

Digital shares now a reality in Switzerland

SMEs can now manage their share registers digitally using the daura blockchain solution and conduct capital increases at the push of a button, so to speak. Eight SMEs have already agreed to upload their share registers to daura. The first capital increases are in preparation. Joining forces with BDO, daura has gained an additional strategic partner for its market entry.

In 2017, MME and Swisscom bet that shares could be digitised using a blockchain solution under Swiss law. In 2018, Swisscom and Luka Müller, Legal Partner at MME, founded the daura joint venture and presented the first prototype. Now, public limited companies can manage their share registers and issue new digital shares and participation certificates through the daura.ch website. This will make capital increases simple and, above all, give non-listed public limited companies access to a broader group of investors. Investors will in turn benefit from a simple peer-to-peer transfer of shares and participation certificates through daura.ch.

Initial group of clients

At the launch of daura.ch in mid-February, eight SMEs, including the fintech Sygnum and the tourism company Weisse Arena Group (WAG), had already agreed to upload their shares to the daura blockchain platform. Using daura, WAG can distribute shares to its customers. “With the digital share solution, we can easily transfer even micro-shares to any customer who buys a ticket and give them a stake in the company,” said WAG CEO Reto Gurtner.

Other daura clients will use the platform for employee participation programmes or capital increases. Peter Schnürer, CEO of daura, sees the big advantage of the solution in the heightened efficiency it offers: “daura reduces administration and transaction costs and boosts Switzerland’s status as a location for innovation through easy access to the capital market for thousands of SMEs”.

Strong partner ecosystem with BDO and Sygnum

daura is working in a strategic partnership with BDO, one of Switzerland’s leading auditing, fiduciary and consulting firms in Switzerland, to gain fast and easy access to Swiss SMEs. With over 22,000

clients, BDO is a crucial portal to growth and innovation in Switzerland. BDO will be advising clients on the advantages of a digital share register and offering them additional services for the digital share. “The cooperation with daura underscores our ambition to establish ourselves as a leading innovator in the advising of non-listed companies. It will also enable us to expand our innovation chain,” explained BDO CEO Werner Schiesser. “With daura, BDO is taking another important step into the digital future. The range of daura services – digital share register and capital increases at the push of a button – is an ideal complement to our own services, enabling us to offer our clients even greater benefits with greater efficiency,” said Stefan Gerber, Head of Consulting Zurich/Eastern Switzerland at BDO.

daura entered into a partnership with fintech company Sygnum in autumn 2018. Sygnum, based in Switzerland and Singapore, boasts former National Bank President Philipp Hildebrand as one of its supporters and is currently in the process of obtaining a Swiss banking licence. Once it is licensed, Sygnum will offer SMEs a seamless, regulated way of efficiently raising capital. “In the past few months, we saw to it that the technology landscapes of daura and Sygnum are already fully integrated,” said Sygnum founding partner Mathias Imbach.

Pricing and the next steps in expansion

The costs for maintaining an SME’s share register on the blockchain range from CHF 500 to CHF 5,000 per year, depending on the company’s size. The module for capital increases will be rolled out in mid-March. Further expansionary steps will involve connecting daura to marketplaces. There are also plans to enable the processing of dividend payments and voting at annual general meetings via the daura platform.

Some of the other companies that will be using daura.ch:

Custodigit AG is a joint venture of Swisscom and Sygnum that offers a secure vault solution for digital assets for regulated financial institutions.

DART Ventures AG is a testing lab and incubator for creative projects and start-ups at the interface of man and machine. DART invests in the next generation of interactive technologies from the fields of augmented reality (AR), virtual reality (VR) to brain-computer interfacing, artificial intelligence (AI) and robotics. Active in Zurich and San Francisco, DART gives European design and cutting-edge research access to the USA.

Egelsee Invest Alpha AG buys, develops, manages and sells real estate. With the daura platform, the Egelsee Group wants to help investors acquire co-ownership in investment property (one property per public limited company) by purchasing book-entry rights (shares) that are recognised under commercial law, and this without an entry in the land register.

KYC Spider AG was founded in 2003 as a joint venture between MME and Eurospider. KYC Spider's tools enable simple, intelligent and secure checking and verification of business relationships. The tools allow clients to easily manage their "KYC process".

MME Compliance AG is a subsidiary of the consulting firm MME, which specialises in law, taxes and compliance. MME Compliance AG offers services for companies and private individuals in regulatory matters.

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About daura

daura is a joint venture between Swisscom and Luka Müller, co-founder of MME, a leading law firm in the blockchain sector. The company's goal is to digitise shares of Swiss SMEs with the help of blockchain technology. The daura platform enables share transfers by means of blockchain transactions. This gives non-listed companies access to a broader group of investors. All legal functions of the shares, e.g. the execution of peer-to-peer transfers, are processed on a private blockchain platform operated in Switzerland and comply with Swiss regulations.

About BDO

BDO is one of the leading auditing, fiduciary and consulting firms in Switzerland. With 33 branches, BDO has the densest branch network in the industry. At BDO, proximity and competence are regarded as important prerequisites for a successful and sustainable customer relationship. BDO audits and advises companies in the industrial and service sectors, including SMEs, listed companies, public administrative bodies and non-profit organisations. BDO serves internationally oriented clientele through its worldwide network spanning more than 160 countries. BDO AG, with headquarters in Zurich, is the independent, legally autonomous Swiss member company of the international BDO network, which is headquartered in Brussels, Belgium.

About Sygnum

Sygnum is a technology-driven company that offers its customers an integrated solution for secure issuance, custody, trading and management of digital assets. Sygnum is currently in the process of obtaining a Swiss banking licence. The company was founded by an interdisciplinary team of experienced experts and is supported by strategically relevant private individuals and institutions. Sygnum is based in two of the world's leading financial centres – Switzerland and Singapore. In 2018, Sygnum and Swisscom established a joint venture, Custodigit AG. Custodigit is developing a solution for the custody of digital assets that meets institutional requirements.