

Jurisdiction : **Switzerland**

# 2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>I. Refining the regulatory perimeter</b>					
1 (2)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> Reform effective (completed) as of : March 2013: Collective Investment Scheme Act <b>Short description of the content of the legislation/ regulation/guideline:</b> The revised collective investment schemes act (CISA) inter alia extends the supervisory scope to include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision. Finance companies related to regulated banks are also subject to supervision. Switzerland has no constant net asset value money market funds (CNAV-MMF). Mortgage insurance is not	<b>Planned actions (if any):</b> - FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework and actively contributes to the international discussion. For instance FINMA agreed to IOSCO’s principle 6 and 7 and takes part in the development of the IOSCO recommendations. - The Federal Department of Finance (FDF), in cooperation with the Federal Department of Justice and Police (FDJP) and FINMA, has also launched work to prepare the legal basis for the creation of a cross-sector regulation of financial products and services, which is expected to cover a wide range of providers and thus will imply an extension of the regulatory framework. - FINMA, the Swiss National Bank (SNB) and the FDF are continuously participating in the international discussion concerning policy measures to strengthen the oversight and regulation of the shadow banking system. Further regulatory actions will also depend on the final recommendations of the FSB to strengthen the oversight and regulation of
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. <sup>1</sup> (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: <a href="#"><i>Shadow Banking: Strengthening Oversight and Regulation.</i></a>		

<sup>1</sup> This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				<p>offered in Switzerland.</p> <p><b>Web-links to relevant documents:</b>            CISA:  <a href="http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754">http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754</a></p>	<p>the shadow banking system.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b>            IOSCO Principle 6&amp;7:  <a href="http://www.iosco.org/library/pubdocs/pdf/IOSCOPD323.pdf">http://www.iosco.org/library/pubdocs/pdf/IOSCOPD323.pdf</a></p>

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<b>II. Hedge funds</b>					
2 (3)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds ...(Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>- See supervisory measures regarding hedge funds below.</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : March 2013: Collective Investment Scheme Act</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>The revised collective investment schemes act (CISA) inter alia extends the supervisory scope to include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision.</p> <p>In regard to hedge funds, FINMA has participated in the systemic footprint survey in September 2010 to identify</p>	<p><b>Planned actions (if any):</b></p> <p>- FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework. FINMA is part of the IOSCO task force on unregulated entities and takes part in the development of the IOSCO recommendations.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>systemically relevant hedge fund activities. Switzerland applies both a direct and an indirect supervisory approach with respect to hedge funds. Directly supervised (after having received the necessary approval by FINMA) are all domestic hedge funds and foreign ones if they shall be distributed in public in or from Switzerland, regardless of their size. In addition, managers of hedge funds need an authorization. The third element of the direct supervisory approach relates to distribution matters and concerns representatives and distributors of hedge funds. The indirect supervisory approach takes place through their interfaces with banks. Moreover, certain investment restrictions for insurers exist.</p> <p><b>Web-links to relevant documents:</b>  CISA:  <a href="http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754">http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754</a></p>	

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3 (4)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> on sharing information to facilitate the oversight of globally active fund managers.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : March 2013: Collective Investment Scheme Act</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Based on the revised CISA, FINMA will receive information on the activities of these asset managers and their funds on a regular basis and will be able to request any information needed for supervisory purposes. The revised CISA also requires that cooperation arrangements with all relevant foreign supervisory authorities are in place, in particular with supervisors in those jurisdictions where the fund is domiciled.</p> <p><b>Web-links to relevant documents:</b></p> <p>CISA:</p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<a href="http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754">http://www.news.admin.ch/ message/ index.html?lang=en&amp;msg-id=47754</a>	

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4 (5)	Enhancing counterparty risk management	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)	Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.  See, for reference, the following BCBS documents :	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: - Ongoing supervision <b>Status of progress :</b> Reform effective (completed) as of : March 2013: Collective Investment Scheme Act, January 2013: Basel III <b>Short description of the content of the legislation/ regulation/guideline:</b>	<b>Planned actions (if any):</b>  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
6)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)	<ul style="list-style-type: none"> <li>• <a href="#">Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> <li>• <a href="#">Banks' Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> <li>• <a href="#">Basel III (June 2011) – relevant references to counterparty credit risk standards</a></li> </ul>	Prime Brokerage is a focus in the supervision of the IB activities of the two large banks. FINMA has regular meetings with the risk management units of the two large banks to discuss ongoing Hedge Fund (HF) issues. FINMA reviews ad hoc certain businesses activities, reviews ad hoc all kinds of HF reports both large banks produce. It talks about disputes/haircut adjustments with representatives of the large banks and has a dialog with the external and internal audit function on the prime brokerage	



