purpose, governance, and operational needs. The framework emphasizes three key elements:

In practice today, DAOs serve various purposes, from governance DAOs that collectively govern digital products or services, to investment DAOs in which a community invests in projects, to social DAOs that bring together like-minded individuals. The purpose is also related to the business case of a DAO, which in turn affects the structural elements of a DAO. DAOs tend to work well for non-profit organizations, however, there are also DAOs with monetary goals,

[2] Lustenberger, Michael; Spychiger, Florian; and Küng, Lukas, "Designing a Decentralized Autonomous Organization" (2024). ECIS 2024 Proceedings. 6.

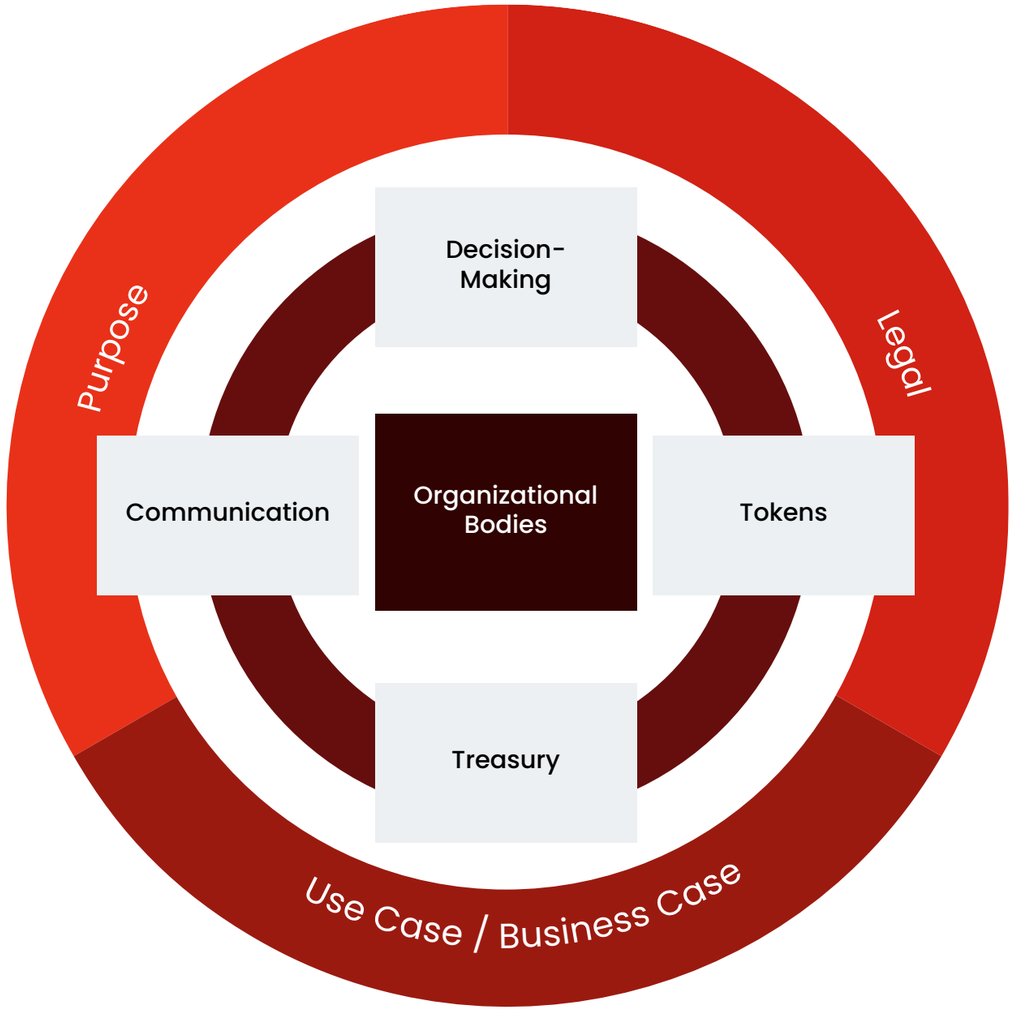

Figure 5: The DAO Design Framework (source: Lustenberger et al., 2024)

especially in the case of investment DAOs, which In practice today, DAOs serve various purposes, from governance DAOs that collectively govern digital products or services, to investment DAOs in which a community invests in projects, to social DAOs that bring together like-minded individuals. The purpose is also related to the business case of a DAO, which in turn affects the structural elements of a DAO. DAOs tend to work well for non-profit organizations, however, there are also DAOs with monetary goals, especially in the case of investment DAOs, which generally seek profit/financial returns. Often, such DAOs also have touchpoints with the traditional world, such as when they need to open a fiat bank account. As a result, many DAOs opt for a legal structure to interact effectively with real-world external entities.

