

## DEPARTMENT OF ECONOMICS



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## Trade and Investment Policy

### Bilateral Relations between Switzerland and the EU



### Executive Summary

***The 'Bilateral III' package is intended to stabilise and further develop relations between Switzerland and the EU. The Federal Council adopted the package, which comprises nine draft agreements, on 13 March 2026. The EATC-S will hold its first detailed deliberations on 27 April and 4 May. SwissHoldings supports the Federal Council's efforts to secure sustainable access to the EU single market, but emphasizes the need to safeguard Switzerland's economic sovereignty and to carefully examine issues relating to integration policy.***



### Contents

The "Bilateral III" package is intended to stabilize and further develop relations between Switzerland and the EU. It includes updates to existing agreements (e.g., free movement of persons, air transport, MRA) as well as new agreements on electricity, food safety, and health. At the same time, the new agreements also implement the clarification of the institutional framework demanded by the EU. A package approach was chosen for this purpose. Instead of regulating institutional issues comprehensively in a horizontal agreement, they are to be resolved individually in each agreement, i.e., on a sector-specific basis.



### State

The consultation period for the negotiated agreement package ended on October 31, 2025. SwissHoldings submitted a [statement](#).

On 13 March 2026, the Federal Council adopts package [26.023](#), 'Stabilisation and Further Development of Switzerland–EU Relations (Bilateral Agreements III)', for submission to Parliament. The package is divided into nine drafts.

At its meeting on 23 March, the EATC-S held hearings on the package of measures concerning wage protection and the State Aid Monitoring Act.



### Outlook

On 27 April 2026, the EATC-S will begin detailed deliberations on the State Aid Monitoring Act, and on 4 May 2026 it will commence detailed deliberations on the package of measures concerning wage protection.



### Position

SwissHoldings welcomes the Federal Council's efforts, based on a new package of agreements with the EU ('Bilateral Agreements III'), to further place existing relations on a solid and lasting footing. Stable,

reliable and non-discriminatory relations with the EU, as Switzerland's most important trading partner, are of central importance. The bilateral agreements are a tried-and-tested instrument for securing market access and strengthening Switzerland's international competitiveness. However, the new package also entails significant institutional changes – particularly with regard to the dynamic adoption of EU law and the involvement of the European Court of Justice in the dispute settlement mechanism. Whilst these offer companies legal stability and greater predictability, they simultaneously raise questions regarding integration policy and the economy. It is therefore necessary to examine the scope Switzerland retains for future regulation and the extent to which its economic sovereignty is preserved. The aim must be non-discriminatory market access and a reliable legal framework for companies operating internationally. SwissHoldings advocates for a balanced package of agreements that ensures market access and legal certainty without disproportionately constraining Switzerland's economic policy leeway.

## Free Trade Agreements



### Executive Summary

***Free trade agreements (FTAs) are a key instrument for export-oriented Switzerland in diversifying its trade relations. The network of these agreements is constantly being expanded. Current milestones include the EFTA–India Agreement (TEPA), which entered into force on 1 October 2025, the EFTA–MERCOSUR Agreement, which was signed on 16 September 2025, and the adoption of the dispatch on the Economic Partnership Agreement between the EFTA states and Malaysia. The FTAs with Mercosur and Malaysia are expected to be discussed by the National Council during the summer session. SwissHoldings supports the consistent expansion and modernisation of Switzerland's network of agreements.***



### Contents

The strongly export-oriented Swiss economy relies not only on trade relations with the EU but also on a broad network of free trade agreements. Switzerland currently has 35 free trade agreements with 45 partners, and new agreements are constantly being concluded, signed, and brought into force.



### State

Switzerland continues to pursue its active free trade policy consistently and is steadily expanding its network of international economic agreements. Three milestones are particularly noteworthy: the comprehensive EFTA-India Agreement (TEPA), which entered into force on October 1, 2025; the free trade agreement between the EFTA states and Mercosur, for which the Federal Council adopted the dispatch on February 25, 2026; and the Economic Partnership Agreement between the EFTA states and Malaysia. These agreements significantly expand market access for Swiss companies, strengthen investment protection, and create new opportunities in trade in goods and services.

At its meeting on March 23–24, the FAC-N determined the next steps in the deliberations on the agreement with Mercosur. The agreement with Malaysia was approved at the same meeting.

