

## 2021 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Jurisdiction
Switzerland

I1: Hedge funds - Registration, appropriate disclosures and oversight of hedge funds

### **G20/FSB Recommendations**

*We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)*

*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)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

## I2: Hedge funds - Establishment of international information sharing framework

### G20/FSB Recommendations

*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)*

### Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.03.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Based on the revised collective investment schemes act (CISA), FINMA receives information on the activities of asset managers and their funds on a regular basis and is 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).
Other actions: Full signatory of IOSCO MMoU; conclusion of bilateral MoUs.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
CISA: <a href="http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754">http://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=47754</a>

### 13: Hedge funds - Enhancing counterparty risk management

#### G20/FSB Recommendations

*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)*

*Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

### 14: Securitisation - Strengthening of regulatory and capital framework for monolines

#### G20/FSB Recommendations

*Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

### 15: Securitisation -Strengthening supervisory, best practices for investment in structured products

#### G20/FSB Recommendations

*Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)*

#### Remarks

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.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer- Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date:  
Not applicable

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Domestic issuance:  
There has been nearly no ABS issuance in Switzerland since 1999 (in 2018, four public ABS transactions were placed with a total volume of CHF 1.2 Bio). This hardly qualifies for talking about "a market". Trends remain pretty much unchanged. No specific action has been taken.

Domestic investment:  
The extent and materiality of direct investments in ABS (domestic or foreign-issued) in Switzerland is very low. Swiss institutional investors tend not to hold direct ABS investment, or when they (rarely) do, the portfolios are of very modest size. There is also possibilities of indirect investment via credit funds or mutual fixed income funds. Most of the CH institutional investors that hold small direct ABS exposures are supervised by FINMA as they are either banks or insurance companies. In all those cases, the ABS are from jurisdictional domiciles that have implemented securities regulations around ABS. CH investors benefit in some part from the application of these rules or legislations (disclosure, specific retention, repositories etc..) elsewhere.

The supervisory requirements applied in Switzerland concerning ABS are mainly those inherited from the banking capital rules (BCBS Pillar 1, 2, 3). These apply to insurance companies as in CH capital requirements are aligned for credit risk. As issuance when it happens is mainly through banks, disclosure is then ruled by the BCBS disclosure rules for securitisation. Each and every domestic deal is reviewed in details, specific issues and disclosure points can be ruled on a case by case basis.

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation

Progress to date: issue is being addressed through  
Primary / Secondary legislation - No  
Regulation / Guidelines - Yes  
Other actions (such as supervisory actions) - No

Progress to date: short description of the content of the legislation/regulation/guideline/other actions  
The main ABS surveillance and monitoring tool in Switzerland is via the prudential banking regulation as per BCBS. The various aspects Pillar 1, 2 and 3, are considered sufficient given the size and importance of the Swiss ABS market. BCBS prudential rules for securitization have been in place since 1.1.2007. These are implemented via the FINMA Circular on Credit Risk 17/07 and its predecessors.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents  
<https://www.finma.ch/fr/~media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2017-07.pdf?la=fr>

## II6: Securitisation - Enhanced disclosure of securitised products

### G20/FSB Recommendations

*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)*

### Remarks

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.

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.

Progress to date:
Not applicable
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
c.f. recommendation 5.
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents

### III7: Enhancing supervision - Consistent, consolidated supervision and regulation of SIFIs

#### G20/FSB Recommendations

*All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)*

#### Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (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.

Jurisdictions should 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.

See, for reference, the following documents:

#### BCBS

- [Framework for G-SIBs \(Jul 2018\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

#### IAIS

- [Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector \(Nov 2019\)](#)
- [Application Paper on Liquidity Risk Management \(Jun 2020\)](#)
- [Draft Application Paper on Macroprudential Supervision \(Mar 2021\)](#)

#### FSB

- [Evaluation of the effects of too-big-to-fail reforms \(Mar 2021\)](#)
- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
- The revised banking act and, based thereon, the revised capital adequacy ordinance, introduced additional requirements for systemically important banks regarding capital, liquidity, risk diversification, and emergency planning. Switzerland currently has

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
The consultation procedure on the amendments to the Capital Adequacy Ordinance (CAO) will last till end of May 2018.
Relevant web-links: please provide web-links to relevant documents
<a href="https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-69898.html">https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-69898.html</a>

### III8: Enhancing supervision - Establishing supervisory colleges and conducting risk assessments

#### G20/FSB Recommendations

*To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)*

*We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

### III9: Enhancing supervision - Supervisory exchange of information and coordination

#### G20/FSB Recommendations

*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)*

*Enhance the effectiveness of core supervisory colleges. (FSB 2012)*

#### Remarks

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.

