



# Federal Council adopts amendment of Capital Adequacy Ordinance

**Bern, 27.11.2019 - During its meeting on 27 November 2019, the Federal Council adopted amendments to the Capital Adequacy Ordinance. In the main, they correspond to the proposals put out for consultation by the Federal Department of Finance (FDF). From 1 January 2020, the Ordinance will simplify the requirements for certain small banks and securities firms, and ensure that the parent entities of systemically important banks are sufficiently well capitalised in the event of a crisis. However, the Federal Council has decided against introducing measures in the residential investment property segment, in favour of self-regulation by banks.**

In the wake of the financial crisis, international standards were created to, in particular, increase the resilience of banks. Switzerland has implemented many of these standards. This has made regulation more complicated at national level, which can impose a heavy burden, especially on small entities. Therefore, the Federal Council has now decided on simplified rules for calculating capital requirements, in order to ease the burden on small, particularly liquid and well-capitalised banks and securities firms.

The Federal Council had already introduced gone-concern capital requirements for UBS and Credit Suisse at consolidated group level in 2016. Gone-concern requirements are intended to ensure that a systemically important bank in difficulty can be restructured and wound up in an orderly manner without financial assistance from the state. Since 1 January 2019, such requirements have also been in force to a reduced extent for domestically focused systemically important banks (PostFinance AG, Raiffeisen and Zürcher Kantonalbank). In line with international Financial Stability Board (FSB) standards, the amendments to the Capital Adequacy Ordinance adopted today are intended to ensure that sufficient gone-concern capital is available in the event of a crisis, particularly in the parent banks and in the Swiss units that perform systemically important functions.

However, the Federal Council has decided not to implement the proposed increase in capital requirements for mortgages on residential investment property. This is because it

capital requirements for mortgages on residential investment property. This is because it considers the Swiss Bankers Association's proposed self-regulation regime to be effective and appropriate.

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## Documents

 [Eigenmittelverordnung](#) (PDF, 197 kB)

 [Erläuterungen](#) (PDF, 1 MB)

 [Ergebnisbericht](#) (PDF, 214 kB)

## Publisher

The Federal Council

<https://www.admin.ch/gov/en/start.html>

Federal Department of Finance

<https://www.efd.admin.ch/efd/en/home.html>

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