Following a Supreme Court ruling that overturned central additional tariffs, the U.S. has introduced a new flat-rate additional tariff of 10%. This applies temporarily to all trading partners and supplements existing tariffs; sector-specific measures remain in place.



## Outlook

Switzerland is continuing its strategy to diversify its trade relations. Negotiations are currently underway with Vietnam, whilst efforts are also being made to modernise existing agreements.

The two agreements with Malaysia and Mercosur are expected to be discussed during the summer session.



## Position

In view of growing global trade conflicts and increasing protectionism, expanding the network of free trade agreements is essential for Switzerland's export-oriented economy. These agreements not only offer customs advantages, but also legal certainty for companies. The diversification of 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 bill aims to introduce investment controls in Switzerland. During the last winter session, the National Council and the Council of States agreed on a streamlined version that limits the scope of application to foreign state investors. The referendum period runs until 17 April 2026. The revised bill has made it possible to avoid an excessive expansion of the scope of application and additional regulatory costs.***



## Contents

With the introduction of an investment screening mechanism ([23.086](#)), takeovers of domestic companies by foreign investors are only to be reviewed if they jeopardize public order or security in Switzerland. The Federal Council's streamlined draft prevailed in the parliamentary debate. It provides for a state review only in cases where a Swiss company is active in a particularly critical area and is to be taken over by a state-controlled foreign investor. Such a transaction must also jeopardize public order or security in Switzerland for a review to be necessary at all.



## State

After the National Council had debated the bill in September 2024 and called for comprehensive regulation, the Council of States successfully struck down this significant expansion in the 2025 fall session. The Council of States thus limited the scope of application to foreign state investors. In the 2025 winter session, the National Council followed the Council of States' leaner version. The bill was adopted in the final vote.



## Outlook

The referendum period runs until April 17, 2026.



## Position

Foreign direct investment is of central importance to Switzerland, as it significantly promotes prosperity and competitiveness in our small and open economy. In Switzerland's small and open economy, the prosperity of the population and the competitiveness of companies depend directly on their integration into global value chains. As Swiss companies themselves are among the largest direct investors abroad, Switzerland has a particular interest in ensuring that access to international investment markets is as non-discriminatory and transparent as possible. The Federal Council considers the existing legal framework to be sufficient, and SwissHoldings supports this position. With the revised bill, the Investment Screening Act follows the Federal Council's streamlined approach; an excessive expansion of the scope of application and additional regulatory costs have been avoided. This preserves openness to foreign investment as a key success factor for Switzerland as a business location.

### Investment Protection Agreement



## Executive Summary

***Switzerland has one of the world's largest networks of bilateral investment protection agreements (IPAs). Investment protection agreements create a reliable framework for Swiss investments abroad. Following a change in the Federal Council's practice, IPAs are now subject to an optional referendum. The IPA with Chile was adopted by the National Council during the 2026 spring session and will be considered by the FAC-S in mid-April. SwissHoldings welcomes the further development of the IPA framework.***



## Contents

Switzerland has a network of more than 110 bilateral investment protection agreements. According to UNCTAD, this makes Switzerland the third largest network of such agreements worldwide after Germany and China. By concluding IPAs, Switzerland is improving the framework conditions for investment and strengthening its attractiveness as a business location. Due to a change in practice by the Federal Council, IPAs are now subject to the optional referendum on international treaties, in addition to free trade agreements.



## State

On December 5, 2025, the Federal Council adopted the dispatch to the Federal Assembly on the new investment agreement between Switzerland and Chile. The agreement replaces and updates the agreement between the two countries that has been in force since 2002. Following the IPA with Indonesia, which entered into force in August 2024, this agreement is Switzerland's second IPA based on the new negotiating approach. During the 2026 spring session, the National Council adopted the IPA ([25.092](#)).



## Outlook

The IPA with Chile will now be referred to the FAC-S. It is on the agenda for the meeting on 13–14 April 2026.

SECO is continuously working to evaluate the network of Swiss investment protection agreements and expand it as necessary.

## Position

Direct investment is crucial for Switzerland: in a small, open economy, the prosperity and competitiveness of companies depend heavily on global networking. Investment promotion and protection agreements are essential, as foreign investment is subject to political as well as economic risks. Effective investment protection requires an investor-state dispute settlement mechanism. These procedures have proven their worth for Switzerland and its companies, as they build on existing international structures (ICSID, UNCITRAL) and enable objective, politically independent dispute resolution. SwissHoldings supports the further development of these mechanisms to increase legal certainty and protect against abuse.

