

Jurisdiction: Switzerland

2016 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. Hedge funds					
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO’s Report on Hedge Fund Oversight (Jun 2009), in particular <i>recommendations 1 and 2</i>.</p> <p>In their response, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (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>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: March 2013</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>See supervisory measures regarding hedge funds below.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The revised collective investment schemes act (CISA) inter alia has extended the supervisory scope to</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>---</p> <p>Planned actions (if any) and expected commencement date:</p> <p>FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework. FINMA is part of the IOSCO task force on unregulated entities and takes part in the development of the IOSCO recommendations.</p> <p>Web-links to relevant documents:</p> <p>---</p>

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				<p>include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision. 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 to non-qualified Investors 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> <p>CISA: http://www.news.admin.ch/message/index.html?lang=en&msg-id=47754</p>	

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2 (2)	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><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: March 2013</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 of IOSCO MMoU; conclusion of bilateral MoUs.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Based on the revised collective investment schemes act (CISA), FINMA will receive information on the activities of asset managers and their funds on a</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>---</p> <p>Planned actions (if any) and expected commencement date:</p> <p>---</p> <p>Web-links to relevant documents:</p> <p>---</p>

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				<p>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. In 2014, FINMA signed further agreements on cooperation and the exchange of information with foreign supervisory authorities in relation to foreign CIS being distributed to non-qualified investors in or from Switzerland (art. 120 CISA).</p> <p>Highlight main developments since last year's survey:</p>	

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3 (3)	Enhancing counterparty risk management	<p>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> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<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 recommendation 3 of the IOSCO Report on Hedge Fund Oversight (Jun 2009).</p> <p>In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS.</p> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: Basel III Jan13/CISA Mar13</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: <p>Ongoing supervision.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>- FINMA has been reviewing the regulatory and supervisory regime for leveraged counterparties, including hedge funds, also taking into account the IOSCO principles published in June 09.</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>- Consultation on national implement of the "Capital requirements for banks' equity investments in funds, Dec 2013" by January 2017 has started in June 2016 and will run until September 2016. The revised circular will enter into force in January 2017.</p> <p>Web-links to relevant documents:</p> <p>---</p>

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				<p>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. - The BCBS reviewed the Swiss implementation of Basel III during an RCAP and assessed the implementation as "compliant". - 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</p>	

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				<p>their prime brokerage business. - Prime brokerage business is also an important part in FINMA's ongoing liquidity 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:</p> <p>The planned action (ie implementing the</p>	

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				<p>"Capital requirements for banks' equity investments in funds, Dec 2013" by January 2017) has started. Draft regulatory texts have been elaborated in a national working group and public consultation has started in June 2016.</p> <p>Web-links to relevant documents:</p> <ul style="list-style-type: none"> - 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: https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-44781.html - Basel III Circulars: https://www.finma.ch/en/news/2012/07/mm-rs-umsetzung-b2-tbtf-20120718/ - FINMA Basel III FAQ: https://www.finma.ch/en/faq/#query=basel%20III&Order=1 	

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II. Securitisation					
4 (4)	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 monoline insurers (where these exist).</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 document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>In Switzerland, there are no monoline insurers. Hence, there is no need for regulatory action in this regard.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>---</p> <p>Web-links to relevant documents:</p> <p>---</p>

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II. Securitisation					
				Web-links to relevant documents:	

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5 (5)	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 products.</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>The extent and materiality of investments in structured finance instruments in Switzerland is low - when there are investments these are in instruments whose jurisdictional domiciles have implemented regulations- thus investors inherit in some part from the application of these rules or legislations (disclosure, specific retention, repositories etc.); So far, Switzerland has no domestic market for Swiss based securitisation thus no specific action has been taken.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>---</p> <p>Planned actions (if any) and expected commencement date:</p> <p>---</p> <p>Web-links to relevant documents:</p> <p>---</p>

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				<input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Short description of the content of the legislation/ regulation/guideline: Highlight main developments since last year's survey: Web-links to relevant documents:	

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6 (6)	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 and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012), Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010) and report on Global Developments in Securitisation Regulations (November 2012), in particular recommendations 4 and 5.</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p>No Swiss ABS domestic Market</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>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) and expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>---</p>

