

Press release

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FINMA issues first-ever approval for a stock exchange and a central securities depository for the trading of tokens

The Swiss Financial Market Supervisory Authority FINMA has issued two approvals to operate financial market infrastructures based on so-called Distributed Ledger Technology (DLT). Specifically, FINMA has authorized SIX Digital Exchange AG to act as a central securities depository and the associated company SDX Trading AG to act as a stock exchange. This is the first time that a licence has been issued in the Swiss financial centre for infrastructures that facilitate the trading of digital securities in the form of tokens and their integrated settlement.

FINMA recognises the innovative potential of new technologies for the financial markets. In order to facilitate serious innovation, it applies the existing provisions of financial market law in a consistently technology-neutral way, i.e. in keeping with the “*same risks, same rules*” principle. At the same time, it makes sure that the protective goals of financial market legislation are preserved. Business models for the multilateral trading or settlement of securities based on so-called Distributed Ledger Technology (DLT for short) can be approved in one of two ways. First, in the traditional form of approval as a stock exchange or central securities depository as per the Financial Market Infrastructure Act (FMIA). This presupposes that the corresponding offering will only be open to supervised financial institutions. Alternatively, trading in DLT securities can now be approved on the basis of the [DLT Act](#). An approval to operate a DLT trading facility allows organisations to obtain a single licence for the trading and settlement of DLT securities. Furthermore, in this case it is also possible to offer the service to end clients, as long as the corresponding additional requirements – e.g. provisions on combating money-laundering and the relevant provisions of the Financial Services Act – are complied with.

SDX: Traditional licence for the innovative trading of tokens

The licences granted to SDX took the traditional route, namely approval to act as a stock exchange and central securities depository as per the FMIA. With the granting of these two licences, a closely knit value chain ranging from issuance and trading through to the settlement and custody of tokenised assets has been facilitated. The SDX offering is aimed at supervised financial institutions.