To:
State Secretariat for International Finance (SIF)
Bundesgasse 3 3003 Berne
Switzerland

5 February 2026

Re: Consultation on stablecoins and crypto license

Coinbase Global, Inc. (together with its subsidiaries, *Coinbase*) welcomes the opportunity to comment on the Swiss State Secretariat for International Finance (SIF) consultation on proposed amendments to the Financial Institutions Act to introduce a crypto institution and stablecoin payment licence.

Switzerland has established itself as a leading global financial centre by combining strong investor protection with a technology-neutral and internationally open regulatory framework. This approach, particularly Switzerland's ability to accommodate supervised cross-border business models within a clear and predictable legal environment, is one of its core competitive strengths.

In the context of global crypto-asset markets, preserving this openness is essential. Crypto markets are inherently international, and jurisdictions that enable proportionate regulation, operational alignment with global infrastructure, and legal certainty will continue to attract firms while reinforcing their role as trusted financial hubs.

We support Switzerland's objective of strengthening its position as a global crypto hub and welcome the proposed licensing framework. In this response, we offer recommendations to ensure the regime remains proportionate, aligned with international standards, and supportive of innovation, enabling Switzerland to maintain its leadership in digital finance while safeguarding market integrity and consumer protection.

Yours sincerely,

Tom Duff Gordon, Vice President, International Policy
Coinbase

Introduction

Coinbase welcomes the opportunity to comment on the Swiss State Secretariat for International Finance (SIF) consultation in an amendment to the Financial Institutions Act to enable a crypto institution and stablecoin payment license.

Switzerland has established itself as a leading global financial centre by combining strong investor protection with an open, technology-neutral approach to innovation. This openness, particularly the ability to operate cross-border business models within a clear and predictable framework, is one of Switzerland's core competitive strengths.

In the context of global crypto-asset markets, maintaining this positioning is essential. Crypto markets are inherently global, and regulatory frameworks that enable supervised cross-border activity will continue to attract responsible, well-capitalised firms and promote Switzerland as a credible global hub.

Coinbase is committed to Switzerland. We see Switzerland as a clear growth market and intend to continue serving Swiss retail and institutional clients.

Policy recommendations

Improve the proposed Swiss stablecoin framework

We welcome Switzerland's approach of allowing non-Swiss issued stablecoins to access the Swiss crypto market while applying tailored regulation only to Swiss-issued stablecoins. This is consistent with Switzerland's general openness to international products and supports cross-border innovation.

However, we have two core concerns with the proposed framework. First, classifying non-Swiss stablecoins as a "crypto asset" would require Swiss companies to account for and capitalize these instruments in a manner akin to Bitcoin rather than fiat money. Doing so would severely deter their integration into Swiss capital market settlement activity and risks cutting Switzerland off from emerging global systems of exchange that will be defined by digitally native fiat currencies. We therefore recommend an equivalence-based market-access model as the primary pathway, with a registration or recognition fallback as a second-best alternative.

Secondly, we believe the stablecoin framework should allow for a range of high-quality backing assets, consistent with approaches developed in the U.S. and UK. The proposed UK FCA regime would allow issuers to back stablecoins with a wider range of HQLA, including reverse repos and certain money market funds, if they can demonstrate sufficient liquidity in line with their redemption forecasts and stress testing. In the US, under the GENIUS Act a combination of deposits, sovereign debt instruments and repurchase agreements would be permitted. These regimes balance a low-risk, high-quality pool with the ability for issuers to be remunerated. This supports business model viability and in turn could benefit consumers if issuers are not reliant on high transaction fees.

As well as the range of permitted assets, prescription on ratios between these assets could also constrain competition. Specifically, If a high minimum threshold is set for cash deposits, where commercial banks are likely to be the primary holder, potential contagion risks emerge as highlighted by the harm caused by the failure of Silicon Valley Bank in the US. To support issuer viability and to reduce concentration risk, the Swiss framework should provide flexibility to issuers to determine composition ratios themselves, where they can demonstrate an ability to maintain sufficient liquidity based on their business model and redemption forecasts. This would be consistent with approaches being developed in peer jurisdictions including the UK and US.

