



Press release | Published on 12 August 2026

## **Federal Council rejects financial centre initiative**

Bern, 12.08.2026 — The Federal Council will recommend that Parliament reject the popular initiative “For a sustainable and future-oriented Swiss financial centre (financial centre initiative)” without a direct or indirect counter-proposal. This was decided during its meeting on 12 August 2026. The Federal Council is already committed to ensuring that the Swiss financial centre operates in a sustainable manner. However, it views the additional bans called for by the initiative as questionable from an international perspective.

The federal popular initiative “For a sustainable and future-oriented Swiss financial centre (financial centre initiative)” wants to make the Swiss financial centre's commitment to environmental sustainability a binding provision in the Constitution. It requires Swiss financial market participants to align their business activities abroad that have an environmental impact – across their entire value chain – with international climate and biodiversity targets. To this end, the initiative seeks to prohibit Swiss financial market participants from providing financing and insurance services that serve to develop and promote new fossil fuel reserves or expand the extraction of existing ones. In order to ensure compliance with these requirements, the initiative also calls for a supervisory body to be established with the power to issue orders and impose sanctions.

At its meeting today, the Federal Council decided to recommend that the financial centre initiative be rejected without a direct or indirect counter-proposal. In its view, existing legislation and the Federal Council's climate and financial market policies already adequately address the initiative's climate policy objective. There is no need for additional regulation.

For example, the Climate and Innovation Act requires Switzerland to achieve the net-zero emissions target by 2050, which is derived from the internationally agreed temperature target. This already sets out the reduction targets for the various economic sectors, as well as the climate-friendly alignment of financial flows. Furthermore, the Climate Disclosures Ordinance, which came into force in 2024, requires all larger companies, including financial institutions, to, amongst other things, draw up a transition plan that is consistent with Switzerland's climate targets. In their transition plans, companies must, on the one hand, describe the financial risk they face from activities that impact the climate in relation to their business operations, both at home and abroad. On the other hand, they must disclose the impact of their business activities on the climate. Moreover, they must describe their reduction targets for their direct and indirect greenhouse gas emissions and set out how they intend to achieve them. In addition to these existing provisions, minimum requirements for financial institutions' transition plans – specifically aimed at ensuring that financial flows are aligned with climate objectives – are currently being drawn up. Finally, the Federal Council had already set out measures for a sustainable financial centre in its “Sustainable finance” report back in December 2022.

In summary, it can be concluded that the initiative's fundamental objectives – such as the alignment of financial flows, reporting obligations and transition plans – are already covered by existing legislation and ongoing regulatory developments. In the Federal Council's view, the additional elements of the initiative are not appropriate, given the questionable impact and the challenges involved in their implementation. These include:

- **Aligning business activities that impact the environment abroad with biodiversity targets:** Until meaningful, transparent and internationally recognised standards have been established, an immediate obligation to align business activities with biodiversity targets will entail uncertainties and associated costs for the market participants concerned.
- **Bans on financial and insurance services:** If such bans were introduced in Switzerland, it is highly likely that these services would instead be offered by providers abroad, meaning the effectiveness of such measures would be questionable.
- **Introduction of new supervisory and sanction mechanisms:** These would lead to increased enforcement and regulatory costs. The costs of setting up an official supervisory body would have to be borne by the Confederation or financed through fees.
- **Financial market participants concerned:** In addition to banks, insurance companies and financial institutions, the initiative is explicitly aimed at occupational benefits schemes and social security institutions. The initiative could therefore also influence the institutions' discretion and responsibility in investment decisions and, by extension, the investment universe.

The Federal Council has instructed the Federal Department of Finance (FDF) to prepare a corresponding dispatch by 16 April 2027.

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## Publisher

The Swiss Federal Council

<https://www.admin.ch/en>

State Secretariat for International Finance

<https://www.sif.admin.ch/en>

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