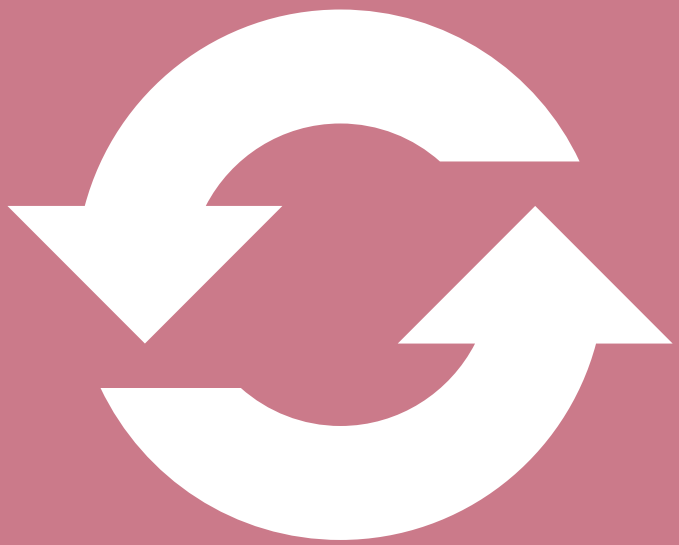
SwissHoldings

Update

June 2025



SwissHoldings

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Updated documents are available here.

SwissHoldings is the association of multinational industrial and service companies in Switzerland. At federal level, we advocate for optimal framework conditions on behalf of our more than 60 members. Together, our members account for around 66 per cent of the total market capitalisation on the SIX Swiss Exchange. Our members employ around 1.8 million people worldwide, around 202,000 of them in Switzerland. Through the numerous service and supply contracts they place with SMEs, multinational companies in Switzerland employ - directly and indirectly - more than half of all employees in Switzerland.

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Capital Market Law

Draft Register of Beneficial Owners

Executive Summary

The draft for a Federal Act on the Transparency of Legal Entities aims to strengthen the integrity of Switzerland's financial and economic center. A federal register of beneficial owners is to be created, along with other targeted measures to make the fight against money laundering and economic crime more effective. With these adjustments, Switzerland aims to meet international standards. SwissHoldings welcomes the draft in principle but regrets that at least 50% subsidiaries of listed companies were not excluded from the scope of application, despite the fact that effective reporting and disclosure obligations for shareholders and beneficial owners already exist for listed companies.

Contents

The draft legislation has two main objectives: On the one hand, the transparency of legal entities should be increased to enable authorities to identify beneficial owners more efficiently. For this purpose, a federal register of beneficial owners is to be introduced (Draft 1). On the other hand, certain activities in advisory services should in future be subject to the Anti-Money Laundering Act with corresponding due diligence obligations (Draft 2) to improve effectiveness in the fight against money laundering. The proposed measures should comply with the international standards of the *Financial Action Task Force* and the *Global Forum on Transparency and Exchange of Information for Tax Purposes*.

State

On May 22, 2024, the Federal Council adopted the message on strengthening the fight against money laundering (see press release). The Legal Affairs Committee of the Council of States (LAC-S) decided in autumn 2024 to consider the draft in two parts.

Draft 1 -- Transparency Register: The Council of States approved the draft on December 18 and the National Council approved the transparency register on June 12. Now Draft 1 on the register goes back to the Council of States for differences resolution. Differences exist, among other things, regarding the presumption of correctness, which the National Council has rejected.

Draft 2 -- Partial revision of the Anti-Money Laundering Act: Draft 2, which aims to extend the due diligence obligations of the AML Act to advisors as well, was adopted by the Council of States on June 17, 2025. Compared to the Federal Council's proposal, the circle of affected persons (i.e., persons acting as auditors and notary offices do not fall under this) has been restricted.

Outlook

Draft 1 -- Transparency Register: The LAC-S will presumably take up the differences consultation on Draft 1 on June 26/27, 2025.
Draft 2 -- Partial revision of the Anti-Money Laundering Act: The Economic Affairs and Taxation Committee of the National Council (EATC-N) will presumably start the detailed consultation on July 3/4, 2025.

Position

SwissHoldings supports entering into the business in principle. With regard to the division of the business, SwissHoldings points out that the parliamentary consultation on Draft 2 must also be completed in time for the upcoming FATF country examination in 2027 in order not to weaken the business location. The association's arguments that listed companies and their subsidiaries should receive a complete exemption have not found a majority -- although inclusion in the transparency register is obsolete due to the already existing effective reporting and disclosure obligations for shareholders and beneficial owners. These apply at a threshold of 3 percent of share capital or voting rights. In addition, the accounting standards and reporting obligations of the *SIX Swiss Exchange* applicable to listed companies prescribe a disclosure obligation for subsidiaries, which already leads to increased transparency.

