

THE FUTURE OF FINANCE: Fintech

KEY FIGURES



384
fintech companies



1,128
blockchain-related
companies



2
regulated crypto banks
(SEBA, Sygnum)

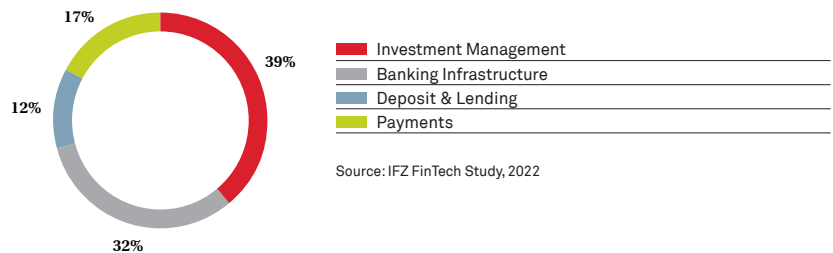
Sources: IFZ FinTech Study; CV VC Top 50 Report, 2022

AT A GLANCE

Switzerland enjoys an international reputation as a trustworthy, reliable, and innovative financial center. Years of experience in the banking and insurance sector combined with technological expertise and a well-developed infrastructure provide excellent conditions and a first-class ecosystem for the fintech sector. With the amendment to the Banking Ordinance and the creation of a business-model-neutral fintech license early on, Switzerland did pioneer work: market entry barriers for fintech companies were reduced and the competitiveness of the Swiss financial center sustainably increased. By putting the new DLT Framework into force in 2021 and authorizing SIX Digital Exchange, the world's first regulated exchange for digital assets, Switzerland continues to provide the necessary framework conditions for emerging technologies to thrive.

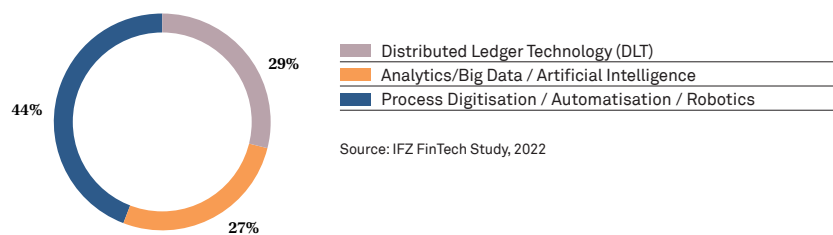
Swiss fintech landscape

Figures by product area (n=384)



Swiss fintech landscape

Figures by technology area (n=384)



RESEARCH AND DEVELOPMENT (R&D)

- As a traditionally strong financial center with infrastructure close to universities, Switzerland offers ideal conditions for driving innovations in the fintech scene. **Key locational advantages** include political stability, legal certainty, regulatory efficiency, access to venture capital, the availability of highly qualified professionals and graduates in ICT and a dense cluster of world-renowned universities and research laboratories that work closely together with business.
 - Thanks to extremely favorable conditions and a **liberal attitude of the authorities**, Switzerland has been regularly producing **world premiers**: in 2016, Zug became the first city in the world to accept bitcoin payments for tax purposes; in 2018, the fintech company 21Shares, formerly known as Amun, launched the **world's first crypto exchange-traded products (ETPs)** on the Swiss Stock Exchange.
 - The two federal science and technology institutions in Lausanne and Zurich (EPFL and ETH Zurich) have been recognized as **global leaders in crypto education** (Coinbase, 2019).
 - The Swiss National Bank is working on a fintech project with the Swiss stock exchange to explore technological options to make digital central bank money available. The study is being conducted at the new **Swiss BIS Innovation Hub Center in Basel**.
 - The **“Center for Innovative Finance” (CIF)** of the University of Basel is dedicated to researching practical issues in the fields of fintech, digital banking and innovative finance. Its research focuses on the scientific analysis and practical implementation of blockchain projects, venturing and innovative financial solutions. With this research focus, the CIF is unique in Switzerland and makes a decisive contribution to the research and application of future-oriented technologies.
- Switzerland's fintech and crypto ecosystem is clustered around areas such as Zug, Zurich, Lucerne, Ticino, Berne, Neuchâtel, Vaud and Geneva.
 - Most of the fintech, DLT or crypto crowdfunded projects have their roots in **Zug**. Known as Switzerland's **Crypto Valley**, Zug is home to many well-known projects such as Ethereum, Bancor, Golem, Tezos or Lykke.
 - A cluster of crypto-related companies has emerged in Southern Switzerland (**Lugano-Chiasso**). Some of these companies are involved in exchange or brokerage activities or offer platforms for the launch of crypto crowdfunding projects.
 - In the fintech cluster around **Geneva and Neuchâtel**, there are new banking projects as well as public private initiatives which are focusing on the adaption of DLT for a variety of activities outside of the crypto finance area.
 - **Neuchâtel** has developed a stable and comprehensive ecosystem in the field of blockchain, offering banking on-boarding solutions for businesses. The area provides a strong network of academic, financial, legal and institutional partners and has produced strong players over the years, such as Dfinity, NYM Technologies, or Origyn.
 - Alongside favorable conditions with regard to financial regulations and ecosystems, Switzerland's long **tradition of stability and protection** makes it the **ideal location for digital assets**. The Swiss mountains are regarded as a safe and proven data storage facility, which increasingly attracts fintech companies from Silicon Valley to Switzerland.

