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Regulatory Developments

Synopsis of the most important regulatory developments in the banking, asset management and insurance industry

12/25

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Welcome

to the latest issue of ‘Regulatory Developments’

Dear readers

I am very pleased to present you with our fourth and last issue of 2025.

We conclude 2025 with the publication of the new FINMA Risk Monitor 2025, in which FINMA provides its view on the greatest risks for the Swiss financial centre. The risk landscape has intensified since 2024. The geopolitical situation remains tense, and sanctions risks persist. The increasing digitalization is contributing to a significant growth in cyber risks. FINMA is calling for more robust controls on critical outsourcing arrangements. Real estate and mortgage risks also remain elevated. Many institutions are interpreting their affordability practices too liberally and are increasingly granting financing outside their own guidelines. FINMA will continue to scrutinize this more closely and, if necessary, order targeted supervisory measures or capital surcharges. FINMA also sees here a need for regulatory improvements. For the first time, the climate risk report is also included in the Risk Monitor where FINMA outlines the current climate risks faced by Swiss financial institutions, how institutions address them, and measures FINMA is taking. The financial institutions are actively working to integrate these risks into their overall risk management.

Please find a summary of the new topics of this issue below:

Chapter 2: Interdisciplinary Projects

- FINMA Guidance 05/25 | Operational resilience for banks, persons under Art. 1b BA, securities firms and financial market infrastructures
  The guidance is based on the findings of a data survey conducted by FINMA as of 31 December 2024 on the topic of operational resilience.
- Amending Protocol to Agreement between Switzerland and EU on automatic exchange of information in tax matters
  The agreement is adapted to the amended OECD standard, which Switzerland will implement from 2026, and contains new provisions for administrative assistance for the recovery of VAT receivables (consultation until 6 February 2026).

Chapter 3: Banks/securities firms

- FINMA Circular 2019/2 Interest rate risks – banks | Partial revision
  A partial revision of the circular is planned for 2026.
- Amendment to the Banking Act (BA) and the Capital Adequacy Ordinance (CAO) | Capitalisation of foreign participations by parent companies of systemically important banks
  Systemically important banks in Switzerland would be required to provide full capital backing for their participations in foreign subsidiaries. A transitional period with a gradual increase over seven years is planned (consultation period: until 9 January 2026).
- Amendment to the Financial Institutions Act (FinIA) | Stablecoins and cryptos
  The aim is providing framework conditions for market development, location competitiveness, and and to align them with international standards. There will be two types of licensed institutions: payment institutions and crypto institutions (consultation until 6 February 2026).

New in force: (selection)

- FINMA Insolvency Ordinance | Consolidation of BIO-FINMA, IBO-FINMA and CISBO-FINMA
  Entered into force on 1 October 2025.

I hope you enjoy reading this update and send you my best wishes!

Tobias Scheiwiller

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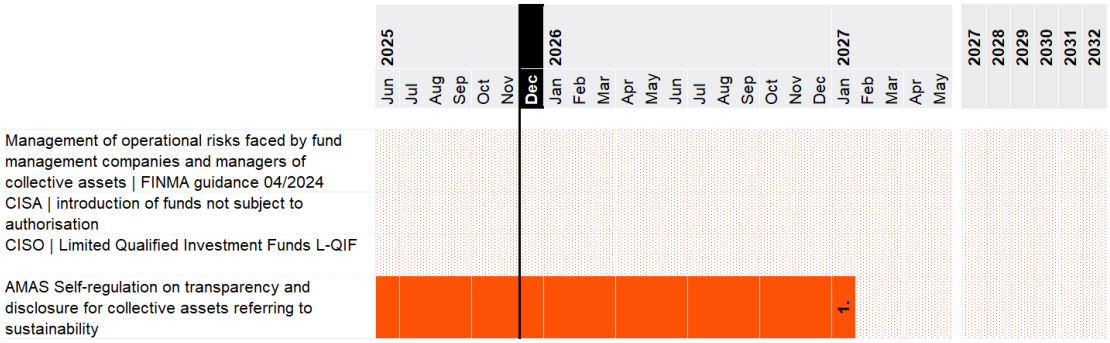

Development
Hearing/consultation
Publication of results of hearing/ consultation/dispatch
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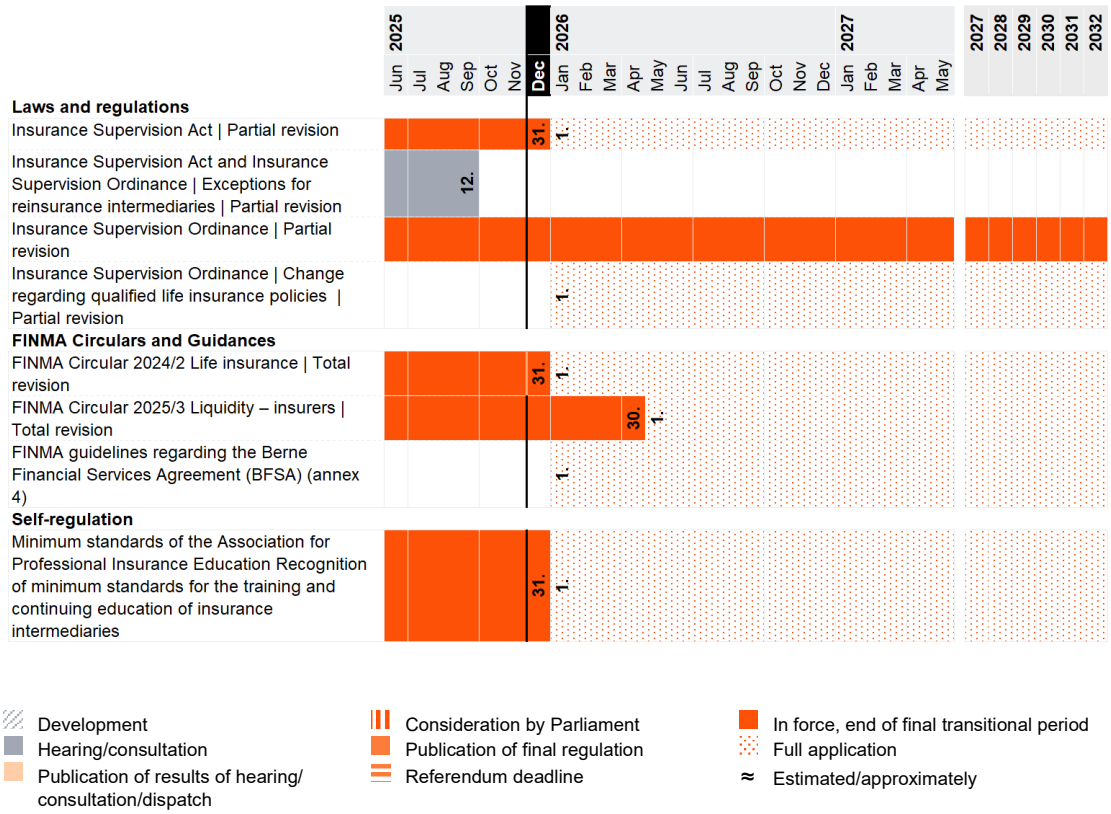
1.4 Insurance Companies



02 Interdisciplinary projects

2.1 Auditing

FINMA auditing ordinance | Transfer of circular 13/3 Auditing

Status: → Consultation until 22 May 2024
→ In force since 1 January 2025

- Examination of the transfer of the circular into a FINMA ordinance on the basis of the ex-post evaluation. A small part of the content remains in the completely revised "Auditing" circular (FINMA circ. 2025/01). At the same time, the circular's previous annexes, which primarily concern the risk analysis and standard audit strategy of audit firms, are now converted into templates.
- Elevation to the level of FINMA ordinance is for formal reasons and is not with the intention of making significant changes to the current auditing activities. Limited portion of the content remains in a circular.

2.2 Anti-money laundering/compliance

Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners (LETA)

Status: → Adopted on 26 September 2025
→ Referendum deadline on 15 January 2026

- The LETA introduces new requirements for legal entities and creates a centralised federal register of beneficial owners (transparency register).
- This register is intended to provide certain authorities with swift and uncomplicated access to reliable information about the beneficial owners of a legal entity.
- It will be maintained by the Federal Department of Justice and Police. An audit unit at the Federal Department of Finance will carry out checks on the accuracy, completeness and topicality of the information in the transparency register. The register will be accessible to certain authorities, and people and entities who are subject to the AMLA.

Ordinances on the transparency of legal entities and combating money laundering and terrorist financing

Status: → Consultation until 30 January 2026
→ Expected entry into force: Q2 2026

- The Ordinance on the Transparency of Legal Entities and the Identification of Beneficial Owners (LETA) contains the implementing provisions to the Anti-Money Laundering Act (AMLA).
- In particular, it stipulates which information must be collected and reported by companies. The Ordinance also defines certain terms in greater detail and sets out the procedure for reporting to the transparency register.
- In this context, we also refer to the amendment of the AMLA, which clarifies the activities now covered by the AMLA after the partial revision and defines supplementary supervisory rules. It also specifies the new rules for simplifying the exchange of information between authorities.
- Other ordinances will be amended in light of the LETA. These include, in particular, the Ordinance on the Money Laundering Reporting Office Switzerland.