Revision of the Financial Market Infrastructure Act (FinMIA)

Executive Summary

The Financial Market Infrastructure Act (FinMIA) is undergoing a periodic and general review. A report by the FDF shows that it has proven successful for the most part. However, transparency and legal certainty in certain regulatory areas should be strengthened in particular. A consultation on the revision was conducted in 2024 and the message is expected for early 2026. SwissHoldings welcomes an improvement in derivatives regulation in principle but decidedly rejects the weakening of self-regulation.

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The FinMIA regulates the authorization and obligations of financial infrastructures as well as the conduct obligations of financial market participants in securities and derivatives trading. Even before it came into force in January 2016, the Federal Council announced that the Federal Department of Finance (FDF) would subject the FinMIA to a general review and prepare a report. In this report, the FDF concludes that the FinMIA has proven successful for the most part since it came into force. However, it is necessary to further strengthen transparency and legal certainty in certain regulatory areas.

State

A consultation was conducted from June to October 2024. SwissHoldings submitted its response on October 4, 2024. The FDF is evaluating the consultation responses but has postponed the business. Furthermore, the Federal Council has decided to bring the reporting obligation of small non-financial counterparties regarding derivative transactions into force on January 1, 2028.

Outlook According to the authorities, the message on the FinMIA revision should be published in early 2026.

Position The proposed adjustments in derivatives regulation are fundamentally an improvement and therefore to be welcomed. However, SwissHoldings clearly rejects that ad hoc notifications of participations should be transferred from self-regulation to state regulation under FINMA supervision. Self-regulation has proven successful and should not be abandoned without necessity, but should be maintained as a location advantage. SwissHoldings has positioned itself accordingly.

Competition Law & Policy

Amendment of the Cartel Act: Partial Revision

Executive Summary ***On May 24, 2023, the Federal Council adopted the message for the partial revision of the Cartel Law (23.047). The partial revision aims in particular to modernize Swiss merger control and adapt it to international standards. Additionally, the revision strives to strengthen cartel civil law and make the objection procedure more practical. The Council of States completed its deliberations on the partial revision of the Cartel Law in the second quarter of 2024. The National Council follows the preparatory EATC-N and decides that the authorities must examine each individual case when it comes to the question of significance. According to this, an overall assessment must take place based on empirical values and due to concrete circumstances in the relevant market. Furthermore, the National Council rejects, contrary to the Council of States, putting professional sports leagues on the list of generally justified agreements. SwissHoldings expressly welcomes that the long-demanded institutional reform is now part of the revision.***

Contents The proposal includes a change from the qualified market dominance test to the *Significant Impediment to Effective Competition Test* (SIEC test). It thus strives for practice harmonization of the Competition Commission (COMCO) with international standards. Another component of the law amendment is the strengthening of cartel civil law, whereby active legitimation should be expanded. Additionally, the objection procedure should be made more practical by eliminating the direct sanctions risk when no investigation is opened within the shortened deadline. Main discussion points in the partial revision are the provisions on competition agreements (Art. 5 CL) and the conduct of market-dominant companies (Art. 7 CL). The preliminary draft contained an implementation proposal for Motion 18.4282 Français, adopted in June 2021, which considers qualitative and quantitative criteria. Finally, rules on the investigative principle, presumption of innocence, and burden of proof are included to implement the demands of Motion 21.4189 Wicki.

State The Council of States deliberated the business in the summer session 2024 and rejected the obligation for competition authorities to

demonstrate harmfulness. The National Council follows the preparatory EATC-N and decided on June 4, 2025, contrary to the position of the Council of States, that the authorities must examine each individual case when it comes to the question of significance. According to this, an overall assessment must take place based on empirical values and due to concrete circumstances in the relevant market. The proposal goes back to the Council of States for further deliberation.

Outlook

The LAC-S will presumably start the differences resolution procedure on August 28/29, 2025.

Position

SwissHoldings expects that the Français and Wicki motions will be implemented. Both motions demand that authorities and courts (again) deal with the actual effects of an agreement or conduct and must demonstrate the harmfulness to competition. The National Council's decision, in contrast to the Council of States in its function as the first chamber, meets these expectations. The demanded Compliance Defense is also undisputed in the National Council (see the position paper by SwissHoldings to the LAC-S). SwissHoldings notes that, contrary to concerns, neither the Council of States nor the National Council discussed the objection procedure. The adjustments to the objection procedure proposed by the Federal Council will neither promote the attractiveness of this instrument nor serve legal certainty.

