

Switzerland outlines regulatory approach to Artificial Intelligence

On 12 February 2025, the Swiss Federal Council published its approach for regulating artificial intelligence (AI) in Switzerland. Rather than adopting a general cross-sector AI law, it will maintain Switzerland's sector specific regulatory framework. Additionally, the Federal Council has decided to ratify the Council of Europe's AI Convention and propose to Parliament the necessary amendments to Swiss law. In accordance with this approach, overarching regulations governing AI will be restricted to areas concerning fundamental rights, such as data protection. A corresponding draft law is expected for 2026.

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Switzerland's current regulatory AI framework

The use of AI has rapidly advanced in recent years, gaining significant attention by both the public and businesses in many sectors. AI presents immense opportunities for Switzerland as a hub for economic growth and innovation, but it also introduces new regulatory challenges, particularly concerning transparency and accountability in AI-driven decision-making.

To address these challenges, various international regulatory frameworks, including the EU AI Act and the Council of Europe's AI Convention, have been developed. Switzerland does not currently have a dedicated legislative framework comprehensively regulating AI. Recognizing these challenges, the Swiss Federal Council mandated the Federal Administration in November 2023 to conduct a comprehensive assessment of potential regulatory approaches for AI.

A sector-specific regulatory approach

Based on these findings, the Federal Council opted for a sector-specific regulatory approach rather than the adoption of a horizontal, cross-sector AI regulation. Consequently, no proposal for a “Swiss AI Act” or an equivalent framework mirroring the EU’s AI regulation is anticipated. The Swiss Federal Council’s primary objectives are to reinforce Switzerland’s position as a hub for innovation, while ensuring the protection of fundamental rights and enhancing public trust in AI. To achieve these goals, the Federal Council has outlined the following roadmap and considered corresponding measures:

- The Council of Europe’s AI Convention (the “**AI Convention**”) will be implemented in Switzerland.
- Necessary legislative amendments should primarily be made on a sector-specific basis and general, cross-sectoral regulation should be limited to certain areas relevant to individual’s fundamental rights (such as data protection); and
- In addition, parts of the AI Convention should be implemented through non-binding instruments, such as agreements providing for self-certification of signatories or tailor-made industry solutions, to provide flexibility to the private sector.

Council of Europe’s AI Convention

The AI Convention, adopted on 17 May 2024 by the Council of Europe, is the world’s first legally binding international AI regulatory framework. It aims to uphold human rights, democracy, and the rule of law throughout the AI lifecycle. Switzerland, which chaired the negotiations, collaborated with 57 participating states, including all G7 members.

By ratifying the AI Convention, signatories commit to ensuring transparency, accountability, and risk management in AI development. While public institutions must fully comply with the AI Convention, private entities are only required to adhere to its fundamental principles.

A legal review by the Federal Office of Communications (OFCOM) determined that Swiss law already complies with many provisions of the AI Convention, particularly concerning democratic processes and the rule of law. However, targeted legislative adjustments are necessary to ensure full compliance. Key areas requiring modification include:

- Transparency requirements
- Risk and impact assessments for AI systems
- Establishment of supervisory mechanisms

While the Swiss Federal Act on Data Protection (FADP) addresses certain concerns, additional regulatory mechanisms are essential to strengthen oversight, enforcement, and risk mitigation in the AI sector. Switzerland will evaluate various regulatory models, including state supervision and co-regulatory approaches that combine industry self-regulation with government oversight.

Next steps

The Swiss Federal Council has mandated the Federal Administration to draft a public consultation proposal for incorporating the AI Convention into Swiss law. This draft is expected by the end of 2026. To ensure Switzerland’s regulatory approach remains aligned with that of its key trading

partners, the Federal Administration will also develop an implementation plan by the end of 2026 for any additional measures not covered by the proposed legislation.

The ratification of the AI Convention is subject to a public consultation process before being submitted to Parliament for approval. Additionally, it may be subject to a referendum.

Implications for the private sector

The Swiss Federal Council's regulatory approach aims to foster an innovation-friendly framework without imposing excessive regulatory burdens on the private sector. Any legislative changes are thus expected to provide for flexible, industry-adapted solutions and reinforce Switzerland's position as a leading hub for AI development and deployment. The specific implementation of these principles remains yet to be seen.

Please do not hesitate to contact us in case of any questions.

Legal Note: The information contained in this Smart Insight newsletter is of general nature and does not constitute legal advice.

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