Anti-Money Laundering Act (AMLA) | Partial revision

Status: → Adopted on 26 September 2025
→ Referendum deadline on 15 January 2026

- The partial revision of the AMLA extends the scope of the Act.
- Certain consultancy services are now covered by the Act, such as those related to real estate transactions or the establishment and structure of legal entities.
- Other ordinances will be amended in light of the LETA. These include, in particular, the Ordinance on the Money Laundering Reporting Office Switzerland.

2.3 Organisation of financial market

FINMA circular 2025/02 Rules of conduct under the FinSA/FinSO | Publication of new circular

Status: → Consultation until 15 July 2024
→ In force since 1 January 2025

- Publication of basic questions regarding the implementation in practice and interpretation of the code of conduct according to the Financial Services Act (FinSA) and the Financial Services Ordinance (FinSO).
- The circular specifies the way in which clients must be notified so that they can make informed investment decisions. For example, clients should be advised of the type of financial service, risks associated with financial instruments or financial services, and compensation from third parties.

Financial Market Infrastructure Act (FinMIA) | Partial revision

Status: → In revision
→ Consultation until 11 October 2024
→ Entry into force: open (expected in 2027/2028)

- Adjustment of the Financial Market Infrastructure Act (FinMIA) to reflect technological developments and relevant further evolution in international standards and foreign legal systems
- Simplifications and extensions in the area of financial market infrastructures:
  - Strengthen the stability of infrastructures by introducing new specific requirements;
  - Simplify the requirement regarding recognition of foreign trading venues;
  - Increase legal certainty as regards the definition of organised trading facilities and introduce a threshold for the authorisation of payment systems;
- Simplifications and extensions in the area of derivatives trading:
  - Harmonise the reporting standard and take into account international developments of the reporting duty for derivatives transactions;
  - Exempt small non-financial counterparties from the duty to report derivatives transactions;
  - Give consideration to developments in Europe.
- Simplifications and extensions in the areas of disclosure law, takeover law and market abuse provisions:
  - Harmonise, expand and transfer into federal law the issuer obligations that are important for market integrity in order to better prevent market abuse,
  - Modernise the trading supervision and reporting system in order to better identify market abuse by consolidating the existing offices in a central supervisory and reporting office.

Financial Market Infrastructure Ordinance (FinMIO) | Extended transitional period for small non-financial counterparties

Status: → In force since 1 January 2019
→ Transitional period until 1 January 2028

- Preparation of a bill submitted for consultation on the amendment of the Financial Market Infrastructure Act (FMIA).
- Extension of transitional period to 2028 in light of the possible exemption of small non-financial counterparties from the duty to report derivatives transactions.

FINMA guidance 09/2023 | Extension of transitional period art. 131 para. 5bis FMIO

Status:
- → Published: 20 December 2023
- → Extension of transitional period until 1 January 2026

- Basic obligation, as of 2020, in accordance with the transitional provisions set out in art. 131 para. 5bis FMIO for the exchange of securities relating to OTC derivative transactions that are not settled centrally, which involve share options, index options or similar equity derivatives, such as derivatives based on a basket of shares. The original transitional period has already been extended several times.
- Further extension of the transitional period in accordance with art. 131 para. 5bis FMIO until 1 January 2026.

Extension of the international automatic exchange of information in tax matters (AEOI) to crypto assets

Status:
- → Federal Council adopts dispatch approving the list of partner states for the AEOI concerning cryptoassets: 6 June 2025
- → The Federal Council submits to Parliament the dispatch on extending the AEOI to crypto assets: 19 February 2025
- → Entry into force: expected 1 January 2026

- Publication of new reporting framework for AEOI on crypto assets (CARF) by OECD in October 2022. This regulates the handling of crypto assets and their providers.
- The aim is to close gaps in the tax transparency system and ensure equal treatment with traditional assets and financial institutions.
- The Federal Council proposes to automatically exchange information on crypto assets with states and territories with which Switzerland has activated the AEOI. The first exchange of data should take place in 2027.
- At its meeting on 19th February 2025, the Federal Council submitted to Parliament the dispatch on the extension of the international automatic exchange of information in tax matters (AEOI). This expansion concerns the new AEOI on crypto assets as well as the amendment of the standard for the AEOI on financial accounts.
- The proposal additionally aims to make the negligent violation of due diligence, reporting and disclosure obligations an offence and to simplify the inclusion of new AEOI partner states.
- During its meeting on 6 June 2025, the Federal Council adopted the dispatch on the approval of the introduction of AEOI concerning crypto assets with the relevant partner states. These include all EU member states, the United Kingdom and most G20 countries (except the USA and Saudi Arabia). An exchange should only take place if the partner states are interested in exchanging information with Switzerland and if they fulfil the requirements of the crypto-asset reporting framework developed by the OECD.
- On 3 November 2025, the National Council's Economic Affairs and Taxation Committee (EATC) suspended deliberations on the partner states with which Switzerland intends to exchange data in accordance with the CARF. This means that the CARF will be enshrined in law from January 2026, but will not be implemented on 1 January 2026 as planned, but in 2027 at the earliest. The Federal Council therefore also determined at its meeting of 26 November 2025 that the provisions on crypto-assets contained in the AEOIA and the AEOI Ordinance shall not apply in 2026.

New

Amending Protocol to Agreement between Switzerland and EU on automatic exchange of information in tax matters | Alignment with OECD standards

Status: → Consultation until 6 February 2026

→ Entry into force: 1 January 2026 (technical changes, alignment with OECD standards

- The agreement between Switzerland and the EU on the automatic exchange of information on financial accounts to improve international tax compliance (AEOI) is adapted to the revised OECD standard, which Switzerland will implement from 2026 onwards, and also contains new provisions on administrative assistance in the recovery of VAT claims.
- There are no material differences coming with the Amending Protocol. The Protocol also provides for an exemption from the reporting requirement for Swiss-based Qualified Non-Profit Entities. The Amending Protocol was signed in Brussels on 20 October 2025.
- The Amending Protocol now contains provisions for mutual administrative assistance for the recovery of tax claims relating to VAT. The number of requests, and thus the administrative burden for jurisdictions, is limited by imposing a minimum amount for the claims to be recovered. Furthermore, the requested jurisdiction may retain a lump sum to cover its expenses. Finally, it has been agreed that the contracting parties will, within a period of four years, explore the potential for mutual administrative assistance in recovering other tax claims. The outcome of this review has been left open in the Amending Protocol.
- The other provisions of the existing AEOI Agreement, particularly those on the withholding tax exemption for related entities, are not affected by the Amending Protocol and remain in place.
- The Federal Council intends to provisionally apply the technical changes to the automatic exchange of information in accordance with the OECD standard from 1 January 2026. The new provisions on administrative assistance for the recovery of VAT claims are not affected by this.

Financial Market Supervision Act (FINMASA) | Amendment

Status: → Consultation until 3 January 2025
→ Dispatch adopted on 12 September 2025

- The aim of the legislative amendments is to adapt the Swiss legal framework for international cooperation in the financial market sector to both the current circumstances and the needs of Switzerland's financial centre, in order to ensure the openness and global interconnectedness of the Swiss financial system, and to protect customers as well as the integrity, transparency and stability of the financial markets.
- Consequently, the Federal Council is proposing the following amendments to the Financial Market Supervision Act (FINMASA), the Auditor Oversight Act (AOA) and the National Bank Act (NBA), among others:
  - Targeted restriction of the client procedure in FINMA administrative assistance proceedings in cases of market abuse
  - Introduction of a new article on international cooperation in foreign authorities' recognition and audit procedures
  - More precise rules on the direct transmission of information by supervised parties to foreign authorities
  - Creation of a new provision on the cross-border service of documents for supervisory purposes
  - Extension of the provisions on cross-border audits
  - A clear legal framework for remote audits by foreign audit oversight authorities is to be created in the AOA and the participation of the Swiss National Bank in international audit and recognition procedures is to be expressly anchored in law in the NBA.

2.4 Sustainability

Ordinance on climate reporting

Status: → In force since 1 January 2024

- Precise definition of the contents of reporting on climate (in particular on CO_2 targets) required for large Swiss companies as part of the reporting on environmental issues in accordance with the Code of Obligations art. 964a–c. Other environmental issues are not covered by this Ordinance.
- Regulation of the presumption that the climate reporting obligation for large Swiss companies is fulfilled if the reporting is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If a company applies guidelines or standards other than those of the TCFD, it must demonstrate that the reporting obligation is fulfilled in some other way.
- The requirement to integrate climate reporting in the report on non-financial matters and to publish it on the company's website in a digital format (e.g. PDF or XBRL), which is both human and machine readable.
- Requirement to publish the report in an internationally accepted machine-readable digital format within one year of entry into force.