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				<p>business of the two large banks. Prime brokerage business is also an important part in our ongoing liquidity supervision of the two large banks. FINMA looks at liquidity in-/ outflows from the prime brokerage business and looks at HF stress models. Strategy/growth plans and as well as onboarding strategies for new HF-clients are regularly discussed. FINMA regularly reviews several leverage indicators, margin requirements, excess collateral numbers and across several prime broker in a peer analysis. FINMA, respectively the predecessor organization SFBC, participated in the interagency working group to review the counterparty risk management practices related to hedge funds under the lead of the FRBNY. FINMA participated also in all Senior Supervisors Group (SSG) work streams that looked at counterparty credit risk management. A common report was issued that conveyed the SSG perspective on the state of CCR measurement and management practices based on discussions with major industry participants over the past two years. FINMA has been reviewing the regulatory and supervisory regime for leveraged counterparties, including hedge funds, also taking into account the</p>	

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				<p>IOSCO principles published in June 09. With the aforementioned revision of the CISA, CH aims to achieve compliance with the IOSCO principles. The exposure of banks to leveraged counterparties is subject to regulation within the capital adequacy framework. FINMA has fully implemented the Basel III standards on counterparty credit risk and the treatment of highly leveraged counterparties as of 1 Jan 2013.</p> <p><b>Web-links to relevant documents:</b></p> <p>CISA:  <a href="http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754">http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754</a> - Total revision of the Capital Adequacy ordinance to implement Basel III:  <a href="http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=44781">http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=44781</a> - Basel III</p> <p>Circulars:  <a href="http://www.finma.ch/e/aktuell/pages/mm-rs-umsetzung-b2-tbtf-20120718.aspx">http://www.finma.ch/e/aktuell/pages/mm-rs-umsetzung-b2-tbtf-20120718.aspx</a></p>	

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<b>III. Securitisation</b>					
5 (7)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> <li>implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009)</li> </ul>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> <li>IOSCO’s <a href="#">Report on Global Developments in Securitisation Regulation (Nov 2012)</a> including justification for any exemptions to IOSCO requirements; and</li> </ul>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p>	<p><b>Planned actions (if any):</b></p>
5 (8)		<p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<ul style="list-style-type: none"> <li>BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), <a href="http://www.bis.org/publ/bcbs157.pdf">http://www.bis.org/publ/bcbs157.pdf</a> and <a href="http://www.bis.org/publ/bcbs158.pdf">http://www.bis.org/publ/bcbs158.pdf</a></li> </ul>	<p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Basel 2.5: January 2011</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Based on the insights gained during the financial crisis, the revision of the circulars aimed at adjusting the regulatory deficits in capital requirements for proprietary trading, securitisations, and risk diversification. In terms of content, the revision draws on the amended Basel II minimum standards for capital adequacy set by the Basel Committee and the modified EU minimum standards for risk diversification.</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				Basel 2.5 Implementation by FINMA: <a href="http://www.finma.ch/e/aktuell/pages/mm-rs-eigenmittel-risikoverteilung-2010-11-25.aspx">http://www.finma.ch/e/aktuell/pages/mm-rs-eigenmittel-risikoverteilung-2010-11-25.aspx</a>	

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6 (9)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> <li>• <a href="#">ICP 13</a> – Reinsurance and Other Forms of Risk Transfer</li> <li>• <a href="#">ICP 15</a> – Investments, and</li> <li>• <a href="#">ICP 17</a> - Capital Adequacy.</li> </ul> <p>Jurisdictions may also refer to the IAIS <a href="#">Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008)</a>.</p>	<p>Not applicable</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>In Switzerland, there are no monoline insurers. Hence, there is no need for regulatory action in this regard.</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
7 (10)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product.</p> <p>See, for reference, the principles contained in IOSCO's report on <a href="#">Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009)</a> and <a href="#">Suitability Requirements for Distribution of Complex Financial Products (Jan 2013)</a>.</p> <p>Jurisdictions may also refer to the Joint Forum report on <a href="#">Credit Risk Transfer-Developments from 2005-2007 (Jul 2008)</a>.</p>	<p>Implementation ongoing or completed</p> <p><i>If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>Lehman/Madoff review</p> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : Autumn 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>In Switzerland only banks, insurances and securities dealers are permitted to market, guarantee or service structured products to retail customers and investors (art 5 CISA). Independently of their investment in structured products, these firms have to comply with severe requirements regarding internal control and risk management practices (e.g. art 9 banking ordinance and FINMA circular 08/24).</p> <p>In the context of the failure of Lehman Brothers FINMA initiated several reviews. Client investments as well as</p>	<p><b>Planned actions (if any):</b></p> <p>A consultation draft of a new regulation (Financial Services Act, FSA) is expected to be submitted to the Federal Council by autumn 2013.</p> <p><b>Expected commencement date:</b></p> <p>Autumn 2013</p> <p><b>Web-links to relevant documents:</b></p> <p>Work on financial services act:  <a href="http://www.sif.admin.ch/dokumentation/00509/00510/00622/00624/00817/index.html?lang=en">http://www.sif.admin.ch/dokumentation/00509/00510/00622/00624/00817/index.html?lang=en</a></p>

