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EDITORIAL

THE SWISS STABLECOIN REGIME IN THE CONTEXT OF GLOBAL DEVELOPMENTS

Reference: CapLaw-2026-01

The regulatory landscape for stablecoins is evolving at remarkable speed across the globe. A growing number of jurisdictions are moving from exploratory consultations to full legislative implementation, driven by the policy goal to create innovation-friendly yet prudentially robust frameworks that can accommodate the rapid institutionalisation of digital asset markets. Stablecoins are no longer viewed as a niche product by financial institutions and regulators.

The Swiss legislature has finally joined the regulatory development of comprehensive stablecoin licensing, offering and trading regimes. In October 2025, a comprehensive consultation draft was presented by the Federal government. The draft seeks to modernise Switzerland's prudential framework by replacing the former fintech licence (article 1b Banking Act) with a new payments institution category (*Zahlungsmittelinstitut*) empowered to issue positively regulated, single-currency stablecoins, and by introducing a separate crypto-institution (*Krypto-Institut*) regime for custody, trading and other services involving cryptocurrencies. In addition to the two new prudential licensing categories, the draft contains amendments across the core financial market "architecture" laws with the aim to strengthen client-fund segregation and market disclosure. Further, it imposes AML obligations throughout a stablecoin's life cycle.ycle.

This edition of CapLaw is largely devoted to stablecoin regulation. *Benjamin Leisinger* and *Fabrice Eckert's* article reviews the draft regarding payment institutions, while *Lukas Staub's* contribution takes a look at the proposed regulation of crypto-institutions. Taking up a wider perspective, a highly influential development is occurring in the *United States*, where the GENIUS Act – discussed in more detail in *Thomas Werlen, Nicolas Curchod* and *Simon Weber's* contribution in this CapLaw edition – has significantly shaped global institutional interest in stablecoins and other DLT-based instruments. The Act represents the first comprehensive federal stablecoin statute in the U.S., shifting oversight from securities regulators to banking regulators, requiring full 1:1 reserves, prohibiting interest-bearing stablecoins, and introducing separate regimes for domestic and foreign issuers. It has already become a global reference point: U.S. regulatory clarity has materially strengthened the comfort level of global financial institutions, with 2025 marking a notable acceleration of institutional adoption of stablecoins.

In this editorial, the view across the globe is further expanded, followed by a consolidation of the current trends and hot topics across various jurisdictions. This leads to a strategic policy perspective on the Swiss consultation draft.

Dynamic development in APAC and the Middle East meets an established EU framework

Across the APAC region, several jurisdictions are pushing ahead with full statutory regimes for fiat-referenced tokens. *Hong Kong's* new Stablecoin Ordinance, which entered into force in 2025, requires licensing for issuers and mandates 1:1 reserves, buffers, and comprehensive AML/KYC oversight, while prohibiting interest-bearing stablecoins and imposing strict controls on circulation monitoring for AML purposes. *Singapore* has now finalized the core features of its stablecoin regulatory regime, with MAS preparing draft legislation that will introduce a dedicated statutory framework. Beyond legislation, MAS continues to expand its broader digital-asset strategy through initiatives such as tokenised MAS-bill trials, wholesale CBDC pilots, and ongoing work on interoperable settlement networks. *Japan*, which is among the most advanced Asian jurisdictions in terms of stablecoin regulation, already operates a fully implemented stablecoin regime under the Payment Services Act (PSA). Under this framework, stablecoins can only be issued by licensed banks, trust companies or fund transfer service providers, and issuers must ensure robust reserve arrangements. *Australia*, too, has moved decisively toward a comprehensive regime: ASIC's 2025 class-order exemption permits intermediaries to distribute licensed AUD-backed stablecoins, while Treasury's Tranche 1a Exposure Draft legislation proposes to regulate stablecoins within a tokenised stored-value facility framework as part of a broader modernisation of the country's payments system. However, not all jurisdictions treat stablecoins in a liberal manner. For instance, *Malaysia* classifies stablecoins as securities when traded on an exchange and maintaining Securities Commission oversight over any listing. Although broader liberalisation is under consideration, stablecoins explicitly remain carved out from exchange self-regulation due to monetary policy concerns. *South Korea* continues to develop its own comprehensive approach, in particular in light of financial stability and monetary policy concerns. Following the Virtual Asset User Protection Act (VAUPA), which came fully into force in July 2024 and mandates reserve segregation and strict custody standards, the government proposed the Digital Asset Basic Act (DABA) to establish a unified legal framework for digital asset oversight. In parallel, the Digital Asset Innovation Growth Act (DAIGA) introduces capital requirements for stablecoin issuers and formalises the supervisory role of the Bank of Korea. Together, these measures signal South Korea's intention to regulate not only issuance but also wallet interactions and cross-border flows.

In the Middle East, notably the *UAE*, the regulatory momentum is particularly pronounced. The Abu Dhabi Global Market (ADGM) has taken a leading role by recognising USDC as an "accepted fiat-referenced token" and granting Circle, the issuer of USDC, a license to offer regulated services using its stablecoin. This reflects an active strategy to attract international stablecoin issuers and build a regional settlement hub. The UAE's broader digital asset regimes continue to mature, with several frameworks for token issuers and custodians now fully operational. This accelerates adoption across the region. Multiple Middle Eastern regulators are now positioning themselves as stablecoin-friendly environments to attract global payment infrastructure and cross-border settlement activity.

The *European Union* remains the most advanced jurisdiction with a comprehensive regime. The Markets in Crypto-Assets Regulation (MiCA), fully applicable to stablecoins – either "E-Money Tokens" (EMTs) or "Asset-Referenced Tokens" (ARTs) – since June 2024, establishes a harmonised EU-wide regime with prudential, governance, reserve, redemption and disclosure requirements, combined with a single-market passport for issuers. The MiCA is a catch-all regime and also regulates other crypto-assets. Securities remain regulated under the existing disclosure and financial services framework, with specific DLT-related additions in member states. Enforcement has also intensified in the EU: By late 2025, non-compliant ARTs and EMTs were being delisted, while significant tokens are subject to enhanced EBA supervision. MiCA is widely seen as providing legal certainty and a large addressable market of more than 300 million consumers, while some industry participants view it as too restrictive. Further, MiCA can be viewed as a "European Fortress" in the stablecoin landscape, as the access of non-EU stablecoins to the European market is nearly impossible in practice.

The legislatures of three of the jurisdictions discussed in this editorial – the EU, Japan and Singapore – also consider the concrete possibility for a bank to issue a balance-sheet-backed stablecoin without the requirement to establish a dedicated reserve of assets.

Common themes and obstacles

Across jurisdictions, a set of common themes and obstacles has begun to crystallise. Regulators worldwide are converging on the core principles of full reserve backing, strict redemption rights, robust custody standards, and enhanced disclosure, reflecting a broadly shared policy concern that stablecoins, if left unchecked, could affect financial stability, market integrity, and monetary sovereignty. At the same time, regulation remains highly fragmented, with jurisdictions adopting bespoke, often incompatible frameworks – ranging from the expansive EU MiCA model and the U.S. GENIUS Act to more targeted Asian regimes – creating hurdles for cross-border issuance and trading. This divergence is compounded by structural challenges: Foreign-currency stablecoins raise concerns about dollarisation and erosion of supervisory visibility. Supervisory authorities still lack effective tools to oversee self-hosted wallets and many jurisdictions struggle to apply the principle of "same risks, same rules" to digital financial instruments. Yet, even amid these obstacles, momentum continues to accelerate. Many of the major economies advanced stablecoin legislation in 2025, and regulatory clarity has become a primary driver of institutional adoption, prompting banks, payment providers and corporates to integrate stablecoins into settlement and treasury operations. The global trend is thus one of rapid normalisation: Stablecoins are moving from the periphery of digital asset markets into the core of emerging financial infrastructure.

Strategic policy perspective on Switzerland

A strategic position analysis obviously suggests that Switzerland enters the global competition for digital-asset regulation under fundamentally different structural conditions than larger markets. Unlike EU-regulated financial institutions, which can leverage passporting into a unified internal

market of roughly 300 million consumers, Swiss intermediaries operate in a home market of only around eight million people. This is a structural disadvantage that cannot be offset simply by mirroring EU-style regulation. Where the EU can justify extensive regulatory obligations and "walling itself off", Switzerland risks importing EU regulatory burdens without securing any of the corresponding market access benefits, nor would a recognition of Swiss rules as "equivalent" resolve this asymmetry without a full passporting.

Against this backdrop, Switzerland's strategic imperative should not be regulatory imitation, but regulatory differentiation. Swiss stablecoin legislation could only truly strengthen the Swiss financial center if it produces a distinct, proportionate and internationally competitive framework, rather than a "mini-MiCA" approach that recreates European obligations without European opportunities. What the market requires is a regulatory architecture grounded in Swiss strengths – independence, efficiency, legal clarity and the primacy of self-responsibility – that enables cross-border business models to operate from Switzerland despite the country's small domestic market. This includes designing licensing categories that are genuinely enabling rather than restrictive, and ensuring that prudential requirements are aligned with actual operational risks rather than set as abstract extensions of foreign templates.

There is also a temporal dimension to Switzerland's strategic position. While the 2021 DLT Act was internationally recognized as a pioneering framework, in particular with the rather widely used ledger-based securities enshrined in articles 973*d* et seqq. CO, the legislative development has since lagged behind the rapid evolution of technology and markets. As foreign jurisdictions accelerate, Switzerland now faces a credibility risk: without timely and pragmatic reforms, particularly in the fast-moving stablecoin sector, it risks losing the relevance it built as an early mover in digital assets. The consultation draft therefore comes at a critical moment. A positive, innovation-oriented stablecoin regime is not simply desirable; it is necessary to avoid Switzerland being sidelined as global adoption of digital assets accelerates.

A persistent and often underestimated weakness of the Swiss regulatory environment lies not in the (lack of) substantive rules themselves, but in the predictability and efficiency of licensing procedures. While the consultation draft introduces two new license categories that might, in principle, enhance Switzerland's competitiveness and adoption of stablecoins, their practical value depends on whether the prudential licensing process becomes faster, clearer and more reliable. In practice, license applicants have frequently faced lengthy, opaque and iterative approval processes, in particular with organizational reviews extending over substantial periods and characterized by repeated – and at times non-substantive or unexpected – requests for additional information. These frictions have not merely caused delays. They have led to the withdrawal of license applications and deterred both domestic and foreign innovators from using Switzerland as a base for regulated activity. For investors and founders, the economic calculus is straightforward: Without a clear understanding of what requirements must be met, in what form, and within what timeframe a license can be obtained, the risk-adjusted cost of building a regulated business in Switzerland becomes disproportionately high.

