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EDITORIAL

SWITZERLAND'S IPO MARKET: UNLOCKING THE NEXT WAVE OF MID-CAP LISTINGS

Reference: CapLaw-2026-17

The Swiss IPO market saw a welcome reopening in 2024 and 2025. Galderma, Sunrise, SMG Swiss Marketplace Group and Bioversys demonstrated that SIX Swiss Exchange is a competitive listing venue across deal sizes and sectors. From the perspective of a domestically anchored capital markets bank, this is the right starting point: the infrastructure works, the regulatory framework is broadly fit for purpose, and a deep institutional investor base sits behind the market. Yet, the same data show a structural gap. Bioversys aside, most originally Swiss-founded growth companies that listed between 2020 and 2025 chose Nasdaq rather than SIX. The next phase should be a broadening of Swiss IPO activity into the mid-cap segment. This editorial sets out three calibration adjustments that would unlock that potential.

A Strong Venue, A Narrower Reopening

The Swiss IPO market reopened decisively in 2024 and 2025. The March 2024 listing of Galderma, raising CHF 2.3 billion at an initial market capitalisation of approximately CHF 14.5 billion, was the largest Swiss IPO since 2017 and the largest global IPO of the first quarter of 2024. The aftermarket performance was strong: Shares opened above the offer price, traded above CHF 100 by year-end and absorbed two substantial shareholder sell-downs without sustained setback. Sunrise's November 2024 spin-off and the 2025 listing of SMG Swiss Marketplace Group confirmed that SIX can clear large and strategic carve-out transactions at attractive valuations. The IPO of Bioversys, with a deal size of CHF 80 million and a market capitalisation of approximately CHF 215 million, demonstrated that investor appetite extends, at least selectively, beyond the largest issuers.

From the perspective of a domestically anchored Swiss capital markets bank with a particular focus on mid-sized growth issuers, that is unambiguously good news. The infrastructure is robust. The regulatory framework is broadly fit for purpose. The pool of institutional capital sitting behind SIX is one of the deepest in continental Europe relative to GDP. The Galderma sequence has shown that the Swiss venue can compete with London and Frankfurt for sizeable transactions on commercial terms.

What the same data also shows, however, is that the reopening has not yet broadened into the smaller mid-cap segment that should be the natural pipeline for SIX. With the notable exception of Bioversys, originally Swiss-founded growth companies that chose to go public between 2020 and 2025 – biotech, technology platforms, medical devices, specialty chemicals – predominantly did so on Nasdaq or on another U.S. exchange, and sub-CHF 300 million IPOs on SIX have remained rare. The SIX Sparks segment, introduced in 2021 for issuers below CHF 500 million market capitalisation, has so far not attracted a single primary listing with a public

placement. The question this editorial addresses is which specific calibration adjustments would help SIX, the wider Swiss capital markets ecosystem and Swiss issuers to capture that potential.

Calibrating a Framework That Is Largely Fit for Purpose

The Swiss capital markets framework for public offerings rests on the Financial Services Act of 15 June 2018 (FinSA, SR 950.1), its implementing ordinance (FinSO, SR 950.11) and the SIX Swiss Exchange Listing Rules. The framework is, by European standards, pragmatic. Under the FinSA regime, prospectuses are reviewed ex ante by FINMA-licensed reviewing bodies against completeness, coherence and understandability criteria, with fixed review periods of 20 days for first-time issuers and 10 days for others. The prospectus review bodies for equities apply a completeness-based rather than a merits-based prospectus review, and several exemptions narrow the scope of the prospectus obligation for public offerings, including the threshold under FinSA Article 36(1)(e) and the qualified-investor exemption. The conduct-of-business architecture under Articles 4 and 10 to 14 FinSA tracks the EU MiFID II model and is well understood by market participants. None of these pillars contains a structural defect that would explain, on its own, the absence of smaller IPOs.

What the framework does contain is a series of calibration choices that, when added together, weigh disproportionately on smaller transactions. Three deserve particular attention.

First, on the prospectus regime. Swiss content requirements are largely fixed regardless of deal size. The all-in advisory cost of producing and verifying a Swiss IPO prospectus – covering legal, audit and communications work – is materially lower than in the largest EU jurisdictions, but it remains a substantial fixed cost that bears more heavily on a CHF 100 million transaction than on a CHF 1 billion transaction. The "one size fits all" prospectus approval regime contributes to the fixed-cost nature of IPO documentation irrespective of deal size. By way of stylised deal geometry under the existing Swiss regime: for a growth issuer wishing to raise, say, CHF 35 million, the combined prospectus and verification workstream – legal drafting, audit comfort-style procedures and due diligence – can land in the low single-digit millions and, relative to funds raised, in the lower- to mid-single digit percentages of proceeds. Conversely, for a CHF 200–300 million capital raise, that same largely fixed workstream may decline to less than one percent of proceeds, even if the absolute spend is slightly higher due to more complex business operations.

The EU Listing Act of November 2024 (Regulation (EU) 2024/2809 and Directive (EU) 2024/2810) addresses precisely this disproportion through a shorter EU prospectus, a simplified follow-on regime for seasoned issuers and a proportionate disclosure regime for issuers below EUR 1 billion. Concretely, it expands key EU prospectus exemptions for secondary issuances, notably raising the threshold from 20 to 30 per cent in specified cases, coupled in certain scenarios with a short standardised "summary" document capped at 11 pages and not subject to approval. It introduces additional exemptions linked to an issuer's 18-month trading track record. Further changes, including a harmonised small-offer threshold around EUR 12 million, phase in by mid-2026. A formal Federal Council and FINMA gap analysis of the EU Listing Act, with a

view to transposing the simplifications best suited to the Swiss context, would be a constructive first step.

A statutory safe harbour for forward-looking statements is, in our view, the single most valuable element to consider – it would materially reduce the defensive padding that currently inflates the length of Swiss prospectuses. Such a safe harbour would be a more valuable addition to the Swiss capital markets framework than certain other proposals currently under discussion, such as aspects of the Federal Council's FMIA consultation draft of June 2024, where some of the proposed measures risk adding regulatory complexity without a proportionate benefit for the domestic capital market.

Second, on conduct of business. The suitability and appropriateness rules under FinSA correctly protect retail clients from being placed in unsuitable instruments. In their current implementation, however, Swiss retail banking platforms routinely block primary-market access to IPOs on the basis of internal risk-rating rules that treat newly listed equities – and especially smaller newly listed equities – as unsuitable for ordinary execution-only channels. A Swiss equivalent of the French Offre à Prix Ouvert, the Italian Offerta Pubblica di Sottoscrizione or the British intermediaries-offer mechanism – developed through industry self-regulation rather than primary legislation – would allow controlled retail participation in IPO allocations and materially enlarge the investor base available to smaller issuers.

Third, on listing standards. The SIX Sparks segment was introduced in October 2021 with the right ambition: a more proportionate listing regime for issuers below CHF 500 million market capitalisation. Its uptake has so far been modest. A more ambitious recalibration of Sparks, drawing on the Nasdaq First North Growth Market template – a national-GAAP option, a formal twelve-to-twenty-four-month onboarding phase with simplified ongoing obligations modelled on the U.S. JOBS Act 2012 emerging-growth-company regime – would address the main features that weigh on smaller issuers. None of these adjustments requires dismantling the framework; they require recalibrating it.