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III. Enhancing supervision					
7 (7)	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: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.</p> <p>In their response to (3) above, jurisdictions should note any significant changes in their approach, strategy or practices to enhance SIFI supervision.</p> <p>Jurisdictions should mention, but not provide details on, policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are monitored separately by the BCBS.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • Framework for D-SIBs (Oct 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2013</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>-The revised banking act and, based thereon, the revised capital adequacy ordinance, introduced additional requirements for systemically important banks regarding capital, liquidity, risk</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>- Article 52 of the Banking Act requires a regular review of the TBTF-provisions with regard to comparability and the extent to which the corresponding international standards are implemented abroad. As announced by the federal council, the next review will in particular assess whether the gone-concern requirements for the three D-SIBs that are not G-SIBs need to be adjusted or not. The Report has to be adopted by the federal council by February 2017.</p> <p>Web-links to relevant documents:</p>

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			<p><i>and initial assessment methodology</i></p> <ul style="list-style-type: none"> • <i>IAIS SRMP guidance - FINAL (Dec 2013)</i> • <i>Guidance on Liquidity management and planning (Oct 2014)</i> <p>FSB:</p> <ul style="list-style-type: none"> • <i>Framework for addressing SIFIs (Nov 2011)</i> 	<p>diversification, and emergency planning.</p> <p>- Switzerland currently has two designated G-SIBs (that are at the same time also D-SIBs) and three 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. - Switzerland has reviewed its TBTF-regulation in light of recent international developments. - TLAC has been fully implemented as of July 2016.</p> <p>Highlight main developments since last year's survey:</p> <p>- A fifth bank has been designated as D-SIB - Switzerland has reviewed its TBTF-regulation in light of recent international developments. The review included in particular: i) Recalibration of capital requirements. ii) Modification of capital quality. iii) Modifications of the alleviated provisions for financial groups and individual entities pursuant to Article 125 of the capital adequacy ordinance.</p>	

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				<p>iv) Determination of a due date for the implementation of the Swiss emergency planning and the improved global resolvability. v) Supplementing the TBTF regime with mandatory TLAC requirements. The revised ordinance (including the TLAC implementation) has entered into force in July 2016.</p> <p>Web-links to relevant documents:</p> <p>https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-61681.html</p>	

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8 (8)	Establishing supervisory colleges and conducting risk assessments	<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 G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principles for effective supervisory colleges (Jun 2014) • Progress report on the implementation of principles for effective supervisory colleges (Jul 2015) <p>IAIS:</p> <ul style="list-style-type: none"> • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, 25.6, 25.7 and 25.8 • Application paper on supervisory colleges (Oct 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2009</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>Establishing supervisory Colleges.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Supervisory colleges for large cross-border financial institutions are established (see below).</p> <p>Highlight main developments since last year's survey:</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>The coordination agreements for insurance supervisory colleges are currently being signed.</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>https://www.finma.ch/en/finma/international-activities/supervisory-cooperation/supervisory-colleges/</p>

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				<p>Regarding insurance supervisory colleges for internationally active insurance groups (non G-SIIs), mutual risk assessments conducted by all college members have been introduced on a regular basis. Coordination agreements for insurance supervisory colleges have been negotiated.</p> <p>Web-links to relevant documents:</p>	

