

Press release

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Approval of first Swiss crypto fund

The Swiss Financial Market Supervisory Authority FINMA has approved the first crypto fund according to Swiss law. The fund, which is restricted to qualified investors, invests primarily in so-called cryptoassets.

For the first time, FINMA has approved a Swiss fund that invests primarily in cryptoassets, that is to say in assets based on the blockchain or distributed ledger technology. The fund concerned goes by the name of the “Crypto Market Index Fund”, an investment fund according to Swiss law belonging to the category “other funds for alternative investments” with particular risks. Distribution of this fund is restricted to qualified investors.

Consideration of the particular risks

In order to facilitate serious innovation, FINMA applies the existing provisions of financial market laws in a consistently technology-neutral way, i.e. in keeping with the “same risks, same rules” principle. In doing so, it makes sure that new technologies are not being used to circumvent the existing rules and that the protective goals of financial market legislation are preserved. Since cryptoassets involve particular risks, FINMA also tied the approval to specific requirements in the present case. For instance, the fund may only invest in established cryptoassets with a sufficiently large trading volume. Furthermore, the investments must be made through established counterparties and platforms that are based in a member country of the Financial Action Task Force (FATF) and are subject to corresponding anti-money laundering regulations. Finally, there are specific requirements with regard to risk management and reporting for the institutions involved in the management and custody.