Amendment of the Cartel Act: Institutional reform

Executive Summary

Within the framework of the material cartel law revision, the reform of the competition authorities is being handled in a separate procedure, as demanded by various parties during the consultation. This approach should ensure that the material revision of the Cartel Law does not fail again. The expert commission worked out more concrete implementation proposals for the institutional reform in spring 2024. Based on the final report of the expert commission, the Federal Council presented the consultation draft on June 13, 2025. SwissHoldings supports the critical examination and in-depth review of the institutional reform as demanded by Motion 23.3224 Français "Institutional Reform of the Competition Authority" and approved by the National Council on June 4, 2025, after the Council of States, and advocates for a clear separation of investigative and decision-making authority.

Contents

Parallel to the ongoing material partial revision of the Cartel Law, the Federal Council is driving forward a separate revision of the competition authorities (hereinafter: institutional reform). This is being handled independently. This approach is based on the lessons from the failure of the 2012 Cartel Law revision, which was rejected twice in the National Council at the time. The institutional reform should generally aim to fix problems in the administrative procedure, which particularly includes a separation of decision-making and investigative authority.

The published final report of the expert commission under the chairmanship of former Federal Judge Hansjörg Seiler concluded that COMCO functions well in principle and has no rule-of-law deficiencies. A system change is therefore not indicated. The separation should now be designed more effectively by, among other things, having the secretariat conduct investigations consistently without involving COMCO, while COMCO remains a militia authority. Furthermore, it will be examined whether COMCO can be relieved by a procedural officer. With its consultation draft on June 13, 2025, the Federal Council followed the recommendations of the expert commission in a first step. The Federal Council wants to make the "separation" between investigative and decision-making authority more effective through the following measures: downsizing and focusing of the commission; elimination of the commission's or individual members' participation in the investigation; and legal regulation of the secretariat's role in COMCO's decision consultation.
Excursus: Despite the work already initiated and published on June 13, 2025, by the Federal Council with regard to a reform of the competition authorities, the Council of States adopted the concern of Motion 22.4404 Rechsteiner "Accelerate procedures. Increase legal certainty" on March 17, 2025. The Council of States thus expresses its will in particular that both the problem of institutional separation between investigating and deciding authority and the question of procedure duration be addressed. The National Council had already adopted the motion in the spring session a year ago. Following the Council of States, the National Council approved the concerns of Motion 23.3224 Français "Institutional Reform of the Competition Authority" on June 4, 2025. The Federal Council must now make an implementation proposal for both motions.

State

On March 15, 2024, based on the final report, the Federal Council commissioned the EAER to present a consultation draft for the reform by mid-2025. The consultation on the presented draft started on June 13 and lasts until October 6, 2025. After the Council of States' adoption on March 17, 2025, the National Council also approved Motion 23.3224 Français (Wicki) on June 4, 2025, and thus referred it to the Federal Council.

Outlook

The consultation on the draft institutional reform lasts until October 6, 2025. SwissHoldings will prepare a corresponding response in due time.

Position

SwissHoldings welcomes that the frequently demanded institutional reform has now been taken up parallel to the ongoing revision work on the material Cartel Law and supports the critical examination and in-depth review of the institutional reform. However, it will have to be examined whether maintaining the current system is purposeful. SwissHoldings will position itself accordingly in the consultation based on the

position paper and advocates for a separation between investigative and decision-making authority. Therefore, SwissHoldings supports Motion 23.3224 Français and welcomes the clear signal from the Council of States as well as from the National Council with the approval and referral of the motion to the Federal Council on June 4, 2025.

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International Tax Law

OECD/G20 Project on the Taxation of the Digitalized Economy

Executive Summary

The OECD digital taxation project consists of two pillars -- first, a redistribution of corporate tax revenues to market states and second, minimum taxation. While the former has long struggled with insurmountable problems, particularly EU states and Switzerland have implemented the second pillar in whole or in part. President Trump had ordered at the beginning of his presidency that the USA withdraw from the entire project. Specifically, the US administration demands from the rest of the world that US tax law be regarded as equivalent to OECD minimum taxation in the fight against profit shifting and that US tax law should coexist with it. From this, the US administration concludes that exclusively US tax law should apply to all US companies (i.e., in the USA) and to all subsidiaries of US companies (i.e., outside the USA). To ensure that minimum tax states accept this coexistence, the US Congress is currently developing a provision (specifically IRC Section 899) as part of the so-called "Big Beautiful Bill" with serious sanctions measures against companies and citizens of states that want to apply the minimum tax element UTPR against US companies and their subsidiaries. Since coexistence, according to European corporate representatives, is likely to significantly strengthen the USA as a business location in location competition against minimum tax states, the question arises how the latter will react to all these developments. Much now depends on how the minimum tax states, particularly the EU, but also the OECD itself react to these developments. However, the disappearance of the OECD minimum tax is unrealistic. Clarity about further developments should exist by late autumn 2025. What is already becoming apparent: International location competition will intensify considerably in the coming years. The Confederation and cantons are called upon to proactively adopt measures to secure their tax revenues.