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				<p>nostro accounts of 100 banks were analysed for transactions in structured products.</p> <p>In February 2012 FINMA has published a position paper proposing two key measures to improve client protection: (1) Clear rules of business conduct for financial services providers, and (2) better product documentation.</p> <p>On 28 March, 2012, the Federal Council charged the Federal Department of Finance (FDF) to develop potential measures in order to improve the regulatory framework in this respect through a possible future regulation. Such new regulation will comply with international standards.</p> <p><b>Web-links to relevant documents:</b></p> <p>FINMA's Lehman/Madoff Review is available in German and French:  <a href="http://www.finma.ch/d/finma/publikationen/Documents/bericht-lehman-madoff-20100302-d.pdf">http://www.finma.ch/d/finma/publikationen/Documents/bericht-lehman-madoff-20100302-d.pdf</a>  <a href="http://www.finma.ch/f/finma/publikationen/Documents/bericht-lehman-madoff-20100302-f.pdf">http://www.finma.ch/f/finma/publikationen/Documents/bericht-lehman-madoff-20100302-f.pdf</a> - Work on financial services act:  <a href="http://www.sif.admin.ch/dokumentation/00509/00510/00622/00624/00817/index.html?lang=en">http://www.sif.admin.ch/dokumentation/00509/00510/00622/00624/00817/index.html?lang=en</a></p>	

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8 (11)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s <a href="#">Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012)</a> that complements IOSCO’s <a href="#">Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)</a>.</p>	<p>Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Switzerland takes part in the international discussions and will amend its rules where appropriate. For the time being, the significance of the Swiss ABS market is relatively limited both from a financial stability or from a consumer protection perspective.</p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>[No response]</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>Switzerland is taking part in the international discussions and will amend its rules where appropriate. We also support the FSB’s work on disclosure. At the national level, preparatory work has been launched on the setup of a new Financial Services Act, which is also expected to address disclosure on asset backed securities insofar as they are distributed to retail clients.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>



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<b>IV. Enhancing supervision</b>					
9 (12)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.<sup>2</sup></p> <p>See, for reference, the following documents:</p> <p>Joint Forum:</p> <ul style="list-style-type: none"> <li>• <a href="#">Principles for the supervision of financial conglomerates (Sep 2012)</a></li> </ul> <p>BCBS:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for G-SIBs (Nov 2011)</a></li> <li>• <a href="#">Framework for D-SIBs (Oct 2012)</a></li> <li>• <a href="#">BCP 12 (Sep 2012)</a></li> </ul> <p>IAIS:</p> <ul style="list-style-type: none"> <li>• <a href="#">ICP 23 – Group wide supervision</a></li> </ul> <p>FSB:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for addressing SIFIs (Nov 2011)</a></li> </ul>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of :            March 2012: TBTF legislation; January 2013: Basel III</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Switzerland currently has two designated G-SIBs that are subject to additional requirements e.g. regarding capital, risk diversification, and emergency planning.</p> <p>Basel III has been fully and timely implemented.</p> <p>Implementation of resolution plans and crisis management colleges in accordance with the FSB timetable.</p>	<p><b>Planned actions (if any):</b></p> <p>Implementation by both large banks:            Capital phase in Recovery and Resolution Planning            Resolvability Improvements</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

