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Switzerland
Banking & Finance

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This country-specific Q&A provides an overview of banking & finance laws and regulations applicable in Switzerland.

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Switzerland: Banking & Finance

1. What are the national authorities for banking regulation, supervision and resolution in your jurisdiction?

Switzerland's financial market supervisory architecture is built on two main pillars:

- the Swiss Financial Market Supervisory Authority (FINMA) serves as the principal supervisory body overseeing financial institutions and market participants;
- the Swiss National Bank (SNB) maintains responsibility for macro-prudential oversight and financial system stability,

Audit firms serve as FINMA's "extended arm" by overseeing institutions through annual regulatory reviews, providing their findings and recommendations to FINMA in standardized reports. FINMA's mandate extends beyond pure supervision – it functions as both regulator and resolution authority. In its regulatory capacity, FINMA issues implementing regulations where empowered by federal legislation. As resolution authority, FINMA manages restructuring and liquidation proceedings for banks, securities firms, insurance companies, financial institutions, financial market infrastructures and central mortgage bond institutions.

A significant organisational development occurred in April 2025 when FINMA (i) established its "Integrated Risk Expertise" (GB-I) division, consolidating cross-sectoral risk functions including liquidity, capital adequacy, stress testing, credit risks, anti-money laundering, fit and proper assessments of key persons/functions, and sustainable finance, (ii) consolidated its two former divisions "Markets" and "Asset Management" into one new division "Asset Management and Markets". This structural reform aims to strengthen integrated supervision through centralised risk analysis, instruments, and on-site inspections.

2. Which type of activities trigger the requirement of a banking license?

The fundamental licensing trigger under Swiss law is the professional acceptance of public deposits, which can be basically defined as incurring debt on a professional basis towards more than twenty non-professional clients. Anyone accepting deposits from the public on a commercial basis, or publicly advertising such services, must obtain FINMA authorisation in advance. Several exceptions exist, for example, when bonds are issued with a simplified information document or when debt arises from selling products or delivering services to customers.

The licensing requirement also extends to the commercial acceptance of crypto-based assets held in collective custody, or publicly recommending such services, where these assets are also invested or yield interest.The consequences for unlicensed activity are severe: unauthorised deposit-taking or collective crypto custody, advertising these services, or misusing protected designations like "bank," "banker," or "savings" constitutes a criminal offence.

3. Does your regulatory regime know different licenses for different banking services?

Rather than operating a differentiated licensing system, Switzerland embraces the universal banking model, permitting licensed banks to conduct diverse activities including taking public deposits, lending, asset/investment management and investment banking activities within a single authorisation framework.

Banks may engage in non-banking activities only where expressly authorised in their articles of association and organizational regulations, which require FINMA approval. Furthermore, banks must detail their business activities in internal regulations, and any material business changes or expansion into new service areas, client segment and/or geographical regions requires prior FINMA notification and approval.

For smaller institutions, FINMA introduced a tailored "small banks regime", designed to reduce regulatory complexity for highly capitalised, liquid institutions. Qualifying banks must demonstrate exceptional capitalisation and liquidity but benefit from streamlined prudential requirements, including exemption from risk-weighted asset calculations.

4. Does a banking license automatically permit

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certain other activities, e.g., broker dealer activities, payment services, issuance of e-money?

Switzerland implemented a regulatory hierarchy through the Financial Institutions Act (FinIA) establishing an licensing cascade. Under this framework, a banking licence confers automatic authorisation for activities regulated under lower tiers, including operating as a securities firm, manager of collective assets (investment funds and pension funds), asset/investment manager, or trustee.

Notably, Switzerland has not (yet) established comprehensive regulation for payment services or electronic money issuance.

5. Is there a "sandbox" or "license light" for specific activities?

Switzerland offers two innovative exemption frameworks supporting fintech development.

Sandbox Exemption: This permits accepting deposits from more than 20 parties, or publicly advertising such services, without FINMA supervision where: aggregate deposits or crypto assets held in collective custody remain below CHF 1 million; no interest is paid; deposits are not invested; and clients receive written notification that the entity operates outside FINMA supervision and depositor protection.

Fintech License: Entities primarily operating in financial services may accept deposits or crypto assets in collective custody up to CHF 100 million, or publicly advertise such services, where they neither pay interest nor invest these funds. These entities operate under a modified regulatory regime with tailored requirements for organisation, risk management, compliance, and financial resources, but without requiring a fully-fledged banking license.

However, fintech licence supervision has proven challenging, particularly regarding depositor protection given reduced capital and liquidity requirements. The State Secretariat for International Finance (SIF) is currently drafting amendments to the Banking Act and Banking Ordinance to address these supervisory gaps. It is planned to replace the fintech license by a new Payment Institution License and a new Crypto Institution License.

6. What regulatory restrictions or authorisation requirements apply to banks engaging in the issuance, custody or provision of services relating to cryptoassets or other digital assets?

Switzerland has deliberately avoided implementing specific standalone rules for crypto-asset issuance or custody, instead requiring case-by-case technology neutral regulatory analysis under existing frameworks including securities, banking, financial market infrastructure, anti-money laundering, and financial services and products regulations. FINMA follows the principle "same business, same risks, same rules" evaluating each case based on the underlying business model and risk profile.

Far from imposing any regulatory moratorium, Switzerland has positioned itself as crypto-friendly, with legislators and regulators striving to anticipate and address blockchain technology challenges proactively, reducing risks for investors and creating legal certainty for the fintech sector to grow. The Distributed Ledger Technology Act (DLT Act), which entered into force in August 2021, significantly enhanced legal certainty for crypto asset custody and financial instrument tokenisation.