Swiss fintech ecosystem in international comparison

Fintech hub ranking

City	Rank
 Singapore	1
 Zurich	2
 Stockholm	3
 Geneva	4
 New York City	5
 Amsterdam	6
 London	7
 San Francisco	8
 Toronto	9
 Hong Kong	10
 Frankfurt	11
 Sydney	12
 Berlin	13
 Oslo	14
 Seoul	15

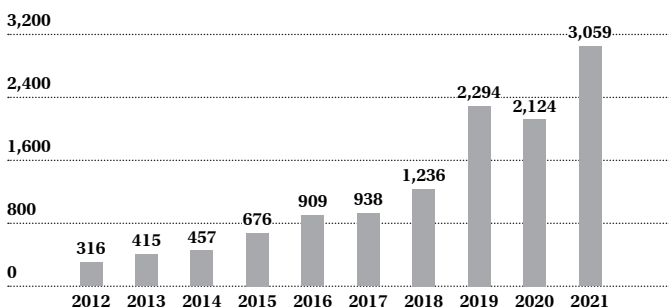
Source: IFZ FinTech Study, 2022

COSTS AND FINANCING

- Investment in Swiss startups in 2021 has **broken through the 3 billion Swiss franc barrier for the first time**. Startups in the fintech sector obtained a share of 28%.

Invested capital in Swiss startups, 2021

Yearly development (in CHF million)



Source: Swiss Venture Capital Report 2022

- Incubators, accelerators and awards have noticeably developed in Switzerland in recent years, offering startups and international companies a variety of services, support and opportunities to build a successful business here. Furthermore, a large number of competitions and awards promote innovative solutions and ideas.
- As the first regulated bank in the world, the Swiss online bank-Swissquote has been processing ICOs since October 2018.
- With its international nature and its multicultural tradition, **Geneva provides a dynamic and innovative setting for token generation projects**. The Directorate General for Economic Development, Research, and Innovation (DG EDRI) of the State of Geneva offers entrepreneurs the possibility of obtaining an evaluation of their token generation project and facilitates access to the Geneva ecosystem.

FRAMEWORK CONDITIONS AND MARKET ENTRY

- The Swiss state has recognized the huge potential of the fintech and industry and blockchain technology. The Swiss authorities take a **technology-neutral, bottom-up approach**. Instead of introducing a blockchain law, it aims to selectively integrate new technologies into the existing legislation and provide an **innovation-friendly regulatory framework**. A brief history:
 - Swiss authorities began to remove barriers to entry for fintech back in 2016, introducing a **sandbox** regime in 2017.
 - In 2018, the Swiss Financial Market Supervisory Authority FINMA became the **first regulator in the world to publish clear guidelines** on ICOs and classifications for tokens. Later that year, the Geneva cantonal authorities released the very first guide dedicated to supporting ICO project promoters.
 - Since the beginning of 2019, it has been possible to obtain a **fintech license**, allowing public deposits of up to 100 million Swiss francs to be accepted. This simplifies blockchain and crypto companies' access to the Swiss market.
 - In 2019, FINMA granted banking licenses to Swiss-based SEBA and Sygnum, making them the **world's first crypto banks**.
 - In June 2020, the Swiss authorities passed a legislative package impacting around a dozen financial laws and **bringing favorable changes for the blockchain and DLT sector**. It was also decided to leave untouched the respective tax laws, which are considered to be quite favorable.
 - In September 2020, the **new DLT Framework** was approved by Swiss Parliament and came into force in 2021. One of the key changes is a **license for DLT trading facilities**, i.e. financial market infrastructures for DLT securities that can admit other companies and persons to trading in addition to financial intermediaries. With the new DLT Framework, Switzerland became one of the first countries in the world to deliver **advanced regulatory solutions** and specific amendments for fintech, blockchain, and DLT.

