

CH-EU Regulatory Dialogue, Berne, 4 July 2024 / Joint Statement

On 4 July 2024, Switzerland and the European Union (EU) came together in Berne to hold their first regulatory dialogue on financial sector matters since 2017.

The dialogue was co-chaired by the Swiss State Secretary for International Finance (SIF) and the European Commission Director General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). Representatives of the Swiss Financial Market Supervisory Authority (FINMA), the Swiss National Bank (SNB), the Swiss Federal Department of Foreign Affairs (FDFA), the European Central Bank (ECB), the EU Supervisory Authorities (EBA, ESMA and EIOPA), the EU Single Resolution Board (SRB) and the Delegation of the European Union to Switzerland also attended the dialogue.

Both Switzerland and the EU underscored the benefits of sharing information and knowledge about each other's supervisory and regulatory frameworks in the area of financial services. The structured dialogue allowed both parties to provide a general update on recent regulatory developments in the area of banking, capital markets, digital finance and cyber, insurance and sustainable finance.

Underlining the importance of stability of the banking system and bank resolvability, domestically and internationally, both parties provided an update on current issues. Switzerland informed on developments and lessons learned from the banking turmoil in 2023 and presented the findings from its in-depth assessment of the events and the regulatory framework and the resulting package of measures. The EU presented its ongoing work on bank crisis management and deposit insurance. Both sides shared the view that the related international work should continue, in particular in the FSB and BCBS, including work on liquidity requirements, and addressing legal challenges relating to the bail-in of investors in an open bank resolution.

Switzerland and the EU exchanged on their respective implementation of the Basel III standards, calling upon all jurisdictions to implement the standard as swiftly as possible. They also discussed further work of international standard setting bodies, such as the FSB and BCBS, notably on crypto assets and non-banking financial intermediaries.

Switzerland and the EU further discussed the regulatory frameworks relating to cross-border activities, including equivalence regimes. Switzerland presented the concept of an institution-specific approach for cross-border banking and investment services. The EU explained its rules for the provision of cross-border banking and investment services into the EU.

In the area of capital markets, the EU presented the ongoing work on the Capital Markets Union. In the area of financial market infrastructure, both sides agreed to continue the close exchange with regard to a potential shortening of the securities settlement cycle, and discussed questions related to cross-border activities of financial market infrastructures.

Relating to the opportunities of innovation in financial markets and related risks both parties informed each other of their approach in the area of digital finance and cyber, in particular on operational resilience, cyber security in the financial sector, crypto assets and open finance. Switzerland and the EU highlighted the importance of a technology neutral and innovation friendly approach in their regulation.

On insurance, the EU and Switzerland updated each other on ongoing reforms of the EU's Solvency II framework, the Swiss Insurance Supervision Law and the latest developments regarding recovery and resolution in the area of insurance.

To make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, the EU and Switzerland underlined the strong common ground in the area of corporate disclosures based on double materiality, the importance of transition plans and combating greenwashing, as well as the close cooperation in multilateral fora, such as the G20 and the International Platform on Sustainable Finance, where Switzerland and the EU co-chair the working group on transition finance.

The EU and Switzerland highlighted the benefits of joint regular dialogues and noted their intention to hold the next dialogue in the first half of 2025 in Brussels. Both sides underlined the importance of open financial markets and continued dialogue to promote the competitiveness of European financial markets. The parties agreed to follow-up on various topics discussed between now and the next dialogue.