Finally, interest-bearing stablecoin models should not be excluded by default. When structured transparently and with adequate disclosure, interest-earning mechanisms can benefit consumers and support competitive stablecoin markets. This will support a level playing field between stablecoins and other forms of money, and place Switzerland in a competitive position compared to other jurisdictions. Switzerland should preserve flexibility for interest-bearing models, focusing on the real risks (governance, transparency, asset quality), rather than prohibiting certain economic features.

Recommendation: Maintain the openness to foreign stablecoins, but avoid regulatory choices that unduly limit widely used, high-quality stablecoins such as USDC. Ensure the Swiss stablecoin regime allows appropriately diversified high-quality reserve assets and flexibility on composition ratios.

Allow efficient use of global custody infrastructure

We support the proposed requirement to separate client assets from proprietary assets. This is an international standard and essential for investor protection. Switzerland's existing insolvency framework, which provides strong legal clarity around bankruptcy remoteness of client assets, is a major advantage, particularly for international clients of Swiss institutions. We therefore recommend preserving these aspects of the proposal as drafted.

We also strongly support the explicit allowance of sub-custody arrangements and global custody operating models. Distributed custody improves security and resilience by reducing single points of failure, limiting localised disruption and enabling stronger operational safeguards. Crypto custody is increasingly built on distributed infrastructure by design, and supervisory frameworks should reflect this reality.

That said, we would welcome explicit recognition of equivalence for MiCA-compliant custodians, where the custody provider is subject to clear asset segregation, organisational requirements and supervisory oversight. This would strengthen cross-border supervisory alignment and support Switzerland's role as an open hub.

Recommendation: Confirm the permissibility of distributed custody and sub-custody models and explicitly recognise MiCA-compliant custody frameworks as equivalent for Swiss purposes.

Pure custody should not be treated like banking

Crypto institutions that provide custody only, without lending, maturity transformation, or balance sheet risk, should not be subject to bank-style capital requirements.

Regulation should target the real risks. For custody-only providers, the primary risks are operational, not credit or liquidity risks. Requirements should therefore focus on operational resilience; governance safeguards and segregation of duties; IT security and cybersecurity standards; appropriate insurance coverage; and regular external audits and control testing.

Importing bank-like capital frameworks risks discouraging low-risk custody models and may unintentionally favour riskier activities that sit closer to banking, rather than pure safekeeping models.

We also recommend clarifying scope. The new crypto institution licence should be limited to collective custody of tradable crypto assets and/or Swiss stablecoins, while segregated wallet custody should remain subject to Swiss Anti-Money Laundering Act (AMLA) and membership in a Self-Regulatory Organisation (SRO).This approach preserves proportionality and avoids unnecessary duplication for custody models that do not raise the same prudential concerns.

Recommendation: Exempt pure custody providers from bank-style capital requirements; focus instead on operational risk safeguards. Limit the crypto institution licence scope to collective custody of tradable crypto assets and/or Swiss stablecoins, while keeping segregated wallet custody under AMLA/SRO.

Accounting requirements should be proportionate

Crypto institutions should apply standard accounting rules under the Swiss Code of Obligations rather than complex bank accounting frameworks. This would be consistent with Switzerland's existing approach and aligns with the current regime applicable to FinTech licence holders.

At minimum, crypto institutions providing custody-only services should clearly fall under standard accounting rules, avoiding unnecessary compliance burdens that are unrelated to the risk profile of the activity.

Recommendation: Apply Swiss Code of Obligations accounting standards to crypto institutions, particularly custody-only providers, rather than bank accounting frameworks

Consolidated / group supervision should be limited and workable

The draft introduces a consolidation requirement similar to the Banking Act framework for so-called “crypto-dominated financial groups” consisting of two or more enterprises, where: (i) at least one is a crypto institution; (ii) each is active mainly in the financial sector; and (iii) they form an economic unit or provide mutual guarantees / support.

We have serious concerns about the practical implications of this approach. International standards generally require consolidated / group supervision only for banks and securities firms. Many foreign home regulators do not have a mandate to assume consolidated supervision for entities that are not banks or securities firms and this will be even more likely where the foreign regulator is unfamiliar with the Swiss “crypto institution” licence construct.

