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NOTE FROM THE EDITORS

STRENGTHENING THE "TOO BIG TO FAIL" REGIME IN SWITZERLAND

Reference: CapLaw-2025-87

The collapse of Credit Suisse in March 2023 has served as a powerful catalyst for a renewed and intensified debate on the effectiveness of Switzerland's 'too big to fail' (**TBTF**) regulatory framework. In response, the Swiss Federal Council has presented a comprehensive package of measures aimed at strengthening banking stability and mitigating the risks posed by systemically important banks in a report on banking stability in April 2024. The Federal Council also emphasized that Switzerland should remain one of the world's leading financial centers with a stable and competitive financial sector. In June 2025, the Federal Council presented the key points for the amendment of the Swiss Banking Act. The first specific proposals, demanding that systemically important banks in Switzerland would be required to provide full capital backing for their participations in foreign subsidiaries, were published on 26 September 2025 and are subject to consultation until 9 January 2026.

1) Overview on Proposed Measures

According to the Federal Council, the TBTF legislative framework should be expanded with a package of measures aimed at significantly reducing the risks for the state, the national economy, and Swiss taxpayers. The envisaged reforms are concentrated in three main areas:

a) Strengthening Prevention

The goal is to ensure that a systemically important bank can absorb losses with its own funds and continue to operate, or be wound down without state intervention. Key measures include:

- the strengthening of corporate governance, e.g. by introducing more detailed requirements and a senior managers regime "light" to clarify responsibilities,
- increased capital requirements, with a focus on foreign participations within a financial group and forward-looking elements incorporated into capital surcharges and
- regulation on compensation by strengthening the legal basis, particularly concerning variable components as well as
- expansion of FINMA's supervisory powers, for example, by making it easier to obtain information and by giving FINMA the power to issue fines.

b) Strengthening Liquidity

This area focuses on ensuring banks have sufficient liquidity and that the central bank has effective tools to provide liquidity in a crisis. The proposals include introducing the Public Liquidity Backstop (PLB) in ordinary law to ensure systemically important banks have access to sufficient liquidity in a crisis and tightening requirements for banks to provide information about their liquidity situation to the supervisory authority.

c) Expanding Crisis Toolkit

This involves expanding the range of options available for resolving a failing bank. The measures aim to introducing more options for an orderly wind-down of a bank, e.g. by requiring a resolution plan for parent banks or providing for an orderly wind-down as a resolution option, and further increase the legal certainty of a bail-in, where the bank's owners and creditors bear the losses.

2) Focus of the current CapLaw issue 5/2025

This issue of CapLaw delves into three key proposals that form the cornerstone of this reform effort: enhancing FINMA's early intervention powers, increasing the accountability of senior management, and granting the regulator the authority to impose fines.

– Nina Reiser kicks off the discussion by examining the proposal for a more robust early intervention regime for all banks. Her article outlines the critical need for FINMA to act proactively before an institution is at risk of insolvency.

– Nicolas Curchod and Dusan Ivanovic address the sensitive topic of individual accountability with their analysis of a potential 'Senior Managers Regime'. Adopting a "less is more" approach, they argue against transposing the complex British model wholesale. Instead, they propose targeted amendments to existing FINMA circulars and recommend two interconnected documents, a "Responsibilities Map" to clearly delineate tasks and powers within the organization as well as an individual "Statement of Responsibilities" for each senior manager. This approach, they contend, would enhance accountability and facilitate enforcement without creating a burdensome new legislative framework.

– Claudio Bazzani and Reto Ferrari-Visca explore the highly debated proposal to grant FINMA the power to impose fines. They weigh the arguments for – such as increased deterrence and alignment with international standards – against the significant arguments against, including the risk of procedural complications and a potential shift in FINMA's supervisory culture from cooperative to punitive. While acknowledging the political momentum, they conclude that if such powers are introduced, they should be narrowly circumscribed and, in line with the Federal Council's latest proposal, primarily target legal entities rather than individuals to avoid constitutional and practical hurdles.

Together, these contributions offer a comprehensive and critical perspective on the path forward for Swiss banking regulation, highlighting the complex balancing act between enhancing stability, ensuring accountability, and maintaining an effective and efficient supervisory model.

The Editors

EARLY INTERVENTION REGIME

Reference: CapLaw-2025-88

On 6 June 2025, the Swiss Federal Council published proposed additional powers for the Swiss Financial Market Supervisory Authority FINMA. This article assesses the intended early intervention regime.

By Nina Reiser

1) Proposed early intervention regime

The key parameters determined by the Federal Council to improve the Swiss too big to fail regime include additional powers for the Swiss Financial Market Supervisory Authority FINMA, like an early intervention regime (see Federal Department of Finance FDF, The Federal Council's parameters for amendments to the Banking Act, Implementing the measures highlighted in the Federal Council's report on banking stability and the report by the Parliamentary Investigation Committee, 6 June 2025, 4). Such early intervention regime is to be implemented at the legislative level and cover all banks. By legally anchoring the relevant measures, their applicability and timing, FINMA's options for early intervention, in particular enforceability and legally effective intervention, should be strengthened. According to the Federal Council the objective of this measure consists of avoiding as far as possible a crisis arising because of bank-specific issues or misconduct. Therefore, the existing supervisory powers should be strengthened in areas such as corporate governance (*e.g.* remuneration and restrictions on business activity), capitalization (*e.g.* limitations on dividends and Pillar 2 add-ons) as well as recovery and resolution planning, defining the prerequisites more precisely and reinforcing FINMA's powers of intervention and their enforceability in ongoing supervision.

Specifically, alike the regulations for insurance companies, it shall be clarified in the Banking Act (BankA) that protective measures apply before the measures for banks at risk of insolvency. This should ensure that FINMA's intervention to secure the restructuring of a bank is effective. Secondly, the protective measures are intended to be expanded. Protective measures should include triggering recovery plan measures, preventing distributions of equity or dividends or

convening a general meeting. In addition, the suspensive effect of an appeal is intended to be repealed. However, the aggrieved party should be able to apply to the court for restoration of the suspensive effect. Finally, the mentioned measures are meant to be implemented by amendments to various articles in the BankA and ordinances, specifically in the Banking Ordinance (BankO) and the Capital Adequacy Ordinance (CAO).