A credible strategic positioning therefore requires that any new regulatory framework be paired with a modern, transparent and time-bound licensing practice. This includes binding procedural

timelines, early completeness checks, predictable milestones, and the publication of realistic processing time statistics. Without these elements, even the most carefully calibrated regulatory design will fail to achieve its intended effect: Innovative market participants will continue to favor jurisdictions that offer speed, clarity and procedural certainty, and Switzerland risks falling further behind in the competition for high-quality digital-asset business models.

The international landscape shows that stablecoin regulation is advancing at impressive speed, with the U.S. GENIUS Act and the EU's MiCA framework now setting global reference points and major APAC jurisdictions deploying increasingly mature regimes. Switzerland cannot afford to remain on the sidelines of this development. As a small, non-passporting market, it must compete not through scale but through the quality, clarity and efficiency of its regulatory framework. The consultation draft moves Switzerland in the right direction by providing long-awaited statutory foundations for Swiss-franc-linked stablecoins and for crypto-asset service providers, and by modernizing certain elements of the financial market architecture.

However, Switzerland's strategic position will ultimately depend less on the text of the law than on the ability to adapt with rapid developments and to operate plannable and efficient licensing procedures. The current prudential licensing practice, characterized by lengthy timelines, repeated information requests and unpredictability, has already discouraged market entrants and risks eroding Switzerland's competitive appeal. Against this backdrop, Switzerland should adopt the stablecoin draft law, even if conservative and overly complicated in parts, but must pair it with meaningful improvements to approval processes and commit to continuous regulatory evolution. In a field that is moving as fast as digital-asset regulation, Switzerland cannot simply enact this law and pause for another five years. It must treat this reform as the beginning of an ongoing alignment with a rapidly shifting global environment, technical innovation and market requirements.

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PROPOSED REGULATION OF PAYMENT INSTRUMENT INSTITUTIONS UNDER THE SWISS FINANCIAL INSTITUTIONS ACT: A CRITICAL ANALYSIS

Reference: CapLaw-2026-02

Until 6 February 2026, the Swiss Federal Council consulted on the introduction of a comprehensive regulatory framework for payment instrument institutions through amendments to the Financial Institutions Act. The proposed legislation, published for consultation on 22 October 2025, aims to establish Switzerland as a leading hub for stablecoin issuance while addressing perceived critical gaps in customer protection and financial stability. This contribution examines the key features of the new regulatory regime, with particular emphasis on the controversial exclusion of banks from issuing Swiss Stablecoins and the implications for Switzerland's financial sector.

By Benjamin Leisinger / Fabrice Eckert

1) Background and Legislative Context

The Swiss approach to Fintech regulation has historically been characterized by technological neutrality and a principles-based framework. The introduction of the "Fintech license" under article 1b of the Swiss Banking Act in 2018 represented Switzerland's first attempt to create a tailored regulatory category for innovative payment service providers. Switzerland's "DLT Act" that entered into effect in 2021 and updated existing laws to cover digital assets further contributed to legal certainty in this innovative field. However, the Federal Council's evaluation report of 16 December 2022 still identified significant shortcomings in Switzerland's Fintech regulation, particularly regarding customer protection in insolvency scenarios and the CHF 100 million deposit cap that constrained business growth for article 1b-Fintech companies.

The amendments proposed to the Financial Institutions Act (FinIA) now try to respond to these deficiencies while addressing international and technological developments. The Financial Stability Board's (FSB) recommendations on global stablecoins, the EU's Markets in Crypto-Assets Regulation (MiCA), and the US GENIUS Act have all established regulatory precedents that Switzerland considered.

2) The New Payment Instruments Institution

a) Scope and Definition

The proposed legislation creates a new category of "payment instrument institution" (*Zahlungsmittelinstitut*) to replace the existing Fintech license. These institutions may accept customer funds on a professional basis, provided that they do not pay interest and invest or keep such funds in accordance with strict segregation and reserve requirements. The removal

of the CHF 100 million cap for clients' funds enables institutions to achieve economies of scale while maintaining financial stability through proposed risk-proportionate capital buffers and requirements as to the investment and segregation of the funds (see below). This new regulatory category is designed as "separate", i.e. outside of the Swiss regulatory pyramid. This means that – as currently proposed – Swiss banks or securities houses, who can normally perform activities as manager of collective assets, portfolio manager or trustee and under the proposal also the activities of the new "crypto-institution", are not authorized to (also) perform the activities of a payment instrument institution.

Critically, payment instrument institutions are granted the exclusive right to issue value-stable crypto-based payment instruments (*wertstabile kryptobasierte Zahlungsmittel*, also called "Swiss Stablecoins" in the Swiss ecosystem and herein) – crypto-based assets issued in Switzerland that reference a single state-issued currency, maintain value stability through prescribed reserve assets, and provide holders with a fixed redemption right. This narrow definition excludes multi-currency stablecoins and algorithmic stablecoins, which could be classified either as collective investment schemes, bank deposits or, under the new regime, "crypto-based assets with trading character".

b) Key Regulatory Requirements

Legal Form: As proposed, payment instrument institutions must be in the legal form of a corporation (*Aktiengesellschaft*), partnership limited by shares (*Kommanditaktiengesellschaft*), or limited liability company (*Gesellschaft mit beschränkter Haftung*).

Permitted Activities: Payment instrument institutions can accept customer funds on a commercial basis without paying interest. In addition, they can issue Swiss Stablecoins at the nominal value of the customer funds accepted, store Swiss Stablecoins for clients under the same conditions as crypto institutions (see CapLaw-2026-03), and provide payment services.

Reserve and Segregation Requirements: Payment instrument institutions must maintain customer funds entirely separate from proprietary assets and may not use them for their own purposes. Reserves must be held as sight deposits with banks (including the Swiss National Bank) or other payment instrument institutions, or as high-quality liquid assets with short remaining maturities. The assets must be appropriately diversified, held in the currency of the redemption claims, and always equal at least the value of accepted customer funds (with negative interest, if any, deductible). Assets for Swiss Stablecoins must be held separately, and the specific requirements must be met separately, for each means of instrument issued. Further details will be regulated in the implementing ordinance.

Capital Requirements: The proposal introduces minimum capital requirements as well as progressive own funds requirements (on a stand-alone and, if applicable, consolidated basis) that increase with the volume of customer funds, balancing innovation support for smaller institutions with enhanced prudential standards for systemically important players. Again, the details will be regulated in the implementing ordinance.

Whitepaper and Disclosure Obligations: Issuers of Swiss Stablecoins must publish a comprehensive whitepaper containing material information for potential acquirers, including details about the issuer, the rights, risks and obligations of the holders, the underlying technology, reserve custody arrangements, and anti-money laundering measures. The whitepaper must be submitted to FINMA at least 60 days before initial issuance, and FINMA maintains a public register of all issued Swiss Stablecoins. The term "whitepaper" is a bit of a misnomer as it resembles more of a prospectus under the Financial Services Act (including with respect to its exemptions) than a traditional whitepaper prepared in the context of cryptocurrencies.

Anti-Money Laundering Obligations: As proposed, payment instrument institutions will qualify as financial intermediaries pursuant to the Swiss Federal Act on Combating Money Laundering and Terrorist Financing (AMLA) and must, amongst others, meet the verification, documentation, organizational, reporting and termination requirements under the AMLA at the time of issuance and redemption of the Swiss Stablecoins. The proposed revisions to the AMLA set-forth further duties, including the duty to either (i) ensure that all holders of Swiss Stablecoins (including in secondary market transactions) are identified or (ii) have a blacklist for wallets from and to which transactions with the Swiss Stablecoins are excluded.

Redemption Rights: Holders of Swiss Stablecoins have an unconditional right to redeem at par value at any time. Redemption must then occur within a short timeframe, with detailed modalities to be specified by the Federal Council in the implementing ordinance.

Insolvency Protection: In the event of bankruptcy, reserve assets are segregated for the benefit of customers or holders of Swiss Stablecoins, respectively, and liquidated separately. Customers have a pro-rata claim to the liquidated assets, with any surplus falling into the bankruptcy estate. This represents a fundamental improvement over the existing Fintech license regime, where customer deposits were treated as unsecured claims.

Foreign control: Foreign controlled payment instrument institutions would be subject to the provisions of the Banking Act on foreign-controlled banks (*mutatis mutandis*). This means that they have to obtain an additional license, which is granted if certain requirements are met (see CapLaw-2024-85 at 3)(a)).

3) Critical Analysis: The Exclusion of Banks

a) The Regulatory Barrier

Perhaps the most controversial aspect of the proposed legislation is the strict separation between banking activities and payment instrument institution activities regarding the issuance of Swiss Stablecoins. The current draft article 12a(1) FinIA explicitly restricts issuance to licensed payment instrument institutions, effectively prohibiting banks from issuing these instruments directly.

This exclusion extends beyond direct issuance. The explanatory report can be understood to suggest that banks may also be precluded from providing parallel redemption obligations for Swiss Stablecoins issued by other entities, creating significant obstacles for distributor models

where banks would facilitate the circulation and redemption of stablecoins issued by regulated subsidiaries or partner institutions.

b) Rationale and Justification

The Federal Council's explanatory report offers limited justification for this exclusion, citing primarily "practical implementation problems." The underlying concern appears to be that applying payment instrument institution requirements to banks would create regulatory complexity, particularly regarding the segregation and insolvency treatment of assets related to Swiss Stablecoins.

