SWISS FINTECH INNOVATIONS

The Swiss financial centre standardises interfaces to drive innovation forward

API is the keyword of the moment for innovation in the financial sector. The Swiss Fintech Innovations Association (SFTI) supports this development and promotes the essential establishment of standardised interfaces (APIs) for Swiss financial institutions. The aim is to stimulate the development of new, innovative services without compromising the security and self-determination of financial institutions and their customers.

"API banking" is more than just a "nice to have" for the Swiss financial centre. Customers will very soon demand the new opportunities associated with it from their banks and insurance companies in Switzerland as well. The basis for open banking is interfaces (APIs). The more uniformly these APIs are designed among financial institutions and the more widespread they are, the sooner business models with innovative services can be built on them. The cross-industry unified interface specification is designed to be as compatible as possible with international standards and to enable the widest possible portfolio of financial services for the benefit of consumers and commercial customers.

This ambitious initiative was launched almost two years ago when SFTI commissioned a working group to implement it. Since the vast majority of Swiss financial institutions rely on standard software from a few manufacturers (four providers cover around three-quarters of Swiss banks), it was clear that they should also be included in the working group.

Avaloq is also convinced – not least with regard to its growing international customer base – by the SFTI standardisation initiative and, just like Finnova, has had API on its strategic radar for some time.

"Together with our customers in the EU, we have been actively involved in the development of standardised interfaces for some time," explains *Avaloq* CTO Thomas Beck about his company's position. **"With the SFTI, a professional association has taken the initiative – its integrative role is decisive for the success of this project."**

"The days of proprietary stand-alone solutions are over. The rapidly changing requirements can only be addressed efficiently together with banks and partner companies," says Hendrik Lang, CEO of *Finnova*.

In addition to the domestic industry leaders, *Avaloq* and *Finnova*, the *Hypothekarbank Lenzburg* with its self-developed core banking system *Finstar*, which HBL also operates as a SaaS solution for other banks, is also participating.

"It was immediately clear to us that the SFTI concept would give our bank, but also the Swiss financial centre as a whole, an enormous boost," said Marianne Wildi, CEO and CIO of *Hypothekarbank Lenzburg*.

Temenos, headquartered in Geneva, is the global banking software company and has also joined the SFTI initiative.

"**API banking presents one of the biggest opportunities for our industry. Banks and technology players are now able to build an ecosystem of partnerships with financial and non-financial players, to deliver real-time, personalised services to their customers that are relevant and contextual. We are delighted to support the technical and business initiatives in this area and see the Swiss market as an area of significant growth and innovation, and as such, see the SFTI collaboration as being key**", says Cormac Flanagan, Technology Product Director at Temenos.

SIX, the infrastructure service provider of the Swiss financial centre, has also been addressing the API issue with great commitment for some time now. Among other things, solutions for payment transactions for banks and software houses in the corporate customer segment are currently being developed, and the focus is primarily on the implementation of banking use cases and the creation of the necessary prerequisites for this. In this context, it is very useful that SIX has been an SFTI member from the very beginning. Both SIX and SFTI have therefore recently agreed to bundle their other activities: The SFTI professional association as an innovation enabler hands over its results to SIX (www.swissfintechinnovations.ch/API-Specifications), and SIX makes its specification freely available to interested parties.

"***The aim of this approach is to ensure that we make standardised interfaces available to the Swiss banking centre,***" says Daniel Dahinden, Head of the Innovation & Digital Business Unit at SIX. "***On this basis, banks such as software houses and financial service providers can develop innovative solutions and thus not only create sustainable customer benefits, but also strengthen fintech's position in Switzerland.***"

This is where the circle closes: The SFTI trade association as an innovation enabler has created the basis for addressing the further needs of the financial centre quickly and efficiently. Mission accomplished!

About Swiss Fintech Innovations

SFTI was founded in March 2016 by Swiss banks and insurance companies as an association based in Zurich. The aim of SFTI is to make Switzerland the leading financial centre for fintech and to strengthen the financial centre and education location by networking financial service providers, science and fintechs and supporting the joint work on specific topics and tasks. The growing number of members shows that in times of digitization and the search for innovative solutions in the financial world, the association's goal hits a nerve. The members work together in working groups on the topics that will shape the future of the financial centre. www.swissfintechinnovations.ch

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