

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:



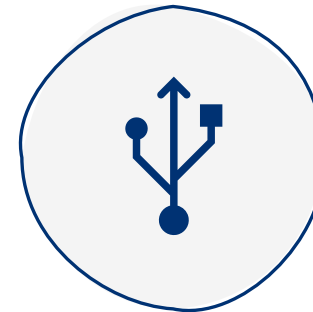
Customer focus

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.

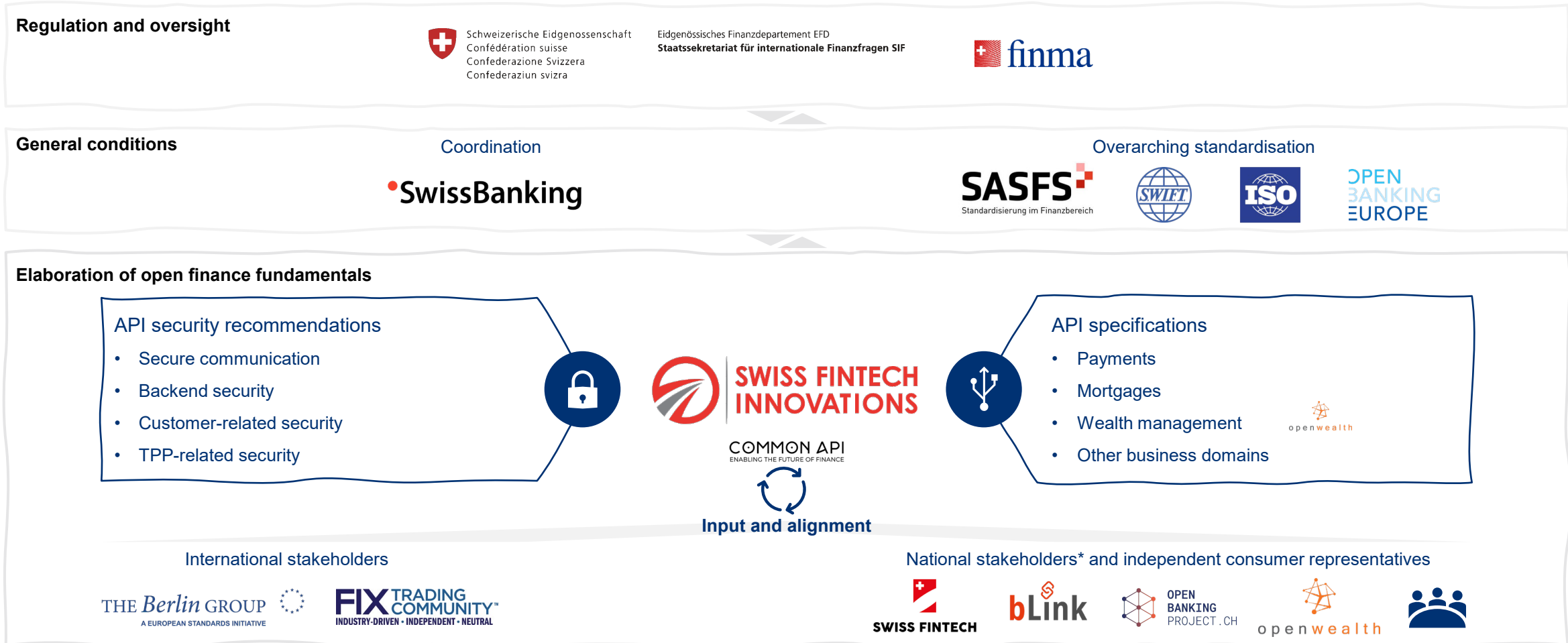


Competition

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**