These regulatory adjustments do not operate in isolation. The broader challenge is that the absence of key investor groups – retail investors and smaller pension funds – from the Swiss primary market has knock-on consequences for the entire capital markets ecosystem. Without sufficient investor demand, sell-side analysts and equity sales teams concentrate on the largest-capitalised companies where commission revenue justifies the coverage. Specialised small- and mid-cap research, of the kind that is widely available in the United States and increasingly in the Nordic markets, remains underdeveloped in Switzerland. The deal flow at the smaller end is too thin to sustain a dedicated advisory and distribution infrastructure. This creates a self-reinforcing cycle: fewer investors means less coverage, less coverage means fewer IPOs, and fewer IPOs means less incentive for investors to engage. The regulatory recalibrations proposed above are, in this sense, not just about removing individual frictions – they are about creating the preconditions for a functioning small- and mid-cap ecosystem that can sustain itself over time. As that ecosystem matures, dedicated research coverage and specialised placement capacity for smaller issuers will follow – but the structural preconditions must come first.

A Strong Pension Investor Base, Underused at the Small End

Swiss occupational pension assets exceeded CHF 1.1 trillion at the end of 2024. On any reasonable reading of capital markets theory, this pool of long-dated, real-return-seeking, domestic liabilities is the natural cornerstone investor base for domestic growth equity, including for smaller IPOs. In practice, this potential is materially underused at the small end of the market – for reasons that have less to do with regulatory ceilings than with the structure and investment culture of the second pillar.

The Swisscanto Swiss Pension Fund Study 2025, drawing on a sample of approximately 500 funds, provides the most compelling evidence. Over the five years from 2020 to 2024, the top decile of funds achieved an average annual return of 4.7 per cent, against the bottom decile's 1.7 per cent. The cumulative difference of about fifteen percentage points of terminal wealth is economically large. Top-decile funds held 9 per cent in alternatives and 29.9 per cent in real estate at the end of 2024; bottom-decile funds held 3.8 per cent in alternatives and compensated with a 36 per cent allocation to bonds. Crucially, the study's proprietary risk indicator (PKRI), co-developed with Prevanto, controls for the structural factors that typically justify a more defensive allocation. The spread is driven by investment ambition and the quality of investment governance, not by differences in risk capacity.

The regulatory framing reinforces the same point. Article 55 BVV 2 permits up to 15 per cent in alternative investments, the extension provision of Article 50(4) BVV 2 allows a fund to exceed this limit on a documented and prudent basis, and Article 53(1)(d^{ter}) BVV 2 created a dedicated category for non-listed Swiss investments. Average alternative allocations across Swiss pension funds sit at around 9 per cent – well below the regulatory ceiling. The binding constraint is the behavioural floor, not the BVV 2 ceiling. The policy lever is therefore not to reform BVV 2 but to help pension funds make better use of the room they already have.

Switzerland still had more than 1,300 registered pension institutions at the end of 2024. Consolidation is continuing – the number has fallen by more than half since the turn of the century – but only a small minority of funds, chiefly among the largest collective and public-law institutions, currently have the in-house asset-management capacity to underwrite primary-market allocations in smaller IPOs or to play a sustained cornerstone role. The Swedish AP funds demonstrate what professional, domestically anchored cornerstone investors can achieve for a national IPO market. In Switzerland, no single institution occupies a comparable role at present. The ongoing consolidation of Swiss pension funds is, over time, likely to produce a tier of larger funds with the governance and asset-management resources to act as standing cornerstone investors for domestic IPOs. Encouraging this development – through continued consolidation incentives and by supporting the build-up of in-house equity capabilities at the larger funds – is a first-order policy objective.

For the large number of smaller pension funds that will not reach that scale, the complementary intervention is the development of pooled co-investment vehicles, coordinated by the Swiss Pension Fund Association (ASIP) together with SECA and SIX. Such vehicles would spread the per-decision exposure, share due-diligence costs and create the standing order-book for smaller

Swiss IPOs that currently does not exist. Article 52 BVG is a fault-based liability regime: persons entrusted with the administration or management of a pension institution are liable for loss caused intentionally or negligently, with limitation periods running five years from knowledge and in any event ten years from the act or omission. The practical concern is therefore not that participation in IPOs is prohibited, but that – without an institutionalised process – smaller funds struggle to evidence a prudent decision framework at scale. Properly structured, a pooled vehicle standardises documentation, diligence and monitoring – the very elements that are typically decisive when assessing negligence risk under Article 52 BVG – thereby reducing the process gap for smaller funds while preserving investor-protection substance.

What Sweden Got Right

Of the available comparators, the Nordic markets – and Sweden in particular – provide the most directly relevant benchmark. They operate inside a European regulatory perimeter not dissimilar to the Swiss framework, combine a mid-sized national economy with a disproportionately liquid capital market, and have produced the small-IPO ecosystem that Switzerland aspires to develop. Between 2016 and 2023, Sweden saw 508 IPOs with capital raising – more than Germany, France and Italy combined (Deutsches Aktieninstitut / Boerse Stuttgart Group, 2025). Listed market capitalisation stood at 169 per cent of GDP. Approximately 90 per cent of Swedish IPOs took place on the SME growth markets – Nasdaq First North Growth Market, Nordic Growth Market and Spotlight.

Three features of the Swedish model deserve particular attention. The first is the household-level investment vehicle. The Investeringssparkonto, or ISK, introduced in 2012, applies a flat standardised tax to the portfolio value rather than taxing realised gains, dividends and interest separately. Over half of Swedish adults now hold an ISK. Its success rests less on the headline tax rate than on the radical administrative simplification it achieves: investors no longer need to track and declare individual dividends, interest payments and capital gains – the wrapper replaces the entire annual securities declaration with a single, automatically calculated flat charge. A Swiss equivalent – tentatively, an Aktiensparkonto – would sit conceptually alongside the existing Säule 3a architecture and could be calibrated to encourage long-term equity holding. While Switzerland already exempts private capital gains from taxation, dividends are taxed at the marginal income-tax rate, often 30 to 40 per cent, and the annual Wertschriftenverzeichnis creates a material administrative burden. An Aktiensparkonto that brings dividend income under a favourable flat-rate regime and eliminates the declaration complexity would create a genuine behavioural incentive to hold listed Swiss equity – particularly at the smaller end of the market.

However, pure retail-investor dividend relief, while directionally sensible, is unlikely on its own to shift issuer behaviour, as the relevant target population for smaller IPOs consists predominantly of growth companies that reinvest earnings for an extended period. More targeted approaches could therefore be considered alongside a savingsaccount model: for example, a timelimited, degressive participation deduction for institutional investors applying a bookvalue principle – independent of the size of the participation – over a holding period of ten to fifteen years; and a reduced dividend inclusion rate during the first years of actual dividend distributions.

A temporary waiver of withholding tax on earlyphase dividends could further enhance the signalling effect. These are illustrative ideas rather than concrete proposals, but they reflect the broader point that the incentive architecture should address institutional as well as private capital – retail investors alone will not be sufficient to bring the Swiss growth IPO field into bloom.

The second is the calibrated regulatory architecture of the SME growth markets. Nasdaq First North, NGM and Spotlight all operate under the EU MiFID II SME Growth Market regime (Article 33) and benefit from the EU Growth Prospectus. National accounting standards are permitted, ongoing disclosure obligations are lighter, and the legal culture around prospectus liability is pragmatic in ways the Deutsches Aktieninstitut / Boerse Stuttgart study documents in some detail. SIX Sparks was designed with the same ambition; bringing it closer to the First North template – as outlined above – would address most of the design elements that have so far limited uptake.

The third is the explicit treatment of financial literacy as a long-term investment in capital markets participation. Sweden has for more than a decade integrated capital markets education into the school curriculum, coordinated nationally between Finansinspektionen and the ministry of education. In Switzerland, curriculum competence sits with the cantons. A coordinated initiative among the major cantons – supported by the banking industry, the industry associations and the universities – would be, in our view, the single most impactful long-term investment that the Swiss capital market could make in itself. The long-term demand for Swiss listed equity will be shaped by whether the next generation of Swiss households knows how to participate in it.

