JayBee

The Swiss FinTech Licence 🇨🇭

The Swiss version of an EMI / e-money licence with direct access to the Swiss National Bank.

- WHAT DOES IT ALLOW TO DO?
- DOES IT ALLOW TO ISSUE OWN IBANS AND TO GET A BIC NUMBER?
- HOW LONG DOES IT TAKE TO GET ONE?
- HOW MUCH DOES THE LICENSING PROCESS COST?
- WHAT ABOUT THE MINIMUM ORGANIZATIONAL FRAMEWORK?

FINTECH LICENCE

Person pursuant to art. 1b Banking Act

Why Switzerland?

- Premium entry gate to a global financial market
- Swiss reputation, ecosystem and quality
- Efficient & pragmatic, technology neutral approach
- Friendly and transparent FinTech regulation

Fintech license at a glance

- Subject to authorisation from FINMA
- New license type, since January 2019
- 5 licensed companies so far (date: 22.03.2023)
- Several applications pending
- Duration: 9 - 12 months*
- Min capital: 3% of deposits from the public but at least CHF 300k (plus operational costs for 12 months)

Name	City
Klarpay AG	Zug
Relio AG	Zürich
SR Saphirstein AG	Zürich
SWISS4.0 SA	Genève
Yapeal AG	Zürich

Total Licensed persons pursuant to Article 1b BA (FinTech licence): 5

WHAT MAY I DO WITH A FINTECH LICENSE?

Offering accounts for retail or corporate

- MULTICURRENCIES IBANs
- INDEPENDENT FROM BANKS
- SIGHT DEPOSIT ACCOUNT WITH THE SNB (SIC AG)*
- FIAT AND CRYPTO ACTIVITIES UNDER ONE LICENSE

✔

Accepting deposits from the public

- LIMITED TO CHF 100m (WITH EXCEPTIONS)
- OWN ACCOUNTS

✔

VISA / MasterCard Membership*

- PRINCIPAL MEMBERSHIP

✔

Card Issuance and Acquiring

✔

Accepting crypto assets

- OMNIBUS AND/OR SEGREGATED WALLETS (UNLIMITED IF SEGREGATED)

✔

Access Swiss Interbank Clearing and EuroSic*

- AS DIRECT PARTICIPANT

✔

SWIFT Membership*

- OWN BIC NUMBER
- NOSU MEMBERSHIP in principle*

✔

Providing payment services in fiat & crypto

- ON/OFF RAMP
- PAYMENT FACILITATING
- PAYMENT PROCESSING
- TRANSFER OF FUNDS
- CURRENCIES CONVERSION
- CRYPTO EXCHANGE

✔

*Requires an approval from the respective company (e.g. SNB, SWIFT, VISA, ...)

WHAT MAY I <u>NOT</u> DO WITH A FINTECH LICENSE ?

🚫 **OPERATING AS A FINANCIAL INSTITUTION**
DEALING WITH SECURITIES, ASSET MANAGEMENT

🚫 **ACCEPTING MORE THAN > CHF 100M OF DEPOSITS FROM THE PUBLIC**
DEPOSITS FROM B2B CLIENTS WITH PROFESSIONAL TREASURY / INSTITUTIONAL CLIENTS DO NOT COUNT FOR THIS LIMIT

🚫 **INVESTING OR REMUNERATING CLIENTS' DEPOSITS**

🚫 **USING THE WORD "BANK"**

🚫 **DOING BUSINESS OF INTEREST MARGIN**

🚫 **REFINANCING TO A SIGNIFICANT EXTENT WITH SEVERAL BANKS**

These activities usually require a full banking license

LICENSING MAIN ELEMENTS

COMPANY SET UP

- Company incorporation
- Domicile & staff
- Defining name & logo
- Defining the strategy

CORPORATE GOVERNANCE

- Article of association
- Organizational and business regulations
- Independence of roles
- Departments and services

COMPLIANCE FRAMWORK

- AML & CTF
- Conflict of interests
- Data privacy & protection
- Banking secrecy
- IT security

CONTRACTUAL DOCUMENTS

- Outsourcing agreement
- Service provider agr.
- Mandate & labour agr.
- Terms & conditions

BUSINESS PLAN & FINANCIALS

- Business plan drafting
- Financial plan (incl. 3 scenarios)

RISK FRAMEWORK

- Risk policy
- Risk assessment
- ICS matrix
- Cross-border framework
- BCM / BIA / BCP
- Outsourcing
- Risk disclosure info