Ordinance on climate reporting | Revision

Status: → Consultation until 21 March 2025
→ Expected entry in force of the modified ordinance: postponed

- At its meeting on 21 March 2025, the Federal Council decided to pause the revision of the ordinance on climate disclosures for companies until there is clarity about possible variants for a pragmatic amendment of the provisions on sustainability reporting and about regulatory developments in the European Union.
- Obligation to report on climate-related matters to be fulfilled in future, if this is done in accordance with an internationally recognised standard or with the sustainability reporting standard used in the European Union.
- The proposal also establishes minimum requirements for net-zero roadmaps (formerly 'transition plans') for the climate-friendly alignment of financial flows that describe the planned path to the net-zero target by 2050. These requirements for financial companies differ from the minimum requirements for companies in the real economy due to the different nature of their business activities.
- Publish reports in machine-readable form and on an international platform.

Adjustment of the Code of Obligation's provisions regarding transparency on non-financial matters

Status: → Consultation until 17 October 2024 (closed)

- Establish an internationally coordinated system for sustainable corporate governance for the protection of people and the environment and take into account the revised EU Directives on:
  - reporting on sustainability; and
  - corporate sustainability due diligence.
- Conduct an in-depth analysis of the effects of the future EU regulation on the due diligence obligations of third-country firms also active in the EU in the areas of human rights and the environment by the end of 2023.
- Draft a bill submitted for consultation to adjust sustainability reporting by June 2024;
  - Lowering the sustainability reporting requirement threshold from 500 to 250 employees;
  - Complying with specific and extensive due diligence and reporting obligations for companies with risks in the areas of child labour and conflict minerals;
  - Mandatory review by external auditors;
  - Choice of sustainability reporting according to EU standard or other equivalent standard (e.g. OECD standard).

Prevention of greenwashing in the Swiss financial sector (AMAS, SBA and SIA)

Status: → Entry into force of the self-regulations: 1 September 2024
→ Transitional period until 1 January 2027

- The Federal Council sees the financial sector's new self-regulation against greenwashing as progress in implementing the Federal Council's position on preventing greenwashing in the financial sector.
- The self-regulations of the Swiss Bankers Association (SBA), the Asset Management Association (AMAS) Switzerland and the Swiss Insurance Association (SIA) have been published and brought into force, with transitional periods for implementation applying in some cases until 1 January 2027.
- Self-regulation on transparency and disclosure of sustainability-related collective assets (AMAS): see Chapter 3.8;
- Guidelines for financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and asset management (SBA): see Chapter 4;
- Self-regulation to prevent greenwashing in unit-linked life insurance policies with a sustainability focus (SIA). The self-regulation implements various aspects of the Federal Council's position, in particular:
  - guidelines for the definition of sustainable investment objectives;
  - the description of the sustainability approaches used;
  - accountability for this;
  - the audit of the implementation by an independent third party.
- Open points remain with regard to the fulfilment of self-regulation through the application of EU law and with regard to the permissible frame of reference for sustainability targets and enforceability.
- The Federal Council instructs the FDF to re-evaluate the need for action with regard to the full implementation of the Federal Council's position as soon as the European Union has published any amendments to its SFDR, but no later than the end of 2027.

FINMA circular 26/01 Nature-related financial risks | Publication of new circular

Status: → Consultation until 31 March 2024
→ Entry into force: 1 January 2026 with transitional provisions; full applicability as of 1 January 2028

- Specification of FINMA's supervisory expectations regarding the management of nature-related financial risks and the extent to which these must be taken into account in corporate governance and institution-wide risk management.
- In particular, it specifies criteria for assessing the materiality of risks and how scenario analyses are to be incorporated. It also sets out how the main nature-related financial risks are to be embedded as risk drivers in the existing management of credit, market, liquidity and operational risks as well as in insurance activities.
- The circular is based on the current recommendations of the international standard-setters.
- The addressees are banks, securities firms and insurance companies in all supervisory categories and applying the principle of proportionality.
- The circular will enter into force on 1 January 2026 and will initially apply exclusively to climate-related financial risks. This takes into account the differing degrees of maturity of the topics of "climate risks" and "other nature risks" as well as the state of preparation by the institutions. Banks and insurers in supervisory categories 3 to 5 have one year longer to comply with the provisions relating to climate-related financial risks (until 1 January 2027). The circular will apply to all nature-related financial risks from 1 January 2028.

2.5 Other topics

Code of Obligations | Amendment to the Law on companies limited by shares (gender quota and transparency rules for the commodity trading sector)

Status: → In force since 1 January 2021
→ Transitional periods up to 31 December 2030 at the latest

- Gender quotas for the Board of Directors (min. 30% each) and Executive Board (min. 20%) of large, listed companies (>250 employees), 'comply or explain' clause, with transitional period for disclosing the information in the compensation report for
  - Board of Directors: at the latest as of the financial year beginning 5 years after the entry into force;
  - Executive Board: at the latest as of the financial year beginning 10 years after the entry into force.
- Increased transparency requirements applicable to the commodities sector through the disclosure of payments to state-owned entities.
  - First-time application for the financial year beginning one year after the entry into force.

Promotion of open finance in Switzerland

Status: → The Federal Council considers industry progress to be sufficient, so no further regulatory measures are planned for the time being.

- Open finance is to be expanded by promoting the exchange of financial data via standardised, secure data interfaces at the request of clients.
- In principle, the Federal Council favours a market-based approach.
- There is a demand for more tangible progress and greater commitment when opening up data interfaces.
- Had the financial sector not displayed sufficient commitment to opening up these interfaces, measures would have been developed by June 2024.
- However, the Federal Council considers recent progress made by the industry to be sufficient at this point in time, and will therefore not be proposing any further regulatory measures.

New

FINMA Guidance 05/25 | Operational resilience for banks, persons under Article 1*b* BA, securities firms and financial market infrastructures

Status: → Published on 10 November 2025

- This guidance is based on the findings of a data survey conducted by FINMA as of 31 December 2024 among 267 banks, securities firms, financial groups and financial market infrastructures (hereinafter "institutions") on the topic of ensuring operational resilience.
- The purpose of the guidance is to raise awareness of the subject of operational resilience so that the various regulatory requirements can be effectively implemented and operational resilience to growing threats and operational shocks strengthened in a targeted manner.
- The findings from the data survey, the regular supervisory discussions and the *Horizontal Reviews of Operational Resilience 2025* currently still show a very heterogeneous picture with regard to the interpretation of the supervisory requirements, the implementation status and the degree of maturity of operational resilience at the supervised institutions.
- From 1 January 2026, institutions, regardless of their supervisory category, must take measures to ensure operational resilience, taking into account serious but plausible scenarios. These measures are expected to improve the operational resilience of the individual institution.
- Institutions should continue to focus on activities to ensure operational resilience with a preventive character and on suitable measures in order to operate critical functions in a resilient manner (resilience by design)
- At the same time, FINMA will continue and intensify its institution-specific supervisory activities to ensure operational resilience. In particular, there are plans to conduct scenario analyses in greater depth and to create the conditions for sector-wide testing in the long term. FINMA is also monitoring international developments such as those of the IAIS, and examining to extend the supervisory requirements to other supervised institutions.

Information Security Act (ISA) and Cybersecurity Ordinance (CSO) | Cyberattack reporting obligation

Status: → Cybersecurity Ordinance (CSO): Consultation until 13 September 2024
→ In force since 1 April 2025

- The Federal Council has decided that the new Cybersecurity Ordinance (CSO), along with the amendment to the Information Security Act (ISA) of 29 September 2023, will enter into force on 1 April.
- The main objective of the new regulation is to establish a cross-sector mandatory reporting of cyberattacks to the National Cybersecurity Centre (NCSC) within 24 hours of detection.
- This new reporting obligation to the NCSC also applies to institutions subject to the Banking Act, the Insurance Supervision Act, and the Financial Market Infrastructure Act (Art. 74b par. 1 let. e ISA). These institutions are now subject to a dual reporting obligation, as the existing reporting requirement for FINMA-regulated institutions to FINMA, based on Art. 29 par. 2 FINMAG and specified in FINMA Guidance 05/2020 and 03/2024, remains in effect.
- Unlike other sectors, there is no exemption for small institutions or for cyberattacks with only minor impacts on business operations.
- The criteria for mandatory reporting are:
  - If the functionality of the affected critical infrastructure is compromised;
  - If information is manipulated or disclosed;
  - If the attack remains undetected for an extended period, particularly if there are indications that the attack has been executed as a preparation for further cyberattacks; or
  - If extortion, threats, or coercion are involved.
- Institutions can submit the initial report (within 24 hours of detection) via the NCSC and have it forwarded to FINMA. The complete report (within 72 hours) must be submitted to FINMA as before.
  –

FINMA-guidance 03/2024 | Findings from cyber risk supervisory activities, clarification of FINMA guidance 05/2020 and scenario-based cyber exercises

Status: → Published: 7 June 2024

- FINMA publishes its findings from its supervisory activities in the area of cyber risks, points out repeatedly identified deficiencies and specifies the obligation to report cyberattacks and scenario-based cyber risk exercises.
- Cyberattacks in recent years have mainly affected outsourced services. Governance in dealing with cyber risks also often has weaknesses.
- FINMA clarifies the FINMA Guidance 05/2020 'Duty to report cyberattacks in accordance with Art. 29 para. 2 FINMASA' with regard to the reporting deadline and scope.
- FINMA is expanding its supervisory instruments and defining risk-based, scenario-related cyber exercises that institutions to which FINMA Circular 23/1 applies must conduct in accordance with the principle of proportionality:
  - Systemically relevant institutions: Red-teaming exercises (security experts assume the role of an attacker and attempt to attack and circumvent a company's cybersecurity measures by copying the attack method of a 'malicious' hacker);
  - Non-systemically important institutions: At least one annual table-top cyber exercise (simulation and play-through of a scenario on paper [dry run]);
  - Institutions in supervisory categories 4 and 5: Under certain conditions, they can carry out the exercises of the Swiss Financial Sector Cyber Security Centre (Swiss FS-CSC).