2) Assessment

The following assessment is mainly based on Nina Reiser/Seraina Grünewald, *Frühintervention*, in: SZW Sonderheft 2025, 48 – 60, and Nina Reiser/Thomas Berndt, *Braucht die FINMA neue Krisenwarnindikatoren und Aufsichtsinstrumente für Banken in der Krise? Interdisziplinäre Gedankenanstösse*, in: GesKR 2024, 255 – 269 with further references. However, both articles were published before the described, proposed early intervention regime by the Federal Council from June 2025.

Weaknesses in risk culture, governance and business models are a frequent cause of problems to banks – this applies also to Credit Suisse. However, this is not the only case. In the European Banking Union, for example, several bank failures can ultimately be traced back to governance problems and a poor risk culture. The problems at Silicon Valley Bank, which was wound up by the US authorities in spring 2023, also stemmed from a flawed strategy and fundamental errors in risk management. Early intervention aims to prevent financial problems from arising in the first place by tackling their root causes. While early intervention in a broader sense begins during ongoing supervision, early intervention in a narrower sense refers to a subsequent escalation phase. The public debate should address both instruments, because the two phases are closely linked and ideally coordinated.

a) Legal loopholes in the applicable FINMA instruments

In its ongoing supervision, FINMA can only indirectly work to eliminate deficiencies in a bank's corporate governance, strategy, and culture. However, it is precisely such shortcomings that are frequent causes of problems at banks. The implementation of sufficiently effective and legally secure measures in ongoing supervision therefore also requires more specific material requirements for corporate governance of banks and the elevation of the essential prerequisites currently standardized in the Circular 2017/1 Corporate governance – banks to legislation or at least ordinance level.

Enforcement, on the other hand, is slow, requires a violation of law by the bank, and therefore places a heavy burden of proof on FINMA. In contrast, early intervention serves the urgent preventive purpose of averting danger, ideally before supervisory law is (seriously) violated and the breach is proven. Furthermore, problems to banks do not always arise in connection with rule violations. Rather, they can also be traced back to other grievances, such as an incorrect strategy or internal cultural problems at the bank. Problems due to external circumstances such as political conditions are also conceivable. In particular, the *de lege lata* vaguely formulated restoration of compliance with the law according to article 31 of the Financial Market Supervision Act

(FINMASA) does not provide a sufficient legal basis for early intervention. Finally, enforcement proceedings are also too slow due to the principle of suspensive effect in appeal proceedings before the Federal Administrative Court. Unlike the European Union (EU), Switzerland also lacks an instrument that can be used as a "means of escalation" in a looming crisis.

For the stabilization phase, *i.e.*, in the early stages of a crisis, systemically important banks have a stabilization plan. This plan contains measures that the banks concerned can use in a crisis to stabilize themselves to such an extent that they can continue their business activities without government intervention. Indeed, early intervention is related to the stabilization phase but may be appropriate even before that. *De lege lata*, the bank itself determines in the stabilization plan the triggers for the stabilization measures to be taken. However, FINMA lacks the legal authority to trigger such measures against the will of the bank. Similarly, FINMA cannot, under current law, order the correction of deficiencies in the bank's stabilization planning.

In addition to the instruments mentioned for banks in going concern, there are also insolvency proceedings. A bank enters these proceedings at the so-called point of non-viability (PONV), *i.e.*, when it is no longer able to survive independently. In the event of insolvency risk, FINMA may, pursuant to article 25 BankA, order protective measures, a restructuring procedure or, as a last resort, bankruptcy liquidation. In contrast, early intervention is intended to prevent the need for insolvency measures. However, it does not necessarily have to precede them. Intervention with protective measures within the meaning of article 26 BankA only in the event of a risk of insolvency comes far too late, especially in the case of corporate governance problems that arise much earlier.

b) Design of a Swiss early intervention regime

Firstly, FINMA should be granted broad discretion in triggering early intervention measures. These triggers should be forward-looking, dynamic, comparable with peers, and designed to provide an overall view of a bank's condition. Hard triggers are neither proportionate nor convenient to implement. Instead of an automatic mechanism, FINMA's discretion should be guided by investigation, documentation, and information requirements for systemically important banks within the steering committee, *i.e.* vis-à-vis the FDF and the Swiss National Bank, as well as within FINMA itself.

Legally binding, concrete measures of varying degrees of intervention are needed. In particular, the instruments currently provided for as protective measures in the event of insolvency risk according to article 26 BankA could be considered as early intervention measures, with a few adjustments and additions. Specifically, FINMA should be able to issue instructions to the governing bodies of the bank (lit. a), appoint an investigator (lit. b), strip governing bodies of their power to legally represent the bank or remove them from office (lit. c), dismiss the banking-act or company-law audit firm (lit. d), limit the bank's business activities (lit. e) or forbid the bank to make or accept payments or undertake security trades (lit. f). On the other hand, the following measures are not considered appropriate as early intervention measures and should therefore not be adopted: closure of the bank (lit. g) and deferment of payments or payment extensions (lit. h). The prohibition on making payments should also include the possibility of

prohibiting the payment of dividends to shareholders, as proposed by the Federal Council, and bonuses to members of the executive board. Even though the list of early intervention measures, like the list of protective measures under article 26 para. 1 BankA, is not intended to be exhaustive, it should be explicitly supplemented with several measures for reasons of legal certainty. For example, FINMA should, in accordance with the EU regulation and the proposition of the Federal Council, be able to convene a general meeting even against the will of the bank's management and put a capital increase on the agenda. In addition, an explicit legal basis should be created allowing FINMA to explicitly write off Additional Tier 1 (AT 1) bonds. FINMA should also be authorized to order the implementation of individual measures in a bank's stabilization plan as a binding early intervention measure.

Moreover, in line with the proposal of the Federal Council the target group should not be limited to systemically important banks. Rather, the risk-oriented approach in supervision should also be applied in principle to early intervention.