<sup>2</sup> The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

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				<p><b>Web-links to relevant documents:</b></p> <p>Swiss TBTF legislation:  <a href="http://www.efd.admin.ch/00468/index.html?lang=en&amp;msg-id=43419">http://www.efd.admin.ch/00468/index.html?lang=en&amp;msg-id=43419</a>  <a href="http://www.efd.admin.ch/themen/wirtschaft_waehrung/02315/index.html?lang=en">http://www.efd.admin.ch/themen/wirtschaft_waehrung/02315/index.html?lang=en</a></p> <p>Total revision of the Capital Adequacy ordinance to implement Basel III and additional requirements for G-SIBs:  <a href="http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=44781">http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=44781</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (13)	Establishing supervisory colleges and conducting risk assessments	To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)	Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing remaining supervisory colleges and conducting risk assessments.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	<b>Planned actions (if any):</b>
(14)		We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...(Seoul)	See, for reference, the following documents: BCBS: <ul style="list-style-type: none"> <li>• <a href="#">Good practice principles on supervisory colleges (Oct 2010)</a></li> <li>• <a href="#">Report and recommendations on cross-border bank resolution ( Mar 2010)</a></li> </ul> IOSCO: <ul style="list-style-type: none"> <li>• <a href="#">Principles Regarding Cross-Border Supervisory Cooperation (May 2010)</a></li> </ul> IAIS : <ul style="list-style-type: none"> <li>• <a href="#">ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</a></li> <li>• <a href="#">Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</a></li> </ul>	<b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see description below <b>Status of progress :</b> Reform effective (completed) as of : 2009 <b>Short description of the content of the legislation/ regulation/guideline:</b> Supervisory colleges have already been established for all four large cross-border groups requiring a college according to the criteria of the FSB (2 banks and 2 insurance firms). The insurance firms are covered by global supervisory colleges since 2008. For the two banks, arrangements similar to supervisory colleges have been in place since 2000. Supervisory colleges are also in place for other more significant financial institutions. The effectiveness of the colleges has been favourably assessed in a benchmarking exercise conducted by	<b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the BCBS Standards Implementation Group. Also, FINMA has established Crisis Management Groups for the two G-SIBs.</p> <p><b>Web-links to relevant documents:</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (15)</p> <p>New</p>	<p>Supervisory exchange of information and coordination</p>	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the <a href="#">October 2006</a> Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, the <a href="#">September 2012</a> BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information within core colleges (e.g. bilateral or multilateral MoUs).</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>see description below</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : ongoing process</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>On a national level, SNB and FINMA share tight links in monitoring the financial sector on the micro as well as macro level and coordinate regulatory initiatives of shared interest. On an international level, FINMA has long standing relations with the supervisors of important markets the Swiss SIFIs operate in and has broadened and extended supervisory cooperation, including cooperation on crisis management, following the FSB and BCBS work on colleges.</p>	<p><b>Planned actions (if any):</b></p> <p>- To the extent practicable and feasible, FINMA endeavours to complete the information exchange and coordination efforts by bilateral or multilateral cooperation agreements.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (16)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the <a href="#">October 2006</a> BCPs 1 and 23 or, if more recent, the <a href="#">September 2012</a> BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see description below.	<b>Planned actions (if any):</b>  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
(17)		Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)		<b>Status of progress :</b> Reform effective (completed) as of : Establishment of FINMA: 2009; Re-assessments: ongoing process	
New		Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	Jurisdictions should describe the outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.	<b>Short description of the content of the legislation/ regulation/guideline:</b> The new integrated supervisory authority FINMA, established in 2009, was given increased independence and additional tools compared to its ancestor authorities. Within the current organisational setup, the lessons from the financial crisis led to an improved and more consequently risk oriented supervisory approach and an improved stress testing framework.  As FINMA is financed through levies from the supervised sector and not through the general government budget, FINMA’s Board of Director can set the	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authority's maximum headcount. In its human resources strategy, FINMA seeks to achieve a good mixture of staff. Alongside younger specialists starting out on their career, FINMA needs long-standing supervisory specialists as well as individuals with in-depth practical experience. Due to the tight job market for finance experts, FINMA is constantly on the lookout for established personalities, in risk management for instance, who are keen to take on a new challenge in the middle of their career.</p> <p>FINMA has increased its number of staff in the aftermath of the financial crisis by attracting qualified and experienced staff. Furthermore, FINMA has substantially increased the proportion of on-site work by its own staff. It is operating a qualified and experienced risk department directly overseeing the risk of large banks and insurances. Other institutions are covered by an early warning system as described below and are regularly reviewed by external auditors directly reporting to FINMA. The procedure proved to be effective. It helps to concentrate supervisory resources, while at the same time making sure that issues get recognized and addressed within the continual supervision process. However,</p>	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>in order improve the effectiveness of the system, both the use of external auditors and the governance of the process are currently under review.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.finma.ch/e/finma/publikationen/Documents/br-aufsicht-20110421-e.pdf">http://www.finma.ch/e/finma/publikationen/Documents/br-aufsicht-20110421-e.pdf</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>V. Building and implementing macroprudential frameworks and tools</b>					
13 (18)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks <sup>3</sup> and private pools of capital to limit the build up of systemic risk. (London)	Please describe the systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	<b>Planned actions (if any):</b> Amendment to NBA in the course of the next revision regarding the direct access to further information.
(19)		Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.	<b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> Reform effective (completed) as of : Assessment of power to collect and share information: March 2012; MoU FINMA/SNB: February 2010; MoU FDF/FINMA/SNB: January 2011 <b>Short description of the content of the legislation/ regulation/guideline:</b> In March 2012, the Financial Stability Working Group (FDF, SNB, FINMA) published a report on proposals to amendments of regulatory systems (see web-link below), which included an assessment of the power to collect and share information. FINMA already has a	<b>Expected commencement date:</b> Not yet known  <b>Web-links to relevant documents:</b>