The report notes that unlike payment instrument institutions, which hold few assets beyond customer reserves, banks maintain diversified balance sheets. Applying strict segregation requirements to bank-issued Swiss Stablecoins could constrain credit provision to the real economy and interfere with monetary policy transmission. The proposal therefore suggests that bank-issued Swiss Stablecoins should be treated analogously to traditional deposits, protected by banking capital requirements rather than asset segregation.

c) Fundamental Concerns

This regulatory approach raises several critical concerns that merit careful consideration:

Swiss banks have been the cornerstone of the payment system for decades. The operation of interest-bearing giro accounts is reserved to banks, and payment services are designated as a systemically important banking function under article 8(1) of the Banking Act. Major payment innovations – from the Swiss Interbank Clearing (SIC) system to TWINT – Switzerland's leading payment app – have been developed and operated by banks.

Excluding banks from the issuance of Swiss Stablecoins contradicts their traditional role as gatekeepers for safe and efficient payment services, regardless of technological implementation. It also ignores the tradition of "same business, same risks, same rules". This creates an artificial distinction between traditional electronic money and tokenized payment instruments that perform economically identical functions.

The prohibition also creates significant competitive distortions. Non-bank payment token institutions benefit from tailored regulation and relaxed anti-money laundering requirements (particularly regarding the identification of holders in secondary market transactions), while banks face the full weight of banking regulation and traditional AML obligations.

This asymmetry may lead to two undesirable outcomes: either (a) the issuance of Swiss Stablecoins remains underutilized, with demand for CHF stablecoins met by foreign issuers (particularly from the US) operating outside Swiss regulatory oversight, or (b) a parallel payment infrastructure develops outside the established banking system, with difficult-to-assess systemic risks.

A more nuanced approach should be considered. Such an approach would also find support in international practice. The EU's MiCA regulation permits credit institutions to issue e-money tokens without requiring segregation of reserve assets, recognizing that banking prudential requirements provide equivalent protection. The US GENIUS Act similarly permits banks to issue payment stablecoins through licensed subsidiaries, with appropriate regulatory oversight.

4) Conclusion

Switzerland's proposed regulation of payment instrument institutions represents a step forward in creating legal certainty for stablecoin issuance and enhancing customer protection. The framework aligns with international standards while maintaining Switzerland's tradition of innovation-friendly regulation.

However, by mirroring the EU legislation in a significant way, the proposal seems to miss an opportunity for incentivizing further innovation within Switzerland. Some market participants may, therefore, chose to establish a MiCAR-regulated entity in the EU and to service the Swiss market on a mere cross-border basis. Moreover, the strict exclusion of banks from the issuance of Swiss Stablecoins raises fundamental questions about regulatory coherence, competitive neutrality, and practical viability. Banks' traditional role in the Swiss payment system, their robust prudential regulation, and their operational capabilities make them natural participants in the tokenized payment ecosystem.

The consultation process that ended on 6 February 2026 provided an important opportunity for stakeholders to contribute to refining the framework. The ultimate success of Switzerland's stablecoin regulation will depend not only on the technical quality of the rules but also on their practical workability and their ability to foster a vibrant, secure, and internationally competitive digital asset ecosystem.

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CAN THE FEDERAL COUNCIL'S PROPOSALS REINVIGORATE THE SWISS FINTECH AND CRYPTO SECTOR?

Reference: CapLaw-2026-03

In October 2025, the Swiss Federal Council proposed two new licensing regimes – a payment institution and a crypto institution license – intended to replace the fintech license, which has not lived up to expectations. This article, focusing on the crypto institution license, assesses whether the new framework has the potential to reinvigorate Switzerland's fintech and crypto sector. In particular, it examines the proposed regulatory requirements for crypto institutions, which closely mirror those applied to securities firms, in relation to the business models and risk profiles of such institutions as well as the regulatory regimes of peer jurisdictions. The analysis demonstrates that, in an increasingly competitive environment, the license will likely not be attractive enough to achieve its stated aims and risks driving innovation elsewhere.

By Lukas Staub

1) Introduction and Status-quo in Swiss Fintech Regulation

In 2019, Switzerland introduced the 'fintech license' with considerable fanfare, at a time when fintech was high on the political agenda. Since then, only six companies have obtained this license, two of which have already been placed into liquidation. There is general consensus that the fintech license has not lived up to expectations in practice. The reasons for this include the artificial limitation to CHF 100 million in total deposits, the limitations to building attractive business models within the license's restrictions and a mostly negative interest environment limiting profitability for fintechs that are neither allowed to pass on negative interest rates nor to invest the assets.

Since 2019 fintech business models have moved far beyond traditional payments and initial coin offering *en vogue* at the time and now encompass stablecoins, tokenization of real-world assets and open finance. In terms of regulation, Switzerland was a pioneer at the time, but other countries have since caught up and went further. The EU introduced a comprehensive and unified regulatory framework for crypto services across the Union with MiCA, and Singapore's Payment Services Act has been expanded several times already to also cover stablecoins. These are just two examples how other jurisdictions created legal certainty for novel payment and crypto services. The most recent push for deregulation by the current U.S. administration with the GENIUS Act as well as various lower-level legislative and administrative measures further increases the competitiveness of providing crypto services in a regulated environment.

That said, the Swiss financial market regulatory framework remains very attractive for business models that are subject to anti-money laundering (AML) obligations only without requiring a FINMA license. In particular, the affiliation with self-regulatory organizations (SRO) provides a flexible and business-friendly regime for engaging in such business models in an AML-compliant manner with a reasonable time to market. However, the market requires scalable

business models in a regulated environment beyond what can be provided under an SRO-affiliation – permitting deposit-taking, stablecoins, and integrated service offerings across crypto, securities and payments.

Against this background, the Swiss legal and regulatory framework for fintech looks increasingly dated. Such services can today effectively only be provided in a scalable manner with a full banking license – which is unobtainable for most fintech players given the minimum capital requirement of CHF 10 million alone, not to mention all other requirements applicable to banks. The problem is particularly acute in the stablecoin sector, where Switzerland has largely ceded the market to foreign players. Even CHF stablecoins are now being issued mostly abroad, either in offshore jurisdictions with little or no regulatory oversight or, as the latest development, from the EU under a MiCA license.

That Switzerland's regulatory regime for fintechs has substantial gaps is not a new finding. Already in 2022 the Federal Council found in two reports on digital finance and the fintech license, respectively, that the Swiss regulatory regime should be developed further in these respects.

Finally, in October 2025 the Federal Council delivered its proposals to remedy these gaps by proposing two new licenses to be introduced into the Financial Institutions Act (FinIA) as follows:

– A new payment institution license for providing payment services in a manner similar to what is permissible under the current fintech license plus, as an important addition, issuing stablecoins; and

– A new crypto institution license for providing certain custody and trading services in relation to crypto assets thereby primarily bringing under prudential regulations services that previously did not require licensing.

This article discusses whether the proposed crypto institution license has the potential to reinvigorate the Swiss fintech and crypto sector. For an assessment of the payment institution, please see the contribution by Benjamin Leisinger and Fabrice Eckert in this issue of CapLaw.

2) The Proposed Crypto Institution[1]

Swiss Stablecoins and Trading Tokens. To understand the services for which the new crypto institution license will be required, one must examine the proposed changes to the Financial Services Act (FinSA) where two new terms are being introduced:

– "Stable crypto-based payment means", in essence single currency stablecoins issued in Switzerland ("Swiss Stablecoins"); and

[1] See Erläuternder Bericht zur Eröffnung des Vernehmlassungsverfahrens: https://cms.news.admin.ch/dam/en/der-schweizerische-bundesrat/bqoaKNhbpGcb/finig-erlaeuternder-bericht-de.pdf

– "Crypto-based assets of a trading nature", in essence all payment tokens that are not financial instruments, not Swiss Stablecoins, not bank deposits and not issued by a central bank or government ("Trading Tokens")

The Crypto Institution's Scope. The newly proposed crypto institution license covers a range of services related to Swiss Stablecoins and Trading Tokens, namely custody, staking, customer trading and certain forms of short-term proprietary trading. The license essentially carries forward the collective custody of certain payment tokens currently included in the fintech license and expands the licensing requirement to services previously not subject to a licensing requirement (although they may be subject to AML requirements, including SRO affiliation[2]).

To this end, crypto institutions will be able to accept deposits and maintain customer accounts for settlement purposes, similar to what a securities firm can do for its customers. Also, crypto institutions will be permitted to operate organized trading facilities for Trading Tokens only. Unlike for traditional financial instruments, portfolio management for Trading Tokens is out of scope and hence remains permissible without a license.

Notably, the proposal expressly excludes for the crypto institution to engage in any business that comes with balance sheet-risks including offering margin trading to customers or short selling on own account, i.e., activities that currently on own account can be done without a license even in financial instruments. According to the Federal Council's report, own trading will also include currency exchange for tokens, i.e., for tokens unlike for any other means of payment the simple exchange of two tokens would require a license.

Systematics and License Hierarchy. It is envisaged that the crypto institution will be integrated into the FinIA's license hierarchy in a one-way fashion upwards, but not downwards. In consequence, banks and securities firms may engage in the activities of a crypto institution without an additional license but the crypto institution cannot engage in any other activities. In particular, the crypto institution cannot provide any services for traditional securities (such as those of a portfolio manager) or engage in the activities of a payment institution.

According to the accompanying report, it will be necessary not only to obtain different licenses for different services, but such licenses will only be granted to separate legal entities. Consequently, for example, issuing a stablecoin and operating a trading platform for Trading Tokens would require two separate entities with separate licenses, each subject to separate capital requirements.

Regulatory Requirements for Securities Firms Apply. The report expressly states that the licensing and regulatory requirements for crypto institutions are largely based on those applicable to securities firms. Since securities firms constitute the second highest licensing category, FINMA treats them largely similar to banks. This means that securities firms are authorized

[2] We note that trading on own account in digital assets lacks the third-party aspect and is thus under current laws not only permissible without license but also without AML compliance (although the federal report seems to indicate otherwise).

and supervised by the same team at FINMA, subject to largely the same requirements and applications have to use identical forms.

Even though the report indicates that the implementing ordinance will take into account the different risk profile of a crypto institution, it appears that by and large the requirements of a securities firm will apply. For example, the draft applies to crypto institutions group supervision requirements (art. 51z VE-FinIA) identical to those of securities firm (art. 49 FinIA) and thus substantially higher than those for a manager of collective assets (art. 30 FinIA).

