



INFORMATION
FACTORY

The Swiss TBTF Framework

Comprehensive reassessment of the too-big-to-fail (TBTF) framework



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Introduction

The Swiss Federal Council is undertaking a comprehensive reassessment of the too-big-to-fail (TBTF) framework following the 2023 collapse of Credit Suisse. The reform approach reflects a holistic strengthening of financial stability, combining measures across capital, liquidity, resolvability and governance. Rather than relying on a single regulatory lever, the package aims to ensure that systemically important banks are both more resilient as going concerns and more credible in resolution, while enhancing supervisory effectiveness and accountability.

The reform agenda comprises a broad set of interrelated measures, many of which will be subject to forthcoming legislative and regulatory development. FINMA is currently in the process of translating these into detailed supervisory requirements, with final implementation expected between 2027 and 2029.

Strengthening prevention

- **Senior Management Regime (SMR):** Introduction of formal individual accountability, including clear allocation of responsibilities and enhanced traceability of decision-making
- **Governance and risk management:** Enhanced expectations for board oversight, risk culture and internal control frameworks, with clearer accountability for risk-taking and escalation
- **Capital and loss-absorbing capacity:** Targeted strengthening of going- and gone-concern capital, including improved capital quality, usability in stress, and sufficient loss-absorbing capacity at both parent and subsidiary level

Strengthening liquidity

- **Liquidity framework:** Reinforcement of liquidity requirements through stricter stress assumptions, improved monitoring, and stronger buffers to withstand severe outflow scenarios
- **Intragroup liquidity and funding:** Tighter requirements on the availability and transferability of liquidity within banking groups, ensuring critical entities maintain sufficient standalone liquidity under stress

Expanding the crisis toolkit

- **Resolvability and resolution planning:** Further development of resolution strategies to ensure operational continuity, effective bail-in execution, and separability of critical functions
- **Early intervention and supervisory powers:** Expansion of FINMA's ability to intervene at an earlier stage, including stronger corrective measures and enhanced supervisory tools in deteriorating situations

These reforms will have significant implications for Swiss banks, particularly systemically important institutions. Banks will need to enhance not only their capital and liquidity positions, but also their ability to **demonstrate operational readiness in stress and resolution scenarios**.

This includes more granular data capabilities, clearer governance and accountability structures, and credible, executable recovery and resolution playbooks. In practice, the reforms will require sustained investment across risk, finance, treasury and technology functions, as well as closer alignment between strategic decision-making and regulatory expectations.

As part of this series, we will publish the first whitepaper in April. **The Swiss Senior Management Regime (SMR)**, will explore the emerging regulatory approach to strengthening individual accountability through formal responsibility mapping and enhanced governance transparency.

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