<sup>3</sup> The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>very broad legal power to gather any kind of information from supervised financial market institutions. The SNB has a legal power to collect statistical data and has a broad access to information from operators of payment and securities settlement systems. FINMA and the SNB are authorized to exchange information collected in this context. The FINMA-SNB MoU, which was revised in February 2010, provides additional details regarding information exchange between both institutions (see web-link below). In a Memorandum of Understanding signed in January 2011, the FDF, representing the Swiss Federal Council, the FINMA and the SNB agreed to exchange information on matters relating to financial stability and financial market regulation and cooperate in the event of a crisis which has the potential to threaten financial market stability. A majority of the Financial Stability Working Group recommended the creation of a right for the SNB to directly access information on financial market participants, which goes beyond its existing entitlement to statistical data. This would require an amendment of the National Bank Act (NBA).</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Web-links to relevant documents:</b>            Report of Financial Stability Working Group:  <a href="http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en">http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en</a>            FINMA-SNB MoU:  <a href="http://www.snb.ch/en/mmr/reference/mofu/source">http://www.snb.ch/en/mmr/reference/mofu/source</a> FDF-FINMA-SNB MoU:  <a href="http://www.finma.ch/e/aktuell/Documents/MoU-tripar">http://www.finma.ch/e/aktuell/Documents/MoU-tripar</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (20)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency.</p> <p>Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on <a href="#">Operationalising the selection and application of macroprudential instruments (Dec 2012)</a>.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Amendments of Capital Adequacy Ordinance: July 2012 (countercyclical buffer) and January 2013 (higher requirements for risky mortgages); Monitoring: ongoing</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p>	<p><b>Planned actions (if any):</b></p> <p>Ongoing monitoring and, if appropriate, further decisions on the adjustment or deactivation of the countercyclical capital buffer.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>
(21)		<p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on <a href="#">Macroprudential policy tools and frameworks (Oct 2011)</a>, and the IMF paper on <a href="#">Macroprudential policy, an organizing framework (Mar 2011)</a>.</p>	<p>Quantitative indicators already enter the regular monitoring and analysis of SNB, FINMA and the FDF. SNB is continuously monitoring a broad range of indicators – among them asset prices, credit volumes – and their implications for financial stability. FINMA has also implemented a macroeconomic monitoring process which concentrates both on the Swiss domestic real estate market and selected foreign asset markets. The results are inter alia used to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>design and calibrate stress scenarios. SNB, FINMA and FDF exchange their views. Regarding instruments, two amendments to the Capital Adequacy Ordinance have been made: First, capital requirements for risky mortgage lending business have been increased. The corresponding amendment of the Capital Adequacy Ordinance entered into force in January 2013. Complementary, self-regulation in the mortgage market have been tightened. Accordingly, a minimum downpayment of 10% of the amount of the real estate transaction, coming from a source other than occupational benefits provision (second pillar), must be made. Second, a countercyclical buffer has been implemented, the corresponding amendment to the Capital Adequacy Ordinance entered into force on 1 July 2012. The primary objective of the countercyclical buffer is to increase the resilience of the banking sector against the consequences of excessive credit growth. Moreover, it contributes to leaning against the build-up of excesses in the Swiss mortgage and real estate markets. The decision on activation, adjustment and deactivation is based on an approach of guided discretion (see web-link below). The approach builds on</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>a systematic analysis and aggregation of a set of key quantitative indicators. Depending on circumstances, a broader set of additional quantitative and qualitative indicators also flows into the decision. In February 2013, the Federal Council decided to activate the countercyclical capital buffer upon proposal by the SNB. The capital buffer is targeted at mortgage loans financing residential property located in Switzerland. The buffer is set at a level of 1% of associated risk-weighted positions, and the deadline for compliance with the countercyclical buffer is 30 September 2013 (see web-link below).</p> <p><b>Web-links to relevant documents:</b></p> <p>Amendments to Capital Adequacy Ordinance:  <a href="http://www.efd.admin.ch/00468/index.html?lang=en&amp;msg-id=44781">http://www.efd.admin.ch/00468/index.html?lang=en&amp;msg-id=44781</a> Report of Financial Stability Working Group:  <a href="http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en">http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en</a></p> <p>Fact sheet Countercyclical: Swiss National Bank, 'Implementing the countercyclical capital buffer in Switzerland: concretising the Swiss National Bank's role', fact sheet, June 2012; available at <a href="http://www.snb.ch">www.snb.ch</a>, <i>Financial Stability, Publications</i>.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (22)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	<p>Jurisdictions can make reference to the following BCBS documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">Report and recommendations of the Cross-border Bank Resolution Group (Mar 2010)</a></li> <li>• <a href="#">Good Practice Principles on Supervisory Colleges (Oct 2010)</a> (Principles 2, 3 and 4 in particular)</li> </ul>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Memorandum of understanding</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : MoU SNB-FINMA: 2010;</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>SNB and the Swiss Federal Banking Commission have had a Memorandum of Understanding (MoU) in place since 2007 that was continued after the creation of FINMA. During the financial crisis and thereafter, the two authorities collaborated much more closely. To account for the insights gained during that period the MoU was revised in February 2010.</p> <p>Additionally, in January 2011, the FDF, FINMA and SNB signed a tripartite MoU. The agreement governs</p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>collaboration between the three authorities, which includes the exchange of information on financial stability and financial market regulation issues, as well as collaboration in the event of a crisis that would threaten the financial system's stability.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.finma.ch/e/aktuell/pages/mm-mou-20110117.aspx">http://www.finma.ch/e/aktuell/pages/mm-mou-20110117.aspx</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VI. Improving oversight of credit rating agencies (CRAs)</b>					
16 (23)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document:	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	<b>Planned actions (if any):</b> - FINMA renounces of an own ongoing supervision of CRAs because the relevant CRAs are based abroad and will be subject to ongoing supervision in other jurisdictions.
