

Jurisdiction:

Switzerland

2013 IMN Survey of **National Progress in** the Implementation of **G20/FSB** Recommendations

- I. Refining the regulatory perimeter
- II. Hedge funds
- **III. Securitisation**
- IV. Enhancing supervision
- V. Building and implementing macroprudential frameworks and tools
- VI. Improving oversight of credit rating agencies (CRAs)
- VII. Enhancing and aligning accounting standards
- VIII. Enhancing risk management
- IX. Strengthening deposit insurance
- X. Safeguarding the integrity and efficiency of financial markets
- XI. Enhancing financial consumer protection
- XII. Reference to source of recommendations
- **XIII. List of Abbreviations**



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I.	Refining the regulator	y perimeter			
1	Review of the boundaries of the	We will each review and adapt the boundaries of the regulatory framework	Jurisdictions should indicate the steps taken to expand the domestic regulatory	Implementation ongoing or completed	Planned actions (if any):
(2)	regulatory framework including strengthening of oversight of shadow banking	to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☑ Primary / Secondary legislation	- FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework and actively contributes to the international discussion. For instance FINMA agreed to IOSCO's principle 6 and 7 and takes
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation.	☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: March 2013: Collective Investment Scheme Act Short description of the content of the legislation/ regulation/guideline: The revised collective investment schemes act (CISA) inter alia extends the supervisory scope to include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision. Finance companies related to regulated banks are also subject to supervision. Switzerland has no constant net asset value money market funds (CNAV-MMF). Mortgage insurance is not	part in the development of the IOSCO recommendations The Federal Department of Finance (FDF), in cooperation with the Federal Department of Justice and Police (FDJP) and FINMA, has also launched work to prepare the legal basis for the creation of a cross-sector regulation of financial products and services, which is expected to cover a wide range of providers and thus will imply an extension of the regulatory framework FINMA, the Swiss National Bank (SNB) and the FDF are continuously participating in the international discussion concerning policy measures to strengthen the oversight and regulation of the shadow banking system. Further regulatory actions will also depend on the final recommendations of the FSB to strengthen the oversight and regulation of

¹ This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.



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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				offered in Switzerland.	the shadow banking system.
				Web-links to relevant documents:	Expected commencement date:
				CISA:	
				http://www.news.admin.ch/message/inde x.html?lang=en&msg-id=47754	Web-links to relevant documents:
					IOSCO Principle 6&7:
					http://www.iosco.org/library/pubdocs/pdf /IOSCOPD323.pdf



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II.	Hedge funds				
2 (3)	Registration, appropriate disclosures and oversight of hedge funds	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)	Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009) that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: - See supervisory measures regarding hedge funds below. Status of progress: Reform effective (completed) as of: March 2013: Collective Investment Scheme Act Short description of the content of the legislation/ regulation/guideline: The revised collective investment schemes act (CISA) inter alia extends the supervisory scope to include asset managers of foreign collective investment schemes. The prime brokerage activities of the Swiss banks are subject to constant supervision. In regard to hedge funds, FINMA has participated in the systemic footprint survey in September 2010 to identify	Planned actions (if any): - FINMA is continuously reviewing the adequacy of the regulatory and supervisory framework. FINMA is part of the IOSCO task force on unregulated entities and takes part in the development of the IOSCO recommendations. Expected commencement date: Web-links to relevant documents:



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				systemically relevant hedge fund	
				activities. Switzerland applies both a	
				direct and an indirect supervisory	
				approach with respect to hedge funds.	
				Directly supervised (after having	
				received the necessary approval by	
				FINMA) are all domestic hedge funds	
				and foreign ones if they shall be	
				distributed in public in or from	
				Switzerland, regardless of their size. In	
				addition, managers of hedge funds need	
				an authorization. The third element of the	
				direct supervisory approach relates to	
				distribution matters and concerns	
				representatives and distributors of hedge	
				funds. The indirect supervisory approach	
				takes place through their interfaces with	
				banks. Moreover, certain investment	
				restrictions for insurers exist.	
				With Pales 4s and second document	
				Web-links to relevant documents:	
				CISA:	
				http://www.news.admin.ch/message/inde	
				x.html?lang=en&msg-id=47754	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
3	Establishment of	We ask the FSB to develop mechanisms	Jurisdictions should indicate the progress	Implementation ongoing or completed	Planned actions (if any):
(4)	international information sharing framework	for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different	made in implementing the high level principles in IOSCO's <i>Report on Hedge Fund Oversight (Jun 2009)</i> on sharing information to facilitate the oversight of	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		jurisdiction from the manager. We will,	globally active fund managers.	Issue is being addressed through:	WILL A LANGE
		cooperating through the FSB, develop	<i>g</i>	☑ Primary / Secondary legislation	Web-links to relevant documents:
		measures that implement these principles		☐ Regulation /Guidelines	
		by the end of 2009. (London)		☐ Other actions (such as supervisory actions), please specify:	
				Status of progress :	
				Reform effective (completed) as of:	
				March 2013: Collective Investment	
				Scheme Act	
				Short description of the content of the legislation/regulation/guideline:	
				Based on the revised CISA, FINMA will	
				receive information on the activities of	
				these asset managers and their funds on a	
				regular basis and will be able to request	
				any information needed for supervisory purposes. The revised CISA also requires	
				that cooperation arrangements with all	
				relevant foreign supervisory authorities	
				are in place, in particular with	
				supervisors in those jurisdictions where	
				the fund is domiciled.	
				Web-links to relevant documents:	
				CISA:	



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				http://www.news.admin.ch/ message/index.html?lang=en&msg-id=47754	