A Constructive Reform Agenda

The 2024/25 reopening of Swiss IPO activity is real, and SIX has demonstrated that it is a competitive listing venue across deal sizes. The point of this editorial is not that the framework is broken – it is not – but that a series of calibration adjustments would unlock the substantial untapped potential at the mid-cap and smaller end of the market.

We propose that the agenda be organised around four verbs. The first is to calibrate. The Swiss prospectus regime, the SIX Sparks segment and the SIX Listing Rules should be benchmarked against the EU Listing Act 2024, the Swedish SME-growth-market regime and the U.S. emerging-growth-company regime, with concrete deliverables including a proportionate prospectus for issuers listing below CHF 500 million, a statutory safe harbour for forward-looking statements and an onboarding phase with simplified ongoing obligations. The second is to incentivise. The stamp duty (*Emissionsabgabe*) on equity issuance should be reconsidered, a degressive participation deduction introduced for institutional investors, and a time-limited reduction of dividend taxation and withholding tax for younger listed companies explored – all measures that would shift the fiscal framework from penalising equity to encouraging it. The third is to activate. Swiss retail investors should be given a controlled and institutionalised route into IPO allocations, complemented by a Swiss tax-favoured long-term equity savings account modelled on the Swedish ISK and a coordinated cantonal financial-literacy initiative. The fourth is to anchor. Larger pension funds should be encouraged to develop the in-house equity capabilities

needed for a sustained cornerstone function, while pooled co-investment vehicles coordinated by ASIP, SECA and SIX would give smaller funds access to the domestic IPO market. Together, these measures would break the self-reinforcing cycle of absent investors, absent research coverage and absent deal flow – and create the conditions for a functioning Swiss small- and mid-cap ecosystem.

A version of this reform agenda is being discussed in an ongoing dialogue among Swiss capital markets stakeholders, with input from public-sector representatives, the exchange, the industry association, market participants and academia. The next Galderma will come regardless. The question is whether the next hundred Swiss mid-cap growth companies will find a home on SIX – or whether, once again, they will look abroad.

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BACK FROM MORATORIUM: BONDHOLDER-DRIVEN RESTRUCTURING AND GOING PUBLIC

Reference: CapLaw-2026-18

This article analyzes the key legal issues in HT5's restructuring and return to the public markets. It reviews the hybrid bond reorganization (out-of-moratorium vs. in-moratorium reorganization) and related takeover and reporting questions, as well as the evidentiary approach applied to lifting the moratorium. It further addresses how the shares required for the conversion were made available under Swiss corporate law notwithstanding the naming requirement and examines the merger structure (including dividend timing and the split between merger report and prospectus) as well as the ensuing financial statement and listing requirements.

By Matthias Courvoisier / Kiara Sharifi

HT5 AG (formerly Hochdorf Holding AG) had disposed of most of its operating business and entered a moratorium, with a CHF 125 million hybrid bond outstanding. A group of investors saw the opportunity to reposition HT5 as a listed platform and, in spring 2025, took over leadership with the approval of the shareholders at the AGM.

1) Reorganization of the Hybrid Bond

The board of HT5 sought to provide bondholders with a choice between a cash payout reflecting the expected liquidation proceeds and a conversion into equity at a defined ratio of 600 shares per CHF 5,000 denominated bond. While such a structure could in principle have been implemented through a moratorium agreement, this route would have tied the decisive bondholder vote to the very end of the moratorium and would have required subsequent court confirmation. A decision of the bondholders in a bondholders' meeting can be made faster. In addition, the substantive and procedural requirements of the moratorium agreement entails inherent uncertainties.

Against this background, the board opted for a reorganization under the bond reorganization regime of the Swiss Code of Obligations as a primary avenue. Art. 1170 CO does not provide for a cash alternative, but only for the conversion into equity.

To allow bondholders to elect between HT5 shares and cash, the bondholders' resolution approving the conversion was made conditional upon the launch of a cash repurchase offer. Although Art. 1170 CO does not explicitly address conditional resolutions, none of the refusal grounds under Art. 1177 CO would have warranted refusal merely due to such conditionality, in particular as bondholder protection was not weakened. The competent court accordingly approved the resolutions of the bondholders' meeting.

The approval of the conditional conversion raised two further issues. First, it had to be assessed whether, following the resolution, the bonds qualified as equity securities within the meaning of Art. 2 lit. i FinMIA, which would have resulted in the application of takeover law to the repurchase offer. Unlike classical convertible bonds, however, the hybrid bonds did not contain an intrinsic conversion feature. Conversion arose solely from a restructuring measure that depended on the repurchase offer. Accordingly, the repurchase offer remained an offer for straight debt instruments, with a potential change in nature occurring only after or concurrently with its completion. The settlement of the repurchase offer was, inter alia, conditional upon release from the moratorium and the completion of the bond conversion into shares. Second, the question arose whether bondholders became subject to reporting obligations as major shareholders of HT5. This was answered in the affirmative, as the multitude conditional structure does not affect the applicability of the disclosure regime.

In addition to the conversion mechanics, the bondholders' resolutions also implemented interest measures expressly contemplated by Art. 1170 (1) items 2 and 3 CO, namely the retroactive waiver of interest foreseen for the years 2021 through 2025 and a permanent reduction by half of the interest accruing as from 21 June 2025 until conversion.

The waived interest concerned deferred, non-mandatory interest that had not become due and payable and was therefore reflected in equity rather than recognized as a liability. Against this background, the waiver constituted a restructuring measure rather than a settlement of accrued debt. Likewise, the interest reduction affected only future, non-accrued interest periods.

These measures were confirmed by the Swiss Federal Tax Administration not to trigger Swiss withholding tax or stamp duties, as neither the waiver of non-due interest claims nor the prospective interest reduction constituted a taxable distribution or interest payment.

2) Getting out of the Moratorium

The objective of the restructuring was to exit the moratorium as reorganized entity. This is possible under Art. 296a DEBA if the reorganization is successfully achieved prior to the expiry of the moratorium, with financial statements evidencing such reorganization.

In the HT5 case, however, release from the moratorium constituted a condition for the conversion of the bonds and the settlement of the cash offer. As a result, the effects of these measures were not yet reflected in the financial statements. A purely formalistic approach could therefore have led to the conclusion that HT5 had not yet been reorganized.

Such an interpretation, however, would not be in line with the purpose of Art. 296a DEBA, which is intended to facilitate out-of-moratorium restructurings, thereby reducing state involvement and associated costs. In HT5, all legally and economically relevant decisions required for the reorganization had either already been taken or were manifestly in the decision-makers' interest to the extent that implementation was beyond doubt.

The court accepted pro-forma financial statements illustrating the effects of the restructuring measures as sufficient evidence, thereby allowing the moratorium to be lifted in line with the statutory objective.

3) Making Available the Necessary Shares for the Bond Conversion

A further complexity concerned the availability of shares for the conversion. Prior to the restructuring, HT5's share capital consisted of 2,151,757 shares with a nominal value of CHF 10.00 each. The bond conversion required the issuance of a total of 14,289,000 new shares.

The primary difficulty arose from Art. 634a (3) CO, which requires that any person contributing by way of set-off be named in the articles of association. In the context of publicly held bonds settled through the banking system, this requirement is practically incompatible with anonymous settlement mechanics. The commercial register did not accept generic descriptions such as "the bondholders of HT5", nor intermediary structures involving a bank aggregating bonds prior to contribution.

A solution involving conditional capital with a reduced nominal value, combined with a conditional reduction of the existing nominal value to re-establish a single class of shares, was examined. While feasible in principle, the statutory limitation of conditional capital to 50 % of the share capital rendered this approach insufficient. The Federal Commercial Register did not permit creating an additional conditional capital within the capital band, despite the absence of a statutory limitation capturing both the capital band and the conditional capital.