## Corporate Social Responsibility

### Corporate Responsibility

#### Executive Summary

***In recent years, there have been many developments in the field of sustainability regulation – both in Switzerland and internationally. The EU has introduced significant simplifications with the adoption of the Omnibus I Directive. Following this, on 2 April 2026, the Federal Council submitted the Federal Act on Sustainable Corporate Governance for consultation as an indirect counterproposal to the Responsible Business Initiative. The consultation period runs until 9 July 2026. SwissHoldings will be participating in the consultation. SwissHoldings supports internationally coordinated and proportionate regulation, but rejects the current counterproposal as the draft does not take sufficient account of international developments.***

#### Contents

Developments worldwide, and particularly within the EU, have progressed rapidly in recent years in the areas of both non-financial reporting and due diligence obligations. As part of its Green Deal, the EU has adopted numerous regulations with the aim of taking a leading global role. This trend was halted by the ‘Omnibus’ proposal put forward in February 2025. The adoption of the Omnibus I Directive, however, provides for significant easing of due diligence and reporting obligations, a move away from harmonised, uniform civil liability rules at EU level, a delay in implementation, and a three-year transition period for reporting along the value chain.

#### State

At the [end of March 2025](#), the Federal Council spoke out in favor of an internationally coordinated approach to sustainability regulation. Specifically, it said it would wait for regulatory developments in the EU before considering further adjustments to Swiss law. On September 3, 2025, the Federal Council also decided to counter the newly submitted Responsible Business Initiative with an indirect counterproposal. The

counterproposal is to be based on current regulatory developments in the EU.

On 2 April 2026, the Federal Council presented the new Federal Act on Sustainable Corporate Governance and opened the consultation process on the draft of the indirect counterproposal.



### Outlook

The consultation period will run until 9 July 2026. SwissHoldings will participate in the consultation.



### Position

In March 2025, the Federal Council expressly advocated an internationally coordinated approach to sustainability regulation, thereby sending an important signal for Switzerland as a business location. SwissHoldings clearly supports this approach: sustainability should be specifically strengthened, but in line with international developments and without Switzerland acting unilaterally. This requires regulations that are practical, proportionate and compatible with international standards.

Switzerland already has a sophisticated and effective regulatory framework with comprehensive reporting requirements on environmental, human rights and social issues, which is aligned with international standards. At the same time, current developments in the EU show a clear trend towards simplification, a stronger focus on materiality and a reduction in administrative burdens. Close alignment with these developments is crucial to avoid competitive disadvantages.

The indirect counterproposal to the Responsible Business Initiative (RBI 2.0) presented by the Federal Council on 2 April 2026 contradicts this originally formulated objective. The draft goes beyond international standards on key points and leads to additional regulatory burdens. In particular, the proposed liability regime lacks international support and would create new legal uncertainties as well as additional risks for companies. In other areas too, the bill goes beyond comparable international regulations and leads to unnecessary additional regulatory burdens.

SwissHoldings rejects the counterproposal in its current form.

## Collective Legal Protection



### Executive Summary

***The class action bill (21.082) has been rejected by the National Council and the Council of States. Instead, the Council of States has referred Postulate 25.3954, which instructs the Federal Council to examine whether existing conciliation and ombudsman procedures can serve as an effective alternative to the introduction of class actions. The Federal Council's report is expected in the coming months. SwissHoldings supports the pragmatic approach of the postulate.***



### Contents

Last fall, Switzerland decided not to introduce any new civil law instruments for collective legal protection, such as class actions. The National Council and Council of States did not consider the Federal Council's draft bill, which means that the proposal has definitively failed. Instead, according to the postulate, it should be examined whether existing conciliation and ombudsman procedures can serve as an effective alternative to the expansion of class action lawsuits. Such procedures already lead to a quick and cost-effective settlement in up to 80% of cases.



### State

The Council of States referred postulate [25.3954](#) on the expansion of existing conciliation and ombudsman procedures to the Federal Council during the winter session.



### Outlook

The Federal Council's report is expected to be published in the coming months.



