

FAQ - Legal Structure & Swiss Legislation

Crowdfol.io | Investor and adviser discussion draft

The structure is designed for Swiss legal, tax, banking and regulatory validation. This FAQ is not a legal opinion and does not replace transaction-specific advice.

Important reading rule

Crowdfol.io is a financing strategy, not a foreign residential-property ownership structure. Property-level investor funding and platform-company share participation are separate. Neither the 51% Swiss-shareholding rule nor a subordinated loan structure should be marketed as an automatic legal safe harbour.

1. What properties does Crowdfol.io intend to finance?

Crowdfol.io has a deliberately narrow launch mandate: newly developed or qualifying first-occupancy apartments and houses for owner occupation in the lower-to-mid-market segment. Luxury properties, holiday homes, serviced apartments, speculative high-end developments and existing-stock acquisitions are excluded. Each property is underwritten for location, affordability, purchase price, valuation, developer quality, warranty documentation, resale liquidity and expected long-term value development. Appreciation is an investment thesis, not a guarantee.

2. Why are new developments relevant?

New developments can offer a structurally risk-compressed early-life ownership profile. They may benefit from current statutory construction-defect rights, project-specific warranties or guarantees where documented, and cantonal building-insurance protection. These layers must be separated clearly: construction-defect rights are not investor security, insurance is not a guarantee of market value, and no property is risk-free.

3. Why can many foreign investors not buy Swiss homes directly?

Swiss federal law commonly referred to as Lex Koller restricts the acquisition of certain Swiss real estate by persons abroad. The competent cantonal authority determines whether a specific transaction requires authorisation. Crowdfol.io is designed to avoid transferring residential-property ownership to foreign investors, but the final structure still requires counsel-led Lex Koller analysis.

4. Why do Swiss buyers need additional financing?

Swiss mortgage underwriting is conservative. Buyers generally need meaningful equity and banks assess affordability using stressed assumptions that can be materially above the contractual mortgage rate. A household may therefore be able to service ownership economically but still lack sufficient downpayment liquidity or fail the bank affordability calculation. Crowdfol.io is intended to address part of that gap for qualified buyers.

5. What role does Crowdfol.io play?

Crowdfol.io arranges structured, interest-free downpayment-support financing for eligible homeowners. The homeowner remains the legal owner and maintains the primary mortgage relationship with the bank. Crowdfol.io does not acquire the home. The definitive structure, documentation, ranking and cash-flow mechanics must be validated with Swiss counsel, the financing bank and the notary.

6. Who owns the property?

The eligible Swiss or qualifying resident buyer owns the property. Crowdfol.io and the transaction investors do not appear as residential-property owners. The transaction security package is intended to use enforceable contractual and, where legally and bankably feasible, notarial and land-registry security mechanics. The final form and ranking are transaction-specific and must be confirmed before launch.

7. Are property-level funding and company capitalisation the same thing?

No. They are separate legal and economic layers. Property-level loans fund eligible homeowner transactions. Platform-company shares relate to ownership of Crowdfol.io itself. Additional investor loans, Fremdkapital or transaction funding do not automatically create additional platform shares, voting rights or conversion rights.

8. Why must at least 51% of the platform company remain in Swiss hands?

The intended structure preserves at least 51% of the platform-company shares and voting rights in Swiss hands. International investors may hold an aggregate maximum of 49%, subject to formal issuance documents and agreed funding obligations. This is an important governance safeguard, but it is not an automatic Lex Koller safe harbour. The Lex Koller control analysis may also consider substantial foreign loans, governance rights and the specific transaction structure.

9. Are investor shares automatic when additional capital is lent?

No. Any pre-issuance description of investor shares is conditional and pro forma only. Shares are tied to defined funding obligations, milestones, formal corporate approvals and executed documentation. Additional loans do not dilute the Swiss holding below 51% and do not automatically increase investor equity participation.

10. Is the investment secured?

The model is designed around multiple protection layers, but it should not be described as guaranteed or risk-free. The intended package includes transaction documentation, bank and notary-controlled settlement mechanics, defined exit provisions and, where feasible, land-registry security. Investors remain exposed to subordination, property-price risk, enforcement risk, homeowner affordability, refinancing risk, delays and transaction-specific legal limitations.

11. What protection applies to new developments?

From 1 January 2026, revised Swiss construction-defect rules improve the position of building owners and purchasers, including 60-day notice periods for apparent and hidden defects. A rectification right can no longer be contractually excluded for qualifying cases. The strongest general statutory period for defects in immovable works remains five years. Any broader ten-year warranty, SIA arrangement, developer guarantee, bank guarantee or insurance-backed protection must be verified for the specific development.

12. What does Gebäudeversicherung cover in the initial Zug context?

In Canton Zug, buildings are generally insured compulsorily with Gebäudeversicherung Zug against fire and elemental damage. Construction-period insurance is compulsory when the expected increase in value exceeds CHF 20,000, and regular building values are generally insured at replacement value and adjusted annually using a construction-cost index. This does not cover market-price declines, normal wear and tear, every natural hazard, developer insolvency or the full repayment of a subordinated financing position.