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9 (9)	Supervisory exchange of information and coordination	<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 recent or planned regulatory, supervisory or legislative changes that 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><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since : 1 January 2016</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Ongoing process</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>National and international cooperation.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>- A new provision was implemented in the Financial Market Supervisory Act and enter into force on 1 January 2016, stating explicitly that FINMA is allowed to share information with foreign</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>- To the extent practicable and feasible, FINMA endeavours to complete the information exchange and coordination efforts by bilateral or multilateral cooperation agreements. - The coordination agreements for insurance supervisory colleges are currently being signed. Further agreements in the insurance sector are being negotiated on a bilateral level.</p> <p>Web-links to relevant documents:</p> <p>---</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>authorities and courts for resolution purposes (subject to specific conditions being fulfilled). - On a national level, SNB and FINMA share tight links in monitoring the financial sector on the micro as well as macro level and coordinate regulatory initiatives of shared interest. - On an international level, FINMA has long standing relations with the supervisors of important markets important Swiss institutions operate in and has broadened and extended supervisory cooperation, including cooperation on crisis management, following the FSB, BCBS and IAIS work on colleges. - FINMA is particularly participating in the relevant international working groups for ensuring quality and recognition of the IOSCO MMoU and the IAIS MMoU. - Cooperation agreements amongst the members of the Crisis Management Group for each of the two Swiss G-SIBs have been successfully established. Furthermore, coordination agreements within FINMA's insurance supervisory colleges have been negotiated.</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
10 (10)	Strengthening resources and effective supervision	<p>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)</p> <p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015).</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:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of: 01.03.2016</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> Implementation completed as of:</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: "Regulation/Guidelines" refers to the ongoing Revision of FINMA Circular 2008/21 "Operational Risks - Banks" with regard to IT and cyber risks. "Other Actions" refers mainly to supervisory or organisational actions, such as: Regarding</p>	<p>Planned actions (if any) and expected commencement date: Partially revised FINMA Circular 2008/21 "Operational Risks - Banks" will enter into force in August 2016.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>resources: FINMA has increased its FTE from 2009 to 2015 by 66%. In addition, resources have been shifted to increase effectiveness of risk based supervision. Regarding expertise/talent management: In 2014, FINMA has introduced a programme for identifying and fostering employee potential. Its aim is to enable long-term resource planning for internal management and specialist functions by preparing employees to take on higher-level functions and/or increased responsibilities. This also includes continuing education or outbound secondments e.g. at foreign supervisory authorities. In 2015, FINMA conducted a survey among its staff to assess employee satisfaction. The results generally show a high level of employee satisfaction. However, some improvements based on the results have already been implemented and it is planned to repeat the survey in the future. Regarding regular re-assessments: FINMA has the budgetary independence for additional resources to be added to the supervisory functions if deemed necessary. The resource needs are reassessed annually in the course of the annual budget process. Regarding "Push Banks to improve IT/MIS": In 2015, FINMA has, among other things, conducted on-site supervisory reviews on the topics of risk aggregation and reporting to senior management of large banks. In addition, FINMA Circular 2008/21 "Operational Risks</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>- Banks" is currently in revision with regard to IT and cyber risks. Re "Engage more on Board Level": The supervisory approach has been reformed and evolved since the financial crisis. The cornerstone is the supervisory dialogue. It entails meetings with the supervised institution's board of directors and executive board on fundamental issues, such as the company's strategic orientation, governance, capitalisation and profitability, risk situation and other topics. The frequency of contacts with the board of directors (as well as with senior and middle managers) follows from the risk based supervisory approach and largely depends on FINMA's internal categorisation and rating of each supervised institution. The interaction at the board level for very large and large institutions is extensive, with multiple contacts on board Level per year. Regarding mandate and powers: no reforms are currently planned in this regard.</p> <p>Short description of the content of the legislation/ regulation/guideline: FINMA Circular 2008/21 "Operational Risks - Banks" is currently in revision with regard to IT and cyber risks. The risk management principle on technological infrastructure will be expanded to include IT and cyber risks. In addition, the principle on business continuity will be expanded to include requirements for maintaining critical services when resolving systemically important banks.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>(cont.)</p> <p>Highlight main developments since last year's survey: As this is the first IMN-survey on this topic, see description of "other actions". New FINMA strategy for period 2017–2020 will be defined, based on an analysis of the current supervisory environment. A new cycle of the annual budget process will be run.</p> <p>Web-links to relevant documents: https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/anhoeerungen/laufende-anhoeerungen/rs-corpgovbanken/kernpunkte_govbanken_de.pdf?la=en</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (11)	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 banks¹ 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 (structures, mandates, powers, reporting etc.) that have taken place since the global financial crisis, particularly over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified 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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: February 2010: MoU FINMA/SNB; January 2011: MoU FDF/FINMA/SNB; January 2016: new provisions in NBA and FINMASA</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>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

