

Jurisdiction: Switzerland

2014 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
I. Refining the regulatory perimeter					
1 (1)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking ¹	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.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Regular reviews Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input checked="" type="checkbox"/> Draft published as of: Mid 2014: Consultation on FSSA and FFIA <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: -March 2013: Collective Investment	Planned actions (if any): - FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework - FINMA, SNB and FDF are represented in international working groups on strengthening the oversight and regulation of the shadow banking system. At the national level, they jointly launched an analysis of the size of the shadow banking sector in Switzerland and of potential regulatory gaps. Expected commencement date: Web-links to relevant documents: IOSCO Principle 6&7: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD323.pdf
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ² (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: Shadow Banking: Strengthening Oversight and Regulation.		

¹ Some authorities or market participants prefer to use other terms such as “market-based financing” instead of “shadow banking”. The use of the term “shadow banking” is not intended to cast a pejorative tone on this system of credit intermediation. However, the FSB is using the term “shadow banking” as this is the most commonly employed and, in particular, has been used in the earlier G20 communications.

² 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>Scheme Act</p> <p>Short description of the content of the legislation/ regulation/guideline: - The revised collective investment schemes act (CISA) inter alia extended the supervisory scope to include asset managers of foreign collective investment schemes. - The FDF has launched work on a new Federal Financial Services Act (FFSA) and on a new Federal Financial Institutions Act (FFIA). The FFSA shall introduce cross-sector regulation of financial products and services over a wide range of providers, thereby implying an extension of the regulatory framework. The FFIA is expected to extend to small, independent asset managers, in addition to financial institutions already subject to regulation. - Regarding shadow banks, Switzerland has no constant net asset value money market funds (CNAV-MMF) and no mortgage insurance, while prime brokerage activities of Swiss banks, finance companies related to banks as well as the providers of consumer credit in general are already subject to supervision.</p> <p>Highlight main developments since last</p>	

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				<p>year's survey:</p> <p>Web-links to relevant documents:</p> <p>CISA: http://www.news.admin.ch/message/index.html?lang=en&msg-id=47754</p>	

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II. Hedge funds					
2 (2)	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 state whether Hedge Funds(HFs) are domiciled locally and, if available, indicate the size of the industry in terms of Assets Under Management (AUM) and number of HFs. Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009).</p> <p>In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - HFs and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" 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 supervisory measures regarding hedge funds below.</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: - March 2013: Collective Investment Scheme Act</p> <p>Short description of the content of the legislation/ regulation/guideline: - The revised collective investment schemes act (CISA) inter alia extends the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): - 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>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>supervisory scope to include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision. - In regard to hedge funds, FINMA has participated in the systemic footprint survey in September 2010 to identify 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. A 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 hedge funds interfaces with banks. Moreover, certain investment restrictions for insurers exist.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: -</p>	

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3 (3)	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)	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO’s Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. <p>In particular, jurisdictions should indicate those jurisdictions where an MoU is in place that provides for oversight when a hedge fund is located in one of these jurisdictions and manager is located elsewhere.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>full signatory to IOSCO MMoU; conclusion of bilateral MoUs</p> <p>Status of progress :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: <ul style="list-style-type: none"> - March 2013: Collective Investment Scheme Act; 2010: full signatory to IOSCO MMoU <p>Short description of the content of the legislation/ regulation/guideline: - Based on the revised CISA, FINMA will receive information on the activities of</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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. - Switzerland (FINMA) is a full signatory (A-signatory) to the IOSCO MMoU since 2010. At the end of July 2013, FINMA had signed MoUs with 28 EU and EEA member states. These regulate the supervision of risks and the collection of data from asset managers, as well as the transfer of data by the relevant supervisory authorities to FINMA. The MoUs also include cross-border supervisory reviews and mutual assistance in the enforcement of the respective laws.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: - CISA: http://www.news.admin.ch/message/index.html?lang=en&msg-id=47754</p>	

