AFBS News September 2025

Legislation and Regulation: Switzerland

Federal Council

… launches the consultation on the capitalisation of foreign participations by parent companies of systemically important banks. In future, to ensure that valuation losses on foreign subsidiaries no longer directly impact on the capitalisation of the Swiss parent company, systemically important banks shall be held to fully deduct the carrying value of participations in foreign subsidiaries from CET1 capital. **Info**: DE FR IT EN

SBA publishes a statement on the opening of the consultation. The statement highlights that the intended measures weaken attractiveness for operating international business from Switzerland. SBA therefore rejects the proposal by stating that extreme solutions should be avoided as they negatively impact competitivity of the Swiss financial centre. **Info**: DE FR IT EN

AFBS Board agrees with the SBA. Switzerland must remain attractive for banking and uphold frame conditions which are supportive for international business. Proportionality must be upheld; excessive capital requirements be avoided; FINMA shall focus on effective usage of existing supervisory tools; international level playing field must be preserved.

… adopts the dispatch on the amended Financial Market Supervision Act (FINMASA) and other legislation concerning international cooperation. The amendments to the FINMASA focus on: * targeted restriction of the client procedure in FINMA administrative assistance proceedings in cases of market abuse; * new article on international cooperation in foreign authorities' recognition and audit procedures; * precision of rules on direct transmission of information by supervised entities to foreign authorities; * new provision on the cross-border service of documents for supervisory purposes; * extension of the provisions on cross-border audits. **Info**: DE FR IT EN

… publishes the Ordinance on the harmonisation of sanctions. The Ordinance shall unify and detail the reporting duties as well as the rulings regarding the crediting to blocked accounts. The Ordnance will enter into force on 15 September 2025. **Info**: DE FR IT

… adopts the dispatch on exchange of information regarding OECD minimum tax rate. The Global Information Return (GIR) is the prerequisite to check whether the tax calculations of MNE groups are correct and in accordance with the GloBE rules. The GIR shall also ease information obligations for MNE groups. They will be able to submit the relevant information centrally in a single jurisdiction – if the latter has signed the corresponding GloBE agreement. **Info**: DE FR IT EN

… adopts the OECD audit report on the partner countries regarding the automatic exchange of information (AEoI). The report concludes that no partner state violates the criteria in a serious way. The new partners – Thailand and Kenya – completely fulfil the criteria. **Info**: DE FR

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… informs that it intends to make PACTA testing compulsory for financial firms. **Info**: DE FR IT

Parliament

… approves the extension of law on the automatic exchange of information (AEoI) to cryptoassets. In the discussion parliament deleted the punishment of negligence from the draft law. The changes will come into force on 1 January 2026 with a first exchange in 2027. **Info**: DE FR IT

National Council denies the motion that demanded a consolidated view of the measures regarding banking stability. Therefore, the Federal Council will keep up the timeline for the package of measures with the progressive approach. **Info**: DE FR IT

FINMA

… estimates that in case of a bank having reached the point of non-viability, it should be possible to sell parts in a legally certain environment and assuring financial stability. The present resolution plan by UBS cannot assure both systemically important functions and financial stability at international level. Therefore, further amendments are needed. **Info**: DE FR IT EN

… publishes its consultation on two new Ordinances. The "FINMA Ordinance on the Risk Diversification of Banks and Securities Firms" and the "FINMA Ordinance on the Liquidity of Banks and Securities Firms" shall replace the existing circulars "Risk diversification – banks", "Limits on intra-group positions – banks" and "Liquidity risk – banks". The drafts integrate Basel III standards into Swiss regulation and introduce a few amendments which expand scope. AFBS and other associations welcome the transposition of international standards but criticise extension of scope. The new Ordinances are to come into force on 1 January 2027. **Info**: DE FR IT EN; AFBS Comment: LINK

… transfers the FINMA Banking Insolvency Ordinance, FINMA Insurance Bankruptcy Ordinance and the FINMA Collective Investment Schemes Bankruptcy Ordinance to a new consolidated FINMA Insolvency Ordinance. **Info**: DE FR IT EN

… publishes the MoU it has signed with the UK authorities in view of implementation of the Berne Financial Services Agreement. **Info**: DE FR IT EN

