Working for stability, competitiveness and innovation

2024 activity report of the State Secretariat for International Finance SIF


Bernerhof, the SIF headquarters

In 2024, the State Secretariat for International Finance (SIF) made considerable progress with legislative projects relating to the integrity, competitiveness and stability of the financial centre, including those on banking stability, anti-money laundering and expanded market access.

In the wake of UBS's takeover of Credit Suisse in March 2023, the Federal Council presented a report on banking stability in April 2024, together with a package of measures. SIF took the lead in drafting these measures. The top priority is to protect taxpayers and the economy. Among other things, the Federal Council is proposing higher levels of capital for systemically important banks' foreign subsidiaries. Moreover, liquidity provision in a crisis is to be strengthened, and measures are planned to prevent management failures, encourage appropriate remuneration policies and strengthen supervision.

As regards innovation and digitalisation in financial markets, SIF continued its efforts to position Switzerland as a global hub. The implementation of the measures in the 2022 Digital Finance Report brought progress in the area of open finance in particular. In addition, the Federal Council put the legal basis into force for a new fund category, the L-QIF.

The Federal Council also submitted a proposal to Parliament for a strengthening of the existing anti-money laundering framework, including the introduction of a federal register (transparency register). Companies and other legal entities must record their beneficial owner(s) in this register. Furthermore, in future specific due diligence rules would apply to certain consultancy activities which carry an elevated risk of money laundering.

In the area of taxation, the international discussions on the OECD's two-pillar project on minimum taxation and market jurisdiction taxation continued. As regards tax transparency, Switzerland laid the groundwork for adopting the expanded standard for the automatic exchange of information about financial accounts, which applies to cryptoassets in particular. Moreover, Switzerland and the United States signed a new FATCA agreement which allows the mutual exchange of tax information. Finally, in 2024 numerous bilateral discussions took place. For example, there were negotiations with 8 countries on the conclusion of new double taxation agreements or the revision of existing ones. As regards mutual agreement procedures, more than 200 procedures were completed.

You can find information on this and other SIF activities on the following double page, and an overview of all legislative projects and agreements on page 4.

State Secretariat for International Finance (SIF)

SIF represents Switzerland's interests in international financial, monetary and tax matters. It is committed to good framework conditions for a secure, competitive and globally recognised financial centre and business location.

2024 review

Systemically important banks

On 10 April, the Federal Council approved the **Report on banking stability**. The comprehensive review of the Credit Suisse crisis showed that the existing too-big-to-fail regime needs to be refined and strengthened, in order to reduce the risks for the economy, the state and taxpayers. The Federal Council is proposing a broad package of measures in this regard. It intends to take the findings of the Parliamentary Investigation Committee (PInC) into account when implementing these measures.

Combating money laundering

On 22 May, the Federal Council adopted the **dispatch on the Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners** for the attention of Parliament. The aim is to reinforce the integrity and competitiveness of Switzerland as a financial and business location by means of a federal register of beneficial owners and due diligence for particularly risky consultancy activities, as well as other provisions. The measures are in line with international standards.

Final Basel III framework

In June, the Federal Council took note of the state of international implementation of the final Basel III standard for banks. The amendment to the **Capital Adequacy Ordinance**, which will enshrine the standard in Swiss law, will enter into force on 1 January 2025 as planned. Basel III is a comprehensive package of reforms which aims to strengthen, in particular, the solvency and liquidity of banks. On average, capital requirements for the banking sector will not change significantly. However, for the remaining big bank, UBS, they will increase.

Financial Stability Board (FSB)

In February, the FSB published the Swiss country report on the implementation of the **too-big-to-fail reforms** for systemically important banks. It also continued its work on the March 2023 banking crisis. At the request of the G20, the FSB carried out a survey of supervisory and regulatory initiatives on climate-based risks. Cyberthreats and the integration of artificial intelligence were also areas of focus for the FSB. It is hosted by the Bank for International Settlements (BIS). Switzerland is a founding member.