¹ 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>MoUs among financial market authorities.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Both SNB and FINMA have mandates comprising elements of macroprudential oversight. According to the National Bank Act (NBA), one of the tasks of the SNB is to contribute to financial stability. Further, the SNB publishes on an annual basis a Financial stability report. FINMA’s mandate also has a suprainstitutional component, which is provided by the FINMASA, according to which financial market oversight has the aim of protecting the functioning of the financial markets. The FDF is responsible for preparing any amendments of laws and ordinances and the Federal Council decides on adjustments of the countercyclical capital buffer, with involvement of SNB and FINMA (see answer to question 12). FINMA has a broad legal power to gather any kind of information from supervised financial market institutions. SNB has a legal power to collect statistical data and has a direct access to information on financial market participants. The FINMA/SNB MoU (see web-link below), revised in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>February 2010, provides a clear division between the individual tasks of the two institutions and addresses information exchange between both institutions. In the MoU signed on January 2011, FDF, FINMA and SNB (see web-link) agreed to meet regularly for an exchange of information and views on financial stability and issues of current interest in financial market regulation. In the event of a crisis that threatens financial stability, they agreed to work closely together and, to this end, set up a joint crisis management organisation. In March 2012, a Financial Stability Working Group (FDF, SNB, FINMA) published a report and proposals on the macroprudential framework (see web-link). This report included an assessment of the power to collect and share information. In line with recommendations of that report, new provisions of the NBA and the FINMASA have been adopted. As a result, SNB can directly access information on financial market participants and SNB and FINMA can share information with the FDF (see web-links).</p> <p>Highlight main developments since last</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>year's survey:</p> <p>New provisions of the NBA and FINMASA have entered into force on 1 January 2016. As a result, SNB can directly access information on financial market participants, and SNB and FINMA can share information with the FDF.</p> <p>Web-links to relevant documents:</p> <p>FINMA/SNB MoU: http://www.snb.ch/en/mmr/reference/mofu/source_FDF/FINMA/SNB MoU: http://www.snb.ch/en/mmr/reference/tripartite/source/tripartite.en.pdf Report of Financial Stability Working Group: http://www.news.admin.ch/NSBSubscriber/message/attachments/35795.pdf NBA: https://www.admin.ch/opc/fr/classified-compilation/20021117/index.html (in French; the English translation does not yet include the amendments of 01.01.2016) FINMASA: https://www.admin.ch/opc/en/classified-compilation/20052624/index.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p> <p>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 reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.</p> <p>Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) IMF staff papers on Macroprudential policy, an organizing framework (Mar 2011), Key Aspects of Macroprudential policy (Jun 2013), and Staff Guidance on Macroprudential Policy (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Amendments of Capital Adequacy Ordinance: introducing countercyclical buffer (in force since July 2012), higher requirements for risky mortgages (in force since January 2013) and international reciprocity for internationally active banks (in force since July 2016); Monitoring: ongoing.</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>ongoing monitoring</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Ongoing monitoring. If appropriate, further decisions on the adjustment of the countercyclical capital buffer or on the regulatory framework, including the potential introduction of additional regulatory measures affecting the demand for mortgages.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Quantitative indicators regularly enter the 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. The SNB also launched an additional quarterly survey on mortgage lending in early 2011. In the survey, the 25 largest banks in the domestic market, representing a total market share of over 80%, are asked about key risk indicators such as loan-to-value ratios and affordability criteria for new mortgages. Further, the SNB publishes on an annual basis a Financial stability report. FINMA has implemented a macroeconomic monitoring process, which concentrates on the Swiss domestic real estate market and selected foreign asset markets. In addition to capital and other regulatory requirements in general, more specific available policy tools include the countercyclical buffer, capital requirements for risky mortgage lending business and self-regulation on lending practices in the mortgage market. Moreover, FINMA can impose specific</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>measures on individual banks where appropriate. 