Conduct Rules for Financial Instruments Extended to Trading Tokens. While the proposals maintain in principle the separation of (traditional) financial instruments and tokens, most of the conduct rules in the FinSA designed for financial instruments are nonetheless extended to the newly defined Trading Tokens. These include, in particular, the appropriateness and suitability tests (art. 11-14 FinSA), transparency and care in client orders (art. 17-19 FinSA), and extensive organizational measures (art. 21-27 FinSA). Additionally, a white paper obligation for issuing certain tokens, similar to the existing prospectus requirements, has been proposed.

3) Assessment and Comparison to Peer Jurisdictions

The Federal Council is to be commended for identifying core issues in Swiss financial market regulation for fintechs, such as the very limited attractiveness of the existing fintech license and the lack of a viable regime for providing services in relation to payment tokens in a regulated manner and stablecoins in particular. Also, the need for greater transparency in the crypto markets and increased regulation of trading venues in this space is evident. The Federal Council's proposals address these issues with targeted regulation, which is welcome from both a business and a client protection perspective.

However, the proposals unfortunately fall short of striking the right balance between keeping the Swiss regulatory regime attractive for innovative business models while increasing customer protection and ensuring international competitiveness and compatibility. Quite to the contrary, under the current proposals it seems likely that one license with limited attractiveness to businesses (fintech license) will be replaced with two licenses destined for the same fate (crypto and payment institution licenses).

Inflated Regulatory Standard. The Federal Council's proposals treat the activities and risk profile of a crypto institution equally with that of a securities firm. This, however, violates the "same risks, same rules" approach, since crypto institutions will have a much smaller risk profile than securities firms, in particular for the following reasons:

– Scope of permissible services: A securities firm's license allows to provide a much broader range of services including those of portfolio managers and managers of collective assets. Further, securities firms are not subject to additional restrictions on their business such as those for ‚uncovered trades'. In comparison, the scope of business for crypto institutions will remain quite narrowly defined, even though the inclusion of settlement accounts, similar

to securities firm but not possible with comparable licenses in certain other jurisdictions, is welcome.

– Size of addressable market: The market a securities firm can engage in is much larger than a crypto institution's market. Recently, worldwide crypto market capitalization had reached about 7% of the size of the S&P 500 index but with market corrections the global crypto market is now closer to 4% of the U.S. equities index – and much less of the overall market for financial instruments. In other words, crypto institutions can engage in a market that is only a fraction of the size open to securities firms.

– Interconnectedness: The crypto market remains much less interconnected with minimal impact on the wider economy and minimal importance for household and pension savings. In particular, while pension schemes are heavily invested in bond and equity markets, they are subject to strict limitations when investing in crypto markets. Hence, the need for public protection in the crypto market remains much lower.

For these reasons, it is entirely inadequate to require the regulatory standard of a securities firm for the crypto institution, given its much smaller risk profile. The much more appropriate regulatory standard would be that of the manager of collective assets. Accordingly, regulatory requirements, in particular but not limited to capital and group supervisory requirements as well as other requirements yet to be determined at ordinance level, should not exceed those of a manager of collective assets.

Lack of International Competitiveness. For a small, open economy without passporting regimes such as Switzerland, international competitiveness should be a core objective. Otherwise, its market will only be served on a cross-border basis or not at all, with all respective negative impact on the economy and employment.

In line with the lower risk profile, relevant peer jurisdictions such as Singapore impose much more moderate requirements for institutions dealing in crypto currencies. For example, even the highest category of licenses under the Payment Services Act, the Major Payment Institution, requires a minimum capital of only SGD 250,000 (c. CHF 150,000)[3]. Similarly, in the EU the requirements under MiCA are generally lower. For example, minimum capital requirements range from EUR 75,000 to 150,000 (less than CHF 140,000). So in comparable jurisdictions the capital requirements are not only far away from the securities firm (CHF 1.5m), but even lower than the Swiss manager of collective assets (CHF 200,000).

Furthermore, we are not aware of either the EU or Singapore imposing consolidated supervision regimes similar to those for banks (or credit institutions) on crypto asset service providers, as is envisaged by the Federal Council. Against this background, also from a perspective of international competitiveness, the requirements of a manager of collective assets are not only much more adequate, but are already at the higher end of what similar jurisdictions require.

[3] A higher minimum capital may be required to issue certain types of stablecoins, but that is not a business the Swiss crypto institution would be allowed to engage in at all.

Artificial Boundaries. The current proposals create two new, entirely separate licenses, thereby breaking the hierarchy of institutions introduced with the FinIA. In addition, according to the report, the ordinance will go further and require separate legal entities for each license, at least with respect to the payment institution.

Consequently, various integrated business models will not be possible at all, unless the institution is willing to apply for a full banking or at least a securities firm license. For example, to operate a marketplace for payment tokens and issue a corresponding CHF stablecoin for settlement, two separate entities with two licenses and double the corporate efforts, capital requirements etc. would be required. Considering that each of these entities would already be subject to higher regulatory requirements than under comparable regimes in the EU or Singapore, such a regime will be prohibitive for many players. In addition, in many jurisdictions various licenses can also be combined in a single entity (e.g., in Singapore licenses under the Payment Services Act and the Securities and Futures Act can be obtained by the same entity) further reducing administrative burdens and avoiding silos.

It would be crucial for the new licenses to be fully integrated into the FinIA licensing hierarchy at the same level as the manager of collective assets in order to remain attractive. Otherwise, Switzerland should not be surprised if even already regulated entities relocate their digital assets teams to other jurisdictions such as Singapore, as has already been observed in practice.

Overly Expansive Conduct Rules. The Federal Council's assessment that transparency and customer protection in crypto markets should be increased is supportable. Consequently, also the introduction of additional transparency requirements, the white paper obligation and elementary duties of care such as best execution appear appropriate. However, given that the Federal Council concedes that the newly defined Trading Tokens do not constitute financial instruments, the financial services rules should only be applied where actually required in order to maintain proportionality. In particular, suitability and appropriateness requirements should remain applicable to financial instruments only and should not be extended to crypto assets which do not have the same importance for the wider economy or for household and pension savings. This is also the approach followed by many leading financial markets including Singapore and the US[4]. The suitability and appropriateness requirements for Trading Tokens should therefore be removed from the proposal.

Time to Market. In any competitive market, time to market is of the essence for the viability of any business model. In this regard, it is crucial for businesses, in particular start-ups, to be able to obtain licenses within a competitive timeframe. However, the naturally higher risk nature of innovative sectors and start-ups frequently conflicts with the more risk-averse and detail-focused approach of traditional financial market regulation as well as resource constraints at regulators. While it is accepted in the market that obtaining a banking license may take 18 months or more, lower level licenses should be obtainable much more quickly – another factor that limits the current fintech license's attractiveness. One key measure to keep licensing timelines reasonable

[4] Although we understand that the EU with MiCA has taken a similarly restrictive stance as foreseen in the Federal Council's proposal.

for the crypto institution is of course to limit the regulatory standard to that of a manager of collective assets. In addition, Switzerland should also consider going one step further and introducing for example mandatory deadlines for the authorities to process applications as art. 63 MiCA does for the EU.

4) Conclusions and Outlook

While the current proposals address gaps in the Swiss financial market regulation such as the lack of suitable regulatory regimes for stablecoins or trading venues for digital assets, it is unfortunately difficult to agree with the title of the Federal Council's press release "*Federal Council moves forward with stablecoins and crypto*".

For a small, open economy such as Switzerland without a large common market like the EU or the US and in the absence of any passporting regimes into such markets, it is crucial to balance regulation and market attractiveness. The proposed licenses, while addressing key gaps in current legislation, do not strike the right balance. The envisaged regulatory standard is inappropriately high for the risks these business models pose and creates artificial silos, rendering the licenses internationally all but competitive.

While a small number of highly localized Swiss players may be interested in the new licenses, it seems likely that not only internationally oriented business will look elsewhere, but even local Swiss business may be conducted on a cross-border basis with lesser requirements and a shorter time to market. Unfortunately, this is not a new story. It is the same story as that of the Swiss fintech versus EU/UK e-money licenses: while many e-money license holders are flourishing including major financial players such as Revolut and Wise, the Swiss fintech license remains an absolute niche product.

In conclusion, it remains crucial for Switzerland to address the gaps identified by the Federal Council as soon as possible – the earlier the new licensing regimes become available, the greater the chance that Swiss financial markets can leverage innovations such as stablecoins rather than ceding the field to foreign competitors offering their services on a cross-border basis across Europe. However, it is to be hoped that the final legislation will be more balanced and proportionate, enabling the Swiss fintech sector to return to growth.

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THE NEW ERA OF U.S. CRYPTOCURRENCY REGULATION: AN OVERVIEW OF 2025-2026 REFORMS

Reference: CapLaw-2026-04

By Prof. Dr. Thomas Werlen / Dr. Nicolas Curchod / Dr. Simon Weber

1) Introduction

Significant changes have occurred in the United States' regulatory environment regarding digital assets since January of 2025. Under President Trump's administration, federal policy shifted decisively away from the enforcement-heavy approach that characterized the Biden era.

This new federal strategy is a complete rethinking of federal agencies' treatment of cryptocurrency and blockchain technology. It is no longer focused on using enforcement actions and restrictive guidance to shape the cryptocurrency and blockchain industries, but rather on enacting targeted legislation aimed at creating an environment that is welcoming to innovation in digital assets.

This article surveys the main recent regulatory developments, examining executive initiatives, Securities and Exchange Commission ("**SEC**") reforms, banking sector policy changes, the passage of the GENIUS Act establishing the first federal stablecoin framework, and emerging market structure legislation.

2) Executive Action and Policy Direction

On January 23, 2025, President Trump issued an executive order titled "*Strengthening American Leadership in Digital Financial Technology*," which created the foundational policy architecture for the administration's digital asset policy.

The executive order revoked the prior Executive Order 14067, issued by the Biden administration, which emphasized the need for a thorough study of digital assets, as well as the exploration of a United States Central Bank Digital Currency ("**CBDC**"). President Trump's order prohibited federal support for a CBDC, reflecting concerns about government surveillance, privacy implications, and potential displacement of private-sector innovation.

Additionally, the executive order created the "*President's Working Group on Digital Asset Markets*". Under the leadership of David Sacks, the Working Group had a broad mandate to consider reforms in various areas related to digital assets. Its agenda included assessing potential stablecoin regulatory frameworks, evaluating the creation of a national cryptocurrency stockpile derived from seized assets, and developing recommendations for clearer jurisdictional delineation between the SEC and the Commodity Futures Trading Commission ("**CFTC**").

