

## DEPARTMENT OF ECONOMICS



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## Trade and Investment Policy

Bilateral Relations between Switzerland and the EU



### Executive Summary

***The “Bilaterals III” package is intended to stabilize and further develop relations between Switzerland and the EU. The Federal Council approved the package, which is divided into nine drafts, on March 13, 2026. Parliamentary deliberations then began, with the FAC-S reviewing the package in its first reading and, among other things, opposing a mandatory referendum. SwissHoldings supports the Federal Council’s efforts to secure sustainable access to the EU single market, but emphasizes the need to preserve Switzerland’s economic sovereignty and to carefully examine issues related 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, Mutual Recognition Agreement 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 on the negotiated package of agreements ended on October 31, 2025. SwissHoldings submitted a [statement](#).

The Federal Council adopted Package [26.023](#), “Stabilization and Further Development of Switzerland–EU Relations (Bilateral Agreements III),” on March 13, 2026, for submission to Parliament. The package is divided into nine drafts.

At its meeting on April 16 and 17, 2026, the FAC-S began preliminary deliberations on the package “Stabilization and Further Development of Switzerland–EU Relations (Bilateral III).” The committee voted 9 to 3 to enter into deliberations on Federal Resolution 1. In addition, the FAC-S began its work as part of the co-reporting procedure and adopted three co-reports on the Switzerland–EU package on May 22. In particular, it opposed subjecting this package to a mandatory referendum. Furthermore, the committee decided to consider Federal Decisions on the commitment appropriations for the cohesion

contribution. It will forward these expanded co-reports to the PIC-S and the EATC-S.

The EATC-S largely completed its detailed deliberations on the State Aid Monitoring Act at its meeting on April 27. In doing so, it largely followed the Federal Council's proposals. However, it suspended deliberations on certain key points in order to conduct further clarifications. At its subsequent meeting on May 4, the committee began the detailed deliberations on the package of measures regarding wage protection and also largely completed them.



### Outlook

The EATC-S will continue the detailed deliberations on the "Stabilization and Further Development of Switzerland–EU Relations (Bilateral Agreements III)" package on August 10–11, 2026.



### 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 October 1, 2025, the EFTA-MERCOSUR Agreement, which was signed on September 16, 2025, and the adoption of the dispatch on the Economic Partnership Agreement between the EFTA states and Malaysia. The National Council rejected the EFTA-Mercosur Free Trade Agreement during the summer session. The Economic Partnership Agreement with Malaysia was approved in the final vote. SwissHoldings supports the consistent expansion and modernization of Switzerland's***

***network of agreements and continues to advocate for the approval of the FTA with Mercosur.***



**Content**

Switzerland's highly export-oriented 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 continually being negotiated, signed, and brought into force.



**State**

Switzerland continues to consistently pursue its active free trade policy 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 open up new opportunities in trade in goods and services.

On June 17, the National Council rejected the free trade agreement between the EFTA states and the Mercosur states by a vote of 96 to 86. The Economic Partnership Agreement between the EFTA states and Malaysia was approved in the final vote.

Following the Supreme Court's ruling, the U.S. temporarily replaced the previous country-specific additional tariffs with a blanket additional tariff of 10% under Section 122. For Switzerland, an additional tariff of 12.5% under Section 301 has been proposed as a successor measure; this is currently still under consultation.



**Outlook**

Switzerland is continuing its strategy to diversify its trade relations. Negotiations are currently underway with Vietnam, and at the same time, efforts are being made to modernize existing agreements.

Following the National Council's rejection of the free trade agreement with Mercosur, the Council of States is now considering the bill. The Economic Partnership Agreement between the EFTA states and Malaysia was approved by both chambers. However, an alliance of environmental and human rights organizations intends to launch a referendum against the decision.



**Position**

Considering growing global trade conflicts and rising protectionism, expanding the network of free trade agreements is essential for Switzerland's export-oriented 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 ongoing expansion and modernization of free trade agreements,

regrets the decision to reject the free trade agreement with Mercosur, and continues to advocate for its approval.