FINMA published various guidances on crypto-related topoics through the years, in particular in connection with ICOs and token classification (2018), stablecoins (2019 and 06/2024), payments on the blockchain (02/2019), staking (08/2023), disclosure of crypto-based assets in the annual financial statements of banks (03/2025), custody of crypto-based assets (01/2026).

With regard to the issuance of stablecoins by banks and all types of supervised institutions, FINMA requires a so-called closed-loop/whitelisting approach, ie. the identity of all persons holding the stablecoins, including secondary market holders, must be adequately verified by the issuing institution or by appropriately supervised financial intermediaries. The new draft legislation which intends to replace the fintech license by a new payment institution license and a crypto institution license shall also introduce new stablecoin regulations simplifying the before-mentioned whitelisting to a blacklisting-only requirement (combined with certain technical measures) in order to reduce the overly strict Swiss requirements to the less strict international stablecoin regimes.

7. Can cryptoassets or digital assets constitute "deposits" or equivalent protected funds under

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applicable law, and are they capable of benefiting from depositor protection, client asset safeguarding or segregation regimes?

Certain crypto-based assets qualify as deposits and/or custody assets subject to segregation rules, depending on their classification as payment tokens and storage methodology.

Specifically, crypto-based assets held in collective custody qualify as deposits where they serve primarily as payment instruments for acquiring goods or services or transferring monetary value, either actually or according to the organiser's or issuer's intention.

These qualifying crypto-based assets benefit from segregation in custodian bankruptcy proceedings where the bank commits to maintaining continuous availability and the assets are either individually allocated to the custody client or allocated within a community structure with transparent attribution of individual shares.

If in addition to the before-mentioned requirements, no interest is being paid and no proprietary investments are conducted with such client funds, only a fintech license instead of a banking license is required. However, there is no depositor protection (so-called privileged deposits that enjoy a certain priority in case of bankruptcy) under the fintech license regime, what shall be changed by a new draft legislation project of replacing the fintech license by a payment institution license and a crypto institution license.

But in any case, the DLT Act established legal foundations in general civil law for bankruptcy remoteness of crypto-asset in the custodian's insolvency/bankruptcy where the custodian commits to maintaining continuous client availability and the assets are either individually allocated to the custody client or allocated within a community structure with transparent attribution of individual shares.

Responding to the growing importance of staking services, FINMA issued a supervisory communication in December 2023 clarifying the financial market law classification of client staking services and associated licensing requirements (FINMA Guidance 08/2023).

Finally, supervised institutions such as banks must maintain a Digital Assets Resolution Package (DARP) in place, which is a structured documentation package to ensure that, in the event of insolvency, a liquidator can:

- identify crypto-based assets held or controlled by the bank,
- technically access them (e.g. keys, custody chains), and
- correctly allocate and transfer them to the rightful clients.

It is not a formally defined statutory term in the Banking Act, but a FINMA supervisory expectation derived from resolution and segregation requirements.

8. If cryptoassets are held by the licensed entity, what are the related capital requirements (risk weights, etc.)?

FINMA has not yet introduced a granular, Basel compliant capital regime for crypto asset exposures. Under current Swiss supervisory practice, crypto assets held on a bank's balance sheet remain subject to a flat 800% risk weight. Banks must also notify FINMA if crypto asset positions on the trading book exceed 4% of total capital. FINMA is also empowered to impose to a bank a specific maximum amount for crypto-based assets held in custody for clients.

At the international level, the Basel Committee's December 2022 Cryptoasset Standard introduces a far more differentiated approach, including a 1250% risk weight for "Group 2" crypto assets such as Bitcoin, Ether and non qualifying stablecoins. Following subsequent technical amendments, the global implementation date has been set to 1 January 2026.

Switzerland has not yet transposed this BCBS framework into domestic law. The Capital Adequacy Ordinance (CAO) continues to reflect pre BCBS crypto methodology, and no FINMA circular has implemented the Basel crypto chapter (SCO60). However, Switzerland – as a BCBS member and traditionally a high fidelity adopter of Basel standards – is expected to implement the new regime, in line with the international timetable. Until then, the 800% risk weight remains the applicable standard in supervisory practice.

9. To what extent may foreign or overseas banks conduct cross-border banking activities into the jurisdiction without establishing a local presence or obtaining local authorisation, and what limitations or conditions apply?

Pure cross-border banking activities from abroad into Switzerland without establishing a permanent physical presence do not currently trigger FINMA supervision or licensing requirements. However, specific consumer protection rules operate independently. If, besides pure banking services, financial services are provided (such as

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offering or custody of financial instruments, asset management or investment advice), further requirements apply under the Financial Services Act.

For instance, professional lending to Swiss consumers may trigger licensing under the Consumer Credit Act. Mortgage lending may encounter restrictions under foreign real estate ownership regulations. Additionally, the Financial Services Act (FinSA) introduced in 2020 a register for advisers providing cross-border financial services.

10. What legal forms are permitted to operate banks in the jurisdiction (e.g. public company, private company, subsidiary or branch), and what are the key regulatory considerations associated with each structure?

Banks may adopt several legal forms:

- primarily the corporation (Aktiengesellschaft),
- cooperatives (Genossenschaft) subject to special requirements,
- sole proprietorships (Einzelfirma) for private bankers,
- general partnerships (Kollektivgesellschaft), or
- or partnerships limited by shares (Kommanditaktiengesellschaft).

Cantonal banks may operate as public law establishments (Anstalt) or corporations under cantonal legislation.

11. Does the jurisdiction impose any structural separation or ring-fencing requirements on banks or banking groups, and what practical challenges do these create for group structures and operations?

