



# Federal Council wants to prevent greenwashing in financial market

**Bern, 16.12.2022 - During its meeting on 16 December 2022, the Federal Council decided on the next steps to prevent greenwashing in the financial sector. In the financial sector, greenwashing refers to the practice of misleading clients about the sustainable characteristics of financial products and services. To ensure the smooth functioning of markets the Federal Council considers that there is a need for a clear and common understanding about the circumstances under which a financial product or service can be labelled as sustainable. A working group has been set up to examine how this position can be implemented efficiently.**

The Federal Council specified its position on greenwashing in the financial market in a position paper. Financial products or services should only be advertised as being sustainable if they are compatible with at least one specific sustainability goal or contribute to achieving a sustainability goal. This should ensure that financial products and services that are aimed at reducing ESG risks are labelled as sustainable only if they pursue a sustainable investment goal in addition to a purely financial one. Providers of sustainable products or services should be able to disclose how they intend to achieve the sustainable investment goal they pursue. Moreover, providers should report regularly on the selected sustainable investment goals, and compliance with the transparency requirements should be verifiable by an independent third party. Finally, clients should have recourse to legal remedies.

The Federal Council has instructed a working group, led by the Federal Department of Finance (FDF), to examine the best way to implement the Federal Council's position on the prevention of greenwashing. In addition to the FDF, the working group will contain representatives from the Federal Department of the Environment, Transport, Energy and Communications (DETEC), the Federal Department of Economic Affairs, Education and Research (EAER), the Swiss Financial Market Supervisory Authority (FINMA), industry and non-governmental organisations. Based on these activities, the FDF will present the Federal Council with proposals on the next steps by the end of September 2023.

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## Documents

 [The Federal Council's position on the prevention of greenwashing in the financial sector](#) (PDF, 236 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>

<https://www.sif.admin.ch/content/sif/en/home/documentation/press-releases/medienmitteilung.msg-id-92279.html>