Like protective measures in the event of insolvency risk, early intervention measures are also inherently urgent in terms of both substance and timing. It is therefore only logical to remove the suspensive effect from these measures as well. However, in line with the proposal of the Federal Council the aggrieved party should be able to apply to the court for restoration of the suspensive effect. Yet, early intervention by FINMA is of little use if the bank can take the wind out of its sails by challenging the measure. Early intervention must take effect immediately. For example, the dispute between FINMA and PostFinance over the methodologically correct measurement of interest rate risks and their backing with own funds lasted more than eight years (!) from FINMA's initial ruling to the final Federal Supreme Court ruling (BGer 2C_283/2023, 20.11.2024).

Finally, FINMA should be able to publish early intervention measures if this is necessary for their enforcement or for the protection of third parties. However, if publication would defeat their purpose, FINMA should have the discretion to refrain from doing so. This corresponds to the regulation *de lege lata* for protective measures in the event of insolvency risk.

3) Conclusion

Although FINMA has instruments at its disposal for corrective action in terms of supervision and enforcement, there are legal gaps for FINMA to intervene at an early stage and thus mitigate both likelihood and scale of problems at banks. It is therefore to be welcomed that the Federal Council's key points propose the implementation of an early intervention regime at the legislative level applicable to all banks. The difficulty in designing early intervention measures lies in the fact that responsibility for risk management and business strategy must not be shifted to FINMA but must remain with the bank. The present proposal for the concrete design of a Swiss early intervention regime, which the author developed together with Seraina Grünewald and Thomas Berndt, attempt to strike this balance as best as possible.

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A "SWISS SENIOR MANAGERS REGIME": LESS IS MORE

Reference: CapLaw-2025-89

The Federal Council welcomes the introduction of a supervisory regime for senior managers of Swiss banks, citing perceived gaps in regulatory accountability. In fact, what is needed is not a new regulatory regime modelled on the British "senior managers regime", but rather clarification and refinement of the current framework.

By Nicolas Curchod / Dusan Ivanovic

1) Introduction

Following the collapse of Credit Suisse, the idea of a "Senior Managers Regime" modelled on the British framework has gained considerable traction in Switzerland. The Swiss Federal Council and FINMA, among many others, have expressed support for such a regime, arguing that Swiss financial market law as it stands today does not allow to hold senior managers of Swiss banks accountable for regulatory breaches.

However, the assumption that the existing legislative framework fails to ensure adequate regulatory accountability warrants critical analysis based on a comprehensive review of the regime currently in place.

2) Attribution of Responsibilities Under the Existing Legal Framework

In Switzerland, the framework of duties, powers, and responsibilities of bank executives stems from an interplay between private and public law.

a) Private law

Swiss Banks are typically organized as stock corporations (*Aktiengesellschaften*) governed by the Swiss Code of Obligations (CO). The board of directors manages the stock corporation and may delegate powers to the management in accordance with organizational regulations. Importantly, such delegation only relieves the board from liability if executed with care in *i)* selection (*cura in eligendo*), *ii)* instruction (*cura in instruendo*), and *iii)* oversight (*cura in custodiendo*) (Art. 754 Abs. 2 CO).

Even so, the board retains inalienable responsibility for organizational design through its obligation to define the management structure and to establish clear lines of reporting, hierarchy, and accountability (Art. 716a CO). In particular, board members and other senior managers owe comprehensive duties of loyalty and care (*Treue- und Sorgfaltspflicht*) to the stock corporation (Art. 717 CO).

For board members of Swiss stock corporations (including banks) as well as, potentially, further persons in leadership roles, a clearly defined (or at least definable) bundle of tasks, responsibilities, and powers can thus be derived from: (i) law; (ii) articles of association; (iii) the organizational regulation; (iv) further directives; and (v) contractual arrangements.

b) Financial Market Supervisory Law

Beyond the obligations under private law, banks can only operate with a bank license. Approval by the Swiss regulator, FINMA, will only be granted if certain quantitative and qualitative requirements are met. These requirements are primarily set out in the Banking Act and the Banking Ordinance and detailed in FINMA circulars.

This legal framework prescribes strict requirements for the organizational structure of stock corporations seeking the authorization to act as banks, that aim at ensuring, *inter alia*, gapless allocation of responsibilities at the senior management level. In particular, banks shall be organized appropriately in order to ensure, *inter alia*, a clear allocation of responsibilities (FINMA Circular 2017/1 on Corporate Governance, para. 8a). As outlined above, the organization of banks is defined in private law instruments (articles of association, organizational regulations, etc.).

Further obligations relate to the persons assuming senior management roles at banks. In particular, senior managers who qualify as "*Gewährsträger*" must be fit and proper (Art. 3 Abs. 2 lit. a, c Banking Act; Art. 9 Banking Ordinance). This includes the members of the board of directors as "*Oberleitungsorgan*" as well as the bank's management as "*Geschäftsleitung*".

Changes in senior management roles require FINMA's prior fit and proper assessment and approval and any organizational regulation must be up to date to reflect the bank's organizational set-up (Art. 3 Abs. 3 Banking Act).

c) Enforcement of Individual Accountability

Under the existing framework, FINMA has powers to ensure compliance with the regulatory framework. In case a bank violates supervisory law requirements, FINMA may conduct enforcement proceedings against the bank as an institute.

While FINMA primarily supervises institutions, its enforcement powers extend to individuals. Supervisory law accountability can occur for both direct and indirect violations, i.e., a violation by a bank that is attributable to a senior manager. According to the practice of FINMA and the Swiss federal courts, the latter requires: (i) a violation of duty; (ii) a fault; and (iii) a causal link to a serious breach of financial market supervisory law by the bank. Importantly, relevant duties extend beyond Swiss regulatory law to include corporate law, organizational regulations, internal directives, and contractual obligations.

For serious violations (*schwere Verletzungen*), FINMA may, *inter alia*, impose professional bans (Art. 33 FINMAG) and confiscations (Art. 35 FINMAG) against senior managers. With respect to direct violations of corporate law and internal organizational law (without, at the same time,

leading to violations by the institute and thus being indirect violations), a key distinction must be drawn between the senior managers who qualify as "*Gewährsträger*" and other senior managers: Breach of duties by "*Gewährsträger*" can constitute a violation of the fitness and propriety requirement and thus warrant supervisory sanctions against them, even in the absence of a simultaneous aggravated violation by the bank. This heightened standard currently does not apply to other senior managers.

d) Interim Conclusion

The existing legislative framework already provides for comprehensive attribution of responsibilities. Moreover, FINMA possesses adequate enforcement tools against individuals who breach such duties and has used them in practice.