International Monetary Fund (IMF)

The IMF's main task is to ensure the stability of the global financial and monetary system. On 31 May, the Federal Council adopted the dispatch on approving the **adjustment of IMF resources** as part of the 16th General Review of Quotas. In December, Parliament approved the corresponding adjustment of Switzerland's contributions to IMF resources.

G20

The group of the 20 most important advanced and emerging economies (G20) is the main informal international forum for coordinating economic policy and regulation. For several years, Switzerland has regularly been invited to the Finance Track, allowing it to be actively involved in discussions on **key issues regarding the global financial system**. Brazil's G20 presidency was dominated by the war in Ukraine and the management of global challenges (economic situation, debt situation, stability of the international financial architecture). The G20 presidency will be held by South Africa in 2025, and Switzerland has once again been invited to participate in the G20 Finance Track activities.

Strengthening foreign relations

In 2024, bilateral exchanges took place with the following partner states: **Austria, China, the European Union, France, Germany, Hong Kong, Hungary, India, Italy, Liechtenstein, Luxembourg, Poland, Qatar, Saudi Arabia, Singapore,** the **United Arab Emirates**, the **United Kingdom** and **the United States**.

Financial agreement between Switzerland and the United Kingdom

On 4 September, the Federal Council adopted the dispatch on the approval of an agreement between Switzerland and the United Kingdom on **mutual recognition in financial services** (the Berne Financial Services Agreement). The agreement strengthens competitiveness and fosters the close cooperation between the two major international financial centres.

Financing for earthquake damage to buildings

On 13 December, the Federal Council adopted the dispatch on financing for earthquake damage to buildings. The bill proposes that **building owners** should contribute to the costs of covering earthquake damage to buildings. The Federal Council took note of the concerns voiced by the cantons during the consultation and decided not to enshrine federal powers for the protection of people and assets in the event of an earthquake in the Federal Constitution.

Sustainable finance

Greenwashing refers to the practice of deceiving clients about the sustainable characteristics of financial products and services. On 19 June, the Federal Council took note of the financial sector's new self-regulatory provisions to combat greenwashing. These are a step forward in implementing the Federal Council's position on preventing greenwashing in the financial sector. On 6 December, the Federal Council decided to initiate a consultation on amendments to the Ordinance on **Climate Disclosures**. The aim of the bill is to adapt the ordinance to the latest international developments. The consultation will last until 21 March 2025.

Digital finance

On 19 June, the Federal Council was informed about the most recent developments in **open finance** in Switzerland. The latest advances made by the industry are considered sufficient, so that there is no need for further regulatory measures to be proposed at this time. In July, with the support of FIND, SIF and Singapore jointly organised the **Point Zero Forum**, an international fintech conference, in Zurich. As part of the Point Zero Forum, FIND organised the first edition of the **Swisshacks** event.

Minimum taxation

Upon the initiative of the OECD and the G20, around 140 countries, including Switzerland, have acknowledged that large, internationally active corporate groups should pay **at least 15%** tax on their profits. Switzerland introduced elements of this minimum taxation with effect from 2024 or 2025. At international level, technical negotiations are ongoing. SIF actively represents Switzerland's interests.

Exchange of information for tax purposes

In 2024, as part of the automatic exchange of information (**AEOI**), Switzerland sent information on some 3.7 million financial accounts to 108 countries and received data on 3.4 million accounts. From May to September, the Federal Council held a consultation on **extending the AEOI**. Set to apply from 1 January 2026, the extension concerns the new AEOI on cryptoassets and the amendment of the standard for the automatic exchange of financial account information. Moreover, information on advance tax **rulings** was spontaneously exchanged around 400 times in 2024. In addition, the exchange of **country-by-country reports** on multinational enterprises was activated with 96 partner states. Finally, from June to September the Federal Council held a consultation on a **Federal Act on the International Automatic Exchange of Information for salary data**. This puts the provisions of the agreements with France and Italy into effect.

Double taxation agreements (DTAs)

DTAs prevent double taxation. They are an important element in promoting international economic activities. Switzerland has DTAs **with over 100 states** and is continuing to expand this network. This year, negotiations were conducted with 8 countries and 4 DTA revisions were completed.