… publishes a Guidance on the disclosure of cryptobased assets in the annual financial statements of banks. The guidance emphasises that the existing duties of disclosure in the annual financial statements remain in force. Cryptobased assets are now defined as custody assets under certain conditions, even if they do not qualify as securities. Margin no. 214 of FINMA Circular 20/1 is therefore no longer appropriate for fiduciary transactions. **Info**: DE FR IT EN

… Kleinbankenforum took place on 30 June 2025 and focused held high the principle of proportionality in various areas of activity: its own interaction with supervised firms; performance of on-site inspections; implementation of the senior managers regime. **Info**: DE FR

Miscellanea

In its comments on the draft FINMA Ordinances on Capital Adequacy and Risk Diversification, which are to replace respective Circulars in the context of the TBTF Banking Package, SBA also comments other Parameters. It

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welcomes the aim to strengthen stability. However, it rejects excessive scope of regulation to all banking groups and an approach that is at odds with international norms. **Info**: DE FR IT EN

The Swiss Securities Post-Trade Council publishes a market update, including a recommendation paper with a consultation regarding the settlement cycle of T+1. Consultation ends on 10 October 2025. **Info**: LINK

In the context of EU-CRD6 implementation supervisory authorities issued a report concluding that reliance of EU undertakings on core banking services from third country undertakings is minimal in the field of investment fund and asset management industry. Merely EIR and LUX appear to rely on such services where they constitute an important contribution to the successful functioning of markets. EU industry voiced concern regarding availability of such core banking services as well as services such as custody, liquidity management and currency clearing services; increase of cost due to new setup is expected. **Info**: Report provision of services from third countries: DOC and report on direct provision of banking services from third countries: DOC

On request of the Federal Council the Swiss Federal Audit Office (SFAO) reviews the resource situation at the Federal Office of Police, including MROS. Regarding MROS, the SFAO observes that the suspicious activity reports have increased threefold within the last three years. **Info**: DE FR IT EN (report only in German)

Digitalisation

SBA drafts a report on the successful Proof of Concept for a deposit token. Peer-to-Peer transactions and fiduciary exchange of assets were executed; a single smart contract allows seamless transactions through several banks; but there is no direct link to the core banking system; native deposit tokens would offer more flexibility. It is suggested to have banks offer tokens as authoritative ledger; assure direct SNB/SIC DLT access, possibly through a wholesale CBDC; integrate an identification layer to enhance security. **Info**: DE FR IT EN

SBA publishes a new leaflet on multibanking. It serves as practice-oriented advice derived from the dialogue with FINMA and SIF. The leaflet is intended to support member institutions in the legal classification and practical implementation of multibanking offerings. **Info**: DE FR EN

SBA publishes a communication on FIDO2. FIDO is an international alliance which promotes authentication standards that can operate without the user having to recall passwords. It is based on open-source software and in continued development. For that reason, SBA and FS-CSC elaborated a proposal suggesting expanding FIDO standard to make it available for confirmation of transactions also. **Info**: SBA: DE FR EN ; FIDO: www.fidoalliance.org ; and: SASFS

SNB and the European Central Bank (ECB) evaluate the interlinking between the instant payment service of the SIC system and TIPS, the Eurosystem's TARGET Instant Payment Settlement service. An interlinking would allow for cross-currency instant payments. **Info**: DE FR IT EN

From 2 August 2025 general-purpose AI (GPAI) providers must comply with transparency and copyright obligations when placing GPAI models on the EU market. Models already on the market before 2 August 2025 must ensure compliance by 2 August 2027. The Commission published guidelines, clarifying who must comply. It also published a template to summarise the data used to train the models. Together with the Member States it confirmed that the GPAI Code of Practice is an adequate voluntary tool for providers of GPAI models to demonstrate compliance with the AI Act. **Info**: European Commission: LINK; GPAI Code of Practice: LINK

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EU Member States issued a roadmap and timeline to start using post-quantum cryptography (PQC).**Info**: LINK

FATF adopts its revised Recommendation 16 on Payment Transparency (Travel Rule) in June 2025. Amendments concern the extension of scope to virtual assets, assuring that same rules apply to the different types of business. Rules encompass clarification of responsibility for including information; standardisation of information requirements; introduction of measures helping to protect fraud; rules for card transactions. **Info**: FATF: EN

