

Spotlight 04/25



SWISS AI REGULATION TAKES SHAPE

Federal Council presents its direction-setting approach to AI regulation

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While the European Union has already taken a clear stance on artificial intelligence (AI) regulation through the AI Act, Switzerland had so far lacked a defined course. That changed on 12 February 2025, when the Federal Council unveiled its long-awaited regulatory framework—marking the country’s first clear positioning in the international debate on the responsible use of AI.

At the heart of the proposed approach are targeted legislative amendments in specific sectors, complemented by non-binding instruments. This article explores the content and scope of these measures in greater detail. In addition, Switzerland intends to incorporate the Council of Europe’s AI Convention into national law, thereby committing to the ethical and rights-based use of AI. The signing of the Convention on 27 March 2025—pending ratification—further solidifies this direction.

Where does Switzerland stand on AI regulation?

As early as 2023, the Federal Council tasked the relevant departments with assessing the current legal landscape and identifying potential regulatory pathways for AI. The resulting comprehensive analysis goes beyond legal considerations to include economic, societal, and European policy dimensions.

It concludes that while the existing Swiss legal framework already addresses many AI-related challenges, further regulation is needed—particularly in the areas of transparency, risk assessment, oversight mechanisms, and the societal impact of AI systems.

Design and objectives of the chosen regulatory approach

As outlined in our March 2024 Spotlight ([“The European Union and the Council of Europe give the go-ahead for European AI regulation”](#)), Switzerland has opted for a lean but strategically focused regulatory model. Rather than adopting a comprehensive, cross-sectoral framework like the EU AI Act, the Federal Council is pursuing a targeted, practical solution aimed at fostering innovation, building trust in AI, and safeguarding fundamental rights.

A key element of this approach is the planned implementation of the Council of Europe’s AI Convention of 17 May 2024. Developed jointly by 57 countries, the Convention sets out fundamental principles for the responsible use of AI, emphasizing alignment with democracy, the rule of law, and human rights. Its implementation is left to individual countries—flexibility that Switzerland intends to use actively.

The Federal Council plans to implement the Convention through targeted, sector-specific legislative amendments. General, cross-sectoral regulations will be limited to key areas such as data protection.

This modular and flexible approach enables differentiated and agile regulation that can keep pace with rapid technological developments. Where necessary, additional safeguards can be introduced. The Federal Council also relies on soft law: non-binding instruments such as self-declarations and industry solutions will complement the binding framework. This will create a regulatory environment that combines legal certainty with flexibility and helps position Switzerland internationally as a responsible and innovation-friendly AI hub.

No direct adoption of the risk-based approach

The risk-based approach—the core of the EU AI Act—will not be adopted wholesale in Switzerland. Instead, it will be considered indirectly through sector-specific adjustments. There are no plans for a general classification of AI systems by risk level. This raises questions: What will happen to AI applications banned under EU law, such as emotion recognition systems in workplaces or schools?

The same applies to systemic risks—those posing significant threats to society or the economy—for which the current legal framework offers few tools.

However, the chosen approach leaves room for rules similar to the EU’s model, including potential bans. It remains to be seen how the Federal Council will proceed.

Sector-specific adjustments

Legislative changes are already being planned in individual sectors to address new AI-related challenges. Three examples illustrate this:

- **Intellectual property:** The rapid development of AI makes protecting intellectual property essential to safeguard innovation and ensure fair competition. Key issues include the use of copyrighted works to train AI systems. On 20 March, the Council of States unanimously adopted a motion calling for a revision of the Copyright Act to better protect journalistic content and other copyrighted works from unauthorized use by AI providers. In patent law, the question arises whether AI-generated inventions can meet the criteria for patentability.