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4	Enhancing counterparty	Supervisors should require that	Jurisdictions should indicate specific	Implementation ongoing or completed	Planned actions (if any):
(5)	risk management	institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits	policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		for single counterparty exposures.	counterparties.	Issue is being addressed through:	
		(London)	See, for reference, the following BCBS	☐ Primary / Secondary legislation	Web-links to relevant documents:
			documents:	☑ Regulation /Guidelines	
(6)		Supervisors will strengthen their existing	Sound Practices for Banks'	☑ Other actions (such as supervisory actions), please specify:	
		guidance on the management of	Interactions with Highly Leveraged	- Ongoing supervision	
		exposures to leveraged counterparties.	Institutions (Jan 1999)	Status of progress :	
		(Rec. II.17,FSF 2008)	Banks' Interactions with Highly	Reform effective (completed) as of:	
			Leveraged Institutions (Jan 1999)	March 2013: Collective Investment	
			• Basel III (June 2011) – relevant	Scheme Act, January 2013: Basel III	
			references to counterparty credit risk standards	Short description of the content of the legislation/regulation/guideline:	
				Prime Brokerage is a focus in the	
				supervision of the IB activities of the two	
				large banks. FINMA has regular	
				meetings with the risk management units	
				of the two large banks to discuss ongoing Hedge Fund (HF) issues. FINMA	
				reviews ad hoc certain businesses	
				activities, reviews ad hoc all kinds of HF	
				reports both large banks produce. It talks	
				about disputes/haircut adjustments with	
				representatives of the large banks and has	
				a dialog with the external and internal	
				audit function on the prime brokerage	



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				business of the two large banks. Prime	
				brokerage business is also an important	
				part in our ongoing liquidity supervision	
				of the two large banks. FINMA looks at	
				liquidity in-/ outflows from the prime	
				brokerage business and looks at HF	
				stress models. Strategy/growth plans and	
				as well as onboarding strategies for new	
				HF-clients are regularly discussed.	
				FINMA regularly reviews several	
				leverage indicators, margin requirements,	
				excess collateral numbers and across	
				several prime broker in a peer analysis.	
				FINMA, respectively the predecessor	
				organization SFBC, participated in the	
				interagency working group to review the	
				counterparty risk management practices	
				related to hedge funds under the lead of	
				the FRBNY. FINMA participated also in	
				all Senior Supervisors Group (SSG) work	
				streams that looked at counterparty credit	
				risk management. A common report was	
				issued that conveyed the SSG perspective	
				on the state of CCR measurement and	
				management practices based on	
				discussions with major industry	
				participants over the past two years.	
				FINMA has been reviewing the	
				regulatory and supervisory regime for	
				leveraged counterparties, including	
				hedge funds, also taking into account the	



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				IOSCO principles published in June 09.	
				With the aforementioned revision of the	
				CISA, CH aims to achieve compliance	
				with the IOSCO principles. The exposure	
				of banks to leveraged counterparties is	
				subject to regulation within the capital	
				adequacy framework. FINMA has fully	
				implemented the Basel III standards on	
				counterparty credit risk and the treatment	
				of highly leveraged counterparties as of 1	
				Jan 2013.	
				Web-links to relevant documents:	
				CISA:	
				http://www.news.admin.ch/message/inde	
				x.html?lang=en&msg-id=47754 - Total	
				revision of the Capital Adequacy	
				ordinance to implement Basel III:	
				http://www.efd.admin.ch/dokumentation/	
				medieninformationen/00467/index.html?l	
				ang=en&msg-id=44781 - Basel III	
				Circulars:	
				http://www.finma.ch/e/aktuell/pages/mm	
				-rs-umsetzung-b2-tbtf-20120718.aspx	



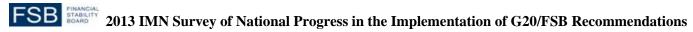
5 Improving the management of securitisation		Jurisdictions should indicate the progress		
management o		Jurisdictions should indicate the progress		
(8)	• implement IOSCO's proposals to strengthen practices in securitisation markets. (FSB 2009) The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London) Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)	made in implementing the recommendations contained in: • IOSCO's Report on Global Developments in Securitisation Regulation (Nov 2012) including justification for any exemptions to IOSCO requirements; and • BCBS's Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: Basel 2.5: January 2011 Short description of the content of the legislation/ regulation/guideline: Based on the insights gained during the financial crisis, the revision of the circulars aimed at adjusting the regulatory deficits in capital requirements for proprietary trading, securitisations, and risk diversification. In terms of content, the revision draws on the amended Basel II minimum standards for capital adequacy set by the Basel Committee and the modified EU minimum standards for risk diversification.	Planned actions (if any): Expected commencement date: Web-links to relevant documents:



No Description G20/FSB Recommendation	s Remarks	Progress to date	Next steps
		Basel 2.5 Implementation by FINMA:	
		http://www.finma.ch/e/aktuell/pages/mm	
		-rs-eigenmittel-risikoverteilung-2010-11-	
		25.aspx	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
6 (9)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines. See, for reference, the following principles issued by IAIS: • ICP 13 – Reinsurance and Other Forms of Risk Transfer • ICP 15 – Investments, and • ICP 17 - Capital Adequacy. Jurisdictions may also refer to the IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).	Not applicable If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: In Switzerland, there are no monoline insurers. Hence, there is no need for regulatory action in this regard. Issue is being addressed through: Primary / Secondary legislation Regulation / Guidelines Other actions (such as supervisory actions), please specify: Status of progress: [No response] Short description of the content of the legislation/regulation/guideline: Web-links to relevant documents:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:





Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
Strengthening of	Regulators of institutional investors	Jurisdictions should indicate the policy	Implementation ongoing or completed	Planned actions (if any):
supervisory requirements or best practices for investment in structured products	should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	practices for investment in structured product. See, for reference, the principles contained in IOSCO's report on <i>Good</i>	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through:	A consultation draft of a new regulation (Financial Services Act, FSA) is expected to be submitted to the Federal Council by autumn 2013.
		Practices in Relation to Investment Managers' Due Diligence When Investing	☑ Primary / Secondary legislation	Expected commencement date:
		in Structured Finance Instruments (Jul 2009) and Suitability Requirements for	✓ Regulation /Guidelines ✓ Other actions (such as supervisory actions), please specify:	Autumn 2013
		<u>Distribution of Complex Financial</u> <u>Products (Jan 2013).</u>	Lehman/Madoff review	Web-links to relevant documents:
		Jurisdictions may also refer to the Joint Forum report on <u>Credit Risk Transfer-Developments from 2005-2007 (Jul</u>	Status of progress: Draft in preparation, expected publication by: Autumn 2013 Short description of the content of the	Work on financial services act: http://www.sif.admin.ch/dokumentation/0 0509/00510/00622/00624/00817/index.ht ml?lang=en
		2006).	legislation/ regulation/guideline:	iii:taiig—cii
			and securities dealers are permitted to	
			(art 5 CISA). Independently of their	
			firms have to comply with severe	
			requirements regarding internal control	
			banking ordinance and FINMA circular	
			,	
			Brothers FINMA initiated several	
	Strengthening of supervisory requirements or best practices for investment	Strengthening of Regulators of institutional investors supervisory should strengthen the requirements or requirements or best practices for firms' processes for practices for investment in structured products. (Rec	Strengthening of supervisory should strengthen the requirements or best practices for investment in structured products II.18 ,FSF 2008) Regulators of institutional investors should indicate the policy measures taken for strengthening best practices for investment in structured products. (Rec II.18 ,FSF 2008) II.18 ,FSF 2008) II.18 ,FSF 2008) Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product. See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013). Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product. See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013). Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-	Strengthening of supervisory should strengthen the requirements or best practices for firms' processes for products in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for product. (Rec II.18 ,FSF 2008) Regulators of institutional investors should indicate the policy measures taken for strengthening best practices for firms' processes for product. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of institutional investment in structured products. (Rec II.18 ,FSF 2008) Regulators of investment in structured products (Rec II.18 ,FSF 2008) Regulators of investment in structured products (Rec II.18 ,FSF 2008) Regulators of investment in structured products (Rec II.18 ,II.18



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				nostro accounts of 100 banks were analysed for transactions in structured products. In February 2012 FINMA has published a position paper proposing two key measures to improve client protection: (1) Clear rules of business conduct for financial services providers, and (2) better product documentation. On 28 March, 2012, the Federal Council charged the Federal Department of Finance (FDF) to develop potential measures in order to improve the regulatory framework in this respect through a possible future regulation. Such new regulation will comply with international standards.	
				Web-links to relevant documents: FINMA's Lehman/Madoff Review is available in German and French: http://www.finma.ch/d/finma/publikation en/Documents/bericht-lehman-madoff- 20100302-d.pdf http://www.finma.ch/f/finma/publikatione n/Documents/bericht-lehman-madoff- 20100302-f.pdf - Work on financial services act: http://www.sif.admin.ch/dokumentation/0 0509/00510/00622/00624/00817/index.ht ml?lang=en	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (11)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products. See, for reference, IOSCO's Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) that complements IOSCO's Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).	Applicable but no action envisaged at the moment If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Switzerland takes part in the international discussions and will amend its rules where appropriate. For the time being, the significance of the Swiss ABS market is relatively limited both from a financial stability or from a consumer protection perspective.	Planned actions (if any): Switzerland is taking part in the international discussions and will amend its rules where appropriate. We also support the FSB's work on disclosure. At the national level, preparatory work has been launched on the setup of a new Financial Services Act, which is also expected to address disclosure on asset backed securities insofar as they are distributed to retail clients.
				Issue is being addressed through:	Expected commencement date:
				 □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: 	Web-links to relevant documents:
				Status of progress :	
				[No response]	
				Short description of the content of the legislation/ regulation/guideline:	
				Web-links to relevant documents:	



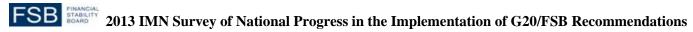
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV.	Enhancing supervision	ı			
9 (12)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs. ² See, for reference, the following documents: Joint Forum: • Principles for the supervision of financial conglomerates (Sep 2012) BCBS: • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) IAIS: ICP 23 – Group wide supervision FSB: • Framework for addressing SIFIs (Nov 2011)	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: March 2012: TBTF legislation; January 2013: Basel III Short description of the content of the legislation/ regulation/guideline: Switzerland currently has two designated G-SIBs that are subject to additional requirements e.g. regarding capital, risk diversification, and emergency planning. Basel III hast been fully and timely implemented. Implementation of resolution plans and crisis management colleges in accordance with the FSB timetable.	Planned actions (if any): Implementation by both large banks: Capital phase in Recovery and Resolution Planning Resolvability Improvements Expected commencement date: Web-links to relevant documents:

² The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.



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No	Description	G20/FSB Recommendations	Remarks	Web-links to relevant documents: Swiss TBTF legislation: http://www.efd.admin.ch/00468/index.ht ml?lang=en&msg-id=43419 http://www.efd.admin.ch/themen/wirtsch aft_waehrung/02315/index.html?lang=en	Next steps
				Total revision of the Capital Adequacy ordinance to implement Basel III and additional requirements for G-SIBs: http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?l ang=en&msg-id=44781	





