Stablecoin Regulation: Swiss Politics Must Act Boldly and Swiftly

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The United States is advancing stablecoin regulation at great speed. At the center are legal certainty, easier market entry, and streamlined approval procedures. In contrast, Switzerland's commitment to the «Crypto Valley» has faltered. It is high time to overhaul the regulatory framework for stablecoins in order to become attractive again, argues Stefan Höchle in his contribution to *finews.first*.

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In recent months and weeks, it has become clear that the United States, under President **Donald Trump**, is confidently placing its own interests at the forefront. Switzerland should respond pragmatically, particularly with regard to digital assets and stablecoins.

These days, Switzerland is feverishly searching for ways to improve its relationship with the

U.S. in order to reduce the punitive tariffs of 39 percent on its exports. Measures such as these tariffs are causing global discontent.

Keeping a Cool Head and Identifying Synergies with the U.S.

This should not obscure the fact that the U.S. government is excelling in other areas. To negotiate with the U.S. on equal footing, Swiss politics must keep a cool head and identify existing synergies. In this context, crypto regulation in general—and stablecoin regulation in particular—should not be overlooked.

The White House Crypto Task Force recently released a 160-page report on digital assets, outlining a detailed regulatory framework aimed at establishing the U.S. as the «Crypto Capital.» It identifies stablecoins and decentralized finance (DeFi) as strategic key sectors that, alongside digital asset trading, require clear rules.

The U.S. Pushes Ahead

Lawmakers are not hesitating with implementation. Even before the strategy paper was published, the U.S. Congress passed the Genius Act, a comprehensive bill regulating stablecoins. The House of Representatives also passed the Clarity Act, which defines the responsibilities of various authorities, with bipartisan support.

In the coming weeks, the bill is expected to be presented to the president.

> «Stablecoins are among the most successful applications of blockchain technology. The U.S. and the EU have recognized their strategic importance.»

Stablecoins deserve special attention. They are among the most successful applications of blockchain technology and are usually pegged to a fiat currency such as the dollar. This provides price stability while also offering the advantages of decentralized networks: instant, low-cost, and cross-border transactions.

Adoption is growing rapidly. In 2024, stablecoins surpassed Visa and Mastercard in transaction volume and reached a market capitalization of $280 billion. Both the United States and the European Union (EU) have recognized their strategic relevance.

First Stablecoin Issuances from the EU

In July 2024, the EU supplemented its comprehensive Markets in Crypto Assets (MiCA) framework with strict requirements for stablecoin issuers. These issuers must obtain regulatory authorization, ensure full backing with liquid assets, and disclose this regularly. This has already led to the first stablecoin launches from Europe, now valued at €500 million.

The U.S. Genius Act similarly restricts access to licensed issuers with full backing, but it provides them with clear legal certainty, easier market entry, and less burdensome approval procedures.

Where is the «Crypto Nation» Switzerland?

Switzerland positioned itself early on as a leading crypto jurisdiction by creating an attractive regulatory environment. With its Distributed Ledger Technology (DLT) Act in 2021, it set a milestone and, for the first time worldwide, offered legal clarity for blockchain-based assets. Since then, however, enthusiasm has waned. Political commitment to the «Crypto Valley» appears to have faded.

Stablecoins, in particular, have faced additional hurdles since then. Since mid-2024, issuers have required a costly banking license due to a change in practice announced by the Financial Market Supervisory Authority (Finma) in a supervisory notice (the authority itself refers to this as a clarification of existing rules). They must also identify all stablecoin holders via know-your-customer procedures under anti-money-laundering regulations—a nearly insurmountable requirement.

> «Since mid-2024, stablecoins in Switzerland have been confronted with additional hurdles.»

The Federal Council only addressed the issue in spring, announcing a revised regulatory framework to be presented by autumn. This must now be published and enacted as quickly as possible.

New rules should be aligned with the laws of Switzerland’s key trading partners, the EU and the U.S., while preserving—or restoring—the attractiveness of Switzerland as a financial center. A swift adjustment without additional bureaucracy could help Switzerland defend its leading position. But this will require deliberate and bold action from policymakers.

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