Switzerland does not impose structural separation or ring-fencing requirements comparable to certain other jurisdictions. Consolidated supervision is the rule, and ring-fencing measures are the exception. According to FINMA Circular 2025/4, if a foreign supervisory authority does not apply appropriate consolidated supervision, FINMA may impose ring-fencing measures to isolate the institution. Also, systemically important banks face special emergency planning obligations and specific organisational and operational requirements ensuring systemically important functions can continue operating during crisis scenarios.

12. What governance, risk management and internal control requirements apply to banks, including expectations regarding board composition, management oversight, committee structures and organisational culture?

Swiss banks must comply with governance, risk management and internal control requirements under the Banking Act, Banking Ordinance, and FINMA Circulars, particularly Circular 2017/1 Corporate Governance – banks.

Board Composition and Oversight

Board members performing guidance, supervisory and control functions are prohibited from holding simultaneous executive management positions. All board members must satisfy fit-and-proper requirements, and at least one-third must meet independence criteria. Banks in the highest supervisory categories must establish an audit and a risk committee, while institutions in supervisory category 3 may combine these into a single committee. Systemically important institutions must establish, at group level, a compensation and nomination committee. Specific rules apply to the composition of the committees.

Control Functions

Banks must maintain three independent control functions:

- Risk Control: Identifies, assesses, monitors and reports material risks independently from business units
- Compliance: Monitors adherence to laws, regulations and internal policies
- Internal Audit: Provides independent assurance on governance, risk management and control effectiveness

The aforementioned functions are granted unrestricted rights to information, access, and inspection, and are required to be incorporated into the Internal Control System. They maintain direct access to, and reporting lines with, the board of directors.

Risk Management

Risk management must operate at appropriate organisational levels using adequate methodologies tailored to each bank's size, complexity, business model and risk profile. Frameworks must address all material risk categories including credit, market, liquidity, operational, compliance, reputational and strategic risks.

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Risk tolerance comprises quantitative and qualitative considerations regarding the key risks which an organization is prepared to take and must be defined per risk category and per institution.

Organisational Culture

Supervisory expectations emphasise appropriate organisational culture promoting ethical conduct, accountability, transparency and risk awareness, with tone set by the board and senior management. The chairman of the board of directors has a key role in shaping the strategy, communications and culture of the institution.

13. What operational resilience requirements apply to banks, including expectations relating to critical or important business services, impact tolerances, and the management of operational disruptions?

FINMA outlines banks' operational resilience requirements in Circular 2023/1 on Operational Risks and Resilience – Banks. Digitalisation and operational resilience have emerged as core supervisory priorities for Swiss financial institutions. The increasing complexity of ICT environments, combined with growing dependence on a limited number of critical service providers – particularly cloud platforms and other third-party technology vendors – expose Swiss banks to elevated cyber risks and concentration risks that could threaten financial stability and customer services.

Supervisory Developments and Regulatory Framework

FINMA has significantly intensified its ICT and cyber risk oversight in recent years through targeted thematic reviews, on-site inspections, and revised supervisory guidance. This enhanced focus integrates lessons learned from international regulatory developments, including the EU Digital Operational Resilience Act (DORA), which has influenced Swiss supervisory expectations regarding operational resilience standards.

In 2023, FINMA updated its expectations on operational resilience, business continuity management and outsourcing arrangements. These updated requirements reflect the evolving threat landscape and the critical importance of maintaining continuity of essential banking services even during severe operational disruptions. They take into account the Basel Committee's principles for the sound management of operational risk and operational resilience.

End-to-End ICT Risk Management

Supervised entities must ensure comprehensive, end-to-end risk management across their entire ICT supply chain. Change management shall consider the impact of the change on the ICT risks, focusing on confidentiality, integrity and availability. This encompasses multiple critical dimensions:

- Governance: Establishing clear governance structures with defined roles, responsibilities and escalation procedures for ICT and cyber risk management at board and senior management levels
- Data Protection: Implementing robust measures to protect confidential customer and business data, especially critical data, against unauthorised access, loss or corruption
- Incident Response: Maintaining effective incident detection, response and recovery capabilities, including back-up processes, to minimise impact and restore normal operations promptly
- Contingency Planning: Developing and regularly testing comprehensive contingency plans and business continuity arrangements for critical business services, considering dependencies from external service providers

Critical Services and Impact Tolerances

Banks must identify their critical functions whose disruption would jeopardize the institution's continuation or its role on the financial market and this the proper functioning of the financial markets and the systemically important functions. For these critical services, institutions are expected to define maximum tolerable disruption periods (impact tolerances) and ensure that resilience capabilities, recovery procedures and contingency arrangements can meet these tolerances under various disruption scenarios, including cyber-attacks, system failures, and third-party provider outages. The critical functions and the associated tolerances must be approved by the board of directors at least annually.

14. What regulatory expectations apply to banks' outsourcing arrangements, including the use of cloud service providers and reliance on critical third-party service providers?

Outsourcing by banks is regulated by FINMA Circular 2018/3 on Outsourcing. Third-party provider contracts must grant both the institution and FINMA

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comprehensive audit and access rights, extending to subcontractors and data stored abroad. Institutions must maintain current inventories of all material outsourcing arrangements and periodically assess concentration risks. If data are stored outside of Switzerland, technical and organizational measures must be taken, such as encryption, pseudonymization and strict access controls.

FINMA has reinforced cyber-incident reporting obligations, expecting institutions to classify events by materiality and notify serious incidents without undue delay. The authority increasingly conducts targeted cyber audits and has announced intentions to issue specific guidance on critical third-party supervision.

15. How do environmental, social and governance (ESG) and climate-related regulatory requirements affect banks, including governance, risk management, disclosures and prudential supervision?

