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Crypto: High-Rollers Rub Shoulders

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Suvretta House, St. Moritz

As cryptocurrency prices slide and a bitter dispute over Tezos plays out, the mood at a glitzy confab of crypto heads in a Swiss alpine enclave was buoyant. [finews.asia](#), explains why.

«I'm Jorge,» says the tall, elegant, white-haired man sitting next to me, extending his hand with a friendly smile after I offered to move for him to have a bit more room to stretch his long legs.

My friendly seat neighbor who just introduced himself – presumably not knowing I am a journalist – is Jorge Paulo Lemann, whom *Forbes* lists as the 28th richest man in the world with a nearly \$30 billion fortune. He and an associate are taking in a three-day cryptocurrency conference held in an exclusive St. Moritz ski enclave.

Lemann may have been the wealthiest person present, but he was certainly not the only ultra-high-roller: [finews.asia](#) spotted Julius Baer scion Raymond Baer and fund-of-fund pioneer Rainer-Marc Frey among the 160 participants who ponied up the 3,700 euro attendance fee.

Turned Away

Attendees were still subject to a hand-picked selection process (over 240 of them didn't make the cut), and several hopefuls who flew in without a ticket were turned away by co-organizer Marc Bernegger, a source told [finews.asia](#).

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What awaited them? An three-day access event for the super-wealthy with token pitches and presentations on everything from how to store coins to how to declare them on your taxes, liberally interspersed with networking opportunities over cigar lounges, night skiing, and an open-ended party at the King's Club, where guests are told to «dress to impress».

«Happy Despite Carnage»

The contrast was startling: a clubby meeting of billionaires in Suvretta House (lobby pictured below), where double rooms start at 600 Swiss francs – while the price of bitcoin and other digital tokens slide in value. Switzerland has pitched aggressively to attract cryptocurrency providers – courting controversy in the process.



«Can you see that everyone's happy?,» Global Advisors Chairman Daniel Masters remarked to me over lunch prepared buffet-style by white-jacketed waiters.

«Happy Despite Carnage»

He's right – the mood over an ample lunch buffet of sliced veal and Grison specialties is far from the gloom after China's ban of cryptocurrencies last year or the Mount Gox theft. Everyone – from cryptocurrency providers to the coterie of lawyers, consultants, fund managers, and wealthy potential investors – is buoyant and full of promise.

Why, if the recent price slide has destroyed an estimated \$270 billion in market capitalization? Many investors had cashed out before the precipitous fall, explains Masters, whose firms offers cryptocurrency funds as well as services like treasury handling for initial coin offerings.

«When the drop comes, they are now cash rich, and they can buy back cheaper. That's why everyone here is happy, despite the carnage.»

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«Nobody Has A Clue»

His comments exemplify the jubilant mood at the first Swiss conference devoted to digital currencies. The confab precedes the better-known World Economic Forum in neighboring Davos, which is bracing for the arrival of U.S. President Donald Trump next Thursday.

Many attendees, like Masters, will take in both events. Some, like FBG Capital's Richard Liu, are just here to network in the crypto scene. The Beijing-based hedge fund executive acknowledges a bubble in tokens, but says he is unworried. FBG just closed a crypto fund at \$100 million, which goes live in March.

A fintech specialist who has advised a national regulator admitted that «nobody has clue» how to treat cryptocurrencies, while a partner at Switzerland's best-known crypto law firm conceded the legal industry has «no answers» either.

«Analog Finance»

There are few contrasting voices: no bankers from «analog finance», as one participant calls traditional banking, are present, nor are any national regulators. In the afternoon, Switzerland's economics minister, Johann Schneider-Ammann, drops by to unveil plans for a government working group on blockchain and initial coin offerings.

The government is putting more muscle behind its recent vocal advocacy, setting Mark Branson on the case for Switzerland. The British-Swiss former UBS banker who runs the Swiss financial regulator will team with justice and finance officials and report to the government by year-end.

Tezos Spat

And what of Tezos, which has ensnared Switzerland in controversy? The cryptocurrency is mired in a bitter dispute between its founders, Arthur and Kathleen Breitman, and the head of their Swiss foundation, Johann Gevers. She and Gevers had been touted as a big conference draw, but media including finews.asia were shut out of both her appearance and Gevers' remarks.

Tezos is certainly on peoples' minds, including one investor who said he plans to buttonhole Gevers about his \$900,000 investment in the record-breaking July ICO. Both Breitmans declined to speak to finews.asia at the conference, and Gevers didn't respond to a request for comment.

«Not Evil, Just Culture»

Many participants including Liu, the hedge fund executive, called for the industry to link up with regulators for the good of investors.

«In the financial sphere, regulation is what creates the dominant design, not technology. Nobody believes me but its true,» PWC's Guenther Dobrauz says. Because they are part of a regulatory framework, banks are not dead as the fintech industry would lead you to believe, he adds.

The conference also offers odd nuggets of wisdom to newly-minted crypto millionaires: be wary of banks. The recent slide notwithstanding, many crypto entrepreneurs still hold huge stockpiles, which are worth a pretty penny in legal tender.



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«Do have a way of getting the money out,» warned PWC's Frederik Gregaard . «The financial system as it is right now is going to do everything they can to block that. It's not an evil will, it's just 600 years of culture.»