

SFI Public Discussion Note  
Global Financial Regulation,  
Transparency, and Compliance  
Index (GFRTCI) 2023



English Version | 2023 Edition

# Introduction



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Every year since 2020, the Swiss Finance Institute (SFI) has published a Global Financial Regulation, Transparency, and Compliance Index (GFRTCI). This index scores and ranks a set of countries in terms of their adoption of, compliance with, and enforcement of a set of global financial regulatory, transparency, and compliance standards. Constructed as a meta-index, the GFRTCI is based on public data from existing rankings, indices, and research studies. In this way, it helps identify and clarify the strengths and weaknesses of the various countries and encourages an ongoing discussion of the regulatory environment.

As the previous three editions of the GFRTCI have been very well received within the financial community, the 2023 index uses the same framework, index components, and component weights; it thus documents the changes that have occurred over these years. In the overall ranking, the changes from 2022 to 2023 are rather small. Nine of the ten top-ranked countries in 2023 were in the top ten in 2022 as well. Austria (ranked 10th in 2022) fell out of the top ten, while Luxembourg (ranked 14th in 2022) gained five positions and is now ranked 9th. As in the previous years, all countries in the top ten (except Switzerland) are members of the EU.

Despite these relatively minor changes in the overall ranking, there have been noteworthy changes since 2022 in the scores of the individual index components. For example, more than 75% of the countries are now fully compliant with the current Basel regulatory framework. The average scores of several subindices have also improved, leading to an increase in the average GFRTCI score, from 78.2 (in 2022) to 81.4 (in 2023).

Stricter regulation, increased transparency, and better compliance will always come with both costs and benefits. The goal of policymakers should be to find the optimal trade-off, while trying to ameliorate recognized deficiencies in specific areas.

Risks to the financial system keep changing, requiring the Basel regulatory standards to continue to evolve. New choices will have to be made and new regulations implemented in the years to come, likely resulting in interesting developments in the GFRTCI rankings and scores going forward.



With its Public Discussion Note series the Swiss Finance Institute (SFI) is actively promoting a well-founded discussion of topics relevant to the financial industry, politics, and academia. Furthermore, SFI disseminates its findings through research, publications, Master Classes, and conferences.

# About the GFRTCI Index

Over the last few decades, financial regulation has become broader, more global, and increasingly complex. On the one hand, there are international frameworks such as Basel II and Basel III, sometimes accompanied by additional national "finishes" (Switzerland, for example, adds the so-called Swiss Finish). On the other hand, numerous standards with respect to such issues as transparency, corruption, money laundering, and data exchange have been suggested, requested, or introduced by supranational organizations, NGOs, or think tanks representing different stakeholders. Individual countries may or may not adopt these suggested rules and standards into their national laws. Subject to signed international treaties, they retain some leeway as to if, when, and how they implement these rules and standards, and to what extent they enforce them.