3) Proposal of a "Swiss Senior Managers Regime"

The concerns voiced by FINMA regarding the practical difficulties in holding senior managers accountable should not be dismissed. In our opinion, such concerns are best addressed by amending FINMA's Circular 2017/1 in order to introduce the duty for banks to issue two key documents.

a) Two Key Documents

The accountability of senior managers at Swiss banks could be strengthened by introducing the following two interconnected documents inspired by the British model:

1. **Responsibilities Map (*Verantwortlichkeitsübersicht*)**: Banks shall maintain a comprehensive organizational responsibility map documenting the tasks, duties, responsibilities, and powers of all senior managers. The map must capture delegation arrangements, appointment and oversight procedures, reporting lines, and information flows, including responsibilities deriving from committee decisions.
2. **Statement of Responsibilities (*Pflichtenheft*)**: Banks shall prepare an individual responsibility statement for each senior manager documenting all duties, responsibilities, and tasks. The statement must include committee-related responsibilities and clarify that each committee member bears individual accountability for their duties.

b) Implementation Level

In our view, it would be most appropriate to introduce the duty to issue the aforementioned two documents in a FINMA circular (*Rundschreiben*), i.e., a document in which FINMA communicates its expectations to market participants. An amendment of FINMA's Circular 2017/1, which deals with corporate governance within banks, would be the most appropriate approach.

c) Reporting and Oversight

The bank's board of directors as "*Oberleitungsorgan*", which is responsible for appropriate organizational design, would remain responsible for ensuring compliance with the new requirements enshrined in FINMA's Circular 2017/1. While it may delegate tasks in relation to the issuance of the two documents, it shall ensure that the bank's regulation and internal rules always reflect the current state of duties and responsibilities of all senior managers. Changes must be reported promptly to auditors and FINMA.

4) Key Advantages of the Proposed Approach

The proposed framework would ensure that banks define responsibilities in a way that meets FINMA's expectations. It would facilitate supervisory enforcement while protecting individual senior managers from potential sanctions for breach of unspecified duties – a senior manager shall not be held accountable for the breach of a duty that was not specifically allocated to them.

The suggested approach accommodates proportionate, risk-based implementation reflecting each institution's business model and risk profile. It respects the principle that the banks themselves, and not FINMA, should define the appropriate organizational architecture. Further, it allows banks to build upon existing organizational structures without imposing disproportionate regulatory costs. Lastly, it does not require a lengthy legislative process and a costly implementation (the cost of which would largely be offset to clients).

5) Key Differences to the British Senior Managers Regime

a) No Regulatory Approval Mechanism for Managers

The British regime requires regulatory approval of senior managers.

Replicating the British model by requiring references of the last six years of professional experience of newly hired senior managers would not have any material benefit. Forcing FINMA to regulate potentially hundreds or thousands of individuals would create bureaucratic burden incompatible with the Swiss approach of a swift and effective financial market regulation.

It should be noted that Swiss law already requires FINMA to assess whether senior managers who qualify as "*Gewährsträger*" are fit and proper (Art. 3 Abs. 2 lit. c^{bis} Banking Act). FINMA performs these assessments when the bank license is issued and when personnel changes occur. That is, in our view, sufficient.

b) No state-prescribed functions and mandated responsibilities

The British regime defines controlled functions (e.g., Chief Executive, Chief Finance) and responsibilities that must be allocated to said functions. Banks must comply with these strict allocation rules.

Switzerland, by contrast, traditionally leaves it to financial institutions to define their managerial structure. In our view, banks should retain discretion to define their senior managers and to implement accountability in accordance with their business model and risk profile. A system that has been widely described as complex and burdensome and that requires high compliance expenditures without proven added value should be avoided.

The British regime requires senior managers to take "reasonable steps" to ensure regulatory compliance in their allocated domain.

Swiss senior managers are already subject to extensive care duties under private law and must ensure all business decisions comply with applicable law. For senior managers qualifying as "*Gewährsträger*", the fitness and propriety requirements impose an explicit regulatory compliance obligation. While other senior managers may not face identical regulatory duties, introducing a separate supervisory duty of care modelled on the British "reasonable steps" standard is unnecessary. Existing private law duties mandate appropriate delegation, instruction, and oversight, establishing a comprehensive accountability framework across all organizational levels. Senior management's obligations under private and financial market supervisory law, together with mandatory responsibility documentation, achieve the same regulatory objectives without introducing new legal constructs.

6) Conclusion

Strengthening the accountability of senior managers of Swiss banks can be done in an efficient manner within existing legal boundaries. Instead of seeking to introduce a cumbersome new regime mirroring the British senior managers regime, FINMA should clarify, through targeted amendments of FINMA Circular 2017/1, its expectations regarding the ways in which banks shall ensure accountability of their senior managers.

This approach aligns with Switzerland's principles-based regulatory philosophy, avoiding the prescriptive complexity of the British model. It preserves bank management's responsibility for organizational design and accountability structures, subject to FINMA oversight.

Rather than transplanting foreign legal frameworks, the proposal enhances existing requirements through greater clarity and documentation. Comprehensive responsibility mapping, at both institutional and individual levels, enables FINMA and Swiss courts to readily identify accountable persons when violations occur.

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THE PROPOSAL TO GRANT FINMA THE POWER TO IMPOSE FINES

Reference: CapLaw-2025-90

This article examines the proposal to grant Swiss Financial Market Supervisory Authority (**FINMA**) the power to impose fines. The initiative, once seen as unlikely, gained renewed attention after the collapse of Credit Suisse and has since been supported by FINMA and considered by the Federal Council and the Swiss Parliament. While proponents emphasise deterrence, international credibility, and enhanced accountability, critics point to limited effectiveness, potential conflicts with the nemo tenetur principle, and risks to FINMA's cooperative supervisory model. The article concludes that, if introduced, fining powers should be narrowly circumscribed and confined to legal entities.

