

The proposed payment instrument institution and stablecoins

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The proposed licence for payment instrument institutions is intended to replace the fintech licence of the Banking Act. It would allow its holder to accept funds from the public for payment purposes and to issue stablecoins that are backed by assets and redeemable at par. The funds would have to be held separately from the institution's own assets and invested in safe and liquid assets, so that they would be protected in the institution's insolvency.¹ The proposal responds to the practice of stablecoin issuers, which had to use bank guarantees or the fintech licence to fit their business into the existing law.

FINMA had published guidance on stablecoins in July 2024 while the legislative process continued. Addressing stablecoins issued with a default guarantee from a bank, the guidance stated that such guarantees must meet minimum requirements to protect the holders effectively. The holders must have a direct claim against the bank, the guarantee must cover the full amount and the holders must be identified. FINMA noted the risks of money laundering and terrorist financing associated with stablecoins that circulate anonymously on public blockchains.² The guidance reflected FINMA's reluctance to allow stablecoins without a licensed issuer. It also signalled that the existing framework was not well suited to the business model, which strengthened the case for legislation.

1 Notes

1. SIF, press release of 22 October 2025 and fact sheet "Die Schweiz als Standort für Stablecoins und Kryptos", sif.admin.ch: the Zahlungsmittelinstitut replaces the fintech licence, may accept client funds without interest and without lending business (the CHF 100 million limit falls away), client funds are segregated in the institution's bankruptcy, and it may issue stablecoins referring to a single state

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currency with a redemption claim and a white paper. The fact sheet does not itself detail the investment rules for the funds. ↩

2. FINMA Guidance 06/2024 "Stablecoins: risks and challenges for issuers of stablecoins and banks providing guarantees", 26 July 2024, finma.ch; summarised by BDO Switzerland (bdo.ch) and PwC Switzerland (pwc.ch): minimum requirements for default guarantees (direct claim of the holders against the guaranteeing bank, coverage of all deposits including interest, rapid call), and verification of the identity of all stablecoin holders under the Anti-Money Laundering Act. ↩

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