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10	Establishing	To establish the remaining supervisory	Reporting in this area should be	Implementation ongoing or completed	Planned actions (if any):
(13)	supervisory colleges and conducting risk assessments	colleges for significant cross-border firms by June 2009. (London)	undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
			remaining supervisory colleges and	Issue is being addressed through:	
(14)		We agreed to conduct rigorous risk	conducting risk assessments.	☐ Primary / Secondary legislation ☐ Regulation / Guidelines	Web-links to relevant documents:
		assessment on these firms through international supervisory colleges	See, for reference, the following documents:	☐ Other actions (such as supervisory actions), please specify:	
		(Seoul)	BCBS:	see description below	
			• Good practice principles on supervisory colleges (Oct 2010)	Status of progress :	
			Report and recommendations on cross- hard and mark mark triangle (Mary 2010)	Reform effective (completed) as of: 2009	
			border bank resolution (Mar 2010) IOSCO:	Short description of the content of the legislation/regulation/guideline:	
			• Principles Regarding Cross-Border Supervisory Cooperation (May 2010)	Supervisory colleges have already been established for all four large cross-border groups requiring a college according to	
			IAIS:	the criteria of the FSB (2 banks and 2	
			• <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u>	insurance firms). The insurance firms are covered by global supervisory colleges since 2008. For the two banks,	
			• Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory	arrangements similar to supervisory colleges have been in place since 2000. Supervisory colleges are also in place for	
			<u>colleges</u>	other more significant financial institutions. The effectiveness of the	
				colleges has been favourably assessed in	
				a benchmarking exercise conducted by	

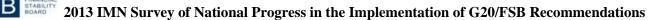


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				the BCBS Standards Implementation	
				Group. Also, FINMA has established	
				Crisis Management Groups for the two	
				G-SIBs.	
				Web-links to relevant documents:	

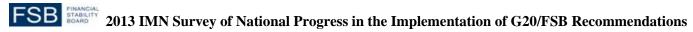


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(15)	Supervisory exchange of information and coordination	To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7, FSF 2008)	Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the <u>October 2006</u> Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, the <u>September 2012</u> 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.	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: see description below Status of progress:	Planned actions (if any): - To the extent practicable and feasible, FINMA endeavours to complete the information exchange and coordination efforts by bilateral or multilateral cooperation agreements. Expected commencement date: Web-links to relevant documents:
New		Enhance the effectiveness of core supervisory colleges. (FSB 2012)	Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information within core colleges (e.g. bilateral or multilateral MoUs).	Reform effective (completed) as of: ongoing process Short description of the content of the legislation/ regulation/guideline: On a national level, SNB and FINMA share tight links in monitoring the financial sector on the micro as well as macro level and coordinate regulatory initiatives of shared interest. On an international level, FINMA has long standing relations with the supervisors of important markets the Swiss SIFIs operate in and has broadened and extended supervisory cooperation, including cooperation on crisis management, following the FSB and BCBS work on colleges.	



FSB	FINANCIAL STABILITY BOARD
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents:	





Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul) Supervisors should see that they have the requisite resources and expertise to	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the <u>October 2006</u> BCPs 1 and 23 or, if more recent, the <u>September 2012</u> BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify:	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
	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	assessments on the <u>October 2006</u> BCPs 1 and 23 or, if more recent, the <u>September</u> 2012 BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant	no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory	
	and address risks, including regular stress testing and early intervention. (Seoul) Supervisors should see that they have the	should also indicate any steps taken since the last assessment in this area, particularly in response to relevant	 ✓ Primary / Secondary legislation ☐ Regulation /Guidelines ✓ Other actions (such as supervisory 	Web-links to relevant documents:
	2			
	requisite resources and expertise to		see description below.	
	oversee the risks associated with financial		Status of progress :	
	innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)		Reform effective (completed) as of: Establishment of FINMA: 2009; Reassessments: ongoing process	
	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)	Jurisdictions should describe the outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.	Short description of the content of the legislation/ regulation/guideline: The new integrated supervisory authority FINMA, established in 2009, was given increased independence and additional tools compared to its ancestor authorities. Within the current organisational setup, the lessons from the financial crisis led to an improved and more consequently risk oriented supervisory approach and an improved stress testing framework. As FINMA is financed through levies from the supervised sector and not through the general government budget.	
		experience and adequate level of	experience and adequate level of seniority. (Rec. 3, FSB 2012) Please indicate when this assessment was most recently conducted and when the next assessment is expected to be	experience and adequate level of seniority. (Rec. 3, FSB 2012) Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted. Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted. Within the current organisational setup, the lessons from the financial crisis led to an improved and more consequently risk oriented supervisory approach and an improved stress testing framework. As FINMA is financed through levies

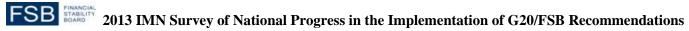


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	_			authority's maximum headcount. In its	
				human resources strategy, FINMA seeks	
				to achieve a good mixture of staff.	
				Alongside younger specialists starting out	
				on their career, FINMA needs long-	
				standing supervisory specialists as well as	
				individuals with in-depth practical	
				experience. Due to the tight job market	
				for finance experts, FINMA is constantly	
				on the lookout for established	
				personalities, in risk management for	
				instance, who are keen to take on a new	
				challenge in the middle of their career.	
				FINMA has increased its number of staff	
				in the aftermath of the financial crisis by	
				attracting qualified and experienced staff.	
				Furthermore, FINMA has substantially	
				increased the proportion of on-site work	
				by its own staff. It is operating a qualified	
				and experienced risk department directly	
				overseeing the risk of large banks and	
				insurances. Other institutions are covered	
				by an early warning system as described	
				below and are regularly reviewed by	
				external auditors directly reporting to	
				FINMA. The procedure proved to be	
				effective. It helps to concentrate	
				supervisory resources, while at the same	
				time making sure that issues get	
				recognized and addressed within the	
				continual supervision process. However,	