By Claudio Bazzani / Reto Ferrari-Visca

1) Introduction

Swiss Financial Market Supervisory Authority (**FINMA**) currently has at its disposal a broad range of supervisory and enforcement measures of prudential nature, but no competence to impose fines. The question of whether it should be granted the power to impose fines has been debated for years. Long regarded as a politically unlikely reform, the proposal has re-emerged with renewed urgency in the aftermath of the collapse of Credit Suisse in March 2023.

The power to impose fines should supplement FINMA's current supervisory instruments without impairing the duty of cooperation incumbent upon supervised entities and individuals. FINMA itself has emphasised that supervised entities must continue to fulfil their cooperation obligations in establishing the relevant facts, thereby enabling irregularities to be identified without delay and the necessary measures to be imposed.[1]

Supporters of a new fining regime encounter opposition from those advocating caution and criticising the introduction of FINMA's power to impose fines.

2) The Current Legal Framework

Under the Financial Market Supervision Act (**FINMASA**), FINMA currently has at its disposal a broad range of supervisory and enforcement measures. These include measures to restore compliance (Article 31 FINMASA), declaratory rulings (Article 32 FINMASA), industry bans and prohibitions on professional activity (Articles 33 and 33a FINMASA), publication of rulings (Article 34 FINMASA), confiscation of unlawfully obtained profits (Article 35 FINMASA), and

[1] FINMA, Informationsblatt vom Juni 2025, Erweiterung des FINMA-Instrumentariums: Bussen.

withdrawal of licences (Article 37 FINMASA).[2] These measures are predominantly prudential in nature. Their purpose is not punitive but corrective, namely, to restore compliance, safeguard financial stability, and protect the reputation of the Swiss financial market.

According to the Federal Supreme Court, profit confiscation and industry bans do not qualify as "criminal charges" within the meaning of Article 6 of the European Convention on Human Rights (**ECHR**).[3] FINMA may therefore apply them in administrative proceedings without being subject to the full set of criminal procedural guarantees, such as the presumption of innocence or the privilege against self-incrimination (*nemo tenetur* principle).

Unlike supervisory authorities in the European Union, the United States, or the United Kingdom, FINMA currently lacks the power to impose fines on supervised institutions and individuals for breaches of supervisory law or other irregularities.[4] Criminal prosecution of misconduct in the financial sector – and thus the power to impose fines or other criminal sanctions – falls within the jurisdiction of other authorities, such as (1) the Criminal Law Division of the Federal Department of Finance, which is responsible for the prosecution of violations of the criminal provisions of FINMASA and other financial market acts, (2) the State Secretariat for Economic Affairs SECO, which is responsible for prosecuting sanctions violations, (3) the Competition Commission, and (4) the federal and cantonal prosecution offices.

This allocation of responsibilities – prudential supervision and enforcement by FINMA on the one hand, and punitive sanctioning by the criminal authorities and administrative penal authorities on the other – has long been regarded as a defining feature of the Swiss financial market regulatory framework.

3) Political Developments

a) Parliamentary Initiatives

In 2021, the Swiss Parliament advanced several initiatives on individual accountability and supervisory sanctions. Two are particularly noteworthy: One postulate, which requested an examination of measures to strengthen the personal responsibility of senior financial-market managers, and a second postulate, which called on the Federal Council to assess whether FINMA should be empowered to impose fines and other sanctions. The Federal Council proposed acceptance of the first postulate, but recommended rejection of the second postulate. The National Council nevertheless approved both postulates.[5]

[2] Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 276 et seq.

[3] Cf. BGE 139 II 279 on profit confiscation; BGE 142 II 243 on industry bans.

[4] Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 276.

[5] Postulat Andrey (21.3893), Schlanke Werkzeuge, um höchste Finanzmarktkader besser in die Pflicht zu nehmen, and Postulat Birrer-Heimo (21.4628), Wirksame Sanktionen der Finma gegen fehlbare Finanzinstitute.

In parallel, the Federal Council published in February 2022 its report on financial administrative sanctions.[6] The report examined whether FINMA or other administrative authorities could be granted the power to impose fines within the framework of Swiss administrative law. It concluded that such sanctions could, in principle, be introduced on a statutory basis, provided the legislator clearly defines their scope, the addressees, and the maximum amounts in order to comply with the constitutional principle of legality. The Federal Council observed that financial administrative sanctions could be designed in conformity with the guarantees of both the Federal Constitution and the ECHR. At the same time, it emphasised that the characterisation of such sanctions as "criminal" in the autonomous sense of Article 6 ECHR would require compliance with the core fair-trial guarantees set out therein. In particular, the essential rights of defence would have to be safeguarded – including the presumption of innocence, the privilege against self-incrimination (*nemo tenetur* principle), the right to legal representation, and the right to effective judicial review.

b) The Credit Suisse Collapse as Catalyst

The takeover of Credit Suisse by UBS in March 2023 brought renewed attention to the question of whether FINMA should be vested with the power to impose fines.[7] In light of the ensuing public and political debate, FINMA explicitly called for the introduction of such authority. In its December 2023 Lessons Learned from the Credit Suisse Crisis report, it reiterated this demand, presenting fines as a necessary complement to its existing supervisory instruments.[8] FINMA reaffirmed its position in June 2025 with the publication of its information sheet on the extension of its supervisory toolkit, again stressing the need for a statutory power to impose fines as part of a broader reinforcement of supervisory measures. Notably, FINMA's newest request was now expressly limited to the imposition of fines on legal entities, not on individuals.[9]

The Federal Council addressed these issues in its 2024 Banking Stability Report. While it endorsed the introduction of fines against supervised legal entities, it explicitly rejected their extension to individuals, citing constitutional concerns as well as the practical consideration that any personal exposure would likely be offset through higher risk premiums in remuneration or contractual agreements to assume the fines.[10] The Swiss Parliament, by contrast, has consistently pressed for a broader approach. In 2025, following the report of the Parliamentary Investigation Commission on the Credit Suisse crisis, both the National Council and the Council of States adopted motions requesting that the introduction of FINMA's power to impose fines be examined

6 Bundesrat, Bericht Pekuniäre Verwaltungssanktionen vom 23. Februar 2022, BBl 2022 776 ff.

7 Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 277.