Switzerland has not introduced a standalone ESG banking regime comparable to the EU framework. However, ESG – and in particular climate-related financial risks – are increasingly embedded in prudential supervision, to the extent that they expose the institution to material risks. FINMA expects banks to treat climate risk as a financial risk driver rather than a purely reputational issue and to integrate it into governance, strategy and risk appetite. Boards and senior management must allocate clear responsibilities and ensure appropriate internal reporting and oversight.

From a risk management perspective, banks are required to identify, assess and manage climate-related risks within existing frameworks, including credit, market, operational and concentration risk. This includes forward-looking analysis, scenario assessments and, where material, stress testing. Climate considerations must be reflected in internal capital adequacy processes and overall risk governance rather than being addressed in parallel structures.

Disclosure and supervision have also intensified. Larger institutions are subject to climate-related reporting aligned with international standards such as TCFD, covering governance, strategy, risk management and metrics. FINMA has strengthened its supervisory focus through specialised expertise and may address climate deficiencies under Pillar 2, even though no specific climate capital charges exist under Pillar 1. Overall, ESG expectations are increasingly integrated into mainstream prudential requirements.

FINMA has given examples of how banks face climate change, covering damages of properties serving as collateral for mortgages due to flooding events, or the arising of credit risks of companies affected natural catastrophes.

16. What regulatory restrictions or requirements apply to banks' remuneration policies, including bonus caps, deferral, malus and clawback, and how are these enforced in practice?

Swiss rules governing compensation are set forth in FINMA Circular 2010/1 Remuneration Schemes, which details the minimum standards for remuneration policies at financial institutions. This Circular applies to remuneration of all persons employed by supervised firms.

The Circular establishes ten principles as minimum standards for how remuneration must be defined by the board of directors and is mandatory for banks required to maintain minimum equity capital of CHF 10 billion (standalone or consolidated); below this threshold, adherence constitutes best practice recommended. Mandatory adherence extends to domestic and foreign subsidiaries and branches included in consolidation. Fundamental requirements include the active involvement of independent control functions – such as risk management and compliance – in the development and execution of remuneration policies, ensuring alignment with the organization's risk management framework and sustainability goals. Furthermore, variable compensation should be integrated into capital and liquidity planning processes and underpinned by consistently strong long-term financial results.

Following the Credit Suisse crisis, the Federal Council proposed changes to variable remuneration and senior manager responsibility regimes, requiring banks to define legal responsibility for specific decisions in binding terms. This enables targeted sanctions including clawback of previously paid variable remuneration or bonus reductions.

17. Has your jurisdiction implemented the Basel III framework with respect to regulatory capital? Are there any major deviations, e.g., with respect to certain categories of banks?

Switzerland has implemented the Basel III framework, including the "Basel III final" reforms, through the Capital Adequacy Ordinance (CAO), the Liquidity Ordinance (LiqO)

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and related FINMA ordinances and circulars under the Banking Act. The core elements – enhanced quality and quantity of capital (CET1 focus), leverage ratio, LCR, NSFR and macroprudential buffers – have long been in force. The implementation of the Basel III final standards has been phased in, with key components having entered into force in 2025 and transitional arrangements continuing thereafter. Overall, Switzerland is broadly aligned with Basel standards and seeks international comparability.

A structural feature of Swiss implementation has been the move away from a traditional "Swiss finish" (higher risk weights) towards a more transparent "Basel pure" approach. Instead of systematically increasing Pillar 1 risk weights, Switzerland relies on clearly identifiable buffer layers, supervisory categories and – where necessary – Pillar 2 measures. All banks are subject to the capital conservation buffer (2.5% CET1) and, where activated, the countercyclical buffer. Liquidity standards (LCR/NSFR) apply across the system, with proportionality for smaller institutions.

Systemically important banks (SIBs) remain subject to significantly stricter requirements. Switzerland maintains a dual concept of going-concern (loss-absorbing during operation) and gone-concern (resolution/TLAC-type) capital. Following the Credit Suisse crisis, the Federal Council proposed further strengthening the framework, including a requirement that participations in foreign financial sector entities within the group be fully deducted from CET1 at solo level in order to address "double leverage" risks. However, this measure is currently part of a legislative package that has been subject to public consultation and political debate and is not yet in force. Under the current regime, foreign participations are only partially capital-backed. If adopted, the proposed reform would be phased in over several years and would materially increase CET1 requirements for internationally active SIBs, in particular UBS. Overall, Switzerland remains Basel-aligned but continues to reassess its enhanced SIB framework in light of financial stability considerations.

18. Are there any requirements with respect to the leverage ratio?

Switzerland has adopted the Basel III leverage ratio as a mandatory minimum standard within the Capital Adequacy Ordinance (CAO), with specific provisions outlined by FINMA in Circular 2015/3 Leverage Ratio. All banks must maintain a minimum leverage ratio of 3%, calculated as Tier 1 capital divided by the total exposure measure (including on-balance sheet assets, derivatives, securities financing transactions and certain off-balance sheet items). The leverage ratio operates as a non-risk-based backstop to the risk-weighted capital framework and has been fully binding for several years.

For systemically important banks (SIBs), more stringent leverage ratio requirements apply as part of the going-concern capital framework. These institutions must meet not only the 3% minimum but also additional buffer components linked to their systemic importance. For globally systemically important banks (Swiss G-SIBs), the leverage ratio requirement is materially higher than 3% when including base and progressive components. These leverage-based requirements are complemented by gone-concern (TLAC-type) requirements, which are calibrated primarily on risk-weighted assets but interact with leverage constraints in practice.

Following the Credit Suisse crisis, the broader "too big to fail" reform package may further affect capital calibration for systemically important institutions, although no general increase of the 3% minimum leverage ratio for all banks has been introduced. Overall, Switzerland remains aligned with Basel standards but applies enhanced leverage-based requirements for SIBs in order to strengthen loss-absorbing capacity and financial stability.