Ordinance to the Federal Act on Data Protection (OFADP) | Amendment to the FADP

Status: → Amended Data Protection Ordinance in force since 15 September 2024

- Amendment to the Data Protection Ordinance approved by the Federal Council; the US added to the list of countries with adequate data protection.
- The respective amendments will apply as of 15 September 2024.
- With the Swiss-US Data Privacy Framework, personal data can in future be transferred from Switzerland to certified companies in the United States without additional guarantees.
- The certification for US companies ensures compliance with data protection measures and data protection guarantees; in other words, companies shall process data only for the purposes for which it was collected.
- The Swiss-US Data Privacy Framework creates a level playing field for private individuals and companies in Switzerland.

FINMA Insolvency Ordinance | Consolidation of BIO-FINMA, IBO-FINMA and CISBO-FINMA

Status: → Consultation until 9 December 2024
→ In force since 1 October 2025

- The provisions of the new ordinance are largely based on the three ordinances (BIO-FINMA, IBO-FINMA, CISBO-FINMA). This lays down the procedure for the restructuring and bankruptcy of financial market institutions that fall under FINMA's insolvency jurisdiction in a single set of rules. The special features of individual categories of institution are taken into account.
- All existing regulations were reviewed and selectively adapted, taking into account relevant findings from theory and practice.
- The BIO-FINMA, IBO-FINMA and CISBO-FINMA are repealed with the entry into force of the new FINMA Insolvency Ordinance on 1 October 2025.

03 Banks/securities firms

3.1 Financial market stability: "Too-big-to-fail" reform package

Dec 2023	Apr 2024	Dec 2024	Mar 2025	Jun 2025	Not earlier than Jan 2027
FINMA report „Lesson learnt from the CS crisis"	Report of the Federal Council	PInC report of CS emergency merger	Parliamentary discussion	Parameters of the Federal Council	Reforms in the banking sector

Implementation of the measures from the report of the Federal Council on banking stability and the report of the Parliamentary Investigation Committee (PInC report on the CS emergency merger)

Status:
- → Consultation on the amendments to the Capital Adequacy Ordinance (CAO) until 29 September 2025
- → Consultation on the amendements to the Banking Act and the CAO until 9 January 2026
- → Additional consultations following in Q2 2026

- April 2024 Report of the Federal Council on banking stability, incl. package of measures
- **December 2024 PInC report on the CS emergency merger:** Six postulates and four motions (and 20 recommendations) have been formulated. All 10 initiatives have been approved by the Parliament and forwarded to the Federal Council for implementation of the motions and examination of the postulates.
- Motions:
  - Revision of the purpose article of the «Too-big-to-fail» regulation;
  - Limiting capital and liquidity requirements alleviations for SIBs;
  - Strengthening FINMA's powers regarding SIBs;
  - Extending the competence of the SNB in relation to extraordinary liquidity assistance for SIBs.
- Postulates:
  - Reducing the conflicts of interests in the context of bank auditing;
  - Revising early detection capabilities and strengthening the Federal Chancellery's role;
  - Avoding adverse incentives from the SIBs' remuneration system and dividends;
  - Enhancing FINMA's Governance;
  - Strengthening shareholder voting rights in large systemically important companies;
  - Revise current criteria to enhance SIB management bodies' responsibility towards the Swiss economy and taxpayers.
- **June 2025 Parameters Federal Council:** To improve the too-big-to-fail regime, the Federal Council set out the measures from its report April 2024 report and the PInC report from December 2024 and determined the parameters for the corresponding amendments to acts and ordinances. The package of measures is divided into three main categories: strengthening prevention, expanding crisis toolkit, and strengthening liquidity. Targeted measures are assigned to these categories. The parameters include extensive requirements for institutions supervised by FINMA. These particularly affect governance (e.g., senior managers regime), capital and liquidity requirements (e.g., stricter capital requirements for SIBs with

foreign subsidiaries), remuneration systems, and supervisory powers (e.g., increased competences for FINMA), supplemented by a mandatory 10-year audit firm rotation requirement for all supervised institutions. Consultations on all measures will be conducted in stages starting in autumn 2025.

3.2 Accounting and reporting

FINMA Accounting Ordinance and total revision of FINMA circular 20/1 Accounting – banks

Status: → In force since 1 January 2020
→ Transitional periods for the creation of value adjustments for expected losses and for inherent default risks until 31 December 2025 at the latest

- Application of the provisions for the creation of value adjustments for default risks for the FY2021 financial statements at the latest.
- The intention is for value adjustments to be created on a straight-line basis for expected or inherent default risks during a transitional period lasting until 31 December 2025.
- The amount of any shortfall may also be booked in full at an earlier date up to the end of 2025.

3.3 Disclosure

FINMA Ordinance on the Disclosure of Risks and Capital Requirements and the Principles of Corporate Governance (DisO-FINMA) | Replaces FINMA circular 16/1

Status: → Consultation until 25 October 2022
→ In force since 1 January 2025

- Replacement of current FINMA circular 16/1 'Disclosure – banks' by a FINMA ordinance.
- Extension of the duties of disclosure in the areas of:
  - Credit valuation adjustment (CVA);
  - Regulatory treatment of problematic activities;
  - Qualitative and quantitative information on operational risks;
  - Comparison of risk-weighted assets calculated using model-based and standardised approaches;
  - Encumbered/ceded assets.
- Adjustment of the existing individual disclosure templates and tables.

3.4 Capital adequacy/risk diversification

Capital Adequacy Ordinance (CAO) | Basel III framework revision – Post-crisis reforms

Status:
- → Publication of the ordinances to implement the final Basel III standards (March 2024)
- → In force since 1 January 2025
- → Phased increase of output floors for internal model-based approaches until 2028

- Despite delays in some countries and the partial postponement (mainly EU and USA) of selected new requirements in the area of market risks (FRTB), the Federal Council is not deviating from its previous timetable; full Basel III final regulation will therefore enter into force in Switzerland on 1 January 2025
- Adjustment of the standardised approach for weighting credit risks through
  - Greater differentiation of risk weights rather than using flat rates, especially for exposures secured by residential or commercial property depending on the loan-to-value ratio; and
  - Further assessment requirements for the application of external ratings.
- Use of the advanced IRB approach not allowed for certain exposure classes, especially exposures to corporates and to financial institutions.
- Adjustment of the calculation methodology of credit valuation adjustments (CVAs).
- Replacement of previous approach to minimum capital requirements for operational risk (basic indicator, standardised and advanced measurement approaches) by a standardised approach based on earnings and historical losses.
- Adjustment of the calculation methodology of the leverage ratio and introduction of a leverage ratio buffer for global systemically important banks (G-SIBs).
- Output floor set for the internal model-based approaches at a minimum 72.5% of risk-weighted assets calculated using the standardised approaches.
- Simplified implementation of the rules for category 3 to 5 banks.
- Replacement of the previous FINMA circulars by FINMA ordinances:
  - Ordinance on the Trading Book and Banking Book and Eligible Capital (TBEO-FINMA): Replaces FINMA circular 13/1 'Eligible capital – banks';
  - Ordinance on the Leverage Ratio and Operational Risks (LROO-FINMA): Replaces FINMA circular 15/3 'Leverage ratio – banks' and the quantitative part of the FINMA circular 08/21 'Operational risks – banks';
  - Ordinance on Credit Risks (CreO-FINMA): Replaces FINMA circular 17/7 'Credit risks – banks';
  - Ordinance on Market Risks (MarO-FINMA): Replaces FINMA circular 08/20 'Market risks – banks'.