### Position

SwissHoldings supports the thrust of the postulate. The question of effective solutions for mass claims has been the subject of research for decades. This research consistently shows that out-of-court dispute resolution and ombudsman services are faster, more efficient, and less costly than class actions in court. Against this backdrop, ombudsman services are becoming increasingly important as an alternative. Countries such as the United Kingdom and Belgium in particular have developed highly efficient, integrated procedures, in some cases using digital and AI-supported applications. Empirical studies show that ombudsman procedures enable high compensation payments to be made more quickly and cheaply, promote responsible corporate behavior, and avoid lengthy court proceedings. Switzerland already has established ombudsman services in several sectors and thus has a solid starting point. The key challenge remains the nationwide expansion of such models, in particular by involving SMEs and replacing less effective arbitration procedures with modern ombudsman systems.

## Accounting and Reporting

### IFRS Standardization



#### Executive Summary

***The IFRS Foundation develops global accounting standards and oversees both the IASB, which sets financial standards, and the ISSB, which focuses on sustainability standards. In 2025, both standard-setting boards drove forward the development of sustainability and accounting standards, as well as related guidance and consultations. SwissHoldings is actively contributing to these developments through detailed submissions.***



#### 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 the work of both the IASB (the board that issues financial standards) and the ISSB (the board that issues non-financial standards).



#### State

In 2025, the ISSB actively supported the adoption of the IFRS Sustainability Standards across jurisdictions, clarified specific aspects of IFRS S2 and drove forward the further development of the SASB Standards. Research into human capital and nature-related disclosures was also continued. The IASB has further developed key projects, including the revision of the IFRS for SMEs and Practice Statement 1 (Management Commentary), and published additional guidance on the disclosure of uncertainties and the treatment of hyperinflation. At the same time, a consultation was conducted on a new model for risk mitigation accounting.



#### Outlook

The ISSB continues to focus on supporting the implementation of the IFRS sustainability standards and on further developing their content, particularly in the areas of human capital and nature-related risks. At the IASB, the focus is on continuing ongoing projects and exploring potential new approaches, such as in the area of risk mitigation accounting. Both Boards continue to gear their work towards providing decision-useful, financially material information for investors and are increasingly coordinating their activities.



#### Position

The detailed positions are set out in the [association's corresponding statements](#).

## Capital Markets

### Swiss Financial Location



#### Executive Summary

*In response to the CS crisis, the Federal Council presented a package of measures in June 2025 aimed at strengthening the stability of Switzerland's financial centre. The first two consultation rounds on the package have already taken place. Two further rounds are expected in the first half of 2026. With Bill 26.027 amending the Banking Act, the first proposal in the package is on the agenda of the EATC-S for its meeting on 4 May 2026. From SwissHoldings' perspective, there is a need for regulation that strengthens stability without tightening financing conditions for companies.*



#### Contents

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



#### State

On 14 June 2025, the Federal Council [presented](#) the key parameters. Two consultation rounds have already taken place. The first concerned amendments to the Capital Adequacy Ordinance and ran until September 2025. The second related to amendments to the Banking Act and the Capital Adequacy Ordinance and ended on 9 January 2026. SwissHoldings participated in both procedures by submitting a statement (see statements on the [Capital Adequacy Ordinance](#) and the [Banking Act/Capital Adequacy Ordinance](#)).



#### Outlook

Two further public consultations are expected in the first half of 2026. The first concerns the implementation of new quantitative minimum requirements regarding liquidity provision via the SNB and other central banks.

On the other hand, the proposal 26.027 on the amendment of the Banking Act (capital adequacy requirements for foreign holdings in the parent company of systemically important banks) is a key item on the agenda of the EATC-S for its meeting on 4 May 2026.



#### Position

In principle, the members of SwissHoldings 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 any banks or insurance companies. Nevertheless, the proposed package of measures is also highly relevant for our members: Due to the potentially high real economic costs of a banking crisis, SwissHoldings members have an interest in regulation that largely prevents such crises. However, our members are also dependent 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. Fundamentally, at least one major international bank is needed so that the numerous globally oriented companies can conduct their business via 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 generally low interest rates and thus low financing costs for companies.

From SwissHoldings' point of view, the impact 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 restrictions on lending to companies or make it more expensive. Banks must continue to have the flexibility to meet the international and complex financing needs of large industrial companies, for example in infrastructure, export, or innovation projects. Last but 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 payments.

It is also essential that the planned legislative changes focus on systemically important banks. Any extension to other large companies – within or outside the financial sector – must be strictly avoided.