19. What liquidity requirements apply? Has your jurisdiction implemented the Basel III liquidity requirements, including regarding LCR and NSFR?

Switzerland has fully implemented the Basel III liquidity standards through the Liquidity Ordinance under the Banking Act, with practical specific guidance implemented in FINMA Circular 15/2 Liquidity Risks Banks. All Swiss banks are subject to a minimum 100% Liquidity Coverage Ratio (LCR) requirement. The LCR ensures that institutions hold sufficient high-quality liquid assets (HQLA) to withstand a 30-day stress scenario. The Swiss framework reflects the final Basel III standards and has been fully binding for several years.

The Net Stable Funding Ratio (NSFR) entered into force in July 2021 and remains applicable to all banks. It requires institutions to maintain stable funding over a one-year horizon. Reporting to FINMA is conducted on a regular (typically monthly) basis. Together, LCR and NSFR form the core of Switzerland's Basel-aligned liquidity regime.

Systemically important banks (SIBs) are subject to an enhanced liquidity framework. In addition to the standard 30-day LCR, Switzerland introduced a strengthened liquidity concept extending the stress horizon to 90 days,

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combining baseline regulatory requirements with institution-specific FINMA add-ons and intensified reporting obligations. This regime remains in force and constitutes a distinctive element of Swiss "too big to fail" regulation. Currently, SIBs cover about 80% of the total liabilities in the Swiss system, and generally maintain in practice LCRs around 130%-180%.

Separately, all Swiss banks must comply with minimum reserve requirements with the Swiss National Bank (currently 2.5% of certain short-term CHF liabilities), which operate independently from the Basel liquidity ratios.

20. Which different sources of funding exist in your jurisdiction for banks from the national bank or central bank?

In Switzerland, banks may obtain liquidity from the Swiss National Bank (SNB) through a combination of monetary policy instruments and crisis-related facilities.

Ordinary liquidity provision takes place primarily via repo transactions under the SNB's monetary policy framework. In liquidity-providing repos, the SNB purchases eligible securities and credits Swiss francs to the counterparty's sight deposit account. Standing facilities further include intraday liquidity and short-term liquidity-shortage financing. These instruments serve monetary policy implementation and routine liquidity management.

In stress situations, the SNB may act as lender of last resort by granting Emergency Liquidity Assistance (ELA) to solvent institutions facing temporary liquidity shortages. ELA is typically collateralised and subject to strict conditions.

In addition, Switzerland developed the concept of a Public Liquidity Backstop (PLB) for systemically important banks. The PLB was activated in March 2023 on the basis of emergency law in connection with the Credit Suisse crisis and provided for a federal guarantee in favour of the SNB. However, the PLB has not yet been permanently transposed into ordinary Swiss legislation. A draft law providing for its permanent legal anchoring is currently subject to parliamentary deliberations as part of the broader "too big to fail" reform package.

Accordingly, Switzerland currently distinguishes between (i) standard monetary policy liquidity operations, (ii) ELA as lender-of-last-resort support, and (iii) the PLB as a crisis instrument that has been used under emergency law but is still pending full statutory codification.

21. Do banks have to publish their financial statements? Is there interim reporting and, if so, in which intervals?

Banks must publish annual and interim reports (at minimum half-yearly) and submit these to FINMA, beyond any applicable listing requirements.

22. Does consolidated supervision of a bank exist in your jurisdiction? If so, what are the consequences?

Switzerland applies consolidated supervision to banking groups and financial conglomerates under the Banking Act and the Capital Adequacy Ordinance. Where a bank forms part of a financial group controlled from Switzerland, FINMA may subject the entire group to consolidated supervision. The objective is to capture risks that are not adequately visible at solo level, including concentration risk, intragroup exposures, double leverage, contagion risk and regulatory arbitrage.

For prudential purposes, capital adequacy, large exposure limits and – where applicable – liquidity requirements are assessed on a consolidated basis. Regulatory capital must meet qualitative requirements at group level, and minority interests are recognised only within strict limits. Consolidated supervision also requires group-wide governance structures, internal control systems, risk management frameworks and audit arrangements. FINMA may issue binding measures at group level and require structural adjustments where necessary to ensure adequate capitalisation and risk control across the group.

In addition, Switzerland maintains structured cooperation between the Federal Department of Finance, FINMA and the Swiss National Bank under a tripartite Memorandum of Understanding for crisis prevention and management. Following the Credit Suisse crisis, consolidated supervision and resolvability of systemically important groups have gained increased political and supervisory focus, particularly regarding intragroup funding structures, foreign subsidiaries and effective crisis coordination.

23. What reporting and/or approval requirements apply to the acquisition of shareholdings in, or control of, banks?

Natural or legal persons acquiring direct or indirect participation in a Swiss bank with at least 10% of capital or voting rights, or otherwise capable of significant

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influence, face prior notification requirements and proper business conduct review. Despite being termed a notification duty in the Banking Act, this constitutes a de facto approval requirement, which is usually implemented as a closing condition in the purchase/acquisition transaction.

Further notification duties arise when participation increases or decreases, reaching, exceeding, or falling below thresholds of 20%, 33%, or 50% of capital or voting rights. Additionally, banks must notify FINMA upon learning that any person holds qualified participation or crosses these thresholds.

24. Does your regulatory regime impose conditions for eligible owners of banks (e.g., with respect to major participations)?

Holders of qualified participations or persons exercising controlling influence (so-called qualified participation holders) must satisfy fit-and-proper requirements under FINMA practice. These requirements encompass professional qualifications (necessary for proper supervised entity management) and personal reputation – in particular no criminal convictions, no outstanding debt collections, no material negative media, proper source of funds and source of wealth. The principal suitability assessment criterion is professional track record.