## 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 consultation on the implementing ordinance began on June 12, 2026. The Investment Screening Act is currently scheduled to take effect in 2027. The revised bill has prevented an excessive expansion of the scope of application and avoided 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.

On June 12, 2026, the public consultation on the implementing ordinance was launched.



### Outlook

The consultation period runs until October 5, 2026. The Investment Screening Act is currently scheduled to take effect in 2027.



### 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 integration into global value chains. Since Swiss companies themselves are among the largest direct investors abroad, Switzerland has a particular interest in ensuring access to international investment markets that 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

ensures that openness to foreign investment remains a key success factor for Switzerland as a business location.

## Investment Protection Agreements



### Executive Summary

***Switzerland has one of the world's largest networks of bilateral investment protection agreements (IPAs). Investment protection agreements create reliable framework conditions for Swiss investments abroad. Since a change in the Federal Council's practice, IPAs are subject to an optional referendum. The IPA with Chile was approved by both chambers of Parliament. SwissHoldings welcomes the further development of the IPA framework.***



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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](#)).

Following the National Council, the Council of States also approved the IPA with Chile on June 2. The agreement was also approved in the final vote.



### Outlook

The matter is now settled following approval by both chambers, provided no referendum is filed.

SECO is continuously working to evaluate and, where necessary, expand Switzerland's network of investment protection agreements.



### 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, po-

litically 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 area 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. SwissHoldings participated in the process by submitting a statement. 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 to assume a leading global role. The “Omnibus Procedure” proposed in February 2025 has halted this development. The adoption of the Omnibus I Directive, however, provides for significant easing of due diligence and reporting obligations, a departure from harmonized, uniform civil liability rules at the 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 runs through July 9, 2026. SwissHoldings has participated in the consultation by submitting a [statement](#).



#### 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.

SwissHoldings rejects the current preliminary draft of the counterproposal as well as the special law in its current form. It supports the further development of regulations in the area of sustainable corporate governance, provided that such regulations are aligned with internationally coordinated reporting and due diligence obligations, consistently avoid a “Swiss Finish,” and do not provide for either special liability provisions or direct supervision.

## 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.***



### Content

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.***



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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 in various jurisdictions, clarified certain aspects of IFRS S2, and advanced the further development of the SASB standards. In addition, research on human capital and nature-related disclosures continued. The IASB has further developed key projects, including the revision of the IFRS for SMEs and Practice Statement 1 (Management Commentary). Work was also advanced on, among other things, the equity method, targeted improvements to provisions, the review of IFRS 16, and the presentation of non-income taxes.



#### Outlook

The ISSB's focus remains on supporting the implementation of the IFRS sustainability standards and further developing their content,

particularly in the areas of human capital and nature-related risks. For the IASB, the priority is on continuing ongoing standard-setting projects and reviewing existing standards. Both boards continue to focus their work on providing decision-useful, financially material information for investors and are increasingly coordinating their activities.



### Position

The detailed positions are outlined in the [Association's corresponding statements](#).

## Capital Markets

### Financial Location Switzerland



### 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. On April 22, 2026, the Federal Council adopted the dispatch on the revision of the Banking Act. At the same time, it amended the Capital Adequacy Ordinance (CAO). 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](#)).

At its meeting on April 22, 2026, the Federal Council adopted the dispatch on the revision of the Banking Act. The dispatch on the amendment to the Banking Act was then submitted to Parliament. In early May, the EATC-S was initially scheduled to comment on the capital requirements for foreign holdings at systemically important banks.

At the same time as the dispatch on the amendment to the Banking Act, the Federal Council amended the Capital Adequacy Ordinance (CAO). The amendments concern the capital adequacy requirements for certain balance sheet items, such as software, and will take effect on January 1, 2027.



## Outlook

Another consultation is expected in August 2026. This will address, on the one hand, the implementation of new quantitative minimum requirements regarding liquidity provision through the SNB and other central banks.

Following a hearing with experts, the EATC-S postponed the discussion on the revision of the Banking Act until August. The Council of States will decide on the bill during the fall session at the earliest.



## 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 systematically important banks. Any extension to other large companies – within or outside the financial sector – must be strictly avoided.