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).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your “implementation ongoing” status

Progress to date: If you have selected “Implementation completed” - please provide date of implementation  
01.01.2016

Progress to date: issue is being addressed through  
Primary / Secondary legislation - Yes  
Regulation / Guidelines - Yes  
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

A new provision was implemented in the Financial Market Supervisory Act and entered into force on 1 January 2016, stating explicitly that FINMA is allowed to share information with foreign 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, and in line with FSB, BCBS and IAIS standards, FINMA has established long standing relations with supervisory authorities of relevant jurisdictions, where Swiss institutions operate in, and has broadened and extended supervisory colleges as well as bilateral cooperation. This includes crisis management cooperation on the banking as well as on the insurance side.

FINMA is particularly participating in the relevant international working groups for ensuring quality and recognition of the IOSCO MMoU and the IAIS MMoU.

To the extent practicable and feasible, FINMA endeavours to base the information exchange and coordination efforts on bilateral or multilateral cooperation agreements.

Cooperation agreements amongst the members of the Crisis Management Group and the members of the APAC College (non-CMG-host-authorities) for each of the two Swiss G-SIBs have been successfully established.

Other actions: National and international cooperation.

DEBR: Since the introduction of new regulation offering increased access to information per January 1, 2016, several foreign authorities have made use of this regulation and conducted on-site reviews in Switzerland. As part of its regular process, FINMA uses these opportunities for an exchange with the visiting authority.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents  
<https://www.finma.ch/en/finma/international-activities/supervisory-cooperation/supervisory-colleges/>



### III10: Enhancing supervision - Strengthening resources and effective supervision

#### G20/FSB Recommendations

*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)*

*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)*

*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)*

#### Remarks

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 \(May 2015\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.07.2017
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

**Progress to date: short description of the content of the legislation/regulation/guideline/other actions**

FINMA Circular 2008/21 "Operational Risks - Banks" has been revised with regard to IT and cyber risks. The risk management principle on technological infrastructure has been expanded to include IT and cyber risks. In addition, the principle on business continuity has been expanded to include requirements for maintaining critical services when resolving systemically important banks.

Circular 17/01 "Corporate Governance Banks" consolidates the supervisory requirements relating to corporate governance, internal control systems and risk management for banks.

Circular 18/03 "Outsourcing - banks and insurers expands existing requirements to internal outsourcings, consolidates existing requirements for banks and insurers and introduces special requirements for the outsourcing of critical services of systemically important banks.

Other actions: Regarding resources: FINMA has increased its FTE from 2009 to 2016 by 36% (mostly stable since then). In addition, resources have been shifted to increase effectiveness of risk based supervision. In 2016, FINMA has created a dedicated unit for operational, cyber and IT-risks of Banks. 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. Regarding "Push Banks to improve IT/MIS": In addition to revised and new circulars, FINMA regularly conducts on-site supervisory reviews on the topics of risk aggregation and reporting to senior management of large banks. Regarding "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 institutions 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. Regarding mandate and powers: no reforms are currently planned in this regard.

**Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation**

**Update and next steps: highlight main developments since 2019 survey**

**Update and next steps: planned actions (if any) and expected commencement date**

Changes to the Banking Act will enter into force in August 2018.

**Relevant web-links: please provide web-links to relevant documents**

Circular 08/21 Operational Risk - Banks: <https://www.finma.ch/de/~media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2008-21-20200101.pdf?la=de>

Circular 17/01 Corporate Governance Banks: <https://www.finma.ch/en/news/2016/11/20161101-mm-rs-corporate-governance-bei-banken/>

Circular 18/03 "Outsourcing - banks and insurers": <https://www.finma.ch/en/~media/finma/dokumente/rundschreiben-archiv/2018/rs-18-03/finma-rs-2018-03---20170921.pdf?la=en>

## IV11: Macroprudential frameworks and tools - Establishing oversight regulatory framework

### G20/FSB Recommendations

*Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)*

*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)*

### Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national 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.

Progress to date:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation
February 2010: MoU FINMA/SNB. January 2011: MoU FDF/FINMA/SNB. January 2016: new provisions in NBA and FINMASA.