(24)		National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.  CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.  The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	They should also indicate its consistency with the following IOSCO document: <ul style="list-style-type: none"><li>• <a href="#">Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)</a></li></ul> Jurisdictions may also refer to the following IOSCO documents: <ul style="list-style-type: none"><li>• Principle 22 of <a href="#">Principles and Objectives of Securities Regulation (Jun 2010)</a> which calls for registration and oversight programs for CRAs;</li><li>• <a href="#">Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)</a>; and</li><li>• <a href="#">Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012)</a>.</li></ul>	<b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:  <b>Status of progress :</b> Reform effective (completed) as of : January 2012  <b>Short description of the content of the legislation/ regulation/guideline:</b> Credit rating agencies whose ratings are used for regulatory purposes (e.g. as basis for capital adequacy) have to be registered with and recognized by FINMA. The recognition is currently governed by FINMA circular 2008/26 “Rating Agencies” and includes requirements in regard to objectivity, independence, access to ratings, disclosure, resources and credibility. Process and requirements are in line with the standards of the BCBS and with the “IOSCO Code of Conduct Fundamentals for Credit Rating Agencies” (2004). FINMA revised its Circular regarding	<b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
(25)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Recognition of Credit Rating Agencies in 2011. The revision took effect on January 2012. The scope of application is extended to all institutions supervised by FINMA which use credit ratings for regulatory purposes. By this occasion the IOSCO Code of Conduct Fundamentals 2008 and its current version were declared the basis for FINMA's recognition of CRAs. Moreover, FINMA adapts new rules from the BCBS Regulatory Framework (Basel III) regarding the registration requirements.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.finma.ch/e/aktuell/pages/mm-rs-ratingagenturen-20110825.aspx">http://www.finma.ch/e/aktuell/pages/mm-rs-ratingagenturen-20110825.aspx</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (26)	Reducing the reliance on ratings	<p>We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p>	No information on this recommendation will be collected in the current IMN survey since a thematic peer review is taking place in this area during 2013.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VII. Enhancing and aligning accounting standards</b>					
18 (27)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB. They should also explain the system they have for enforcement of consistent application of those standards.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : last revision 2012</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>New legislation has been developed for audit firms and auditing which will inter alia ensure the consistent application of accounting standards.</p> <p><b>Web-links to relevant documents:</b></p> <p>FINMA Guidelines on accounting standards under Art. 23 to Art. 27 of the Banking Ordinance  <a href="http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf">http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf</a> - FINMA-Circulars on audit firms and auditing  <a href="http://www.finma.ch/e/regulierung/pages/rundschriften.aspx">http://www.finma.ch/e/regulierung/pages/rundschriften.aspx</a></p>	<p><b>Planned actions (if any):</b></p> <p>Changes in IFRS and US GAAP with particular focus on the treatment of financial instruments will be analysed and transposed into national regulation if deemed necessary.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (28)</p> <p>(29)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">Basel 2.5 standards on prudent valuation (Jul 2009)</a></li> <li>• <a href="#">Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</a></li> </ul>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : 2014</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Swiss Accounting Standards for banks are continuously improved and amended in line with internationally accepted accounting standards - IFRS (as published by the IASB) and US GAAP are allowed for bank's consolidated financial statements (and required if listed in the main segment of Swiss stock exchange)</p> <p>On a regulatory level we have implemented the standards on prudent valuation (as foreseen by Basel 2.5) into the FINMA Circulars.</p> <p><b>Web-links to relevant documents:</b></p> <p>FINMA Guidelines on accounting</p>	<p><b>Planned actions (if any):</b></p> <p>A national expert group is working on the revision of the Swiss Accounting Standards for Banks. Targeted completion: 2014.</p> <p><b>Expected commencement date:</b></p> <p>2014</p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>standards under Art. 23 to Art. 27 of the Banking Ordinance :<a href="http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf">http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf</a>                      - FINMA Guidelines on credit risk (FINMA-Circ. 08/19) and on market risk (FINMA-Circ. 08/20).  <a href="http://www.finma.ch/e/regulierung/pages/rundschreiben.aspx">http://www.finma.ch/e/regulierung/pages/rundschreiben.aspx</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VIII. Enhancing risk management</b>					
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's <a href="#">Principles for the supervision of financial conglomerates (Sep 2012)</a> and the following BCBS documents:	Implementation ongoing or completed <i>If "Not applicable" or "Applicable but no action envisaged..." has been selected, please provide a brief justification:</i>	<p><b>Planned actions (if any):</b> We are currently reviewing Circ. 08/21 Operational risks – banks, with particular focus on the general qualitative requirements and a special section on client data confidentiality. A second phase of the reporting on the LCR started in mid 2013 where all banks are asked to provide their figures in a fully structured template. Revision work for the Operational Risk Circular 08/21 is almost completed. Final publication is scheduled for the beginning of October 2013. Revision of the reporting requirements for short-term LCR circular 13/06 until end 2013</p> <p><b>Expected commencement date:</b> 2013</p> <p><b>Web-links to relevant documents:</b> To public consultation for the revision of the Operational Risk Circular 08/21 (from 23 May 2013 to 01 July 2013): <a href="http://www.finma.ch/e/aktuell/pages/mm-anhoerung-teilrevision-operationelle">http://www.finma.ch/e/aktuell/pages/mm-anhoerung-teilrevision-operationelle</a></p>
(33)	National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)	<ul style="list-style-type: none"> <li>• <a href="#">Principles for effective risk data aggregation and risk reporting (Jan 2013)</a></li> <li>• <a href="#">The Liquidity Coverage Ratio (LCR) (Jan 2013)</a></li> <li>• <a href="#">Principles for the sound management of operational risk (Jun 2011)</a></li> <li>• <a href="#">Principles for sound stress testing practices and supervision (May 2009)</a></li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see below</li> </ul>		
(34)	Regulators and supervisors in emerging markets <sup>4</sup> will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's February 2013 <a href="#">thematic peer review report on risk governance</a> .	<p><b>Status of progress :</b> Reform effective (completed) as of : Stress tests for large banks:2008; liquidity regime for large banks: 2010; LCR data reporting: 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> In November 2012, the Federal Council issued new liquidity requirements for banks in the form of an ordinance. Banks are required to have at all times sufficient liquidity to be able to meet their payment obligations even in crisis situations. - The more stringent liquidity regime for large banks is based on an agreement between FINMA and the large banks. Due to recent events, a newsletter on</p>		
(35)	We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)				