Amendment of the Capital Adequacy Ordinance (CAO) | Implementation of measures contained in the Federal Council report on banking stability and in the report of the Parliamentary Investigation Committee on the Credit Suisse emergency merger (PInC report)

Status: → Consultation until 29 September 2025

- The consultation draft amending the Capital Adequacy Ordinance (CAO) aims to strengthen the focus on prevention and implement the following measures:

– Tighten regulatory requirements regarding the prudent valuation and the recoverability of certain balance sheet items (such as software or deferred tax assets);

– Strengthen the risk-bearing function of AT1 capital instruments on a going-concern basis (more precise information on the maturity and suspension of interest payments for AT1 instruments);

- In addition, liquidity requirements will be adjusted. To enable FINMA and the authorities to assess the situation of banks in a liquidity crisis at any time, affected banks will be required to promptly submit complete and up-to-date information and scenario analyses.
- Please also refer to Chapter 3.1 "Financial Market Stability: Too-Big-to-Fail Reform Package" for a comprehensive overview.

New

Amendment to the Banking Act (BA) and the Capital Adequacy Ordinance (CAO) | Capitalisation of foreign participations by parent companies of systemically important banks

Status: → Consultation until 9 January 2026

- Under the draft amendments to the BA and the CAO, systemically important banks in Switzerland would be required to provide full capital backing for their participations in foreign subsidiaries in future. A transitional period with a gradual increase over seven years is planned. This new regulation only applies to systemically important banks with foreign participations.
- Systemically important banks should fully deduct the carrying value of participations in foreign subsidiaries from CET1 capital to ensure that valuation losses on foreign subsidiaries no longer directly impact on the capitalisation of the Swiss parent company.
- The main benefits of higher capitalisation lie in the recovery phase. In this critical phase, during which the bank is still able to act autonomously, it should be able to dispose of foreign subsidiaries in part or in whole without adverse consequences and to protect against foreign losses for both clients and creditors of the parent company.
- The measure takes account of the fact that, compared to other locations for global systemically important banks, Switzerland is a special case as regards the importance of the foreign market.
- It is planned to grant the affected banks a transitional period of seven years, depending on the progress of the parliamentary debate. The CET1 capital backing should amount to 65% upon the provision's entry into force, rising by 5 percentage points annually thereafter until the target of 100% is reached.
- We refer also to Implementation of the measures from the report of the Federal Council on banking stability and the report of the Parliamentary Investigation Committee (PInC report on the CS emergency merger) for a comprehensive overview

Too-big-to-fail instruments for withholding tax | Transitional solution for temporary extension of special regulations

Status: → Extension of the special regulations: until 31 December 2031

- Since 1 January 2013, the Federal Withholding Tax Act has included time-limited exemption provisions for interest from too-big-to-fail (TBTF) instruments (such as bail-in or write-off bonds). These have already been extended twice, most recently until 31 December 2026, and the Federal Council has extended them again until 31 December 2031.
- Banks should continue to be able to raise capital from Switzerland at competitive conditions. Without an additional extension, interest on TBTF instruments issued after this date would be subject to withholding tax.
- Avoidance of legal loopholes: As the amendments to the Withholding Tax Act (WHTL) cannot come into force by 1 January 2027, a temporary extension of the exemption provisions of the TBTF instruments is planned until the amendment to the Withholding Tax Act (WHTL) comes into force, but no later than 31 December 2031.

FINMA Guidance 07/2024 | Calculation of minimum capital for operational risks: exclusion of loss events

Status: → Published: 13 December 2024

- From 1 January 2025, minimum capital requirements for operational risks will be calculated in accordance with the Capital Adequacy Ordinance of 1 June 2012 (CAO; SR 952.03) and the FINMA Ordinance of 6 March 2024 on the Leverage Ratio and Operational Risks of Banks and Securities Firms (LROO-FINMA; SR 952.033.11). These two ordinances contain requirements and implementing provisions for the standardised approach for calculating minimum capital requirements for operational risks and, in particular, for the business indicator, business indicator component, internal loss multiplier and loss component.
- Banks may exclude loss events that are no longer relevant from the calculation of the loss component if certain requirements are met (Art. 93a paras. 3 and 4 CAO). The guidance sets out these requirements and examples and refers to the relevant implementing provisions from the explanatory notes to the final Basel III standards.

FINMA Circular on risk diversification and limitation of intra-group positions | Incorporation of Circular into a FINMA Ordinance on risk diversification for banks and securities firms (RDO-FINMA)

Status: → Consultation until 29 September 2025
→ Expected approval: Q2 2026
→ Expected entry into force: 1 Januar 2027

- The implementing provisions of the large exposure regulations are to be incorporated into a FINMA ordinance.
- In terms of content, the transfer to ordinance level results in only a few material changes
- Material changes concern the rules for measuring trading book positions when applying the final Basel III standardised approach for market risks, which has only been available since 1 January 2025. In addition, updates on the handling of guarantees by foreign group entities are included in relation to intra-group positions.

3.5 Liquidity

Banking Act (BankA) | Public liquidity backstop

Status:
- → Federal Dispatch published 6 September 2023
- → Consideration by Council of States suspended: 10 March 2025

- Public liquidity backstop to allow the Confederation and the Swiss National Bank to bolster the liquidity of a systemically important bank if this is required for it to continue as a going concern.
- Measures for systemically important banks regarding remuneration during the period of recourse to state aid.
- Clarification of the provisions relating to the reserve capital, reporting obligations and maintenance of a register by cooperative banks.
- Charging systemically important banks an annual lump sum for the risk of a potential provision of a default guarantee.
- Provisions on liquidity assistance loans, guarantees, further measures and merger-related transactions, which were based on the Emergency ordinance of 16 March 2023.
- The amendment to the Banking Act (BankA) concerning the Public Liquidity Backstop has been suspended for the time being. This amendment will be postponed until the Federal Council submits its dispatch on the adaptation of the 'too-big-to-fail' regulations to Parliament. We refer here to the additional context provided in Chapter 3.4, 'Amendment of the Capital Adequacy Ordinance (CAO) | Implementation of the measures from the Federal Council's report on banking stability and from the report of the parliamentary commission of inquiry (PUK report on the CS emergency merger).'

FINMA Circular on Liquidity Risks – banks | Incorporation of the circular into a FINMA ordinance on liquidity for banks and securities firms (LiqO-FINMA)

Status:
- → Consultation until 29 September 2025
- → Expected approval: Q2 2026
- → Expected entry into force: 1 January 2027

- The implementing provisions on the liquidity requirements are to be incorporated into a FINMA ordinance.
- Amendments are planned, which are currently in the consultation phase. On the one hand, these amendments are related to the Federal Council's "Too-big-to-fail" work, and on the other hand, Article 7 paragraph 1 LiqO is to be supplemented with the requirement for liquidity and financial planning. The new LiqO-FINMA ordinance adopts the existing content of FINMA Circular 2015/2 and contains technical implementing provisions for the planned amendments to the LiqO. In addition, the LiqO-FINMA takes account of specific industry concerns.

3.6 Credit business

SBA Guidelines on minimum requirements for mortgage loans | Adjustment

Status: → Recognition by FINMA as a minimum regulatory standard on 27 March 2024
→ In force since 1 January 2025 (simultaneous with final Basel III standards)

- Reduction of the minimum requirements for investment property mortgage loans.
- Repeal of the tighter requirements imposed in 2019 and standardisation of the specifications for all property types:
  - Minimum down payment: 10%;
  - Maximum amortisation period to two thirds of the collateral value: 15 years.

SBA Guidelines on assessing, valuing and processing loans secured against property | Adjustment

Status: → Recognition by FINMA as a minimum regulatory standard on 27 March 2024
→ In force since 1 January 2025 (simultaneous with final Basel III standards)

- Inclusion of regulations on not-for-profit social housing.
- Obligation to record the purchase price, the collateral's value and the basis for calculation of each real estate collateral.
- Requirements regarding the independence of internal bank functions in the valuation of real estate collateral and in the use of valuation models.
- Provisions for plausibility checks of creditworthiness and sustainability in cases of periodic resubmission.