SAFEKEEPING OF DEPOSITS

- Safekeeping
- Custody

FITNESS AND PROPERNESS

CV, criminal record, debt enforcement register,FINMA declaration, references, diplomas, pers. information
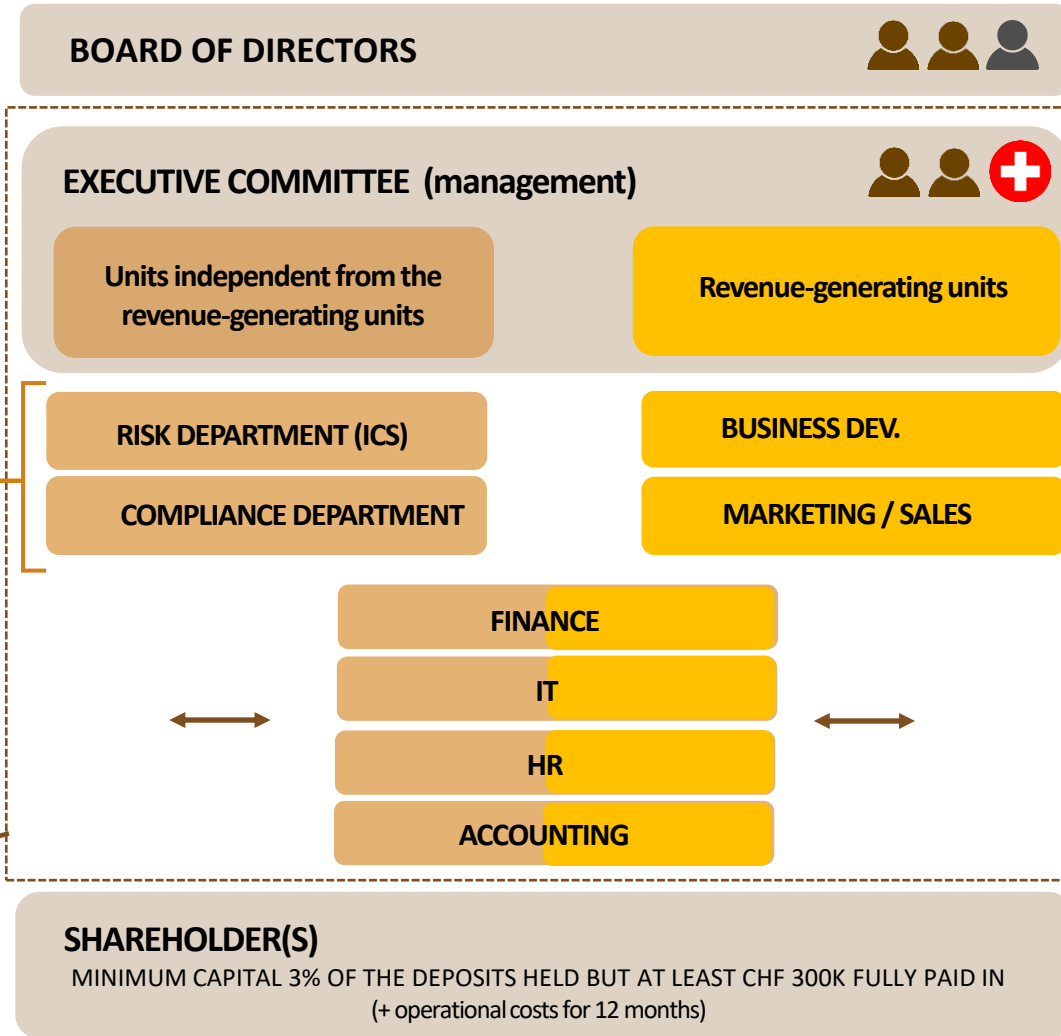
COMPANY ORGANIZATION – MINIMUM STRUCTURE

At least **1/3** of the BOD must be independent of management and shareholder. Therefore 2 board members may also be executive directors. 🚫

Member of the risk & AML department must be independent from generated income activities. 🚫

JayBee offers outsourcing services for Risk management, Compliance and AML *JayBee*

Only AG (Ltd),
GmBH (LLC),
KmAG (Partnership limited by shares)

Headquarters must be in Switzerland ✚

BOARD OF DIRECTORS

EXECUTIVE COMMITTEE (management) ✚

Units independent from the revenue-generating units	Revenue-generating units

RISK DEPARTMENT (ICS)	BUSINESS DEV.
COMPLIANCE DEPARTMENT	MARKETING / SALES

FINANCE
IT
HR
ACCOUNTING

SHAREHOLDER(S)
MINIMUM CAPITAL 3% OF THE DEPOSITS HELD BUT AT LEAST CHF 300K FULLY PAID IN
(+ operational costs for 12 months)