The executive order reflected a strategic reorientation premised on several key assumptions. The Trump administration is seeking to place the United States in an international competition

related to digital assets, with a belief that regulatory clarity is necessary to stop capital and talent flight to more permissive regimes.

3) Securities and Exchange Commission Reforms

a) The Crypto Task Force

On January 21, 2025, Acting Chairman Mark Uyeda launched the Crypto Task Force, which would be led by Commissioner Hester Peirce, who had always been an advocate of a more liberalized approach towards crypto assets.

The stated mission of the Crypto Task Force marked a significant shift from the enforcement-oriented approach of the previous Gensler administration. Instead of engaging in "*regulation by enforcement*", the Crypto Task Force would instead focus on creating clear regulatory guidelines through notice-and-comment rulemaking.

One of the first major moves by the Crypto Task Force was rescinding Staff Accounting Bulletin 121 ("**SAB 121**"), which required entities with crypto assets in custody on behalf of customers to recognize those assets as liabilities on their balance sheet. The rescission of Staff Accounting Bulletin 121 via Staff Accounting Bulletin 122 ("**SAB 122**") would open doors for banks and broker-dealers to enter the market.

Further, the SEC dropped major enforcement actions for sixty days.

b) The Ten Focus Areas

On February 4, 2025, the Crypto Task Force revealed its agenda, which comprises ten areas of concentration. These ten areas of concentration would be used to guide the task force's activities and decisions.

The question of digital asset security status was prominently featured on the task force's agenda. The task force promised to offer more clarity on the status of digital assets that fall within the purview of the SEC.

The question of defining the boundaries of the SEC's jurisdiction was one of the key issues on the task force's agenda. The issue of defining the boundaries of the SEC's jurisdiction was informed by the task force's perception of the SEC's overreach and expansion of its mandate. The task force promised to offer clarity on the boundaries of the SEC's jurisdiction.

Token relief mechanisms were also featured on the task force's agenda. The task force considered the question of token relief mechanisms and the possibilities of a token moving from initial distributions to a decentralized system outside of the SEC's ongoing jurisdiction.

The task force's agenda also addressed the question of custody for broker-dealers. The question of developing comprehensive systems for traditional financial institutions to hold digital assets on behalf of their customers was informed by the rescission of SAB 122.

c) The Innovation Exemption

In December 2025, new SEC Chair Paul Atkins announced plans for an "*innovation exemption*" to be rolled out in early 2026. This mechanism would provide temporary regulatory relief for compliant on-chain products, creating a pathway for innovative offerings to reach market while regulators worked on permanent frameworks.

The innovation exemption sought to depart from the prior approach, under which new offerings faced enforcement risk absent explicit approval. By creating space for experimentation within defined parameters, the SEC sought to encourage domestic development of innovative solutions.

4) Banking Sector Reforms

The federal banking regulators, including the Federal Deposit Insurance Corporation ("**FDIC**") and other regulators, began taking steps in early 2025 to stop "Operation Choke Point 2.0," a Biden administration effort to limit cryptocurrency companies' access to banking through supervisory guidelines and informal directives. The FDIC, for instance, revoked guidelines that required banks to obtain approval before working with crypto-related businesses, instead issuing guidelines that allow such work provided it is done in an appropriate manner.

5) The GENIUS Act: A Federal Stablecoin Framework

One of the most impactful events of 2025 has been the passing of the GENIUS Act, which created the first-ever federal regulatory regime for payment stablecoins.

The GENIUS Act was introduced to the U.S. Senate on February 4, 2025, coinciding with the release of the SEC Crypto Task Force's areas of focus. The act aimed to fill existing regulatory gaps regarding stablecoin issuance, reserve, audit, and regulatory requirements.

The U.S. Senate ratified the GENIUS Act on June 17, 2025, with a bipartisan vote of 68-30. The House ratified the act on July 17-18, 2025, with a vote of 308-122. President Trump signed the act into law soon thereafter.

a) Substantive Provisions

The GENIUS Act established a framework addressing the principal regulatory questions surrounding payment stablecoins. Issuers became subject to federal registration and oversight requirements, with clear standards governing who may issue stablecoins and under what conditions.

Reserve requirements mandated that stablecoin issuers maintain assets sufficient to honor redemptions, with specifications regarding eligible reserve assets and custody arrangements. Regular audit requirements ensured ongoing verification of reserve adequacy.

The Act modernized bank rules to facilitate stablecoin activities by regulated financial institutions, integrating the new asset class into existing frameworks. Critically, stablecoins became subject to standards analogous to those governing traditional financial assets, hoping to create regulatory parity that the industry had long sought.

Implementation timelines gave regulators until July 18, 2026, to issue implementing rules, creating a defined period for framework development while providing market participants with certainty about the regulatory trajectory.

6) Interagency Coordination and Market Structure

a) The SEC-CFTC Harmonization Statement

The jurisdictional boundary between the SEC and CFTC had long been a relevant question in cryptocurrency regulation. Tokens that might constitute securities fell under SEC jurisdiction; those that might constitute commodities came under CFTC oversight. But the criteria for distinguishing between these categories remained contested, creating uncertainty that complicated compliance planning and product development.

In September 2025, the SEC and CFTC issued a joint Harmonization Statement that represented a significant move in interagency coordination. The statement launched a cross-agency initiative designed to provide blockchain clarity, establish innovation exemptions available through either agency, and develop safe harbors for spot market activities and decentralized finance ("**DeFi**") protocols.

The Harmonization Statement reflected recognition that the existing regulatory architecture — designed decades before blockchain technology existed — required adaptation rather than mere application. By committing to coordinated approaches, the agencies acknowledged that regulatory competition or inconsistency between them served neither investor protection nor innovation objectives.

b) Emerging Market Structure Legislation

Building on the executive, agency, and stablecoin developments, Congress turned in late 2025 and early 2026 to the broader question of market structure. On January 13, 2026, senators introduced legislation that built upon prior proposals including the CLARITY Act and the Financial Innovation and Technology for the 21st Century Act ("FIT21").

The market structure bill addressed questions that the GENIUS Act had not resolved. It proposed classification frameworks to determine when tokens constitute securities versus commodities, in an attempt to provide the clarity that market participants had sought for years.

Significantly, the bill would grant the CFTC explicit authority over cryptocurrency spot markets — a gap in the current framework under which the scope of CFTC's jurisdiction extends only

to derivatives markets absent fraud or manipulation. This expansion would bring spot trading platforms under comprehensive federal oversight for the first time.

The legislation also mandated joint SEC-CFTC rulemaking for areas of overlapping concern, institutionalizing the coordination reflected in the Harmonization Statement. Senate hearings commenced in January 2026, with the bill's prospects enhanced by the bipartisan coalitions that had formed around the GENIUS Act.

7) Conclusion

The developments discussed in this article indicate a revolutionary shift in the regulation of cryptocurrencies in the U.S. The country witnessed a shift from an enforcement-based system to a novel and alternative system within a year to strengthen its position in the global cryptocurrency market.

The developments have presented market participants with opportunities and challenges. As frameworks stabilize, participants must develop compliance capabilities suited to the emerging regulatory architecture.

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THE SWISS PASSPORTING REGIME FOR FOREIGN PROSPECTUSES

Reference: CapLaw-2026-05

Under the Swiss passporting regime for foreign prospectuses, eligible foreign prospectuses and base prospectuses may be used for securities offerings in Switzerland without a Swiss approval process. This passporting regime, often referred to as "automatic prospectus approval", constitutes an attractive alternative for accessing the Swiss market. Drawing on five years of practical experience, this article provides a practical guide to the Swiss passporting regime for foreign prospectuses.

By Fabio Elsener

1) Introduction

In 2020, Switzerland has aligned its prospectus regime with a modern framework modeled on the EU Prospectus Regulation (EU) 2017/1129 through the Financial Services Act (FinSA). Under this new prospectus regime, any offer of securities to the public in Switzerland and any admission of securities to trading on a Swiss trading venue requires a prospectus that has been prepared, approved and published in accordance with FinSA, subject to certain exemptions.

As an alternative to a prospectus approved in Switzerland, FinSA also introduced a passporting regime for foreign prospectuses and base prospectuses that have been approved by the authorities of certain eligible jurisdictions. According to the legislative materials, the passporting regime aims at avoiding practical issues in international securities offerings, and should apply to prospectuses of jurisdictions that offer a comparable level of transparency as offered under the Swiss prospectus rules.

This practical guide outlines the requirements and practical implications for using the Swiss passporting regime for foreign prospectuses.

2) Passporting requirements for foreign prospectuses

a) Eligible jurisdictions, required foreign approval and language

Swiss prospectus review bodies (each a Review Body) may define that prospectuses approved in specified jurisdictions qualify for passporting (article 54(2) FinSA), and may publish lists of these eligible jurisdictions (article 54(3) FinSA).

The two existing Review Bodies of SIX Exchange Regulation AG and BX Swiss AG have defined such eligible jurisdictions in identical lists which currently include all member states of the European Economic Area (EEA), the United Kingdom (UK), the USA, and Australia as eligible jurisdictions. For the EEA member states and the UK, the lists explicitly state that standard prospectuses and base prospectuses are eligible, provided that they have been approved for all investor categories. This limitation excludes prospectuses that are limited to certain investor categories, e.g. wholesale prospectuses, as well as prospectuses with a specific purpose such as simplified prospectuses for secondary issuances and EU growth prospectuses. For the USA and Australia, the lists do not further specify eligible prospectus types, i.e. all prospectuses relating to single issuances and "base" prospectuses allowing for multiple issuances (e.g. universal shelf registrations in the USA) that have been approved in the USA and Australia are eligible for passporting into Switzerland. While the passporting of prospectuses approved within EEA member states and the UK has become common practice, only few US or Australian prospectuses have been passported.

Prospectuses or base prospectuses that are approved by the competent authorities of eligible jurisdictions are eligible for passporting if they were drafted in English, German, French or Italian (article 70(3) of the Financial Services Ordinance (FinSO)).

b) Filling, registration and accessibility in Switzerland

To make use of the passporting, an eligible foreign prospectus or base prospectus must be:

i. filed with a Review Body,

ii. registered in the official list of approved prospectuses of the relevant Review Body (see section 3) below),

iii. published, and

iv. made available free of charge in paper form upon request (article 70(4) FinSO).

