

Lessons for other jurisdictions

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The Swiss experience offers several lessons for jurisdictions that implement the Basel standards. The first concerns the form of transposition. Switzerland has implemented the standards quickly and largely faithfully because most of them could be adopted by ordinance. The shift of 2025 from FINMA circulars to FINMA ordinances strengthened the legal quality of the rules without slowing their adoption. Jurisdictions that depend on legislation for each standard gain democratic legitimacy, while they lose speed and expose the standards to amendment in the legislative process. The European experience with the Capital Requirements Regulation shows the costs of the latter path, while the Swiss experience shows that delegated implementation remains subject to parliamentary correction when the stakes become political.

The second lesson concerns the limits of compliance. Switzerland was rated compliant in the RCAP and applied requirements well above the international minimum. Yet one of its global banks failed. The Credit Suisse case shows that the quality of supervision, the powers of the supervisor and the technical decisions on valuation and transitional relief matter as much as the text of the rules. The international assessments of the IMF and the post-mortems of the Basel Committee converged on this point. For jurisdictions with large banks, the lesson is that a Swiss finish in the rules must be accompanied by a Swiss finish in supervision.¹

The third lesson concerns instruments whose effect depends on national law. AT1 instruments were designed as a common product of the Basel framework, but their legal design varied between jurisdictions. The Swiss write-down of 2023 showed that the differences become decisive in a crisis. A jurisdiction that relies on such instruments must ensure that their terms, their place in the hierarchy of claims and the powers of the authorities are clear in advance and consistent with the expectations of international

investors. The Basel Committee's continuing review of AT1 instruments may lead to a more uniform international design.²

The fourth lesson concerns resolution. The availability of a resolution regime does not guarantee its use. Authorities that face a crisis on a weekend, under pressure from markets and foreign authorities, may prefer a solution that seems less risky in the moment even if it departs from the plan. The Financial Stability Board's call for the operational readiness of bail-in reflects this experience. For Switzerland, the public liquidity backstop and the planned changes to the resolution regime are meant to make resolution a usable option. Other jurisdictions with global banks, among them the United Kingdom, the United States and the members of the banking union, have examined the Swiss case to test their own resolution plans.³

The fifth lesson concerns the position of the small host state. Switzerland's membership in the Basel Committee has allowed it to shape the international standards and to anticipate them, as the leverage ratio of 2008 and the progressive component of 2010 showed. It has also allowed Switzerland to export ideas, such as the small banks regime, that have influenced debates elsewhere. When the decisive test came, however, the international standards provided no answer to the specific problem of a country whose largest bank is twice the size of its economy. That problem remains a national one, to be solved by the Swiss Parliament and possibly by the Swiss electorate, within sight of the tower in which the international standards are made.

1 Notes

1. On the lessons drawn by the IMF and the Basel Committee on supervisory effectiveness after 2023, see BCBS, Report on the 2023 banking turmoil (October 2023), the subsequent work of the Committee on supervisory effectiveness, and IMF, Switzerland: Financial System Stability Assessment (September 2025). To be verified. ↩
2. On the Basel Committee's work on the performance of AT1 instruments and possible adjustments to the definition of capital after 2023, see the Committee's work programme and press releases. Status to be verified. ↩

3. On the follow-up work of the FSB on resolution after 2023 (bail-in execution, public sector backstop funding, use of resolution tools for G-SIBs) and the reviews of resolution plans in other jurisdictions, see the FSB's resolution reports of 2024 and 2025. To be verified. ↩

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