

What the due diligence rules mean for Lugano traders

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For most commodity traders in Lugano the Swiss due diligence rules have limited direct application. Their goods are traded abroad and do not enter into free circulation or processing in Switzerland, so that the minerals obligations, which attach to import and processing in Switzerland, do not catch the transit trade.¹ The exceptions are the refining and gold sector, which in Ticino includes some of the world's largest gold refineries in the Mendrisiotto, and companies that import metals for processing. The refineries are subject to the Precious Metals Control Act, to the due diligence standards of the London Bullion Market Association and to the DDTrO. Their supply chains have been the subject of reports by non-governmental organizations and of parliamentary questions.²

The indirect effect of the rules is larger. Banks, insurers and buyers in the European Union require trading companies to show that their supply chains meet the OECD guidance, especially for metals, cocoa, coffee and palm oil. The EU Conflict Minerals Regulation, applicable since 1 January 2021, and the EU Deforestation Regulation, whose application was first postponed from 30 December 2024 to 30 December 2025, reach Lugano traders through their EU counterparties. The EU Corporate Sustainability Due Diligence Directive of 13 June 2024 will do the same once it applies. Its application was deferred by the "stop-the-clock" directive of 14 April 2025, part of the Omnibus simplification package, to 26 July 2028 for the largest companies and 26 July 2029 for the others.³ A Lugano trader that sells steel or ferroalloys to Italian buyers therefore needs a supply chain policy and documentation even where Swiss law does not require it, because its customers will ask for them.

1 Transparency of payments and the second Responsible Business Initiative

The payments transparency provisions apply to companies subject to an ordinary audit that are active in the extraction of minerals, oil, gas or primary forest timber. They must report annually on payments of CHF 100,000 or more to state bodies. Pure trading companies are not yet covered. The delegation rule allows the Federal Council to extend the obligation to commodity trading companies, although only in the context of an internationally coordinated approach.⁴ Non-governmental organizations have argued for years that traders' payments to state-owned companies in producing countries should be disclosed, and the question will return in the debate on the second Responsible Business Initiative.

That initiative was submitted in 2025 with about 126,000 signatures. In April 2026 the Federal Council presented an indirect counter-proposal, a Federal Act on Sustainable Corporate Governance modelled on the EU directive as amended by the Omnibus package. It would impose specific human rights and environmental due diligence obligations on about the thirty largest companies. The number of companies subject to sustainability reporting would fall from about 200 to about 100, and the Federal Audit Oversight Authority would supervise compliance. It would also introduce liability rules for damage caused by subsidiaries abroad under certain conditions.⁵ The consultation ended on 9 July 2026, and the Federal Council must decide by the end of November 2026 whether to maintain the counter-proposal. Business associations and several parties oppose the liability regime, so that the outcome is open. A popular vote is not expected before 2028.⁶ Almost all Ticinese trading houses are below the proposed thresholds. For them the direct consequences would be limited, while the indirect pressure from banks and customers would increase.

Essentials. The Federal Council's reports of 2013, 2018 and 2021 describe a sector of about 900 trading firms and 10,000 core jobs, of which Ticino holds 9.5 per cent. Substance in Lugano means real decision-making, trading and risk management by people in Ticino, which tax, Italian residence and transfer pricing rules all require. Since 2023 Swiss companies importing or processing tin, tantalum, tungsten and gold above the thresholds, or exposed to child labour risks, must exercise due diligence under Art. 964j–964l CO and the DDTro. Pure transit traders are mostly outside these rules but are reached indirectly through banks and EU customers.

2 Notes

1. DDTro, Art. 1 (obligations under Art. 964j–964l CO), Art. 3 and Art. 4 para. 1 (checks required where the annual import and processing quantities in Annex 1 are exceeded), <https://www.droit-bilingue.ch/en-de/2/22/221.433-1-4.html> and <https://www.droit-bilingue.ch/en-de/2/22/221.433-4-7.html>. ↩
2. Federal Act of 20 June 1933 on the Control of the Trade in Precious Metals and Precious Metal Articles (Precious Metals Control Act, PMCA), SR 941.31, Art. 24 ("Authorisation is required for the commercial manufacture of melt products"), <https://www.droit-bilingue.ch/en-de/9/94/941.31-24-31.html>. On the gold refineries of the Mendrisiotto see Chapter F.III. ↩
3. Regulation (EU) 2017/821 of 17 May 2017, Art. 20 para. 3 (application from 1 January 2021), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32017R0821>; Regulation (EU) 2023/1115 of 31 May 2023, as amended by Regulation (EU) 2024/3234 of 19 December 2024, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32024R3234>; Directive (EU) 2024/1760 of 13 June 2024, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32024L1760>, as amended by Directive (EU) 2025/794 of 14 April 2025, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32025L0794>. ↩
4. Federal Council, progress report of 21 April 2021 (above) (payments of CHF 100,000 or more; delegation rule for commodity trading). ↩
5. "Konzernverantwortung: Vorbild EU – der Bundesrat präsentiert seinen Gegenvorschlag", SRF News, 2 April 2026, <https://www.srf.ch/news/schweiz/konzernverantwortung-vorbild-eu-der-bundesrat-praesentiert-seinen-gegenvorschlag>. ↩

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6. "Konzernverantwortung: Bundesrat muss bis November über Haftungsregime entscheiden", Börse Express, 30 July 2026, <https://www.boerse-express.com/news/articles/konzernverantwortung-bundesrat-muss-bis-november-ueber-haftungsregime-entscheiden-933674> (submission in 2025 with about 126,000 signatures; decision by end of November 2026; vote in 2028 or 2029).
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