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

Both SNB and FINMA have mandates comprising elements of macroprudential oversight. According to the National Bank Act (NBA), one of the SNBs tasks is to contribute to financial stability. Further, the SNB publishes a Financial stability report on an annual basis. FINMA's mandate also comprises a supra-institutional component, which is provided by the FINMASA (Art.5), according to which financial market oversight includes 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 broad legal powers to gather any kind of information from supervised financial market institutions. SNB has a legal power to collect statistical data and has direct access to information on financial market participants. The FINMA/SNB MoU (see web-link below), revised in 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, the Financial Stability Working Group (FDF, SNB, FINMA) published a report and proposals on the macroprudential framework (see web-link). The report includes 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 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 (see web-links).

Other actions: MoUs among financial market authorities.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

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/en/classified-compilation/20021117/index.html>

FINMASA: <https://www.admin.ch/opc/en/classified-compilation/20052624/index.html>

## IV13: Macroprudential frameworks and tools - Enhancing monitoring and use of macroprudential instruments

### G20/FSB Recommendations

*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)*

*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)*

*Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)*

### Remarks

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.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)
- IMF [Macroprudential Policy Survey database](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Amendments to the 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.

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

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 a Financial stability report on an annual basis. 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 measures on individual banks where appropriate. In January 2014, the Federal Council, upon proposal by the SNB, decided to increase the sectoral countercyclical capital buffer (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 CCyB was announced to be at 0% and kept at 0% (see web-link below). The sectoral CCyB remains at 2% of relevant risk weighted assets. The CCyB 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 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 of the Swiss pension system). 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. In 2016, the revised Capital Adequacy Ordinance, introducing international reciprocity for internationally active banks (as required by the Basel III countercyclical capital buffer), has come into effect Other actions: ongoing monitoring

In 2019, FINMA recognised further adjustments to the minimum standards for mortgage financing issued by the SBA. The revised self-regulation guidelines became effective on 1 January 2020 and require borrowers to provide a minimum down payment of at least 25% of the lending value, instead of the current 10% as well as a stricter amortisation to two thirds of the loan-to-value ratio of the property within a maximum of 10 instead of 15 years.

In 2020, the Federal Council has followed the recommendation of the SNB to deactivate the countercyclical capital buffer (CCyB), thereby increasing banks' room for manoeuvre in their role as lenders during the COVID-19 pandemic.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Ongoing monitoring. If appropriate, further decisions on the reactivation of the countercyclical capital buffer or on the adjustment of the regulatory framework, including the potential introduction of additional regulatory measures affecting the demand for mortgages.

Relevant web-links: please provide web-links to relevant documents

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 Banks 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](http://www.snb.ch), Financial Stability, Publications. Basel III CCyB: [http://www.snb.ch/n/mmr/reference/CCB\\_communication\\_2016/source/CCB\\_communication\\_2016.n.pdf](http://www.snb.ch/n/mmr/reference/CCB_communication_2016/source/CCB_communication_2016.n.pdf)

[https://www.snb.ch/en/mmr/reference/ccb\\_20210205\\_basel\\_III\\_countercyclical\\_capital\\_buffer/source/ccb\\_20210205\\_basel\\_III\\_countercyclical\\_capital\\_buffer.en.pdf](https://www.snb.ch/en/mmr/reference/ccb_20210205_basel_III_countercyclical_capital_buffer/source/ccb_20210205_basel_III_countercyclical_capital_buffer.en.pdf)

Stance of the Basel III countercyclical capital buffer in Switzerland", available at [www.snb.ch](http://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-hypothekbereich-20140702>

FINMA's recognition of adjustments to self-regulation: <https://www.finma.ch/en/news/2019/08/20190828-mm-selbstregulierung/>

## V13: Improving credit rating agencies (CRAs) oversight- Enhancing regulation and supervision of CRAs

### G20/FSB Recommendations

*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)*

*National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.*

*CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.*

*The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)*

*Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)*

*We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)*

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.
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## V14: Improving credit rating agencies (CRAs) oversight - Reducing the reliance on ratings

### G20/FSB Recommendations

*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)*

*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)*

*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)*

*We call for accelerated progress by national authorities and standard setting 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)*

*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)*

### Remarks

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.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
January 2015: revised Collective Investment Schemes Ordinance.



Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
On May 13, 2014, in the context of the FSB thematic peer review on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, 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 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 regulations 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.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
Action plan: <a href="http://www.news.admin.ch/NSBSubscriber/message/attachments/34816.pdf">http://www.news.admin.ch/NSBSubscriber/message/attachments/34816.pdf</a> Press release concerning the action plan: <a href="https://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=52926">https://www.news.admin.ch/message/index.html?lang=en&amp;msg-id=52926</a> Press release concerning the workshop: <a href="https://www.sif.admin.ch/sif/en/home/dokumentation/medienmitteilungen/medienmitteilungen.msg-id-54245.html">https://www.sif.admin.ch/sif/en/home/dokumentation/medienmitteilungen/medienmitteilungen.msg-id-54245.html</a> CISO-FINMA: <a href="https://www.admin.ch/opc/en/classified-compilation/20140344/index.html">https://www.admin.ch/opc/en/classified-compilation/20140344/index.html</a> Press release concerning disclosures: <a href="https://www.finma.ch/en/news/2015/11/20151120-mm-rs-offenlegung-banken/">https://www.finma.ch/en/news/2015/11/20151120-mm-rs-offenlegung-banken/</a>

## VI15: Enhancing accounting standards - Consistent application of high-quality accounting standards

### G20/FSB Recommendations

*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)*

### Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of recognition, fair value measurement and disclosure requirements.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2015
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
IFRS (as published by the IASB) and US GAAP are allowed for banks consolidated financial statements (and required if listed in the International Reporting Standard 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 FINMA. The Fair Value Guidance is partly reflected in national legislation (e.g. FINMA circular 08/20 Marktrisiken Banken).

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
In general: 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.
Expected Credit Losses: FINMA will continue to follow the implementation of the new accounting requirements and also to actively participate in the respective work on interntional level.
Relevant web-links: please provide web-links to relevant documents
<a href="https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2015-01.pdf?la=en">https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2015-01.pdf?la=en</a>

## VII16: Enhancing risk management - Enhancing guidance to strengthen banks' risk management practic

### G20/FSB Recommendations

*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)*

*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)*

*Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)*

*We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)*

### Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;<sup>1</sup> and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

<sup>1</sup> Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Stress Testing 2008, Liquidity Sound Principles 2013, LCR 2015
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
- Stress tests for large banks since 2008 as part of ongoing supervision; in particular focused stress test on interest rate risk. - Extended supervisory activities in liquidity area by dedicated reviews. - FINMA implemented national LCR regulation in 201
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
- Implementation Circular on Interest Rate Risk in the Banking Book and Capital Buffer and Capital Planning for Banks: Final rule is planned to come into force on 1 January 2019. - Finalization of NSFR rules: next decision planned end of 2018 by Federal C
Relevant web-links: please provide web-links to relevant documents
Circular on Interest Rate Risk in the Banking Book: <a href="https://www.finma.ch/en/documentation/circulars/">https://www.finma.ch/en/documentation/circulars/</a> <input type="checkbox"/> select circular "2019/02" Circular on Capital Buffer and Capital Planning for Banks: <a href="https://www.finma.ch/en/documentation/circulars/">https://www.finma.ch/en/documentation/circulars/</a> <input type="checkbox"/> select circular "2011/02" Liquidity Ordinance: <a href="https://www.admin.ch/opc/de/classified-compilation/20122528/index.html">https://www.admin.ch/opc/de/classified-compilation/20122528/index.html</a> Liquidity Circular (incl. LCR and NSFR): <a href="https://www.finma.ch/en/documentation/circulars/">https://www.finma.ch/en/documentation/circulars/</a> <input type="checkbox"/> select circular "2015/02" NSFR regular reporting (from June 2016): <a href="https://emi.snb.ch/en/emi/NSFRhttps://www.finma.ch/en/news/2016/02/news-liquiditaetsregulierung-20160202/">https://emi.snb.ch/en/emi/NSFRhttps://www.finma.ch/en/news/2016/02/news-liquiditaetsregulierung-20160202/</a> Circular on Corporate Governance 17/01: <a href="https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/rundsc hreiben/finma-rs-2017-01-20200101.pdf?la=en">https://www.finma.ch/en/~media/finma/dokumente/dokumentencenter/myfinma/rundsc hreiben/finma-rs-2017-01-20200101.pdf?la=en</a> Revised Circular on Operational Risk: <a href="https://www.finma.ch/de/~media/finma/dokumente/dokumentencenter/myfinma/rundschrei ben/finma-rs-2008-21-20200101.pdf?la=de">https://www.finma.ch/de/~media/finma/dokumente/dokumentencenter/myfinma/rundschrei ben/finma-rs-2008-21-20200101.pdf?la=de</a>

