

Crypto Finance eyes Asian expansion after winning Swiss license

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Crypto Finance hopes to be occupying new offices in Asia in the near future.

(Crypto Finance)

Swiss cryptoasset firm Crypto Finance says it will use its newly won regulatory approval as a platform for foreign expansion, most likely in Asia. The firm's Crypto Fund unit was awarded an asset management license by the Swiss financial regulator on Tuesday.

The license will allow Crypto Fund to sell cryptocurrency-linked collective investment schemes to institutional clients on the same footing as traditional asset managers in Switzerland. The Swiss Financial Market Supervisory Authority (FINMA) license was the first of its kind awarded to a cryptoasset company.



FINMA BREAKTHROUGH

Crypto Fund wins first Swiss crypto asset management licence

The Swiss financial regulator has issued the country's first cryptocurrency asset management licence.

"Before getting the license we were a start-up. Now we are a fully-fledged member of the regulated, established financial system," Crypto Finance CEO Jan Brzezek told swissinfo.ch. "FINMA has exacting standards that are appreciated by other regulators around the world."

This gold-plated seal of approval should give the Zug-headquartered firm enough clout to persuade other jurisdictions to allow the company to set up residence, Brzezek believes. "Asia is an open-minded market, open for financial innovation," he said. "In Asia banks don't mean physical buildings, they are apps."

Strategic partners

Crypto Finance is exploring opportunities in Singapore, Hong Kong and other states. But the final destination depends on which country's regulator is prepared to open their arms to the company.

The firm is also looking to partner with strategic investors in Asia to help smooth the way into the new market once it has found a location for its new branch.

Another factor influencing Crypto Finance's foreign expansion timing is the calming of volatility in the cryptocurrency markets. Although bitcoin and other cryptocurrencies have lost a great deal of their dollar-conversion value this year, the boom and bust cycle of 2017 appears to Brzezek to be over.

For now, the company is concentrating on expanding its range of financial products by adding two more European-based funds, one passive and another to be actively managed on behalf of clients. A Swiss-based fund linked to a basket of cryptocurrencies is also likely to be on the horizon.

Storage breakthrough

And the firm recently made another breakthrough when a Swiss bank, which Brzezek declines to name, agreed to onboard his company's cryptocurrency storage solution. This will allow the bank to take custody of clients' bitcoins.