FINMA Guidance 02/2025 | Risks in the real estate and mortgage markets

Status: → Published: 22 May 2025

- FINMA summarises the results of its supervisory activities on the risks in the real estate and mortgage markets and explains its expectations with regard to the regulatory requirements in the mortgage lending business.
- The guidance is primarily aimed at banks. Other institutions supervised by FINMA, such as insurance companies, are generally exposed to the same risks in the mortgage sector. FINMA applies the same principles to their supervision.
- FINMA observes weaknesses and need for regulatory improvement:
  - Mortgage lending:
  - In its supervisory activities, FINMA observes that many banks tend to set loose affordability criteria in their internal guidelines and grant a high proportion of loans outside the affordability criteria they have set themselves (exceptions to policy – ETP). Examples of affordability criteria that it considers to be sustainable:
  - For the owner-occupied residential property segment: an ETP affordability limit of 33% of sustainable gross income together with an imputed mortgage interest rate of 5% of the loan amount and imputed building-related maintenance costs of 0.8% of the collateral value (for new properties); an ETP affordability limit of 38% of sustainable net income together with an imputed mortgage interest rate of 5% of the loan amount and imputed building-related maintenance costs of 0.8% of the collateral value (for new properties);
  - For the income-producing real estate segment: an ETP affordability limit of 100% of the sustainable net rental income together with an imputed mortgage interest rate of 5% of the loan amount and imputed building-related maintenance costs that reflect the age and condition of the property.
  - The use of lower capitalisation rates to value investment properties represent a property valuation risk. The industry self-regulation recognised by FINMA represents a minimum regulatory standard that is tightened up by the institutions where necessary. The institutions must document the method and the statistical basis for the property valuation and validate the valuation models used annually.
  - FINMA observes major risks to reputation in the lending business. It recommends that banks systematically record, limit and monitor any reputational risks in a way that is comprehensible to knowledgeable third parties, for example as part of the loan application during the lending process.
  - Loan-to-value ratios and amortisation:
    FINMA expects the banks to comply with the requirements for loan-to-value ratios and amortisation contained in the self-regulation that reflect the regulatory minimum standards. It also expects the banks to define segment-specific internal requirements for loan-to-value ratios and amortisation that correspond to the risks, in addition to the minimum requirements. Due to the current risk situation, it therefore advises setting lower loan-to-value limits for investment properties, including buy-to-let financing, and higher amortisation requirements.

3.7 Organisation/risk management

FINMA circular 23/1 Operational risks and resilience – banks | Total revision of FINMA circular 08/21

Status: → In force since 1 January 2024
→ Transitional periods for operational resilience aspects until 31 December 2025

- Reclassification of the quantitative capital requirements for operational risks into the final Basel III regulations.
- Clarification of the role and responsibilities of the Board of Directors in relation to operational risks.
- Obligation to regularly and independently assess the effectiveness of key controls and the separation of duties, responsibilities and competences to ensure independence and to prevent conflicts of interest.
- Obligation to perform risk and control assessments of significant changes in the products, activities, processes and systems.
- Requirements for minimum periodicity and content of internal reporting to the supreme governing body and to the management.
- Requirements for change management in the field of information and communication technology (ICT) and ensuring the separation of ICT environments for development, testing and production.
- Expansion of the specifications for operating the ICT infrastructure and incident management.
- Clarification of measures for managing cyber risks.
- Clarification of the handling of critical data and increasing the desired level of protection compared to previous specifications.
- Adoption of an updated version of the previous SBA Recommendations for Business Continuity Management (BCM).
- Implementation of operational resilience specifications.
- Relaxation of the rules for banks and investment firms in supervisory categories 4 and 5, as well as banks in the regime for small banks and non-account-holding securities firms.

New

FINMA Circular 2019/2 Interest rate risks – banks | Partial revision

Status: → A partial revision is planned in 2026

- A partial revision of FINMA Circular 2019/2 Interest rate risks – banks is planned in 2026.
- FINMA evaluated aspects that had led to in-depth discussions in the national "interest rate risks" working group and the consultation on the circular during the drafting of Circular 2019/2. In particular, this was due to room for interpretation or ambiguities regarding the applicable international standard as well as to not knowing the implementation in other jurisdictions at the time.
- The analyses now completed by FINMA in this regard included a legal comparison with other jurisdictions, in particular the EU and the UK. This comparison confirmed the appropriateness of Switzerland's implementation of the aspects discussed.
- The evaluation also shows that there is room for improvement regarding some aspects. For example:

– the applicable proportionality rules should be improved;

– the minimum requirements for validation should be defined more precisely;

– possible improvements to the interest rate shock scenarios published in July 2024 by the Basel Committee should be incorporated.

3.8 FinTech

New

Amendment to the Financial Institutions Act (FinIA) | Stablecoins and cryptos

Status: → Consultation until 6 February 2026

- The bill aims at improving the framework conditions for the market development, the attractiveness of the Swiss financial centre and integration of innovative financial technologies into the existing financial system. At the same time, it should mitigate related risks to financial stability, integrity, and investor and consumer protection.
- Many foreign jurisdictions have imposed supervision on stablecoins and services with cryptocurrencies, and corresponding international standards have been introduced. With the proposed amendment Switzerland aligns with the international standards.
- Two new licence categories are proposed:
  - **Payment instrument institutions**: This replaces the existing fintech licence, with specific adjustments aimed at improving attractiveness and consumer protection. For instance, client funds should be segregated in the event of institution failure, i.e. they would not be included in the bankruptcy estate. In addition, the existing CHF 100 million limit on taking client deposits will be removed, which should allow these institutions to grow and take advantage of economies of scale. Payment instrument institutions will be allowed to issue a special type of stablecoin, but they are subject to special obligations in this regard. Moreover, the anti-money laundering due diligence requirements relating to stablecoin issuance have been defined in greater detail.
  - **Crypto-institutions**: Crypto-institutions provide various services with cryptocurrencies. In terms of content, the new licensing and operating criteria are based on those for securities firms but are less comprehensive, as crypto-institutions do not provide services with financial instruments. Moreover, crypto-institutions and other entities that provide services with cryptocurrencies will have to meet certain requirements to prevent conflicts of interest.

3.9 Sustainability

SBA guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management | Revised self-regulation

Status: → Publication of the directive on the revised self-regulation: 19 June 2024
→ In force since 1 September 2024, with transitional periods until 1 January 2026 and 1 January 2027 respectively

- Binding self-regulation for SBA members; non-members can adopt the guidelines on a voluntary basis. These guidelines are **currently neither recognised nor approved as self-regulation by FINMA** and therefore do not constitute regulatory requirements.
- Based on the guidelines that entered into force on 1 January 2023, establish a uniform minimum standard for consideration of ESG preferences and ESG risks in investment advice and portfolio management to prevent greenwashing.
- Over the past few months, the industry associations have further developed and elaborated their self-regulation in close cooperation with the authorities in order to reflect comprehensively the Federal Council's position on greenwashing prevention in the financial sector of 16 December 2022. The existing versions of the AMAS and SBA 'Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and asset management' have been supplemented and made more specific. They entered into force on 1 September 2024, with corresponding transition periods.

SBA Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management | Removal of transaction-based investment advice from scope of application

Status: → In force since 3 October 2023

- Binding self-regulation for SBA members; non-members can adopt the guidelines on a voluntary basis. These guidelines are **currently neither recognised nor approved as self-regulation by FINMA** and therefore do not constitute regulatory requirements.
- Clarification that ESG preferences do not need to be collected for non-portfolio-based investment advice services (i.e. transaction-based investment advice).
- The transitional periods of the guidelines that came into force on 1 January 2023 will not be adjusted.

3.10 Other topics

Banking Act (BankA) | Insolvency, deposit insurance, segregation

Status: → In force since 1 January 2023

- Measures to improve depositor and customer protection:
  - Period in which insured deposits are paid out in the event of bankruptcy shortened to seven working days;
  - Banks may deposit securities with a secure third-party custodian or grant cash loans to the deposit insurance institution amounting to 50% of the contribution obligation;
  - Relaxation of requirement to hold liquidity for potential cash outflows to the depositor protection scheme;
  - The scheme's systemic upper limit is to be increased to 1.6% of the total amount of insured deposits and at least CHF 6 billion;
  - Obligation of each bank to make preparations rapidly to draw up payment schedules, contact depositors and execute payments on the basis of the lists of depositors.
- Legal basis of instruments for restructuring banks which affect the rights of owners and creditors and were previously only regulated in the FINMA Banking Insolvency Ordinance (BIO-FINMA), which was replaced by the FINMA Insolvency Ordinance as of 1 October 2025.
- Introduction in the Federal Intermediated Securities Act (FISA) of the obligation to segregate proprietary assets and customers' assets recorded in custody accounts throughout the entire domestic 'custody chain' and for the first 'link' in the custody chain abroad.
- Improving the function of the Swiss mortgage bond system in the event of the insolvency of a member bank by adapting the Mortgage Bond Act (MBoA).
- Adjustment of banks' self-regulation to protect privileged deposits within five years at the latest.

Banking Ordinance (BankO) | Insolvency, deposit insurance

Status: → In force since 1 January 2023
→ Transition period to deposit half of the mandatory contribution in the form of securities or cash loans until 30 November 2023

- Adoption of the amendments to the Banking Act on the topics of insolvency and deposit insurance.
- Resolvability:
  - Requirements regarding the assessment of the ability to restructure and liquidate international systemically important banks in Switzerland and abroad;
  - Clarification of the financial and organisational requirements for companies not subject to supervision that belong to a systematically important banking group and that are material to its business.
- Deposit insurance:
  - Definition and description of privileged deposits, amounts and depositors;
  - Adoption of detailed provisions in the areas of IT infrastructure, personnel and processes for preparatory measures that ensure, in the course of normal business activities, a payment schedule is drawn up, depositors are contacted, and the privileged amounts are guaranteed;
  - Further provisions for systemically important banks and relaxation of the rules for banks with fewer than 2,500 depositors;
  - Review of preparatory measures by regulatory audit firm as part of the basic regulatory audit.
- Measures in the event of insolvency risk:
  - To enable the issue of financial instruments in the event of the restructuring of cantonal banks.
- Determination of the supervisory categories of banks:
  - Adjustment and increase of the thresholds for total assets, insured deposits and assets under management to take account of developments in the financial market;
  - Introduction of a requirement to review the thresholds at least every five years.
- Adaptation of the Mortgage Bond Ordinance (MBoO):
  - Clarification of the rules governing the management of coverage, in particular its classification and safekeeping;
  - Clarification of the tasks of the investigating officer appointed by FINMA in cooperation with the central mortgage bond institutions.

