

Crypto Valley Top 50 Companies Sector Review

01 Blockchain Technology

In blockchain technology category, one company was added to the list of the Top 50 companies: CasperLabs. This project aims to implement a new Proof of Stake (PoS) blockchain. The move of the project to Switzerland further points to the attractiveness of Crypto Valley for key players developing cutting edge software and crypto networks.

In the past six months, well-capitalized projects have pushed the development of their ecosystem and advancement of their application landscape with grants and corporate partnerships. These activities result in entire teams being funded by protocols out of the Crypto Valley. Dedicated project teams are staffed in Switzerland or teams often move for a period of time to Crypto Valley to develop software solutions. Examples of protocols, included in the Top 50 companies list, which provide grants include Tezos, Cardano, Web3 Foundation (Polkadot), Status and Aragon among others.

02 Blockchain Financial Industry

Financial services saw a lot of activity and innovation in how banking is conducted using blockchain-based infrastructure. The Swiss Regulator Finma has awarded two banking licenses and further progress in this area can be expected.

Libra and Bittrex are new to the Crypto Valley Top 50 companies list in financial services. Despite the headwinds that Libra experienced from regulators and governments, the association has increased staff in

Switzerland and continued its quest to be fully-compliant. Bittrex Global set up an office in Liechtenstein and will offer new products under EU law.

Several challengers which may also join the Top 50 companies ranks in the course of this year, include a dedicated competitor to Libra, crypto banks in formation, real estate projects, and exchange-related startups. Crypto.com was removed from the Top 50 companies list, as its market valuation was overtaken by newcomers.

New Category in Town: Crypto Banks

This report introduces a new category: crypto banks. This category includes firms active in the crypto space that have been licensed by the Swiss Financial Market Supervisory Authority FINMA (or its Liechtenstein equivalent, FMA) to operate as formal banking entities. In the second half of 2019, two institutions met this criterion and became the first two crypto banks globally: SEBA Bank AG and Sygnum Bank AG. It is expected that further market players, like Bitcoin Suisse, will receive regulatory approval to become a bank soon.

Innovators among incumbent banks are catching up

The race to offer banking services for Crypto is still an open race, with several traditional banks already demonstrating their affinity for crypto technologies. Early adopters like Bank Frick (Li) and Falcon Private Bank have been joined by Zarattini & Co., Maerki Baumann & Co., InCore Bank, and Bank Reyl, among others.

These banks are offering a range of services and actively developing new products and solutions. Some of the traditional banks mentioned above have also begun exploring tokenization technologies such as Tokengate. Similar tokenization engines will allow these players to become serious contenders for

challenger crypto banks.

Discussions around settlement coins, including a central bank-issued digital currency have not gone unnoticed by the big players in Crypto Valley.

SDX, the digital Exchange initiative of SIX Group (which is owned by large Swiss Banks), the Swiss National Bank (SNB), and the Bank of International Settlement (BIS), are testing digital infrastructure, settlement, and securities transactions using crypto technologies. Recently, UBS publicly announced that it would also explore tokenization projects.

03 Blockchain Other Industries

The blockchain other industries category includes a wide range of industry applications. Because two large firms which were added to the financial services top 50 list, to smaller firms, Odem and WPP Energy were removed from the list. WPP Energy continues to be on the challenger list for this category.

Companies in various sectors of the economy are building entirely new business models and increasing revenue streams by deploying blockchain technology. 4Art, Utopia, and Modum are confirming the disruptive potential of their applications in specific markets. Investors took notice and are driving the valuations of these companies to new levels.

A number of Swiss companies have joined the Top 50 Challenger companies list in the other industries category. Ormera is providing blockchain-based billing and settlement solutions for energy trading and billing. This joint project between ewb (public electricity utility of Bern) and PostFinance has already launched its product to customers and prosumers.