BankLicenseWiki
The free, sourced encyclopedia of banking licenses
banklicensewiki.com

Luxembourg (CSSF / ECB) vs Switzerland (FINMA): banking licenses compared

From BankLicenseWiki, the free encyclopedia of banking licenses · Last updated 28 November 2026

In short: Luxembourg (CSSF / ECB): minimum capital €5 million (EU floor), deposit protection €100,000 (FGDL). Switzerland (FINMA): minimum capital CHF 10 million (FinTech licence: CHF 300,000), deposit protection CHF 100,000 (esisuisse). Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is ‘better’: that depends on who the clients are and what protection they need. The full rules, sources and FAQs are in the Banking license in Luxembourg and Banking license in Switzerland guides.

Side by side

	Luxembourg	Switzerland
Regulator	Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB)	Swiss Financial Market Supervisory Authority (FINMA)
License	Authorisation as a credit institution under the Law of 5 April 1993 on the financial sector, granted by the ECB on a proposal from the CSSF	Banking licence under the Banking Act; a separate FinTech licence (Article 1b Banking Act) for deposits up to CHF 100 million that are not invested and earn no interest
Legal basis	Law of 5 April 1993 on the financial sector; EU Capital Requirements Directive and Regulation; SSM Regulation	Federal Act on Banks and Savings Banks (Banking Act); Banking Ordinance; Capital Adequacy Ordinance; Liquidity Ordinance
Minimum capital	At least the EU minimum of €5 million in initial capital. Confirm with the CSSF whether a higher national amount applies to your business model.	Fully paid-up minimum capital of at least CHF 10 million for a bank. A FinTech licence holder needs capital of 3% of the public deposits it holds, and at least CHF 300,000.

	Luxembourg	Switzerland
Application fee	Not confirmed. We could not find a licensing fee published by an official source.	We could not confirm a fixed licensing fee; FINMA charges fees under its fees ordinance.
Decision time	The ECB says decisions usually take 6 to 12 months: EU law requires a decision within 6 months of a complete application and no later than 12 months after receipt.	No statutory deadline found.
Local substance	Central administration and registered office in Luxembourg, at least two fit and proper managers who run the business day to day, and shareholders who pass the qualifying-holding assessment.	Management run from Switzerland, separation of the board of directors and executive management, fit and proper managers, and an organisation and capital matched to the bank's risks.
Minimum capital ratios	Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement.	Basel III minimums as implemented in the Capital Adequacy Ordinance, with additional capital requirements depending on the bank's size category. FinTech licence holders are exempt from the capital adequacy and liquidity ordinances.
Foreign bank branches	A bank from outside the EU can open a branch only with a national authorisation from the host country; it does not receive an EU passport. CRD VI (Directive (EU) 2024/1619) harmonises the rules for third-country branches across the EU.	Yes. Foreign banks can open a Swiss branch with a FINMA licence.
Liquidity	Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of at least 100% under the CRR.	Liquidity Ordinance, including the liquidity coverage and net stable funding ratios.
Deposit protection	€100,000 per depositor, per bank, through the Fonds de garantie des dépôts Luxembourg (FGDL), under the EU Directive.	esisuisse protects deposits up to CHF 100,000 per depositor, per bank. Deposits with a FinTech licence holder are not protected, and clients must be told so.
Cross-border passport	Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor.	No passport; Switzerland is not in the EU or EEA. Serving EU clients needs an EU license or a local exemption.

	Luxembourg	Switzerland
Public register	CSSF register of supervised entities [2]	FINMA list of authorised institutions [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, Luxembourg or Switzerland?

Luxembourg: At least the EU minimum of €5 million in initial capital. Confirm with the CSSF whether a higher national amount applies to your business model. Switzerland: Fully paid-up minimum capital of at least CHF 10 million for a bank. A FinTech licence holder needs capital of 3% of the public deposits it holds, and at least CHF 300,000. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

Are the capital ratios the same under both licenses?

Luxembourg: Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement. Switzerland: Basel III minimums as implemented in the Capital Adequacy Ordinance, with additional capital requirements depending on the bank's size category. FinTech licence holders are exempt from the capital adequacy and liquidity ordinances.

How much of a depositor's money is protected if the bank fails?

Luxembourg: €100,000 per depositor, per bank, through the Fonds de garantie des dépôts Luxembourg (FGDL), under the EU Directive. Switzerland: esisuisse protects deposits up to CHF 100,000 per depositor, per bank. Deposits with a FinTech licence holder are not protected, and clients must be told so.

Can a firm with one of these licenses serve clients in other countries?

Luxembourg: Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor. Switzerland: No passport; Switzerland is not in the EU or EEA. Serving EU clients needs an EU license or a local exemption.

See also

- Banking license in Luxembourg
- Banking license in Switzerland
- Germany (BaFin / ECB) vs Luxembourg (CSSF / ECB): banking licenses compared
- Switzerland (FINMA) vs UK (PRA / FCA): banking licenses compared
- All 10 licenses in one table

References

1. Official Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB) . Luxembourg. Accessed November 2026.
2. Official CSSF register of supervised entities . CSSF / ECB. Accessed November 2026.
3. Official Swiss Financial Market Supervisory Authority (FINMA) . Switzerland. Accessed November 2026.
4. Official FINMA list of authorised institutions . FINMA. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

Source: https://banklicensewiki.com/compare/luxembourg-vs-switzerland/
Version: last updated 28 November 2026. Check the online version for later changes.

© 2026 BankLicenseWiki. BankLicenseWiki is a free, independent encyclopedia of banking licenses: what each supervisor requires to authorise a bank and how depositors are protected, across 10 jurisdictions. General information, not legal or investment advice. Confirm with the regulator or a qualified adviser before acting.