Contents

The OECD project on taxation of the digitalized economy is intended to improve acceptance of international corporate taxation. The project is being advanced within the framework of the "OECD/G20 Inclusive Framework on BEPS" (hereinafter: IF), which comprises more than 140 states. It consists of two pillars. The content of Pillar 1 is a stronger redistribution of profits of the world's approximately 200 most successful corporations from residence to market states. The content of Pillar 2 is the introduction of a minimum profit tax of 15 percent for all

corporations with revenue of at least 750 million euros. In October 2021, the IF states adopted the political parameters for the two pillars. Since then, intensive work has been done on the technical implementation provisions. For Pillar 1, states are to be presented with a multilateral agreement for signature and subsequent ratification. For Pillar 2, implementation does not take place through a multilateral agreement but through uniform implementation of jointly developed but individually adopted so-called model rules (Common Approach). To achieve the most uniform global implementation possible, there exists alongside the model rules a (continuously expanded) commentary as well as additional, regularly published new administrative guidelines (so-called Administrative Guidance).

State

The implementation of Pillar 1 has so far not progressed beyond work at the OECD level. Pillar 2 is well advanced, with EU states and Switzerland, among others, having implemented the global minimum tax in whole or in part. However, the project initiated by the G20 has long struggled with major problems.

Most IF states have not implemented the minimum tax. On January 20, 2025, US President Trump also announced that the USA is withdrawing from the OECD digital taxation project as well as from the UN tax project and that they will take countermeasures such as new withholding taxes against states that impose discriminatory and extraterritorial taxes against the USA (Link to the decree and Link to America First Trade Policy). Specifically, the US administration demands from the rest of the world that US tax law be regarded as equivalent to OECD minimum taxation in the fight against profit shifting and therefore US tax law should coexist with it. From this, the US administration concludes that exclusively US tax law should apply to all US companies (i.e., in the USA) and to all subsidiaries of US companies (i.e., outside the USA). To ensure that minimum tax states also see it this way, the US Congress is currently developing a provision (IRC Section 899) as part of the so-called Big Beautiful Bill (BB-Bill) with extremely painful sanctions measures against companies and citizens of states that want to apply the minimum tax element UTPR against US companies and their subsidiaries. The USA could also take action against so-called Digital Service Taxes (DST) or the Diverted Profits Tax of Great Britain or Australia, depending on how the BB-Bill is designed. According to current knowledge, Switzerland should not be in the focus of US countermeasures due to the lack of UTPR and DST with broad scope of application.

In parallel, the OECD is working on administrative reliefs. In particular, the so-called Simplified ETR Safe Harbor is intended to enable companies to easily show in many states that they do not have to pay minimum tax. Since the minimum tax rules are extremely difficult to apply both for the affected companies and for the controlling tax administrations, this Safe Harbor is of great importance for business and administrations. However, there are currently considerable doubts whether

this Safe Harbor will actually be easy for companies to apply. There is also the danger that the Safe Harbor will provide for safety margins, which is why Swiss companies in particular cannot use it and they must show by applying the complete set of rules that they do not have to pay minimum tax in Switzerland. The corresponding work should be completed this year.
Furthermore, the OECD is working on rules for dispute prevention and resolution, on the implementation of the GloBE Information Return, on rules for prohibited so-called Related Benefits (i.e., non-fiscal location measures) and other areas. The work on Related Benefits in particular is of great importance for Switzerland.

Outlook

As already expected last year, significant changes could come to OECD minimum taxation in 2025. The question arises how minimum tax states will react to US coexistence demands and possibly threatening US countermeasures. If they grant the USA the demanded coexistence, e.g., through the creation of a Coordinating Safe Harbor, the USA improves its competitiveness against all OECD minimum tax states according to the assessment of many European corporate representatives. The OECD would have to react to this in turn with an adjustment of the minimum tax rules. This would have to go far beyond the planned Simplified ETR Safe Harbor. According to experts, the OECD would have to adapt the IIR to the US GILTI rules and thus transition from a Jurisdictional to a Global Blending that is more attractive from a corporate perspective. Furthermore, the disadvantages existing compared to the USA in the tax recognition of research costs would have to be eliminated. The US R&D Tax Credit makes the USA location very attractive especially for successful, research-intensive companies. Even Switzerland cannot compete with this. This is particularly true if the Related Benefits requirements are strict and they make it very difficult for minimum tax states to provide targeted non-fiscal location measures. Whether the understanding of the necessity for profound rule changes exists among minimum tax states, particularly in the EU and its most important member states, will become apparent in the coming months.
Should profound rule changes fail to materialize, it will be difficult to convince states like China, India and many more to introduce or at least recognize minimum taxation. Rather, China, for example, is likely to orient itself to the US approach to protect its research-intensive companies. Thus, OECD minimum taxation could become even more of a primarily European project than before. That European states abandon OECD minimum taxation appears unrealistic, particularly for political reasons. This would require, for example, a unanimous decision to repeal the corresponding EU minimum tax directive. European states will also not allow Switzerland to abandon the financially and economically harmful minimum tax without substantial disadvantages. Both the USA, which continues to actively participate in the design of OECD minimum taxation and has a great interest in its continued existence for