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4 (4)	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)	<p>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.</p> <p>In particular, jurisdictions should indicate whether they have implemented the Basel III rules for credit exposures to highly leveraged counterparties (para 112 of Basel III (Jun 2011) – see also FAQ no 1b.4 on Basel III counterparty credit risk, Dec 2012), and principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <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 <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: - March 2013: Collective Investment Scheme Act, January 2013: Basel III</p> <p>Short description of the content of the legislation/ regulation/guideline: - FINMA has been reviewing the regulatory and supervisory regime for leveraged counterparties, including hedge funds, also taking into account the</p>	<p>Planned actions (if any): - Work to implement the "Capital requirements for banks' equity investments in funds, Dec 2013" by January 2017 has been kicked off.</p> <p>Expected commencement date: Q4 2014</p> <p>Web-links to relevant documents:</p>
(4)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)			

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				<p>IOSCO principles published in June 09. With the recent revision of the Collective Investment Schemes Act (CISA), Switzerland 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. In its Basel III FAQ issued in May 2013 FINMA has also clarified that the Basel FAQs form part of the Basel III implementation in Switzerland. - 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 businesses activities and all HF reports both large banks produce. It talks about disputes/haircut adjustments with the large banks and has a dialog with the external and internal audit function on their prime brokerage business. - Prime brokerage business is also an important part in FINMA's ongoing liquidity</p>	

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				<p>supervision of the two large banks. FINMA looks at liquidity in-/ outflows from the prime brokerage business and 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 its predecessor organization, 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.</p> <p>Highlight main developments since last year's survey: - The BCBS reviewed the Swiss implementation of Basel III during an RCAP and assessed the implementation as "compliant".</p> <p>Web-links to relevant documents: -</p>	

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				<p>CISA: http://www.news.admin.ch/message/index.html?lang=en&msg-id=47754 - Total revision of the Capital Adequacy ordinance to implement Basel III: http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&msg-id=44781 - Basel III Circulars: http://www.finma.ch/e/aktuell/pages/mm-rs-umsetzung-b2-tbtf-20120718.aspx - FINMA Basel III FAQ: http://www.finma.ch/d/faq/beaufsichtigte/Seiten/basel-III.aspx</p>	

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III. Securitisation					
5 (5)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) <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>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s <i>Unregulated Financial Markets and Products (Sep 2009)</i>, including justification for any exemptions to the IOSCO recommendations; and BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf. <p><i>Jurisdictions may also indicate progress in implementing the recommendations of the IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012).</i>³</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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> So far, Switzerland does not have a market for securitisation on domestic assets (only 10 transactions over the last 17 years).</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

³ Jurisdictions should not provide responses on IOSCO recommendations concerning the alignment incentives associated with securitisation (including risk retention requirements) since these will be covered by an IOSCO peer review in 2014.

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				<p>legislation/ regulation/guideline: - Switzerland does not have a domestic market for securitisation (i.e. securitisation on domestic assets) only a few transactions (10 over the last 17 years). Thus securitisation is currently largely unregulated domestically. - If Swiss investors acquire securitisation exposures, they are usually acquired on the global markets and abide by various EU, US regulations for the instruments. Where there is issuance of securitisation or acquisition of exposures by regulated institutions such as banks and insurance these are under the Basel prudential regime (currently Basel III). Thus revised securitisation requirements in solvency or minimum capital requirements are in place as well as the due diligence that accompanies them. CH has a regulatory mapping in place and surveys the structured finance ratings. - As for retention rules, the non existence of a domestic market has prompted for no specific Swiss regulation in the matter, for acquired tranches on larger markets US/EU or else, they are subject to the retention regulations in place. - Based on the insights gained during the financial crisis, a revision of FINMA circulars</p>	

