

# **LEGAL OPINION**

## **CRAFTR PROJECT**

**20<sup>th</sup> December 2018**

### **Introduction**

1. This is a legal opinion on the Crafr Project based on its White Paper and the laws of Switzerland specifically relevant to the operations of the project.
2. The legal analysis offered can be updated as the laws governing its fields are updated.
3. The provisions offered in this opinion are not to be taken as implying it owes a duty of care to another party apart from the client.

### **Assumption**

For the purposes of this legal opinion, the following assumptions have been made:

- Information disclosed from the sources are updated and accurate as at the date the legal opinion was conducted and drafted.
- The sources of information provided every relevant information that was required during the drafting of the legal opinion.

### **Legal Opinion**

Based on the white paper, Crafr project is mainly a decentralized platform that is focused on the purchase and selling of creative digital services among the users.

- **Incorporation**

Currently, the law of Switzerland has no set regulations specifically for online platforms. E-commerce websites are required to adhere to a number of regulation acts such as the Unfair Competition Act, the Telecommunications Act and the Code of Obligations. The incorporation of an e-commerce website in Switzerland is similar to the one followed with traditional Companies. At least one founder is required for a company to be incorporated the founders and shareholders need not be from Switzerland but at least one of them should be a Swiss residence. Crafr's executive management is made up of two founders and another four individuals with respective roles in the company. Crafr also plans to be an official registered company that will have its basement in Switzerland thus will require to comply with Switzerland's incorporation laws. It is evident that Crafr is to be duly formed and exists legally as per the laws of Switzerland. The company has the power to penetrate and perform as it has taken all necessary actions that will authorize the former moves.

- **Corporate Action**

According to Swiss legal codes, the corporate action of any trading organization like CRAFTR should focus on the individuals who act on behalf of the company as they are not only responsible but also authorized to perform the duties according. The Swiss legal codes point out that individuals who act based on 'principal-agent' theory have the capability of undertaking the company's duties and responsibilities without the interference of the third party. As pointed out in the regulation of the '*corporate action*' clause, the managers, assistant managers, and the employees have the duty to act on behalf of the CRAFTR as long as they act based on the White paper and the Swiss' laws, rules and regulations.

- **Documentation**

As one of the critical legal opinion and process, the Chief Executive Officer (CEO), Chief Marketing Officer (CMO), Security Managers and the System administrators to considerably focus on documenting the whole process. Just as stipulated in the Swiss Law, it is important for CRAFTR to concentrate on the certification of every process in the company. Right from the core processes; order fulfillment, orders control, delivery to Customer's management; customer's takeover, support and account management, the Swiss laws require them to be written in a piece of paper rather than relying on the online database. This does not only show the extent to which the company is organized but also its conformity with the Swiss' laws and regulations.

- **Government approval**

Government approval plays an integral role in the business transaction process. Through its e-commerce website, CRAFTR has the opportunity to demonstrate its prominence and success in the business world. This implies that CRAFTR's success will be based on its ability to be able to effectively follow the laws and regulations of the Swiss' constitution. Based on the trading laws and regulations of the Swiss people, all business enterprises have to be approved by the government no matter the situation. Precisely, it has to follow the required incorporation, business and employment laws that are have been put in place. Therefore, the management and the employment have to be followed to the latter.

- **Federal registration**

As one of the legal requirement, CRAFTR has to register to the Federal government. Based on the rules and regulations by the Federal government, CRAFTR has the privilege of utilizing the Federal opportunity to register in any European country. Although the company is U.S based, it has the freedom of registering in any country so long as it conforms to the rules and regulations

of that country. Federal registration is very important because it does not only give the company the ability to operate in the market but also approves the credibility of the organization to serve the interest of its citizens.

- **Litigation**

Just like the Federal law in the United States, the Swiss' law requires the company to disclose all sorts of litigations. This means that the CRAFTR have to disclose the information pertaining to initiation, completion and the threat against any members of organization or public or another organization. As one of the ways to know the truth of the matter, the venture companies like CRAFT have to conform to country's rules and regulations. Admittedly, the legislation process defines the extent to which the CRAFTR is able to satisfy the needs of the customers in the market.

- **Funds Transfer**

Crafr's distribution of funding is to the general public, bounties & marketing rewards, marketing & other rewards, development and the foundation. Any sales that are concluded on online platforms are subject to taxes similar to offline transactions. According to Swiss law, any transfer of assets attracts corporate income taxes, real income transfer taxes, and Value-added taxes.

## **Reservations**

1. No opinion expressed in this legal opinion as to the validity, binding impact or rights' enforceability under the Law of Switzerland in regards to the Company.
2. Information search was not conclusive on whether any insolvency proceeding actually existed or had even commenced in relation to any assets owned. For instance, some

information may be required by the Registrar of Companies to be filed within different timeframes.

Yours faithfully,

Mason Bauer