

## AMAS, SBA and SIA welcome the Federal Council's decision in favour of self-regulation to prevent greenwashing

Improved minimum standard for sustainable financial products and services strengthens the credibility of the financial centre

- The Asset Management Association (AMAS), the Swiss Bankers Association (SBA) and the Swiss Insurance Association (SIA) welcome the Federal Council's decision to continue to rely on self-regulation to avoid greenwashing and for the time being to dispense with statutory regulation at ordinance level. In view of the dynamic development in the international regulation of sustainable finance, the three associations consider self-regulation to be the most suitable instrument for avoiding greenwashing.
- In recent months, the three associations have further developed or drawn up their self-regulation in close dialogue with the authorities. They reflect the Federal Council's position on the prevention of greenwashing of 16 December 2022 accordingly.
- The core element of the further developed or newly drafted self-regulations is the definition of a uniform minimum standard under which investment products and services may be labelled as sustainable.
- The enhanced AMAS and SBA self-regulations will enter into force on 1 September 2024 with corresponding transition periods, while those of the SIA will enter into force on 1<sup>st</sup> January 2025.

The Federal Council has concluded that the further developed or newly drafted self-regulations of the AMAS, the SBA and the SIA adequately reflect its position on greenwashing prevention in the financial sector. Accordingly, it announced today that for the time being it will refrain from introducing state regulation at ordinance level. The AMAS, the SBA and the SIA welcome this decision. Self-regulation absorbs changes more quickly and appropriately than ordinances. In view of the dynamic development in the international regulation of sustainable finance, the three associations, like the Federal Council, consider self-regulation to be the most suitable instrument for avoiding greenwashing.

### **Further development of existing self-regulation**

The integrity of investment products and services is central to the Swiss financial centre. That is why the AMAS, the SBA and the SIA reject any form of greenwashing and contribute to ensuring the credibility of the financial centre with their

own measures. In June 2022, the SBA published the "Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks in investment advice and asset management". For its part, AMAS published the "Self-regulation on transparency and disclosure for sustainability-related collective assets" in September 2022. These self-regulations have been in force since 1 January 2023 and 30 September 2023 respectively. The SIA has developed a self-regulation for unit-linked life insurance products that builds on the self-regulations of the SBA and AMAS and will enter into force on 1<sup>st</sup> January 2025.

Over the past few months, the three industry associations have further developed or elaborated their self-regulation in close cooperation with the authorities to comprehensively reflect the Federal Council's position on greenwashing prevention in the financial sector of 16 December 2022. The existing AMAS and SBA versions were clarified and supplemented. They will enter into force on 1 September 2024 with corresponding transition periods.

### **Definition of sustainability as a core element**

The core element of the further developed or newly drafted self-regulation of the three sectors is the definition of a uniform minimum standard under which conditions selected investment products and services may be labelled as sustainable. According to the Federal Council's requirements, investment products and services labelled as sustainable must in future pursue at least one of the following investment objectives in addition to the financial objectives: compatibility with one or more specific sustainability goals or contribution to the achievement of one or more sustainability goals. The integration of the definition of sustainability and the Federal Council's position entails further sector-specific adjustments and additions to the self-regulations.

"With the present AMAS self-regulation on sustainability, a quality step has been taken in key areas that benefits all stakeholders: investors, the Swiss asset management industry and the Swiss financial centre as a whole. The preceding process is an excellent example of constructive and targeted dialogue between the federal government and the private sector," says Adrian Schatzmann, CEO of the AMAS.

"It has been a long and intensive process in which the parties involved have continuously come closer together. The further development of our self-regulation will continue to sharpen the advisory process in investment advice and asset management and clarify it with regard to sustainable investment solutions. This will give clients even greater clarity in future about the range of services on offer and the fulfilment of their preferences. The financial centre is thus assuming its responsibility," says Roman Studer, CEO of the SBA.

"The guidelines within the insurance industry set a uniform minimum standard for unit-linked life insurance policies with reference to sustainability. This will significantly increase transparency at product level and in the advisory and sales process," says Urs Arbter, CEO of the Swiss Insurance Association SIA.

### **Implementation of the self-regulations**

In the coming months, the three industry associations and their members will focus on implementing the further developed or newly developed self-regulations. At the same time, they will continue to be involved in sustainable finance and actively engage in dialogue with the authorities. AMAS, the SBA and the SIA support the Federal Council in its endeavours to position Switzerland as a leading location for sustainable finance.

### **Links to the self-regulations:**

[Self-regulation on transparency and disclosure for sustainability-related collective assets \(AMAS\)](#)

[Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management \(SBA\)](#)

[Self-regulation on the prevention of greenwashing in sustainability-related unit-linked life insurance \(SIA\)](#)

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### **About AMAS**

The Asset Management Association Switzerland is the representative association of the Swiss asset management industry. It aims to strengthen Switzerland's position as a leading center for asset management with high standards of quality, performance, and sustainability. To this end, it supports its members in developing the Swiss asset management industry and adding value for investors over the long term. The Asset Management Association Switzerland is an active member of the European Fund and Asset Management Association (EFAMA) and the International Investment Funds Association (IIFA). Founded in Basel in 1992, the Asset Management Association Switzerland currently has around 180 members.

### **About the SBA**

As the umbrella association and voice of Swiss banks, the Swiss Bankers Association is committed to ensuring optimal framework conditions for the Swiss financial centre both at home and abroad. The SBA represents the banking industry's interests vis-à-vis the private sector, policymakers, the government and the supervisory authorities. It advocates for open markets, scope for entrepreneurial freedom and a level playing field. As a centre of competence, it propagates banking expertise and actively engages in future topics. The SBA was founded in Basel in 1912, and its membership comprises around 235 institutions and some 12,000 individuals.

### **About the SIA**

The Swiss Insurance Association SIA represents the interests of the private insurance industry at national and international level. The association has approximately 70 members, which include many nationally oriented specialist non-life, life and supplementary health insurers, and global primary insurers and reinsurers. The sector is one of the most productive and highest value-added sectors of the economy. The private insurance sector employs about 50,000 people in Switzerland. With its expertise in risk coverage and hazard prevention, it assumes economic responsibility. Private insurers make a significant contribution to the stability of the economic system and prosperity within Switzerland. With that in mind, the SIA is committed to the sustainable development of the sector and its locations.

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## Press and media inquiries

Our team is happy to respond to any media inquiries.

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