competitiveness aspects, as well as most other European states want to maintain the minimum tax. This is particularly to economically tie back states like Switzerland, Ireland or Singapore. How things proceed regarding minimum taxation will also depend on whether the BB-Bill is adopted by the US Congress and what it will look like in detail. Central will be particularly Section 899 or the adjustments to US rules like GILTI and BEAT.

Position

There is a risk that adjustments at the OECD level to current rules under pressure from the USA and other states will lead to disadvantages for Switzerland. The economically successful small state of Switzerland will have to defend itself intensively against unfair rules in the context of the upcoming adjustments to OECD minimum taxation. Switzerland must prepare for hard confrontations, also conducted with unfair means. The tariffs decided by President Trump have impressively demonstrated this. It is unacceptable that minimum taxation rules are significantly tightened through the adjustment of administrative guidelines or important exceptions are decided for major powers. Given the upcoming uncertainty about how things will proceed in the area of OECD minimum taxation, it is important that Switzerland reacts flexibly to changes in framework conditions and restores or secures its location attractiveness as best as possible. Location competition is as hard as never before. The Confederation and cantons must not stand aside.

Scan or click QR-Code.

More information on the OECD/G20 project on the taxation of the digitalised economy can be found on our website.

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Trade and Investment Policy

Bilateral Relations between Switzerland and the EU

Executive Summary

At the end of December, the Federal Council announced the conclusion of negotiations with the EU. The new treaty package ("Bilateral III") is intended to place relations between Switzerland and the European Union (EU) on a stable and long-term foundation. On June 13, 2025, the newly negotiated treaties were sent for consultation. Bilateral III is of great importance for Switzerland as a business location and includes, among other things, securing mutual market access, energy supply security, and international cooperation in education, innovation, and health.

Contents

With the "Bilateral III" treaty package, relations between Switzerland and the EU are to be stabilized and further developed. It encompasses the updating of existing agreements (e.g., free movement of persons, aviation, MRA) as well as new agreements on electricity, food safety, and health. At the same time, it also implements the clarification of the institutional framework demanded by the EU. A package approach was chosen for this purpose. Instead of regulating institutional questions comprehensively in a horizontally designed agreement, institutional questions are to be solved individually in each agreement on a sector-specific basis.

State

On June 13, 2025, the Federal Council released the negotiated treaty package for consultation. According to its own assessment, the package fulfills the objectives of the negotiation mandate. It includes an institutional regulation for existing and future internal market agreements, new agreements in the areas of electricity, food safety, and health, as well as participation in EU education and innovation programs. This represents a central milestone in relations with the EU.

Outlook

The Federal Council wants to complete the consultation by the end of 2025 and present the message to Parliament in early 2026.

Position

SwissHoldings welcomes the Federal Council's efforts to further establish existing relations on a solid and permanent foundation based on a new treaty package with the EU ("Bilateral III"). Stable, reliable, and non-discriminatory relations with the EU as the most important trading partner of the Swiss economy are of central importance. The bilateral agreements are a proven instrument for securing market access and strengthening Switzerland's international competitiveness. However, the new package also entails significant institutional changes -- particularly regarding the dynamic adoption of EU law and the involvement

of the ECJ in the dispute settlement mechanism. While these offer companies legal stability and more predictability, they simultaneously raise integration policy and economic questions. Therefore, it must be examined what scope Switzerland retains in future regulations and to what extent its economic policy sovereignty is preserved. The goal must be non-discriminatory market access and a reliable legal framework for internationally active companies. SwissHoldings will actively participate in the consultation to ensure that the package strengthens the competitiveness of the location and contributes to economic prosperity. At the same time, integration policy aspects such as dynamic law adoption and the role of the ECJ must be carefully examined for their effects on economic policy capacity to act.

Free Trade Agreement

Executive Summary

The Swiss economy is strongly internationally oriented and maintains extensive cross-border trade and investment activities. A central focus of Swiss foreign policy is therefore improving access to foreign markets, including through free trade agreements. The Confederation is currently negotiating several new agreements as well as modernizing existing agreements. Parliament approved the Free Trade Agreement (FTA) with India in the past spring session. SwissHoldings supports the continuous expansion and modernization of free trade agreements.