Ultimately, the solution implemented consisted in reducing the nominal value of all shares to CHF 0.01, with major shareholders contributing capital and making the required shares available for the bond conversion. While workable, this approach highlights the tension between the formal requirements of the revised corporate law and the operational realities of capital-markets-based restructurings.

4) Merger of the Companies

Following the restructuring, HT5 and CENTIEL SA agreed to combine in a statutory merger with HT5 as surviving entity. A particular issue arose from the agreement that CENTIEL SA would distribute a dividend of CHF 10 million between signing of the merger agreement on 11 March 2026 and shareholder approval on 13 April 2026. The merger was based on financial statements of CENTIEL SA as of 31 December 2025.

This constellation raised the question whether an interim report under Art. 11 MA was required, as the dividend could be viewed as a significant change in the assets of CENTIEL SA. However, Art. 11 MA is intended to address unforeseen changes affecting the informational basis if the shareholders' decision. Where a distribution has been planned from the outset, fully reflected in the exchange ratio and precisely quantifiable, no informational deficit arises and no interim report is required. Otherwise, any dividend shortly before a merger would become impracticable and jeopardize transactions where a merger partner should come in cash-light.

A further strategic decision concerned the documentation. Although a prospectus may be dispensed with if the merger report is drafted to prospectus equivalence under Art. 37 (1) lit. e FINSA, such an approach entails considerable complexity. A prospectus-equivalent merger report requires an expanded audit, results in non-standard documentation and increases liability risk. Moreover, such hybrid documentation is not well understood by market participants.

Accordingly, the merger report and the prospectus were deliberately separated. In this context, the question arose whether the prospectus had to be made available to the shareholders resolving on the merger. This was denied, as merger law exhaustively defines the information required for the shareholders' decision.

Pursuant to Art. 700 (3) CO, shareholders must receive all information necessary for their resolutions at the shareholders' meeting, and this requirement is fulfilled by the merger documentation mandated by the Merger Act.

5) Financial Statement and Listing Requirements

A central question concerned the financial statements required for the transaction. The stock exchange and SIX Exchange Regulation accepted that three years of audited financial statements of CENTIEL SA prepared in an accepted accounting standard were sufficient. CENTIEL SA was regarded as the entity effectively entering the public market, with its financials forming the relevant basis.

This approach had two consequences. First, no additional structural change was deemed to trigger supplementary or pro-forma financial statements. Second, CENTIEL SA had to meet the listing requirements applicable to newly listed companies, including free-float requirements. Whether the latter should strictly apply, given that free float is not required to be maintained throughout the listing, remains open to debate.

6) Conclusion

The HT5 transaction demonstrates that Swiss law already provides the tools needed to restructure, recapitalize and relist a distressed listed company – provided that insolvency law, bondholder mechanisms and corporate law are applied in a coherent and purpose-oriented manner. Rather than stretching the law, the transaction exposes where formalistic interpretations should give way to economic reality. In that sense, the case constitutes less an exception than a blueprint for future capital-markets-driven restructurings.

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THE IMPACT OF THE NEW SWISS FOREIGN DIRECT INVESTMENT (FDI) REGIME ON CAPITAL MARKET TRANSACTIONS

Reference: CapLaw-2026-19

The Swiss Parliament has approved the Investment Screening Act (ISA) which forms the basis of the Swiss FDI regime, on 19 December 2025. As no popular referendum had been initiated by the end of the respective deadline on 17 April 2026, the ISA will enter into force and the Federal Government is expected to publish the implementing ordinance later this year.

The purpose of the ISA is to prevent the acquisition of Swiss undertakings by foreign state "controlled" investors if this would threaten the public order or security in Switzerland. Acquisitions of Swiss companies operating in particularly critical sectors by foreign state-controlled investors are subject to approval. While the scope of the ISA is relatively lenient by international standards, the implications of the ISA will also have to be considered for capital market transactions with Swiss issuers.

By Thomas Reutter / Sandro Fehlmann

1) Introduction

On 19 December 2025, the Swiss Parliament approved the Investment Screening Act (*Investitionsprüfgesetz*; ISA). Compared to international standards, the ISA has a relatively limited scope due to its focus on foreign state-controlled investors only. This point was intensely debated in the process of enacting the ISA and represents a middle-ground solution found between leaving the *status quo, i.e.* no ISA enactment, a position held *inter alia* by the Federal Council, and the more restrictive view taken by certain members of the Swiss Parliament.

2) Approval Requirement

2.1) Basic Principle

The ISA establishes a requirement to seek approval in case a foreign state-controlled investor (see section 2.2) assumes control through a takeover (see section 2.3) of a Swiss target undertaking (see section 2.4) which operates in a critical sector (see section 2.5).

2.2) Foreign State Controlled Investor

The following persons or entities fall under this definition:

I. a foreign government body; this would include a government agency or the central bank. It also encompasses natural persons such as the head of state or a member of the government.

II. an undertaking (*Unternehmen; entreprise*) with its head office outside Switzerland that is directly or indirectly controlled by a foreign government body.

III. a company (*Gesellschaft; société*) with legal capacity that is directly or indirectly controlled by a foreign governmental body. This is intended to capture entities that do not operate a business and hence are not considered an "undertaking". While not entirely clear, this language probably also captures trusts, funds and similar structures such as *e.g.* sovereign wealth funds.

IV. a natural or legal person acting on behalf of a foreign governmental body. This language is intended as an anti-avoidance rule against potential circumvention by using a fiduciary or other agent.

Whilst the wording of the statute remains not entirely conclusive, the legislative materials (*Legislative Message* [Botschaft dated 15 December 2023] p. 40) are indicative of a rather broad scope with respect to the aspect of foreign control. Even cases where the government provides the funding for a takeover or where its prior approval is needed for an acquisition abroad could qualify. The latter introduces a "negative control" element and is particularly relevant for China, which subjects its companies to foreign investment approval. This aspect will

either have to be clarified in the implementing ordinance of the ISA to be drafted by the Swiss federal government or by guidance of the relevant Swiss agency SECO.

2.3) Takeover

A takeover is linked to a change of control where one or several investors gain control over an entity that was previously independent from the person acquiring control. The definition of "control" is borrowed from merger control concepts in antitrust law as set out in the Swiss Cartel Act.

Under this concept, control is generally understood as the ability to exert significant influence on the business affairs and management of a target undertaking, whether or not such influence is actually exercised. The usual method of acquiring control is through the acquisition of a participation of more than 50% of the shares or other voting securities of the target, whether directly or indirectly by acquiring a parent company. However, the legislative materials also clarify that in case of a widely held share ownership, for example in a public company, control may already be deemed to be given with share ownership of 20 or 30 percent.

The method of acquiring control, *e.g.* by share purchase agreement, statutory merger or simply by contract, is not relevant. Neither is it relevant whether shares of a legal entity (share deal) or a bundle of assets (asset deal) are acquired.

2.4) Swiss Target Undertaking

The notion of "undertaking" is again a concept from antitrust law focusing on economic rather than legal characteristics. It is meant to capture a participant in the economic process of supply or demand of goods or services. Its legal form or status (incorporated or not) is irrelevant.

An undertaking is "domestic" or Swiss if it is registered in a Swiss commercial register. Swiss beneficial ownership is neither required nor relevant. In fact, also foreign owned undertakings are subject to the new approval regime if they are registered in a Swiss commercial register. Hence, Swiss subsidiaries of foreign groups of companies will also be subject to the new ISA, even if the change of control occurs at parent level.