- **Energy supply:** AI applications in the energy sector are particularly promising. They enable process optimization, more accurate demand and supply forecasts, improved grid stability, and more efficient integration of renewable energy. Since late 2022, the Swiss Federal Office of Energy has been screening AI activities, including international best practices and new regulatory standards. Interim results published in June 2024 identified key opportunities and risks. These include security risks (e.g., attacks on critical infrastructure due to AI vulnerabilities), potential misinformation, and dependency on AI technology providers.
- **Healthcare system:** Health data holds enormous potential for medical research and efficient healthcare. Data-driven medicine and AI offer great opportunities to improve care quality but also raise concerns about data protection and patient autonomy. Technical regulations are crucial—especially for AI used in medical imaging, which will require legal adjustments.

Other sectors requiring updates include criminal law (e.g., liability for AI actions, profiling outside of criminal proceedings), labor law (e.g., transparency, non-discrimination, and data protection in AI-driven hiring processes), and civil law (e.g., modernizing product liability law in light of technological advances). Some sector-specific rules may go beyond the EU AI Act.

Soft law solutions

In addition to sector-specific adjustments, the Federal Council is placing strong emphasis on soft law instruments such as self-declarations and industry-led solutions. These tools allow for flexible, adaptive regulation without the need for direct legal provisions and highlight corporate responsibility.

Self-declaration models

A self-declaration is a statement by an organization confirming compliance with certain minimum standards. In a dynamic, innovation-driven field like AI, such declarations could play a key role. In the future, agreements between public authorities and private organizations may help establish a shared foundation for trustworthy AI use. Self-declarations are already used in various legal areas, including labor law (e.g., occupational safety, equal pay), construction (e.g., hazardous material disposal plans), and organic farming (e.g., biodiversity measures).

Industry solutions

While self-declarations apply to individual companies, industry solutions involve collective regulation. These may take the form of codes of conduct, certification standards, or audit systems. They enable a degree of self-regulation to ensure consistent standards. In AI, such models could be particularly useful where greater transparency is needed—for example, labeling AI-generated content, disclosing chatbot use, or establishing cross-sector codes of ethics in sensitive areas like healthcare or finance. The Swiss Media Association's AI recommendations and AI Compass are examples of such initiatives. (schweizermedien.ch/politik/ki-kompass).

Impact on EU market access

The Mutual Recognition Agreement (MRA) between Switzerland and the EU helps eliminate technical trade barriers for industrial products. It covers key sectors such as medical devices, construction products, biocides, machinery, and electrical equipment. Under the new Switzerland–EU package, the MRA will be updated regularly. However, from mid-2027, when the EU AI Act's provisions on high-risk AI systems take effect, more than half of the MRA-covered product categories will fall under the EU regulation—if the product includes AI. Since Switzerland will not yet have AI regulations in place, and the proposed approach may not be deemed equivalent by the EU, future restrictions on market access are possible.

What happens next?

The Federal Council has instructed the Federal Administration to prepare a consultation draft by the end of 2026 outlining the legal measures needed to implement the AI Convention—particularly in the areas of data protection, transparency, oversight, and non-discrimination. A plan for soft law instruments is also to be developed.

Special attention should be paid to ensuring compatibility with the regulations of Switzerland's key trading partners.

It will likely take some time before Switzerland has its own AI regulations. However, given the rapid pace of technological change, this delay could prove advantageous, as valuable lessons will have been learned—particularly from the EU's implementation of the AI Act. The exact legislative approach remains to be seen.

Conclusion

The draft AI regulation presented by the Federal Council is a welcome development. The focus on fundamental rights and sector-specific adjustments is particularly compelling. Given the dynamic nature of the field, it makes sense to wait and see which regulatory measures prove necessary and effective. Policymakers should closely monitor developments in Switzerland and Europe to assess early on which compliance measures will be required, which applications may need to be adapted, and which strategic decisions will be necessary to ensure long-term legal certainty.

Keyfacts

- 01 The Federal Council has opted for a cautious approach to AI regulation, based on the AI Convention.
- 02 Instead of a comprehensive model like the AI Act, the focus is on protecting fundamental rights and making sector-specific adjustments.
- 03 A significant portion of practical AI guidelines is expected to emerge from soft law instruments developed by the relevant industries.
- 04 The next step is to draft a consultation paper on implementing the AI Convention.



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