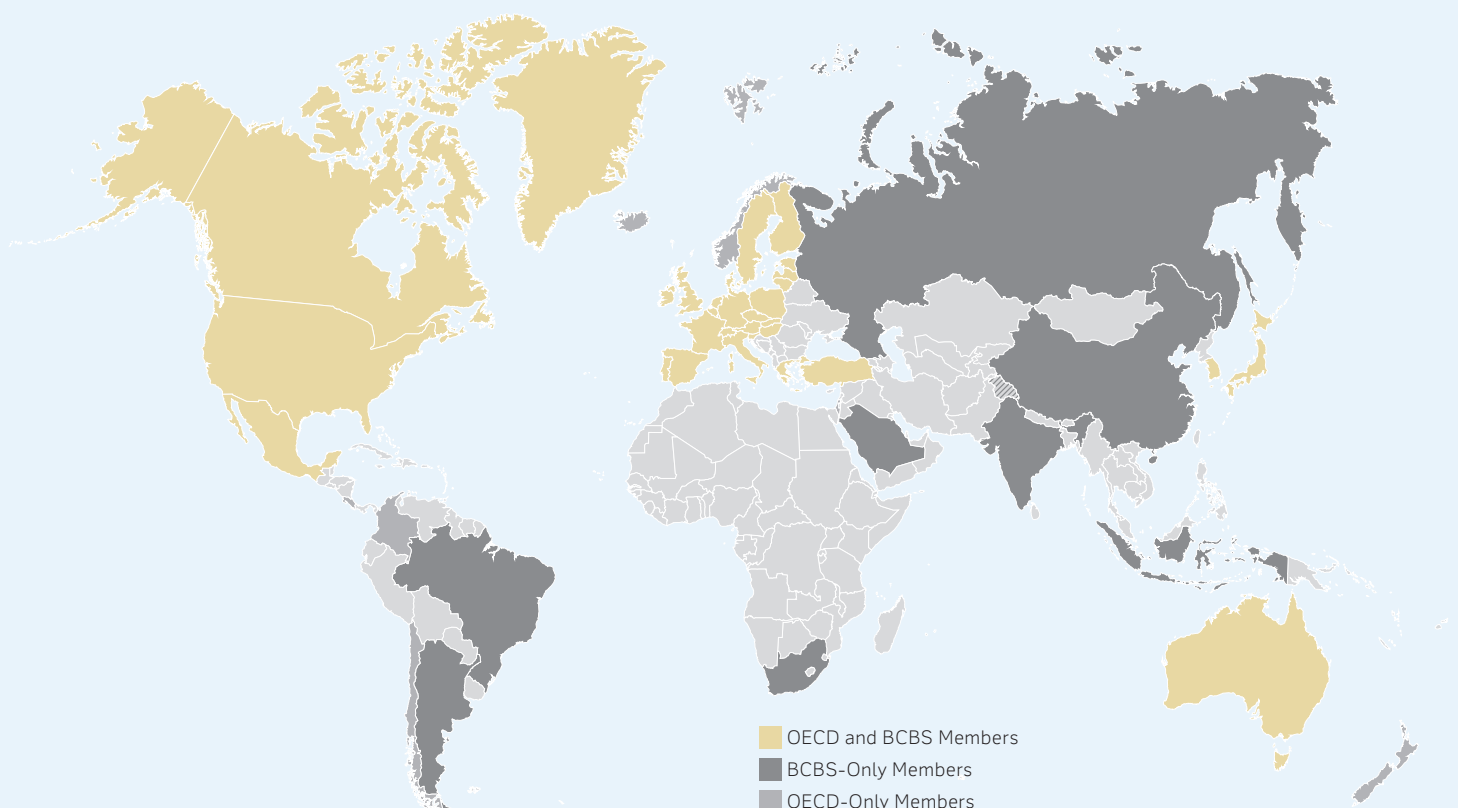
Various studies regularly document specific components of these rules and standards, whether national or international, under the umbrellas of Bank Regulation, Financial Transparency, or Financial Compliance. For example: The Basel Committee on Banking Supervision (BCBS) supervises the implementation of the Basel standards. The Organisation for Economic Cooperation and Development (OECD) publishes its Exchange of Information on Request (EOIR) rating. Transparency International calculates

a Corruption Perception Index. The Basel Institute on Governance assesses the risk of money laundering and terrorist financing with its Basel Anti-Money-Laundering Index (AML).

On an index level, the semiannual Global Financial Centres Index evaluates different financial centers based on instrumental factors and responses to an online questionnaire. Its focus is on individual cities and their relative competitiveness, rather than on countries and their regulatory environment.

The SFI's GFRTCI Index aggregates several of these well-known and accepted ratings and indices into a simple and understandable metric which then allows the ranking of countries according to their overall standing in terms of financial regulation, transparency, and compliance. The index is based on publicly available and established data, classifications, and rankings; the institutions behind these rankings are credible and publish their findings on a regular basis (annual or semiannual).

SFI has published the GFRTCI in 2020, 2021, and 2022, in addition to the current 2023 edition, and plans to continue to update the index on an annual basis.



# Countries Included in the GFRTCI

In this fourth edition of the GFRTCI, the underlying framework remains the same as in the previous three years. It analyzes and ranks those OECD member countries which are, at the same time, also members of the Basel Committee on Banking Supervision (BCBS), the primary global standard-setter for the prudential regulation of banks.

Some EU countries are direct members of the BCBS (Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain, and Sweden); the other EU countries are represented by the European Union's membership.