Sustainable Finance

The European Commission has adopted a set of measures to simplify the application of the EU taxonomy. The main simplification measures include: * Companies are exempt from assessing taxonomy-eligibility and alignment for economic activities that are not financially material for their business (<10% of total revenue/CapEx/OpEx); * non-financial companies are exempt from assessing taxonomy alignment for their entire OpEx if it is non-material for the business model; * for financial companies, key performance indicators like the green asset ratio are simplified with the option to not report detailed taxonomy KPIs for two years; * data points in taxonomy reporting templates are reduced by 89% for financial companies; * the criteria for "do no significant harm" to pollution prevention and control related to the use and presence of chemicals are simplified. **Info**: DE FR IT EN

Tax

For the calculation of the Swiss top-up tax the residual tax on dividends of a Swiss entity will be considered as normative tax at the Swiss entity (outbound situation). The non-refundable foreign taxes at source are to be accounted for at the foreign entity and are therefore not to be considered for the Swiss top-up tax (inbound situation). **Info**: DE FR IT EN

OECD updates the CARF XML-schemes with a series of technical amendments and frequently asked questions. **Info**: LINK

Miscellanea

SBA launches its communication and branding campaign for Swiss banking. It is called "The River" and aims at highlighting the sector's commitment to stability and innovation. **Info**: DE FR IT EN and campaign site LINK

Swiss Sustainable Finance has published a new section on their website dedicated to AI in Sustainable Finance. **Info**: LINK

The Labour market index published by Arbeitgeber Banken shows an improved situation regarding the shortage of skilled workers. At the same time, more companies report difficulties in the recruitment of staff. **Info**: DE FR

Von Rundstedt published a whitepaper on "The true impact of AI". The survey was conducted among 1,072 knowledge workers mainly working in business services, information and communication as well as banking and insurances in the Swiss German part of Switzerland. **Info**: DE

The Federal Data Protection and Information Commissioner FDPIC publishes its annual report for the period Q2 2024 until Q1 2025. **Info**: DE FR IT EN

AMAS updates its model declaration for agents contracted to promote the sale of collective investment schemes in Switzerland. **Info**: DE FR EN

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Internal

AFBS Events

7.10.2025: AFBS Group: Commodity Trade Finance Geneva.

21.10.2025 Geneva, 24.10.2025 Zürich: AFBS Conference: SEC Registration for Swiss Investment Advisers; B. Resnikoff, J. Goldberger, Mayer Brown LLP and Ph. Fischer, Lenz&Staehelin.

22.10.2025 Zürich, 28.10.2025 Geneva: AFBS Conference: FINMA Circular Nature-related Financial Risks and SBA ESG self-regulation; introduction by H.-R. Mosberger, PricewaterhouseCoopers.

3.11.2025 Geneva, 5.11.2025 Zürich: AFBS Conference: Single Credit Reporting; C. Zbinden, Société Générale and AFBS representative in the SNB/FINMA working group.

5.11.2025: AFBS V/C: Securities Operations Matters: F. Soliva, Securities Post Trading Council; Maike Bechtel, Citi, M. Citrini, BNP Paribas, AFBS representatives in the SPTC.

6.11.2025: AFBS V/C: AFBS Update FINMA Circular OpRisk: AFBS Roundtable.

10.11.2025 Geneva, 14.11.2025 Zürich, 21.11.2025 Lugano: AFBS Conference: AFBS Roundtable FINMA Guidance AMLA Risk: AFBS Roundtable.

Last Minute

HSLU Luzern University of Applied Sciences Crypto Assets Study 2025:LINK (study in EN)
Swiss Finance Institute Activity Report 2024: LINKSwiss Bankers' Association's Banking Barometer: DE FR EN and Swiss Banking Outlook 2025: DE FR ENOliverWyman: Role and Relevance of the Banking Sector for Switzerland: LINKArticle on the foreign banks in Switzerland published in Weltwoche, available in DE and EN:LINKSwitzerland Global Enterprise, Swiss economic promotion agency, brochure on Future of Finance: LINKSBA Feasibility Study Deposit Token allowing for Block-Chain Based Payments: DE FR ENThe Swiss Finance Institute published a study on What Drives Sustainable Finance Fatigue: DE FR IT ENBAK Economics Study on Economic Impact of Finance Sector: latest update: 11.2024: LINKTheCityUK publishes recordings of its annual assembly: LINKAMAS on the capital market contribution to asset growth of pension plans: DE FR ENAvenirSuisse on Swiss direct democracy: DE 1 DE 2 and FR 1 FR 2

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