

Crypto Valley, tokenisation and digital market infrastructure — overview and summary

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Few developments in the recent history of Swiss finance began as far from the banking houses of the Bahnhofstrasse as the one described in this chapter. In 2013 and 2014 a handful of programmers, idealists and entrepreneurs settled in the small canton of Zug, some thirty kilometres south of Zurich, because they wanted a jurisdiction with low taxes, a stable legal order and authorities willing to listen to people who spoke about decentralised money. Within a decade the region between Zug, Zurich and Lucerne had become the reference point for a global industry. Several of the largest blockchain foundations of the world have their seat there. Licensed banks specialise in crypto-assets and Digital Assets, while the Swiss stock exchange group operates a regulated infrastructure for tokenised securities on which the Swiss National Bank has settled bond issues with central bank money on a distributed ledger.

For the financial centre of Zurich this development has a double significance. It shows that the Swiss model of technology-neutral regulation, cantonal competition and a strong private bar can attract an entirely new industry within a few years. It also shows the reverse side of that openness: the initial coin offerings of 2017 and 2018 brought governance disputes, investor lawsuits and enforcement proceedings, which forced foundation supervisors, the Financial Market Supervisory Authority (FINMA) and the legislature to adapt. The questions raised in those years about the custody of tokens in insolvency, about money laundering on public blockchains and about the legal nature of ledger-based securities are now answered by statute, guidance and practice. Most of the answers took shape in the dialogue between the authorities in Bern, the industry in Zug and the banks and law firms of Zurich.

The chapter follows that development from the beginnings in Zug to the market infrastructure of September 2026. It begins with the origins of

Crypto Valley and the boom of initial coin offerings, turns to the foundation as the favoured vehicle of that period and to the attitude of the Federal Foundation Supervisory Authority, and then describes the ecosystem as it stands today, with the division of labour between Zug, Zurich and Lugano. The central sections deal with the crypto banks and the crypto offerings of established banks, with tokenisation and the digital market infrastructure of SIX, BX Digital and private platforms, and with stablecoins and the position of the Swiss National Bank. The last sections address compliance, the tracing and seizure of crypto-assets and their treatment in insolvency, followed by a practitioner's view of the recurring legal questions. The licensing regime for fintech firms and the Distributed Ledger Technology Act as such are treated in chapter J.I, the general law against money laundering in chapter I.III and mutual legal assistance and asset recovery in chapter I.V, to which this chapter refers where needed.

1 Conclusion

The history of Crypto Valley is a Swiss story in the sense that it combines local initiative, federal pragmatism and the traditional strengths of the financial centre. Zug provided the seat and the welcome, while Zurich contributed the banks, the exchange, the universities and the law firms. Bern supplied a regulatory approach that applied existing rules in a technology-neutral way before adapting the law where necessary. The ICO years brought excesses and disputes, which the authorities answered with guidelines, enforcement and, in the case of the foundations, a more demanding supervisory practice. Since 2019 the industry has been integrated step by step into the regulated financial sector, first through specialised crypto banks, then through the offerings of PostFinance and the Zürcher Kantonalbank and finally through the market infrastructure of SIX and BX Digital, where the Swiss National Bank provides settlement in central bank money.

For the financial centre of Zurich the result is a new layer of expertise that complements its traditional strengths in private banking, asset management and capital markets. The combination of a regulated infrastructure for tokenised securities, strict but clear anti-money laundering rules, bankruptcy-remote custody and a central bank willing to experiment is unusual even among the leading financial centres. Whether it will translate into large volumes depends on international developments that Switzerland cannot control, in particular the evolution of stablecoins and the regulatory choices of the European Union and the United States.

The legal and institutional foundations for a significant role in that evolution are in place.

2 In five sentences

1. Crypto Valley began in Zug in 2013 and 2014 with the arrival of Bitcoin Suisse and the Ethereum Foundation, after which the city and canton confirmed their openness through bitcoin payments in 2016, a blockchain identity in 2017 and crypto tax payments from 2021.
2. The ICO boom of 2017 and 2018 made the Swiss foundation the favoured vehicle for token projects, until the Tezos dispute, the environ enforcement case and American class actions exposed the limits of that model and led FINMA and the foundation supervisor to tighten their practice.
3. Since 2019 crypto-assets and Digital Assets have been integrated into the regulated sector through the crypto banks Sygnum and AMINA, the offerings of PostFinance and the Zürcher Kantonalbank, the exchange-traded products listed on SIX and strict anti-money laundering rules, including a travel rule stricter than the international standard.
4. SIX Digital Exchange, now merged into SIX SIS, and BX Digital provide regulated infrastructures for tokenised securities, on which UBS, the World Bank, the cantons of Zurich and Basel-Stadt and the city of Lugano have issued digital bonds settled in the Swiss National Bank's wholesale central bank money under Project Helvetia.
5. The reform of the Financial Institutions Act, the banks' franc stablecoin sandbox of 2026 and the continuation of Helvetia until at least 2028 will decide how far Zurich's strong legal and institutional position translates into lasting market volumes.

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