



Consultation initiated on amendments to Liquidity Ordinance

Bern, 30.09.2021 - On 30 September 2021, the Federal Department of Finance (FDF) initiated the consultation on amendments to the Liquidity Ordinance. The revision is intended to ensure that systemically important banks hold sufficient liquidity, in order to absorb liquidity shocks better than other banks and cover their needs in the event of restructuring or liquidation. The consultation will last until 13 January 2022.

The 2007-2009 global financial crisis showed the significance of liquidity for the stability of a systemically important bank, and for the entire economy. A distressed or defaulting systemically important bank can lead to considerable financial system turbulence, owing to its size, market share and interconnectedness. The likelihood of state intervention – with potential cost implications for taxpayers – should be reduced to a minimum.

A study carried out by the FDF in conjunction with the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank showed that the existing special requirements for systemically important banks do not lead to higher liquidity holdings in all cases. The higher resilience to liquidity shocks required in the Banking Act is not ensured and the liquidity needs in the event of restructuring or liquidation are not appropriately covered.

The new regulatory concept for systemically important banks encompasses both basic and additional requirements. The basic requirements cover certain types of risk that are not sufficiently taken into account in the regulatory provisions applying to all banks. FINMA may also impose institution-specific surcharges.

The revision also envisages the possibility for certain measures, such as the sale of marketable securities that a bank can use to generate liquidity during a crisis, to be recognised up to an upper limit. If certain conditions are met, the liquidity requirements

can also be fulfilled by a cantonal guarantee or similar mechanism.

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Documents

 [Entwurf des Regulierungstextes \(E-LiqV\)](#) (PDF, 1 MB)

 [Erläuternder Bericht](#) (PDF, 964 kB)

 [Brief an die Kantone](#) (PDF, 580 kB)

 [Brief an die Organisationen](#) (PDF, 138 kB)

 [Liste der Vernehmlassungsadressaten - Liste des destinataires - Elenco dei destinatari](#) (PDF, 577 kB)

Publisher

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