

# Open finance in Switzerland

Background to allocation of roles in the Swiss financial centre

## Background

At its heart, open finance is all about serving customers' needs within trusted ecosystems.



- The **concept of open finance** is that customers can make their **personal financial information** available to various financial service providers (e.g. banks and insurers) as well as other service providers via open interfaces.
- The focus is on the **standardised** and **secure exchange of data** between banks, insurers and trusted third parties.
- Thanks to application programming interfaces (**APIs**), financial service providers can **quickly and easily integrate** data or functions into **third-party** applications and services – **and vice versa**.
- With the controlled opening up of standardised interfaces, **customers benefit** from a **high pace of innovation** and therefore **competitive offerings**, while also enjoying a high degree of **stability** and **reliability**.

## Potential developments

Modern technologies are making it possible to open up gradually but permanently.

### From open banking to open finance and embedded finance: focus shifting to customers' needs and ecosystems

**Past**

The customer comes to the bank (in person).

**Present**

The customer interacts with the bank using both digital and physical channels.

**Future**

Embedded finance: the customer uses services spanning across multiple companies.

## Success factors

Four factors are crucial to the implementation of open finance in Switzerland:



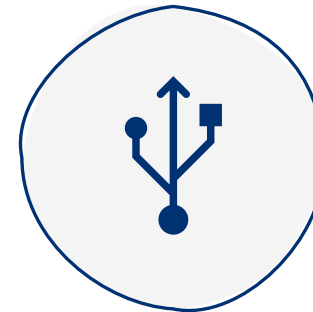
### Customer focus

The service and the business must be focused on the customer's interest.



### Security

Uniform quality criteria ensure the integrity of market participants.



### Technical standards

Universal technical standards (e.g. API specifications) and clear governance facilitate scaling.

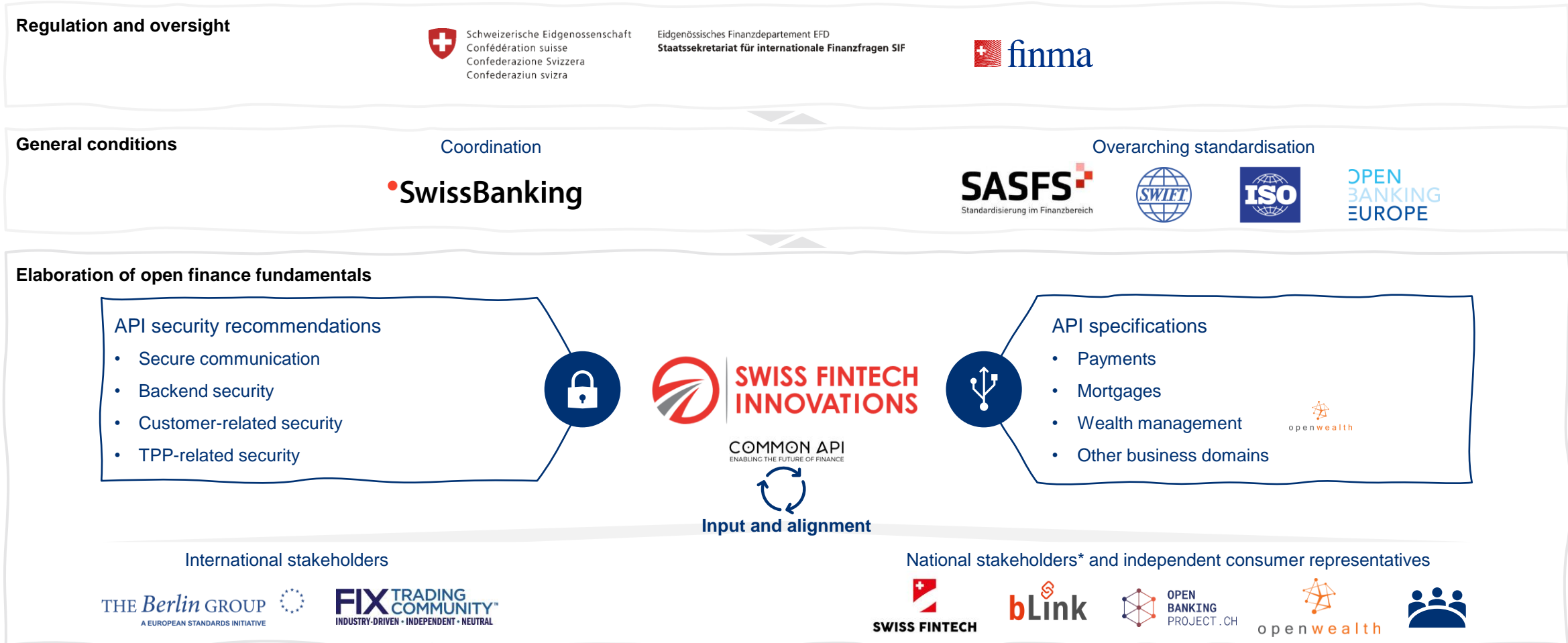


### Competition

Freedom of contract and a free market for products and services promote innovation.

## Understanding of roles

SFTI acts as a central forum, drawing up the necessary principles and recommendations for open finance in Switzerland.



\*Not an exhaustive list. Other stakeholder groups are possible.

• **SwissBanking**

