

Newsletter

Artificial Intelligence - An Update



Cornelia Stengel
Attorney at Law, Partner
Prof. Dr. iur.



Gaspare Loderer
Attorney at Law, Senior Associate
MLaw, LL.M.



Jonas Tresch
Attorney at Law, Associate
MLaw



Adrian Dan
Attorney at Law, Partner
Dr. iur.



Leandra Gafner
Attorney at Law, Associate
MLaw



Mario M. Marti
Attorney at Law,
Managing Partner
Dr. iur., MJur (Oxon)



Nicolas Mosimann
Attorney at Law,
Managing Partner
Dr. iur., LL.M.



Stefano Perucchi
Attorney at Law, Partner
lic. iur., LL.M.



Vera Vallone
Attorney at Law, Associate
Dr. iur., LL.M.



Virginie A. Rodieux
Attorney at Law, Partner
lic. iur., LL.M.

Ladies and Gentlemen,

as you may have already heard, the Federal Council recently presented a forward-orientated strategy on the regulation of artificial intelligence (AI) in Switzerland. Below you will find a brief overview of what has happened so far, how it came about and the legislator's planned next steps.

1. What is the Federal Council's position on AI regulation?

On February 12, 2025, the Federal Council spoke out in favour of ratifying the Council of Europe Framework Convention on AI (AI Convention) and of adopting the necessary amendments to Swiss law. It also intends to continue regulatory activities in specific sectors such as healthcare and transportation.

2. Why is the Federal Council pursuing this approach?

The Federal Council's primary objective is to exploit the enormous potential of AI technology for Switzerland by promoting innovation and economic growth, while protecting fundamental rights, democracy, and the rule of law, as AI is integrated into society. An important strategic point is the compatibility of Swiss regulations with international standards, which has already been underlined by the signing of the AI Convention on March 27, 2025. In doing so, the Federal Council aims to create clear and predictable conditions for the development and application of AI in Switzerland. Ultimately, the aim is to find a balanced approach that enables innovation, minimizes potential risks and takes into account the economic and institutional impact

3. How was this strategy prepared?

The basis for the Federal Council's strategy was the overview for the regulation of artificial intelligence. In turn, this overview was based on detailed analyses:

- Legal analysis: Effects of the AI Convention, the EU

AI Act and Swiss laws.

- Sectoral analysis: Existing and planned adjustments in various areas.
- Country analysis: Comparison with AI regulations in 20 countries.

The aim was to create a basis for decision-making that considers both the opportunities and the associated risks for Switzerland.

4. What principles should guide AI regulation?

Swiss AI regulation should be based in particular on the following principles:

- Integration of the AI Convention into Swiss law. In its press release, the Federal Council states that it is primarily state actors that should fall within the scope of the Convention.
- In principle, sector-specific adjustments are preferred to general regulation. However, cross-sector regulations are possible, particularly in central areas relevant to fundamental rights (e.g. data protection).
- The need for regulation should be covered by a combination of legally binding and non-binding measures. This implies the possibility for/obligation of self-regulation.

5. Is there a risk of trade barriers?

Thanks to the agreement between Switzerland and the EU on the mutual recognition of technical regulations (MRA), Swiss manufacturers have so far benefited from the fact that conformity assessments for the EU internal market can also be carried out by Swiss bodies - without the need for additional representatives in the EU.

The rules of the game will change from August 2027: New requirements will apply to products with AI components that fall under the category of high-risk AI systems in accordance with the EU AI Act. These are not

covered by the current MRA and must therefore be met additionally - regardless of whether the product has already been assessed for conformity.

For affected products, this means in particular:

- A second, separate conformity assessment by a body in the EU is required.
- An EU representative (authorized representative) for the AI aspects must be appointed.
- The address of the importer must be indicated on the packaging.

For companies, this may lead to additional effort and higher costs when accessing the EU market for products with integrated AI functions (e.g. in vehicles, machines, printing devices, toys, medical devices or telecommunications terminals).

6. What are the next steps?

By the end of 2026, the Federal Department of Justice and Police (FDJP), in cooperation with the Federal Department of the Environment, Transport, Energy and Communications (DETEC) and the Federal Department of Foreign Affairs (FDFA), is to draw up a consultation draft for the implementation of the AI Convention. At the same time, a plan for further non-binding regulations will be drawn up by the DETEC, the FDJP, the FDFA and the Federal Department of Economic Affairs, Education and Research (EAER) and coordinated with international developments.

In view of the average duration of the legislative process of approximately four years, we consider it realistic to expect the corresponding regulations to come into force from 2029.

We are always available for a non-binding exchange, general questions or specific clarifications.

Zurich, April 2025

Authors:

Cornelia Stengel

Attorney at Law, Partner, Prof. Dr. iur.

Gaspard Loderer

Attorney at Law, Senior Associate, MLaw, LL.M.

Jonas Tresch

Attorney at Law, Associate, MLaw

Further experts:

Adrian Dan

Attorney at Law, Partner, Dr. iur.

Leandra Gafner

Attorney at Law, Associate, MLaw

Mario M. Marti

Attorney at Law, Managing Partner, Dr. iur., MJur (Oxon)

Nicolas Mosimann

Attorney at Law, Managing Partner, Dr. iur., LL.M.

Stefano Perucchi

Attorney at Law, Partner, lic. iur., LL.M.

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