

Consistency under review: the RCAP and the IMF

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Because the Basel Committee cannot enforce its standards, it relies on peer review. In 2012 it launched the Regulatory Consistency Assessment Programme, known as RCAP, under which teams of supervisors from other member jurisdictions examine whether a member's regulations are consistent with the Basel standards. Each component is graded as compliant, largely compliant, materially non-compliant or non-compliant. The assessments are published and, together with the semi-annual monitoring reports on the adoption of the standards, they form the Committee's main instrument for exerting peer pressure on its members.¹

Switzerland was among the first jurisdictions to be assessed. The report on the Swiss Basel III capital regulations, published in June 2013, rated the Swiss framework compliant overall. Eleven of the fourteen components were found compliant and three largely compliant: the definition of capital, the internal ratings-based approach for credit risk and the disclosure requirements of Pillar 3. The assessment team found that the deviations in these areas were not material. It noted that the Swiss standardised approach for credit risk, a national variant used mainly by smaller banks, was not compliant with the Basel framework, but considered this insignificant since the approach was being phased out by the end of 2018.² A later assessment of the Swiss implementation of the liquidity coverage ratio reached a similarly favourable conclusion, while the assessment of the large exposures framework published in December 2023 rated the Swiss rules largely compliant.³

The RCAP measures only one direction of deviation. A jurisdiction that imposes stricter requirements than Basel does not lose points, since the standards are minimum standards. The Swiss finish therefore did not affect the grading, although the assessment of 2013 noted the Swiss requirements for the big banks as going beyond the framework. The limitation of the method became visible in 2023. A jurisdiction could be fully compliant

with the Basel standards on paper, with its largest banks exceeding the requirements by a comfortable margin, while one of them was losing the confidence of its clients and investors. The RCAP examines the text of the regulations and, to a lesser extent, their application in the calculation of risk-weighted assets. It does not examine the quality of supervision.

That task falls to the International Monetary Fund, whose Financial Sector Assessment Program examines the stability of a country's financial sector and its compliance with the core principles for effective banking supervision. Switzerland, as a jurisdiction with a systemically important financial sector, is subject to a mandatory assessment every five years. The assessment of 2019 acknowledged the strength of the Swiss too-big-to-fail regime and the high capital levels of the big banks, but it recommended strengthening FINMA's independence and resources, its powers and its use of on-site supervision.⁴

The assessment completed in 2025 was the first after the collapse of Credit Suisse. Published in September 2025, it found that FINMA's powers remained limited compared with those of its international peers. It recommended that FINMA should receive the power to impose fines, a framework for individual accountability, clearer powers for early intervention and for capital add-ons under Pillar 2, more transparency about completed enforcement proceedings and the removal of the suspensive effect of appeals against certain of its decisions. FINMA welcomed the recommendations, which largely coincided with the reform agenda that the Federal Council and the Parliamentary Investigation Committee had already formulated.⁵ The international assessments thus converged on a diagnosis that the Swiss debate had reached by its own path: the rules were stricter than the international minimum, while the supervisor's instruments to enforce them were weaker than those of comparable authorities.

1 Notes

1. On the Regulatory Consistency Assessment Programme (RCAP), launched in 2012, its grading scale and its assessment schedule, see the RCAP pages and the progress reports on the adoption of the Basel framework published by the BIS. To be verified. ↩
2. Basel Committee on Banking Supervision, Regulatory Consistency Assessment Programme (RCAP): Assessment of Basel III regulations – Switzerland (June 2013), and the BIS press release of 25 June 2013. To be verified. ↩

3. On the RCAP assessment of the Swiss implementation of the liquidity coverage ratio (2017) and the RCAP assessment of the Swiss large exposures framework (13 December 2023, graded largely compliant), see the BIS publications. To be verified. ↩
4. International Monetary Fund, Switzerland: Financial System Stability Assessment (June 2019), IMF Country Report, and the accompanying technical notes, in particular on banking supervision and the too-big-to-fail framework. To be verified. ↩
5. International Monetary Fund, Switzerland: Financial System Stability Assessment (published 16 September 2025), and FINMA's statement on the FSAP report 2025 in its too-big-to-fail dossier. To be verified. ↩

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