

# FINMA – FSC Taiwan

## Mutual exchange on Fintech

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# Overview

- Swiss Fintech Ecosystem – Overview
- Swiss Financial Market Regulation – Overview
- FINMA's Approach to Fintech & Innovation
- FINMA's ICO Guidelines

The background features several overlapping, semi-transparent blue geometric shapes, including triangles and polygons, scattered across the upper half of the page. In the top right corner, there is a small red rectangular icon and a blue circular icon.

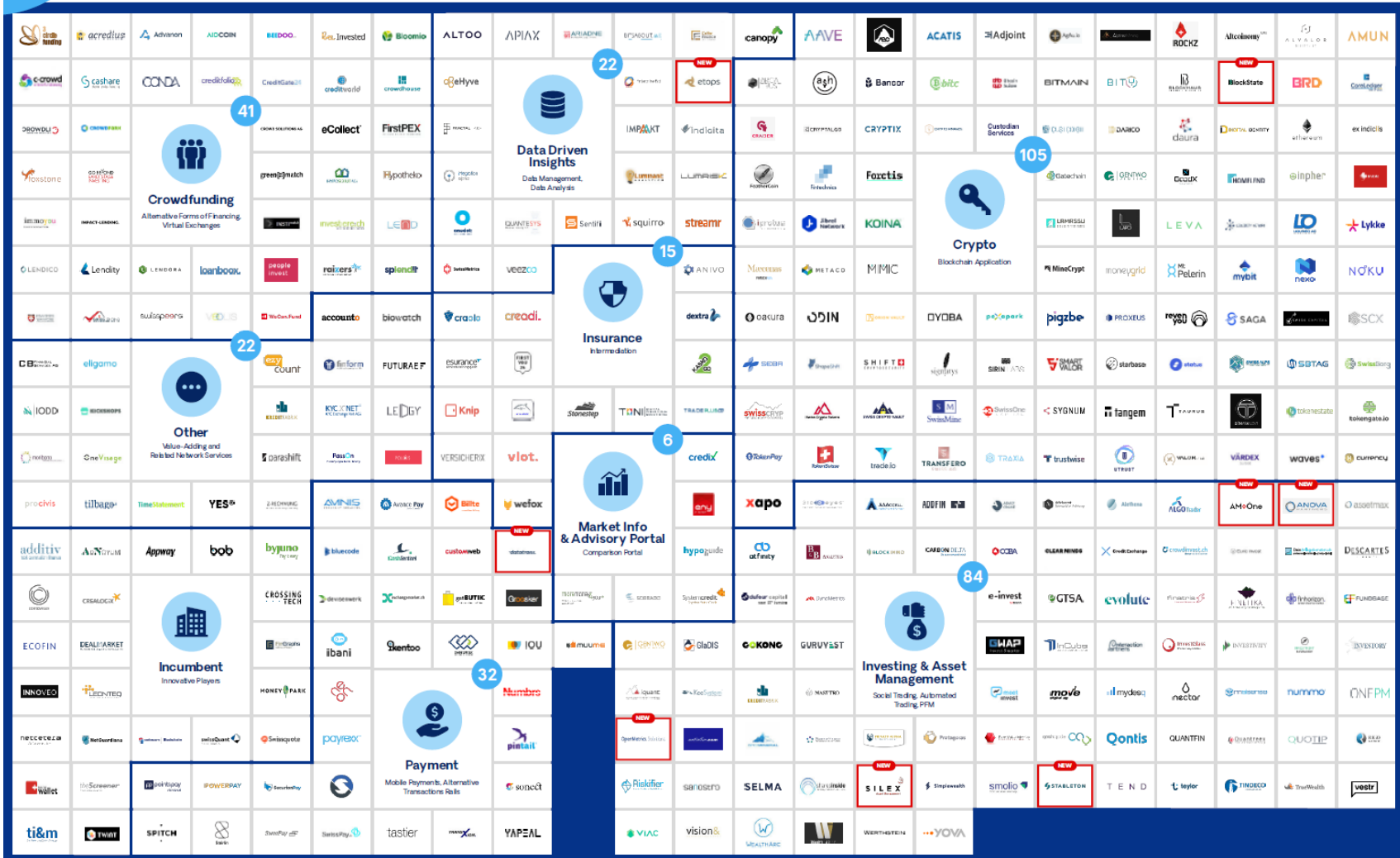
# Swiss Fintech Ecosystem – Overview

# Overview – Swiss Fintech Ecosystem – I

#327  
May  
2019

## FinTech Startup Map

Feedback? [trend.marketingeswiss.com](http://trend.marketingeswiss.com)



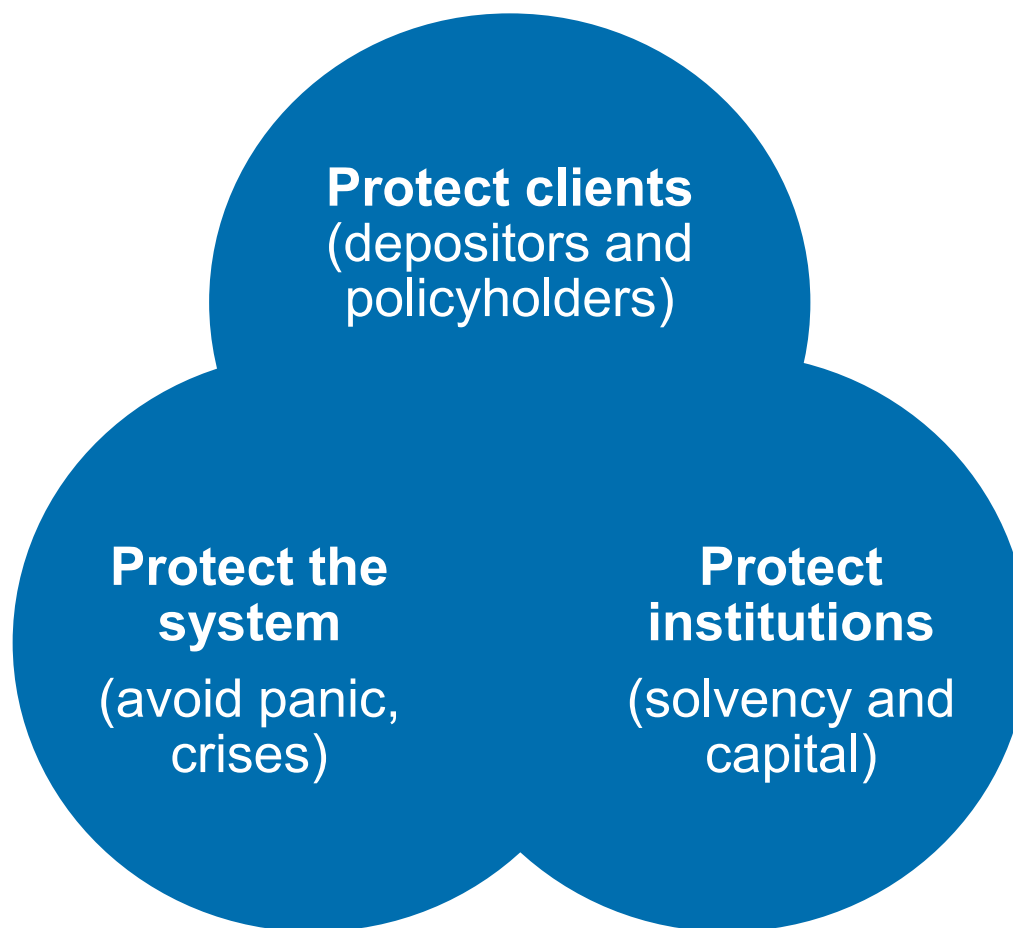
## Overview – Swiss Fintech Ecosystem – II

