



Federal Council notes financial sector's progress in preventing greenwashing

Bern, 19.06.2024 - During its meeting on 19 June 2024, the Federal Council took note of the financial sector's new self-regulatory provisions to combat greenwashing. These are a step forward in the implementation of the Federal Council's position on preventing greenwashing in the financial sector. The Federal Council will examine further state provisions, taking ongoing regulatory developments in the European Union into consideration.

The Federal Council published its position on preventing greenwashing in the financial sector in December 2022. The term "greenwashing" refers to the practice of misleading clients about the sustainable characteristics of financial products and services. Following an exchange with the authorities, umbrella organisations and non-governmental organisations concerned, the Federal Department of Finance (FDF) informed the Federal Council in October 2023 that it would submit a draft ordinance to implement this position by the end of August 2024. However, it stated that, if the financial sector presented self-regulatory provisions that effectively implement the Federal Council's position, the FDF would refrain from performing regulatory work. The FDF has since commenced its regulatory work and consulted stakeholders.

The Federal Council has now taken note of the refined and new self-regulatory provisions adopted by the Swiss Bankers Association, the Asset Management Association Switzerland and the Swiss Insurance Association. These self-regulatory provisions will soon be published and come into force, with transitional periods for implementation up to 1 January 2027. The self-regulatory provisions implement various aspects of the Federal Council's position. In particular, they implement requirements for the definition of sustainable investment objectives, the description of the sustainability approaches applied, accountability in this regard and the audit of implementation by an independent third party. Unresolved issues remain with regard to compliance with the self-regulatory provisions by applying EU law and with regard to the permissible reference framework for sustainability targets and enforceability.

Taking into consideration this progress, the European Union's ongoing work on amending the Sustainable Finance Disclosure Regulation (SFDR) and the major importance of the European market for the Swiss financial centre, the Federal Council is refraining from introducing state regulation to combat greenwashing in the financial sector at this time. However, it has instructed the FDF to re-evaluate the need for action with regard to the full implementation of the Federal Council's position once the European Union publishes any amendments to its SFDR, but by the end of 2027 at the latest.

Address for enquiries

Communications, State Secretariat for International Finance SIF
Tel. +41 58 462 46 16, info@sif.admin.ch

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.admin.ch/content/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id-101489.html>