

The reaction of UBS and the relocation debate

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UBS has opposed the capital measures consistently since June 2025, with arguments that have remained stable while the figures have changed. Its central claim is that the bank is already well capitalised, that the proposals go well beyond international standards, and that they would place UBS at a lasting disadvantage against its competitors in the United States and Europe. In its consultation response of January 2026, the bank went further. If it were forced to change its strategy because of the reforms, it would be compelled to question fundamentally its future as a leading Swiss bank and global wealth manager in Switzerland. It also criticised the estimates of capital costs used by the Federal Council as unrealistic. Its chief executive, Sergio Ermotti, stated that UBS was not negotiating a compromise with the government.¹

After the dispatch of April 2026, UBS described the package as extreme, lacking international alignment and dismissive of the consultation feedback. It calculated a cumulative additional capital requirement of about USD 37 billion, including USD 15 billion resulting from the integration of Credit Suisse, with annual capital costs of around USD 3 billion and a de facto minimum CET1 ratio of about 18.4 per cent at group level. The bank also cited a study by BAK Economics, which projected cumulative losses of Swiss gross domestic product of up to CHF 34 billion over ten years as a consequence of the rule on foreign participations.² After the vote of the Council of States, UBS declared that the political outcome was not a compromise and failed to address the root causes of the Credit Suisse collapse. It put the additional CET1 requirement resulting from a 90 per cent backing at USD 16 billion. Adding USD 2 billion from the ordinance measures and USD 15 billion from existing regulation following the Credit Suisse acquisition, it arrived at a total of USD 33 billion of incremental CET1 capital since the acquisition, with an estimated annual cost of USD 2.5 billion.³

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The figures published by the parties are not directly comparable, since they refer to different entities, different reference dates and different assumptions about the capital that UBS already holds. The Federal Council's estimate of USD 20 billion refers to the full backing at the level of UBS AG. Its figure of USD 9 billion describes the actual shortfall under a hypothetical application from 1 January 2026, taking account of existing capital and the transition period. The figures of UBS include measures already in force since the acquisition. The SNB has taken the position that UBS already holds sufficient capital to meet the full backing requirement. Its Vice Chairman Antoine Martin described the measure as targeted and proportionate because it addresses a regulatory weakness.⁴ Much of the public debate consisted of the parties talking past each other on the basis of figures that measured different things.

The most sensitive element of the debate was the question whether UBS might move its head office abroad. In March 2025 Bloomberg reported that UBS was considering a foreign domicile if the capital requirements were maintained.⁵ In September 2025 Lars Förberg, co-founder of the activist investor Cevian, a shareholder of UBS, accused the Swiss authorities of deliberately driving the bank out of the country. The Federal Council, the SNB and FINMA, he said, were well aware that the proposed extreme capital requirements would compel UBS to leave. Cevian put the annual capital costs at about USD 6.5 billion and compared the rules to protectionist tariffs aimed at a single bank.⁶

The chairman of UBS, Colm Kelleher, repeatedly tried to reassure the Swiss public. The bank would do everything in its power to stay in Switzerland, he said, since it wanted to be a Swiss icon of which the country could be proud. He nevertheless called the additional requirements unfeasible and advocated a "viable middle way" between financial stability and competitiveness.⁷ In September 2026 he restated that the objective was to remain in Switzerland, while adding that the bank would naturally have to give the matter thought if its competitiveness deteriorated significantly. After the vote of the Council of States, speculation about a merger with a US bank or a move of the head office to the United States caused UBS shares to rise by 3.5 per cent in a single day. Keller-Sutter responded in an interview with the *Aargauer Zeitung* that UBS certainly did not have to leave Switzerland for this reason. A departure, she argued, would be far more costly and legally much more complex than staying. The bank's business model, in her view, rested on Switzerland's reputation, its rule of law and its political stability.⁸