Decentralized Leadership and Organizational Bodies

Leadership in DAOs transcends traditional hierarchies, fostering a collaborative environment in which decisions and strategic directions emerge from collective member input rather than centralized authority. Responsibilities within a DAO are decentralized, often distributed across several organizational bodies such as various committees or working groups focused on specific functions, e.g., conflict resolution, treasury management, or community engagement. Members voluntarily take on roles that align with their skills and interests, promoting a self-organizing and efficient operational model with low entry barriers. These groups operate within defined rights, rules, and responsibilities, ensuring that different areas of the DAO are managed by those best equipped to handle them while maintaining overall alignment with the DAO's purpose and vision. Other key elements that are vital to the organization's functionality and sustainability include:

- Decision-Making
  - Voting-Models (e.g. Quorum, Participation, Incentives)
- Token
  - Token-Models (e.g. Quantity, Transferability, KYC)
- Treasury
  - Fiat-Bank Account, Cryptos, Assets (e.g. House)
- Communication
  - Access/Transparency, Channels, Storage/Repository

In a DAO, the core components—organizational bodies, decision-making, tokens, treasury, and communication—interact in a dynamic and interdependent system that underpins its functionality and sustainability. These elements are tightly connected, each shaping and being shaped by the others. Among them, organizational bodies play a central role, as their design defines the rights and duties of members, the mechanisms for decision-making, and the management of resources. Effective decision-making within a DAO relies on transparent and inclusive participation, which is supported by well-structured communication channels embedded within the organizational framework. Flexibility in these processes is vital for responding to shifts in goals, member behavior, and governance needs. Tokens are fundamental to DAO operations, serving to incentivize participation, distribute rewards, and assign voting power. Their design must be carefully considered to promote fairness and reduce risk. The treasury, responsible for financial management and stability, is closely integrated with the token system.

For further reference and a practice-oriented approach, we recommend the guidebook Mastering DAOs – A Practical Guidebook for Building and Managing Decentralized Autonomous Organizations.

07

Legal

07 Legal

To Wrap or not to Wrap?

- DAOs can choose whether they want to be wrapped or not:
  - **Unwrapped DAOs:** These are not (part of) a legal entity but rather a group of people more or less strongly connected by holding tokens and, depending on the case, by a shared vision that they pursue with shared resources. They are generally more decentralized than wrapped DAOs, but may qualify as a simple partnership, which can entail personal liability for token holders. Other challenges include the difficulty of entering into contractual relationships, enforcing rights, opening bank accounts, and uncertainties regarding applicable law and regulation.
  - **Wrapped DAOs:** These are incorporated into a legal entity. They are generally less decentralized than unwrapped DAOs, however there is great flexibility with regard to the competencies to be allocated to the DAO. Wrapped DAOs can easily enter into contracts, enforce rights, and there is clarity regarding applicable law and regulation.

Legal Wrappers for DAOs

In Switzerland, the two main types of legal entities used to wrap DAOs are Foundations and Association. Table 2 shows an overview of the different legal forms.

- **Swiss Foundation:** Ideal for DAOs with long-term objectives, offering a stable and rigid structure. However, they are less flexible and incur higher costs, potentially making them less suitable for projects requiring agility and frequent strategic shifts.
- **Swiss Association:** Selecting a Swiss Association as a legal wrapper provides a more adaptable and cost-effective legal structure. It requires minimal formalities for non-commercial activities, offering a flexible framework that can evolve in line with the DAO's needs.

Outlook

- The wrapping of DAOs into conventional legal entities, such as associations or foundations, is well established in Switzerland.
- The regulatory framework leaves plenty of room for individual design and adaptation of the DAO to its needs.
- Unlike in other jurisdictions no specific DAO legistlations needs to be implemented.
- DAOs are well advised to make full use of the legal flexibility available to them and to design their DAO carefully instead of simply copying other DAOs' setups 1:1.

	Foundation	Association
General	The foundation is an **asset-based** legal entity which is established by dedicating foundation assets to a specific purpose.	The association is a **membership-based** legal entity which is established and governed by members.
Ideal for	Long term funding of projects with a clear rigid purpose.	Collaborative ecosystems to pursue non-profit purposes which may be subject to change.
Change of Purpose	**Low flexibility, high trust**: Changes to the purpose are not possible, except in very exceptional cases and only with the approval of the supervisory authority	**High flexibility, (low) trust.** The purpose of the association can be changed by members at any time. However, high quoras for can be foreseen.
Profit Distribution	Profits can be distributed in accordance with the foundation's purpose.	Profit distribution to members are not allowed.
Capital Requirements	CHF 50k.	None.
Organisational structure and governance	• **Foundation Council:** Management of Foundation as far as not delegated to management board. • **Potential additional organ:** DAO. • **Auditor:** mandatory.	• **Association Council:** Management of Association as far as not delegated to management board. • **General Assembly**: elect Association Council and has ultimate decision competency. • **Potential additional organ**: DAO • **Auditor**: under certain conditions.
Supervision and Reporting	Foundations are subject to supervision of the Swiss Federal Supervisory Authority for Foundations ("ESA") and must file annually activity reports to ESA (not public).	No supervisory authority. Annual financial and business reporting to the general assembly. Reduced duties (Milchbüechlirechnung) unless association has to register in the commercial register.
Dissolution	In principle not possible. Possible if foundation is not able to fulfil its purpose.	At any time by decision of the general assembly.

Table 2: Overview on Swiss Foundation, Swiss Association, and Company Limited by Shares.

