Eidgenössische Finanzmarktaufsicht FINMA
Autorité fédérale de surveillance des marchés financiers FINMA
Autorità federale di vigilanza sui mercati finanziari FINMA
Swiss Financial Market Supervisory Authority FINMA

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Revised accounting standards for banks

Key points

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1. The main reason for revising the accounting standards for banks is the new legislation on financial reporting that came into force on 1 January 2013 (Art. 957 ff. of the Swiss Code of Obligations). These new provisions must be complied with for the first time with respect to the 2015 financial year (the 2016 financial year in the case of consolidated financial statements). In addition, the revision has taken account of certain international developments.

2. From a formal point of view, the Banking Ordinance has been streamlined, and the structure of the circular has been fundamentally revised. Some detailed provisions have been moved to appendices in the interests of clarity.

3. The rules on structuring financial statements have been moved from the Banking Ordinance to the circular. They have been amended in line with the Code of Obligations, and some changes have been made regarding positions in the balance sheet and the income statement.

4. The cash flow statement is now only required for true and fair view financial statements.

5. It has hitherto been possible to include collective valuations in statutory single-entity financial statements not drawn up according to the true and fair view principle. The new standards require unrestricted individual valuation (valuation item-by-item) for participations, tangible fixed assets and intangible assets in all types of financial statement.

6. Small groups are no longer exempted from preparing consolidated financial statements. Full consolidation is extended to all significant subsidiaries (it is currently required only for banks and finance and real estate companies). In addition, there are now explicit rules governing the consolidation of special-purpose entities (SPEs) in particular.

7. The requirement to prepare interim financial statements no longer depends on having total assets of at least CHF 100 million. Instead, it applies to all banks as stipulated in Article 6 para. 2 of the Banking Act. The option to prepare a shortened income statement has been discontinued. Listed banks must also prepare a statement of shareholders' equity and a shortened version of the notes.

8. The existing choice under Article 25 para. 3 of the Banking Ordinance to offset value adjustments directly against the asset position or recognise them under liabilities is replaced by a new rule in line with the Code of Obligations. In future, value adjustments must be deducted from the asset position concerned.

9. There is now an option to recognise financial instruments outside trading business at fair value, subject to strict conditions. According to FINMA's interpretation, this was previously only possible for structured products issued by the institution itself.

10. A new rule on the treatment of employee participation schemes has been added.