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

FSB	FINANCIAL STABILITY BOARD
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				in order improve the effectiveness of the system, both the use of external auditors	
				and the governance of the process are currently under review.	
				Web-links to relevant documents:	
				http://www.finma.ch/e/finma/publikation en/Documents/br-aufsicht-20110421- e.pdf	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V.	Building and implemen	nting macroprudential frameworks an	d tools		
13	Establishing regulatory	Amend our regulatory systems to ensure	Please describe the systems,	Implementation ongoing or completed	Planned actions (if any):
(18)	framework for macro- prudential oversight	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 ³ and	methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels.	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Amendment to NBA in the course of the next revision regarding the direct access to further information.
		private pools of capital to limit the build	analysis of fisk transmission chamicis.	Issue is being addressed through:	
		up of systemic risk. (London)	Please indicate whether an assessment	☑ Primary / Secondary legislation	Expected commencement date:
			has been conducted with respect to the	☐ Regulation /Guidelines	Not yet known
(19)		Ensure that national regulators possess the powers for gathering relevant	powers to collect and share relevant information among different authorities –	☐ Other actions (such as supervisory actions), please specify:	·
		information on all material financial	where this applies – on financial	Status of progress :	Web-links to relevant documents:
		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)	where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.	Reform effective (completed) as of: Assessment of power to collect and share information: March 2012; MoU FINMA/SNB: February 2010; MoU FDF/FINMA/SNB: January 2011 Short description of the content of the legislation/ regulation/guideline: In March 2012, the Financial Stability Working Group (FDF, SNB, FINMA) published a report on proposals to amendments of regulatory systems (see web-link below), which included an assessment of the power to collect and share information. FINMA already has a	

³ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

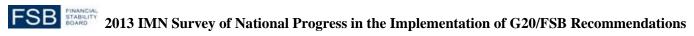


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				very broad legal power to gather any kind	
				of information from supervised financial	
				market institutions. The SNB has a legal	
				power to collect statistical data and has a	
				broad access to information from	
				operators of payment and securities	
				settlement systems. FINMA and the SNB	
				are authorized to exchange information	
				collected in this context. The FINMA-	
				SNB MoU, which was revised in	
				February 2010, provides additional	
				details regarding information exchange	
				between both institutions (see web-link	
				below). In a Memorandum of Under-	
				standing signed in January 2011, the	
				FDF, representing the Swiss Federal	
				Council, the FINMA and the SNB agreed	
				to exchange information on matters	
				relating to financial stability and financial	
				market regulation and cooperate in the	
				event of a crisis which has the potential to	
				threaten financial market stability. A	
				majority of the Financial Stability	
				Working Group recommended the	
				creation of a right for the SNB to directly	
				access information on financial market	
				participants, which goes beyond its	
				existing entitlement to statistical data.	
				This would require an amendment of the	
				National Bank Act (NBA).	



FSB	FINANCIAL STABILITY BOARD
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents:	
				Report of Financial Stability Working	
				Group:	
				http://www.efd.admin.ch/dokumentation/	
				zahlen/00578/02460/index.html?lang=en	
				FINMA-SNB MoU:	
				http://www.snb.ch/en/mmr/reference/mof	
				u/source FDF-FINMA-SNB MoU:	
				http://www.finma.ch/e/aktuell/Document	1
				s/MoU-tripar	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (20)	Description Enhancing system-wide monitoring and the use of macro-prudential instruments	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)	Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them. See, for reference, the CGFS document on <i>Operationalising the selection and application of macroprudential instruments</i> (<i>Dec 2012</i>).	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: Amendments of Capital Adequacy Ordinance: July 2012 (countercyclical buffer) and January 2013 (higher requirements for risky mortgages); Monitoring: ongoing Short description of the content of the legislation/ regulation/guideline: Quantitative indicators already enter the	Next steps Planned actions (if any): Ongoing monitoring and, if appropriate, further decisons on the adjustment or deactivation of the countercyclical capital buffer. Expected commencement date: Web-links to relevant documents:
(21)		Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)	See, for reference, the CGFS document on <u>Operationalising the selection and application of macroprudential</u>	Monitoring: ongoing Short description of the content of the legislation/regulation/guideline:	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				design and calibrate stress scenarios.	
				SNB, FINMA and FDF exchange their	
				views. Regarding instruments, two	
				amendments to the Capital Adequacy	
				Ordinance have been made: First, capital	
				requirements for risky mortgage lending	
				business have been increased. The	
				corresponding amendment of the Capital	
				Adequacy Ordinance entered into force in	
				January 2013. Complementary, self-	
				regulation in the mortgage market have	
				been tightened. Accordingly, a minimum	
				downpayment of 10% of the amount of	
				the real estate transaction, coming from a	
				source other than occupational benefits	
				provision (second pillar), must be made.	
				Second, a countercyclical buffer has been	
				implemented, the corresponding	
				amendment to the Capital Adequacy	
				Ordinance entered into force on 1 July	
				2012. The primary objective of the	
				countercyclical buffer is to increase the	
				resilience of the banking sector against	
				the consequences of excessive credit	
				growth. Moreover, it contributes to	
				leaning against the build-up of excesses	
				in the Swiss mortgage and real estate	
				markets. The decision on activation,	
				adjustment and deactivation is based on	
				an approach of guided discretion (see	
				web-link below). The approach builds on	