08

Taxation

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Taxation

DAOs need to pay taxes

Contrary to the notion that decentralized autonomous organizations (DAOs) exist outside of conventional tax obligations, it's imperative to acknowledge their visibility and accountability to tax authorities, especially as the focus on blockchain transactions intensifies. The establishment of DAOs as formal legal entities, such as foundations or associations, offers a structured framework that not only enhances regulatory compliance but also mirrors the meticulous legal standards prevalent in traditional corporate environments. This alignment underscores the necessity for DAOs to diligently navigate tax and legal domains with the same rigor as any established company. Commitment to adhering to existing regulations is crucial for sustaining the legitimacy and operational stability of DAOs, ensuring they operate within the bounds of legal expectations while leveraging the benefits of decentralized governance.

Tax considerations for DAOs

The evolving nature of DAOs means that many jurisdictions, including Switzerland, are yet to clarify the specific tax laws applicable to them. This ambiguity necessitates a cautious approach to DAO taxation and legal structuring. While grants received for specific purposes, such as those from Gitcoin, may be exempt from taxes, the tax treatment is not straightforward. Each grant may require a separate ruling from tax authorities, underscoring the complexity of tax matters related to DAOs. However, many DAOs still operate on a non-commercial basis, with generated revenues being reinvested into the project. This reinvestment model plays a significant role in tax considerations and the overall financial structuring of the DAO. To compute taxable profits, Swiss tax authorities often apply a cost plus 5% methodology. This method aligns with international standards, such as the OECD Transfer Pricing guidelines, ensuring that the profit margins are within a globally recognized framework. Currently, there's a lack of comprehensive official guidance on the tax treatment of DAOs. This creates a landscape open to interpretation, especially in classifying DAO activities as commercial or non-commercial.

Outlook

- Tax authorities are actively enhancing their capabilities to monitor and analyze blockchain activities. The inherent transparency of blockchains and DAOs could facilitate easier identification of taxable events and enforcement of compliance by tax agencies.
- Given the increasing prominence of DAOs in the financial and technological landscapes, there's an expectation for more robust and clear tax guidelines from Swiss and other global authorities to emerge, addressing the unique nature of DAOs.

09

Governance

09

Governance

DAOs are digital versions of Switzerland

Switzerland's political system and DAOs share a foundational principle of decentralization, granting substantial power and autonomy to cantons, and municipalities, and, similarly, distributing decision-making authority among DAO members. This parallel extends into the practice of direct democracy; Switzerland enables citizen participation through referendums and initiatives, mirroring DAOs where token holders engage in governance by proposing and voting on organizational decisions. Additionally, both entities employ consensus-based decision-making mechanisms.

In Switzerland, achieving political consensus ensures broad support for policies, whereas in DAOs, achieving consensus among members through voting is crucial for implementing proposals. This synthesis of decentralization, direct democracy, and consensus-based decision-making underscores a shared commitment to inclusive and participatory governance frameworks, bridging traditional and digital realms of community organization and leadership.

Voting processes in DAOs

Governing a DAO is a complex, dynamic process. To aid this effort, DAOs use a variety of voting processes and governance procedures:

Token-based Quorum Voting

Token-based voting assigns one vote per token and is widely used in DAOs to prevent sybil attacks. A quorum, either absolute (e.g., 50% of all tokens) or relative (majority of votes cast), determines whether proposals pass. However, absolute quorums can lead to deadlocks if participation drops. Additionally, voting power may concentrate among wealthy token holders, creating a plutocracy. Some DAOs offer direct, delegated, or hybrid voting models; however, anonymity limits the effectiveness of true one-person-one-vote systems.

Quadratic Voting

Quadratic voting enables participants to express preference intensity by allocating vote credits, with costs increasing quadratically. This method gives minority opinions more influence while limiting dominance by large token holders. It promotes more thoughtful voting but requires verified identities to prevent sybil attacks. Due to anonymity in most DAOs, identity verification is a challenging task. As a result, adoption remains limited despite its potential.

Conviction Voting

Conviction voting allows members to continuously allocate voting power to proposals over time, thereby increasing their influence with sustained support. This favors long-term commitment over quick decisions, amplifying the voice of smaller token holders. Proposals requiring more funds need greater "conviction" to pass. The mechanism encourages thoughtful, purpose-aligned voting. It aims to boost participation and counteract wealth-based imbalances.

Futarchy Voting

Futarchy combines governance with prediction markets, where members bet on the impact of proposals. Only proposals with a predicted positive outcome are implemented, and participants gain or lose tokens based on the accuracy of their prediction. The method incentivizes informed voting but faces challenges such as trend-following behavior, low participation, and difficulties in measuring actual outcomes. Although pure futarchy is rare, hybrid models are emerging in DAOs. The concept aims to align decision-making with measurable community benefits.

Holographic Consensus Voting

Holographic Consensus aims to make DAO decision-making scalable by enabling smaller groups to approve proposals that reflect the broader community's opinion. This is achieved through prediction markets where members stake tokens based on expected outcomes. When enough stake is placed in favor, a proposal enters a relative majority vote. The system reduces decision fatigue by boosting only significant proposals. It blends market incentives with efficient governance.