<sup>4</sup> Only the emerging market jurisdictions may respond to this recommendation.



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>unauthorized trading was released that explains the application of various circulars regarding operational risks (Circ. 08/21 Operational risks – banks, 08/24 Supervision and internal control – banks, 08/7 Outsourcing – banks, and 10/1 Remuneration schemes) See weblinks.</p> <p><b>Web-links to relevant documents:</b></p> <p>Stress testing:  <a href="http://www.finma.ch/e/aktuell/pages/mm-stresstests-20091002.aspx">http://www.finma.ch/e/aktuell/pages/mm-stresstests-20091002.aspx</a> Large banks’</p> <p>liquidity regime:  <a href="http://www.finma.ch/e/aktuell/pages/mm-neues-liqregime-grossbanken-20100421.aspx">http://www.finma.ch/e/aktuell/pages/mm-neues-liqregime-grossbanken-20100421.aspx</a></p> <p>Liquidity ordinance:  <a href="http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=46938">http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&amp;msg-id=46938</a></p> <p>Liquidity circular:  <a href="http://www.finma.ch/e/aktuell/pages/mm-rs-liquiditaet-banken-20121217.aspx">http://www.finma.ch/e/aktuell/pages/mm-rs-liquiditaet-banken-20121217.aspx</a></p> <p>Operational risks / FINMA Newsletter on unauthorised trading:  <a href="http://www.finma.ch/e/finma/publikation/en/Lists/ListMitteilungen/Attachments/4/finma-mitteilung-31-2011-e.pdf">http://www.finma.ch/e/finma/publikation/en/Lists/ListMitteilungen/Attachments/4/finma-mitteilung-31-2011-e.pdf</a></p> <p>Liquidity-data-collection:</p>	<p>risiken-20130523.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<a href="http://www.snb.ch/en/emi/LCR">http://www.snb.ch/en/emi/LCR</a> ; <a href="http://www.finma.ch/e/finma/publikationen/Lists/ListMitteilungen/Attachments/54/beilage-finma-mitteilung-45-2013-bearbeitungshinweise-lcr-erhebungsbogen-e.pdf">http://www.finma.ch/e/finma/publikationen/Lists/ListMitteilungen/Attachments/54/beilage-finma-mitteilung-45-2013-bearbeitungshinweise-lcr-erhebungsbogen-e.pdf</a>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (36)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2012.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>Monitoring by FINMA</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : Basel III: January 2013; Monitoring: ongoing;</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Basel III has been fully and timely implemented. No particular action is currently taken regarding impaired assets, as this is currently not a major issue in the Swiss banking system.</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>- FINMA continues to monitor the situation closely and would intervene formally and informally if necessary.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (37)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on <a href="#">Enhancing the Risk Disclosures of Banks</a> .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>Ongoing supervision</p> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of : 2009 (adjusted in 2012)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Since January 1, 2009 banks have to issue a Pillar 3 reporting (Pillar 3 of the BCBS capital requirements); this regulation has been adjusted in 2012</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>Accounting standards will be continuously improved and amended in line with internationally accepted accounting standards (for Swiss Accounting Standards for banks see also 18 above).</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>IX. Strengthening deposit insurance</b>					
23 (38)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB’s February 2012 <a href="#">thematic peer review report on deposit insurance systems</a> .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Reform effective (completed) as of :            Increase of coverage: December 2008 (as a temporary measure) and September 2011 (turning temporary into permanent increase)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Deposit insurance coverage has been increased in September 2011 (temporary measures taken in 2008 have been turned into permanent measures). Please refer to the peer review report on deposit insurance systems published in February 2012 for more details. There are no changes since the peer review report.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.financialstabilityboard.org/publications/r_120208.pdf">http://www.financialstabilityboard.org/publications/r_120208.pdf</a></p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>X. Safeguarding the integrity and efficiency of financial markets</b>					
24 (39)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	<p>Jurisdictions should indicate the progress made in implementing the following IOSCO reports:</p> <ul style="list-style-type: none"> <li>• <a href="#">Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011)</a>; and</li> <li>• <a href="#">Report on Principles for Dark Liquidity (May 2011)</a>.</li> </ul>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : October 2013 (Financial Market Infrastructure Act)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>In order to ensure the competitiveness of the Swiss financial centre,strengthen market transparency and financial stability, the Swiss Federal Council decided to launch a reform package that fully implements the G-20 commitments on OTC derivatives and brings financial market infrastructure in line with international standards. This package will also contain elements on market integrity. The FDF is currently finalizing the necessary regulatory proposals.</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.sif.admin.ch/dokumentation/0">http://www.sif.admin.ch/dokumentation/0</a></p>	<p><b>Planned actions (if any):</b></p> <p>Publication of the hearing report on the Financial Market Infrastructure Act is planned for October 2013.