2.5) Critical Sectors

a) First Category

The first category comprises the most sensitive sectors, in which target undertakings must reach, during the two business years prior to the filing of the respective request, a threshold of 50 full-time employees or a worldwide average annual turnover of at least CHF 10 million.

This category includes undertakings active in (i) manufacturing goods or transferring intellectual property that are of critical importance for the operational capability of the Swiss Armed Forces, other institutions responsible for governmental security, space programs, whose exports abroad are subject to authorization under the War Material Act or the Goods Control Act; (ii) operating

or controlling the Swiss electric transmission grids, large power plants or gas pipelines; (iii) supplying more than 100,000 Swiss inhabitants with water; or (iv) providing important security-relevant IT services for Swiss authorities.

b) Second Category

The second category is subject to a higher threshold of average worldwide turnover (for banks: gross profit) of at least CHF 100 million during the two business years prior to the filing of the respective request.

This category includes (i) hospitals; (ii) undertakings active in the areas of pharmaceutical and medical devices, vaccinations or personal medical protective equipment; (iii) undertakings operating or controlling domestic (a) harbors, airports or hubs for the transportation of goods and people, (b) railway infrastructure, (c) food distribution centers, (d) telecommunication networks or (e) important financial market infrastructures; or (iv) systemically important banks.

In addition, the Federal Council may add additional criteria for a maximum of twelve months if this is required to ensure public safety.

c) Practical Impact

It should be noted that the principal undertakings of many of the above critical sectors are state-owned in Switzerland. Hence, these sectors will in any event be closed to foreign investors for the time being and the ISA will not be relevant due to the lack of suitable targets. This applies in particular to electric transmission grids, large power plants, water supply utilities, commercial harbors and airports, the railway and its infrastructure as well as hospitals. However, many of these undertakings are issuing debt instruments through the capital market which might raise the question whether such debt issuances create any concern from an ISA perspective.

Certain sectors like telecommunications and food distribution centers are privately owned but highly concentrated with only a few undertakings that could be relevant as target undertakings. Others, however, like IT security, pharmaceuticals and medical devices and equipment, are much more fragmented and quite a few target undertakings could potentially fall within the scope of the new statute in case of a takeover by a foreign state-controlled investor. The same applies to companies producing so called "dual use" goods, *i.e.* goods that can be used for both military and civil purposes. Further guidance by the Swiss Federal Government or SECO (see sections below) will be needed to clarify the scope of the new ISA in this respect.

2.6) Sanctions Regime

First and foremost, the ISA provides that until the approval is granted, the effectiveness of the takeover is suspended.

In addition, the Federal Council may order the necessary measures if a takeover has been completed without authorization. Such measures explicitly include the disposal of the respective target.

Further, in such a case, the combined entity may be fined up to 10 percent of the worldwide annual turnover of the domestic target.

3) Impact on Capital Market Transactions

3.1) Involvement of Foreign State-owned Banks in ECM Transactions

a) Overview

Standard equity capital market transactions encompass IPOs, rights issues, accelerated book buildings (ABB) and other share placements of listed companies. The typical element of these transactions is a "distribution" of shares or other equity-linked instruments with investors. "Distribution" means that the instruments are less concentrated and more widely held after the transaction than before. Hence, such capital market transactions typically have an outcome which contrasts with and lacks the features of a "takeover" in the absence of the taking of "control".

However, in the context of a capital market transaction for a Swiss issuer involving a primary component, a syndicate of banks usually acts as underwriters and one member bank typically subscribes (and pre-funds at nominal value) all new shares to be issued on behalf of all syndicate banks. If that subscription reaches a "control" level, a more detailed look into the ISA may be warranted in case a state-owned foreign bank is involved and the Swiss issuer is active in a critical sector (see section 2.5 above).

b) A Relevant Scenario

This may be the case in the following hypothetical scenario: A listed Swiss pharma company (*i.e.* active in a critical sector) conducts a capital increase via a rights issue in the amount of 55% of its share capital to fund the acquisition of a foreign competitor. The syndicate involved in the rights issue includes a foreign state-owned bank. A Swiss member bank of the syndicate subscribes all newly issued shares at nominal value on behalf of the entire syndicate. While not legally excluded, it is virtually unheard of that a foreign bank performs this act. However, economically, the entire syndicate bears the risks and benefits of the transaction according to pre-agreed underwriting quotas. Given that the syndicate will exceed the relevant threshold of 33.33 % for a mandatory offer under Swiss takeover law (pre- and post-money), which – absent special rules in the articles of association – will trigger the following standardized exemption notification with the Swiss Takeover Board (UEK): Pursuant to article 40 (1) (b) FinfraV-FINMA, banks—acting alone or as a syndicate—are exempt from the obligation to make an offer in the context of a firm underwriting of an equity securities issue if they undertake to resell the number of equity securities exceeding the threshold within three months of the threshold being exceeded and the sale actually takes place within this period. Pursuant to article 40 (2) FinfraV-FINMA, a notification must be submitted to the Swiss Takeover Board when claiming this exemption from the obligation to make an offer. If the UEK has reason to believe that the conditions for a general exemption under article 40(1) FinfraV-FINMA are not met, it may initiate administrative proceedings within five trading days; otherwise, the exemption from the obligation to make

an offer is deemed to have been granted. Thus, while providing a standardized exemption, Swiss takeover law still presupposes, as a rule, that such underwritten capital market transaction could be relevant for "control" purposes despite the underlying transaction being aimed at a "distribution" of shares.

As set out before and referenced in the legislative materials, "control" for the purposes of the ISA could already arise at 30% or even below in case of a dispersed shareholder base (see section 2.3). Thus, a similar issue as under Swiss Takeover law could theoretically arise under the new ISA in the hypothetical scenario described above. However, from a practical perspective, the difference is that only one or some of the syndicate banks will be foreign state-controlled and thus relevant for the "control" assessment whereas, under Swiss takeover law, all consortium member banks would count towards the control threshold given the typical "acting in concert" element of such structures. Also, no standardized threshold of "deemed control", such as the 33.33 % under Swiss takeover law, is set out in the ISA. The control analysis under the ISA thus remains case-specific.

c) Assessment

In the hypothetical scenario set out above, the question remains whether one or some state-controlled members of the bank consortium, such as ABN Amro from the Netherlands, would "taint" the entire syndicate such that "control" under ISA would technically be given and which in turn would necessitate a filing with SECO. We clearly believe that this should not be the case. As mentioned above, capital market transactions of the type described above are intended to be a conduit for the "distribution" of stocks towards a more widely held share ownership of any given issuer. A stock ownership of syndicate banks is always merely technical for the purposes of facilitating a placement with investors. Given its purely technical role in such transactions, the banking syndicate does typically also not intend to exercise the voting rights attached to the new shares or otherwise exert influence over the issuer. In these transactions banks are acting like agents on behalf of their principals, which are the investors. Only in cases where a foreign-controlled bank would remain a significant shareholder, *e.g.* as a result of an unsuccessful placement, for an extended period and is willing and able to exercise voting rights, a different conclusion could be drawn in our view. Again, there is a parallel to Swiss takeover law which permits a holding period of three months under the above-described takeover exemption.

Thus, while relevant cases may be rare in practice, the possibility of an application of ISA to equity capital market transactions cannot be entirely discarded. In light of the lingering legal uncertainty with an involvement of a state-controlled bank in an equity capital market transaction, we propose a robust "underwriter exemption" in the implementing ordinance of the ISA. Issuers and banks should not have to worry about the Swiss FDI regime when they are trying to tap the capital markets.

3.2) DCM Transactions

As indicated above, many undertakings in critical sectors are issuing debt instruments through the capital market. "Control" under ISA is broadly defined and generally understood as the ability to exert significant influence on the business affairs and management of a target undertaking, whether or not such influence is actually exercised. The legislative materials also clarify that the method of acquiring control is not relevant and may also occur "simply by contract".