25. Are there specific restrictions on foreign shareholdings in banks?

A special additional licensing requirement exists according to the Banking Act for banks under controlling foreign influence. Controlling foreign influence arises when foreigners with qualified participation directly or indirectly hold more than 50% of voting rights or otherwise exercise significant influence.

Additionally, where the bank belongs to a financial services group or banking group, appropriate consolidated supervision by recognised foreign home regulator must exist and be evidenced. A subsequent additional licence must be obtained from FINMA if a Swiss-controlled bank becomes foreign-controlled or changes foreign control after establishment.

26. Is there a special regime for domestic and/or globally systemically important banks?

Switzerland's "too-big-to-fail" (TBTF) regime has been anchored since 2012 in the Banking Act and implementing ordinances (incl. the Capital Adequacy Ordinance (CAO) and the Liquidity Ordinance (LiqO)) and is broadly aligned with international standards (Basel/BCBS; FSB principles). The regime imposes enhanced requirements on systemically important banks (domestic SIBs and Swiss G-SIBs), covering capital, liquidity, resolvability and organisational measures.

Capital requirements (going concern): The going-concern requirement continues to be structured as a base requirement (12.86% of RWA and 4.5% of leverage exposure) plus an additional surcharge/progressive component calibrated to systemic importance. Depending on the instrument category and applicable quality requirements, portions may be met with CET1 and, within limits, AT1/CoCos. CoCo instruments typically provide for conversion/write-down triggers (commonly referenced high/low trigger levels such as 7% / 5% CET1), subject to the specific terms of the instruments and eligibility criteria under Swiss capital rules.

Gone-concern requirements: In addition to going-concern capital, systemically important banks are subject to gone-concern (TLAC-type) requirements calibrated on both RWA and leverage exposure. These requirements must be met with bail-in-able instruments, such as senior non-preferred or subordinated debt, capable of absorbing losses in resolution. Eligible instruments must satisfy statutory bail-in criteria and support the applicable resolution strategy (typically single-point-of-entry at parent level). Domestic SIBs are subject to proportionate requirements.

Post-Credit-Suisse capital enhancement regarding foreign participations (proposal, not yet in force): Following the Credit Suisse crisis, the Federal Council has proposed reforms to require full capital backing of participations in foreign subsidiaries at the Swiss parent level (addressing "double leverage"). This is currently not yet codified in ordinary law; it is part of a broader TBTF package and was formally put into public consultation, which ended at the begin of February 2026. If adopted, the tightening is envisaged to be phased in over several years and would primarily affect internationally active SIBs (in practice: UBS).

Liquidity requirements: Systemically important banks remain subject to enhanced liquidity requirements, including the 90-day stress horizon introduced via amendments to the Liquidity Ordinance since July 2022, with transitional implementation (notably through early 2024).

Risk diversification / large exposures: For SIBs, large

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exposure and concentration constraints are applied more stringently (e.g., measured against higher-quality capital measures), and FINMA expects robust group-wide management of intragroup exposures and concentration risks.

Emergency planning / resolvability: SIBs must maintain credible recovery and resolution planning (including Swiss emergency plans for critical domestic functions), subject to ongoing FINMA assessment and testing.

Organisational measures: The TBTF regime includes operational continuity requirements for critical functions (governance, separability, infrastructure, personnel and location-related measures), complemented by crisis-management coordination among authorities.

27. What are the sanctions the regulator(s) can order in the case of a violation of banking regulations?

FINMA possesses broad supervisory instruments including:

- conducting investigations on and inquiring information of supervised entities;
- measures restoring financial market acts compliance including provision of collateral if rights of clients appear to be jeopardized;
- substitute performance if an enforceable ruling is not observed within the set deadline;
- declaratory rulings stating legal requirement breaches and publication of such rulings;
- management capacity prohibition at any supervised firm for up to five years;
- profit confiscation;
- appointment of independent investigating or audit agents;
- licence/recognition/registration revocation;
- prohibition from practicing a profession or from performing an activity; or
- voting rights suspension.

Moreover, Financial Markets Acts violations can trigger severe criminal law punishment including imprisonment or substantial fines, which would be prosecuted by the Federal Finance Department, often based on a complaint notice and prior investigation of FINMA.

FINMA's demand for statutory powers enabling earlier and more effective supervisory measures has been incorporated into Federal Council proposals for new legislation, including removing the suspensive effect of appeals. FINMA is expected to also receive authority to impose fines on non-compliant institutions.

28. How active are banking regulators in enforcement against banks and senior individuals, and what recent trends can be observed in supervisory or enforcement action?

FINMA has demonstrated increased enforcement activity in recent years, particularly following the Credit Suisse crisis.

In March 2023, a bank run at Credit Suisse triggered major government, FINMA, and SNB urgency measures for UBS's Credit Suisse takeover. On 1 October 2025, after approximately 3,000 complaints, the Federal Administrative Court partially revoked FINMA's decree instructing Credit Suisse to write off all AT1 bonds, finding an insufficient legal basis; FINMA has appealed to the Federal Supreme Court and the remaining cases are stayed pending that appeal.

FINMA has also continued to prioritise anti money laundering enforcement, most prominently in the enforcement action against Julius Baer, where FINMA required the bank to disgorge more than CHF 4 million of unlawfully earned profits and costs for serious and long running AML control failures involving high risk clients and inadequate transaction monitoring across multiple jurisdictions (decision dated November 2024, made public in May 2025).