Reputation-based Voting

In reputation-based voting, influence is based on members' contributions rather than the number of tokens they own. Reputation is often represented by non-transferable tokens, rewarding positive engagement and discouraging plutocracy. This model aligns voting power with merit but can be complex and costly to implement fairly. It offers resistance to sybil attacks while incentivizing long-term participation. Still, defining and measuring "positive contribution" remains a key challenge.

Outlook

- Separation of powers: DAOs are adopting various strategies to address the concept that governance power should be divided. This approach is driven by the dual objectives of enhancing efficiency and establishing a robust system of checks and balances. For example, Optimism's DAO employs a bi-cameral system, comprising a Token House governed by Optimism's OP token, where members vote on matters such as protocol upgrades and inflation adjustments, and a Citizen House that utilizes identity-based governance to fund Optimism's retroactive public goods program. Along these lines, Aragon introduced a modular governance tooling in March 2025 allowing for custom on-chain governance and multi-stage proposal processes.
- Rage quits: Some DAOs have begun allowing disgruntled members to exit, often with a pro-rata share of their treasury, as a form of minority protection. Nouns DAO lost half its treasury in September 2023 when community members executed its new forking procedure. Nouns then forked a second time the next month and a third time in November. DAO members accused the activist forkers of exploiting an arbitrage opportunity — cashing out on their share of the treasury and leaving rather than wanting to try an alternative vision for Nouns.

Olympus DAO Case Study

OlympusDAO represents an innovative initiative in the DeFi landscape, primarily recognized for its innovative approach to cryptocurrency and financial products. As a DAO, OlympusDAO has embarked on a mission to create a decentralized reserve currency, distinct from traditional financial systems, with backing of over $174 million. Olympus DAO was founded by an anonymous group of people in 2021. It introduced its native token, OHM, which was not pegged to any traditional currency, but backed by a basket of crypto assets. This strategy aimed to give OHM its intrinsic value, while shaping a new monetary policy that was not tied to the rules of traditional central banks. Furthermore, they established a clear organizational structure, as shown in Figure 6.

Key nuggets:

- The primary objective of OlympusDAO is to establish a decentralized reserve currency. This initiative is facilitated by the Olympus protocol, which is built and maintained by the OlympusDAO. The protocol behaves autonomously and is controlled by parameters defined by the DAO.
- To conduct business and have legal protection in the real world, the DAO has established an independent Swiss association in Zug in October 2022.
- The association is **not a legal wrapper**, as it has no control or influence over the DAO whatsoever. Only token holders can decide what happens to the DAO.
- The association is a non-profit organization without any commercial purpose. The primary objectives include conducting research, development, operation, and maintenance of Olympus, alongside fostering the growth of the Olympus Ecosystem, and protecting the interests of its members.
- DAO members, who contribute work for the DAO, are compensated as contractors to the association.
- With working capital requests, the association is funded by the DAO.

Olympus DAO

Organization structure

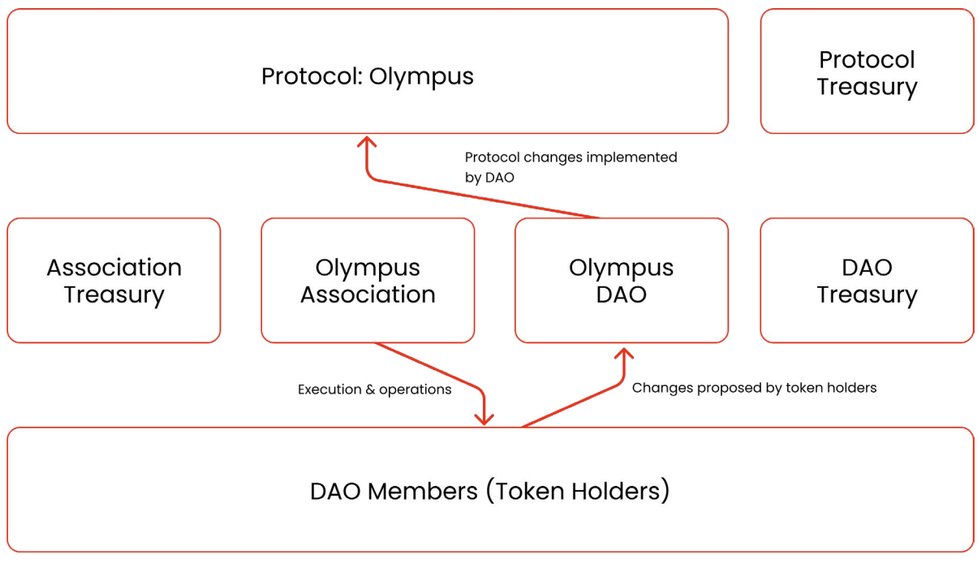


Figure 6: The organizational structure of OlympusDAO.

OlympusDAO's governance structure involves a multi-layered process (Figure 7), where proposals are discussed and developed through forums and subsequently voted on using tools like Snapshot. The DAO is transitioning towards a fully on-chain governance model, aiming for an integrated and decentralized decision-making process. Conflict resolution within OlympusDAO is handled on a case-by-case basis, primarily through public forums and structured discussions. This approach enables diverse opinions and consensus-building, which are essential to the decentralized nature of the DAO.