13. How are transaction-investor gains allocated?

The gain-sharing ratio is fixed contractually when the transaction begins and depends on the supported share of the required 35% downpayment. At the representative 50% support level, the homeowner retains 17% of realised appreciation and the financing side receives 83%. The financing-side pool is then split before taxation: 83% to the transaction investor and 17% to Crowdfol.io. The simplified 12% commercial-tax placeholders are applied separately after that split. The homeowner's contractual appreciation share is not reduced by financing-side commercial taxation. The applicable schedule is non-linear and remains subject to final legal and tax documentation.

Pre-agreed property-appreciation schedule

Supported share of 35% downpayment	Buyer share of 35% downpayment	Financing-side share of appreciation	Homebuyer share of appreciation
70%	30%	94%	6%
60%	40%	90%	10%
50%	50%	83%	17%
40%	60%	75%	25%
30%	70%	65%	35%
20%	80%	47%	53%
10%	90%	33%	67%

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13A. How is the simplified commercial tax treatment modelled?

For planning purposes, the financing-side pool is split first. The transaction-investor allocation is then shown net of an illustrative 12% commercial-tax placeholder. Crowdfol.io deducts its CHF 10'000 total lifecycle reserve and documented operating costs before applying its own simplified 12% company-tax placeholder. This is not a tax ruling. Final characterization, deductibility, withholding-tax exposure and foreign-investor reporting must be validated by Swiss tax counsel.

14. How do platform-company shareholders participate?

After operating expenses, taxes, reserves and other lawful deductions, the company may propose dividends if legally distributable and formally declared. With the intended ordinary ownership structure, up to 49% of such dividends are allocated to the angel shareholders and at least 51% to the Swiss operating shareholders. Salaries, service fees and director compensation remain separate and must be commercially supportable.

15. What happens to the mortgage?

The homeowner remains responsible for mortgage interest, amortisation where applicable, maintenance, insurance, taxes and other ownership costs. Crowdfol.io does not assume the primary bank mortgage. Any Crowdfol.io-related financing is subordinate to the bank according to the executed transaction documents.

16. What is the base-case holding and exit logic?

The internal model uses a ten-year base-case holding period and first modelled exits in year 11. Actual refinancing, repayment or sale mechanics must be contractually documented and bankable. A defined exit framework is important, but proceeds and timing cannot be guaranteed.

17. What does the CHF 10,000 Crowdfol.io cost assumption mean?

The CHF 10,000 amount is the total lifecycle operating reserve for one originated property over the complete 10-11 year transaction. It is not CHF 10,000 per unit per year. For conservative liquidity planning, the full amount is set aside when a unit is originated. Fixed corporate overhead, setup costs, legal fees, taxes and financing costs are budgeted separately.

18. How can the homeowner benefit?

The homeowner may gain access to ownership despite a downpayment gap, avoid a portion of future rent expenditure and build personal equity through ownership. Outcomes depend on mortgage terms, taxes, maintenance, appreciation, exit timing and the homeowner contribution. Illustrative savings should never be presented as guaranteed household profit.

19. What is the status of the Eigenmietwert reform?

Swiss voters approved the reform of owner-occupied housing taxation on 28 September 2025. The reform includes abolition of the imputed rental value and restrictions on deductions. The Federal Council determines the effective date. The consequences depend materially on future mortgage rates and household circumstances, so the reform should not be presented as an automatic tax advantage for every homeowner.

20. Does FINMA regulation matter?

Yes. The investor-money flow and onboarding model require a Swiss regulatory-perimeter analysis. FINMA states that accepting deposits from the public on a professional basis, or publicly advertising such activity, generally requires a banking licence unless an exception applies. FINMA also notes an automatic professional-activity presumption where more than 20 clients are involved. The launch model should therefore use counsel-approved private-placement, segregation and settlement mechanics rather than casual operating-company pooling.

21. Is the model formally Shariah-compliant?

The absence of investor interest payments is relevant, but it is not sufficient by itself to claim formal Shariah compliance. A formally marketed halal or Shariah-compliant version would require review by a qualified Shariah adviser and alignment of the final contracts, risk-sharing terms, late-payment provisions, security mechanics and use of proceeds.

22. What remains to be completed before launch?

Before launch, Crowdfol.io should obtain a Swiss legal opinion, regulatory-perimeter memorandum, tax analysis or ruling where appropriate, bankability review, notarial workflow, homeowner and investor contracts, security-ranking documentation, developer due-diligence checklist, warranty and insurance file, data-room standards and an auditable operating process.

Source register

Source	Use in this FAQ
Federal Office of Justice - Acquisition of real estate by persons abroad (official Lex Koller guidelines)	Foreign-person and control-analysis framing; cantonal authority competence
FINMA - Banks and securities firms	Public deposits, professional activity, sandbox and FinTech-licence perimeter
Federal Council media release - Construction defects: new rules from 1 January 2026	60-day notice periods and non-excludable rectification-right framing
Gebäudeversicherung Zug - Versicherungspflicht im Kanton Zug	Compulsory fire and elemental-damage insurance, construction-period cover, replacement-value principles and indexation
Federal Department of Finance - System change in owner-occupied housing taxation	Eigenmietwert-reform status and implementation caveat

Legal-review status

This FAQ is an investor-communication draft. Swiss counsel should confirm every legal statement against the final contractual structure before publication or investor use.