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				<p>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>Highlight main developments since last year's survey: - Switzerland actively participates in international working groups around securitisation (Basel and others). Under Basel III there is an increased interest in opportunistic securitisation of domestic assets. Yet there is still no market in proper sense in Switzerland, thus not warranting for specific regulations on top of those for banks and insurance (largests holders if any).</p> <p>Web-links to relevant documents: Basel 2.5 Implementation by FINMA: http://www.finma.ch/e/aktuell/pages/mm-rs-eigenmittel-risikoverteilung-2010-11-25.aspx</p>	

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6 (6)	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"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum’s consultative document on Mortgage insurance: market structure, underwriting cycle and policy implications (Feb 2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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> In Switzerland, there are no monoline insurers. Hence, there is no need for regulatory action in this regard.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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7 (7)	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 due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance product.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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> So far, Switzerland has no relevant domestic market</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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8 (8)	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 Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 25.06.2014</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: -</p> <p>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>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation: -</p> <p>The public consultation for the Financial Services Act finished in October 2014. The act is expected to enter into force in 2017, depending on the parliamentary process.</p> <p>Planned actions (if any): - Switzerland is taking part in the international discussions and will amend its rules where and when appropriate, in addition to the planned setup of new Financial Services Act addressing disclosure on asset backed securities that are distributed to retail clients. Switzerland also supports the FSB’s work on disclosure.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Enhancing supervision					
9 (9)	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.⁴</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: TBTF legislation: March 2012; Basel III implementation: January 2013</p> <p>Short description of the content of the legislation/ regulation/guideline: - The revised banking act and, based thereon,</p>	<p>Planned actions (if any): Continued implementation by the systemically important banks (capital phase in; recovery and resolution planning; resolvability improvements) and regular review of the TBTF framework by the Swiss authorities. - Implementation of actions as noted - Bail-in concept operationalization (G-SIBs) - Resolvability Assessment Process (G-SIBs)</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

⁴ 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.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the revised capital adequacy ordinance, introduced additional requirements for systemically important banks regarding capital, liquidity, risk diversification, and emergency planning. Switzerland currently has two designated G-SIBs (that are at the same time also D-SIBs) and two additional D-SIBs. - Basel III has been fully and timely implemented for all Swiss banks as of January 2013, when the revised ordinance on Capital Adequacy entered into force. - Implementation of resolution and recovery planning and crisis management colleges is ongoing in accordance with the FSB timetable. - Switzerland currently has no designated G-SII.