REGULATORY FRAMEWORK FOR SWISS ICOs

The Swiss Financial Market Supervisory Authority (FINMA) set out its position on initial coin offerings (ICOs) and highlighted areas in which ICOs may be covered by existing financial market regulation.

Applicability of the Anti-Money Laundering Act (AMLA)

The objective of the Anti-Money Laundering Act is to protect the financial system from money laundering and the financing of terrorism. Anyone who provides payment services or who issues or manages a means of payment is a financial intermediary subject to the AMLA (Art. 2 para. 3 let. b AMLA).
The issuing of payment tokens constitutes the issuing of a means of payment subject to this regulation as long as the tokens can be transferred technically on a blockchain infrastructure.

Compliance with AMLA

Anti-money laundering regulation gives rise to a range of due diligence requirements including the requirement to establish the identity of the beneficial owner and the obligation either to affiliate to a self-regulatory organisation (SRO) or to be subject directly to FINMA supervision. These requirements can be fulfilled by having the funds accepted via a financial intermediary who is already subject to the AMLA in Switzerland and who exercises on behalf of the organiser the corresponding due diligence requirements. In these circumstances an ICO organiser does not themselves have to be affiliated to an SRO or to be licensed directly by FINMA.
Under current FINMA practice, the exchange of a cryptocurrency for fiat money or a different cryptocurrency falls under Art. 2 para. 3 AMLA.

Conclusion

The use of WV Financial Services, a financial intermediary subject to AMLA in Switzerland, places the organizer of the ICO in compliance with the requirements of the Swiss Financial Market Supervisory Authority (FINMA) without requiring to be licensed.