

## Press release

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# FINMA publishes amended "Liquidity risks – banks" circular

**The Swiss Financial Market Supervisory Authority FINMA has simplified the way in which the liquidity coverage ratio rule is applied to small banks based on initial observations and feedback since implementation. It has therefore published the corresponding amended circular on bank liquidity risks, entering into force on 1 January 2018.**

FINMA has published FINMA Circular 2015/2 "Liquidity risks – banks", which simplifies the way in which the rule on liquidity coverage ratio is applied to small banks. The circular also includes clarifications previously set forth in FINMA's frequently asked questions (FAQs) and recommendations from the Basel Committee on Banking Supervision in connection with its review of Swiss liquidity regulations (Regulatory Consistency Assessment Programme). Revision of this circular had been necessitated by the Federal Council's amendment to a number of provisions on bank liquidity in the Liquidity Ordinance. The circular will enter into force on 1 January 2018.

FINMA ran a [consultation exercise](#) on the amendment to the circular and has subsequently incorporated some of the respondents' concerns into its final version. One adjustment has been to simplify the proving of differences resulting from calculating the liquidity coverage ratio according to the settlement principle vis-à-vis the trading-day principle. In addition, FINMA has simplified the assumptions for liquidity outflows linked to terminated deposits and precious metal accounts and has streamlined a number of provisions on general loan agreements. On the other hand, the revised circular does not include any rules on the net stable funding ratio (NSFR), in contrast to the draft version submitted for consultation. On 22 November 2017, the Federal Council decided to re-evaluate the introduction of NSFR rules at the end of 2018, taking international developments into account.