

Fintech, Research and Artificial Intelligence in Ticino — overview and summary

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For most of its history the financial centre of Lugano lived from proximity, language and discretion. Its competitive advantages were the border with Lombardy, the Italian-speaking relationship manager and a legal order that protected client confidentiality, as the earlier parts of this book have shown. None of these advantages depended on research or on technology. The canton had no university of its own until 1996. The banks of the lira economy recruited their staff from commercial schools, from the cantonal Liceo and from the universities of Zurich, Fribourg, Bern and Milan. In the 2010s Lugano began to reposition itself as a centre for financial technology, for Kryptowerte und Digital Assets and for artificial intelligence. It could build on a set of institutions that had grown up largely outside the financial sector: a young university, a university of applied sciences, an artificial intelligence institute founded by an Italian industrialist in 1988 and the national supercomputing centre, which the federal polytechnics had placed in Ticino in 1991.

This chapter asks what these institutions contribute to the financial centre and which legal framework governs the use of their main product, data-driven and increasingly automated decision-making, in banks, asset managers and fiduciaries. The argument has two halves. The first half describes the knowledge infrastructure of Ticino. It begins with the Università della Svizzera italiana (USI), its Faculty of Economics, its Institute of Finance and its link to the Swiss Finance Institute, and with the University of Applied Sciences and Arts of Southern Switzerland (SUPSI) and the training institutions of the banking sector. It continues with the Dalle Molle Institute for Artificial Intelligence (IDSIA), where some of the methods that underlie modern machine learning were developed. The Swiss National Supercomputing Centre (CSCS) in Lugano-Cornaredo, on whose machines the Swiss open language model Apertus was trained, and the innovation and start-up policy of the canton complete the picture. The

second half turns to the law. It examines the use of artificial intelligence in banking compliance and its supervision by FINMA, the revised Federal Act on Data Protection and the rules on outsourcing, operational resilience and cybersecurity. It then contrasts the Swiss approach to the regulation of artificial intelligence with the European Union's Artificial Intelligence Act, which reaches Lugano providers whenever their systems are used for clients in Italy. A final section considers talent, the cross-border workforce and the outlook.

Two neighbouring chapters carry part of the subject. Chapter I.I describes Plan B, the programme launched by the City of Lugano with Tether in March 2022, and Chapter I.II sets out the Swiss legal framework for Kryptowerte und Digital Assets, from FINMA's token classification to the DLT Act and the licences under discussion. The present chapter refers to both where research, start-ups and regulation overlap but leaves the law of tokens and of the distributed ledger to Chapter I.II. Training for bank employees at the Centro Studi Villa Negroni is described in Chapter E.I, the cantonal economic promotion for relocating companies in Chapter H.II and the cross-border labour market in Chapter H.I.

1 Conclusion

Ticino acquired its knowledge infrastructure late but quickly. Between 1988 and 2012 a private benefactor founded an artificial intelligence institute in Lugano and the federal polytechnics placed the national supercomputing centre in the canton. In the same period the Grand Council created a university and a university of applied sciences, while the Confederation built a new home for the supercomputers on the shore of Lake Lugano. The Faculty of Economics of USI was founded expressly to strengthen the financial centre. Its Institute of Finance, affiliated with the Swiss Finance Institute, and its Master in Finance with a track in Digital Finance connect academic research with the needs of banks and asset managers. IDSIA contributed some of the methods on which modern machine learning rests, above all the LSTM architecture of 1997, and the CSCS provided the computing power on which the Swiss open language model Apertus was trained in 2025. The association of the banking sector's training centre CSVN with SUPSI in September 2026 completed a network that links research, teaching and professional training.

The commercial side is more modest. By the narrow measure of the IFZ, Ticino counted only a handful of fintech companies at the end of 2022, far fewer than Zurich or Zug. The early crypto initiatives of Chiasso and Lugano produced visibility and some lasting firms, but no fintech cluster

comparable to the Crypto Valley. The main users of technology in Ticino's financial centre remain its established banks, asset managers and fiduciaries, which buy most of their artificial intelligence from providers and are only beginning to build the governance that FINMA expects. FINMA's survey of 2025 and its Guidance 08/2024 show that this is true across Switzerland: around half of the institutions use artificial intelligence, most of them rely on generative models of a few large providers, and governance, documentation and independent review are still being built.