The 31 joint member countries are listed below:

OECD-Only Members	OECD and BCBS Members	BCBS-Only Members
Chile (CL)	Australia (AU)	Argentina (AR)
Colombia (CO)	Austria (EU)	Brazil (BR)
Costa Rica (CR)	Belgium (EU)	China (CN)
Iceland (IS)	Canada (CA)	Hong Kong SAR (HK)
Israel (IL)	Czech Republic (EU)	India (IN)
New Zealand (NZ)	Denmark (EU)	Indonesia (ID)
Norway (NO)	Estonia (EU)	Russia (RU)
	Finland (EU)	Saudi Arabia (SA)
	France (EU)	Singapore (SG)
	Germany (EU)	South Africa (ZA)
	Greece (EU)	
	Hungary (EU)	
	Ireland (EU)	
	Italy (EU)	
	Japan (JP)	
	Korea (South) (KR)	
	Latvia (EU)	
	Lithuania (EU)	
	Luxembourg (EU)	
	Mexico (MX)	
	Netherlands (EU)	
	Poland (EU)	
	Portugal (EU)	
	Slovak Republic (EU)	
	Slovenia (EU)	
	Spain (EU)	
	Sweden (EU)	
	Switzerland (CH)	
	Turkey (TR)	
	United Kingdom (UK)	
	United States (US)	



# Components of the GFRTCI

The GFRTCI assesses the 31 joint members of the OECD and BCBS using the following seven ratings and indices: Three components measure the country's degree of implementation of certain regulations, and four components quantify its political environment and its enforcement of regulations in general. The cutoff date for data collection was January 31, 2023.

## Subindex A—Degree of Regulation Implementation

The following three components measure a country's degree of implementation of banking regulations, analyze its standards with respect to the exchange of information on request, and assess its risk of money laundering and terrorist financing.

They define subindex A of the GFRTCI:

- **Progress reports on the adoption of the Basel regulatory framework:**

The Basel Committee on Banking Supervision (BCBS) regularly publishes these progress reports; the most recent one was released in October 2022. The report lists 19 different standards in seven different categories, with an implementation deadline of 2022 or earlier.

The BCBS categories and standards are listed in Table 1.

**Table 1:** BCBS Implementation (October 2022 Report)

	Basel Standards	Deadline	AR	AU	BR	CA	CN	HK	IN	ID	JP	KR	MX	RU	SA	SG	ZA	CH	TR	UK	US	EU	
Capital	Countercyclical capital buffer (CCyB)	Jan 2016	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
	Margin requirements for non-centrally cleared derivatives	Sep 2016	1	4	4	4	1	4	*	2	4	2	2	2	4	4	4	4	1	4	4	4	
	Capital requirements for central counterparties (CCPs)	Jan 2017	4	4	4	4	1	4	3	2	4	4	4	2	4	4	4	4	4	4	4	4	4
	Capital requirements for equity investments in funds	Jan 2017	4	4	4	4	1	4	na	na	4	4	*	4	4	4	4	4	4	4	1	4	
	Standardized approach for counterparty risk (SA-CCR)	Jan 2017	4	4	4	4	4	4	3	4	4	4	1	4	4	4	4	4	4	4	4	4	4
	Securitisation framework	Jan 2018	4	4	4	4	1	4	4	4	4	4	4	4	4	4	4	2	4	1	4	1	4
	Total loss-absorbing capacity (TLAC) holdings	Jan 2019	na	4	4	4	4	4	1	na	4	1	4	4	4	4	4	4	1	4	4	4	4
Leverage Ratio	Existing (2014) exposure definition	Jan 2018	4	1	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
SIB	Global-SIB requirements	Jan 2016	na	*	4	4	4	4	na	na	4	na	na	na	na	4	na	4	na	4	4	4	4
	Domestic-SIB requirements	Jan 2016	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	na	4	4
IRRBB	Interest rate risk in the banking book (IRRBB)	2018	4	2	4	4	4	4	2	4	4	4	*	2	4	4	2	4	1	4	4	*	4
Liquidity	Monitoring tools for intraday liquidity management	Jan 2015	4	4	4	3	1	4	4	4	1	1	*	4	4	4	4	4	4	4	4	4	4
	Net Stable Funding Ratio (NSFR)	Jan 2018	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	2	4	4	4	4
Large Exposures	Supervisory framework for measuring and controlling large exposures	Jan 2019	4	4	4	4	4	4	4	4	4	2	2	2	4	4	4	4	2	4	4	4	4
Disclosure	Revised pillar 3 requirements (published 2015)	Dec 2016	4	2	4	4	1	4	1	4	4	4	*	4	4	4	4	4	4	4	1	4	4
	CCyB, Liquidity, Remuneration, Leverage ratio (revised)	Dec 2017	4	2	4	*	*	4	1	*	4	4	*	4	4	4	4	4	*	4	*	*	4
	Key metrics, IRRBB, NSFR	Jan 2018	4	*	4	*	*	4	*	*	4	4	4	*	4	*	*	4	*	4	*	*	4
	Composition of capital, RWA overview, Prudential valuation adjustments, G-SIB indicators	Dec 2018	4	2	4	*	1	4	*	*	*	4	1	4	4	4	4	4	1	4	*	*	4
	TLAC	Jan 2019	na	na	1	4	*	4	na	na	4	3	4	na	4	na	na	4	na	4	4	4	4

The BCBS assigns number codes to each of these 19 standards as follows: **1** = draft regulation that is not published; **2** = published draft regulation; **3** = final rule that is published, but not yet implemented by banks; **4** = final rule in force, being both published and implemented by banks, and \* = implementation status mixed (please refer to the progress monitoring report).

