

The reform agenda after Credit Suisse

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The previous chapter described the debate on the capital requirements for UBS that followed the takeover of Credit Suisse. From the perspective of supervision, the reform agenda reaches further. The Banking Act obliges the Federal Council to review the too-big-to-fail regime at regular intervals and to report to Parliament. The report that it published in April 2024 was its first comprehensive assessment since the collapse of Credit Suisse and covered prevention, liquidity and crisis management.¹

Among its proposals for prevention, three concern supervision directly. The first is the power to impose fines on institutions, which the previous sections discussed. The second is a senior managers regime under which banks would have to define and document the responsibilities of the members of their executive management and the heads of key functions. Such a regime would make it easier to attribute violations to individuals, since the responsibility for each area would be recorded in advance. It follows the British Senior Managers and Certification Regime introduced in 2016. The third concerns remuneration, with rules that would allow banks to reduce or reclaim variable pay when serious failures come to light.² FINMA would also receive clearer powers for early intervention, allowing it to act before a bank breaches its minimum capital requirements.

In parallel, Parliament examined the events through a Parliamentary Investigation Committee, the strongest instrument of parliamentary oversight in Switzerland. It was the first such committee in more than two decades, since the federal parliament had appointed them only rarely, most famously in the secret files affair at the end of the 1980s. The committee published its report in December 2024.³ According to its published summary, the committee found that FINMA had recognised the weaknesses of Credit Suisse over many years without taking measures that changed the bank's course. It criticised in particular regulatory relief that had allowed the parent bank to present its capital more favourably. It also

found that the information flows between the authorities had not always worked as intended. The committee made recommendations to the Federal Council and Parliament, many of which coincided with the proposals of the report on banking stability.⁴

In June 2025, the Federal Council translated part of the agenda into specific proposals. Some measures could be introduced by amending ordinances, which the Federal Council can do on its own authority. Others required amendments to the Banking Act and therefore the approval of Parliament. The legislative proposal for a public liquidity backstop, under which the National Bank could lend to a systemically important bank in a crisis with a federal default guarantee, followed its own path through Parliament.⁵ Since the parliamentary process was not complete when this book was written, the final shape of the reforms remains open.

The reforms would bring Swiss supervision closer to the model of the United Kingdom and the European Union, with a supervisor that has the means to sanction institutions and that can identify the individuals responsible for failures. They also respond to a lesson that the Credit Suisse case taught. The rules existed and the supervisor had identified the problems, although neither the rules nor the instruments sufficed to change the conduct of a large bank in time.

1 Notes

1. On the obligation of the Federal Council to review the too-big-to-fail regime and report to Parliament (Art. 52 Banking Act) and its report on banking stability of 10 April 2024, see the publications of the Federal Department of Finance. To be verified. ↩
2. On the proposed senior managers regime (accountability regime), the rules on variable remuneration (deferral, malus and clawback) and the strengthening of FINMA's early intervention powers in the Federal Council's report of April 2024 and the subsequent proposals, see the publications of the Federal Department of Finance. Status to be verified. ↩
3. On the Parliamentary Investigation Committee (PUK) on the conduct of the authorities in the context of the emergency merger of Credit Suisse and UBS, set up in 2023, and its report published in December 2024, see the publications of the Federal Assembly. Status to be verified. ↩
4. On the main findings of the PUK report (assessment of FINMA's supervision of Credit Suisse, the regulatory filter granted to the parent

bank, cooperation between FINMA, the SNB and the Federal Department of Finance) and its recommendations, see the report and summary published by the Federal Assembly. Status to be verified. ↩

5. On the Federal Council's proposals of June 2025 (amendments of the Capital Adequacy Ordinance and a consultation draft for the amendment of the Banking Act) and on the dispatch on the public liquidity backstop, see the publications of the Federal Department of Finance and the Federal Assembly. Status to be verified. ↩

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