Contents

The strongly export-oriented Swiss economy relies on a broadly diversified network of free trade agreements in addition to trade relations with the EU. Switzerland currently has 33 free trade agreements with 43 partners. This network is continuously being expanded. The agreement with India was signed on March 10, 2024. Particularly relevant are currently the negotiations with the MERCOSUR states (Argentina, Brazil, Paraguay, and Uruguay).

State

After the EFTA states' free trade agreement with India was signed on March 10, 2024, both the Council of States and the National Council approved the proposal. In addition, during the 2025 summer session, the agreement with Chile took a first hurdle in the Council of States. Parallel to this, intensive negotiations with the Mercosur states have been ongoing since 2024 with the goal of concluding the agreement in the coming months. Furthermore, an agreement between the EFTA states and Malaysia was signed on June 23, 2025.

Outlook

Switzerland continues its strategy of diversifying trade relations. Negotiations with Vietnam and Mercosur are currently being conducted. In addition, modernizations of existing agreements with Chile (see Status), Mexico, and the Southern African Customs Union are planned. Furthermore, a modernization of the free trade agreement with China is being pursued. Regarding the FTA with India, if no referendum is

held and considering the processes in India, the agreement is expected to enter into force in autumn 2025.

Position

Given growing global trade conflicts and increasing protectionism, expanding the network of free trade agreements is essential for the export-oriented Swiss economy. These agreements offer not only tariff advantages but also legal certainty for companies. Diversifying trade relations strengthens the resilience of the Swiss economy and secures jobs. SwissHoldings therefore supports the continuous expansion and modernization of free trade agreements.

Investment Controls

Executive Summary

The introduction of investment screening remains controversial: Despite criticism from the Federal Council and EATC-S, the Council of States entered into the proposal in the spring session 2025. It now goes back to the EATC-S for further consultation. From the business perspective, the proposal would endanger location attractiveness and legal certainty, while its actual benefit remains limited.

Contents

With the introduction of investment screening, takeovers of domestic companies by foreign investors should be preventable if these takeovers endanger Switzerland's public order or security. The proposal should particularly target state-controlled investors. In weighing security and economic policy interests, from the perspective of the EATC-S, the disadvantages that the introduction of investment screening would entail outweigh the benefits. Switzerland, as a small, open economy, would suffer excessively from the weakening of location attractiveness and legal certainty.

State

After the National Council favored stricter investment controls in the autumn session 2024, the preparatory committee of the Council of States (EATC-S) spoke against entering into the proposal in November. On March 6, 2025, the Council of States entered into the proposal by 29 to 16 votes, contrary to its committee's recommendation.

Outlook

After the Council of States' entry, the proposal goes back to the EATC-S for further consultation and will presumably be dealt with on August 29, 2025, before the Council of States will decide on it again at a later date.

Position

Foreign direct investment is of central importance for Switzerland, as it significantly promotes prosperity and competitiveness in our small and open economy. The prosperity of the population and the competitiveness of companies in the small and open Swiss economy depend directly on integration into global value chains. Since Swiss companies themselves are among the largest direct investors abroad, Switzerland has a particular interest in access to international investment markets that is as non-discriminatory and transparent as possible. Switzerland achieves this best by showing itself open to foreign investments. The

Federal Council considers the existing legal framework sufficient. SwissHoldings supports this position. However, the question of whether Switzerland should introduce investment screening cannot be assessed independently of international developments. If OECD members introduce comprehensive restrictions regarding certain foreign investments, this must be considered when assessing the Swiss regulatory approach, not least to prevent a suction effect on the Swiss economy.

Investment Protection Agreements

Executive Summary

Switzerland has one of the world's largest networks of bilateral investment protection agreements (IPAs) and thereby strengthens its attractiveness as a business location. Since a practice change by the Federal Council, IPAs are newly subject to the optional referendum. The first new IPA under the new practice was concluded with Indonesia and entered into force on August 1, 2024. SwissHoldings emphasizes the importance of such agreements for legal certainty and protection against political risks and supports their further development, particularly through proven arbitration mechanisms.

Contents

Switzerland has a network of a total of 119 bilateral investment protection agreements. According to UNCTAD, Switzerland thus has the third-largest network of such agreements worldwide after Germany and China. By concluding IPAs, Switzerland improves the framework conditions for investments and strengthens its attractiveness as a business location. Due to a practice change by the Federal Council, IPAs are now subject to the optional state treaty referendum in addition to free trade agreements.