MIN 3 BOARD MEMBERS
1 MUST BE IN SWITZERAND
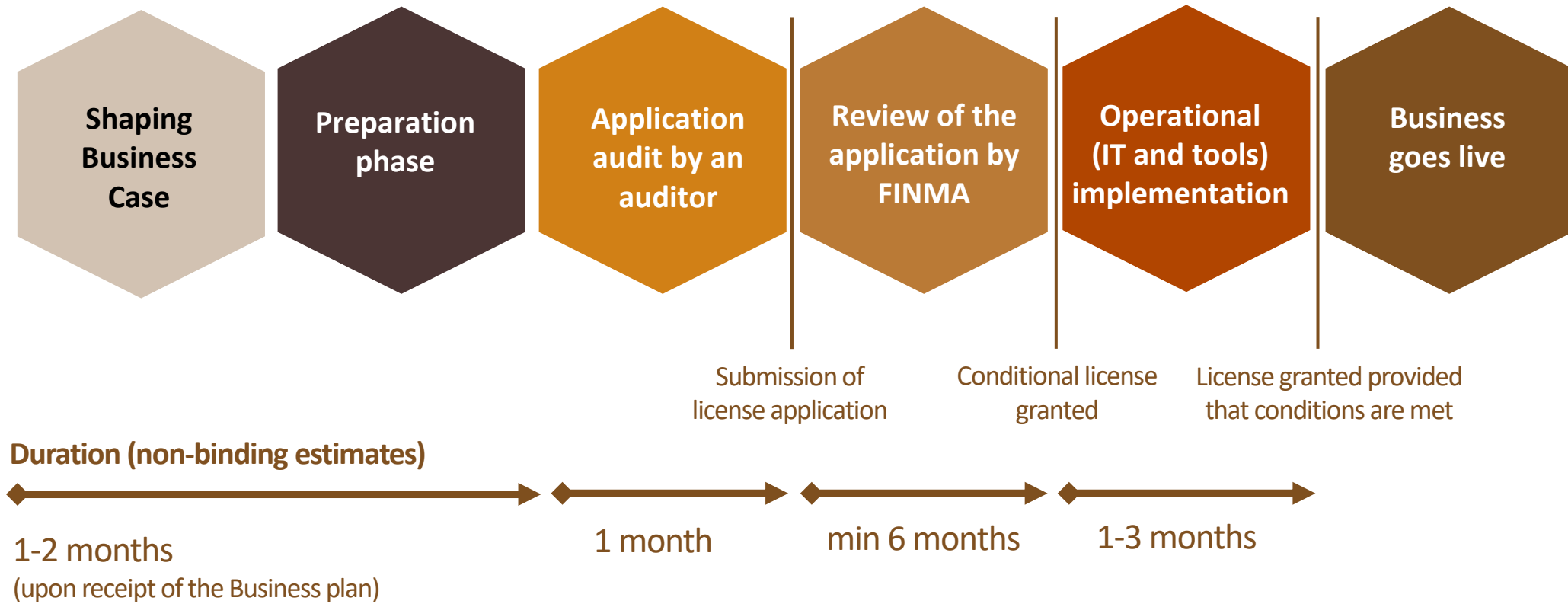All key aspects of the business must be adequately represented by the members.

MIN 2 EX-DIRECTORS
ALL BASED IN SWITZERLAND
All key aspects of the business must be adequately represented by the directors.

Outsourcing possible also outside of Switzerland.

EXTERNAL AUDIT BODY
(approved by FINMA)

LICENSING PROCESS TIMELINE & COSTS

Shaping Business Case	Preparation phase	Application audit by an auditor	Review of the application by FINMA	Operational (IT and tools) implementation	Business goes live

Submission of license application

Conditional license granted

License granted provided that conditions are met

Duration (non-binding estimates)

1-2 months
(upon receipt of the Business plan)

1 month

min 6 months

1-3 months

Total application costs (non-binding estimates): CHF 150-200k
Incl. JayBee, Application auditor, FilNMA fees. (Excl. IT, staff and infrastructure)

JAYBEE'S SPECIAL FINTECH EXPERTISE AND NETWORK

✓ **CURRENTLY SUPPORTING 6 COMPANIES IN THEIR LICENSING PROCESS TO GET A FINTECH LICENSE**

✓ **SERVICING 2 OF THE 5 EXISTING FINTECH IN SWITZERLAND**

✓ **FOUNDING MEMBER OF THE SWISS FINTECH ALLIANCE ASSOCIATION (SFA).**

The association gathers all current FinTech licencees and provides a framework to discuss the latest developments and trends in the FinTech sector, in particular regulatory and banking topics.

SFA

✓ **STRONG EXPERIENCE AND IN-DEPTH KNOWLEDGE OF THE SWISS FINTECH ECOSYSTEM**

✓ **LARGE NETWORK IN SWITZERLAND**

YOUR FINTECH TEAM

Loïc Staub

Regulatory & Legal Leader

Master of Law & Economics UNIL

Swiss bar Admission

Certificates in fintech, blockchain & cryptocurrencies and negotiation

Lecturer in DeFi at HWZ

Founder of the Swiss Fintech Alliance Association

Andrej Simonov

Regulatory & Legal Expert

Master of Laws LL.M. UZH

State Examination in Law, DE

Blockchain & crypto expert, MiCA

Jürg Baltensperger

Managing Director & Founder

Master of Law UZH, MAS Risk Management HSLU, MLP HSG

Certificates in compliance & blockchain, leadership & project management

Lecturer in (crypto) compliance, risk management & corporate governance

Director of studies CAS Digital Compliance Officer HWZ

JayBee

JAYBEE | YOUR REGULATORY GUIDES

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