The rise in bitcoin’s price coincides with closer ties between Switzerland’s finance center and blockchain firms. finews.com on seven reasons why crypto is about to enjoy its breakout moment.

1. Institutionals Ready

Even the most fervent crypto aficionado will concede that digital assets need the endorsement of weighty investors. «Crypto winter» was a chance to build bridges, but digital asset volumes were still too low for traditional institutional investors. The price and volume rise of bitcoin, ether, and other first-tier currencies are breaking down those barriers: derivatives on cryptocurrencies are seeing sharply higher volume, for example – a sign that institutional investors are moving. Bitcoin's bull market will further buoy volumes.

2. Swiss Infrastructure Hub

The so-called crypto valley has spawned a series of technology providers whose products and services are being adopted by traditional players: storage, tokenization, or brokerage, for example. With the infrastructure in place, the market will follow, is the conventional wisdom in Zug. This belief is nourished by rising markets for cryptocurrencies. Switzerland’s financial center has an opportunity to establish itself early – there is no other place in the world where the two sectors work so closely together.

3. Banking Goes Crypto

If a crypto offering was a differentiator for traditional private banks a few months ago, digital assets are now pretty much de rigueur for wealth managers: Vontobel, Julius Baer, Maerki Baumann, and VP Bank are pursuing crypto strategies for the wealthy. In parallel, client interest is also picking up as the price of bitcoin rises. Hypothekarbank Lenzburg or Incore Bank are at work on the provider end, attempting to make crypto banking a technology standard as well as tokenization and custody of digital assets an option for any banks.

4. Race For Standard

To attract Swiss pension fund or other influential institutional money means you've arrived – but it takes security and transparency. Crypto valley's got the message, launching several standards for issuing tokens and coins which include a robust legal framework. It isn't yet clear which standard will prevail – in Switzerland, Daura is competing with the CMTA consortium,
while SIX also wants a piece of the action with its planned digital exchange, the SDX.

5. Crypto Shares Replace ICOs

The tumultuous heyday of initial coin offerings and token issues, where investors had few rights and several scam projects hit the headlines, are over. Security tokens are increasingly taking over from utility or payment coins: as the name implies, the holder enjoys privileges that are broadly comparable to those of a shareholder. In Switzerland, established firms like Swisscom, the SIX stock exchange, and banks including Swissquote, Pictet, and Vontobel support crypto shares. «We're not the wild west,» as Swissquote boss Marc Buerki told finews.com last week.

6. Disrupters Bow To Rules

Remember the obstinate anti-establishment disruptive stance of a large swathe of crypto enthusiasts? There is little of the outsider swagger left after most of the scene recognized that winning paying clients means hewing to rules. The approval of the first two crypto banks – Syngum and Seba – last summer is a sign of this. Other mavericks, like a crypto exchange in London backed by the Winklevoss twins, have also softened their tone.

7. Bitcoin, For Treasurers Too

The inclusion of $250 million of bitcoin by treasurers at Nasdaq-listed Microstrategy is, for crypto, like being blessed by the pope. The move is likely to spark a rethink by corporate treasury departments: the norm in recent years was to invest excess cash into a stable bond portfolio, but the pandemic has made credit an even more unattractive market. Bitcoin looks poised to recast its image, towards the primary asset class.

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