

# • Swiss Banking

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## Statement from the SBA regarding the planned amendments in the "Too big to fail" package (Capital Adequacy Ordinance (CAO) and Banking Ordinance (BO))

The Swiss Bankers Association today submitted a [detailed response](#) to the planned amendments to the Capital Adequacy Ordinance (CAO) and the Banking Ordinance (BO), and has come to the following conclusions:

- The Too big to fail package of measures (TBTF) was introduced at a very early stage in Switzerland in international comparison. On balance, it was viewed as favourable in December 2014, following a comprehensive assessment. The banks are also in favour of an appropriate regulation that is in line with international norms for systemically relevant institutions, because a stable financial centre is a clear competitive advantage.
- The proposed amendments to the Swiss TBTF regulation were adopted by the Federal Council in October 2015; in principle, these amendments are also supported by the banks.
- Against this backdrop, the SBA cannot comprehend that now, far-reaching tightening is planned by way of ordinance, which in part not only affects systemically relevant banks, but all banks. Such extensive tightening of the banking regulation must not be introduced through a back door in the form of the technical implementation of parameters that have already been agreed to.
- In particular, the SBA rejects the fact that FINMA is to be given a broad margin of discretion in the application of the TBTF rules. This results in the loss of legal and planning certainty for systemically relevant institutions.
- Furthermore, the SBA emphasizes that the new rules should be developed in a way that is commensurate with international standards, and that in the interests of international competitiveness, these do not extend even further beyond common standards.
- The cantonal and regional banks have a diverging view from the general consensus of the association with regards to easing of the capital requirements and their disclosure and they are in favour of the planned tightening of the transparency requirements.

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