</p> <p><b>Expected commencement date:</b></p> <p>2015</p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.sif.admin.ch/dokumentation/0509/00510/00622/00624/00861/index.html?lang=en">http://www.sif.admin.ch/dokumentation/0509/00510/00622/00624/00861/index.html?lang=en</a></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				0509/00510/00622/00624/00861/index.html?lang=en	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25 (40)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)	<p>Jurisdictions should indicate the policy measures taken to enhance market transparency in commodity markets.</p> <p>See, for reference, IOSCO’s report on <a href="#">Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)</a>.</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the <a href="#">report</a> published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</p>	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : October 2013 (Financial Market Infrastructure Act)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Switzerland complies with the majority of IOSCO’s Principles for the Regulation and Supervision of Commodity Derivatives Markets. Where it does not comply, this is mostly attributable to the fact of not having a substantial commodities exchange and not having a regulated market for physically settled contracts at all.</p> <p>Remaining issues from IOSCO’s Commodities Principles which apply to markets in general will be addressed by the legislative reform package that will implement the FSB principles in the area of OTC derivatives and market</p>	<p><b>Planned actions (if any):</b></p> <p>- Review of the implications of the IOSCO principles for the Swiss regulatory framework.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				infrastructures (Financial Market Infrastructures Act).  <b>Web-links to relevant documents:</b>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 New	Legal Entity Identifier	<p>We support the creation of a global legal entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes)</p> <p>We encourage global adoption of the LEI to support authorities and market participants in identifying and managing financial risks. (Los Cabos)</p>	Jurisdictions should indicate whether they have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction.	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>Joining LEI-ROC as an observer.</p> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : October 2013 (Financial Market Infrastructure Act)</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>Switzerland joined the ROC in January 2013 as observer.</p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p>No establishment of LOU is currently envisaged in Switzerland. Decisions on the use of LEI in Switzerland will be made in the implementation of the current reform package addressing financial market infrastructure and OTC-derivatives markets.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>XI. Enhancing financial consumer protection</b>					
27 (41)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's <a href="#">G-20 high-level principles on financial consumer protection (Oct 2011)</a> .	<p>Implementation ongoing or completed</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation /Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by : fall 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p>In February 2012 FINMA has published a position paper proposing two key measures to improve client protection: (1) Clear rules of business conduct for financial services providers, and (2) better product documentation.</p> <p>On 28 March 2012 the Federal Council instructed the Federal Department of Finance (FDF), in cooperation with the Federal Department of Justice and Police (FDJP) and FINMA, to commence work on a project to prepare the legal basis for the creation of a cross-sector regulation of financial products and services and their distribution, and to submit a</p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>consultation draft to the Federal Council by the autumn of 2013. The new guidelines should result in a strengthening of client protection within the Swiss financial market and enhance the competitiveness of the financial centre. Furthermore, the same conditions should be set for all market participants, thereby creating a level playing field and reducing distortions in competition between providers. - Possible key thrusts of the planned regulatory project were published by the FDF on 18 February 2013.</p> <p><b>Web-links to relevant documents:</b>            FINMA position paper on distribution rules:  <a href="http://www.finma.ch/e/aktuell/pages/mm-vertriebsbericht-20120224.aspx">http://www.finma.ch/e/aktuell/pages/mm-vertriebsbericht-20120224.aspx</a> Work on financial services act:  <a href="http://www.efd.admin.ch/dokumentation/zahlen/00578/02686/index.html?lang=en">http://www.efd.admin.ch/dokumentation/zahlen/00578/02686/index.html?lang=en</a></p>	

**XII. Source of recommendations:**

[Los Cabos: The G20 Leaders Declaration \(18-19 June 2012\)](#)

[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)

[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)

[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)

[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)

[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)

[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)

[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)

[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)

[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)

[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

**XIII. List of Abbreviations used:**

BBA: Building Block Analysis  
 CISA: Collective Investment Scheme Act  
 FDF: Federal Department of Finance  
 FINMA: Swiss Financial Market Supervisory Authority  
 HF: Hedge Fund  
 LPA: Loss Potential Analysis  
 MoU: Memorandum of Understanding  
 NBA: National Bank Act  
 SFBC: Swiss Federal Banking Commission  
 SNB: Swiss National Bank  
 SSG: Senior Supervisors Group