OlympusDAO places a high emphasis on transparency and accountability. This is reflected in its practices such as maintaining a public GitHub repository, documenting all transactions, and publishing quarterly transparency reports. Its governance process, including proposal development and voting, is open to public participation.

In conclusion, OlympusDAO emerges as a pivotal force within the decentralized finance (DeFi) arena, redefining the limits of what can be achieved in DeFi. By pioneering a new native cryptocurrency and striving for maximum decentralization, alongside leveraging Swiss legal structures to safeguard the ecosystem's interests, OlympusDAO exemplifies how decentralized systems can integrate seamlessly into traditional financial models.

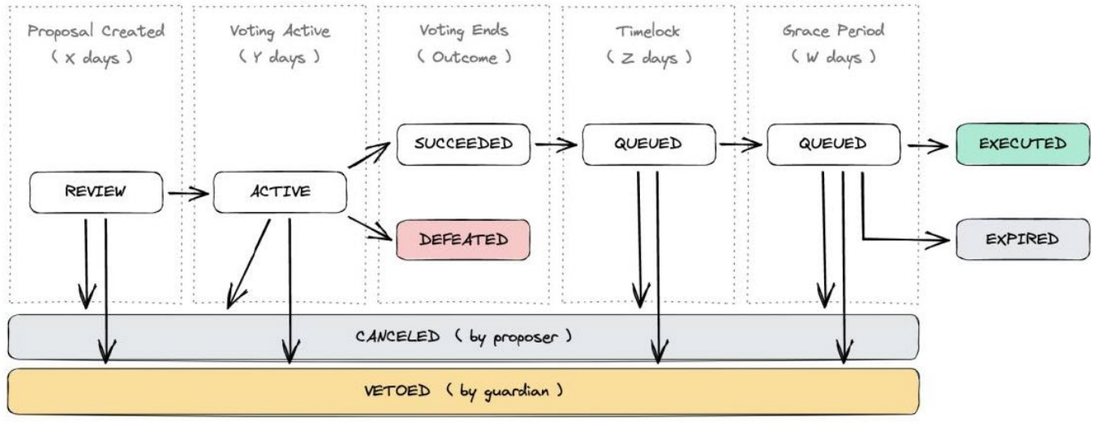
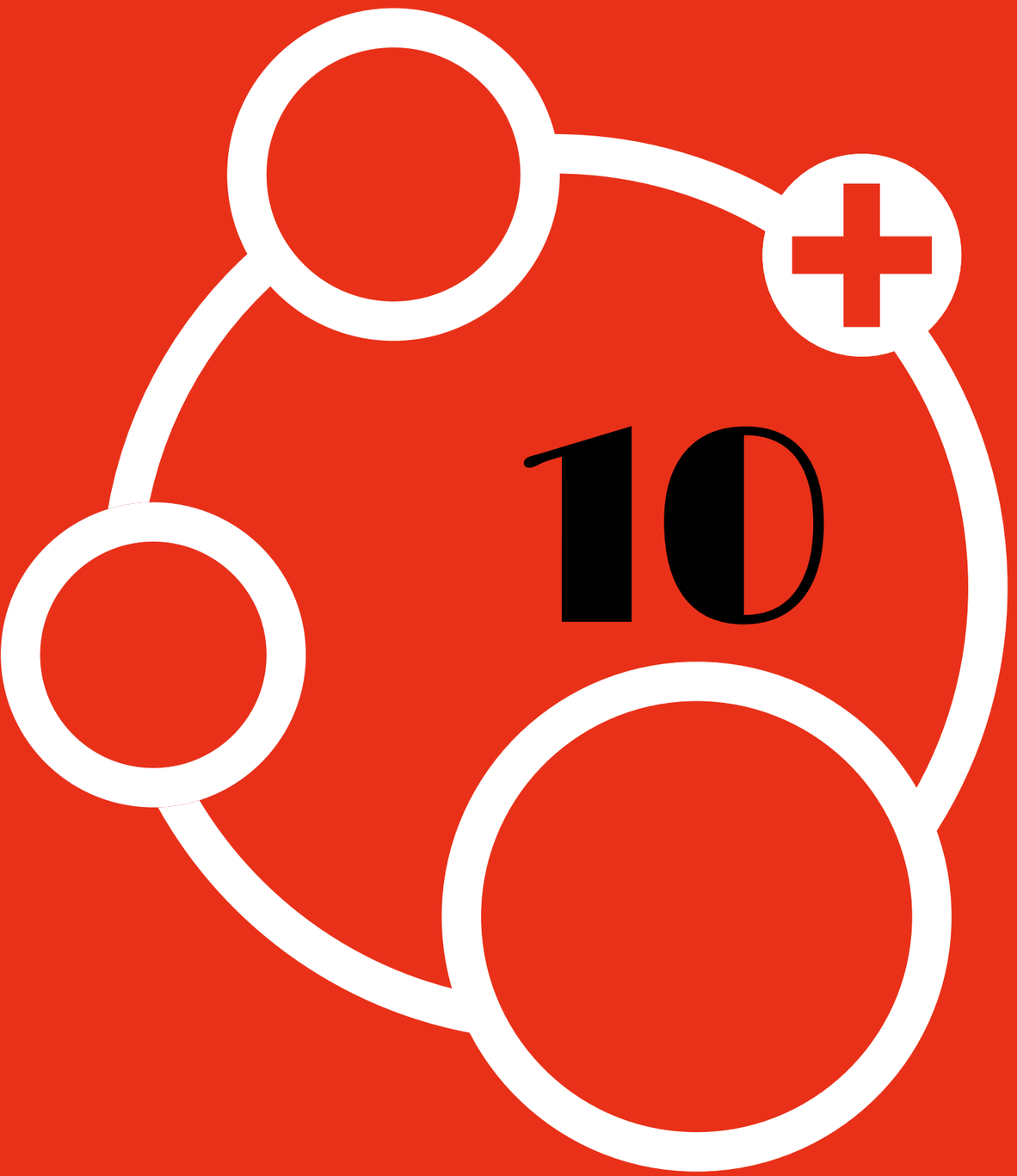