The relationship between a creditor and a debtor is also based on a contract. Hence, one might argue that under very specific circumstances, a creditor might exert "control" over a debtor through providing debt and receiving in return certain rights, such as monitoring and information rights. Such a concept is already enshrined in other areas of Swiss law: the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (ANRA or Lex Koller) provides that "acquisition of property" is also deemed if a person obtains "other rights that confer a status similar to that of the owner" (article 4 (1) (g) ANRA). Such other rights particularly include "the financing of the purchase [...], where the terms of the agreement, the amount of the loan, or the debtor's financial circumstances place the buyer in a position of particular dependence on the creditor" (article 1 (2) (b) of the Federal Ordinance on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents).

However, absent any legal basis, we clearly take the view that from a Swiss FDI perspective, a bondholder may not be considered to be exerting "control" over a debt issuing undertaking.

3.3) PIPE Investments and Backstop Investors

Unlike the banks in a typical capital market transaction described above, investors are acting on their own behalf in a PIPE (Private Investment in Public Equity) transaction. Investments are proprietary and PIPE investors are typically also the beneficial owners of the stocks they acquire in a listed company. The analysis for PIPE transactions does not differ significantly from that of a private M&A transaction, except for the fact that the relevant aspect of "control" may be satisfied at lower thresholds, given that many shareholders of Swiss listed companies are either not registered in the share register, which is a prerequisite for participation, or, if registered, choose not to participate or turn in the proxy forms. Also, investors in PIPE transactions are often granted governance rights, such as board seat(s) or certain veto rights. As such contractual rights might reach some "control" level, such clauses will have to be analyzed and crafted carefully from an ISA perspective in case a state-controlled investor is involved and the Swiss target is active in a critical sector (see section 2.5 above).

The new Swiss FDI regime will be particularly relevant for Sovereign Wealth Funds (SWFs), but only if the investee company is in a critical sector (see section 2.5 above). While SWFs typically operate independently from the governments of their respective jurisdictions and while the states with which they are associated are typically not indicated as "beneficial owners" in public disclosures (see *e.g.* the notifications of beneficial owners of listed companies under the Swiss Financial Market Infrastructure Act), such funds will likely fall within the scope of the new ISA (see section 2.2 above). Unfortunately, the legislative materials have not been conclusive in

respect of this question but it is expected that the implementing ordinance will clarify the matter.

Similarly, as part of capital market or PIPE transactions, the structuring and sequencing may result in a merely temporary exceedance of the "control threshold", *e.g.* because the threshold is calculated based on the total number of voting rights of the issuer as recorded in the commercial register, even if the company's actual issued share capital is already higher. Similar to the practice of the Swiss Takeover Board which typically grants exemptions for such interim exceedances of the "control threshold" (especially if the mathematical result does not reflect the economic reality), an economic approach must in our view be applied under ISA disregarding any mere mathematical results which do not reflect the economic reality.

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THE NEW PAYMENT INSTRUMENT INSTITUTIONS LICENSE UNDER THE REVISED SWISS FINANCIAL INSTITUTIONS ACT – AN OPPORTUNITY FOR FOREIGN PAYMENT SERVICE PROVIDERS?

Reference: CapLaw-2026-20

On 22 October 2025, the Swiss Federal Council initiated the consultation process for a revision of the Financial Institutions Act. The proposed legislation aims to increase financial innovation under the Swiss regulatory framework. Under the revised Financial Institutions Act, the Federal Council, intends to introduce a new license category, the "Payment Instrument Institution" which will replace the current FinTech license (also referred to as the banking license light) provided for under article 1b of the Federal Act on Banks and Savings Institutions. In the context of the consultation process on the Federal Council's draft legislation, the new licensing category has been subject to considerable and justified criticism, as it effectively excludes Swiss regulated banks from issuing regulated stablecoins. However, under the new licensing category, certain prohibitive legal requirements will be abolished which have in the past prevented non-Swiss regulated payment institutions from obtaining a FinTech license in accordance with article 1b of the Banking Act. This contribution outlines the regulatory opportunities that the new licensing category may bring for foreign payment service providers intending to establish a regulated presence in Switzerland.

By Alexander Wherlock

1) Current Regulatory Framework

a) Introduction

The FinTech license pursuant to article 1b of the Federal Act on Banks and Savings Institutions (the Banking Act) was introduced in 2019 with the aim of creating a licensing regime for companies that are active in the FinTech area and accept public deposits within the meaning of the Federal Ordinance on Banks and Savings Institutions (the Banking Ordinance) but do not engage in the traditional interest differential business (*Zinsdifferenzgeschäft*) by re-investing and/or paying interest on the deposits. In view of the limited scope of activities that may be performed under the FinTech license, FinTech companies are subject to less stringent licensing requirements than those applicable to traditional banks and securities houses. In particular, FinTech companies are not subject to risk-weighted capital requirements and the applicable organizational requirements are more flexible than those under the traditional banking license taking into account that FinTech companies may have smaller and less complex governance and operational structures.

Whilst the aim of the new licensing category was to provide a regulatory basis for financial innovation in Switzerland, as of the date of this publication there are currently only four licensed entities holding a FinTech license under article 1b of the Banking Act. There are many reasons for this limited number of active license holders, such as the long duration of the licensing procedure, the exclusion of FinTech companies from the Swiss depositor protection regime and/or the fact that under the current bankruptcy regime, deposits held by FinTech companies cannot be segregated in the bankruptcy of the licensed entity. In addition, the methodology under which the applicable maximum deposit threshold is calculated, in effect, makes it difficult for foreign payment service providers to satisfy the applicable licensing requirements.

b) Permitted Activities under the FinTech License

FinTech companies are subject to the ongoing prudential supervision of the Swiss Financial Market Supervisory Authority FINMA (FINMA).

Under the FinTech license pursuant to article 1b of the Banking Act, regulated institutions are permitted to accept public deposits of up to CHF 100 million or crypto-based assets (the Deposit Threshold), provided that these are not invested and no interest is paid on them. Due to the fact that the deposits held by FinTech companies may not be re-invested and/or interest-bearing, the business models which can be operated under the license category are in effect limited to payment services, maintenance of payment accounts and provision of crypto-custody services.

The adherence to the Deposit Threshold is an integral part of a licensed FinTech company's operational risk management as the regulatory consequences of exceeding the Deposit Threshold are drastic. Pursuant to article 1b para. 6 of the Banking Act, if the Deposit Threshold is exceeded, (i) FINMA must be notified thereof within 10 days and (ii) the regulated entity must submit a full banking license application to FINMA within 90 days thereof. In view of

the regulatory consequences of a breach of the Deposit Threshold, FINMA typically requires FinTech companies to put in place an early warning system which initiates an internal warning process in case the deposits exceed the thresholds of CHF 75 million and CHF 85 million; with technical implementation of a freeze on the acceptance of new deposits being put in place in case the deposits exceed CHF 90 million – *whereas* the exact quantitative thresholds may deviate depending on the business model in question.

c) Consolidated Calculation of Deposit Threshold

Whilst the permitted activities under the FinTech license are somewhat limited, the FinTech license may – even under the existing Deposit Threshold – have been an interesting regulatory option, in particular for non-Swiss neo-banks and payment service providers with an existing and successful business model intending to expand their operations into Switzerland. However, the methodology under which the Deposit Threshold is calculated under the FinTech license has so far made it challenging for non-Swiss neo-banks and payment service providers to obtain a respective license via an independent Swiss entity.