- As of May 2019 **327 Fintech-startups** (*source: Swisscom Swiss FinTech Start-up Map*)
- High diversity in terms of business models within the "Fintech population"
- Disruptive business models emerging, most notably in the crypto-space, but no significant market penetration as of yet (e.g. "Blockchain")
- Increasing cooperation between incumbent market participants and start-ups since 2015 (both bilaterally and indirectly through accelerator & incubator programs and Fintech-associations)
- B2B-solutions as well as B2C-solutions



# Swiss Financial Market Regulation – Overview

# Objectives



# Financial market regulation in CH

## Participants and cooperation

Parliament and  
Federal Council

- Financial market laws and ordinances

Federal  
Department of  
Finance

- Coordinates Federal Council policy and drafts legislation

Swiss National  
Bank

- Contributes to financial stability (NBA Art. 5)

FINMA

- Financial market supervision and subordinate regulations

- Cooperation and coordination between participants
- MoU between FDF, SNB and FINMA and between SNB and FINMA:
  - exchange of information on financial stability and regulation
  - cooperation in a crisis



## FINMA's mandate (Art. 5 FINMASA)

### **Protection of individuals**

Protection of creditors, investors and insured persons

### **Protection of market functions**

Protection of the financial markets' ability to function

Contribution towards strengthening the reputation and competitiveness of the Swiss financial centre

The protective aims, which include the protection of individuals, the system and the Swiss financial centre's reputation, are at the core of FINMA's mandate.



# FINMA Approach to Fintech & Innovation

# Guiding Principles

- Ensuring an **attractive regulatory framework** to unleash potential for innovation through market forces
- Keeping an **open and ongoing dialogue** with industry and building adequate know-how (e.g. individual start-ups or fintech associations)
- **Abstaining from direct public intervention** through special support mechanisms (→ no legal mandate to promote competition)
- **Relevant specificities** of the Swiss financial market
  - Traditional focus of Swiss financial center on wealth management, private banking and insurance activities, with presence of large international financial groups
  - Small, non-EU domestic market with strong export orientation / international dimension

