

Circulars 2016/1 “Disclosure – banks” and 2016/2 “Disclosure – insurers (public disclosure)”

Ex-post evaluation

22 April 2024

Invitation to provide feedback

FINMA is obliged to periodically review its existing regulations as part of ex-post evaluations. The aim of every ex-post evaluation is to decide whether a regulation should remain unaltered, be amended or repealed. The results and findings of the ex-post evaluation are then incorporated into the final ex-post evaluation report, which is published.

In 2021, FINMA brought its disclosure requirements for climate-related financial risks for banks and insurers in supervisory categories 1 and 2 into force through the partially revised FINMA Circulars 2016/1 “Disclosure – banks” and 2016/2 “Disclosure – insurers (public disclosure)”. Now that three disclosure cycles have been completed, it is time to evaluate the applicable requirements. In addition, there are numerous national and international developments for FINMA to consider in the area of disclosure of climate-related financial risks.

With this in mind, we invite you to share your experiences with the disclosure requirements with us. You are welcome to fill in the attached questionnaire, but you can also tell us about any aspects that go beyond this.

Questions for financial institutions within the scope of the circulars

1. What general impact has the introduction of FINMA's disclosure requirements for climate-related financial risks had on your financial institution over the past three years?
2. On which three of the following areas have FINMA's disclosure requirements (including annual FINMA feedback) had the greatest impact at your financial institution and to what extent?
 - a. The institution-wide inventory / identification of climate-related financial risks
 - b. The development and/or application of methods and metrics (qualitative/quantitative methods, conducting scenario analyses, etc.):
 - i. for the assessment of climate-related financial risks
 - ii. in relation to the targets for climate-related financial risks (specification of the targets and measurement of target achievement using metrics)
 - c. The organisation of internal governance for dealing with climate-related financial risks (definition and allocation of tasks, establishment of committees, reporting, etc.)
 - d. The definition of targets for dealing with and reducing climate-related financial risks
 - e. The organisation / structuring of the disclosed information
 - f. Others?
3. Has the introduction of the disclosure requirements led to additional work for your financial institution ("additional" compared to voluntary disclosures and other disclosure requirements)? If yes, can you quantify this effort (working time, consulting fees, etc.)?
4. To what extent have the FINMA requirements in the area of climate risk disclosure increased your legal and planning certainty in this area?

Questions for all others

1. Is the information disclosed on the institutions' climate-related financial risks:
 - a. easily found in the relevant reports?
 - b. consistent, comparable and reliable? If not, please provide appropriate examples.
2. Has this information improved your understanding of the respective financial institution's climate-related financial risks?
3. In your opinion, has the obligation to disclose climate-related financial risks led financial institutions to take a closer look at these risks?
4. Do you see additional ways in which FINMA could improve the transparency of financial institutions' exposure to material climate risks in future within the scope of its mandate?

Information on the ex-post evaluation

Subject of evaluation:	FINMA Circulars 2016/1 “Disclosure – banks” and 2016/2 “Disclosure – insurers (public disclosure)”
Invitation to provide feedback:	Interested parties are invited to provide any feedback they may have on these circulars. Any points of criticism should preferably be accompanied by practical examples and/or suggestions for wording.
Submission deadline:	13 May 2024
Address for feedback:	Swiss Financial Market Supervisory Authority FINMA Miriam Schori Laupenstrasse 27 CH-3003 Bern regulation@finma.ch
Form of feedback:	Please submit all feedback electronically (please include a Word version as well as a PDF version).
Publication of feedback:	Unless notified otherwise, FINMA assumes that the relevant people and companies agree to their feedback being published. Quantitative information and practical examples that are not to be published must be designated accordingly.
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