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 web-link below). In February 2016, the Basel III countercyclical capital buffer (CCB) was announced to currently be at 0% (see web-link below). The sectoral CCB remains at 2% of relevant risk weighted assets. The CCB had been implemented in July 2012 and activated (to a level of 1% of risk weighted positions) by the Federal Council upon proposal by the SNB in February 2013. 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 made by the Federal Council upon proposal by the SNB and after consultation with FINMA. The SNBs decision on proposing adjustments is based on an approach of guided discretion (see web-link below) based on a set of key quantitative indicators. In</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>addition, amendments to the Capital Adequacy Ordinance (see web-link below) have been made: 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). In July 2014, FINMA approved further amendments to the minimum standards for mortgage financing issued by the SBA (see web-link below). The revisions to the self-regulation entered into force on 1 September 2014. This includes: i) stricter amortization requirements ii) stricter use of second income for financial sustainability evaluation iii) stricter valuation requirements for residential real estate.</p> <p>Highlight main developments since last year's survey:</p> <p>The revised Capital Adequacy Ordinance, introducing international reciprocity for internationally active banks (as required</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>by the Basel III countercyclical capital buffer), has come into effect in July 2016.</p> <p>Web-links to relevant documents:</p> <p>Capital buffer: https://www.news.admin.ch/message/index.html?lang=en&msg-id=51758 Factsheet Countercyclical: Swiss National Bank, ‘Implementing the countercyclical capital buffer in Switzerland: concretising the Swiss National Bank’s role’, fact sheet, June 2012 and Press release of 23 January 2014, ‘Swiss National Bank proposal to increase the countercyclical capital buffer’, available at www.snb.ch, Financial Stability, Publications. Basel III CCB: http://www.snb.ch/n/mmr/reference/CCB_communication_2016/source/CCB_communication_2016.n.pdf Stance of the Basel III countercyclical capital buffer in Switzerland, available at www.snb.ch, Financial Stability, Publications. Capital Adequacy Ordinance (in French): https://www.admin.ch/opc/fr/classified-compilation/20121146/index.html FINMA’s approval of the amended self-regulation: https://www.finma.ch/en/news/2014/07/mm-selbstregulierung-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				hypothekbereich-20140702 Stability Working Group: http://www.news.admin.ch/NSBSubscriber/message/attachments/35795.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (13)	Enhancing regulation and supervision of CRAs	<p>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)</p> <p>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.</p> <p>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.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance</p>	<p>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:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) (including governance, training and risk management) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <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) <p>Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since : Jan 2012</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Jan 2012</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>---</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Credit rating agencies whose ratings are used for regulatory purposes (e.g. as basis</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>---</p> <p>Planned actions (if any) and expected commencement date:</p> <p>---</p> <p>Web-links to relevant documents:</p> <p>---</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>obligations for CRAs) as early as possible in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>for capital adequacy) have to be recognized by FINMA. The recognition is currently governed by FINMA circular 2012/1 “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” (2015). The scope of application covers all institutions supervised by FINMA which use credit ratings for regulatory purposes.</p> <p>---</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p> <p>https://www.finma.ch/de/~media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2012-01-2015-d.pdf?la=de</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (14)	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</p>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2015) • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO Good Practices on Reducing Reliance on CRAs in Asset Management (June 2015) • IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2015: revised Collective Investment Schemes Ordinance.</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Switzerland participated in the May 2014</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>bodies in ending the mechanistic reliance on credit ratings and encourage steps that 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>	<p>Use of External Credit Ratings (Dec 2015).