In a separate landmark for procedural safeguards, the Federal Supreme Court held on 21 July 2025 (7B_45/2022) that questionnaires and documents created specifically for FINMA under the administrative duty to cooperate are inadmissible in subsequent criminal proceedings if the person was not clearly warned about their right not to self incriminate (nemo tenetur), thereby requiring explicit warnings where criminal exposure is foreseeable. This ruling recalibrates the interface between FINMA's cooperation duties (Art. 29 FINMASA) and criminal procedure guarantees and is already prompting supervisory and prosecutorial practice adjustments.

FINMA has also centralised risk functions and cross cutting issues in its new "Integrated Risk Expertise" division to strengthen integrated supervision, and recent trends show FINMA adopting a more proactive and integrated supervisory approach with increased focus on early intervention and preventive measures.

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29. What recovery and/or resolution planning obligations apply to banks, and how are recovery and/or resolution plans reviewed and assessed by supervisory authorities?

Systemically important banks are subject to comprehensive recovery and resolution planning obligations under the Swiss too-big-to-fail framework. They must prepare and maintain (i) recovery plans demonstrating how financial stability can be restored in severe stress scenarios and (ii) resolution plans enabling an orderly restructuring or wind-down without jeopardising critical functions or financial stability. In addition, systemically important banks must maintain a legally and operationally credible Swiss emergency plan ensuring the continued provision of systemically important domestic functions. The applicable rules are set forth in the Banking Act, the Banking Ordinance, the Capital Adequacy Ordinance, and Liquidity Ordinance. The FINMA Banking Insolvency Ordinance governs procedures for restructuring and bankruptcy, including the (i) conversion of debt into equity and reduction of claims and (ii) continuation of certain banking services and transfer to another legal entity, including a bridge bank.

FINMA reviews these plans on a regular basis and assesses their credibility, feasibility and operational readiness. The review focuses in particular on governance, loss-absorbing capacity (including gone-concern resources), intragroup dependencies, liquidity in resolution, operational continuity and the separability of critical functions.

FINMA may require structural adjustments, additional capital or liquidity measures, or improvements to legal and operational arrangements where deficiencies are identified.

Following the Credit Suisse crisis, supervisory scrutiny has intensified, with increased emphasis on resolvability at parent level, intragroup funding structures, information availability in crisis situations and cross-border coordination with foreign resolution authorities. Recovery and resolution planning has thereby become a central pillar of Switzerland's prudential and crisis-management framework.

30. Does your jurisdiction know a bail-in tool in bank resolution and which liabilities are covered? Does it apply in situations of a mere liquidity crisis (breach of LCR etc.)?

Swiss law provides for a statutory bail-in tool in bank restructuring proceedings under the Banking Act. Within a restructuring plan approved by FINMA, liabilities may be written down (haircut) and/or converted into equity (debt-to-equity swap). Bail-in is a core resolution instrument and forms a central component of the Swiss too-big-to-fail framework, particularly for systemically important banks.

In principle, unsecured and non-privileged liabilities may be subject to bail-in. Excluded are, inter alia: privileged claims (including protected deposits within the statutory depositor protection scheme), secured claims to the extent of collateral coverage, offsettable claims to the extent of set-off, and certain short-term interbank or operational liabilities where required for financial stability or operational continuity. The hierarchy of claims in resolution follows the statutory creditor ranking, and bail-in must respect the "no creditor worse off" principle.

Bail-in is designed to restore solvency by absorbing losses and recapitalising the institution; it does not generate liquidity. Accordingly, it is primarily appropriate in situations involving capital depletion, over-indebtedness or breach of regulatory capital requirements. In a pure liquidity crisis of an otherwise solvent bank, resolution tools such as bail-in would typically not be triggered; instead, liquidity support measures (e.g., central bank facilities) would be considered.

31. Is there a requirement for banks to hold gone concern capital ("TLAC")? Does the regime differentiate between different types of banks?

Switzerland applies distinct gone-concern capital requirements (TLAC-type) to systemically important banks under the Banking Act and the Capital Adequacy Ordinance. The framework differentiates between going-concern capital (loss absorption in continued operation) and gone-concern capital (loss absorption in resolution). Together, these components form the bank's total loss-absorbing capacity (TLAC in a functional sense).

Differentiation by bank type:

For globally systemically important banks (Swiss G-SIBs), the gone-concern requirement is calibrated broadly in line with international TLAC standards and is set at a level approximately equal to the going-concern requirement (measured on both an RWA and leverage basis), resulting in a total loss-absorbing capacity roughly twice the going-concern requirement. For domestic systemically important banks (D-SIBs), the gone-concern requirement

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is lower and proportionate to their systemic relevance (historically around 40% of the going-concern requirement), reflecting their more limited cross-border risk profile.

Eligible instruments and characteristics:

Gone-concern requirements must primarily be met with bail-in-able instruments (e.g. senior non-preferred or subordinated debt) that are capable of absorbing losses in resolution. These instruments must satisfy statutory eligibility criteria, including minimum residual maturity, subordination, and effective bail-in capability. Unlike going-concern capital (CET1/AT1), gone-concern instruments absorb losses only once the point of non-viability is reached and a restructuring plan is implemented.

Following the Credit Suisse crisis, the broader TBTF reform package has focused primarily on strengthening parent-level CET1 capital and foreign participation deductions. While discussions on resolution and TLAC calibration continue, the core gone-concern/TLAC architecture itself remains in force and structurally unchanged.

32. Is there a special liability or responsibility regime for managers of a bank (e.g. a "senior managers regime")?

Switzerland does not currently have a statutory “Senior Managers Regime” comparable to the UK model. However, members of the board of directors and executive management of banks must at all times meet the fit-and-proper requirements under the Banking Act and related supervisory practice of FINMA. If an individual no longer fulfils these requirements, FINMA may order their removal or take other supervisory measures.