These requirements aim at ensuring investor accessibility in accordance with the Swiss market standards as established under FinSA. Therefore, a passported prospectus or base prospectus must be published in accordance with the requirements defined in article 64 FinSA (e.g. (i) by electronic publication on the website of the issuer, guarantor, trading venue, or the institution involved in the issue, or (ii) by distributing print copies at the offices of the issuer or the institution involved in the issue).

c) Requirement for Swiss specific additions?

Neither FinSA nor FinSO stipulate requirements regarding the content of a foreign prospectus or base prospectus that is eligible for passporting. This means that the content and approval requirements are exclusively governed by the applicable foreign regulations.

In practice, however, it is advisable to include information on Swiss selling restrictions and the applicable Swiss taxation. The Swiss selling restrictions should reflect the passporting process that is a condition for any public offer or admission to trading in Switzerland.

d) Swiss registration requirement for final terms or pricing supplements

For securities issued under a foreign base prospectus that has been passported into Switzerland, the requirements regarding the availability and registration of final terms or pricing supplement setting forth the terms of the relevant issuance pursuant to article 45(3) and (4) FinSA apply as a result of passporting the foreign base prospectus into Switzerland.

Therefore, at least indicative terms of an issuance must be available at the start of a public offer in Switzerland in the form of indicative final terms or a pricing supplement. Additionally, the applicable terms of an issuance must be published in final terms or a pricing supplement that must be registered with a Review Body as soon as the issuance terms are available after the offer period. For securities that are admitted to trading on a trading venue in Switzerland, this must be done by the time of admission to trading.

In addition, all requirements applying under the applicable foreign regulations relating to the relevant final terms or pricing supplement (e.g. any registration or filing obligations with a foreign authority and publication requirements) must be complied with.

3) Practical considerations for the registration procedure with Review Bodies

Passporting an eligible foreign prospectus requires the registration of the passported prospectus or base prospectus with a Review Body. To this end, the issuer or its representative has to upload the relevant prospectus or base prospectus together with the approval decision and all documents incorporated by reference onto the electronic platform of a Review Body. The relevant Review Body's role is limited to verifying the completeness and authenticity of these registration documents, rather than conducting a substantive review of the content of the prospectus or the base prospectus. This verification process generally takes a few business days after which the Review Body will proceed with the registration. In addition, for any issuance documented under a passported base prospectus, the relevant final terms or pricing supplement documenting an issuance must be uploaded onto the electronic platform of a Review Body (see section 2d) above).

For time-critical transactions involving a public offer or an admission to trading in Switzerland that needs to take place at a specific date or upon occurrence of a specific event, it is advisable to engage in an early dialogue with the Review Body to coordinate the registration process and the registration date. This coordination is in practice of particular relevance for foreign prospectuses relating to equity securities of companies with a dual-listing in Switzerland and abroad. Such prospectuses must typically be passported on the same day as their foreign approval date in order to align the initiation of a public offer and admission to trading in Switzerland and abroad.

4) Conclusion, strategic implications and alternatives

Despite often being referred to as "automatic approval", the Swiss passporting regime for foreign prospectuses and base prospectuses involves a registration process in Switzerland that usually takes a few days to be completed. In transactions where timely passporting is required, the timing of the registration procedure has to be discussed and coordinated in advance with the relevant Review Body.

Moreover, issuers should verify early-on if, in addition to meeting the Swiss requirements, a passporting into Switzerland is permitted under the foreign regulations. In practice, the passporting of a prospectus or base prospectus into Switzerland may be restricted by foreign regulations and the practice of foreign authorities.

If a passporting into Switzerland is not possible or is deemed impracticable, a pragmatic alternative is using the available foreign prospectus or base prospectus together with the final terms or a pricing supplement relating to an issuance as a foundation of a Swiss prospectus. In such constellations, the Swiss prospectus typically consists of a brief "Swiss wrapper" setting out the Swiss-specific disclosures required by FinSA and FinSO that are missing in the foreign product documentation that is annexed to, or incorporated by reference into, the "Swiss wrapper". This approach requires an approval of the Swiss prospectus by a Review Body. For certain debt

securities, this approval may also be obtained after the public offer and admission to trading in Switzerland by relying on the ex post prospectus approval regime (article 51(2) FinSA). This ex post prospectus approval regime ensures a short time-to-market period in Switzerland for eligible debt securities issuances.

Finally, the passporting regime is non-reciprocal, i.e. Swiss prospectuses approved in Switzerland may not be passported into EEA member states, the UK, the USA or Australia. This showcases the liberal regulatory approach taken in Switzerland that contrasts with the more protectionist approach prevailing in many other jurisdictions.

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PRACTICE NOTICE OF THE PROSPECTUS OFFICE OF SIX EXCHANGE REGULATION AG NO. 1/2025

Reference: CapLaw-2026-06

On 25 September 2025, the review bodies of SIX Exchange Regulation AG and BX Swiss AG published a uniform practice notice, which clarifies the current supervisory practice for prospectus reviews under the Swiss Financial Services Act and the Swiss Financial Services Ordinance. The practice notice outlines key procedural aspects, including the commencement of review deadlines, the scope of the formal review, and the handling of missing or non-applicable prospectus content. It aims to provide the market with a comprehensive guide for future prospectus applications. This article further examines important guidance on prospectus approval practices, rule checks, and the treatment of specific instruments such as base prospectuses and exchange-traded products. Overall, the Practice Notice enhances transparency and predictability for issuers and practitioners preparing prospectuses in Switzerland.

By Pascal Hodel / Manuel Hirlinger / Sandro Fehlmann

1) Introduction

On 25 September 2025, the review bodies of SIX Exchange Regulation AG and BX Swiss AG (**Prospectus Office**) published a practice notice (**Practice Notice**) with the aim of informing the public about the current practice of the Prospectus Office in applying the Swiss Financial Services Act (**FinSA**) and the Swiss Financial Services Ordinance (**FinSO**) to prospectus reviews.

It is imperative that practitioners submitting prospectuses to the Prospectus Office have a comprehensive understanding of the Practice Notice. This article summarizes and illustrates the main novelties and conclusions from the Practice Notice.

2) Formal and organizational matters

2.1) Commencement of the time limit

In accordance with article 68 FinSO, the time limit for the review of the prospectus of 10 calendar days (or 20 calendar days for new issuers) commences upon receipt of the ***complete*** application for review of the prospectus. It is important to note that a complete prospectus encompasses all documentation that has been incorporated by reference. In general, if documents incorporated by reference are not submitted to the Prospectus Office, the commencement of the review period is deferred until such documents have been submitted or the application is complete. While the draft Practice Notice remained silent on less crucial documentation, the final version of the Practice Notice clarifies that insignificant information and documents that are announced in the relevant application but are not yet available at that time do not prevent the start of the time limit. For instance, the Practice Notice indicates that failure to submit the most recent version of the articles of association or financial reports that are not expected to be available until a later date and are not subject to change will not prevent the clock from starting to run. This clarification has been well perceived by market participants providing additional guidance and transaction certainty when it comes to the commencement of time limits.

2.2) Information provided by the Prospectus Office

a) Preliminary rulings on equivalence

Under article 37 (1) (d) and (e) FinSA, a prospectus does not need to be published in respect of securities offered for exchange in connection with a takeover, or securities offered or allocated in connection with a merger, division, conversion or transfer of assets, in each case provided that information exists that is equivalent in terms of content to a prospectus. Clarification of whether such information exists can only be provided in the context of a preliminary ruling by the Prospectus Office (article 46 (2) FinSO). In practice, preliminary rulings are likely to be particularly useful in cases where complex circumstances (e.g., takeovers, mergers and demergers of companies) give rise to increased legal uncertainty (cf. Federal Department of Finance, Explanatory Report on FinSA and FinSO dated 6 November 2019, p. 46). With regards to legal uncertainty in complex circumstances, it would be helpful if the Prospectus Office would publish the preliminary rulings in anonymized form as this would facilitate the assessment of analogous cases, such as those pertaining to recognized accounting standards or auditors. For example: In the case of spin-offs, the question arises as to whether US forms (F4, F10) are considered equivalent. Once this has been decided, it should apply across the board for future prospectus publications. Conversely, it would be unreasonable for a separate preliminary ruling to be required in each individual case of the same nature. However, the Practice Notice leaves open whether such publication of preliminary rulings is intended in the future.

b) Duty to publish a prospectus

The Practice Notice indicates that the Prospectus Office does not address queries pertaining to the duty to publish a prospectus (article 35 FinSA), as these queries fall outside the legal mandate of the Prospectus Office.

2.3) Review scope of the Prospectus Office

The prospectus review, as outlined in article 51 FinSA, is concerned with the completeness, consistency and comprehensibility of the prospectus. The review is thus designed as a purely formal review. In contrast, a material review would involve the process of verifying the accuracy of the information – and consequently the content – provided in the prospectus. The Practice Notice makes clear that a material review by the Prospectus Office is not permitted due to the lack of a legal basis.

2.4) Procedure in the event of missing prospectus content

In the event that the prospectus does not contain information required by the relevant FinSO Annex, the Prospectus Office will assess whether the prospectus requires amendments. This assessment will be based on the following principles:

Firstly, in the event that particular information is not available due to the non-applicability of the relevant FinSO Annex to the specific case, but equivalent information is available, this must be supplemented in the prospectus.

Secondly, in the absence of specific information due to its non-existence, the provision of said information in the prospectus is not obligatory.

Thirdly, in the event that negative confirmation is an explicit requirement under the applicable FinSO Annex, the prospectus is obliged to contain such a confirmation. To avoid follow-up queries from the Prospectus Office, the Practice Notice recommends providing such negative confirmation in a rule check to be submitted to the Prospectus Office.

