

# New announcements of Swiss Federal Council on measures to promote uptake and transparency of Sustainable Finance – Summary

Zürich, 17 November 2021

On 17 November 2021, the Federal Councils adopted various measures aiming to contribute to the objective of making Switzerland a leading center for sustainable finance, with a special focus on climate change. The Federal Council published the following three press releases.

1. **Press release "[Federal Council adopts report on climate-friendly financial market](#)" of 17 November 2021**

Parliament has instructed the Federal Council to prepare a report outlining measures that Switzerland can take to ensure that Swiss financial flows are climate-friendly. The Federal Council approved this report on 17 November 2021. Against this background, it adopted measures that explicitly include the alignment to climate goals of investments, such as sector agreements between financial sectors and the federal government. Furthermore, an important basis of the report is the voluntary PACTA climate test for financial institutions. According to the Federal Council, greater transparency regarding climate-damaging and climate-friendly investments can indirectly have a positive impact on the climate, as it leads to better-informed investment decisions. Therefore, it decided to pursue transparency measures to avoid greenwashing and to strive for the conclusion of industry agreements with financial market players in accordance with the Federal Council's decision of 26 June 2019.

2. **Press release "[Federal Council wishes to show its commitment to sustainability with green Confederation bond](#)" of 17 November 2021**

The Federal Council wants the Swiss financial center to be an international leader in sustainable financial services and sustainable investments. To underscore this objective, it decided on 17 November 2021 to create the basis for the issuance of green Confederation bonds. It mandated the Federal Finance Administration (FFA), in cooperation with the Federal Department of the Environment, Transport, Energy and Communications (DETEC), to prepare a framework for the issuance of green Confederation bonds and submit it to the Federal Council by the end of 2022 for a decision.

3. Press release "[Federal Council strives to be international leader in sustainable finance with climate transparency](#)" of 17 November 2021

The Federal Council sets out, that the Swiss financial centre should be a globally leading market for investors who want to contribute to the environment and society in a comparable and measurable manner. To this end it adopted various measures: 1) The Federal Council recommends that financial market players use comparable and meaningful climate compatibility indicators to help create transparency for all financial products and client portfolios. 2) Regarding greenwashing, the Federal Council outlines the need for promote uniform definitions of sustainability impact. It stresses the importance of the subsidiary role of the state insofar as possible. 3) The Federal Council mandated the Federal Department of Finance (FDF), in cooperation with the Federal Department of the Environment, Transport, Energy and Communications (DETEC), to inform the Federal Council by the end of 2022 of the extent to which the financial sector has implemented the above-mentioned recommendations and to propose measures if need be. Finally, the Federal Council has instructed the FDF, in cooperation with the DETEC and FINMA, to make a proposal by the end of 2022 on how financial market legislation could be amended – particularly with regard to transparency – in order to avoid greenwashing.