State

The first IPA for which a consultation was conducted is the new IPA with Indonesia. The agreement closes the treaty gap that existed since the earlier agreement expired in 2016. On August 1, 2024, the new bilateral investment protection agreement between Switzerland and Indonesia entered into force.

Outlook

SECO continues to work on evaluating Switzerland's network of investment protection agreements and expanding it as needed.

Position

Direct investments are central for Switzerland: Prosperity and competitiveness of companies in the small, open economy depend heavily on global networking. Investment promotion and protection treaties are essential, as foreign investments are subject to political as well as economic risks. Effective investment protection requires an investor-state arbitration mechanism. These procedures have proven themselves for Switzerland and its companies, as they build on existing international structures (ICSID, UNCITRAL) and enable factual, politically independent dispute resolution. SwissHoldings supports the further

development of these mechanisms to increase legal certainty and protect against abusive application.

Corporate Social Responsibility

Corporate Responsibility

Executive Summary

At the end of March 2025, the Federal Council spoke in favor of an internationally coordinated approach to sustainability regulation. It wants to await developments in the EU before further adjustments to Swiss law. SwissHoldings expressly welcomes this pragmatic approach, as it helps avoid a "Swiss finish" and prevent competitive disadvantages for Swiss companies. Additionally, the "Coalition for Corporate Responsibility" launched a new corporate responsibility initiative in January 2025.

Contents

Developments worldwide, but particularly in the EU, have advanced rapidly in recent years in both non-financial reporting and due diligence obligations. The EU has adopted numerous regulations as part of its *Green Deal* to take a global leadership role. The Federal Council is currently examining to what extent it wants to adopt the regulatory approaches adopted by the EU for Switzerland. Uncertainties exist because the EU Commission proposed the so-called "Simplification Omnibus" package in February 2025, which reduces reporting obligations, relaxes liability rules, and delays implementation. In April, the "Stop-the-Clock" initiative followed to suspend individual provisions. Additionally, leading politicians like President Macron and Chancellor Merz are calling for the abolition of the EU Supply Chain Act (CSDDD).

State

The Federal Council spoke in favor of an internationally coordinated approach to sustainability regulation at the end of March 2025. Specifically, it was decided to await regulatory developments in the EU before further adjustments to Swiss law are examined.
May 27, 2025, the new corporate responsibility initiative was submitted to the Federal Chancellery, which wants to expand due diligence obligations for internationally active Swiss companies analogous to the original EU Supply Chain Directive. The initiative officially came about on June 17, 2025.

Outlook

The administration was commissioned by the Federal Council to develop concrete variants for a pragmatic change to legislation on sustainable corporate governance. These should concern both sustainability reporting and due diligence obligations. The body wants to make a concrete decision on further procedure once the EU has adopted its revised regulations, but at the latest in spring 2026.

Position

SwissHoldings welcomes the Federal Council's decision. Pragmatic and internationally compatible regulation is the best way to continue successfully implementing sustainability in the economy. Switzerland has had good experiences with its carefully designed sustainability

model so far. The current Swiss model is oriented toward global UN and OECD standards but simultaneously considers the particularities of the Swiss economy. Companies have already made considerable progress within this framework, particularly in the areas of transparency and due diligence obligations. This pragmatic approach helps avoid a "Swiss finish" and ensures that Swiss companies are not confronted with exaggerated or isolated requirements in international comparison.

Collective Legal Protection

Executive Summary

In its deliberations during the spring session, the National Council decided by a clear majority not to enter into the class action proposal and thus follows the motion of its committee. SwissHoldings expressly welcomes this decision, which provides legal certainty and continuity. The implications of the proposal for Switzerland as a location, our understanding of law, and our dispute culture are immense and can hardly be overestimated. It is now up to the Council of States to stand up for our business location and not enter into the proposal as the second chamber.

Contents

According to the Federal Council's message, the class action proposal provides for expanding the existing association lawsuit, creating a new association lawsuit for asserting replacement claims, and newly providing a possibility for comparisons declared binding by courts.

State

In its deliberations during the spring session, the National Council decided by a clear majority not to enter into the class action proposal and thus follows the motion of its committee.

Outlook

After the National Council's non-entry, the proposal now lies with the Council of States. The LAC-S deliberated the proposal for the first time at its meeting on April 4. The committee has decided to conduct hearings with international experts before the actual entry debate. Furthermore, it has commissioned clarification mandates from the federal administration. On June 26, 2025, the business will be dealt with again in the LAC-S.

