

Cryptoassets

FINMA is confronted with numerous projects in the area of cryptoassets. Before commencing their commercial activities, anyone wishing to operate a business model with cryptoassets must check whether they require authorisation or supervision under financial market law. The authorisation requirements depend largely on the relevant circumstances in the case at hand.

Cryptoassets are digital assets that are usually recorded on a blockchain. They differ from other assets because they can only be accessed using cryptography. As a rule, a pair of keys is used, consisting of a secret private key and a public key.

FINMA categorises cryptoassets on the basis of their economic and actual purpose: it distinguishes between payment, utility and asset tokens. These types are not necessarily mutually exclusive and hybrid tokens can also exist.

Token categories and obligations under financial market law upon issuance:

- [FINMA guidelines on initial coin offerings](#)
 - [Supplement to the guidelines on stable coins](#)
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Risks when purchasing and using cryptoassets

Switzerland has no financial market regulations covering the buying and selling of virtual cryptoassets or their use as a means of paying for goods and services. In other words, no special authorisation under financial market law is required for these activities. This applies to everyone who pays with cryptoassets or buys these as well as to all those who accept payments in cryptoassets. This does not mean, however, that there are no risks in using or investing in cryptoassets. As a rule, cryptoassets are subject to significant price fluctuation and there may be cyber risks and uncertainties regarding the issuer. The risks are increased significantly for unregulated crypto service providers.

Further information for investors about [offers on the FinTech market](#)

Trading in cryptoassets poses money laundering risks

Because of the technology on which they are based, cryptoassets tend to facilitate quick and anonymous cross-border transfers. The trade in these assets therefore entails increased money laundering and terrorist financing risks.

Accordingly, offering custody, exchange, trading and payment services with payment tokens falls under the Anti-Money Laundering Act. Providers of such business activities covered by the Anti-Money Laundering Act must join a self-regulatory organisation in advance.

FinTech service providers must check licensing requirements

Before commencing their commercial activities, anyone wishing to operate a business model with cryptoassets must check carefully whether they require a licence under financial market law. In particular, providers of custody or trading activities with payment tokens may need to be licensed as a bank. This is generally the case when a provider accepts deposits from the public on a commercial basis on its own accounts. The same applies to providers who hold payment tokens from several clients in their own wallets (collective custody).

However, since the FinTech licence was introduced, a banking licence is no longer mandatory for such activities. Under certain circumstances, a FinTech licence may be sufficient, which means that lower licensing requirements must be adhered to.

If a business model involves the trading of securities, then the provider must also check whether authorisation under the Financial Institutions Act or the Financial Market Infrastructure Act is required. This may be the case for the operation of trading and settlement platforms for asset tokens.

FINMA investigations

If FINMA receives specific information that an activity involving cryptoassets is being carried out without the authorisation required under financial market law, it will launch an investigation. If the suspicions are confirmed, FINMA will take all necessary action to restore compliance with the law, which may result in the liquidation of the company in question. Furthermore, any breach of licensing requirements under supervisory law is a criminal offence and FINMA will inform the relevant prosecution authorities accordingly. [FINMA's website](#) contains information on whether a provider has been granted a FINMA licence or is an SRO member.

Further information for potential providers on the [topic of cryptoassets and FinTech](#)