## Example 1: Removing barriers to market entry

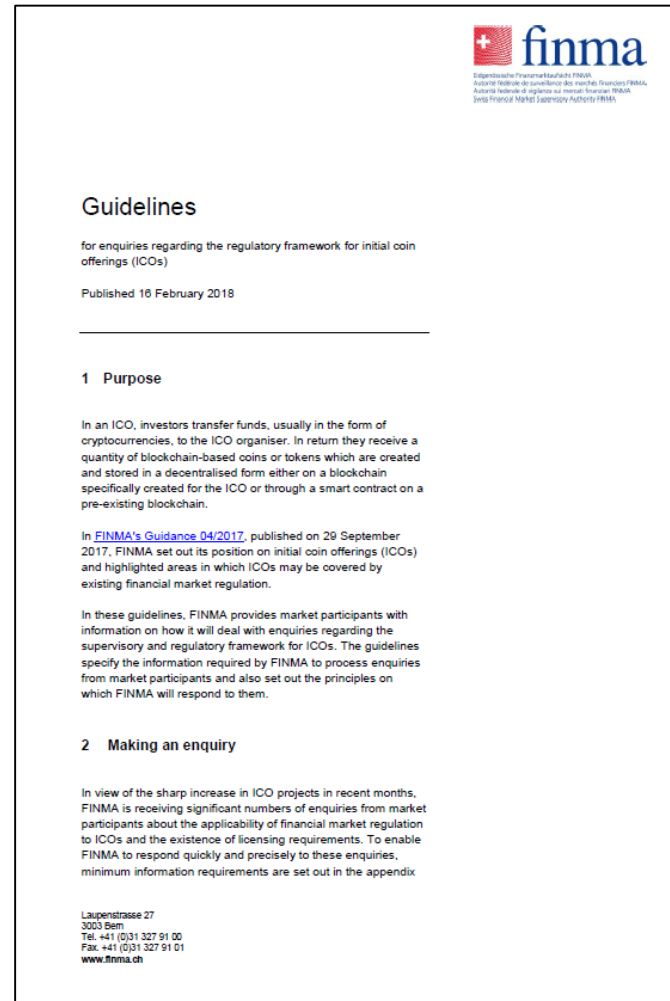
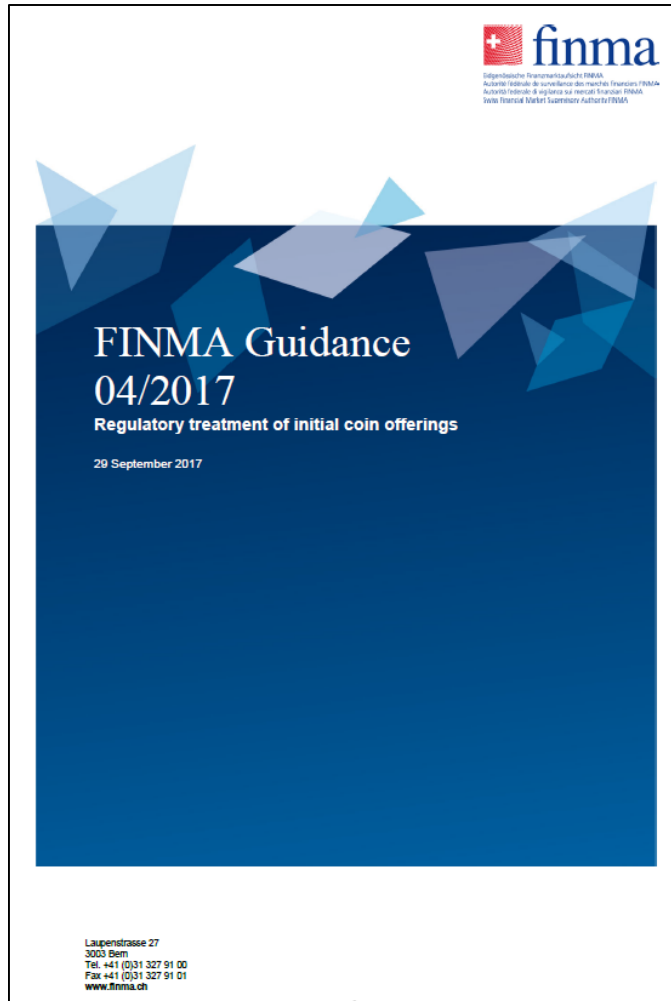
### ▪ **Sandbox**

- License-exempt area (except AML-provisions) to test new services / products / technologies in live-environment, but in principle on non-commercial basis
- Deposit taking allowed up to CHF 1 Mio. irrespective of the number of depositors
- Entered into force on 1 August 2017

### ▪ **New license for Fintech-related business models**

- New licensing category with significantly reduced requirements compared to traditional banking institutions or securities dealers
- Limited acceptance of client assets allowed (CHF 100M max)
- No credit intermediation, strict rules on asset investment
- Authorized and supervised by FINMA; entered into force on 1 January 2019

# Example 2: Guidance for emerging trends / Initial Coin Offerings





# FINMA ICO Guidelines

## Token categories

- **Payment tokens:** (cryptocurrencies) give rise to *no claims on their issuer*. They are *intended to be used*, now or in the future, as a *means of payment* for acquiring goods or services or as a *means of money or value transfer*.
- **Asset tokens:** represent *assets* such as a debt, equity or other *claim on the issuer*, e.g. a share in future company earnings or capital flows. In terms of their economic function, these tokens are analogous to equities, bonds or derivatives. Tokens which enable physical assets to be traded on the blockchain also fall into this category.
- **Utility tokens:** *provide access* digitally to an *application or service* by means of a blockchain-based infrastructure *at the point of issue*.
- The function of a token and, as a result, its classification may change over time.
- Individual token classifications are not mutually exclusive. Asset and utility tokens can also be classified as payment tokens (referred to as hybrid tokens). In these cases, the requirements are cumulative; in other words, the tokens are deemed to be both securities and a means of payment.

# Tokens under securities law – overview