8 FINMA, Bericht vom 19. Dezember 202, Lessons Learned aus der CS-Krise, p. 8, 46, 50 and 57.

9 FINMA, Informationsblatt vom Juni 2025, Erweiterung des FINMA-Instrumentariums: Bussen.

10 Bundesrat, Bericht vom 10. April 2024, Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 283 et seq.

not only with respect to systemically important banks (**SIBs**) but also with regard to responsible individuals.[11]

4) Arguments in Favour of the Power to Impose Fines

The following arguments are invoked to justify granting FINMA the power to impose fines:

- **Deterrent and signalling function**: FINMA has argued that fines have a noticeable impact on the earnings of the financial institution concerned and thereby exert a disciplinary effect. According to FINMA, fines also send a signal to the public that supervisory rules have been breached. Their deterrent effect thus extends beyond the sanctioned institution and influences the behaviour of other market participants.[12]
- **International credibility and peer reviews**: Switzerland has repeatedly been criticised in peer reviews by the Financial Action Task Force (**FATF**) and the International Monetary Fund (**IMF**) for the absence of any FINMA power to impose fines.[13] Aligning with international practice would enhance the reputation of the Swiss financial centre and demonstrate a willingness to address perceived enforcement gaps.[14]
- **Shareholder leverage and governance effects**: The Federal Council has noted that fines may provide leverage for shareholders, for example by prompting them to withhold discharge of the board or initiate legal action against management.[15]
- **Complement to prudential measures**: Fines would not replace existing supervisory instruments but rather complement them. They could add a punitive dimension to an enforcement framework otherwise focused on remediation and restoration. FINMA has repeatedly highlighted that fines would complete its "toolbox" and thereby enhance the consistency and credibility of its enforcement policy.[16]

[11] Motion Z'Graggen (24.4527), Durchsetzungskraft der Finma bei SIB stärken; Motion Ryser (24.4531), Durchsetzungskraft der Finma bei SIB stärken. Cf. Bundesrat, Stellungnahme vom 20. Dezember 2024 zum PUKBericht zur Credit Suisse-Krise, p. 34.

[12] FINMA, Informationsblatt vom Juni 2025, Erweiterung des FINMA-Instrumentariums: Bussen. Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 282.

[13] Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 277.

[14] Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 282.

[15] Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 282.

[16] FINMA, Informationsblatt vom Juni 2025, Erweiterung des FINMA-Instrumentariums: Bussen. Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 282.

– **Strengthening FINMA's reputation at national level**: Finally, visible financial sanctions are viewed as a means of reinforcing public confidence in FINMA's supervision.[17] There is broad recognition that restoring trust requires not only effective prudential oversight but also credible and transparent accountability mechanisms.

5) Arguments Against the Power to Impose Fines

The following arguments are invoked against granting FINMA the power to impose fines:

– **Questionable effectiveness**: It is doubtful whether fines imposed on institutions would meaningfully alter behaviour. As FINMA itself once acknowledged in earlier communications, the prevailing corporate attitude toward fines often amounts to "*pronounced today, paid tomorrow, forgotten the day after tomorrow.*"[18] For larger banks, fines are easily absorbed as routine operating costs and thus fail to induce sustained behavioural change. Empirically, reputational effects of fines are typically short-lived, especially for institutions considered "too big to fail."[19]

– **Stronger reliance on existing instruments**: FINMA already possesses powerful and intrusive measures that, when properly applied, are often more effective than financial sanctions. These include measures to restore compliance – such as the forced removal of senior managers or restrictions on specific business activities –, industry bans, publication of rulings, and the confiscation of profits. Unlike fines imposed on financial institutions, these instruments directly target decision-makers and governance structures, thereby addressing the root causes of breaches of supervisory law or other misconduct. From this perspective, fines could ultimately prove redundant or inferior to tools already available to FINMA.[20]

– **Procedural complications and efficiency concerns**: The introduction of fines would inevitably trigger the application of criminal-law guarantees under Article 6 ECHR, including the presumption of innocence, the privilege against self-incrimination (*nemo tenetur* principle), the right to legal representation, and the right to effective judicial

[17] Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 282.

[18] Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 8.

[19] Cf. Daeniker, Ein voll haftender Bankmanager ist der falsche Ansatz , in: BILANZ, September 19, 2024; Reiser, Verfügt die FINMA über genügend wirksame und scharfe Instrumente gegen (höchste) Bankmanager?, in: SZW 2024, p. 96 ets eq.; Wyss, FINMA-Bussenkompetenz – ein wirksames Mittel zur Abschreckung?, in: GesKR 2024, p. 145; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 26 et seq., N 34 and N 42.

[20] Cf. Reiser, Verfügt die FINMA über genügend wirksame und scharfe Instrumente gegen (höchste) Bankmanager?, in: SZW 2024, p. 96; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 15 et seq. and N 32 et seq.

review. This would require significant adaptations of FINMA's supervision and enforcement procedures, the allocation of additional resources, and possibly a restructuring of internal processes. These shifts would compromise one of FINMA's key strengths – its ability to act swiftly and pragmatically in crisis situations – by replacing cooperative oversight with formalised, adversarial processes.[21] In a recent decision, the Federal Supreme Court confirmed that the duty to cooperate in administrative law does not override the *nemo tenetur* principle when there is a risk of self-incrimination.[22]

- **Risk of role confusion**: Transforming FINMA into a quasi-criminal authority risks blurring the established separation between prudential supervision and punitive sanctioning. FINMA's legitimacy has long rested on a cooperative supervisory model based on dialogue and corrective intervention rather than confrontation. Expanding its mandate to include fines could erode this trust-based approach, reduce the willingness of institutions to cooperate fully and proactively, and thereby weaken overall supervisory effectiveness. This chilling effect would be even more pronounced if fines could be imposed not only on financial institutions but also on individuals.[23]

- **Loss of supervisory focus**: There is a risk that FINMA could resort to imposing fines rather than ordering the personnel and organisational measures that supervisory law considers essential to restoring compliance. Such an approach would undermine the supervisory framework, as FINMA's primary statutory mandate is to supervise and ensure stability, and not to punish.[24]

- **Misallocation of costs and fairness concerns**: Fines imposed on financial institutions ultimately fall on the shareholders, including pension funds and retail investors, who are typically uninvolved in the misconduct. Culpable managers, by contrast, may remain unaffected. This misalignment undermines both deterrence and fairness.[25] More targeted instruments – such as remuneration clawbacks, malus provisions, or a senior managers

[21] Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 283 et seq.; Reiser, Verfügt die FINMA über genügend wirksame und scharfe Instrumente gegen (höchste) Bankmanager?, in: SZW 2024, p. 96; Wyss, FINMA-Bussenkompetenz – ein wirksames Mittel zur Abschreckung?, in: GesKR 2024, p. 146 und p. 152 et seq.; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 37 et seq.

