

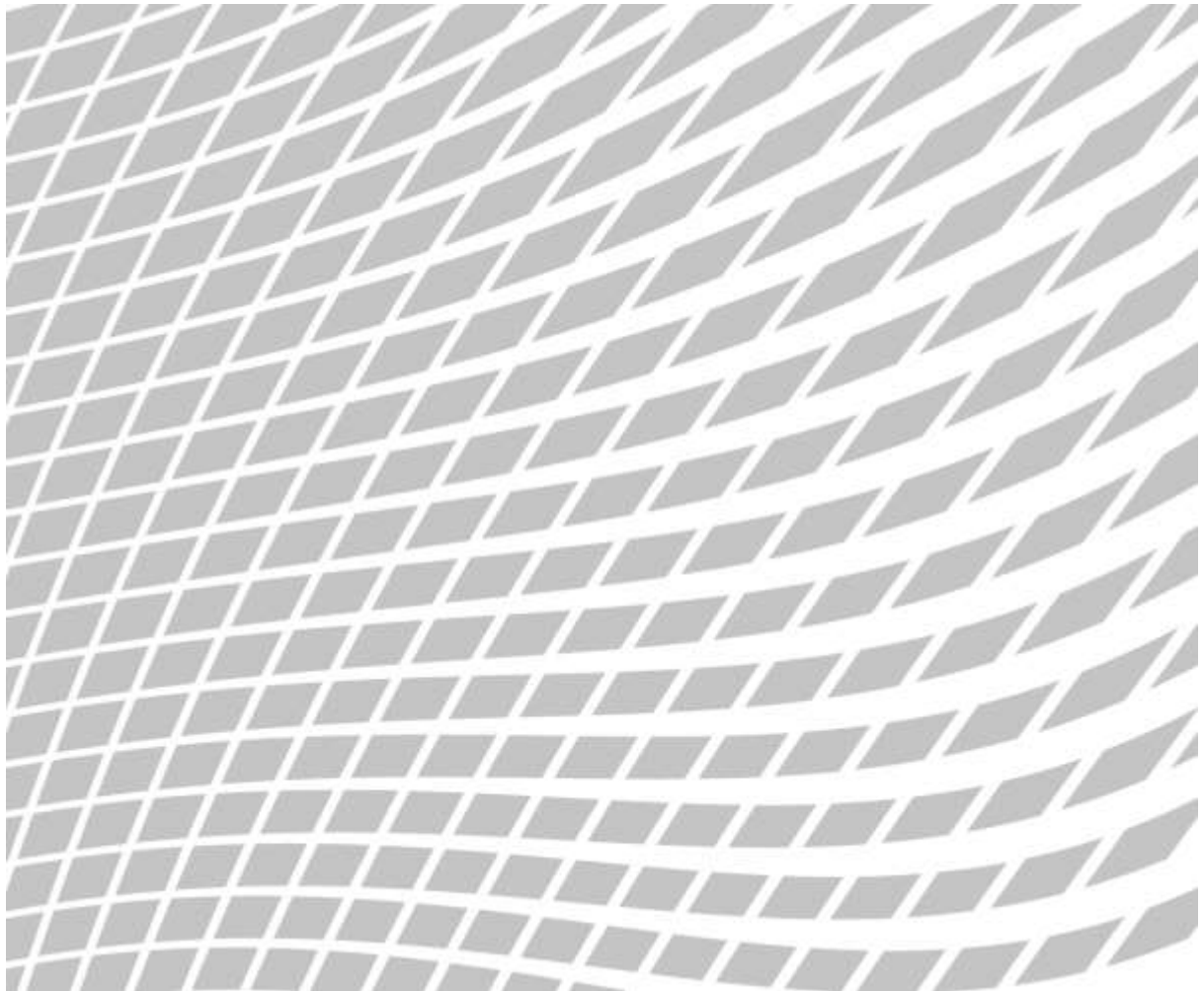
26 September 2016

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## **Circular 2016/1 “Disclosure – banks” - partial revision**

### Key points

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1. On 1 July 2016, the revised “too big to fail” (TBTF) regulations for systemically important banks set out in the Capital Adequacy Ordinance (CAO; SR 952.03) came into force. This resulted in adjustments being made to disclosure requirements for those banks and prompted FINMA to partially revise Circular 2016/1 “Disclosure – banks”.
2. The revised TBTF regulations define capital requirements for banks to continue their current operating activities (going concern requirements). In addition, internationally active systemically important banks must comply with requirements for other additional loss-absorbing capital (gone concern requirements). Both of these requirements take the form of risk-based capital ratios and leverage ratio. Minimum and buffer requirements apply, which can be met with eligible capital for going concern and bail-in instruments for gone concern. Annex 5 to the draft circular includes sample tables for systemically important banks to complete in order to disclose their compliance with the requirements.
3. In force since 1 July 2016, the recently revised CAO regulations also include provisions on the extended countercyclical capital buffer and the capital buffer for non-systemically important banks. These have led to minor adjustments being made to the disclosure requirements. Finally, some specific changes and details of issues which arose in practice have been incorporated into the draft circular, for instance with respect to liquidity coverage ratio (LCR) and the extent of minimum disclosure requirements for institutions which are otherwise exempted from making detailed disclosures.
4. The revised disclosure requirements will apply to the data reported as of 31 December 2016.