## VII17: Enhancing risk management - Enhanced risk disclosures by financial institutions

### G20/FSB Recommendations

*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)*

*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)*

### Remarks

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.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
2009 (adjusted in 2012, 2014 and 2015)
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

**Progress to date: short description of the content of the legislation/regulation/guideline/other actions**

Since January 1, 2009 banks have to issue a Pillar 3 report (Pillar 3 of the BCBS standards); this regulation was adjusted in 2012. In October 2014, an updated version of a FINMA Circular on Pillar 3 disclosure along the BCBS standards has been published (update 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 entered into force on 31.12.2016. On the phase II revision of BCBS disclosure standards a draft regulation was put in consultation during Oct. 2017 to Jan. 2018; planned entry into force is 31.12.2018 (cut-off date for disclosure until end-April 2019).

**Further remarks:**

- IFRS (as published by the IASB) and US GAAP are allowed for banks consolidated financial statements and required if listed in the International Reporting Standard of Swiss stock exchange (for Swiss Accounting Standards for banks see also 15 above).
- With respect to enhanced risk disclosures, upon recommendation by FINMA, both Swiss G-SIBs disclose information along the EDTF design.

Other actions: Ongoing supervision.

**Update and next steps: highlight main developments since 2019 survey**

**Update and next steps: planned actions (if any) and expected commencement date**

**Relevant web-links: please provide web-links to relevant documents**

CS: <https://www.credit-suisse.com/corporate/en/investor-relations/financial-and-regulatory-disclosures.html>  
 UBS: UBS Switzerland AG | UBS Global  
 FINMA Circular 2016/1 Disclosure Banks: [https://www.finma.ch/de/~/\\_media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2016-01-20210506.pdf?la=de](https://www.finma.ch/de/~/_media/finma/dokumente/dokumentencenter/myfinma/rundschreiben/finma-rs-2016-01-20210506.pdf?la=de)

## VIII18: Strengthening deposit insurance - Strengthening of national deposit insurance arrangements

### G20/FSB Recommendations

*National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)*

### Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

**Progress to date:**

Implementation ongoing

**Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification**

Progress to date: If you have selected "implementation ongoing" - please specify
Draft published
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
i) The current payout delay will be shortened. The benchmark for the delay is the international standard of 7 working days with an implementation period of minimum 5 years.
ii) The existing deposit insurance system will be complemented by a 50% collateralisation. The banks have to collateralise half of their payment obligations with securities.
iii) The current nominal target level of the deposit insurance of CHF 6 billion will be transformed into a relative target of 1,6% of the total of the insured deposits.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
The Parliament will discuss the proposed changes to the BankA in 2020.
Relevant web-links: please provide web-links to relevant documents
<a href="https://www.efd.admin.ch/efd/de/home/dokumentation/nsb-news_list.msg-id-65655.html">https://www.efd.admin.ch/efd/de/home/dokumentation/nsb-news_list.msg-id-65655.html</a>
<a href="https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-74246.html">https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-74246.html</a>

## IX19: Safeguarding financial markets integrity and efficiency - Enhancing integrity and efficiency

### G20/FSB Recommendations

*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)*

### Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- 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 \(Dec 2013\)](#).



Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
31.10.2018
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - Yes
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>Regulation / Guidelines: Financial Market Infrastructure Act (FMIA) and Financial Market Infrastructure Ordinance (FMIO): 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 including trading venues in line with international standards. This package also contains new elements on market integrity and came into force on January 1st 2016. In terms of new trading technology, FMIA/FMIO introduce specific requirements such as the identification of trading members using algorithmic trading, algo flagging and adequate systems and processes to maintain an orderly market in the presence of high trading volumes caused by algorithmic and high frequency trading. In general, FMIO requires trading venues to have adequate systems and processes in place to process peak trading volumes and to maintain an orderly market under stressed conditions. Trades have to be rejected if breaching predefined price or volume thresholds and there must be trading halts and circuit breakers in place. In the context of the new regulation, FINMA has consequently revised and published its Circular on the duty to report securities transactions and introduced a new Circular on Organized Trading Systems which both came into force by January 2018. The new reporting transaction regime was wholly implemented by securities dealers by October 2018.</p> <p>Other actions: Dark Pools: FINMA reviewed Alternative Trading Platform (ATP; including ATS, MTF, SI and Broker-dealer crossing network) Supervisory Reviews at the two major Swiss banks. The purpose of this review was mainly:</p> <ul style="list-style-type: none"> <li>- to assess management oversight and organizational set-up;</li> <li>- to review the respective policies, procedures and guidelines and assess the overall governance;</li> <li>- to understand the key risks regarding the operation of ATPs;</li> <li>- to assess the design of the key controls to prevent and</li> <li>- to detect these risks, as well as their operating effectiveness and to examine independent reviews and self-assessments, identified weaknesses and remediation actions taken.</li> </ul> <p>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 counter party 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 pro-actively initiated an in-depth-analysis of the control procedures of specific HF-Traders. In addition, FINMA analyzed a Swiss Dark Pools Service related to the maintenance of a fair and orderly trading system including appropriate systems of market supervision.</p>
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
<a href="https://www.admin.ch/opc/en/classified-compilation/20141779/index.html">https://www.admin.ch/opc/en/classified-compilation/20141779/index.html</a> <a href="https://www.finma.ch/en/news/2017/02/20170209-mm-rs-finfrag/">https://www.finma.ch/en/news/2017/02/20170209-mm-rs-finfrag/</a>