SBA Directives on the Independence of Financial Research (2018) | Adjustment

Status: → In revision

- Adjustment of the guidelines of the Swiss Bankers Association recognised by FINMA as a minimum standard.

FINMA circular Consolidated supervision of financial groups under the BA and FinIA | Publication of new circular

Status: → Consultation until 1 November 2024
→ Publication FINMA Circular 2025/04: 19 March 2025
→ In force since 1 July 2025

- Documentation of the current practice of consolidated supervision of financial groups under the Banking Act (BA) and FinIA, with clarifications and specifications in selected key areas from a supervisory perspective
- Economic perspective of an institution relevant for consolidated supervision, not legal form
  - Broad definition of business activity ("provision and brokerage of financial services");
  - Links between the entities involved: existence of an economic unit (e.g., control via majority shareholding; legal obligation to provide assistance; *de facto* obligation to provide assistance).Special purpose vehicles (e.g. SPVs) must also be included
- Principle of proportionality: preventive isolation measures instead of consolidated supervision in exceptional cases, e.g. ring fencing, especially if the institution is part of a foreign financial group.
- The specific implications of consolidated supervision are based on the provisions of the Banking Ordinance (Art. 24 BO). The requirements listed in the circular can be grouped according to quantitative and qualitative aspects, the latter including, for example, elements of corporate governance at group level.
- The circular formalizes current practice. This also provides an opportunity to clarify older consolidation structures directly with FINMA.

FINMA guidance 08/2023 | Staking

Status: → Published: 20 December 2023

- Regulation of various legal interpretation issues related to staking services in the custody of crypto-based assets.
- Overview of risks and risk mitigation measures for various variants of staking crypto-based assets.

FINMA guidance 06/2024 | Risks and requirements for stablecoin issuers and guaranteeing banks

Status: → Published: 26 July 2024

- With the supplement to the guidelines for subordination requests regarding initial coin offerings (ICOs) dated 11 September 2019 ('Supplement to the ICO guidelines'), FINMA noted that questions frequently arise regarding authorisation requirements under the Banking Act or the Collective Investment Schemes Act with regard to projects for the issuance of stablecoins.
- The FINMA guidance addresses two main aspects:
  - Minimum requirements for default guarantees from banks are defined. Such guarantees are used by some issuers of stablecoins in order to be exempt from the requirements for a banking licence.
  - FINMA argues that stablecoin issuers or appropriately supervised financial intermediaries must adequately verify the identity of all stablecoin holders due to anti-money laundering requirements, since anonymous transfers are prohibited.
- FINMA is thus providing additional guidance for projects wishing to issue stablecoins and for banks providing default guarantees to stablecoin issuers. Stablecoin issuers should assess the latest FINMA guidelines' impact on their contractual structures, operations and business models. Banks providing default guarantees need to be aware of the associated risks and include such guarantees in their risk assessment.

FINMA Guidance 08/2024 | Governance and Risk management when using artificial intelligence

Status: → Published: 18 December 2024

- FINMA draws attention to the risks associated with the use of AI and describes its observations from ongoing supervision.
- The main risks include operational risks, in particular model risks (e.g. lack of robustness, correctness, explainability or bias), data-related risks (e.g. data security, data quality, data availability), IT and cyber risks, increasing third-party dependencies as well as legal and reputational risks.
- FINMA observes that most financial institutions are still in the early stages of development and that the corresponding governance and risk management structures are still being established. In this context, FINMA is drawing the supervised institutions' attention to the need for appropriate identification, assessment, management and monitoring of the risks resulting from the adoption of AI. It is also providing information on corresponding measures that it has observed in the course of ongoing supervision.

04 Collective investment institutions

Collective Investment Scheme Act (CISA) | Introduction of funds not subject to authorisation

Status: → In force since 1 March 2024

- Introduction of a category of funds that are not subject to authorisation by FINMA.
- Limited Qualified Investment Funds (L-QIF) would be reserved for qualified investors such as pension funds and insurers.

Collective Investment Schemes Ordinance (CISO) | Limited Qualified Investment Funds (L-QIF) and other adjustments

Status: → In force since 1 March 2024

- Implementation provision for changes in the Collective Investment Schemes Act (CISA) to the Limited Qualified Investment Funds (L-QIF) with special regulations in the following areas:
  - Investment regulations;
  - Transparency, reporting and statistics;
  - Accounting, valuation, financial reporting and publication obligations;
  - Audit.
- Further adjustments to the Collective Investment Schemes Ordinance in the following areas:
  - Legal definition of a collective investment scheme: specification of the requirement of two independent investors;
  - Distinction between collective investment schemes and structured products: reinstatement of the legal distinction between collective investment schemes and structured products by means of labelling;
  - Remuneration of ancillary costs: extension of the exhaustive list of permissible ancillary costs;
  - Liquidity: explicit provisions on liquidity and adequate liquidity risk management;
  - Exchange Traded Funds (ETF): new provisions, in particular on disclosure;
  - Side pockets: creation of side pockets, subject to FINMA's approval;
  - Securities lending and repo transactions: improving transparency requirements;
  - Investment violations: principles-based codification of the duty to provide information in the event of investment violations.

AMAS Self-regulation on transparency and disclosure for collective assets referring to sustainability

Status: → Entry into force of the revised self-regulations: 1 September 2024, with transitional periods until 1 January 2026 and 1 January 2027 respectively

- Binding self-regulation for AMAS members and other market participants. These guidelines are **currently neither recognised nor approved as self-regulation by FINMA.**
- Ensuring transparency, quality and positioning of asset management and collective assets referring to sustainability.
- Requirements of asset managers and producers of collective investment schemes in the following areas:
  - Organisation, processes and risk control;
  - Knowledge in the area of sustainability;
  - Documentation of the sustainability policy;
  - Diligence in the selection, instruction and monitoring of sustainability research, sustainability data and analysis tools;
  - Sustainability report.
- Over the past few months, the industry associations have further developed and elaborated their self-regulations in close cooperation with the authorities in order comprehensively to reflect the Federal Council's position on greenwashing prevention in the financial sector, issued on 16 December 2022. The existing versions of the AMAS 'Self-regulation on transparency and disclosure of collective assets with a sustainability focus' and the SBA have been supplemented and made more specific. They entered into force on 1 September 2024, with corresponding transitional periods.

FINMA guidance 04/2024 | Management of operational risks faced by fund management companies and managers of collective assets

Status: → Published: 12 June 2024

- In the course of its supervisory activities, FINMA has determined that operational risks at supervised institutions are increasing due to digitisation. At the same time, FINMA has increasingly observed weaknesses in the operational risk management of fund management companies and managers of collective assets.
- Against this backdrop, FINMA has issued guidance in order to raise fund management companies' and managers of collective assets' awareness of the importance of appropriate operational risk management.
- FINMA refers to the general principles of appropriate risk management, which also apply to operational risk management, and describes measures to ensure the appropriate management of risks in the following areas:
  - Information and communication technology;
  - Risks with regard to critical data;
  - Cyber risks;
  - Business continuity management;
  - Legal and compliance, in particular cross-border business;
  - Outsourcing.

05 Insurance Companies

5.1 Amendments to the law and regulations

Insurance Supervision Act | Partial revision

Status: → Completed
→ In force since 1 January 2024

- The partially revised Insurance Supervision Act aims to modernise the legal framework for insurance supervision, improve protection of insured persons and strengthen the competitiveness of the Swiss insurance sector.
- Some regulatory requirements have been elevated to a higher level of legislation; among them the SST, which is now also anchored in the Insurance Supervision Act.
- The revision strengthens the risk-based approach of supervision; the protection of policyholders is provided according to their need for protection.
- Important changes include the following areas:
  - The revised act introduces a comprehensive restructuring procedure. This gives FINMA the option of carrying out an orderly restructuring of an insurer instead of having to liquidate it directly.
  - Economically significant insurers, insurance groups and insurance conglomerates must now draw up stabilisation plans to prepare for crises.
  - Adjustment of the solvency system based on a risk-based approach (insurance, market and credit risks are decisive).
  - With the revised Insurance Supervision Act, insurers in supervisory categories 4 and 5 are granted certain reliefs under specific conditions (small insurer regime).
  - A basic information sheet must now be prepared for qualified life insurance policies. In addition, an adequacy assessment must be carried out (alignment with the Financial Services Act (FinSA)).
  - There are regulatory relief measures for insurers that exclusively insure professional clients, as they are considered less vulnerable.
  - Introduction of a regulatory sandbox in the insurance sector, whereby the Federal Council can exempt certain insurance companies from supervision at the ordinance level.
  - Introduction of the new principle of entrepreneurial prudence (Prudent Person Principle) (see the explanations below regarding the FINMA Insurance Supervision Ordinance)
  - Relief with regard to the operation of non-insurance business.
  - Group supervision is strengthened through new instruments.
- The following changes have come into force in the area of insurance intermediaries (see also FINMA Guidance 05/2024 on the obligations of insurance companies with regard to insurance intermediaries):
  - The revised Insurance Supervision Act generally aligns the provisions on intermediary supervision.
  - A clear distinction is made between tied and untied insurance intermediaries.
  - Untied intermediaries must register with FINMA.
  - There are new, explicit rules to prevent conflicts of interest and stricter requirements for training and continuing professional development.
  - Untied intermediaries must now inform their clients about the nature and extent of any compensation (e.g. commissions) they receive from insurers.