</p> <p>Highlight main developments since last year's survey: - Ongoing development of improvement of Swiss Banks insolvency framework - Ongoing development of competence for holdings and service and similar companies for FINMA in the case of insolvency/ resolution with legislative power's (will become effective tentatively mid 2015)</p> <p>Web-links to relevant documents: - Swiss TBTF legislation: http://www.efd.admin.ch/00468/index.html?lang=en&msg-id=43419</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>http://www.efd.admin.ch/themen/wirtschaft_waehrung/02315/index.html?lang=en - - Total revision of the Capital Adequacy ordinance to implement Basel III and additional requirements for G-SIBs: http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&msg-id=44781</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>10 (10)</p> <p>(10)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Please indicate whether supervisory colleges for all significant cross-border firms (both banks and insurance companies) have been established and whether the supervisory colleges for G-SIFIs are conducting rigorous risk assessments.</p> <p>Principle 13 of BCBS <u>Core Principles for Effective Banking Supervision</u> and <u>Good practice principles on supervisory colleges (Oct 2010)</u> may be used as a guide for supervisor to indicate the implementation progress. For further reference, see the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • <u>Core Principles for Effective Banking Supervision (Sep 2012)</u> <p>IAIS :</p> <ul style="list-style-type: none"> • <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u> • <u>Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</u> <p>IOSCO:</p> <ul style="list-style-type: none"> • <u>Principles Regarding Cross-Border</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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: - establishing supervisory colleges</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2009</p> <p>Short description of the content of the legislation/ regulation/guideline: - Supervisory colleges have been established for all four large cross-border financial institutions requiring a college according to the criteria of the FSB (2 banks and 2 insurance firms). For the two</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p><i>Supervisory Cooperation (May 2010)</i></p>	<p>banks, arrangements similar to supervisory colleges have been in place since 2000. The insurance firms have been covered by global supervisory colleges since 2008. Supervisory colleges are also in place for other significant financial institutions. The effectiveness of the colleges has been favourably assessed in a benchmarking exercise conducted by the BCBS Standards Implementation Group. - Also, FINMA has established Crisis Management Groups for the two G-SIBs.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (11)</p> <p>(11)</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 September 2012 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 (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>- national and international cooperation</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: ongoing process</p> <p>Short description of the content of the legislation/ regulation/guideline: - 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</p>	<p>Planned actions (if any): - To the extent practicable and feasible, FINMA endeavours to complete the information exchange and coordination efforts by bilateral or multilateral cooperation agreements.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	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)	No information on this recommendation will be collected in the current IMN survey since a peer review is taking place in this area during 2014.		
(12)		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)			
(12)		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)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Building and implementing macroprudential frameworks and tools					
13 (13)	Establishing regulatory framework for macro-prudential oversight	<p>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 banks⁵ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>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)</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 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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" 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>- MoUs among financial market authorities</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 13.12.2013</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: - February 2010: MoU FINMA/SNB;</p>	<p>Planned actions (if any): - Partial revision of NBA and FINMASA to create the right to direct access for the SNB to information on financial market participants and to enable FINMA and SNB to share information with the FDF.</p> <p>Expected commencement date: Mid 2015</p> <p>Web-links to relevant documents:</p> <p>Partial revision of NBA and FINMASA: http://www.admin.ch/aktuell/00089/index.html?lang=en&msg-id=54305</p>