</p>	<p>FSB thematic peer review on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings. On May 13, 2014, Switzerland published an action plan (see web-link) for implementing the FSB principles for reducing reliance on CRA ratings. This action plan noted that only a few references to ratings had been found in Swiss laws and regulations, most of which are the result of international standards such as the capital adequacy requirements of the Basel Committee on Banking Supervision ("Basel III"). In order to reduce reliance on ratings, the Swiss action plan has notably foreseen an active involvement in the relevant international bodies on these issues and the organisation of a workshop (see web-link below). The objective of this workshop that took place on August 28 2014 was to facilitate the exchange of views and the sharing of best practices among market participants regarding additional information used- and alternatives to CRA ratings in credit risk assessment. This workshop has also raised awareness about potential risks associated with CRAs and their ratings. In addition, some specific regulatory</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>steps have been taken. For instance, references to CRA ratings have been removed from the FINMA Collective Investment Schemes Ordinance (see web-link). The revised ordinance entered into force on 1 January 2015. Moreover, disclosure requirements within banking regulation have been updated, facilitating credit assessment for market participants. The updated circular Disclosure Banks entered into force on 1 January 2015, before having been revised to reflect enhanced international standards. The revised circular (see web-link below) came into force on 1 January 2016.</p> <p>Highlight main developments since last year's survey:</p> <p>The revised circular Disclosure Banks entered into force on 1 January 2016.</p> <p>Web-links to relevant documents:</p> <p>Action plan: http://www.news.admin.ch/NSBSubscriber/message/attachments/34816.pdf Press release concerning the action plan: https://www.news.admin.ch/message/index.html?lang=en&msg-id=52926 Press release concerning the workshop: https://www.sif.admin.ch/sif/en/home/dokumentation/medienmitteilungen/medienmitteilungen.msg-id-54245.html CISO-FINMA:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				https://www.admin.ch/opc/en/classified-compilation/20140344/index.html Press release concerning disclosures: https://www.finma.ch/en/news/2015/11/20151120-mm-rs-offenlegung-banken/	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Enhancing and aligning accounting standards					
15 (15)	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 of a high and internationally acceptable quality (eg equivalent to IFRSs as published by the IASB), 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/Analysis-of-the-G20-IFRS-profiles.aspx.</p> <p>As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since : Jan 2015</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Jan 2015</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>---</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>IFRS (as published by the IASB) and US</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Changes in IFRS and US GAAP with particular focus on the treatment of financial instruments will be analysed and transposed into national regulation where needed.</p> <p>Web-links to relevant documents:</p> <p>---</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p>accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and are scheduled to be introduced by the FASB.</p> <p>See, for reference, the following BCBS document:</p> <ul style="list-style-type: none"> • <i>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</i> 	<p>GAAP are allowed for bank's consolidated financial statements (and required if listed in the main segment of 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.</p> <p>---</p> <p>Highlight main developments since last year's survey:</p> <p>---</p> <p>Web-links to relevant documents:</p> <p>FINMA Circular 15/1 Accounting - Banks https://www.finma.ch/en/documentation/circulars/#Order=2</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<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>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
16 (17)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>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)</p> <p>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)</p> <p>Regulators and supervisors in emerging markets¹ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to the following documents:</p> <ul style="list-style-type: none"> • FSB's thematic peer review report on risk governance (Feb 2013); • Joint Forum's Developments in credit risk management across sectors: current practices and recommendations (June 2015); and • BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: Stress Testing 2008, Liquidity Sound Principles 2013, LCR 2015</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>Planned actions (if any) and expected commencement date:</p> <p>- Implementation of the Basel requirements (NSFR) is progressed to be integrated in circular 15/2 (plan: 2016) - Net stable funding ratio (NSFR)-reporting for all banks has started in June 2016 - circular 08/24 on Supervision and internal control is currently under revision and will be integrated in the new Circular on Corporate Governance for Banks, which will be published in October 2016 and enter into force in January 2017. - circular 08/21 on Operational Risk has been revised and was in public consultation in March and April 2016. Publication of the final version is planned for October 2016, entering into force for January 2017</p> <p>Web-links to relevant documents:</p> <p>- circulars in consultation: https://www.finma.ch/de/news/2016/03/20160301-mm-rs-corporate-governance-bei-banken/ - Ordinance (liquidity):</p>