Figure 7: The multi-layered voting process of OlympusDAO.



Tokenomics

10 Tokenomics

Definition of Tokenomics

Tokenomics refers to the economic design of digital tokens and the systems in which they operate. It encompasses a range of factors including token utility, supply and demand mechanics, distribution strategies, and the broader business model of a blockchain-based project. At its core, tokenomics serves to align incentives within decentralized ecosystems, ensuring that participants are motivated to contribute productively.

Several definitions exist. One broad view frames tokenomics as the "engineering of factors that affect, define, and govern a digital ecosystem," aiming to shape participant behavior. A more focused interpretation emphasizes the optimization of economic systems to incentivize desired community actions through the use of tokens. Both perspectives highlight that tokenomics sits at the intersection of economics and system design.

Tokens in DAOs

Tokens are central to the functioning of DAOs. They are the main instrument for incentivizing participation, enabling governance, and distributing economic rewards. DAOs typically operate through smart contracts and use tokens to coordinate member actions without centralized leadership.

Most DAO tokens are utility tokens, granting holders the right to vote, propose changes, or access certain services. In many cases, ownership of these tokens is required to participate in the DAO at all. For example, in a one-token-one-vote system, tokens determine voting power, however, this can lead to centralization when a few holders control a majority of the tokens.

Many DAOs such as the UniSwap DAO use a single-token model for governance and participation. However, some DAOs use more nuanced approaches. The Sandbox DAO utilizes a multi-token system, comprising SAND as its native currency, ASSETS as non-fungible tokens (NFTs), and CATALYSTS to enhance ASSETS.

Tokens may also serve as financial instruments. They can be traded on public markets, stored in DAO treasuries, or distributed through mechanisms such as airdrops or Initial Coin Offerings (ICOs). The chosen method affects community growth and token value dynamics.

Ultimately, the design of DAO tokens must strike a balance between functionality, fairness, and sustainability. This includes managing risks such as power concentration and aligning incentives with long-term goals.

Outlook

Tokenomics continues to evolve rapidly as DAOs experiment with new economic and governance models. While early DAOs often relied on simplistic token systems, many are now adopting multi-layered frameworks that integrate governance, utility, and incentive roles into more sophisticated designs. Several challenges remain:

- No standard tokenomics framework yet exists that fully addresses the needs of DAOs.
- Voting power concentration persists, although innovative mechanisms such as quadratic voting, conviction voting, and time-lock models are being explored to counteract this.
- Balancing speculation and utility is increasingly difficult, as tradable tokens must maintain real-world value while supporting internal governance.
- Future developments in tokenomics will likely involve more customizable, modular token design frameworks. These will support DAOs in fine-tuning their incentives, managing stakeholder engagement, and adapting to changing community dynamics. As DAOs continue to mature, tokenomics will be a defining feature—not only of economic sustainability but also of democratic legitimacy and operational resilience in decentralized ecosystems.

11

Tooling

11 Tooling

Tooling Examples

Tooling is essential for the day-to-day management and operational efficiency of DAOs. Table 3 shows the tools used by DAOs. Just as tech startups depend on a suite of tools like Slack, Notion, and Hubspot for collaboration and management, DAOs require specialized tools designed to address their unique challenges. These tools facilitate crucial DAO functions, such as community management, governance, and financial operations. While traditional startups often use generic tools for organization and communication, DAOs employ tools specifically designed to support decentralized governance and transparent financial transactions, ensuring that every aspect of their operations aligns with the principles of decentralization and autonomy. As DAOs advance, the integration and evolution of these tools will remain vital to their success and sustainability.

Tooling Core Needs

- **DAO Deployment as a Service:** Platforms such as Aragon, DAOhaus, Hypha, and Colony simplify the process of setting up a DAO. These services often provide basic templates, which can be customized to suit the specific requirements of a newly formed DAO. This aspect of tooling is vital for the initial creation and structuring of a DAO.

- **Communication & Community Building:** Effective communication is the backbone of any DAO. Platforms like Discord and Telegram have become essential tools for DAO communities.

  - **Discord:** Originally a gaming platform, Discord has evolved into a comprehensive tool for large communities requiring daily engagement, robust voice call support, and organized channels. It is particularly well-suited for DAOs with complex organizational needs.