⁵ 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>January 2011: MoU FDF/FINMA/SNB</p> <p>Short description of the content of the legislation/ regulation/guideline: - In March 2012, the Financial Stability Working Group (FDF, SNB, FINMA) published a report and proposals on the macroprudential framework (see web-link below), which included an assessment of the power to collect and share information. FINMA has a 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. A majority of the Financial Stability Working Group also recommended the creation of a right for the SNB to directly access information on financial market participants. - FINMA and the SNB are authorized to exchange information collected in this context. The FINMA-SNB MoU, revised in February 2010, provides additional details regarding information exchange between both institutions (see web-link below). In a MoU signed in January 2011, the FDF, the FINMA and the SNB agreed to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>exchange information on matters relating to financial stability and to cooperate in the event of a crisis threatening financial stability.</p> <p>Highlight main developments since last year's survey: - In September 2014, the Swiss government proposed new provisions in the NBA and the Financial Market Supervision Act (FINMASA) to parliament, with a view to creating a right to (i) direct access for the SNB to information on financial market participants which goes beyond its existing entitlement to statistical data and (ii) information sharing among Swiss authorities.</p> <p>Web-links to relevant documents: Report of Financial Stability Working Group: http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en FINMA-SNB MoU: http://www.snb.ch/en/mmr/reference/mofu/source_FDF-FINMA-SNB MoU: http://www.finma.ch/e/aktuell/Documents/MoU-tripartit-2011-e.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>14 (14)</p> <p>(14)</p>	<p>Enhancing system-wide monitoring and the use of macro-prudential instruments</p>	<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>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other public reports, where available) the types of systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels. 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 Operationalising the selection and application of macroprudential instruments (Dec 2012).</p> <p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macprudential policy tools and frameworks (Oct 2011), and the IMF staff papers on Macprudential policy, an organizing framework (Mar 2011) and on Key Aspects of Macprudential policy (Jun 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>-ongoing monitoring</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> 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>Short description of the content of the legislation/ regulation/guideline: -</p> <p>Quantitative indicators regularly enter the</p>	<p>Planned actions (if any): - Ongoing monitoring and, if appropriate, further decisions on the adjustment of the countercyclical capital buffer, and the introduction of potential additional regulatory measures affecting the demand for mortgages.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 implemented a macroeconomic monitoring process which concentrates both on the Swiss domestic real estate market and selected foreign asset markets. - Regarding instruments, two amendments to the Capital Adequacy Ordinance have been made: First, capital requirements for risky mortgage lending business have been increased, being effective as of January 2013. Complementary, self-regulation in the mortgage market has been tightened, requiring a minimum downpayment of 10% of the real estate transaction coming from a source other than occupational benefits provision (second pillar). Second, a countercyclical buffer has been implemented since July 2012. Its objective is to increase the resilience of the banking sector against the consequences of excessive credit growth but also to mitigate the build-up of excesses in mortgage markets. The decision on activation, adjustment and deactivation is based on an approach of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>guided discretion (see web-link below) based on a set of key quantitative indicators. - In February 2013, the Federal Council activated the countercyclical capital buffer upon proposal by the SNB at a level of 1% of risk-weighted positions associated with residential mortgage loans, entering into effect as of 30 September 2013.</p> <p>Highlight main developments since last year's survey: In January 2014, the Federal Council upon proposal by the SNB decided to increase the CCB to 2% of risk weighted positions, still restricted to residential mortgage loans, and being effective as of June 30, 2014 (see weblink below).</p> <p>Web-links to relevant documents: Amendments to Capital Adequacy Ordinance: http://www.efd.admin.ch/00468/index.html?lang=en&msg-id=44781 Report of Financial Stability Working Group: http://www.efd.admin.ch/dokumentation/zahlen/00578/02460/index.html?lang=en Fact sheet Countercyclical: Swiss National Bank, 'Implementing the countercyclical capital buffer in Switzerland: concretising the Swiss National Bank's role', fact sheet, June</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				2012; available at www.snb.ch , Financial Stability, Publications. Capital buffer: https://www.news.admin.ch/message/index.html?lang=en&msg-id=51758	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (15)	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)	Please describe the institutional framework through which information sharing between supervisors and the central bank takes place, e.g. through internal or inter-agency committee or bilateral MoUs. Please also describe any initiative to remove identified obstacles to enhance cooperation and information sharing.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: MoU Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: - Feb. 2010: MoU SNB-FINMA; Jan. 2011: MoU FDF/FINMA/SNB Short description of the content of the legislation/ regulation/guideline: - SNB and the Swiss Federal Banking Commission have had a Memorandum of Understanding (MoU) in place since 2007	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. - Additionally, in January 2011, the FDF, FINMA and SNB signed a tripartite MoU. The agreement governs 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>Highlight main developments since last year's survey: There were no changes to the existing framework which continues to work well.</p> <p>Web-links to relevant documents: http://www.finma.ch/e/aktuell/pages/mm-mou-20110117.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16	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 including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: - January 2012 Short description of the content of the legislation/ regulation/guideline: - 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	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation: Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(16)		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.	Jurisdictions may also refer to the following IOSCO documents:		