¹ 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>Stress tests Test reportings Full reportings</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>- Stress tests for large banks since 2008 as part of ongoing supervision; - 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 was extended towards the inclusion of the quantitative requirements on the LCR (enacted in July 2014, in force in January 2015) --> circular 15/2. - Circular 08/24 on Risk Control (currently revised and renamed: Corporate Governance)</p> <p>---</p> <p>Highlight main developments since last year's survey:</p> <p>- Circular on Corporate Governance (incl chapter on risk management) has been revised and was in public consultation in March and April 2016. Publication of the final version is planned for October 2016, entering into force for January 2017 -</p>	<p>https://www.news.admin.ch/message/index.html?lang=en&msg-id=53500 - LCR reporting template: http://www.snb.ch/en/emi/LCR - NSFR test reporting: https://www.finma.ch/de/news/2014/11/aktuell-liquiditaetsregulierung-beobachtungsperiode-nsfr-20141114/ - NSFR regular reporting (from June 2016): http://snb.ch/en/emi/nsfr https://www.finma.ch/de/news/2016/02/news-liquiditaetsregulierung-20160202/</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Circular on Operational Risk 08/21 has been revised and was in public consultation in March and April 2016. Publication of the final version is planned for October 2016, entering into force for January 2017 - Net stable funding ratio (NSFR)-test reporting (since 2015) for sample of banks under way. Full reporting for all banks has started in June 2016 - Draft rule for NSFR is currently developed. Expected to be published in late 2016</p> <p>Web-links to relevant documents: ---</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (18)	Enhanced risk disclosures by financial institutions	<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 IFRS 7 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 (Dec 2015), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2009 (adjusted in 2012)</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>- Since January 1, 2009 banks have to issue a Pillar 3 reporting (Pillar 3 of the BCBS capital requirements); this</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>- Accounting standards will be continuously improved and amended in line with internationally accepted accounting standards (for Swiss Accounting Standards for banks see also 15 above).</p> <p>Web-links to relevant documents:</p> <p>---</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regulation was adjusted in 2012. In October 2014 an updated version of a FINMA Circular on Pillar 3 disclosure along the BCBS requirements has been published (update wrt Leverage Ratio and Liquidity Coverage Ratio). The new BCBS disclosure Standards issued in January 2015 have been implemented nationally (final FINMA Standards released in November 2015) and will enter into force on 31.12.2016. - 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). - With respect to enhanced risk disclosures, upon recommendation by FINMA, both Swiss G-SIBs disclose information along the EDTF design.</p> <p>---</p> <p>Highlight main developments since last year's survey:</p> <p>BCBS published revised disclosure requirements in January 2015. National implementation of this revised disclosure framework has been completed by issuance of a new FINMA Circular 2016/1 on Pillar 3 Disclosure (issued in</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>November 2015).</p> <p>Web-links to relevant documents:</p> <p>- CS: https://www.credit-suisse.com/media/assets/corporate/docs/about-us/investor-relations/financial-disclosures/financial-reports/csg-financialreport-1q14.pdf (page 53) - UBS:</p> <p>https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting/2015/_jcr_content/par/teaserbox_4724/teaser/inklist/link_8678.280062465.file/bGluay9wYXRoPS9jb250ZW50L2RhbS9zdGF0aWMvZ2xvYmFsL2ludmVzdG9yX3JlbGF0aW9ucy9hbm51YWwtcmVwb3J0LzIwMTUvdWJzLWdyb3VwLWFuZC11YnMtYWctMjAxNS1lbi5wZGY=/ubs-group-and-ubs-ag-2015-en.pdf (p. 152-159 and other pages referenced therein)</p> <p>FINMA Circular 2016/1 Discosure Banks:</p> <p>https://www.finma.ch/de/~media/finma/dokumente/dokumentcenter/myfinma/runds schreiben/finma-rs-2016-01-d.pdf?la=de</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
18 (19)	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 jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: September 2011</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Deposit insurance coverage has been</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>End of 2016 the administration will present its findings of the examination of recommendations regarding the deposit insurance system to the Federal Council and propose further action.</p> <p>Web-links to relevant documents:</p> <p>Report of independent group of experts: https://www.news.admin.ch/message/index.html?lang=en&msg-id=55545 Media Information Federal Council on planned actions: https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-57602.html</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>increased in September 2011 (temporary measures taken in 2008 have been turned into permanent measures). Please refer to the peer review report on deposit insurance systems published in February 2012 for more details. There have been no substantial changes in legislation since the peer review report. Since the publication of the peer review report on deposit insurance systems published in February 2012, PostFinance (the financial services unit of state-owned Swiss Post) has received a banking licence and is now covered by the domestic deposit protection scheme. The coordination and the sharing of information between the relevant parties involved in a payout or resolution situation was improved through the conclusion of a Memorandum of Understanding between the private DIS and the supervisory authority in 2014.</p> <p>Highlight main developments since last year's survey:</p> <p>In 2014 an independent group of experts on the "further development of financial market strategy" in Switzerland made several recommendations regarding the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>deposit insurance system. Some of the recommendations have been and are currently being implemented by way of self-regulation through the DIS. Others have been further examined by the administration, with a view to optimising the functioning of the deposit insurance system. Issues that are being examined include coverage, funding, reimbursement process and governance of the DIS.</p> <p>Web-links to relevant documents: http://www.financialstabilityboard.org/publications/r_120208.pdf MoU DIS-Supervisory Authority: http://www.esisuisse.ch/en/20140221-3210-veb-mou_ueberarbeitet_final_version_signed-cbl.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
