

Fintech licence, sandbox and the DLT Act — overview and summary

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Few areas of Swiss financial law have changed as quickly as the rules that govern financial technology. Within a single decade the country moved from a banking statute written for deposit-taking institutions with branches and tellers to a legal order that recognises securities existing only as entries on a distributed ledger, protects the owners of crypto-assets and Digital Assets when their custodian fails, licenses trading venues on which private individuals may deal directly in tokenised shares, and is preparing a special regime for stablecoins pegged to the Swiss franc. Zurich was the principal place in which this transformation was felt. The city hosts a large share of the institutions supervised by the Swiss Financial Market Supervisory Authority (FINMA), the digital exchange of SIX, a crypto bank on the Uetlibergstrasse, and most of the handful of companies that hold the Swiss fintech licence. Zug, a short train journey away, gave its name to the Crypto Valley, although many of the lawyers, auditors and bankers who serviced that valley worked in Zurich offices.

The Swiss approach was shaped by a small number of principles that recur throughout this chapter. The first is technology neutrality: regulation should attach to the economic function of an activity whatever the technical form in which it is carried out. The second is expressed in the supervisory formula “same risks, same rules”, which means that a token performing the function of a share is treated as a security while a token used only as a means of payment falls under anti-money-laundering law. The third principle is proportionality, which led the legislature to create lighter licences for smaller or less risky business models. The fourth, less often stated but equally real, is a preference for adjusting existing statutes in place of drafting a comprehensive code for a new asset class. Switzerland never enacted a counterpart to the European Union’s Markets in Crypto-Assets Regulation. It amended its Code of Obligations, its bankruptcy law,

its Banking Act and its Financial Market Infrastructure Act, leaving much of the remaining work to FINMA guidance.

This chapter presents the law and the market as they stood in September 2026. It begins with the regulatory programme that the Federal Council launched in 2016, the sandbox and the fintech licence. It then traces FINMA's practice on initial coin offerings and stablecoins, the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (the DLT Act) of 2020, the crypto banks and the treatment of custody and staking. The later sections examine the reform proposed by the Federal Council in October 2025, which would replace the fintech licence with two new categories of financial institution, the relationship with the European regime, the taxation of crypto-assets and Digital Assets, and the automatic exchange of information on them. A concluding section considers the practical work that this body of law creates for advisers in Zurich. The ecosystem of the Crypto Valley, tokenisation projects and digital market infrastructure are the subject of the following chapter, while the general principles of anti-money-laundering law were set out in Part I.

1 Conclusion

Swiss fintech regulation since 2016 has been a sequence of targeted interventions guided by technology neutrality, the principle of “same risks, same rules” and proportionality. The Federal Council's programme of 2016 produced the innovation area and the extended settlement period in 2017 and the fintech licence in 2019. FINMA's guidance on initial coin offerings, stablecoins, payments on the blockchain and staking filled the gaps left by legislation and gave the market a workable taxonomy. The DLT Act of 2020 added three lasting elements to Swiss law: ledger-based securities in the Code of Obligations, the segregation of crypto-assets in bankruptcy and the DLT trading facility.

Market practice followed the law with a delay. Only six institutions hold the fintech licence, four of them in Zurich. The first DLT trading facility was licensed in 2025, and the crypto banks licensed in 2019 remain few in number although important for the ecosystem. The reform proposed by the Federal Council in October 2025, with its payment instrument institutions and crypto institutions, reflects the recognition that targeted amendments had reached their limits in a world shaped by MiCA and by American stablecoin legislation. At the same time the tax treatment of crypto-assets remains favourable for private investors, while the automatic exchange of information on crypto-assets from 2027 at the earliest will bring the sector into the same regime of transparency as traditional

banking. For the practitioner in Zurich, the result is a demanding body of law that rewards precise analysis of token functions, wallet architectures and licensing requirements.

2 In five sentences

1. Beginning with the Federal Council's programme of 2016, Switzerland lowered barriers for fintech providers through the sandbox for deposits up to CHF 1 million and the extended settlement period of 2017 and through the fintech licence of 2019 for deposits up to CHF 100 million, which only six institutions hold in 2026.

2. FINMA's guidelines of 2018 classified tokens as payment, utility or asset tokens according to their economic function, and later guidance on stablecoins, blockchain payments and staking applied the principle of “same risks, same rules” to new market practices.

3. The DLT Act of 25 September 2020, fully in force since 1 August 2021, introduced ledger-based securities in the Code of Obligations, the segregation of crypto-assets in bankruptcy and the DLT trading facility, whose first licence went to BX Digital in March 2025.

4. The reform opened for consultation on 22 October 2025 would replace the fintech licence with payment instrument institutions entitled to issue franc and other single-currency stablecoins and would create crypto institutions under FINMA supervision, with the dispatch to Parliament still pending in September 2026.

5. Private capital gains on crypto-assets and Digital Assets remain tax-free while holdings are subject to wealth tax, and the automatic exchange of information under the OECD's Crypto-Asset Reporting Framework is to begin in Switzerland from 1 January 2027 at the earliest.

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