Table 1 shows the BCBS implementation status (per the October 2022 report). [https://www.bis.org/bcbs/implementation/rcap\\_reports.htm](https://www.bis.org/bcbs/implementation/rcap_reports.htm)



- **Exchange of Information on Request (EOIR) rating:**

Based on peer review, and published by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, this rating assesses each country's standard of exchange of information on request and rates the jurisdictions' compliance with the corresponding international standard. Four ratings can be allocated to a jurisdiction: compliant (4), largely compliant (3), partially compliant (2), and non-compliant (1). As the rating is continuously updated, the data here is current as of January 2023.

<http://www.oecd.org/tax/transparency/exchange-of-information-on-request/ratings/>

- **Basel Anti-Money-Laundering Index (AML):**

Published by the Basel Institute on Governance, this index assesses the risk of money laundering and terrorist financing in each country. It provides an overall risk score, based on 15 indicators of a country's adherence to anti-money laundering and anti-terrorism financing regulations, its levels of corruption, financial standards, and political disclosure, and its adherence to the rule of law. The index ranges from approximately 2 to 9, where a lower score stands for a lower risk. The data here is current as of December 2022.

<https://index.baselgovernance.org>

## **Subindex B—Political Environment and Enforcement of Regulations in General**

The following four components measure aspects of a country's political environment and its enforcement of regulations in a broader context.

These four components define subindex B of the GFRTCI:

- **The Economist Intelligence Unit's Democracy Index (EIU DI):**

Published by The Economist Group, the sister company to The Economist newspaper, this index rates each country by 60 indicators across five broad categories: Electoral process and pluralism, the functioning of government, political participation, democratic political culture, and civil liberties. The index ranges from 0 to 10, where a score of 0 to 4 stands for an authoritarian regime, 4 to 6 for a hybrid regime, 6 to 8 for a flawed democracy, and 8 to 10 for a full democracy. The data here is current as of January 2023.

<https://www.eiu.com/n/campaigns/democracy-index-2022/>

- **Corruption Perception Index (CPI):**

This index, published by Transparency International, ranks countries by their perceived levels of public sector corruption, according to experts and business people. On a scale from 0 to 100, a score of 0 is highly corrupt and a score of 100 is very clean. The data here is current as of January 2023.

<https://www.transparency.org/en/cpi/2022>

- **Heritage Foundation Business Freedom Index (HF BF):**

This index is a subindex of the Heritage Foundation's Economic Freedom Index. The Heritage Foundation defines Business Freedom as "an overall indicator of the efficiency of government regulation of business." On a scale from 0 to 100, a score of 0 equals no business freedom and 100 equals total business freedom. The data here is current as of January 2023.

<https://www.heritage.org/index/>

- **Heritage Foundation Judicial Effectiveness Index (HF JE):**

This index is also a subindex of the Heritage Foundation's Economic Freedom Index. The Heritage Foundation defines Judicial Effectiveness as "an essential component of the rule of law which requires efficient and fair judicial systems to ensure that laws are fully respected, with appropriate legal actions taken against violations." On a scale from 0 to 100, a score of 0 equals no judicial effectiveness and 100 equals total judicial effectiveness. The data here is current as of January 2023.

<https://www.heritage.org/index/>

# GFRTCI Data and Data Adjustments

In a first step toward calculating the GFRTCI Index, the scales of the seven different components are adjusted to a common scale, from 0 to 100, as shown in Table 2. The original scales, and the adjustments made, are as follows:

- **Basel Committee on Banking Supervision (BCBS) progress report:**
  - The BCBS quantifies each of its 19 standards as 1, 2, 3, or 4.
  - All 19 scores are added together, which results in a raw score of between 19 and 76.
  - The raw scores are then normalized to a scale from 0 to 100.
- **Exchange of Information on Request (EOIR) rating:**
  - The EOIR quantifies each country as either 1, 2, 3, or 4.
  - The EOIR score is normalized to a scale from 0 to 100.
- **Basel AML Index (AML):**
  - The AML quantifies each country on a scale from 2 to 9.
  - The AML score is normalized to a scale from 0 to 100.
  - The normalized score is then reversed (100-X) to make sure that a higher score stands for a lower risk.
- **EIU's Democracy Index (EIU DI):**
  - The EIU DI quantifies each country on a scale from 0 to 10.
  - The EIU DI score is normalized to a scale from 0 to 100
- **Corruption Perception Index (CPI):**
  - The CPI quantifies each country on a scale from 0 to 100.
  - No adjustment is needed for the CPI score.
- **Heritage Foundation Business Freedom Index (HF BF):**
  - The HF BF quantifies each country on a scale from 0 to 100.
  - No adjustment is needed for the HF BF score.
- **Heritage Foundation Judicial Effectiveness (HF JE):**
  - The HF JE quantifies each country on a scale from 0 to 100.
  - No adjustment is needed for the HF JE score.

**Table 2:** Raw data for the seven components of the GFRTCI for 2023, including averages from 2020 to 2023.

List of Countries	BCBS	EOIR	AML	EIU DI	CPI	HF BF	HF JE
Australia	59	3	3.65	8.71	75	84.6	95.2
Austria	76	3	4.01	8.20	71	82.3	94.6
Belgium	76	3	4.01	7.64	73	82.8	91.2
Canada	72	3	4.25	8.88	74	78.8	96.4
Czech Republic	76	3	3.81	7.97	56	80.6	81.8
Denmark	76	3	3.56	9.28	90	89.0	89.6
Estonia	76	4	2.35	7.84	74	86.9	92.3
Finland	76	3	2.88	9.29	87	88.7	97.8
France	76	4	3.52	8.07	72	81.9	85.5
Germany	76	3	4.21	8.80	79	87.2	95.3
Greece	76	3	3.71	7.97	52	70.3	69.9
Hungary	76	3	4.98	6.64	42	77.2	62.2
Ireland	76	4	4.00	9.13	77	87.2	93.0
Italy	76	4	4.55	7.69	56	73.8	78.6
Japan	70	3	4.70	8.33	73	78.3	95.3
Korea (South)	61	3	4.51	8.03	63	84.8	77.1
Latvia	76	3	3.96	7.37	59	81.9	75.1
Lithuania	76	4	3.43	7.31	62	87.3	74.6
Luxembourg	76	3	4.28	8.81	77	89.3	96.4
Mexico	51	4	5.20	5.25	31	69.2	40.7
Netherlands	76	3	4.06	9.00	80	88.1	96.9
Poland	76	3	4.39	7.04	55	78.7	54.7
Portugal	76	4	4.00	7.95	62	76.2	92.1
Slovak Republic	76	3	4.35	7.07	53	75.9	71.9
Slovenia	76	3	3.37	7.75	56	79.7	91.6
Spain	76	3	3.88	8.07	60	75.2	74.3
Sweden	76	4	3.12	9.39	83	84.6	97.1
Switzerland	76	3	4.55	9.14	82	84.3	98.0
Turkey	45	3	5.54	4.35	36	63.4	25.6
United Kingdom	76	3	3.63	8.28	73	79.1	85.9
United States	63	3	4.32	7.85	69	87.5	77.9
Average 2023	72	3.3	4.03	7.97	66.2	81.1	82.2
Std Dev 2023	8.01	0.44	0.66	1.12	14.38	6.40	17.45
Average 2022	71	3.3	4.19	7.93	66.5	76.2	67.9
Std Dev 2022	9.83	0.51	0.70	1.06	14.74	9.41	12.98
Average 2021	63	3.3	4.19	7.98	66.5	76.3	64.5
Std Dev 2021	8.34	0.51	0.71	1.12	14.96	9.31	14.79
Average 2020	46	3.4	4.41	7.96	66.9	77.6	63.5
Std Dev 2020	7.82	0.49	0.68	1.08	15.16	8.81	15.22

# GFRTCI Index Calculation

One of the central aspects of an index are the weights which go into its calculation. To calculate the GFRTCI, two different approaches are used. First, the index is calculated based on assumed weights. Second, in a sensitivity analysis, the seven index components are assigned weights in 5% increments from 0% to 100%, with the restriction that the sum of the weights must add up to 100%. For all of these possible scenarios, all of the country scores have been calculated and a country ranking has been established. By counting the frequency of how often a specific country is ranked #1, the sensitivity analysis allows to establish a list of the top scoring countries, based on a wide range of component weights.

