

Press release

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FinTech licence and sandbox: adjustments to FINMA circulars

The introduction of the new FinTech licence and a revision of the provisions relating to the sandbox require certain adjustments to the circulars published by the Swiss Financial Market Supervisory Authority FINMA. Companies with a FinTech licence will benefit in particular from less extensive auditing.

The Swiss parliament has introduced a new licensing category for FinTech companies. Furthermore, the Federal Council has adjusted the provisions concerning the sandbox. These changes require a corresponding adjustment of FINMA's supervisory practice. For this reason, FINMA is conducting a consultation exercise on Circulars 2008/3 "Public deposits with non-banks" and 2013/3 "Auditing". The consultation will last until 15 May 2019. The partially revised circulars are expected to enter into force in autumn 2019.

FinTech licence: less extensive auditing

On 1 January 2019, the Swiss parliament introduced a new licensing category known as the FinTech licence. As a result of this, FINMA is adding the requirements for the regulatory auditing of companies in this new licensing category to its Auditing circular. The requirements for FinTech companies are based on the established auditing of banks and securities dealers, but the audit is less extensive and the reporting process simpler, while focusing on the risks specific to FinTech business models.

Sandbox: investment of deposits possible

With effect from 1 April 2019, the Federal Council is also making changes to the provisions relating to the sandbox. It is possible to invest deposits received up to CHF 1 million within the sandbox. But operating in the so-called interest rate differential business is prohibited and remains the privilege of the banks. In its amendment to the "Public deposits with non-banks" circular, FINMA sets out its interpretation of the term "interest rate differential business". By doing so, it is increasing the legal certainty for people who wish to make use of the sandbox in the future.