

The Swiss Federal Council launches a consultation aiming at advancing Swiss crypto and stablecoin regulation

On 22 October 2025, the Swiss Federal Council (the “Federal Council”) launched a consultation on proposed amendments to the Financial Institutions Act (“FinIA”), targeting the regulation of stablecoins and crypto-asset service providers. The initiative seeks to strengthen Switzerland’s position as a leading fintech and blockchain hub while addressing financial stability, integrity, and consumer protection concerns. The consultation period will run until 6 February 2026.

Background

Switzerland has established itself as a pioneer in fintech and blockchain regulation. The introduction of the “fintech licence” in 2018 and the statutory regulation of blockchain technology in 2021 have positioned the Swiss financial centre as highly attractive to technology-driven business models. In its December 2022 evaluation report, the Federal Council identified areas requiring refinement to maintain competitiveness, ensure consumer protection, and align with emerging international regulatory standards. Concurrently, several foreign jurisdictions have introduced stablecoin supervision and crypto-related regulations, reinforcing the need for updated Swiss legislation.

New Licensing Categories

Against this background, the Federal Council proposes the introduction of two new licence categories:

1. Payment Instrument Institutions

This licence replaces the existing “fintech licence”, which was previously included in the Banking Act, with adjustments to enhance market appeal and consumer protection. As such, the newly defined “Payment Instrument Institutions” will not be allowed to commercially accept funds and pay interest on the funds received.

Payment Instrument Institutions will however be permitted to issue a specific type of stablecoin under defined obligations against the collection of client deposits of the same par value (“**Stable Payment Crypto-Assets**”). Such Stable Payment Crypto-Assets must be issued in Switzerland, be pegged to a single fiat currency issued by a sovereign state, and the issuer must ensure redemption of their value to the holder upon demand.

Payment Instrument Institutions may also keep cryptocurrencies under the same conditions as Crypto-Institutions (see below) and may provide payment services.

Among the key measures is the introduction of the notion of ‘client funds’, which are to be segregated in the event of insolvency, distinguishing them from public deposits, as well as the abolition of the CHF 100 million deposit limit to facilitate growth and economies of scale. Detailed anti-money laundering due diligence requirements relating to issuance of Stable Payment Crypto-Assets will also be introduced and should include risk-based measures like blacklisting, monitoring, as well as implementing options for blocking, freezing and withdrawing of Stable Payment Crypto-Assets.

Interestingly, Payment Instrument Institutions, as opposed to Crypto-Institutions, will not be part of the authorisation cascade of Art. 6 FinIA, as the Federal Council deems this licence incompatible with other regulatory authorisations. As such, even banks wishing to issue Stable Payment Crypto-Assets will need to incorporate separate legal entities to obtain such licence. Nevertheless, this new category will have no impact on the banks’ traditional activities in the field of payment services. As a result, FINMA can be expected to receive higher volumes of licence applications, given that even well-established institutions would be required to apply. Nevertheless, “fintech institutions” under the previous regime, benefitting from the so-called “fintech license”, are not required to apply for the new license, and will be automatically granted the new licence, provided that they comply with new regulations within one year of its entry into force.

2. Crypto-Institutions

This second new licence will be required for entities which provide various crypto services, such as the safekeeping of crypto-based assets of a trading nature or stablecoins (staking), trading of crypto-based assets of a trading nature for the account of clients, short term proprietary trading of such assets and the provision of quotes continuously or upon request for individual crypto-based assets of a trading nature. The term “crypto-based assets of a trading nature” encompasses “typical” cryptocurrencies (such as Bitcoin), as well as stablecoins that do not qualify as

Stable Payment Crypto-Assets, to the exclusion of cryptocurrencies which are issued by a central bank or a State or represent utility tokens as defined under FINMA's current practice or public deposits. It is worth mentioning, however, that Crypto-Institutions may commercially accept public deposits when trading crypto assets for the account of clients, i.e. when acting as a broker.

Nevertheless, Crypto-Institutions will be prohibited from engaging in uncovered trading transactions. As such, any business model that entails on-balance-sheet risks, including lending, margin accounts, proprietary trading in derivatives, or short selling, will still need to be conducted under a securities firm or banking licence. Furthermore, trading facilities for distributed ledger technology securities shall remain governed by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading. It is worth noting, however, that a license as a Crypto-Institution is sufficient if an organised trading facility exclusively serves as an exchange platform for crypto-based assets of a trading nature.

Licensing and operational requirements are largely based on securities firm standards but are less comprehensive and adapted to the crypto context. Additional requirements are included to prevent conflicts of interest for crypto-institutions and other cryptocurrency service providers.

As is the case with Payment Instrument Institutions, Crypto-Institutions will be considered financial intermediaries within the meaning of Art. 2 Para. 2 of the Federal Anti-Money Laundering Act and will therefore fall under FINMA's supervision with respect to compliance with the applicable anti-money laundering obligations.

Finally, the Financial Services Act ("FinSA") will be amended to include specific provisions for trading services in crypto-based assets. While these assets will not

be fully subject to FinSA, certain rules, such as those on suitability and appropriateness checks, transparency, organisational requirements, and conflict-of-interest management will apply. Moreover, in line with international practice, any public offering of crypto-based assets of a trading nature, as well as the issuance of Stable Payment Crypto-Assets, will require the publication of a white paper, and related advertising will have to meet the same standards as for traditional financial instruments.

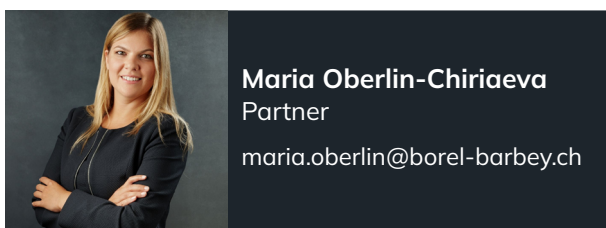
Strategic Implications and outlook

These amendments aim to enhance Switzerland's attractiveness as a financial centre for innovative and technology-driven business models. They further reflect alignment with emerging international standards, reinforcing Switzerland's competitiveness in global fintech and blockchain markets.

The Federal Council's proposals signal a significant step toward establishing Switzerland as a leading global hub for crypto and stablecoin activity. By creating dedicated licensing frameworks, the Swiss authorities balance innovation with prudential and consumer protection objectives. Market participants should assess the implications of these new categories, particularly regarding compliance obligations for stablecoin issuance and crypto services, as well as potential strategic opportunities arising from the removal of deposit limits for payment instrument institutions.

For more information or legal support related to crypto-assets, blockchain and fintech, please contact the below members of our FinTech / Technologies and Digital Assets team.

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