THE SWISS FINANCIAL CENTRE

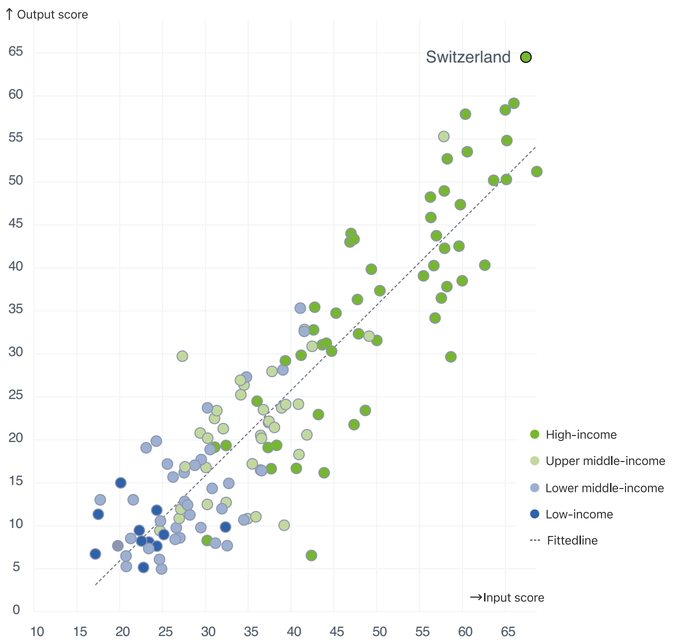
Innovation: Leading in Financial Technology

- **The Swiss financial centre successfully blends banking expertise with cutting-edge technological advancement, maintaining its position at the forefront of global financial innovation.**
- **Switzerland's progressive, technology-neutral regulatory framework ensures a thriving, innovative financial ecosystem.**
- **The Swiss approach combines academic excellence and industry collaboration to attract and develop the talent necessary to sustain the financial sector's competitive edge.**

Innovation Drives Global Leadership

Switzerland is the world's most innovative economy for the 15th consecutive year, according to the Global Innovation Index. The Swiss financial industry is a key pillar of this success and a global leader in financial technology. Switzerland not only ranks highest in innovation but also leads in efficiency. No other country converts innovation into tangible output more effectively.

Innovation Input to Output Performance, Countries Worldwide, 2025



Source: Global Innovation Index Database, WIPO, 2025.

Bringing Innovation to the People

Switzerland was among the very first countries to make mobile payments a nationwide success. Launched in 2014, the payment application TWINT quickly transformed the Swiss payment landscape. Backed by all major banks, TWINT is accepted at virtually all stores in Switzerland and used regularly by over half of the population, far surpassing other payment solutions like Apple Pay, Google Pay or PayPal. Its unique features include direct bank account linking, peer-to-peer payments, loyalty card integration and digital discount coupons. TWINT's journey from fintech startup to one of Switzerland's preferred payment solutions highlights the power of collaboration among financial institutions and innovation tailored to local needs.

Progressive Regulation Drives Growth

Switzerland's financial sector benefits from a technology-neutral, principle-based regulatory framework that supports innovation. The Distributed Ledger Technology Framework, enacted in August 2021, through updates to ten federal laws, established legal certainty for block-chain-based financial instruments, including crypto assets, digital trading systems and tokenized securities, making Switzerland a global leader in blockchain innovation. The Swiss National Bank's wholesale CBDC initiative "Project Helvetia III" further highlights this commitment. A similar pragmatic approach applies to AI regulation, fostering innovation while ensuring ethical safeguards. By leveraging existing laws and promoting industry self-regulation, Switzerland balances flexibility with accountability, advancing AI responsibly while maintaining global competitiveness.

Putting Stock Exchanges on the Blockchain

Switzerland has become a pioneer in financial market innovation by introducing blockchain into its core market infrastructure. SIX, through its digital arm SDX, operates one of the world's first fully regulated blockchain-based stock exchanges and central securities depositories (CSDs). Building on this foundation, BX Digital, a subsidiary of BX Swiss, has become the first Swiss platform to receive FINMA approval under the new Distributed Ledger Technology (DLT) Trading Facility regime. Together, these developments mark a major step forward in the digitisation of the Swiss financial centre, promising faster and more cost-efficient settlements while opening the door to further innovation in digital assets.

Worldclass Universities Propel the Industry

The Swiss commitment to technological progress is evident in its strong science-industry link, driving the highest number of patent applications per capita worldwide. Leading universities like Swiss Federal Institute of Technology in Zurich (ETH), the Federal Polytechnic School of Lausanne (EPFL), the University of Zurich (UZH) and the University of St. Gallen (HSG) attract global talent, enhancing Switzerland's innovative edge in financial services and beyond. With the Swiss Finance Institute (SFI), Switzerland is home to one of the top 10 research institutes in banking and finance worldwide, supporting around 100 renowned professorships at eight partner universities. Their dedication enables a broad range of high-quality programs and specializations, attracting international students. This partnership ensures the next generation is well-prepared for the evolving financial industry, reinforcing Switzerland's global leadership in finance and education.

The Swiss Bankers Association: Committed to a Strong Financial Centre

The Swiss Bankers Association is the uniting force behind Switzerland's banking excellence, representing around 270 member institutions. For over a century, we have championed the Swiss financial centre's interests, crafting an ideal environment for banking accomplishment and success. Through strategic partnerships with relevant stakeholders, we are shaping tomorrow's banking landscape, focusing on critical priorities like banking stability, market access, anti-money laundering and digital currencies – ensuring Switzerland's continued leadership in global finance. · www.swissbanking.ch

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