

CARF, THE CRS EQUIVALENT FOR CRYPTO



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FROM OPACITY PREMIUM TO TRANSPARENCY DIVIDEND

For over a decade, part of crypto's appeal, particularly for cross-border capital, rested on structural opacity. Decentralisation, self-custody and the absence of a CRS-equivalent framework allowed digital assets to operate outside the reporting architecture applied to traditional finance. That environment is now changing rapidly.

The OECD's Crypto-Asset Reporting Framework (CARF) represents the first globally coordinated standard for tax transparency in crypto-asset transactions. Switzerland's adoption followed a deliberate sequence: Parliament approved CARF on 26 September 2025, with the legal framework entering into force on 1 January 2026. Following a decision by the National Council's Economic Affairs and Taxation Committee in November 2025, due diligence and data-collection obligations will be operational from 2027, with first international exchanges targeted for 2028, placing Switzerland alongside Australia, Canada, Hong Kong, Singapore and the UAE in the second exchange cohort. The Swiss Federal Council has proposed exchanges with 74 partner jurisdictions, including all EU member states and the UK, with the US and Saudi Arabia as current exceptions. As of March 2026, 76 Global Forum members have committed to implementing CARF.

CARF does not create new taxes. Its impact is structural: it industrialises transparency by making reporting systematic rather than investigation driven. Whether assets that benefitted from lower visibility will migrate meaningfully toward regulated custody remains to be seen, but the incentive structure is shifting.

The CRS experience offers a partial precedent. When automatic exchange of information was introduced for traditional banking assets, flows consolidated around regulated institutions as opacity-driven models became unviable. Crypto differs in one important respect: self-custody has no equivalent in traditional banking, making the migration thesis less automatic than the CRS analogy implies.

INSTITUTIONAL CAPITAL IS ALREADY MOVING

CARF's implementation coincides with a broader institutionalisation of digital assets, marked by spot Bitcoin and Ethereum ETPs commanding over \$120 billion in total assets under management (AuM) alongside significant trading volumes. While leading vehicles like BlackRock's spot Bitcoin ETF (IBIT) alone command \$66.5 billion in AuM, the trend appears structural, driven by a mix of regulatory anticipation and risk appetite. For banks already within CRS and AML frameworks, CARF represents less a disruption than an extension of existing compliance architecture. Whether that translates into competitive advantage will depend on execution as much as positioning.

SWITZERLAND'S OPPORTUNITY AND THE QUESTIONS IT RAISES

Switzerland enters the CARF era with notable structural advantages: a mature wealth management industry, a progressive DLT (Distributed Ledger Technology) legal framework, and infrastructure such as SDX (SIX Digital Exchange). These create conditions that could favour the Swiss financial centre, but conditions are not outcomes.

"The CRS experience offers a partial precedent."

Competition from Singapore, the UAE and large U.S. institutions is intense and not obviously diminishing. The UAE has moved quickly to establish advanced digital-asset regulation; Singapore has deepened its position as Asia's premier wealth hub. Whether Switzerland's compliance maturity proves more attractive than these jurisdictions' speed and scale is an open question.

The operational challenge may also be underestimated. CARF creates a compliance-ahead-of-revenue phase: systems must be built before exchanges begin in 2028, requiring investment without immediate return. Wallet attribution, transaction tracing, beneficial ownership verification and data standardisation are non-trivial. RCASP (Reporting Crypto-Asset Service Provider) obligations may extend beyond custody into lending and prime brokerage, broader than institutions may initially assume.

For Swiss banks, the question is no longer whether digital assets belong within regulated finance, but which institutions will be best positioned to intermediate them, and whether Swiss institutions will move quickly enough to find out.



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