Insurance Supervision Act and Insurance Supervision Ordinance | Exceptions for reinsurance intermediaries | Partial revision

Status:
- → Consultation ended: 12 September 2025
- → Federal Council dispatch is currently being drafted
- → Entry into force: Unknown

- The new Insurance Supervision Act, which came into force on 1 January 2024, has had the unintended effect of impairing the competitiveness of Swiss reinsurance companies.
- Under the Insurance Supervision Act, insurance companies may only work with untied insurance intermediaries if those intermediaries are registered with FINMA. However, in the international reinsurance business, many highly specialised foreign intermediaries are not registered in Switzerland.
- The parliament's chosen solution generally excludes the mediation of reinsurance contracts from the scope of the Insurance Supervision Act to avoid competitive disadvantages for Swiss reinsurance intermediaries in the international market and to ensure uniform conditions without creating new inequalities. This general exemption is considered appropriate as it complements existing exceptions without undermining the customer protection-based supervisory system, whereas alternatives would cause regulatory inconsistencies or disadvantage certain types of intermediaries. An extension of deregulation to professional insurers was rejected in order to address the higher need for customer protection in this heterogeneous area.
- The Federal Council submitted a draft amendment to the Insurance Supervision Act for consultation, which ended on 12 September 2025. The Federal Council's dispatch is currently being drafted.

Insurance Supervision Ordinance | Partial revision

Status: → Completed
→ In force since 1 January 2024

- The partially revised Insurance Supervision Ordinance implements the revised Insurance Supervision Act (see above). Important changes include the following areas:
  - New regulations are being introduced to provide relief for small insurance companies and reinsurers, as well as for new authorisations of insurance companies in category 5 for a limited period.
  - Specific rules have been created for dealing with insurance for professional policyholders.
  - The regulations on insurance intermediation have been significantly revised (see section on the Insurance Supervision Act above).
  - New requirements for the distribution of life insurance contracts have been defined (e.g. detailed information for customers prior to conclusion of the contract, sample calculations, disclosure of costs).
  - The guidelines on investments and tied assets have been transferred from the now repealed FINMA Circular 2016/5 "Investment guidelines – insurers" into the FINMA Insurance Supervision Ordinance
  - The method for calculating the maximum technical interest rate has been adjusted.
  - A new section gives FINMA the power to require economically significant insurance groups to draw up resolution plans to ensure their resolvability in the event of a crisis.

Insurance Supervision Ordinance | Change regarding qualified life insurance policies | Partial revision

Status: → Consultation ended: 12 September 2025
→ Entry into force: 1 January 2026

- The revised Insurance Supervision Ordinance sets out in detail the duties of the insurance companies with regards to the key information document for qualified life insurance policies, including the content and format of such documents.
- The revision introduces articles 129*d* - 129 *l*, which specify articles 39*b*, 39*c*, 39*e*, 39*f* (or parts thereof) of the Insurance Supervision Act. The referenced articles regulate, among other things, the content, scope, language, formatting, mode of provision, and the equivalence of foreign documents.
- A new annex 4 will also come into force, providing a detailed model template for key information documents.

5.2 Changes to FINMA circulars and FINMA guidances

FINMA Circular 2024/2 Life insurance | Total revision

Status: → Completed
→ In force since 1 September 2024

- FINMA Circular 2024/2 of 26 June 2024 replaces FINMA Circular 2016/6 of 3 December 2015 (total revision). The adjustments are related to the revision of the Insurance Supervision Act and the related ordinances.
- New chapters have been added on "Sample calculations for life insurance outside occupational pension provision", "Additional information for policyholders of unit-linked life insurance" and "Capitalisation of unpaid acquisition costs".
- In addition to the new chapters, existing sections have been fundamentally restructured and their content clarified, in particular:
  - Prohibition on passing on third-party costs: In the event of surrender, policyholders may not be charged any additional costs or fees by third parties that would not also be incurred upon expiry of the policy.
  - Cancellation liability: When determining unamortised acquisition costs, repayment obligations for distribution fees in the event of early termination of the contract must be taken into account appropriately and deducted.
  - Information obligations of the insurance company: The annual information must show the profit participation differentiated according to interest, risk and costs for all contracts. FINMA Circular 2016/6 previously provided for a target provision. Transition period until 1 January 2026; FINMA Circular 2024/2 will then apply.
- The revised circular contains detailed transitional provisions.

FINMA Circular 2025/3 Liquidity – insurers | Total revision

Status: → Completed
→ In force since 1 January 2025

- FINMA Circular 2025/3 of 31 October 2024 replaces FINMA Circular 2013/5 of 5 December 2012 (total revision).
- FINMA Circular 2025/3 introduces an explicit section on governance. It defines clear tasks, powers and responsibilities for the board of directors, the executive board and other supervisory bodies in relation to liquidity risk.
- A key new topic in FINMA Circular 2025/3 is the documented contingency funding plan for liquidity stress events.
- A specific liquidity reserve consisting of highly liquid assets has been introduced to enable insurers to bridge short-term liquidity needs.
- Liquidity risk management is now regulated in greater detail:
  - Risk appetite: Insurers must define and document their risk appetite with regard to liquidity risks and have it approved by the board of directors.
  - Stress tests and scenario analyses: The requirements for stress tests are more detailed (including reverse stress tests).
  - Framework: All liquidity risk management must be integrated into an overarching, company-wide risk management framework.
- Another new feature is liquidity controlling and liquidity monitoring, which require effective monitoring and control processes that are integrated into the internal control system.
- Liquidity planning is generally prepared for a one-year period; newly, in justified exceptional cases, it may also be prepared for one month.

FINMA guidelines regarding the Berne Financial Services Agreement (BFSA) (annex 4)

Status: → Agreement signed: 21 December 2023
→ Entry into force: 1 January 2026 (expected)

- The Berne Financial Services Agreement is a bilateral agreement between Switzerland and the United Kingdom, under which each recognises the other's legal and supervisory regimes as equivalent in certain financial areas. The agreement was signed on 21 December 2023.
- The FINMA guideline outlines the technical and operational details of the processes established under the Berne Financial Services Agreement.
- Under the Berne Financial Services Agreement, British insurers and untied insurance intermediaries may provide cross-border services in Switzerland (without having a branch in Switzerland) in selected areas of non-life insurance to commercial clients.
- UK insurers wishing to be listed in the FINMA register for UK insurers must first notify the UK Financial Conduct Authority ("FCA"), who will in turn inform FINMA that this notification has been received. The FCA then reviews whether the UK insurer meets the requirements of the Berne Financial Services Agreement.
- UK insurance intermediaries must be entered in FINMA's register of insurance intermediaries.
- Insurers and untied insurance intermediaries are subject to periodic reporting obligations to FINMA.
- Pending ratification by both parliaments, the Berne Financial Services Agreement is expected to enter into force on 1 January 2026.

5.3 Changes in self-regulation

Minimum standards of the Association for Professional Insurance Education (VBV-AFA) Recognition of minimum standards for the training and continuing education of insurance intermediaries

Status: → Completed
→ In force since 1 October 2024

- On 23 August 2024, FINMA approved the minimum standards for the training and continuing education of insurance intermediaries issued by the Association for Professional Insurance Training (VBV-AFA).
- The minimum standards apply to both untied and tied insurance intermediaries.
- The transition period runs until 31 December 2025. After this date, insurance intermediation may only be carried out after successful completion of the admission examination and registration in the CICERO system/industry register (tied intermediaries) or registration in the FINMA register (untied intermediaries).
- Exams based on the new model can be taken from May 2025 for the “motor vehicle insurance” profile, from July 2025 for the "all-branch", "life", "non-life" and "supplementary health insurance" profile, and from October 2025 for the "crop failure and animal disease insurance" profile. Details of the examination are set out in the VBV-AFA examination regulations on minimum standards for the training and continuing education of insurance intermediaries in accordance with Art. 43 ISA.

06 Your contact persons

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