Mutual agreement procedures

If, despite a DTA, **double taxation occurs or there is a risk of such double taxation occurring**, taxpayers resident in Switzerland can apply to SIF for a mutual agreement procedure. Most procedures involve European countries. In 2023 (most recent figures), 254 international mutual agreement procedures were dealt with.

FATCA

The Foreign Account Tax Compliance Act (FATCA) is a set of US regulations. It requires foreign financial institutions to disclose information on US accounts to the Internal Revenue Service or levy a tax. Switzerland and the United States signed a new FATCA agreement in Bern on 27 June. Switzerland currently provides financial account data to the United States on a unilateral basis (Model 2). In the future, it will also receive corresponding **information from the United States** within the framework of an automatic exchange of information between the relevant authorities (Model 1). The change of model is due to come into effect on 1 January 2027.

Financial market

Banking Act (BankA) and emergency ordinance	Introduction of a public liquidity backstop (PLB) for systemically important banks, transfer of emergency ordinance into ordinary law.	In Parliament Entry into force: 2025 at the earliest
Capital Adequacy Ordinance (CAO)	Implementation of the final Basel III international standard.	Entry into force: 1.1.2025
Financial Market Supervision Act (FINMASA)	Amendment of the legal framework for international financial market cooperation to take account of the current situation and the needs of the Swiss financial centre.	Consultation 20.9.2024–3.1.2025
Financial Market Infrastructure Act (FinMIA)	Avoidance of the negative consequences threatening Switzerland as a stock exchange, financial and economic location (stock exchange protective measure). Amendments in light of technological developments and changes to international standards and foreign legal systems.	Entry into force: 1.1.2024 In progress: Entry into force 2026 at the earliest
Act on the transparency of legal entities (TLEA)	Introduction of a federal register of beneficial owners of legal entities, due diligence requirements for particularly risky consultancy activities.	In Parliament Entry into force 2026 at the earliest
Collective Investment Schemes Act (CISA) and Collective Investment Schemes Ordinance (CISO)	Creation of a new fund category exclusively for qualified investors (Limited Qualified Investor Fund; L-QIF).	Entry into force: 1.3.2024
Mutual recognition agreement with the United Kingdom	Switzerland-UK agreement on mutual recognition in financial services to enable/facilitate cross-border business activities.	In Parliament Entry into force: 2026 at the earliest
Ordinance on Climate Disclosures	Adjustment in line with most recent international developments	Consultation 6.12.2024 - 21.3.2025
Insurance Oversight Act (IOA) and Insurance Oversight Ordinance (IOO)	Regulations on the restructuring of insurance companies and on a client-based supervision concept, revision of group oversight, intermediation legislation and insurance sales.	Entry into force: 1.1.2024

Tax

Automatic exchange of information (AEOI)	Extension regarding the new AEOI on cryptoassets and amendment of the AEOI standard on financial accounts.	Entry into force: 2026 at the earliest
Federal Act on AEOI on salary data	Exchange of information required for the taxation of cross-border commuters.	Entry into force: 2026 at the earliest
Federal Constitution (minimum taxation)	Introduction of a minimum tax of 15% for large multinational enterprises.	Entry into force: 1.1.2024
Double taxation agreements (DTAs)	Switzerland signed a protocol of amendment with Hungary, and protocols concluded with Kuwait and Slovenia entered into force.	
FATCA according to Model 1	Change from Model 2 to Model 1, which provides for the mutual automatic exchange of information.	Entry into force: 2027 at the earliest
Agreement with Italy on cross-border commuters	Improvement in taxation of cross-border commuters, rules on the taxation of home working.	Applicable from: 1.1.2024

Miscellaneous

Federal Constitution (financing for earthquake damage to buildings)	The Confederation should be given powers to collect contributions to finance earthquake damage to buildings.	In Parliament: Entry into force 2028 at the earliest
Federal decree (resources of the International Monetary Fund, IMF)	Adjustment of the Swiss contribution to the IMF resources, made available by the Swiss National Bank (SNB).	In Parliament: Entry into force 2025 at the earliest