	a systematic analysis and aggregation of a set of key quantitative indicators. Depending on circumstances, a broader	
	set of additional quantitative and qualitative indicators also flows into the decision. In February 2013, the Federal Council decided to activate the countercyclical capital buffer upon proposal by the SNB. The capital buffer is targeted at mortgage loans financing residential property located in Switzerland. The buffer is set at a level of 1% of associated risk-weighted positions, and the deadline for compliance with the	
	countercyclical buffer is 30 September 2013 (see web-link below). Web-links to relevant documents:	
	Amendments to Capital Adequacy Ordinance: http://www.efd.admin.ch/00468/index.ht ml?lang=en&msg-id=44781 Report of Financial Stability Working Group: http://www.efd.admin.ch/dokumentation/ zahlen/00578/02460/index.html?lang=en Fact sheet Countercyclical: Swiss National Bank, 'Implementing the countercyclical capital buffer in Switzerland: concretising the Swiss National Bank's role', fact sheet, June 2012; available at www.snb.ch, Financial Stability, Publications.	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15	Improved cooperation	Supervisors and central banks should	Jurisdictions can make reference to the	Implementation ongoing or completed	Planned actions (if any):
(22)	between supervisors and central banks	improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during	following BCBS documents: • Report and recommendations of the Cross-border Bank Resolution Group	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		periods of market strain. (Rec. V.8, FSF	(Mar 2010)	Issue is being addressed through:	Web-links to relevant documents:
		2008)	• <u>Good Practice Principles on</u> Supervisory Colleges (Oct 2010)	☐ Primary / Secondary legislation	web-miks to relevant documents:
			(Principles 2, 3 and 4 in particular)	☐ Regulation /Guidelines	
			(1 rinciples 2, 3 and 1 in particular)	☑ Other actions (such as supervisory actions), please specify:	
				Memorandum of understanding	
				Status of progress :	
				Reform effective (completed) as of:	
				MoU SNB-FINMA: 2010;	
				Short description of the content of the legislation/regulation/guideline:	
				SNB and the Swiss Federal Banking	
				Commission have had a Memorandum of	
				Understanding (MoU) in place since 2007	
				that was continued after the creation of FINMA. During the financial crisis and	
				thereafter, the two authorities	
				collaborated much more closely. To	
				account for the insights gained during	
				that period the MoU was revised in	
				February 2010.	
				Additionally, in January 2011, the FDF,	
				FINMA and SNB signed a tripartite	
				MoU. The agreement governs	

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FSB	FINANCIAL STABILITY BOARD 2
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				collaboration between the three	
				authorities, which includes the exchange	
				of information on financial stability and	
				financial market regulation issues, as well	
				as collaboration in the event of a crisis	
				that would threaten the financial system's	
				stability.	
				Web-links to relevant documents:	
				http://www.finma.ch/e/aktuell/pages/mm-	
				mou-20110117.aspx	

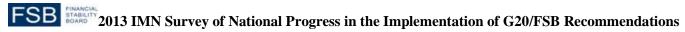


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps		
VI.	VI. Improving oversight of credit rating agencies (CRAs)						
16 (23) (24)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London) 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	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document: • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008) Jurisdictions may also refer to the following IOSCO documents: • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs; • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003); and • Credit Rating Agencies: Internal Controls Designed to Ensure the	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation ☑ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: January 2012 Short description of the content of the legislation/ regulation/guideline: Credit rating agencies whose ratings are used for regulatory purposes (e.g. as basis for capital adequacy) have to be registered with and recognized by	Planned actions (if any): - FINMA renounces of an own ongoing supervision of CRAs because the relevant CRAs are based abroad and will be subject to ongoing supervision in other jurisdictions. Expected commencement date: Web-links to relevant documents:		
(25)		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)	Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012).	FINMA. The recognition is currently governed by FINMA circular 2008/26 "Rating Agencies" and includes requirements in regard to objectivity, independence, access to ratings, disclosure, resources and credibility. Process and requirements are in line with the standards of the BCBS and with the "IOSCO Code of Conduct Fundamentals for Credit Rating Agencies" (2004). FINMA revised its Circular regarding			

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	_			Recognition of Credit Rating Agencies in	
				2011. The revision took effect on January	
				2012. The scope of application is	
				extended to all institutions supervised by	
				FINMA which use credit ratings for	
				regulatory purposes. By this occasion the	
				IOSCO Code of Conduct Fundamentals	
				2008 and its current version were	
				declared the basis for FINMA's	
				recognition of CRAs. Moreover, FINMA	
				adapts new rules from the BCBS	
				Regulatory Framework (Basel III)	
				regarding the registration requirements.	
				Web-links to relevant documents:	
				http://www.finma.ch/e/aktuell/pages/mm-	
				rs-ratingagenturen-20110825.aspx	



(Cannes)

	2015 IVIN Survey of National Progress in the Implementation of G20/P5D Recommendations			Switzerianu	
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17	Reducing the reliance	We also endorsed the FSB's principles on	No information on this recommendation		
(26)	on ratings	reducing reliance on external credit	will be collected in the current IMN		
		ratings. Standard setters, market	survey since a thematic peer review is		
		participants, supervisors and central	taking place in this area during 2013.		
		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.			



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII.	Enhancing and alignin	g accounting standards			
	-		Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB. They should also explain the system they have for enforcement of consistent application of those standards.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: last revision 2012 Short description of the content of the legislation/ regulation/guideline: New legislation has been developed for audit firms and auditing which will inter alia ensure the consistent application of accounting standards. Web-links to relevant documents: FINMA Guidelines on accounting standards under Art. 23 to Art. 27 of the Banking Ordinance http://www.finma.ch/e/regulierung/Docu ments/finma-rs-2008-02-e.pdf - FINMA- Circulars on audit firms and auditing http://www.finma.ch/e/regulierung/pages/ rundschreiben.aspx	Planned actions (if any): Changes in IFRS and US GAAP with particular focus on the treatment of financial instruments will be analysed and transposed into national regulation if deemed necessary. Expected commencement date: Web-links to relevant documents:

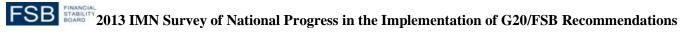


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
No 19 (28)	Appropriate application of Fair Value Accounting	Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009) Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)	Remarks Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting. See, for reference, the following BCBS documents: • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Primary / Secondary legislation Regulation /Guidelines Other actions (such as supervisory actions), please specify: Status of progress: Draft in preparation, expected publication by: 2014 Short description of the content of the legislation/ regulation/guideline: Swiss Accounting Standards for banks are continuously improved and amended in line with internationally accepted accounting standards - IFRS (as published by the IASB) and US GAAP are allowed for bank's consolidated financial statements (and required if listed in the main segment of Swiss stock exchange) On a regulatory level we have implemented the standards on prudent valuation (as foreseen by Basel 2.5) into the FINMA Circulars.	Planned actions (if any): A national expert group is working on the revision of the Swiss Accounting Standards for Banks. Targeted completion: 2014. Expected commencement date: 2014 Web-links to relevant documents:
		2007)		On a regulatory level we have implemented the standards on prudent valuation (as foreseen by Basel 2.5) into	