  - **Telegram:** Known for its user-friendly interface and mobile accessibility, Telegram is favored for swift onboarding and real-time communication. It's ideal for DAOs that prefer straightforward and on-the-go communication, although it does have limitations in terms of organizational complexity and spam control.

- **Governance Tools:** Governance in DAOs is facilitated through platforms that enable formal discussions and voting. Tools like Discourse enable the creation of forums for collective idea sharing, aligning with the brand and needs of the DAO.

- **Voting Platforms:** Distinguishing between on-chain and off-chain voting is crucial. On-chain governance tools like

  - Tally automatically implements voting results on the blockchain

  - Off-chain tools, such as Snapshot, store voting results in a separate database, requiring manual implementation of decisions.

Most DAOs benefit from choosing an off-chain solution, such as Snapshot, which enables members to manually implement decisions and prevents malicious actors from enforcing decisions on-chain. On-chain governance is primarily utilized by sophisticated DAOs to achieve true autonomy by taking their operations a step further.

Category	Tool
Community	Discord, Twitter, Telegram, Luma, Guild.xyz, Discourse, Zealy, Charmverse.io, Otterspace.xyz, Boardroom.io, Zealy.io, Mava.app, Link3.to
Voting & Governance	Snapshot, Aragon, Dework
Project Management	GitHub, Asana, Jira, Confluence, Notion, Discourse, Linear, Coordination.network
Marketing	Twitter, MailChimp, LinkedIn, Discord, Telegram, Reddit
Knowledge Management	Notion, GitBook
Treasury	Safe, Aragon
Salaries	Sablier.com, Deel, Freshbooks, Sushi Pay, Skyline Digital

Table 3: Tooling landscape of DAOs.

- **Financial Management:** DAOs often leverage applications from the DeFi space for financial management.

  - Sablier, for example, allows for payment streaming, reflecting the blockchain-based nature of DAO operations. Similar tools include Sushi Pay and Superfluid.

  - Safe, Skyline Digital, and Request Finance are integral for managing multi-signature wallets and financial transactions within DAOs. The latter two facilitate financial interactions with the traditional financial system, whereas Safe is sufficient for crypto-native DAOs.

- Project Management:

  - Dework enables DAOs to create bounties for contributors, manage tasks, and even facilitate payments with DAO-specific tokens. With a public Kanban board, community members can select tasks to work on and view the corresponding compensation. This is crucial for maintaining organization and incentivizing participation in DAO tasks.

- Identity Verification and Management Tools: As DAOs often involve anonymous or pseudonymous members, tools for verifying and managing identities can be crucial, especially for voting and governance purposes. This can help ensure that members are unique and eligible to participate in decision-making processes.

  - Tools for this include, Proof of Attendance Protocol (POAP), soulbound tokens (SBT), and action-specific NFTs that incentivize participation

The choice of tooling for a DAO depends significantly on its specific goals, community demographics, and operational style. For instance, the geographic distribution of its members, the nature of the projects undertaken, and the level of engagement required all influence the selection of appropriate tools. Therefore, it's important for DAOs to carefully consider their unique needs when selecting their tool stack. In conclusion, the tooling ecosystem for DAOs is diverse and continually evolving. By effectively leveraging these tools, DAOs can enhance their operations, governance, and community engagement, thereby fostering a more productive and cohesive environment.

12

Risks

Risks

12

DAOs harness blockchain technology to democratize decision-making and operational transparency. Despite their innovative approach, DAOs face inherent risks, including regulatory ambiguity, smart contract vulnerabilities, and governance challenges. Financial uncertainties, operational complexities, and reputational concerns also pose significant threats. As the DAO landscape evolves, addressing these multifaceted risks through enhanced security, effective governance, legal compliance, and community engagement is crucial for their sustainable development and impact.

Mango Markets Hack

The Mango Markets hack in October 2022 exemplified a significant security and governance challenge in the DeFi sector, particularly affecting DAOs. An attacker manipulated the price of Mango Markets' native MNGO token on the Solana-based platform to artificially inflate its value. By leveraging this inflated value as collateral, the hacker was able to extract a substantial sum across various cryptocurrencies, resulting in a significant financial deficit for the platform.

This incident transitioned from a mere exploitation of technical vulnerabilities to a stark illustration of governance risks when the attacker proposed a DAO governance vote to settle the situation. The hacker aimed to return part of the stolen funds in exchange for immunity from legal action, effectively testing the DAO's decision-making resilience and ethical compass under crisis conditions.

The Mango Markets hack underscores the intricate interplay between technical security and governance integrity within DAOs. It highlights the need for robust, agile, and transparent governance structures that can address emergent challenges decisively and ethically. For DAOs, especially those in the DeFi space, this incident serves as a cautionary tale, emphasizing the necessity for comprehensive risk management strategies that encompass both technical safeguards and governance resilience to maintain trust and operational stability.

DAOs are still in the process of evolution and refinement, which is why it would be unfair to compare them to traditional organization forms that have perfected their inner workings over decades.

