

PRESS RELEASE

Germany's First Crypto Foundation Established

WINHELLER advised IOTA Foundation on the establishment as hybrid foundation

Frankfurt/Main, 14 November 2017 – With the official recognition of the IOTA Foundation as a legally independent foundation under civil law by the Berlin Foundation Supervisory Authority on 3 November 2017, Germany's first foundation based on a cryptocurrency has been established - a milestone in German foundation history. The IOTA Foundation has been established as a charitable foundation dedicated to supporting science, research and education in order to particularly develop the idea behind IOTA and the Distributed Ledger Technology. The Frankfurt-based law firm WINHELLER was advisor to the IOTA Foundation in the recognition process.

The IOTA system can basically be used by anyone. It is a digital and decentralized payment system whose technical design differs from the blockchain technology of other cryptocurrencies such as Bitcoin and Ether by the new and innovative Tangle System. IOTA has especially been designed as a payment unit for the so-called Internet of Things (IoT). The IoT is the vision that one day billions of devices will independently communicate with each other, conclude contracts with each other and conduct transactions. Leading global companies, especially from Germany, are already using the IOTA technology and together with the blockchain it is the main driving force for the digitalization of medium-sized and large companies. Various German corporations are already using IOTA in the areas of mobility, energy supply and data security.

Based on the open source policy, the IOTA Foundation gives companies, developers and other users of the platform access to the IOTA technology in order to promote the technical development and standardization of IOTA for realizing new applications and business models.

Behind IOTA are the founders and developers Dominik Schiener, David Sønstebø, Sergey Ivancheglo and Sergei Popov. Additionally, the supporter's community has contributed significantly to the establishment of the foundation and continually pushes the development of the open source software.

Advisors to the IOTA Foundation at WINHELLER were the two German crypto experts Attorney [Anka Hakert](#) (Certified Specialist for Tax Law) and Attorney [Lutz Auffenberg](#) (Certified Specialist for Banking and Capital Markets Law). Both supported the establishment of the foundation as a hybrid foundation as well as the capitalization with IOTA tokens considering German foundation law and nonprofit law aspects. Furthermore, they carried out the necessary coordination with the foundation supervisory authority and the tax office.

"The so-called hybrid foundation is still rare in practice," says foundation expert Anka Hakert. "Its foundation assets are composed of both basic assets and consumable assets. As in any other classic foundation, the value of the basic assets has to be maintained in a lasting and undiminished way. However, the IOTA Foundation also has consumable assets that can be consumed entirely or in parts over time in order to realize the purposes of the foundation. As a special feature, IOTA tokens were added to the foundations' assets."

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Read more on the IOTA Foundation: <https://blog.iota.org/iota-foundation-fb61937c9a7e>

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About WINHELLER Attorneys at Law & Tax Advisors: WINHELLER is one of Germany's leading law firms for the law of nonprofit organizations. Other central areas of practice are banking and finance law, M&A, commercial and tax law as well as tax consulting. Next to its headquarters in Frankfurt's Tower 185, the firm has offices in Berlin, Hamburg, Munich and Karlsruhe. In addition to the IOTA Foundation the firm's clients include Bitcoin Deutschland AG, Bitwala GmbH, Coinfinity GmbH and DC Bank AG. For further information, please see our listings in the current editions of the leading law handbooks "JUVE Commercial Law Firms" and "Legal 500 Deutschland". WINHELLER is a member of the International Society of Primerus Law Firms, a global network of more than 200 boutique law firms and tax offices. Visit us online at www.winheller.com/en.