When determining the Deposit Threshold, all public deposits within the meaning of article 5(1) FBO held by the licensed entity must be taken into account. In accordance with article 24a FBO, the Deposit Threshold must be calculated on a consolidated group-wide basis, if the Swiss FinTech company is part of a financial group within the meaning of article 21 et seq. FBO. As a consequence, in addition to the deposits held by the Swiss licensed entity, when calculating the Deposit Threshold, all deposits within the meaning of article 5(1) FBO held by all other group entities belonging to the same financial group must be taken into account.

Article 24a FBO refers to the concept of a financial group pursuant to article 21 et seq. FBO. Thereunder, a financial group is a group of at least two entities which are active in the financial sector and form an economic unit. Whether a group of entities is part of the same economic unit is determined by FINMA on a case-by-case basis. Indications of an economic unit may be: (i) being subject to the control of a common entity (namely due to voting rights and/or other means of control, such as significant influence of the management), (ii) strategic, personnel, organizational or financial interdependencies, or (iii) the use of a uniform company name and/or market presence. To the extent that FINMA concludes that the licensed FinTech company is part of a financial group, then all public deposits within the meaning of article 5(1) FBO held by all entities belonging to such a financial group would have to be taken into account under a consolidated calculation of the Deposit Threshold.

FINMA may, pursuant to article 24a(1) FBO, exclude certain entities from the consolidated determination of the Deposit Threshold, if such entity is evidently independent of the financial group. Such independence may be deemed to exist if the entity in question clearly has a different business model or business goals than those of the financial group. Whether the independence requirement pursuant to article 24a(2) FBO is satisfied would be assessed by FINMA on a case-by-case basis in consideration of all relevant facts, including but not limited to the business model and business purpose of the financial group in question.

This exemption may provide a helpful basis which can be relied upon in the context of independent Swiss operations. However, for certain non-Swiss neo-banks and payment service providers that are not in a position to sufficiently evidence the independence of their Swiss business, the consolidated calculation of the Deposit Threshold has been somewhat prohibitive to obtaining a FinTech license.

2) The New Payment Instruments Institution

a) Overview

Under the consultation draft, the Federal Council proposes to introduce a new licensing category as a "payment instrument institution" (*Zahlungsmittelinstitut*) under the Financial Institutions Act. The new licensing category would replace the FinTech license currently set out under article 1b of the Banking Act. Under the new license category, licensed payment instrument institutions can accept customer funds on a commercial basis without paying interest, without the Deposit Threshold applying. In addition, they can issue regulated stablecoins at the nominal value of the customer funds accepted, provide custody services for regulated stablecoins and provide payment services (for a comprehensive overview of the proposed licensing framework; see Leisinger / Eckert, Proposed Regulation of Payment Instrument Institutions under the Swiss Financial Institutions Act: A Critical Analysis; in CapLaw-2026-02).

b) Abolishment of Deposit Threshold

As referenced above, under the new licensing category as a payment instrument institution, the Deposit Threshold will no longer apply, ultimately meaning that as long as the accepted deposits are not interest-bearing and/or re-invested, regulated payment instrument institutions will not be subject to a quantitative threshold with regard to the accepted deposits.

While the implementing provisions to be included in the Financial Institutions Ordinance are yet to be published, if no maximum limits on the accepted deposits apply – at least in the context of adhering to the licensing requirements – it can be assumed that the consolidated calculation of deposits will not be transferred into the FinIO. However, it remains to be seen whether a consolidated calculation will be applied in the context of the calibration of other regulatory requirements applicable to payment instrument institutions.

In summary, the abolishment of the Deposit Threshold should provide a more welcoming regulatory regime for non-Swiss neo-banks and payment service providers intending to establish a fully regulated Swiss presence, as adherence to the applicable licensing requirements will no longer require a consolidated calculation of the deposits within the entire financial group. This change to the regulatory framework may make the new licensing category more attractive to neo-banks and payment service providers with existing business operations outside of Switzerland.

c) Additional Requirements for Payment Instrument Institutions Subject to Foreign Control

While the abolishment of the Deposit Threshold may make the licensing category more attractive for non-Swiss payment service providers, it must be noted that under the revised legislation, payment instrument institutions subject to foreign control will, pursuant to article 51c FinIA, be required to obtain an additional license as a payment instrument institution subject to foreign control. A foreign payment instrument institution will be deemed to be under foreign control if a person and/or entity domiciled or incorporated outside of Switzerland can directly and/or indirectly exercise the majority of the voting rights in the Swiss regulated entity and/or can exert a controlling influence over the Swiss regulated entity in another manner. To obtain an additional license, the following will have to be evidenced:

- The home jurisdiction of the controlling entity grants reciprocity to FINMA which is generally the case for all jurisdictions that are party to the General Agreement on Trade in Services (GATS) of the World Trade Organization;
- The corporate name of the payment instrument institution does not imply a Swiss character. In practice, this is ensured by adding the term "(Switzerland)" to the corporate name; and
- To the extent that the Swiss payment instrument institution will be subject to the consolidated supervision of a foreign supervisory authority, the competent foreign authority must approve the establishment of the regulated Swiss presence (and typically confirm to FINMA that an effective consolidated supervision will be applied).

d) Introduction of a Legal Basis for a Branch and/or Representative Office

Under the current regulatory regime, it is somewhat unclear whether the FINMA Ordinance on Foreign Banks provides for a legal basis for foreign regulated FinTech companies to obtain a license as a branch or a representative office in Switzerland. Under the revised FinIA, the Federal Council intends to amend article 52 FinIA to clarify that entities domiciled outside of Switzerland that (without holding a license as a bank) employ persons in Switzerland which permanently and on a commercial basis accept client deposits that are not re-invested and/or interest-bearing are required and/or permitted to obtain a branch office license under FinIA.

A corresponding amendment will be made under article 58 FinIA clarifying that entities domiciled outside of Switzerland that (without holding a license as a bank) accept client deposits that are not re-invested and/or interest-bearing are required and/or permitted to obtain a representative office license under FinIA, if they employ persons in Switzerland that on a commercial and permanent basis engage in marketing and/or advertising activities on behalf of the foreign payment institution.

The introduction of a formal licensing category as a branch office or a representative office may also provide non-Swiss neo-banks and payment service providers that want to extend their operations into Switzerland without establishing a fully licensed Swiss entity with an additional option to service the Swiss market via a regulated presence.

3) Outlook

The attractiveness of the new license category as a payment instrument institution for non-Swiss neo-banks and/or payment service providers will ultimately depend on the final design of the new regulatory framework under the revised FinIA and the corresponding regulatory requirements to be stipulated under the FinIO. However, on the face of it, the new regulatory framework seems to address certain regulatory hurdles which had been preventing certain non-Swiss payment service providers from establishing a Swiss licensed presence. Also, the introduction of a legal basis to obtain a license as a branch office and/or a representative office may be a viable option that would allow the establishment of a Swiss regulated presence without going down the road of establishing a fully regulated entity in Switzerland.

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HT5 AG's Merger with Centiel SA and Placement of 15,386,988 Shares

Reference: CapLaw-2026-21

On 13 April 2026, the shareholders of HT5 AG, a company with shares listed on SIX Swiss Exchange, and Centiel SA approved their merger, creating a listed Swiss technology company active in the uninterruptible power supply (UPS) sector. Trading in the shares of the merged company under the name Centiel AG and the ticker CNTL started on 17 April 2026.

The transaction was implemented by way of a statutory absorption merger under the Swiss Merger Act, with the previously listed HT5 AG as the surviving entity. In connection with the merger, HT5 AG issued 61,274,508 new registered shares to the shareholders of Centiel SA.

Simultaneously with the merger, HT5 AG carried out an ordinary cash capital increase through the issuance of 3,885,763 registered shares and a placement of 11,501,225 secondary shares sold by Centiel's founding shareholders. In total, 15,386,988 shares were placed at an offer price of CHF 2.04 per share.