As a result, in many cases the foreign home regulator may refuse to assume consolidated supervision, while FINMA may also be unable or unwilling to supervise a foreign-headed group on a consolidated basis. This creates a material risk that otherwise well-run firms cannot be licensed in Switzerland due to structural supervisory impasses — undermining Switzerland’s openness and competitiveness.

Recommendation: Do not introduce a consolidated/group supervision requirement for crypto institution groups. Consolidated supervision is an international standard for banks and securities firms, but not for crypto institutions, and introducing a Swiss-specific framework would create unnecessary licensing barriers for internationally supervised firms.

Order reporting duties must not apply to pure custodians

Order reporting requirements should be limited to crypto institutions providing trading, lending and/or market making, where such reporting meaningfully supports market integrity.

They should explicitly not apply to pure custody providers, for whom order reporting is not risk-relevant and would impose disproportionate operational burden.

Recommendation: Exclude custody-only crypto institutions from order reporting obligations.

Align staking services rules with existing FINMA guidance

The proposed staking provisions are unclear and only partially aligned with FINMA Guidance 08/2023, which is already well established in the Swiss market. For legal certainty and operational continuity, the new rules should be brought fully in line with existing FINMA practice.

In particular, Switzerland should clarify that staked crypto-assets remain "available to clients at all times" for purposes of client-asset protection and bankruptcy remoteness under Swiss insolvency law.

<u>Recommendation:</u> Align the staking provisions with FINMA Guidance 08/2023 and explicitly confirm the insolvency treatment of staked assets (i.e., that staked assets remain protected and bankruptcy-remote).

Support execution-only brokerage and MiCAR whitepaper equivalence

We support the creation of an execution-only brokerage framework for tradable crypto assets. Switzerland's ability to provide clear and proportionate licensing pathways for custody, brokerage and execution-only activities is an important competitive advantage, particularly for firms serving professional and institutional clients.

We also welcome the proposed introduction of a Swiss whitepaper regime under the draft Swiss Financial Services Act (dFinSA). Under this framework, a whitepaper would be required prior to (i) the public offering of tradable crypto assets, (ii) requests for admission to trading on a Swiss DLT trading facility, and (iii) the issuance of Swiss stablecoins.

To avoid duplication and support efficient cross-border activity, it is essential that Swiss requirements allow reliance on well-established foreign disclosure regimes. The draft already provides for the use of equivalent foreign documents for tradable crypto assets (Art. 71h dFinSA).

Finally, similar to the EU approach, we believe it would be beneficial to extend the dFinSA whitepaper requirement to all non-security tokens offered to Swiss investors, including utility tokens. Asset tokens should remain governed by the existing prospectus and PRIIPs KID regime under FinSA.

<u>Recommendation:</u> Confirm explicitly (in the Federal Council dispatch) that MiCAR whitepapers are equivalent to the dFinSA whitepaper (Art. 71h dFinSA). Extend the Swiss whitepaper requirement to all non-security tokens, including utility tokens, while keeping asset tokens within the prospectus/PRIIPs regime.

Enable proportionate rules for professional and institutional clients

The draft maintains the established Swiss client segmentation (retail, professional, institutional). However, it is not yet clear whether there will be regulatory easements for activities limited to professional or institutional clients.

From a competitiveness and proportionality perspective, this clarification is important. Where services are offered exclusively to professional or institutional clients, a lighter regulatory approach is generally appropriate and consistent with established Swiss policy logic and international practice. This would allow Switzerland to preserve strong client protection while avoiding unnecessary burdens for activities that do not involve retail

Recommendation: Clarify regulatory easements for services limited to professional and institutional clients, ensuring proportionality and competitiveness.

Conclusion

Coinbase supports Switzerland's objective of strengthening its position as a global crypto hub through clear, proportionate, innovation-friendly regulation. Switzerland's openness to cross-border business models and reliance on well-established international standards is a decisive advantage. The framework should preserve this advantage by ensuring proportionality, operational alignment with global infrastructure models, and legal certainty anchored in the established Swiss approach.