Challenges

- Voter apathy
- Voting influence
- Bad user experience
- Regulatory unclarity
- Vulnerability to Bad Actors
- Contributor activity
- Corporate raiders taking over the treasury

13

The way forward

13 The way forward

Trends

AI Agents

DAOs are often plagued by prolonged debates and slow decision-making processes, but AI offers a compelling solution. By leveraging predictive analytics and real-time data processing, AI can evaluate proposals, forecast potential outcomes, and recommend optimal courses of action, drastically reducing the time spent on discussions. Agentic AI can assist DAO members in gathering and synthesizing relevant information about proposals, improving decision quality. In practice, some DAOs already employ AI agents for tasks like treasury management, automating audits and freeing human members to focus on strategic direction. Looking ahead, sophisticated AI agents could even act as autonomous participants in DAOs, voting according to predefined ethical principles or utility functions. This shift not only accelerates governance but also raises critical questions about the future role of humans in decentralized decision-making.

Governance Abstraction

To address the limitations of flat, one-size-fits-all governance, many DAOs are shifting toward more sophisticated and modular organizational models. This includes the adoption of multi-body governance structures and the delegation of responsibilities to sub-DAOs, enabling more efficient and specialized decision-making. While this evolution may move away from the original ideal of equal power distribution among all members, it allows DAOs to allocate decisions to those best equipped to make them, aligning processes with their unique goals, risks, and communities. Modular governance frameworks further enhance adaptability, enabling DAOs to evolve over time without being constrained by outdated tools or rigid structures. By reusing existing governance components, projects can focus their resources on delivering value, reduce security risks, and avoid the inefficiencies associated with custom development. This approach not only improves operational efficiency but also positions DAOs to scale and sustain themselves in an increasingly complex ecosystem.

Legal DAOs

Regulatory clarity is becoming a cornerstone for the long-term viability and broader adoption of DAOs. As these decentralized organizations increasingly interact with traditional legal and financial systems, the absence of clear legal status, tax obligations, and liability protections poses significant barriers. To address this, emerging legal frameworks are beginning to define how DAOs can operate as recognized entities, providing much-needed certainty for developers, contributors, and investors. Legal wrappers are particularly important in this context—they grant DAOs formal legal recognition and often offer limited liability protection to members, shielding them from personal responsibility under certain conditions. Switzerland stands out as a global leader in this regulatory evolution, thanks to its proactive stance on blockchain legislation and its vibrant crypto ecosystem. While the legal landscape is still developing, Switzerland's openness to adapting laws and exploring innovative concepts suggests it could become a model jurisdiction for DAO regulation. As blockchain technology matures, such forward-thinking regulatory environments will be essential in enabling DAOs to scale securely and sustainably.

DAO Merger & Acquisitions

While mergers and acquisitions (M&A) in the DAO space are still in their early stages, the broader Web3 industry has already seen hundreds of such transactions, signaling the start of a consolidation phase. Since 2018, over 900 M&A deals have involved Web3 companies—a notable figure, albeit still small compared to the tens of thousands in more mature sectors, such as banking and software. Challenges such as regulatory uncertainty, fragmented governance, and liquidity issues continue to hinder both DAO and traditional crypto M&A activity. However, the momentum is undeniable, with 2025 on track to be a record-breaking year for Web3 M&A, marked by high-profile deals like Stripe's $1 billion acquisition of Bridge. As the ecosystem evolves, DAOs may emerge with a unique advantage: the potential to execute M&A deals more efficiently than traditional organizations. Standardized acquisition contracts, platforms for M&A discovery, and protocol-level conglomerates could transform M&A into a powerful tool for DAOs to grow and integrate. Still, for this potential to be realized, DAOs must develop structured governance models that align incentives and prevent internal conflict. As Web3 matures, strategic consolidation through DAO-led M&A could become a defining force in shaping the next generation of decentralized ecosystems.

DAO SUISSE

About the authors

Benjamin Hoelzl is a senior project manager at the intersection of finance, technology, and innovation. He currently leads the UN Financial Gateway, developing digital infrastructure to streamline global payments for humanitarian and development organizations. He previously co-founded and served as COO of FTW DAO, and now supports Zuitzerland in operations & finance.

Caspar Leuzinger is a Master Student at the Zurich University of Applied Sciences in Innovation & Entrepreneurship. He has several years of experience working in the Web3 space. Since 2020, he has been an active contributor to multiple decentralized autonomous organizations (DAOs), participating in various initiatives and governance activities.

Michael Heger is a communications specialist and project manager with an academic background in European Global Studies. Through his company, kreisform kommunikation, he shapes purpose-driven initiatives with strategic communication and systems thinking. His work focuses on how human-centric technologies can generate lasting social and environmental value.

Florian Spychiger works as a Senior Researcher at the Zurich University of Applied Science where he conducts research on decentralized autonomous organizations (DAOs) and on incentives in blockchain systems. He also teaches a bachelor course on blockchain fundamentals. Furthermore, he is a council member of the industry association DAO Suisse that promotes DAOs in Switzerland.

DAO Suisse Association
Lessingstrasse 15
8002 Zurich

info@daosuisse.com
daosuisse.com

Authors:
Benjamin Hoelzl
Caspar Leuzinger
Michael Heger
Florian Spychiger

Design and Layout:
Elena De Carlo

DAO SUISSE

DAO Suisse Association
Lessingstrasse 15
8002 Zurich

info@daosuisse.com
daosuisse.com