The merger follows the comprehensive restructuring of the former Hochdorf Holding AG, a company with a history of over 130 years. Hochdorf Holding AG had entered into a definitive debt restructuring moratorium and was initially expected to be liquidated after repayment of a fraction of its outstanding hybrid bond. In 2025, a group of investors took control of the company with the approval of the shareholders' meeting and initiated a restructuring. The restructuring included a repurchase offer and conversion of the CHF 125 million hybrid bond, a significant reduction of the nominal share capital, and the release from the debt restructuring moratorium. Following the restructuring, the company was renamed HT5 AG. After the merger

with Centiel SA, the HT5 AG's registered office was relocated from Hochdorf to Lugano, the corporate purpose was amended, and the company name was changed to Centiel AG.

Mondelēz International's Issuance of CHF 850 Million Bonds

Reference: CapLaw-2026-22

On 10 April 2026, Mondelēz International, Inc., placed bonds in the aggregate amount of CHF 850 million in Switzerland. The offering included CHF 325 million aggregate principal amount of 0.9575% senior notes due 2029, CHF 245 million aggregate principal amount of 1.2713% senior notes due 2032 and CHF 280 million aggregate principal amount of 1.6250% senior notes due 2036. Deutsche Bank AG London Branch, acting through Deutsche Bank AG Zurich Branch, was acting as representative of the managers for the offering, which include BNP PARIBAS, Paris, Lancy/Geneva Branch, Goldman Sachs International and Commerzbank Aktiengesellschaft.

SIG Group's Issuance of EUR 500 Million Bond

Reference: CapLaw-2026-23

On 4 April 2026, SIG Combibloc PurchaseCo S.à r.l. placed EUR 500 million bonds with a coupon rate of 4.000% due 2031, guaranteed by SIG Group. BNP PARIBAS, BofA Securities, DZ BANK AG, HSBC and Coöperative Rabobank U.A. acted as active bookrunners in this placement.

EFG International's Issuance of CHF 130 Million Senior Unsecured Bonds, CHF 140 Million Reopening under Existing Bonds and EUR 500 Million 3.925% Guaranteed Bonds

Reference: CapLaw-2026-24

On 2 April 2026, EFG Bank AG issued new CHF 130 million domestic senior unsecured bonds with a fixed annual coupon of 1.2350% due 2032. Concurrently, EFG Bank AG completed the first reopening under the existing CHF 125 million 0.9625% senior unsecured bonds due

2029 by issuing CHF 140 million additional domestic senior unsecured bonds. The bonds are listed on SIX Swiss Exchange and included in the domestic segment of the Swiss Bond Index. Deutsche Bank AG London Branch, acting through Deutsche Bank AG Zurich Branch and Zürcher Kantonalbank acted as Joint Lead Managers. On 16 April 2026, EFG International Finance (Luxembourg) S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of Luxembourg, issued EUR 500 million 3.925% Guaranteed Bonds 2026 – 2031. The bonds are guaranteed by EFG International AG. The bonds and the guarantee as well as the transaction agreements are governed by Swiss law and the bonds are listed on SIX Swiss Exchange. UBS AG, London Branch, BofA Securities Europe SA and J.P. Morgan Securities plc acted as Joint Lead Managers.

Nestlé's Issuance of USD 2 Billion Senior Guaranteed Notes

Reference: CapLaw-2026-25

On 18 March 2026, Nestlé Capital Corporation issued USD 750 million in aggregate principal amount of 4.200% notes due 2031, USD 500 million in aggregate principal amount of 4.500% notes due 2033, and USD 750 million in aggregate principal amount of 4.800% notes due 2036. The notes are guaranteed by the Nestlé group's Swiss parent company Nestlé S.A. The offering was done in reliance on Rule 144A and Regulation S under the U.S. Securities Act.

Novartis's Issuance of USD 11 Billion Multi-Tranche Notes

Reference: CapLaw-2026-26

On 18 March 2026, Novartis Capital Corporation issued USD 11 billion notes in seven tranches. The offering comprised USD 500 million floating rate notes due 2029 (compounded SOFR + 0.650%) and six fixed-rate series totaling USD 10.5 billion with coupons from 4.100% to 5.700% and due between 2029 and 2056. The notes are guaranteed by Novartis AG.

EQT, ADIA and Auba's sale of 14.3% of Galderma's share capital via an accelerated bookbuilding process

Reference: CapLaw-2026-27

On 10 March 2026, Sunshine SwissCo GmbH (a consortium led by EQT), together with Abu Dhabi Investment Authority and Auba Investment Pte. Ltd., successfully placed ca. 34 million shares in Galderma Group AG at a price of CHF 143.75 per share via an accelerated bookbuilding process. The placement raised CHF 4.89 billion in total. Following the placement, the selling shareholders have fully exited their investment in Galderma.

The banking syndicate in the transaction consisted of Citigroup, Goldman Sachs, Jefferies, J.P. Morgan, Morgan Stanley and UBS.

Galderma's Issuance of EUR 500 Million Bonds

Reference: CapLaw-2026-28

On 18 March 2026, Galderma Finance Europe B.V. issued EUR 500 million bonds with a fixed-rate coupon of 3.375% due 2031. The bonds are guaranteed by Galderma Group AG. The banking syndicate consisted of Citigroup, ING, RBC Capital Markets as active bookrunners and BNP PARIBAS, BofA Securities, Crédit Agricole CIB and SMBC as passive bookrunners.

UBS's Issuance of USD 3.05 Billion Senior Notes

Reference: CapLaw-2026-29

On 16 March 2026, UBS AG, acting through its Stamford branch issued USD 500 million in aggregate principal amount of Floating Rate Senior Notes due 2029, USD 1.3 billion in aggregate principal amount of 4.302% Senior Notes due 2029, and USD 1.25 billion in aggregate principal amount of 4.632% Senior Notes due 2032. The notes were offered and sold in reliance on an exemption from registration provided by the U.S. Securities Act.

CRISPR Therapeutics's Issuance of USD 600 Million Convertible Senior Notes

Reference: CapLaw-2026-30

On 16 March 2026, CRISPR Therapeutics AG issued a USD 600 million aggregate principal amount of convertible senior notes with a semiannual effective coupon of 1.7308% due 2031.

Sandoz's Issuance of CHF 550 Million Bonds

Reference: CapLaw-2026-31

On 16 March 2 On 15 April 2026, Sandoz Group AG issued CHF 275 million 1.1875% fixed rate bonds due 2032 and CHF 275 million 1.55% fixed rate bonds due 2036.

Swiss Prime Site's Issuance of CHF 350 Million Green Convertible Bonds

Reference: CapLaw-2026-32

On 5 March 2026, Swiss Prime Site issued CHF 350 million senior unsecured green convertible bonds due 2032. These convertible bonds are convertible into registered shares of Swiss Prime Site. BNP Paribas, Goldman Sachs International and UBS served as joint bookrunners in the transaction.

Zurich's Placement of 7,090,909 Shares through an Accelerated Bookbuilding Offering

Reference: CapLaw-2026-33

On 2 March 2026, Zurich Insurance Group initiated an accelerated bookbuilding offering, which led to the placement of 7,090,909 newly issued shares at an offer price of CHF 550.00 each, and raising aggregate gross proceeds of approximately USD 5.0 billion. The net proceeds from the capital increase will be directed at partly financing Zurich's acquisition of Beazley. The new shares are listed on SIX Swiss Exchange. Goldman Sachs, Morgan Stanley and UBS acted as Joint Global Coordinators and Bookrunners, Citigroup and Deutsche Bank acted as Joint Bookrunners, and Crédit Agricole and Zürcher Kantonalbank acted as Co-Lead Managers in the offering.