

• Swiss Banking

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Milestone for the Swiss financial center: Deposit Token Proof of Concept suc- cessfully completed

Zurich, September 16, 2025 – Under the umbrella of the Swiss Bankers Association (SBA), PostFinance, Sygnum Bank, and UBS have conducted a Deposit Token feasibility study. The results report published today forms the basis for a standardized infrastructure for blockchain-based financial services in Switzerland. For the first time, banks have carried out a legally binding payment across institutions using bank deposits and a public blockchain – a milestone for the entire financial center.

Switzerland's domestic payment system is already very efficient and cost-effective. However, it reaches its limits in new applications: traditional payments cannot be programmed, are not available around the clock for larger amounts, and can only be integrated into blockchain-based ecosystems to a limited extent. By representing bank deposits on the blockchain, payments could in the future not only be processed immediately and definitively on a shared infrastructure but also be integrated directly into automated business processes.

Programmable rules (smart contracts) on this infrastructure enable payments to be executed only when certain conditions are met. This minimizes risks, increases efficiency, and speeds up complex transactions. Such automation unlocks potential for new digital services: in future, customers could benefit from fast, secure, and transparent payment processes – whether in securities trading, the automatic settlement of insurance claims, or machine-to-machine transactions without human interaction.

Results report confirms technical and legal feasibility

The PoC focused on the off-chain transfer of fiat money, triggered by payment instructions tokenized on the blockchain (Deposit Tokens). Two use cases were tested: first, a payment between bank customers of the participating banks; and second, an escrow-like process in which Deposit Tokens were exchanged for tokenized assets, with transactions processed automatically. The governance structure of the system is based on clearly defined roles and the use of smart contracts. These enable verifiable processes, technical security, and compliance with regulatory requirements. The results show that a Deposit Token used across banks – in the form described in the PoC – works technically on a public blockchain with permissioned applications and can trigger legally binding payment.

Next steps: cooperation and scaling are crucial

The results confirm the feasibility of payments between different institutions using blockchain technology. However, scalability requires additional design adjustments and increased cooperation with other banks, infrastructure providers, and authorities. This work forms part of the association's strategic priority "digital currencies" and aims to realize benefits for the economy, society, and bank customers. The PoC and its results do not pre-empt the introduction of a Deposit

Token by financial institutions.

Voices of the project managers

Martin Hess, Chief Economist and Head of the SBA's Digital Currencies Project:

“The tested Deposit Token is a strategic step toward the future and underscores the innovative potential of the Swiss financial center. With the successful Proof of Concept, the course has been set for further work—for a new, additional innovative form of digital payment.”

Alexander Thoma, Head Digital Assets PostFinance: “The deposit token offers great potential for making payment transactions more efficient and secure for all parties in the future. The proof of concept has shown that blockchain technology works for this purpose and is legally viable. We are ambitious to continue working on this innovative solution and to contribute PostFinance's expertise in the area of payment transactions and digital assets.”

Thomas Eichenberger, Deputy CEO of Sygnum Bank: “Sygnum was founded on the conviction that blockchain technology will sustainably revolutionize the financial market and payment system. Since then, the company has been doing pioneering work and, together with partners such as UBS and PostFinance, has been demonstrating the potential of this technology with concrete implementation examples. The aim is to drive innovation and create long-term added value for the Swiss financial center.”

Christoph Pühr, Digital Assets Lead UBS Group: “The PoC demonstrates that interoperability of bank money via public blockchains can become a reality, enabling innovation around tokenized assets. This accelerates innovation in

tokenized assets and makes it possible to actively shape the future of financial systems—both nationally and globally. “

About SBA

The SBA is the umbrella organisation of the Swiss banks. It represents the sector nationally and internationally vis-à-vis the private sector, policymakers, the authorities and the general public. The SBA advocates for open markets, scope for entrepreneurial freedom and a level playing field. As a centre of competence, it propagates banking expertise and actively engages in future topics. The SBA was founded in Basel in 1912, and its membership today comprises around 265 organisations and some 12,000 individuals.

Authors

Nirmala Alther

Senior Manager Topics &
Media Relations

+41 58 330 62 39

Press and media inquiries

Our team is available
to respond to
enquiries from
members of the
media.

+41 58 330 63 35