TESTIMONIAL



“Switzerland offers a very supportive environment to the growth and development of fintechs, as it combines the following key ingredients: a technology-neutral legal framework, a stable economic and political system, a strong history and expertise in banking and finance, and an excellent education system, in particular in the areas of engineering, IT and security.”

SÉBASTIEN DESSIMOZ
Co-Founder & Managing Partner Taurus Group SA
www.taurusgroup.ch

CURRENT DEVELOPMENTS

- In 2021, **SIX Digital Exchange (SDX)**, was authorized by the Swiss Financial Market Supervisory Authority – FINMA – to commence operations. This authorization enabled SDX to go live with **the world’s first regulated, fully integrated digital trading, settlement, and custody infrastructure for digital assets**. With these licenses, SDX will enjoy the highest Swiss standards of oversight and regulation, exactly the same as in the traditional financial market infrastructure owned and operated by SIX.
- In February 2022, the Swiss Federal Council released a report called “**Digital finance: areas of action 2022+**”. It builds on 12 areas of action for a strong Swiss digital financial centre, including among others green fintech, DLT, AI and open finance.
- In 2022, **FinTech Breakthrough**, an independent market intelligence organization that recognizes the top companies, technologies and products in the global FinTech market, selected **Finnova**, a leading provider of banking software in the Swiss financial center, as winner of the “Best Financial Transaction Security Company” award in the sixth annual FinTech Breakthrough Awards program.

CONTACTS AND FURTHER INFORMATION

Authorities and regulators

[SIF, State Secretariat for International Finance](#)
sif.admin.ch

[Swiss Financial Market Supervisory Authority FINMA](#)

> [Fact sheet: Virtual currencies](#)
> [Licensing as DLT trading facility](#)
> [ICO guidelines](#)

Associations and networks/

Financing

[blockchainfederation.ch](#)
[bluelion.ch](#)
[cif.unibas.ch](#)
[cmta.ch](#)
[createchallenge.org](#)
[cryptopolis.swiss](#)
[cryptovalley.swiss](#)
[cvvc.com](#)
[f10.ch](#)
[fusionpartners.ch](#)
[gbbcouncil.org](#)
[genevafin.tech](#)
[innovation.thomsonreuters.com](#)
[kickstart-innovation.com](#)
[masschallenge.org/programs-switzerland](#)
[startsummit.ch](#)
[swissfinancestartups.com](#)
[swissfinte.ch](#)
[swissfintechinnovations.ch](#)
[swissstartupfactory.com](#)
[trustsquare.ch](#)
[venturekick.ch](#)

Publications & Tools

[IFZ FinTech Study 2022](#)
hslu.ch

[Swiss Venture Capital Report 2022](#)
startupticker.ch

[CV VC Top 50 Report 2021](#)
cvvc.com/top50

[Crypto Valley Map](#)
cryptovalley.directory

[Swiss FinTech Ecosystem Directory](#)
swissfinte.ch

S-GE Resources

[Tech Location Switzerland](#)
s-ge.com/tech

[Handbook for Investors](#)
s-ge.com/handbookforinvestors

[More fact sheets on Switzerland as a business location](#)
s-ge.com/factsheets

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Are you expanding in Europe and considering Switzerland as a business location for your company? Here, you can get free advice and support through the entire evaluation and settlement process: we will connect you unbureaucratically with the cantonal business promotion agencies and provide you with expert contacts for practical issues such as taxes or real estate.

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