Position

The business community clearly rejects the proposal. Experience from abroad shows that the introduction of class actions leads to the establishment and constant expansion of a professional "litigation industry." A significant driver of this development is Third-Party Litigation Funding (TPLF), where external investors finance lawsuits and thus increase the willingness to bring lawsuits without bearing the actual risks. This is not a purely US-American development. Also in the EU, the number of class action cases has increased significantly in recent years, due to legislative changes and facilitated access to litigation financing. This assessment is also reflected in the Sotomo study commissioned by economiesuisse and SwissHoldings at the beginning of the year: Experts from large companies and SMEs who have already gained

experience with class actions in the USA and EU can better assess the associated risks and therefore increasingly advocate that Switzerland should continue to refrain from class actions. Particularly the experiences from the most affected EU countries strengthen this position. From the association's perspective, there is no reason to replicate similar misdevelopments in Switzerland. The quality of the Swiss legal system is above average in international comparison. Already under current law, those affected by mass or scatter damages can assert their damage claims even for smaller damages. Through current technological developments, particularly in the field of artificial intelligence, these possibilities are being further expanded.

Accounting and Reporting

IFRS Standardization

Executive Summary

SwissHoldings closely follows developments in IFRS standard setting. For its internationally oriented members, a globally recognized reporting standard as a basis for their own reporting is of central importance. After harmonization with US GAAP, the pace of standard revisions has slowed. In this context, it should also be noted that the IFRS Foundation's new focus, ESG reporting, is taking on an increasingly important role in the organization's work.

Contents

The IFRS Foundation is a non-profit foundation. Its objective is to develop high-quality global accounting standards, promote the use and application of these standards, and bring about convergence of national accounting regulations with these standards. The foundation oversees both the work of the IASB (consequently the board that issues financial standards) and that of the ISSB (consequently the board that issues non-financial standards).

State

The ISSB focuses on supporting the implementation of international sustainability standards and has started new research projects on biodiversity, human rights, and human capital. Additionally, a project examines how cross-cutting information can be integrated into financial reporting that goes beyond the requirements of IFRS S1 and IFRS S2. The IASB has initiated a total of four consultations in recent months, including drafts on amendments to IAS 21, IFRS 19, and IAS 28, as well as practice examples for considering climate-related uncertainties in financial statements.

Outlook

The ISSB and IASB are driving forward important projects for developing global standards. The IASB particularly plans new initiatives to optimize cash flow statements and review regulations for continued acquisition costs in IFRS 9.

Position

The detailed positions are reflected in the corresponding statements of the association.

Capital Markets

Financial Location Switzerland

Executive Summary

The CS crisis and the merger with UBS have fundamentally changed Switzerland's financial center. At the beginning of June, the Federal Council presented what lessons it draws from the Credit Suisse crisis and what concrete measures it proposes to strengthen the stability of the Swiss banking sector. The key values presented here are set at both law and ordinance levels.

Contents

With the package of measures to strengthen financial market stability, the Federal Council draws lessons from the CS crisis. The proposals include adjustments at law and ordinance levels and are divided into four consultations until 2026. They concern, among other things, capital requirements, liquidity provision, corporate governance, and supervision.

State

On June 14, 2025, the Federal Council presented the key values. The consultation on measures at the ordinance level runs until the end of September 2025, with three more following in stages until 2026.

Outlook

SwissHoldings will closely follow further developments in this dossier and make targeted contributions to the upcoming consultations. In parallel, the secretariat will update the survey on the supply of financial services at the location conducted in 2023 and 2024, particularly with regard to possible changes in conditions.

Position

Fundamentally, SwissHoldings members are not directly affected by the Federal Council's regulatory measures to strengthen the stability of the Swiss banking sector, as the association does not represent banks or insurance companies. Nevertheless, the presented package of measures is also of great relevance for our members: Because of the potentially high real economic costs of a banking crisis, SH members have an interest in regulation that largely prevents such crises. However, our members also depend on financial services that can only be provided by internationally competitive banks. For Switzerland with its highly networked international economy, an internationally significant financial center is a decisive competitive advantage. At a very basic level, at least one internationally positioned large bank is needed so that the numerous globally oriented companies can conduct their business through the Swiss financial center. Such a globally networked financial center is also an important prerequisite for maintaining the strength of the Swiss franc, which in turn guarantees a generally low interest rate level and thus low financing costs for companies.

From SwissHoldings' perspective, the effects on the real economy should be systematically taken into account when designing new regulatory approaches. Regulation is needed that creates stability in the financial system without unnecessarily tightening financing conditions for companies. The new regulatory requirements must not lead to credit lending to companies being restricted or made more expensive.

Banks must continue to have the flexibility to cover international and complex financing needs of large industrial companies -- for instance in infrastructure, export, or innovation projects. Not least, regulation must not lead to restrictions in operational financial management, for example through restrictions on cash pooling, higher fees, or reduced transaction security in international payment transactions.
It is furthermore essential that the planned legal adjustments focus on systemically relevant banks. An extension to other large companies -- within or outside the financial industry -- must be strictly avoided.