2.5) Prior prospectus approval

a) Prospectuses for equity securities

Historically, the practice of the Prospectus Office was to only approve a prospectus as of its date, or on a retroactive basis. However, in certain circumstances, issuers may wish to have a prospectus approved before its publication date. According to the Practice Notice, the Prospectus Office may approve a pre-dated prospectus for equity securities if three conditions are met: firstly, that the prospectus date is a working day; secondly, that the prospectus is published on the same working day; and thirdly, that the prospectus approval is granted on the preceding working day. The following additional requirements also apply:

The final version of the prospectus must be submitted to the Prospectus Office no later than the working day prior to the approval date. To the extent the prospectus is not yet final at the time it is submitted for approval, placeholders are only permitted for information that constitutes, is related to or is directly linked to the price range and/or the scope of the offer. Moreover, the prospectus must explicitly state on the title page that it has been approved by the Prospectus Office without price information.

On the morning of the prospectus publication, the final prospectus containing all missing price- and offer size-related information must be submitted to the Prospectus Office, together with a corresponding comparison showing the changes to the approved version. Other than filling in the price and offer size-related placeholders, no other additions, changes or deletions are permitted. If any such additional changes are made, a new approval is required.

b) Base prospectus

In the case of a base prospectus for structured products, the ISIN list can frequently only be compiled after the close of trading on the evening prior to the approval date. Consequently, the ISIN list may be provided to the Prospectus Office as a supplement to the final pre-approved version of the pre-dated base prospectus on the approval date prior to commencement of trading.

2.6) Rule Check

Although the submission of a rule check by the issuer or its representative is not mandatory, the Prospectus Office strongly advises it, as it has the potential to expedite the review process. The rule check can be used to provide the Prospectus Office with some helpful comments (e.g. confirmations that certain items are not applicable), with the objective of forestalling potential queries from the Prospectus Office. This, in turn, has the potential to further speed up the review process.

2.7) Decisions on a specific date

Typically, the Prospectus Office will issue its approval decision once it has completed its review of the prospectus. If the applicant wishes for the approval to be granted on a specific date, this must be communicated to the Prospectus Office in a timely manner (e.g., by means of a comment in the application).

2.8) Pending prospectuses and deadline for amendments

In the absence of an agreement with the Prospectus Office, to the extent that the Prospectus Office requires the prospectus to be amended, these amendments must be submitted within 10 working days. The Prospectus Office will approve the prospectus once it is formally correct.

If, due to a request from the applicant or a failure by the applicant to make corrections, the Prospectus Office has not approved the prospectus within three months of its submission, a

further deadline of one month will be set. In justified cases, this deadline may be extended, whereby justification for such an extension must be submitted via e-mail to the Prospectus Office. In the event that the prospectus has not been approved by the stipulated deadline, due to the non-completion of requested corrections, the application may be rejected at the applicant's expense. Both, the 10 working days amendment deadline as well as the three months lapsing period have been criticized by practitioners as too short and inflexible. It remains to be seen whether the Prospectus Office is willing to adhere to a more flexible timetable, e.g. if this has been clearly communicated to them based on a stringent timeline well in advance.

2.9) Exchange Traded Products

The FinSO does not provide for a separate review schedule or Annex for exchange-traded products (ETPs). Consequently, the Prospectus Office implements the review scheme for derivatives (Annex 3 FinSO) to ETPs, with the proviso that point 3.7 of the review scheme for bonds (Annex 2 FinSO) is excluded, with the exception of point 3.7.2 lit. c.

3) Prospectus content

The Practice Notice provides comprehensive guidance on the content requirements for prospectuses under FinSA and FinSO. Chapter 3 of the Practice Notice addresses the substantive requirements that must be met in a prospectus, covering matters ranging from the summary section to detailed issuer information, financial statements and securities-specific disclosures. The following sections summarize and analyze the key aspects.

3.1) Summary

a) General requirements

The minimum content required by the applicable FinSO Annexes with respect to the summary (Points 1.1-1.11 Annex 1, Points 1.1.1-1.1.12 Annex 2, Points 1.1.1-1.1.12 Annex 3, Points 1.1-1.10 Annex 4, and Points 1.1-1.10 Annex 5 FinSO) must be explicitly disclosed in the prospectus. It is not sufficient to include the required information only in the summary section. The summary must be understood as a separate part of the prospectus and, as its name suggests, must be a summary of the prospectus in accordance with article 43 FinSA, meaning that all information contained in the summary must also be included in the main body of the prospectus. The consequence of this requirement is twofold: firstly, the summary cannot serve as a substitute for detailed disclosure elsewhere in the prospectus; and secondly, the summary must accurately reflect and condense the information provided in the main body of the document.

b) Key information about the offer

Regarding key information about the offer, the prospectus must generally include the following minimum information, where applicable: interest rate, issue price, issue volume, issue date

and maturity date. Additional offer-related details may be necessary depending on the specific nature of the securities being offered.

3.2) Information about the issuer and any guarantors and collateral providers

a) Date of incorporation and registration

The applicable FinSO Annexes (Points 2.2.6 and 2.2.9 Annex 1 – Annex 4 and Points 2.2.7 and 2.2.10 Annex 5 FinSO) require issuers and any guarantors and collateral providers to provide a date of incorporation and the date of registration in the relevant commercial register. The Practice Notice emphasizes that a specific date is required; a year alone is generally only sufficient in exceptional cases, such as when the date of incorporation is very long ago and cannot be determined exactly.

For Swiss-domiciled issuers or guarantors and collateral providers, the date of entry in the commercial register is recognized as the date of incorporation due to its constitutive effect under article 52 of the Swiss Civil Code. Consequently, if the date of entry in the commercial register is available, the date of incorporation does not need to be specified separately. For foreign companies, both the date of incorporation and the date of entry in the commercial register must be stated separately, provided that a commercial register or equivalent register exists. The Prospectus Office recommends including a note in the Rule Check to anticipate potential queries regarding foreign entities. If no date relating to the registration entry exists or no corresponding date is available, this date does not need to be stated; however, the Prospectus Office may request a respective written confirmation.

b) Purpose

The applicable FinSO Annexes (Point 2.2.7 Annex 1 – Annex 4 and Point 2.2.8 Annex 5 FinSO) require the purpose of the issuer to be stated, where applicable, with reference to the relevant provision of the articles of association or partnership agreement, or by reproducing the full wording of the relevant article.

If there are no articles of association or partnership agreement, a general description of the purpose may be provided instead. If the issuer in question does not have a purpose, this must be explicitly stated in the prospectus as a negative confirmation.

c) Date of articles of incorporation

A date of incorporation must be specified for all issuers and guarantors and collateral providers pursuant to Point 2.2.8 Annex 1 – Annex 4 and Point 2.2.9 Annex 5 FinSO. If there are no articles of incorporation in the strict sense, the date of a document equivalent in the respective jurisdiction (in each case with the date of the most recent version) shall be used.

d) Information about the issuer's governing bodies

In general, issuers are required to provide information about their board of directors, management, auditors and other governing bodies. For public-law entities, however, information on the executive authority is sufficient. It is not necessary to list and provide detailed information on the legislative authority, and no information on the judicial authority is required either.

e) Material business prospects

The prospectus must contain information specific to the securities about the material business prospects (forward-looking statements; *wesentliche Geschäftsaussichten* or *wesentliche Perspektiven*), including a statement that these are subject to uncertainty, as required by Point 2.4.9 Annex 1, Point 2.4.4(c) Annex 2, Point 2.4.0(c) Annex 3 – Annex 5 FinSO. The Prospectus Office expects a statement that allows conclusions to be drawn about the issuer's expected future economic development. Such a statement may be qualitative or quantitative in nature. The inclusion of forward-looking statements, particularly in debt prospectuses, is a nuanced aspect of Swiss financial law and has been criticized by various authors (cf. CapLaw-2024-02). It requires careful consideration of various legal and practical elements. Issuers, especially those from abroad, must be cognizant of these requirements to ensure compliance as well as consistent communication with potential investors. As regards the Prospectus Office, we suggest that flexibility and alignment with international standards should be applied as far as possible in this area. The requirement to include forward-looking statements in debt prospectuses might be a point that should be addressed as a matter of urgency in the next revision of the FinSO.

Industry-related and macroeconomic developments or expectations that are not related to the business performance of the issuer, guarantor or collateral provider do not satisfy the requirements. The same is true for statements regarding expected economic, social or other trends. In such cases, it must be made clear what influence a specific trend or economic development could have in qualitative terms on the future business prospects of the issuer, guarantor and collateral provider, or how the future business prospects are assessed against this background. An alternative approach would be to include a qualitative, forward-looking economic assessment with reference to the last financial statements and stating that the expectations are that the issuer's material business prospects will remain the same, improve or deteriorate compared with the results of the last annual financial statements.

Importantly, a general reference to the section on forward-looking statements is not sufficient to meet these requirements. In addition, the placement of the text passage regarding material business prospects within the overall structure of the prospectus must also be assessed. Business prospects are for example not acceptable in the risk factor section. Similarly, scattered information on the material business prospects in various documents or passages throughout the prospectus are generally not compatible with the criterion of comprehensibility.

Depending on the specific circumstances, the Prospectus Office considers the following disclosures to satisfy the requirement regarding material business prospects: (i) for local authorities, information on the expected tax revenues; (ii) for SPVs, where there are no

operational activities, a reference to the company's purpose; (iii) for start-ups without material turnover, information on the current status of research and its outlook; and (iv) for entities without profit objectives, information on expected production volumes.

f) Share capital

The Prospectus Office points out that the FinSO requires information on the capital structure, the amount of ordinary and conditional capital and the capital band as of the balance sheet date, while further information on share capital may be provided without specifying a specific date. Due to the clear wording of the applicable FinSO Annexes, the requirement regarding information on the amount of ordinary and conditional capital or the capital range as of the balance sheet date of the annual financial statements is not fulfilled if reference is made to the prospectus date instead of the balance sheet date. If the capital structure is not additionally disclosed in the annual report, the prospectus must be amended accordingly.

g) SPVs

In the case of SPVs, Points 2.5.4 and 2.6.7 Annex 2 FinSO make clear that it is sufficient to provide information in respect of the guarantor or security provider in relation to financial statements or capital information, and no corresponding issuer specific information is required. The Practice Notice indicates that this provision also applies in the reverse case: if the guarantor or collateral provider is an SPV, information about the issuer is sufficient. This simplification acknowledges the nature of SPVs as entities that typically have limited operational activities and exist primarily for financing or securitization purposes.