## IX20: Safeguarding financial markets integrity and efficiency - Regulation of commodity markets

### G20/FSB Recommendations

*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)*

*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)*

### Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

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 \(Sep 2011\)](#).

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.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2016
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
The Financial Market Infrastructure Act (FMIA) and Financial Market Infrastructure Ordinance (FMIO) implement reforms of the OTC derivatives markets and give 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.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-59647.html>

## IX21: Safeguarding financial markets integrity and efficiency - Reform of financial benchmarks

### G20/FSB Recommendations

*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 ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

## X22: Enhancing financial consumer protection - Enhancing financial consumer protection

### G20/FSB Recommendations

*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)*

### Remarks

Jurisdictions should describe progress toward implementation of the OECD's [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may refer to OECD's [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles, as well as the [G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age](#), which provides additional effective approaches for operating in a digital environment. 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. In the case of private pensions, additional guidance can be found in the [Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems](#).

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.

Progress to date:

Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2020
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
The Financial Services Act (FinSA) sets out cross-sector rules for offering financial services and distributing financial instruments. In terms of content, the rules are based on the EU directives (MiFID II, Prospectus Directive, PRIIPs), with adjustments made to reflect the specific Swiss circumstances
Financial service providers are required by law to give clients appropriate explanations and advice. The two main client segments are retail clients and professional clients. Uniform rules are provided with regard to the prospectus duty, with simplifications envisaged for SMEs. A key information document (KID) is now to be supplied for financial instruments offered to retail clients. The KID should enable clients to make informed investment decisions and genuinely compare various financial instruments in a simple and understandable way.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
<a href="https://www.efd.admin.ch/efd/en/home/themen/wirtschaft--waehrung--finanzplatz/finanzmarktpolitik/finleg-finig/fb-finleg-finig.html">https://www.efd.admin.ch/efd/en/home/themen/wirtschaft--waehrung--finanzplatz/finanzmarktpolitik/finleg-finig/fb-finleg-finig.html</a>

## List of abbreviations used

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ATP: Alternative Trading Platforms  
 BCBS: Basel Committee on Banking Supervision  
 CCB: countercyclical capital buffer  
 CISA: Collective Investment Schemes Act  
 CISO: Collective Investment Schemes Ordinance  
 CRA: credit rating agency  
 D-SIB: domestic systemically important banks  
 EDTF: Enhanced Disclosure Task Force  
 FDF: Federal Department of Finance  
 FMIA: Financial Market Infrastructure Act  
 FMIO: Financial Market Infrastructure Ordinance  
 FINMA: Swiss Financial Market Supervisory Authority  
 FINMASA: Federal Act on the Swiss Financial Market Supervisory Authority  
 FinSA: Financial Services Act  
 FSB: Financial Stability Board  
 G-SIB: global systemically important banks  
 G-SII: global systemically important insurance company  
 HF: hedge fund  
 IASB: International Accounting Standards Board  
 IFRS: International Financial Reporting Standards  
 IOSCO: international organization of securities commissions  
 MoU: memorandum of understanding  
 NBA: National Bank Act  
 LCR: liquidity coverage ratio  
 NSFR: net stable funding ratio  
 RCAP: Regulatory Consistency Assessment Programme  
 SNB: Swiss National Bank  
 SSG: Senior Supervisors Group  
 TBTF: too-big too-fail  
 TLAC: total loss-absorbing capacity  
 US-GAAP: United States Generally Accepted Accounting Principles