		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.	<ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008) 		
		The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	<ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 		
(16)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			
(New)		We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 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>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.finma.ch/e/aktuell/pages/mm-rs-ratingagenturen-20110825.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	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> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that</p>	<p>No information on this recommendation will be collected in the current IMN survey since the report of the second stage of the thematic peer review has been published recently [insert link whenever published].</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(New)		<p>would enhance transparency of and competition among credit rating agencies. (Los Cabos)</p> <p>We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)</p>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (18)	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)	<p>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 or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: January 1, 2015</p> <p>Short description of the content of the legislation/ regulation/guideline: - 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</p>	<p>Planned actions (if any): - Changes in IFRS and US GAAP with particular focus on the treatment of financial instruments will be analysed and transposed into national regulation where needed.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Swiss stock exchange). Swiss Accounting Standards are continuously being improved and amended in line with internationally accepted accounting standards. Enforcement of consistent application of accounting standards is performed by SIX exchange regulation and the supervisory authority. - New legislation has been developed for audit firms and auditing which will inter alia ensure the consistent application of accounting standards.</p> <p>Highlight main developments since last year's survey: Revision of Swiss Accounting Standards has been accomplished and amendments will come into force on January 1, 2015</p> <p>Web-links to relevant documents: - FINMA Guidelines on accounting standards under Art. 23 to Art. 27 of the Banking Ordinance http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf (replaced 1 January 2015 by http://www.finma.ch/d/regulierung/Documents/finma-rs-2015-01-d.pdf) - FINMA-Circulars on audit firms and auditing http://www.finma.ch/e/regulierung/pages/rundschreiben.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (19)</p> <p>(19)</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"> • <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u> • <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: January 1, 2015</p> <p>Short description of the content of the legislation/ regulation/guideline: - 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). Swiss Accounting Standards for banks are continuously</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): Changes in IFRS and US GAAP with particular focus on the treatment of financial instruments will be analysed and transposed into national regulation where needed.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>being improved and amended in line with internationally accepted accounting standards - On a regulatory level, the standards on prudent valuation (as foreseen by Basel 2.5) have been implemented into the FINMA Circulars.</p> <p>Highlight main developments since last year's survey: Revision of Swiss Accounting Standards has been accomplished and amendments will come into force on January 1, 2015</p> <p>Web-links to relevant documents: - FINMA Guidelines on accounting standards under Art. 23 to Art. 27 of the Banking Ordinance http://www.finma.ch/e/regulierung/Documents/finma-rs-2008-02-e.pdf (replaced 1 January 2015 by http://www.finma.ch/d/regulierung/Documents/finma-rs-2015-01-d.pdf) - FINMA Guidelines on credit risk (FINMA-Circ. 08/19) and on market risk (FINMA-Circ. 08/20). http://www.finma.ch/e/regulierung/pages/rundschreiben.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (20)	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. In particular, please indicate the status of implementation of the following standards:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: Operational risk circular Jan 2015 <input checked="" type="checkbox"/> Reform effective (completed) as of: stress testing in 2008; Liquidity Sound Principles since 2013; LCR minimum requirements from 2015 Short description of the content of the	Planned actions (if any): - Intraday Liquidity, short-term liquidity risk monitoring tools and Reporting on NSFR: A Test-Reporting will start in 2015. Implementation of the Basel requirements (NSFR) is progressed to be integrated in circular 13/6 (plan: 2016). - Circular 08/21 on Operational Risk will be effective 1 Jan 2015. - Need to revise circular 08/24 on Supervision and internal control is currently evaluated Expected commencement date: Web-links to relevant documents: - Ordinance (liquidity): https://www.news.admin.ch/message/index.html?lang=en&msg-id=53500 - FINMA circular (liquidity) : http://www.finma.ch/e/aktuell/pages/mmr-liquiditaet-banken.aspx - LCR reporting template: http://www.snb.ch/en/emi/LCR
(20)		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"> • BCBS <u>Basel III: International framework for liquidity risk measurement, standards and monitoring (Dec 2010)</u> • BCBS <u>Principles for sound stress testing practices and supervision (May 2009)</u> 		
(20)		Regulators and supervisors in emerging markets ⁶ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's <u>thematic peer review report on risk governance (Feb 2013)</u> and BCBS <u>Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)</u>		
(20)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

