



Financial Market

Strengthening Banking Stability: A Holistic Approach Instead of More and More Regulation

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At a glance

- Today marks the end of the public consultation on amendments to the Banking Act and the Liquidity Ordinance—this is just one of several proposals through which the federal government is implementing the lessons learned from the Credit Suisse crisis.
- economiesuisse supports strengthening financial stability but calls for a holistic approach: All proposals must be assessed in terms of their cumulative impact and coordinated internationally.
- Only in this way can Switzerland's financial center remain a global leader and the financing of the real economy remain secure.

The amendment to the Banking Act and the Liquidity Ordinance is just one piece of the puzzle. Since the Credit Suisse crisis, the federal government has introduced several legislative proposals—ranging from capital requirements to resolution and supervision. Each measure may be justifiable on its own. What matters, however, is the sum of these measures: How the proposals interact and what cumulative costs they impose on the financial center and the economy as a whole have not yet been fully quantified. This comprehensive overview must be available before any further tightening measures are adopted.

economiesuisse supports targeted improvements in crisis preparedness, operational crisis response capabilities, and access to central bank liquidity, as well as measures to strengthen accountability and risk culture. However, we reject the proposed accountability framework in its current form.

Regarding the Consultation Response

More Regulation, Higher Costs for the Economy

Of particular concern are measures derived from the Credit Suisse crisis but extended—without concrete evidence of problems—to smaller banks, insurance companies, other institutions subject to prudential supervision, audit firms, employees, or other financial market participants. Additionally, extra regulatory costs can be passed on to companies and SMEs through higher borrowing and financing costs. What may seem minor in each individual proposal thus adds up to a significant burden on the business environment. From the business community's perspective, the following points are particularly critical:

- an overly broad expansion of regulatory obligations to institutions and actors not directly affected,
- additional FINMA powers without sufficient safeguards under the rule of law,
- another "Swiss Finish" in liquidity requirements without clearly demonstrated additional stability benefits and at the expense of international competitiveness,

— the lack of a holistic view: The proposals are assessed in isolation, while their cumulative effects on the financial center and the economy as a whole are overlooked.

Banking Stability with a Holistic Perspective: Ensuring the Financial Center Remains a Leader

Switzerland does not need more regulation, but better regulation: targeted adjustments in areas where the crisis has revealed actual weaknesses—and a comprehensive view across all legislative proposals. The Swiss financial center faces fierce competition from locations such as London, New York, and Singapore. Only by considering stability and competitiveness together can it continue to compete at the global forefront.



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