19 (20)	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 recommendations:</p> <ul style="list-style-type: none"> • in relation to dark liquidity, as set out in the IOSCO Report on Principles for Dark Liquidity (May 2011). • on the impact of technological change in the IOSCO Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011). • on market structure made in the IOSCO Report on Regulatory issues raised by changes in market structure (Dec 2013). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</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: Transitional period until 1st January 2018</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>Dark Pools: FINMA conducted Alternative Trading Platform (ATP; including ATS, MTF, SI and Broker-dealer crossing network) Supervisory</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>FINMA currently is revising its Guidelines based on the amendments of FMIA.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Reviews at the two major Swiss banks. The purpose of this review was mainly: - to assess management oversight and organizational set-up; - to review the respective policies, procedures and guidelines and assess the overall governance; - to understand the key risks regarding the operation of ATPs; - to assess the design of the key controls to prevent and - to detect these risks, as well as their operating effectiveness and to examine independent reviews and self-assessments, identified weaknesses and remediation actions taken. In our view, the key risks regarding the operation of ATPs include: (1) reputational and litigation risks, (2) system stability issues and (3) market risks due to operational failures as well as counterparty risks. In addition, the regulation of ATPs is increasing on a global scale. High Frequency Trading: FINMA started to gather information on the volume of HFT in the Swiss exchange landscape. FINMA proactively initiated an in-depth-analysis of the control procedures of specific HF-Traders. In addition, FINMA analyzed a Swiss Dark Pool's Service related to the maintenance of a fair and orderly trading system including appropriate systems of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>market supervision.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Financial Market Infrastructure Act (FMIA): 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 international standards. This package also contains new elements on market integrity and came into force on January 1st 2016. For parts of the new provisions a transitional period will be granted (transaction reporting, etc.). High frequency trading is subject to the regulation on market manipulation stipulated in Article 143 FMIA.</p> <p>---</p> <p>Highlight main developments since last year's survey:</p> <p>FMIA came into force on January 1st 2016.</p> <p>Web-links to relevant documents:</p> <p>https://www.admin.ch/opc/de/classified-compilation/20141779/index.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
20 (21)	Regulation and supervision of commodity markets	<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 update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 January 2016</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Financial Market Infrastructure Act (FMIA) and Financial Market</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Infrastructure Ordinance (FMIO): This act implements the reforms of the OTC derivatives markets and gives the Federal Council amongst others the power to introduce position limits. With this new regulatory framework, Switzerland complies with the large majority of the IOSCO Principles. Some aspects of the Principles are not applicable to Switzerland because there is no relevant commodities exchange and no regulated market for physically settled contracts.</p> <p>Highlight main developments since last year's survey:</p> <p>Coming into force of FMIA and FMIO on 1 January 2016.</p> <p>Web-links to relevant documents:</p> <p>https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-59647.html</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (22)	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 continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the <i>IOSCO Principles for Financial Benchmarks</i> .		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
22 (23)	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 September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.</p> <p>Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: 4 november 2014</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>- In February 2012 FINMA has published</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Entry into force is expected for 2018 or 2019.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 March 2012 the Federal Council instructed the FDF to prepare new legislation on cross-sector regulation of financial products and services and the distribution of these products to clients. The new guidelines is envisaged to strengthen client protection within the Swiss financial market and enhance the competitiveness of the financial centre. Furthermore, the same conditions should be applied 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. - On 25 June 2014, the Federal Council has launched a public consultation on a new Federal Financial Services Act which ended on 17 October 2014. - On 13 March 2015 the Federal Council took note of the results of the public consultation and took some initial decisions on the direction to be taken on some controversial topics regarding the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>new Federal Financial Services Act. - On 24 June 2015 the Federal Council took further decisions regarding the new Federal Financial Services Act and established principles for the shaping of some specific areas on the basis of the results from the public consultation.</p> <p>Highlight main developments since last year's survey:</p> <p>- On 11 November 2015, the Federal Council adopted the dispatch on the Federal Financial Services Act. It is currently in the parliamentary process.</p> <p>Web-links to relevant documents:</p> <p>Information on Federal Financial Services Act: https://www.sif.admin.ch/sif/en/home/dokumentation/medienmitteilungen/medienmitteilung.msg-id-59331.html</p>	

XI. Source of recommendations:

- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [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 \(1 November 2012\)](#)

XII. List of Abbreviations used:

BBA: Building Block Analysis CISA: Collective Investment Scheme Act FDF: Federal Department of Finance FINMA: Swiss Financial Market Supervisory Authority FMIA: Financial Market Infrastructure Act 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