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Switzerland's too-big-to-fail reform: what the 2026 bank capital package contains

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The Federal Council wants systemically important banks to back foreign subsidiaries fully with core capital. A second package on supervision and liquidity is in consultation until 19 November 2026.

Country reference

- Country: Switzerland (Wave 1 expansion country)
- Authorities: Federal Council; Federal Department of Finance (FDF); FINMA; Swiss National Bank
- Topic: Revision of the too-big-to-fail framework for systemically important banks
- Key date: Dispatch adopted 22 April 2026; consultation on the second package closes 19 November 2026
- Law: Banking Act; Capital Adequacy Ordinance; Liquidity Ordinance

Background

After the Credit Suisse crisis, the Federal Council set the outline of a reform on 6 June 2025. It is now being delivered in stages.

Stage one: capital (22 April 2026)

- The Federal Council adopted a dispatch to amend the Banking Act. Systemically important banks would have to back participations in foreign subsidiaries fully with Common Equity Tier 1 capital. About half is financed with debt today.
- The Federal Council says this would strengthen the parent bank's core capital by about USD 20 billion, and that the actual shortfall would have been only around USD 9 billion had the rules applied on 1 January 2026. In practice the measure concerns UBS.
- A transition period of seven years is intended, if Parliament does not delay.
- The Capital Adequacy Ordinance was amended at the same time and takes effect on 1 January 2027. Software must be amortised over a maximum of three years, with a two-year transition.
- Full core capital backing for deferred tax assets and software was dropped, and changes to AT1 instruments were put on hold.

Stage two: supervision and liquidity (12 August 2026)

- A senior managers regime that assigns clear responsibility, for banks with 250 or more full-time staff.
- Clawback of bonuses for misconduct at systemically important banks.
- New FINMA powers: earlier intervention, fines, and public communication on concluded proceedings.
- Stronger recovery and resolution planning, and easier liquidity support from the Swiss National Bank.

- Consultation runs until 19 November 2026.

Timeline

- Parliament can debate the capital bill from summer 2026.
- The Banking Act changes in the second package are not expected in force before 2029, and the liquidity requirements not before 2033.

Why it matters beyond the banks

- Corporate clients may see changes in pricing and in how a global bank books business across entities.
- The senior managers regime will reach a wide group of banks, not only the largest.
- FINMA backs the package and asks that it be implemented in full.

Our take

For treasurers the reform is slow and visible years ahead. Counterparty limits and banking panels do not need to change today, but relationship reviews should ask each Swiss bank how the capital and accountability rules will affect the services it offers from which booking centre.

Sources

- Federal Department of Finance: Too big to fail
- Federal Council adopts dispatch and Capital Adequacy Ordinance (22 April 2026)
- FINMA welcomes the dispatch on the revision of the Banking Act (22 April 2026)
- FINMA welcomes the consultation drafts on the too-big-to-fail package (12 August 2026)

Important. This summary is for general information and is not legal, regulatory or financial advice. It is based on public Swiss federal government and FINMA publications and may be incomplete or out of date. The official publications prevail; check the official source before acting.

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