[22] Decision of the Swiss Federal Supreme Court 7B_45/2022 of 21 July 2025.

[23] Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 283 et seq.; Wyss, FINMA-Bussenkompetenz – ein wirksames Mittel zur Abschreckung?, in: GesKR 2024, p. 129 et seq. and p. 145; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 35 et seq.

[24] Cf. Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 35 et seq.

[25] Cf. Bundesrat, Bericht vom 10. April 2024 zu Bankenstabilität einschliesslich Evaluation gemäss Artikel 52 des Bankengesetzes, p. 283.

regime – are therefore considered more appropriate to ensure that responsibility rests with those actually accountable for breaches of supervisory law or other misconduct.[26]

– **Systemic risk considerations**: The imposition of substantial fines on SIBs could even exacerbate financial instability by weakening their capital base at critical moments. From this perspective, the Swiss legislator should avoid sanctions that may impair the resilience of the very institutions they are tasked with safeguarding.

– **Comparative perspective**: While fines are common in the European Union, the United States, and the United Kingdom, these jurisdictions also face recurring debates about whether fines are truly effective in changing corporate culture. Empirical studies suggest that repeated fines, particularly in the United States, have not prevented misconduct at large financial institutions.[27] Therefore, the Swiss legislator should be cautious in importing an instrument of questionable efficacy.

6) Conclusion

Given the political and public pressure, together with FINMA's repeated calls for the power to impose fines after the Credit Suisse collapse, the introduction of such authority has become a realistic prospect – at least for financial institutions, and in particular for SIBs.

While the introduction of FINMA's power to impose fines would respond to longstanding criticism from international bodies such as the FATF and the IMF and resonate with political and public opinion, their practical utility and effectiveness should be assessed with caution. Experience in other jurisdictions, notably the United States, shows that even substantial fines imposed on large financial institutions have had only limited long-term impact on corporate behaviour. That said, the power to impose fines could provide some additional deterrent effect and may be viewed as a useful complement to the measures already available to FINMA, which – when properly applied – also provide strong corrective and preventive effects.

To take account of legitimate concerns, any new fining regime would need to be carefully designed and narrowly circumscribed so as not to compromise the efficiency and effectiveness of FINMA's supervisory and enforcement activities. In light of the recent decision of the Federal Supreme Court,[28] which reaffirmed that the *nemo tenetur* principle must be fully respected whenever punitive sanctions are at stake, the power to impose fines should be explicitly confined to legal entities and not extended to individuals, as the Federal Council has proposed. Limiting

[26] Cf. Wyss, FINMA-Bussenkompetenz – ein wirksames Mittel zur Abschreckung?, in: GesKR 2024, p. 145; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 26 et seq., N 34 and N 42.

[27] Cf. Wyss, FINMA-Bussenkompetenz – ein wirksames Mittel zur Abschreckung?, in: GesKR 2024, p. 145; Zulauf, New instruments for FINMA - 11 FINMA power to impose fines?, N 26 et seq., N 34 and N 42.

[28] Decision of the Swiss Federal Supreme Court 7B_45/2022 of 21 July 2025.

fines to the institutional level would reduce the risk that cooperation with FINMA is unduly impaired by the assertion of the privilege against self-incrimination (*nemo tenetur* principle).

It is also worth considering whether FINMA's power to impose fines should be further modelled on Article 102(1) Swiss Criminal Code, thereby restricting fines to cases where breaches of supervisory law or misconduct cannot be attributed to a specific individual due to organisational deficiencies within the institution. Combined with the introduction of a senior managers regime, as likewise proposed by the Federal Council, such a framework would encourage financial institutions to ensure that responsibilities are clearly allocated, documented, and fulfilled, thereby enabling accountability for breaches or for misconduct to be effectively attributed.

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Idorsia Ltd's Placement of 16.4 Million Shares through Accelerated Bookbuilding

Reference: CapLaw-2025-91

On 10 October 2025, Idorsia Ltd (SIX-listed) announced the launch of an accelerated bookbuilding offering, which led to the placement of 16.4 million shares at an offer price of CHF 4.00 per offered share, raising aggregate gross proceeds of approximately CHF 65.6 million. J.P. Morgan and UBS acted as Joint Bookrunners and Global Coordinators, and H.C. Wainwright & Co. acted as Lead Manager in connection with the offering.

DocMorris Finance B.V.'s Placement of CHF 49.6 Million Convertible Bonds Due 2028 and Early Buyback of Convertible Bonds due 2026

Reference: CapLaw-2025-92

On 22 October 2025, DocMorris Finance B.V., a subsidiary of DocMorris AG (SIX: DOCM), placed EUR 49.6 million senior unsecured bonds due 2028 and convertible into shares of DocMorris AG. Further, in November 2025, DocMorris Finance B.V. conducted a tender offer for its outstanding convertible bonds due 2026 at 103.5% of the par value plus accrued and unpaid interest. The number of tendered bonds was 72,713, corresponding to an aggregate principal amount of CHF 72,713,000. The convertible bond transactions were managed by BofA Securities Europe SA and UBS AG.

CoinShares's Listing of Physical Staked Toncoin ETP on SIX Swiss Exchange

Reference: CapLaw-2025-93

On 28 October 2025, CoinShares International Limited, with an announced merger with Vine Hill Capital Investment Corp (Nasdaq: VCIC), launched the CoinShares Physical Staked Toncoin – a regulated exchange-traded product offering exposure to TON (The Open Network) listed on SIX Swiss Exchange Zurich, the high-performance blockchain integrated with Telegram's global ecosystem. This launch combines CoinShares' proven track record of delivering institutional-grade digital asset innovations with TON's unique infrastructure that bridges on-chain technology with real-world adoption at unprecedented scale.

