A Cloud Guide for Fintech Companies Operating in Switzerland

FINMA requirements, project-specific compliance obligations, and the growing demand among financial and insurance companies for greater digital sovereignty: For fintech companies, choosing Cloud infrastructure is much more than a technical or financial decision. Storing and processing data in Switzerland can significantly reduce regulatory and data protection complexity.

This guide explains what fintech companies operating in Switzerland should consider when choosing a Cloud provider, which Swiss alternatives to global hyperscalers are available, and what they should clarify with Cloud providers before signing a contract.

xelon
swiss cloud

‘We are seeing Swiss companies pay closer attention to who they work with. Questions such as ‘Who answers the phone?’ and, above all, ‘Where is my data processed?’ are becoming more important. The current geopolitical situation has sharpened this awareness even further. For many companies, the origin of a technology solution is no longer just a marketing message. It is part of their risk management”

— Christian Walter, Swiss Made Software.

For FINMA-supervised fintechs, permanently outsourcing essential IT functions to a cloud provider may fall within the scope of **FINMA Circular 2018/3**. Data storage in Switzerland, ISO-certified processes, and a locally based Cloud provider can make it easier to meet regulatory and data protection requirements. “With a Swiss Cloud provider, data flows, legal jurisdictions, and access paths in particular can often be tracked and controlled more transparently,” says Roman Schweizer, CEO of Xelon, who has more than a decade of experience in the Cloud sector.

Many Swiss companies are increasingly skeptical of US hyperscalers such as AWS, Google, and Microsoft. A key concern is the CLOUD Act (Clarifying Lawful Overseas Use of Data Act), which was enacted in the United States in 2018. It can require US tech providers to disclose data regardless of where that data is physically stored. For fintech companies that process sensitive financial data and act as technology partners to banks or insurance companies, potential extraterritorial access remains a relevant risk. A sovereign Swiss Cloud provider without a relevant connection to US law is not subject to this access regime.

Keeping data in Switzerland can therefore reduce regulatory and data protection complexity. Depending on the setup, companies may be able to avoid cross-border data transfers, additional contractual safeguards, or assessments of a third country's legal system. However, Swiss data residency alone does not guarantee compliance. The entire processing chain, potential remote access, the subcontractors involved, and the specific contractual terms all remain decisive.

Data location is also becoming increasingly important in the sales process. Banks, insurers, and other regulated companies are asking technology partners more frequently for detailed information about where their data is stored and processed, which companies may gain access to it, and which laws apply. “We are seeing Swiss companies pay closer attention to who they work with. Questions such as ‘Who answers the phone?’ and, above all, ‘Where is my data processed?’ are becoming more important. The current geopolitical situation has sharpened this awareness even further. For many companies, the origin of a technology solution is no longer just a marketing message. It is part of their risk management” confirms Christian Walter, Managing Partner at swiss made software.

Swiss Cloud Alternatives to Hyperscalers

Today, Switzerland's Cloud sector offers modern IT infrastructure on par with global providers. In most cases, it also provides stronger compliance assurances, transparent pricing, local support, and a more user-friendly experience. The following overview presents Swiss alternatives for fintech companies that consider global hyperscaler Clouds too risky.

All Cloud providers are listed alphabetically; this is not a ranking.

Cloudscale

As a developer-friendly Swiss Cloud provider, Cloudscale enables ease of use, rapid provisioning, and high-performance NVMe storage. However, it focuses on Linux environments and is therefore not ideal for Windows-based workloads or complex enterprise scenarios.

Exoscale

With data centers in Switzerland and across Europe, Exoscale offers Cloud services such as VMs, Kubernetes, and object storage. This makes Exoscale particularly well suited to Cloud-native applications and European fintech companies with GDPR requirements.

Green Virtual Datacenter Pro

Green provides virtual Swiss data centers with a focus on ease of use and performance. Its infrastructure is energy efficient and hosted entirely in Switzerland. Direct connections to colocation and hyperscaler services also make Green suitable for hybrid Cloud setups.

Infomaniak Public Cloud

Infomaniak's cost-effective OpenStack Cloud is also hosted in Switzerland and is marketed as sustainable. For production and regulated workloads, fintechs should review the SLAs, support models, and performance limits of each Cloud service individually.

Swisscom Dynamic Computing Services

As Switzerland's largest telecommunications provider, Swisscom offers a highly regulated Cloud platform focused on enterprise customers. Hybrid Cloud options and integrations with Azure and AWS are available, but at a higher price point and with more complex cost structures than those of smaller providers.

Xelon

This user-friendly Cloud solution, hosted in ISO-certified data centers in Switzerland, combines the data sovereignty that fintech companies operating in Switzerland need with transparent cloud pricing and rapid provisioning. Xelon supports Windows and Linux systems as well as Kubernetes, making it suitable for a wide range of use cases.

What Fintech Companies Operating in Switzerland Should Clarify When Planning Their Cloud Infrastructure

The following checklist outlines what fintech companies operating in Switzerland should consider when choosing a Cloud provider. It can help them preserve their digital independence, minimize data protection risks, and meet the compliance requirements of potential customers as efficiently as possible.

- Physical location of the data centers
- Country or countries where data is stored, processed, and backed up
- Options for geographically restricting data locations (data residency)
- Data replication across regions

  Extra tip: If data is replicated, make sure you clarify which regions are involved.
- National and international laws that apply to the data
- Handling government access requests and processes for responding to government data requests
- Data transfers to third countries

  Extra tip: If data is transferred to third countries, the Cloud provider should be able to clearly explain the legal basis for doing so.
- Certifications held by the Cloud provider, such as ISO 27001 or ISAE
- Certifications held by the data centers hosting the Cloud infrastructure
- Physical security of the data centers and access rights
- Encryption standards used
- Control over keys and access
- Data ownership
- Option to export all data at any time
- Independent audits

  Extra tip: If independent audits are conducted, find out how often they take place and which standards they assess.

Once these points have been clarified, fintech companies operating in Switzerland can confidently enter into a contract with the Cloud provider.

Our Cloud specialists are happy to show you how Xelon's Swiss Cloud can help you meet the highest compliance and data security requirements simply and reliably.
Book a no-obligation consultation here.

Good to know:

Swiss Cloud solutions are not necessarily more expensive than global Clouds

At first glance, international Cloud services often appear less expensive than a Swiss Cloud solution. Entry-level prices seem attractive, and the barriers to getting started are low. Over time, however, a more nuanced picture often emerges. Costs for data traffic, additional services, monitoring, or support are added gradually and are not always immediately apparent with a global Cloud. As teams grow, customer bases expand, or Cloud infrastructure requirements change, greater complexity can also emerge in the cost structure. This can lead to unpleasant surprises when the monthly bill is higher than expected and difficult to understand. It therefore pays to look beyond the entry-level price, consider total costs over time, and understand the pricing structure in detail.

Calculate the cost of your Swiss Cloud from ISO-certified data centers here.