⁶ Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>legislation/ regulation/guideline: Reform effective : - Stress tests for large banks since 2008; - Ordinance and Circular 13/06 on Liquidity for Banks are effective since Jan 2013 (qualitative liquidity risk management requirements, according to the Basel “Sound Principles”, AND LCR requirements) FINMA/SNB also published new LCR reporting template).</p> <p>Highlight main developments since last year’s survey: - FINMA implemented national LCR regulation with Finance Ministry, SNB and Bank Interest Groups - Circular 08/21 on Operational Risk published in Oct 2013. - The Federal Council issued the final rules on the LCR (ordinance on Liquidity) in June 2014 . In accordance with this ordinance FINMA introduced the update of the circular 13/6 which is extended towards the inclusion of the quantitative requirements on the LCR (enacted in July 2014).</p> <p>Web-links to relevant documents: http://www.finma.ch/d/regulierung/Documents/finma-rs-2008-21.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	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 2013. Jurisdictions may also refer to the relevant IMF Financial Soundness Indicators at http://fsi.imf.org/ .	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: - Monitoring by FINMA Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: - Basel III: January 2013; Monitoring: ongoing; Short description of the content of the legislation/ regulation/guideline: - Basel III has been fully implemented as of January 2013. No particular action is currently taken regarding impaired assets, as this is currently not a major issue in the	Planned actions (if any): - FINMA continues to monitor the situation closely and stands ready to intervene when necessary. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Swiss banking system. Highlight main developments since last year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>22 (22)</p> <p>(New)</p>	<p>Enhanced risk disclosures by financial institutions</p>	<p>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)</p> <p>We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)</p>	<p>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 Enhancing the Risk Disclosures of Banks and Implementation Progress Report by the EDTF (Aug 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Ongoing supervision</p> <p>Status of progress :</p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: Q1 2015 (FINMA Circulars on Leverage Ratio and disclosure</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 1. January 2015 (FINMA Circular 2015/2 Liquidity Risks Banks)</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: - 2009 (adjusted in 2012)</p> <p>Short description of the content of the legislation/ regulation/guideline: - Since January 1, 2009 banks have to issue a</p>	<p>Planned actions (if any): - 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). - Publication of update FINMA Circular on Disclosure to enter into force on 1/1/2015 - Awaiting BCBS update for Disclosure requirements</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Pillar 3 reporting (Pillar 3 of the BCBS capital requirements); this regulation was adjusted in 2012. In July 2014 an updated version of a FINMA Circular on Pillar 3 disclosure along the BCBS requirements will be published (update wrt Leverage Ratio and Liquidity Coverage Ratio) - 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). Revision of Swiss Accounting Standards has been accomplished and developments in IFRS and US GAAP have been taken into account - With respect to enhanced risk disclosures, upon recommendation by FINMA, both Swiss G-SIBs disclose information along the EDTF design</p> <p>Highlight main developments since last year's survey: Both Swiss G-SIBs followed FINMA's recommendation to enhance disclosure along the EDTF design.</p> <p>Web-links to relevant documents: CS: https://www.credit-suisse.com/investors/doc/csg_financialreport_1q14.pdf (page 53) UBS: http://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2013/</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>jcr_content/par/teaserbox_6c86/teaser_acb3/linklist/link_9f50.1705024293.file/bGl uay9wYXRoPS9jb250ZW50L2RhbS9zdGF0aWMvZ2xvYmFsL2ludmVzdG9yX3JlbGF0aW9ucy9hbm51YWwyMDEzL0FSMjAxMy1lbi5wZGY=/AR2013-en.pdf (page 142 and other pages referenced therein)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (23)	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)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those who do not have one) • Full implementation of the Core Principles for Effective Deposit Insurance Systems jointly issued by BCBS and IADI in June 2009 (by addressing the weaknesses and gaps identified in peer review) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: - Increase of coverage: December 2008 (as a temporary measure) and September 2011 (turning temporary into permanent increase)</p> <p>Short description of the content of the legislation/ regulation/guideline: - Deposit insurance coverage has been increased in September 2011 (temporary measures taken in 2008 have been turned into permanent measures). Please refer to</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the peer review report on deposit insurance systems published in February 2012 for more details. There are no substantial changes since the peer review report.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.financialstabilityboard.org/publications/r_120208.