In addition, FINMA may impose industry bans (Berufsverbot) on individuals who seriously violate supervisory law, prohibiting them from acting in a management capacity at supervised institutions for up to five years. These enforcement tools already provide a form of individual accountability, although they are not structured as an ex ante allocation-of-responsibility regime.

Following the Credit Suisse crisis, the Federal Council proposed introducing a formal senior managers responsibility regime as part of the broader too-big-to-fail reform package. The proposal would require banks to allocate key responsibilities to identified senior individuals in a legally binding and documented manner, thereby facilitating targeted supervisory action in case of misconduct. However, this regime is not yet in force and remains subject to the ongoing legislative process.

33. What regulatory, supervisory or market developments are likely to have the most significant impact on the banking sector in the jurisdiction over the next 12 to 18 months?

Over the coming 12–18 months, the Swiss banking sector will be shaped primarily by post-Credit-Suisse reforms, final Basel III implementation, and structural tightening in AML, digitalisation and supervisory governance. The policy direction reflects a clear objective: strengthening financial stability while preserving international competitiveness. The market developments point out in the direction of a higher concentration in the banking sector, but at the same time increasing digitalization.

Post-Credit-Suisse TBTF Reform Package (Legislative Process Ongoing)

Following the Credit Suisse crisis and the report of the Parliamentary Investigative Commission (PUK), the Federal Council initiated a comprehensive reform of the too-big-to-fail (TBTF) framework. Core elements include:

- Stronger parent-level capitalisation, including the proposed full CET1 backing of foreign participations (currently subject to legislative process; not yet in force).
- Permanent statutory anchoring of the Public Liquidity Backstop (PLB) (currently not yet fully transposed into ordinary law).
- Enhanced supervisory powers for FINMA, including earlier intervention tools.
- Introduction of a senior managers responsibility regime (proposal stage).
- Further refinement of recovery and resolution planning requirements.

The reform package is subject to ongoing parliamentary deliberations. Entry into force is not expected before 2027, with transitional periods extending well beyond that date. Nevertheless, strategic planning by systemically important banks is already being adjusted in anticipation of stricter CET1 and governance requirements.

Basel III Final Implementation (Now Entering into Force)

Switzerland is implementing the final Basel III standards (Basel III “final”) through revisions to the Capital Adequacy Ordinance. Key elements include:

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- Introduction of the 72.5% output floor limiting internal model benefits.
- Revised credit risk standardised approaches.
- New operational risk framework.
- Adjustments to CVA risk treatment.

For IRB banks, the output floor is particularly significant and may lead to structurally higher RWA. IT systems, data infrastructure and model governance are currently undergoing adjustment. The reform materially affects capital planning and portfolio optimisation strategies.

AML and Transparency Reform (2025–2026)

Switzerland has completed a major revision of the Anti-Money Laundering framework:

- Extension of AML duties to certain professional advisers.
- Introduction of a central beneficial owner register (planned entry into force mid 2026).
- Preparation for the next FATF mutual evaluation (expected from late 2026 onwards).

Banks must adapt onboarding, monitoring and documentation processes accordingly. The reform materially increases transparency expectations and compliance burdens.

Digitalisation, AI and Operational Resilience

FINMA has intensified its supervisory focus on:

- Artificial intelligence governance and model risk.
- Outsourcing and cloud risk management.
- ICT and cyber resilience.
- Concentration risks linked to Big Tech providers.

Switzerland is not formally transposing the EU Digital Operational Resilience Act (DORA), but supervisory expectations are moving toward functional equivalence. Operational resilience is becoming a central prudential theme.

Supervisory Structure and Risk Integration

FINMA has reorganised its internal structure by centralising cross-cutting risk functions within its "Integrated Risk Expertise" division. This reflects a move toward more integrated, risk-driven supervision with stronger thematic reviews and horizontal benchmarking across institutions.

Final Revision – Payment Institution, Crypto Institution and Stablecoin Regulation (Legislative Project)

A further potentially significant development concerns the ongoing revision of the Financial Institutions Act (FinIA). The Federal Council has proposed replacing the existing "FinTech licence" (banking licence light under the Banking Act) with a more differentiated framework introducing a payment institution licence and a crypto institution licence. The objective is to create clearer prudential categories for institutions active in payment services and digital asset activities, while strengthening depositor protection and supervisory clarity.

In parallel, the reform package includes proposals for a dedicated stablecoin regulatory framework, addressing reserve backing, segregation, governance and potential systemic relevance. The initiative aims to align Switzerland more closely with international developments (including EU MiCA) while preserving regulatory flexibility. The reform remains subject to legislative process and consultation; however, market participants in payments, crypto custody and token issuance should expect tighter prudential, organisational and capital requirements over the medium term.

Overall Outlook

The most significant near-term impacts will stem from:

- Basel III final capital recalibration,
- Anticipated tightening of SIB capital and governance requirements,
- Enhanced AML transparency obligations,
- Rising expectations regarding operational resilience and AI governance,
- Broad acceleration in the use of emerging technologies, such as artificial intelligence, tokenization, digitalization, and automation across financial services and products.

While the most far-reaching TBTF reforms are still in the legislative pipeline, the strategic direction is clear: higher capital quality, stronger parent-level stability, deeper crisis preparedness and more intrusive supervision.

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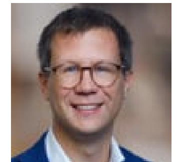

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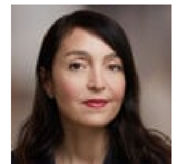

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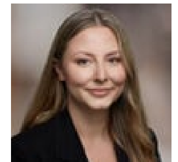

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