The legal framework is technology-neutral in Switzerland and specific in the European Union. A Lugano institution that uses artificial intelligence must comply with FINMA's expectations on governance and risk management, with the revised Federal Act on Data Protection, with banking or professional secrecy, with the circulars on outsourcing and operational resilience and with the reporting obligation for cyber attacks. When its clients or customers are in Italy it must also consider the GDPR, the EU Artificial Intelligence Act, DORA in its contracts with Italian financial institutions and Italy's national law on artificial intelligence of 2025. For a financial centre whose business is largely Italian, the European rules are a practical reality even though Switzerland has chosen its own path of sectoral regulation and ratification of the Council of Europe Convention. Lugano's opportunity lies in combining its research base with this dual legal competence and offering technology and advice that satisfy both legal orders, in Italian.

2 In five sentences

Ticino built its knowledge infrastructure between 1988 and 2012, with IDSIA (1988), the CSCS (1991), USI (1996) and SUPSI (1997), and USI's Faculty of Economics was founded expressly to strengthen the Lugano financial centre. IDSIA's work on long short-term memory networks and the CSCS's Alps supercomputer, on which the open Swiss language model Apertus was trained in 2025, give Lugano a place in the history and the infrastructure of artificial intelligence that few cities of its size possess. The fintech sector in the narrow sense remains small, and the main users of financial technology in Ticino are established banks, asset managers and fiduciaries that buy artificial intelligence from external providers. FINMA's Guidance 08/2024, the revised Federal Act on Data Protection, banking secrecy and the circulars on outsourcing and operational resilience govern these uses in Switzerland, while the reporting obligation for cyber attacks has applied since April 2025. Because most Lugano clients live in Italy, the EU Artificial Intelligence Act, the GDPR, DORA and Italy's law on artificial

intelligence of 2025 reach Lugano institutions and providers, so that competence in both legal orders becomes part of the financial centre's offer.

3 Conclusion of Part I

Part I has examined Lugano's attempt to give itself a role in digital finance that does not depend on the Italian border. Chapter I.I described Plan $\mathfrak{B}$, the programme launched by the City of Lugano with Tether in March 2022. The city made it possible to pay taxes and municipal fees in bitcoin and in the stablecoin USDT through a payment service provider, introduced the LVGA token, organized the annual Plan $\mathfrak{B}$ Forum and raised a statue to Satoshi Nakamoto. The chapter weighed the visibility the programme brought against its measurable results and against its legal limits. The Swiss franc remains the only legal tender under the Federal Act on Currency and Payment Instruments, so that a municipality can accept other means of payment only through a provider that converts them into francs. Municipal law sets the framework within which a city may engage in such programmes, and the reputational questions raised by a partnership with a stablecoin issuer form part of the assessment.

Chapter I.II set out the Swiss legal framework for Kryptowerte und Digital Assets on which Plan $\mathfrak{B}$ and the crypto companies of Lugano rely. It traced FINMA's guidelines on initial coin offerings of 2018 and their classification of tokens into payment, utility and asset tokens. It then analysed the DLT Act that entered into force in 2021, with ledger-based securities, the segregation of Kryptowerte und Digital Assets in bankruptcy and the new DLT trading facilities. Further subjects were the FinTech licence under the Banking Act, FINMA's guidance on stablecoins of 2024, the application of anti-money laundering law and the travel rule, and the new categories of licence for payment instrument institutions and crypto institutions proposed in 2025. It also described the banks and service providers in Ticino that offer services in Kryptowerte und Digital Assets.

The present chapter has turned from tokens to the knowledge infrastructure and the law of artificial intelligence. It showed that Ticino possesses research institutions of national and international standing, among them USI and its Institute of Finance, IDSIA and the CSCS, but that its fintech sector in the narrow sense remains small. It analysed the supervisory, data protection, outsourcing and cybersecurity rules that govern the use of artificial intelligence in Swiss financial institutions and the European rules that reach them through their Italian clients. Taken together, the three chapters of Part I show that technology has given Lugano new visibility and new capacities. They also show that the city's

digital ambitions are constrained by Swiss federal law, which reserves currency, financial market supervision and data protection to the Confederation, and that its most important digital market, like its traditional one, lies in Italy.

This last finding leads to Part J. Lugano's digital initiatives, like its private banking, trade finance and fiduciary business, are carried out in Italian, for clients who speak Italian and under legal orders that use Italian as an official language. Italian is one of the three official languages of the Confederation, and federal laws, ordinances and the decisions of the Federal Criminal Court in Bellinzona exist in Italian with the same authority as their German and French versions. Part J examines the Italian language as an infrastructure of the financial centre: its constitutional status and the Languages Act, federal justice in Italian at Bellinzona, and the differences between Swiss Italian and Italian legal terminology that every contract, will and compliance document drafted in Lugano must take into account.

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