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (24)	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 whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 03.09.2014</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: - To strengthen market transparency and financial stability, the Swiss Federal Council launched a reform package that fully implements the G-20 commitments on OTC derivatives and brings financial market infrastructure in line with</p>	<p>Planned actions (if any): - Final decision-making in parliament is planned for summer 2015; coming into force of the new act for early 2016.</p> <p>Expected commencement date: 2016</p> <p>Web-links to relevant documents:</p> <p>http://www.sif.admin.ch/dokumentation/00509/00510/00622/00624/00861/index.html?lang=en</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>international standards. This package will also contain elements on market integrity. The Swiss government has submitted proposed legislation to parliament in September 2014. Coming into force is planned for the beginning of 2016. - Under current law, high frequency trading - which occurs in Switzerland - is subject to the regulation on market manipulation stipulated in Article 33f of the Federal Act on Stock Exchanges and Securities Trading. However, market participants employing HFT strategies can also be non regulated entities, which are not subject to FINMA prudential supervision.</p> <p>Highlight main developments since last year's survey: - The first draft of the Financial Market Infrastructure Act was published in December 2013. Consultation procedures have taken place until end of April 2014. Currently, the draft proposal to parliament is being prepared for fall 2014. In September 2014, the federal council adopted the draft proposal for parliament.</p> <p>Web-links to relevant documents: https://www.news.admin.ch/message/index.html?lang=en&msg-id=54305</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>25 (25)</p> <p>(New)</p>	<p>Regulation and supervision of commodity markets</p>	<p>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> <p>We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO’s principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO’s report on Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011).</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the report 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><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 13.12.2013</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: -</p> <p>Switzerland complies with the majority of the IOSCO Principles with the regulatory framework it currently has in place. 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</p>	<p>Planned actions (if any): - Final decision-making in parliament on the Financial Market Infrastructures Act is planned for summer 2015; coming into force of the new act for early 2016.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>physically settled contracts at all. - Remaining issues from IOSCO's Commodities Principles (e.g. the collection of data on OTC derivatives) which apply to markets in general will be met with the introduction of the Financial Market Infrastructure Act (FMIA) which will implement the reforms of the OTC derivatives markets.</p> <p>Highlight main developments since last year's survey: - Review of the implications of the IOSCO principles for the Swiss regulatory framework has been completed and results have been implemented in the draft Financial Market Infrastructures Act.</p> <p>Web-links to relevant documents: https://www.news.admin.ch/message/index.html?lang=de&msg-id=51372</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 (New)	Reform of financial benchmarks	We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will be deferred to the 2015 IMN survey given the ongoing policy work in this area, the reviews of interest rate and foreign exchange benchmarks during 2014, and the recent publication of IOSCO's Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (27)	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)	<p>Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>Jurisdictions may also refer to OECD’s update report including the Annex to the report on effective approaches to support the implementation of the High-level Principles based around the following three priority principles:</p> <ul style="list-style-type: none"> • <i>Disclosure and transparency</i> • <i>Responsible business conduct of financial services providers and their authorised agents</i> • <i>Complaints handling and redress</i> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> 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><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 25 June 2014</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: - 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. - On 28</p>	<p>Planned actions (if any): Entry into force is expected for the beginning of 2017.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>March 2012 the Federal Council instructed the FDF to prepare new legislation on cross-sector regulation of financial products and services and their distribution. 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>Highlight main developments since last year's survey: On 25 June 2014, the Federal Council has launched a public consultation on the Federal Financial Services Act which ended on 17 October 2014.</p> <p>Web-links to relevant documents: FINMA position paper on distribution rules: http://www.finma.ch/e/aktuell/pages/mm-vertriebsbericht-20120224.aspx ; http://www.admin.ch/aktuell/00089/index.html?lang=en&msg-id=53561 Work on financial services act:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.efd.admin.ch/dokumentation/zahlen/00578/02686/index.html?lang=en	

XII. Source of recommendations:

[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)

[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