EQT, ADIA and Auba's Placement of 8.4% of Galderma's Share Capital

Reference: CapLaw-2025-94

On 30 October 2025, a consortium led by EQT together with ADIA and Auba Investment Pte. Ltd., successfully completed the placement of 20 million shares in Galderma Group AG at a price of CHF 130.00 per share via an accelerated bookbuilding process. The placement raised CHF 2.6 billion in total.

Clariant's Issuance of Dual Tranche CHF 200 Million and CHF 100 Million Bonds due 2030 and 2034

Reference: CapLaw-2025-95

On 4 November 2025, Clariant AG issued two CHF bonds with a total volume of CHF 300 million, Tranche A being CHF 200 million and Tranche B CHF 100 million. The bonds of Tranche A have a coupon of 1.650% and will be due in 2030. The bonds of Tranche B have a coupon of 2.200% and will be due in 2034. The bonds will be listed on SIX Swiss Exchange. The bond issuance was managed by Commerzbank, Deutsche Bank and UBS.

Cornèr Banca's Issuance of CHF 150 Million Bonds due 2029

Reference: CapLaw-2025-96

On 5 November 2025, Cornèr Banca issued CHF bonds with a volume of CHF 150 million. The bonds have a coupon of 1.0000% and will be due in 2029. The bonds will be listed on SIX Swiss Exchange. The bond issuance was managed by UBS, Sarasin and Vontobel.

UBS Group AG's Issuance of USD 3.25 Billion Fixed Rate/Floating Rate Callable Senior Notes under its Senior Debt Programme

Reference: CapLaw-2025-97

On 6 November 2025, UBS Group AG issued USD 2 billion Fixed Rate/Floating Rate Callable Senior Notes due November 2033, and USD 1.25 billion Fixed Rate/Floating Rate Callable Senior Notes due May 2047 under its Senior Debt Programme. The Notes are governed by Swiss law and will be listed on the SIX Swiss Exchange.

Fundamenta Real Estate's CHF 70 Million Rights Offering

Reference: CapLaw-2025-98

On 7 November 2025, Fundamenta Real Estate AG completed a CHF 70 million rights offering. The offering resulted in the issuance of 4,119,748 new shares at CHF 17.00 each. The proceeds are intended to be used for investment in ongoing and new property projects, the strengthening of equity, and for general corporate purposes. The rights offering was backed by firm commitments in the amount of CHF 41.9 million. The rights offering was managed by UBS Investment Bank.

UBS Group AG's and UBS AG's Offers to Repurchase Various Series of Outstanding Debt Securities in an Aggregate Principal Amount of USD 7.7 Billion

Reference: CapLaw-2025-99

On 10 November 2025, (i) UBS Group AG completed its all-cash tender offers with respect to five series of bail-inable (TLAC) bonds that were originally issued by Credit Suisse Group AG, and (ii) UBS AG, acting through its Stamford branch, completed its all-cash tender offers with respect to two series of senior unsecured notes that were originally issued by Credit Suisse AG, acting through its New York branch. UBS Group AG accepted tenders with respect to four series of such bail-inable (TLAC) bonds in an aggregate principal amount of USD 5.55 billion, and UBS AG, acting through its Stamford branch, accepted tenders in respect of both series of senior unsecured notes in an aggregate principal amount of USD 2.12 billion. The TLAC bonds repurchased by UBS Group AG were eligible to count towards UBS Group AG's Swiss gone-concern requirement, governed by Swiss law and admitted to trading and listed on the SIX Swiss Exchange, and the notes repurchased by UBS AG, acting through its Stamford branch, were SEC-registered, governed by the laws of the State of New York and not admitted to trading or listed on any regulated trading venue.

Galderma's Issuance of CHF 175 Million Bonds due 2033

Reference: CapLaw-2025-100

On 13 November 2025, Galderma Holding issued CHF bonds with a volume of CHF 175 million. The bonds have a coupon of 0.9425% and will be due in 2030. The bonds will be listed on SIX Swiss Exchange. The bond issuance was managed by BNP Paribas and UBS.

Advent's Public Tender Offer for u-blox Holding AG

Reference: CapLaw-2025-101

On 26 November 2025, ZI Zenith S.à r.l., a European indirect subsidiary of funds managed and/or advised by Advent International, L.P., completed the public tender offer for all publicly held shares of u-blox Holding AG, a global leader in positioning and wireless communication technologies. The offer price of CHF 135.00 per share in cash results in a valuation of u-blox's

equity, on a fully diluted basis, of approximately CHF 1,050 million. Based on the number of shares registered with the Commercial Register of the Canton of Zurich, Advent now holds more than 98% of the shares in u-blox. Accordingly, Advent will initiate a statutory squeeze-out proceeding, and the delisting of the u-blox shares will be conducted in due course in accordance with the applicable regulatory process.

EPIC Suisse's CHF 70 Million Accelerated Bookbuilding

Reference: CapLaw-2025-102

On 4 December 2025, EPIC Suisse completed the private placement of new shares. Shares worth CHF 70 million were placed. Specifically, 875,000 new shares were placed at a price of CHF 80.00 per share. They were issued from the existing capital band. The new shares will be traded on the SIX Swiss Exchange. The real estate company intends to use the funds to strengthen its financial flexibility and expand its real estate portfolio.

EQT's Sale of an Additional 10% in Galderma to L'Oréal, Reinforcing L'Oréal's Strategic Investment in Galderma

Reference: CapLaw-2025-103

On 8 December 2025, EQT announced the sale of an additional 10% stake in Galderma Group AG (SIX: GALD) by a consortium led by EQT, which includes Sunshine SwissCo GmbH (SSCO), Abu Dhabi Investment Authority (ADIA) and Auba Investment Pte. Ltd. (all acting as sellers) to L'Oréal S.A. for an undisclosed amount. Following the transaction, which is subject to customary regulatory approvals, L'Oréal's total shareholding in Galderma will rise to 20%, building on its initial investment made in August 2024. The previously concluded shareholder undertaking between SSCO and L'Oréal will be dissolved effective upon completion of the transaction.