From a legal perspective, a relocation of UBS would be a formidable undertaking. The group holding company, UBS Group AG, is a Swiss company listed on the SIX Swiss Exchange. A move of its seat would require a cross-border migration or a merger into a foreign holding, with the approval of shareholders, the consent of several supervisors and a new home regulator willing to take on responsibility for consolidated supervision of a global systemically important bank. The operating parent bank, UBS AG, with its Swiss deposit and lending business and its role in the Swiss payment system, would in any event remain subject to Swiss regulation. A new foreign home supervisor would apply its own capital rules, which in the case of the United States include the requirements for intermediate holding companies and the supervisory stress tests.⁹ It is therefore far from certain that relocation would reduce the overall capital burden. The debate nevertheless has a real political function. By setting out the costs of stricter rules in a way that Swiss legislators cannot ignore, it reminds the public that the country's largest bank is also a global institution with global options.

For the Zurich financial centre the stakes are considerable. UBS is by far the largest bank with its head office in Zurich. Its headquarters on the Bahnhofstrasse, its wealth management business and its investment bank anchor a network of law firms, auditors, consultants, technology providers and specialised boutiques. A relocation of the head office would not remove all of these activities overnight. It would, however, shift the centre of strategic decision-making and of a large part of the senior employment abroad, with consequences for the tax base, for the education of talent and for the international visibility of Zurich as a financial centre. Experience in other financial centres suggests that the long-term effect of such moves shows itself in the gradual migration of decision-making functions, which is slower and harder to measure than immediate job losses.

1 Notes

1. SWI swissinfo.ch (Bloomberg), "UBS says capital reforms put future in Switzerland at risk", January 2026, <https://www.swissinfo.ch/eng/ubs-says-capital-reforms-put-future-in-switzerland-at-risk/90089650>. ↩
2. UBS, "UBS statement on regulatory capital announcements made by the Swiss government", 22 April 2026, <https://www.ubs.com/global/en/media/display-page-ndp/en-20260422-regulatory-update.html>. ↩

3. UBS, “UBS statement on decision by Swiss Parliament’s upper house on banking regulation”, 23 September 2026, <https://www.ubs.com/global/en/media/display-page-ndp/en-20260923-banking-regulation.html>. ↩
4. Swiss National Bank, Financial Stability Report 2026, landing page, <https://www.snb.ch/en/particular/landing-pages/fsb-2026>. ↩
5. blue News, “UBS Chairman Kelleher reaffirms loyalty to Switzerland”, 2025, <https://www.bluewin.ch/en/news/ubs-moving-abroad-now-the-chairman-is-breaking-his-silence-li.2886365>. The article refers to the Bloomberg report of March 2025 and to the intervention of Cevian in September 2025. ↩
6. finews.asia, “Swiss Regulators Accused of Pushing UBS Out of the Country”, 15 September 2025, <https://www.finews.asia/finance/43992-ubs-cevian-shareholder-switzerland-regulator-lars-foerberg>. The same article cites a report of the New York Post that UBS leaders had held discussions with officials of the US administration about possible responses. ↩
7. blue News, “UBS Chairman Kelleher reaffirms loyalty to Switzerland”, 2025, <https://www.bluewin.ch/en/news/ubs-moving-abroad-now-the-chairman-is-breaking-his-silence-li.2886365>. ↩
8. SWI swissinfo.ch, “Swiss finance minister downplays talk of UBS relocation”, 26 September 2026, <https://www.swissinfo.ch/eng/swiss-industry/keller-sutter-it-is-unlikely-that-ubs-will-relocate-abroad/92123855>. ↩
9. The cross-border migration of a Swiss company is governed by Articles 163 et seq. of the Federal Act on Private International Law. Under Article 163 paragraph 1, a Swiss company “may subject itself to a foreign law without being liquidated or re-established, provided it meets the requirements of Swiss law and continues to exist under the foreign law”, <https://www.droit-bilingue.ch/en-de/2/29/291-163-190.html>. The need for supervisory approvals follows from the banking laws of the jurisdictions concerned. The regulatory consequences described in the text are an assessment by the author. ↩

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