3.3) Annual and interim financial statements

a) Audit of annual financial statements

Annual financial statements and opening balance sheets (for newly established companies) must be audited in all cases. A limited audit (review) is permissible only where provided by law. This requirement ensures that investors receive financial information that has been subject to independent verification.

b) Financial reports for groups

If the issuer or guarantor and collateral provider is a group company and is consolidated in the financial report used in the prospectus, this financial report is sufficient, provided that either the issuer or the guarantor and collateral provider is the parent company of the group.

c) Public law entities domiciled in Switzerland

The Practice Notice addresses a specific exemption for Swiss public-law entities regarding interim financial statements. Pursuant to article 40 (1) (a) (2) FinSA, a prospectus must contain

the most recent half-yearly or annual financial statements or, if these are not yet available, information about assets and liabilities. Article 50 (1) FinSO in conjunction with Point 2.6.5 of Annex 2 FinSO requires prospectuses for debt securities (excluding derivatives) to include interim financial statements if the reporting date of the last audited annual financial statements is more than nine months prior to the date of prospectus publication.

Public-law entities domiciled in Switzerland regularly apply the harmonized accounting standard (*Harmonisiertes Rechnungsmodell*), which does not provide for the preparation of interim financial statements. Recognizing this limitation, Point 2.6.5 Annex 2 FinSO specifies that Swiss public-sector entities applying the harmonized accounting standard are exempt from including interim financial statements in prospectuses for debt securities (excluding derivatives), even if the reporting date of the last annual financial statements is more than nine months prior to the date of publication of the prospectus. This exemption must be clearly stated in the prospectus itself.

d) Exceptions regarding interim financial statements

The relevant FinSO Annexes (Point 2.8.5 Annex 1, Point 2.6.5 Annex 2, Point 2.6.5 Annex 3, Point 2.8.5 Annex 4, and Point 2.10.5 Annex 5 FinSO) require the inclusion of additional interim financial statements prepared in accordance with the same accounting standards as the annual financial statements covering at least the first six months of the financial year, if the reporting date of the last audited annual financial statements is more than nine months prior to the date of publication of the prospectus.

Exceptions are generally provided for issuers pursuant to article 47 FinSA (i.e. smaller issuers) or relief for public offerings *without admission to trading*. If one of these conditions is met, no interim financial statements need to be submitted.

3.4) Information about the securities

a) Trust structure

In accordance with Section 3.4.15 Annex 2 FinSO, if a trustee is appointed to act between the issuer and the bondholders (trust structures), the following information must be provided: (i) a brief profile of the trustee; (ii) the powers of the trustee; (iii) conditions for changing the trustee; and (iv) the applicable law and place of jurisdiction of the trust agreement and indication of where the relevant agreements are available for inspection.

The Prospectus Office clarifies that a brief profile of the trustee must be included in the prospectus if assets are transferred to the trustee (transfer of ownership). Simply stating the address of the trustee is not sufficient to satisfy the requirement for a brief profile; more substantive information about the trustee's background and qualifications is expected.

b) Highlighted note regarding delivery of certificates

For securities that are permanently securitized in the form of one or more global certificates or issued as uncertificated securities, a correspondingly highlighted note must be made to the effect that the investor cannot demand the delivery of individual certificates.

The Prospectus Office accepts, among others, the following forms for the required highlighted note (this list is not exhaustive): (i) visual highlighting in the terms and conditions (e.g., bold type, italics, bordered with a bar, etc.); (ii) additional inclusion on the cover page; or (iii) additional inclusion in the summary.

3.5) Publication regarding the issuer or guarantor and securities

Prospectuses must contain a reference to where notices concerning both the securities and the issuer or guarantor and collateral provider are published. The Prospectus Office notes that prospectuses are often submitted that only contain a reference to where notices concerning the securities are published, which is insufficient. The publication references must cover both categories of notices to avoid delays in the approval process.

4) Conclusion

The Practice Notice issued by the Prospectus Office of SIX Exchange Regulation AG represents helpful clarifications with regards to the Swiss prospectus review process. By providing detailed guidance on the application of FinSA and FinSO to prospectus reviews, the Prospectus Office has enhanced transparency and predictability for market participants.

From a procedural perspective, the Practice Notice clarifies important aspects regarding the commencement of review time limits and the scope of the Prospectus Office's review mandate. The clarification that the review is purely formal in nature, focusing on completeness, consistency and comprehensibility rather than material accuracy, is particularly important for practitioners to understand, as it delineates the boundaries of the Prospectus Office's mandate.

With respect to prospectus content, the Practice Notice provides granular guidance on numerous requirements, from summary sections to detailed issuer information, financial statements, and securities-specific disclosures. The guidance on material business prospects is especially noteworthy, as it establishes clear expectations regarding what constitutes acceptable forward-looking statements and where such information must be located within the prospectus structure.

The Practice Notice also addresses practical issues that frequently arise in transactions, such as the approval of pre-dated prospectuses for equity securities. The recommendation to submit rule checks with comments to anticipate potential queries is a practical suggestion that can help expedite the review process.

Practitioners should be mindful that the Practice Notice reflects the current practice of the Prospectus Office, and it remains to be seen how this practice will evolve over time.

In conclusion, the Practice Notice provides valuable guidance for practitioners involved in the preparation and submission of prospectuses in Switzerland.

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Ultima Capital's Issuance of CHF 100 Million Common Bond Loan

Reference: CapLaw-2026-07

On 6 January 2026, Ultima Capital SA issued a CHF 100 m common bond loan subscribed for by National Bank of Greece S.A.

Plazza's CHF 100 Million Bond

Reference: CapLaw-2026-08

On 7 January 2026, PLAZZA AG placed a fixed-rate bond of CHF 100 million with a coupon of 1.25% and a term of 5.2 years, maturing on 31 March 2031. The proceeds will be used to refinance bank loans and to finance development and renovation projects. UBS, Zürcher Kantonalbank and Luzerner Kantonalbank coordinated the placement as Joint Lead Managers. The bonds are admitted for trading on SIX Swiss Exchange.

UBS Group AG's Issuance of USD 3.0 Billion Tier 1 Capital Notes

Reference: CapLaw-2026-09

On 8 January 2026, UBS Group AG issued USD 1.5 billion 6.625% Tier 1 Capital Notes and USD 1.5 billion 7.0% Tier 1 Capital Notes.

Swiss Life's Issuance of CHF 225 Million Hybrid Bonds

Reference: CapLaw-2026-10

On 13 January 2026, Swiss Life issued CHF 225m subordinated bonds, first callable in January 2032. The bonds were placed with investors in the Swiss Franc market. The bonds will be listed on SIX Swiss Exchange.

UBS Group AG's Issuance of USD 3.0 Billion Fixed Rate/Fixed Rate Callable Senior Notes under its Senior Debt Programme

Reference: CapLaw-2026-11

On 13 January 2026, UBS Group AG issued EUR 1.5 billion Fixed Rate/Fixed Rate Callable Senior Notes due February 2031 and EUR 1.5 billion Fixed Rate/Fixed Rate Callable Senior Notes due January 2037 under its Senior Debt Programme. The Notes are bail-inable (TLAC) bonds that are eligible to count towards UBS Group AG's Swiss gone concern capital requirement.

HIAG's Issuance of CHF 100 Million Green Bonds

Reference: CapLaw-2026-12

On 15 January 2026, HIAG Immobilien Holding AG issued CHF 100 m 1.340% Green Bonds due 2033. Raiffeisen Schweiz Genossenschaft and Basler Kantonalbank acted as Joint Lead Managers. The Green Bonds will be listed on the SIX Swiss Exchange.

NZZ's Stake Increase in APG SGA – APG Shareholders Approving Opting-up

Reference: CapLaw-2026-13

On 23 January 2026, APG SGA AG announced that its shareholders approved a so-called opting-up provision clearing the way for Aktiengesellschaft für die Neue Zürcher Zeitung (NZZ) to increase its stake from 25% to 45% by acquiring shares from existing shareholders JCDecaux SE and Pargesa Asset Management SA. The transaction is based on a share price of CHF 220 resulting in a total value of CHF 132m; closing is expected in the second quarter of 2026.

Zürcher Kantonalbank's Issuance of EUR 500 Million 2.950% Fixed Rate Bonds

Reference: CapLaw-2026-14

On 26 January 2026, Zürcher Kantonalbank issued EUR 500 million 2.950% Fixed Rate Bonds due 2031. The senior unsecured bhave been issued under Zürcher Kantonalbank's Swiss base prospectus consisting of the applicable summary and securities note for the issue of bonds and short term notes of Zürcher Kantonalbank and the registration form for debt securities approved by SIX Exchange Regulation AG and final terms issued thereunder.

UBS Switzerland's Issuance of CHF 685 Million Fixed Rate Covered Bonds

Reference: CapLaw-2026-15

On 15 January 2026, UBS Switzerland AG issued CHF 150 million 0.435% Fixed Rate Covered Bonds due 2029, CHF 190 million 0.745% Fixed Rate Covered Bonds due 2032 and CHF 345 million 1.0225% Fixed Rate Covered Bonds due 2036 under its Covered Bond Programme. The Covered Bonds are governed by Swiss law and are listed on SIX Swiss Exchange. The Covered Bonds are indirectly backed by a portfolio of mortgages from UBS Switzerland AG's domestic mortgage pool.

Alphabet issues CHF 3,055 Billion in Inaugural Five-tranche Offering

Reference: CapLaw-2026-16

On 10 February 2026, Alphabet Inc. (Alphabet), the parent company of Google LLC (Google) successfully placed bonds in Switzerland in the aggregate amount of CHF 3.055 billion. The CHF offering was comprised of CHF 905 million aggregate principal amount of 0.4270% senior notes due 2029, CHF 700 million aggregate principal amount of 0.8900% senior notes due 2032, CHF 575 million aggregate principal amount of 1.2525% senior notes due 2036, CHF 455 million aggregate principal amount of 1.5823% senior notes due 2041 and CHF 420 million aggregate principal amount of 1.8675% senior notes due 2051.

BNP PARIBAS, Paris, Lancy/Geneva Branch is acting as representative of the initial purchasers for the CHF offering, which include Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Securities plc, and Merrill Lynch International. The CHF offering is scheduled to close on or around March 3, 2026, subject to customary closing conditions.