FSB	FINANCIAL STABILITY
	BUARD

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				standards under Art. 23 to Art. 27 of the	
				Banking	
				Ordinance:http://www.finma.ch/e/regulie	
				rung/Documents/finma-rs-2008-02-e.pdf	
				- FINMA Guidelines on credit risk	
				(FINMA-Circ. 08/19) and on market risk	
				(FINMA-Circ. 08/20).	
				http://www.finma.ch/e/regulierung/pages/	
				rundschreiben.aspx	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII.	Enhancing risk manag	ement			
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington) 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	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's Principles for the supervision of financial conglomerates (Sep 2012) and the following BCBS documents: • Principles for effective risk data aggregation and risk reporting (Jan 2013) • The Liquidity Coverage Ratio (LCR) (Jan 2013) • Principles for the sound management	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☑ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: see below Status of progress: Reform effective (completed) as of:	Planned actions (if any): We are currently reviewing Circ. 08/21 Operational risks – banks, with particular focus on the general qualitative requirements and a special section on client data confidentiality. A second phase of the reporting on the LCR started in mid 2013 where all banks are asked to provide their figures in a fully structured template. Revision work for the Operational Risk Circular 08/21 is almost completed. Final publication is scheduled for the beginning of October 2013. Revision of the reporting requirements
(34)		inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008) Regulators and supervisors in emerging markets ⁴ 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)	 of operational risk (Jun 2011) Principles for sound stress testing practices and supervision (May 2009) Jurisdictions may also refer to FSB's February 2013 thematic peer review report on risk governance. 	Stress tests for large banks: 2008; liquidity regime for large banks: 2010; LCR data reporting: 2013 Short description of the content of the legislation/ regulation/guideline: In November 2012, the Federal Council issued new liquidity requirements for banks in the form of an ordinance. Banks are required to have at all times sufficient liquidity to be able to meet their payment obligations even in crisis situations The more stringent liquidity regime for large banks is based on an agreement between FINMA and the large banks. Due to recent events, a newsletter on	for short-term LCR circular 13/06 until end 2013 Expected commencement date: 2013 Web-links to relevant documents: To public consultation for the revision of the Operational Risk Circular 08/21 (from 23 May 2013 to 01 July 2013): http://www.finma.ch/e/aktuell/pages/mm-anhoerung-teilrevision-operationelle-

⁴ Only the emerging market jurisdictions may respond to this recommendation.



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				unauthorized trading was released that explains the application of various circulars regarding operational risks (Circ. 08/21 Operational risks – banks, 08/24 Supervision and internal control – banks, 08/7 Outsourcing – banks, and 10/1 Remuneration schemes) See weblinks.	risiken-20130523.aspx
				Web-links to relevant documents:	
				Stress testing: http://www.finma.ch/e/aktuell/pages/mm- stresstests-20091002.aspx Large banks'	
				liquidity regime: http://www.finma.ch/e/aktuell/pages/mm- neues-liqregime-grossbanken- 20100421.aspx	
				Liquidity ordinance: http://www.efd.admin.ch/dokumentation/medieninformationen/00467/index.html?lang=en&msg-id=46938	
				Liquidity circular: http://www.finma.ch/e/aktuell/pages/mm-rs-liquiditaet-banken-20121217.aspx	
				Operational risks / FINMA Newletter on unauthorised trading: http://www.finma.ch/e/finma/publikation en/Lists/ListMitteilungen/Attachments/4/ finma-mitteilung-31-2011-e.pdf	
				Liquidity-data-collection:	

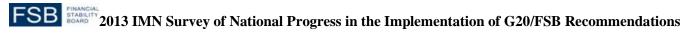
FSB STABILITY 2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.snb.ch/en/emi/LCR;	
				http://www.finma.ch/e/finma/publikation	
				en/Lists/ListMitteilungen/Attachments/54	
				/beilage-finma-mitteilung-45-2013-	
				bearbeitungshinweise-lcr-	
				erhebungsbogen-e.pdf	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21	Efforts to deal with	Our efforts to deal with impaired assets	Jurisdictions should indicate steps	Implementation ongoing or completed	Planned actions (if any):
(36)	impaired assets and raise additional capital	and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through:	- FINMA continues to monitor the situation closely and would intervene formally and informally if necessary.
			raised by banks operating in their jurisdictions during 2012.	☑ Primary / Secondary legislation	Expected commencement date:
			J	☐ Regulation /Guidelines	
				☑ Other actions (such as supervisory actions), please specify:	Web-links to relevant documents:
				Monitoring by FINMA	
				Status of progress :	
				Reform effective (completed) as of: Basel III: January 2013; Monitoring: ongoing;	
				Short description of the content of the legislation/ regulation/guideline:	
				Basel III has been fully and timely implemented. No particular action is currently taken regarding impaired assets,	
				as this is currently not a major issue in the Swiss banking system.	
				Web-links to relevant documents:	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (37)	Enhanced risk disclosures by financial institutions	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)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on Enhancing the Risk Disclosures of Banks.	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Ongoing supervision Status of progress: Reform effective (completed) as of: 2009 (adjusted in 2012) Short description of the content of the legislation/ regulation/guideline: Since January 1, 2009 banks have to issue a Pillar 3 reporting (Pillar 3 of the BCBS capital requirements); this regulation has been adjusted in 2012 Web-links to relevant documents:	Planned actions (if any): Accounting standards will be continuously improved and amended in line with internationally accepted accounting standards (for Swiss Accounting Standards for banks see also 18 above). Expected commencement date: Web-links to relevant documents:



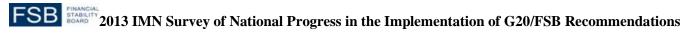
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX.	Strengthening deposit	insurance			
23	Strengthening of	National deposit insurance arrangements	Jurisdictions should describe any	Implementation ongoing or completed	Planned actions (if any):
(38)	national deposit insurance arrangements	should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB's February 2012 <i>thematic peer</i>	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		necucu. (Rec. V1.9, 131 2008)	review report on deposit insurance	Issue is being addressed through:	
			systems.	☑ Primary / Secondary legislation	Web-links to relevant documents:
				☐ Regulation /Guidelines	
				☐ Other actions (such as supervisory actions), please specify:	
				Status of progress :	
				Reform effective (completed) as of: Increase of coverage: December 2008 (as a temporary measure) and September 2011 (turning temporary into permanent increase) Short description of the content of the legislation/regulation/guideline: Deposit insurance coverage has been increased in September 2011 (temporary measures taken in 2008 have been turned into permanent measures). Please refer to the peer review report on deposit insurance systems published in February 2012 for more details. There are no changes since the peer review report. Web-links to relevant documents:	
				http://www.financialstabilityboard.org/publications/r_120208.pdf	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X.	Safeguarding the integ	rity and efficiency of financial markets	3		
24	Enhancing market	We must ensure that markets serve	Jurisdictions should indicate the progress	Implementation ongoing or completed	Planned actions (if any):
24 (39)			Г	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress: Draft in preparation, expected publication by: October 2013 (Financial Market Infrastructure Act) Short description of the content of the	Planned actions (if any): Publication of the hearing report on the Financial Market Infrastructure Act is planned for October 2013. Expected commencement date: 2015 Web-links to relevant documents: http://www.sif.admin.ch/dokumentation/0 0509/00510/00622/00624/00861/index.ht ml?lang=en
				In order to ensure the competitiveness of the Swiss financial centre, strengthen market transparency and financial stability, the Swiss Federal Council decided to launch a reform package that fully implements the G-20 committments on OTC derivatives and brings financial market infrastructure in line with international standards. This package will also contain elements on market integrity. The FDF is currently finalizing the necessary regulatory proposals. Web-links to relevant documents: http://www.sif.admin.ch/dokumentation/0	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				0509/00510/00622/00624/00861/index.ht	
				ml?lang=en	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25 (40)	Enhanced market transparency in commodity markets	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 exante 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)	Jurisdictions should indicate the policy measures taken to enhance market transparency in commodity markets. See, for reference, 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 report published by the IOSCO's Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Draft in preparation, expected publication by: October 2013 (Financial Market Infrastructure Act) Short description of the content of the legislation/ regulation/guideline: Switzerland complies with the majority of IOSCO's Principles for the Regulation and Supervision of Commodity Derivatives Markets. Where it does not comply, this is mostly attributable to the fact of not having a substantial commodities exchange and not having a regulated market for physically settled contracts at all. Remaining issues from IOSCO's Commodities Principles which apply to markets in general will be addressed by the legislative reform package that will implement the FSB principles in the area of OTC derivatives and market	Planned actions (if any): - Review of the implications of the IOSCO principles for the Swiss regulatory framework. Expected commencement date: Web-links to relevant documents:

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FSB	FINANCIAL STABILITY BOARD 2
FSB	FINANCIAL STABILITY BOARD 2

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				infrastructures (Financial Market	
				Infrastructures Act).	
				Web-links to relevant documents:	

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FSB	FINANCIAL STABILITY
	BUARD

New lentity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes) have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction. If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Primary / Secondary legislation Regulation / Guidelines	No Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
participants in identifying and managing financial risks. (Los Cabos) Status of progress: actions), please specify: Joining LEI-ROC as an observer. Status of progress:	26 Legal Entity Identifie	We support the creation of a global legal entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes) We encourage global adoption of the LEI to support authorities and market participants in identifying and managing	Jurisdictions should indicate whether they have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: Joining LEI-ROC as an observer. Status of progress: Draft in preparation, expected publication by: October 2013 (Financial Market Infrastructure Act) Short description of the content of the legislation/ regulation/guideline: Switzerland joined the ROC in January	Next steps Planned actions (if any): No establishment of LOU is currently envisaged in Switzerland. Decisions on the use of LEI in Switzerland will be made in the implementation of the current reform package addressing financial market infrastructure and OTC-derivatives markets. Expected commencement date: Web-links to relevant documents:



No
XI.



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	_			consultation draft to the Federal Council	
				by the autumn of 2013. The new	
				guidelines should result in a	
				strengthening of client protection within	
				the Swiss financial market and enhance	
				the competitiveness of the financial	
				centre. Furthermore, the same conditions	
				should be set for all market participants,	
				thereby creating a level playing field and	
				reducing distortions in competition	
				between providers Possible key thrusts	
				of the planned regulatory project were	
				published by the FDF on 18 February	
				2013.	
				Web-links to relevant documents:	
				FINMA position paper on distribution	
				rules:	
				http://www.finma.ch/e/aktuell/pages/mm-	
				vertriebsbericht-20120224.aspx Work	
				on financial services act:	
				http://www.efd.admin.ch/dokumentation/	
				_	
				zahlen/00578/02686/index.html?lang=en	



FSB FINANCIAL 2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

Source of recommendations:

Los Cabos: The G20 Leaders Declaration (18-19 June 2012)

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Toronto: The G-20 Toronto Summit Declaration (26-27 June 2010)

Pittsburgh: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

London: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Washington: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)

FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)

FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)

FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)

FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision (1 November 2012)

XIII. **List of Abbreviations used:**

BBA: Building Block Analysis

CISA: Collective Investment Scheme Act FDF: Federal Department of Finance

FINMA: Swiss Financial Market Supervisory Authority

HF: Hedge Fund

LPA: Loss Potential Analysis

MoU: Memorandum of Understanding

NBA: National Bank Act

SFBC: Swiss Federal Banking Commission

SNB: Swiss National Bank SSG: Senior Supervisors Group