



Company Law

The Committee of the Council of States ***also rejects class actions***

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At a glance

- After the clear "no" from the National Council, the Legal Affairs Committee of the Council of States has now also spoken out against the introduction of class actions.
- The Federal Council should instead examine the extent to which ombudsman procedures can be strengthened - the business community welcomes this constructive decision.
- The proposal would have meant a massive intervention in the tried-and-tested Swiss legal system.

The Legal Affairs Committee of the Council of States decided by eight votes to five not to support the Federal Council's proposal on collective redress. It believes that the current law already provides sufficient opportunities for collective redress and warns of considerable risks for the business location as well as high costs from foreign players specializing in class actions.

Danger of waves of lawsuits

The introduction of class actions would have created the risk of aggressive new types of lawsuits and could have led to waves of lawsuits that would have burdened companies in particular, but ultimately also consumers. Experience from other countries - particularly in Europe - shows that class actions regularly benefit lawyers and litigation funders rather than the people who have actually suffered damage.

Focus on alternative instruments

The Swiss legal system already has functioning instruments such as class actions and arbitration proceedings. With the adopted postulate (25.3954), the Federal Council should now examine whether and how existing arbitration and ombudsman procedures can be strengthened in order to create an effective and practicable alternative to class actions.

The Council of States must confirm the decision

The Council of States will discuss the matter in the fall session. If it follows the recommendation of its committee, the introduction of class actions in Switzerland would be off the table - in favor of solution-oriented and proven procedures.



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