## A. Weights, Scores, and Ranks

For subindex A (degree of regulation implementation), the component weights have been set as follows: BCBS = 60%; EOIR = 20%; AML = 20%. The BCBS component is given a higher weight due to the high number of subcomponents included in the BCBS progress reports (7 categories and 19 standards).

For subindex B (political environment and enforcement of regulations in general), the four index components have been equally weighted at 25% each.

For the final index calculation, the two subindices, A and B, are combined by calculating a simple arithmetic average.

**Table 3** shows the final GFRTCI Index calculation, as well as the final rankings.

**Table 3:** Country Rankings Based on Subindex A, Subindex B, and Combined GFRTCI

Rank / Country	Subindex A	Rank / Country	Subindex B	Rank / Country	Subindex A	Subindex B	GFRTCI	Rank 2022	Change 2022 to 2023
1 Estonia	99.0	1 Finland	91.6	1 Sweden	96.8	89.7	<b>93.2</b>	2	+1
2 Sweden	96.8	2 Denmark	90.4	2 Finland	90.8	91.6	<b>91.2</b>	1	-1
3 Lithuania	95.9	3 Sweden	89.7	3 Estonia	99.0	82.9	<b>91.0</b>	4	+1
4 France	95.7	4 Switzerland	88.9	4 Ireland	94.3	87.1	<b>90.7</b>	5	+1
5 Ireland	94.3	5 Netherlands	88.8	5 Denmark	88.9	90.4	<b>89.6</b>	3	-2
6 Portugal	94.3	6 Luxembourg	87.7	6 Netherlands	87.4	88.8	<b>88.1</b>	8	+2
7 Italy	92.7	7 Germany	87.4	7 France	95.7	80.0	<b>87.8</b>	6	-1
8 Finland	90.8	8 Ireland	87.1	8 Switzerland	86.0	88.9	<b>87.5</b>	7	-1
9 Slovenia	89.4	9 Australia	85.5	9 Luxembourg	86.8	87.7	<b>87.3</b>	14	+5
10 Denmark	88.9	10 Canada	84.5	10 Germany	87.0	87.4	<b>87.2</b>	9	-1
11 United Kingdom	88.7	11 Estonia	82.9	11 Portugal	94.3	77.5	<b>85.9</b>	17	+6
12 Greece	88.4	12 Japan	82.5	12 Lithuania	95.9	74.3	<b>85.1</b>	11	-1
13 Czech Republic	88.2	13 Austria	82.5	13 Austria	87.6	82.5	<b>85.0</b>	10	-3
14 Spain	88.0	14 Belgium	80.9	14 United Kingdom	88.7	80.2	<b>84.4</b>	15	+1
15 Latvia	87.7	15 United Kingdom	80.2	15 Belgium	87.6	80.9	<b>84.2</b>	13	-2
16 Austria	87.6	16 France	80.0	16 Canada	82.7	84.5	<b>83.6</b>	16	0
17 Belgium	87.6	17 United States	78.2	17 Slovenia	89.4	76.2	<b>82.8</b>	12	-5
18 Netherlands	87.4	18 Portugal	77.5	18 Italy	92.7	71.3	<b>82.0</b>	18	0
19 Germany	87.0	19 Korea (South)	76.3	19 Czech Republic	88.2	74.5	<b>81.3</b>	24	+5
20 Luxembourg	86.8	20 Slovenia	76.2	20 Japan	79.3	82.5	<b>80.9</b>	20	0
21 Slovak Republic	86.6	21 Czech Republic	74.5	21 Spain	88.0	72.6	<b>80.3</b>	19	-2
22 Poland	86.5	22 Lithuania	74.3	22 Latvia	87.7	72.4	<b>80.1</b>	22	0
23 Switzerland	86.0	23 Spain	72.6	23 Greece	88.4	68.0	<b>78.2</b>	21	-2
24 Hungary	84.8	24 Latvia	72.4	24 Australia	70.7	85.5	<b>78.1</b>	23	-1
25 Canada	82.7	25 Italy	71.3	25 Slovak Republic	86.6	67.9	<b>77.2</b>	28	+3
26 Japan	79.3	26 Greece	68.0	26 United States	73.0	78.2	<b>75.6</b>	27	+1
27 United States	73.0	27 Slovak Republic	67.9	27 Poland	86.5	64.7	<b>75.6</b>	25	-2
28 Australia	70.7	28 Poland	64.7	28 Hungary	84.8	62.0	<b>73.4</b>	29	+1
29 Korea (South)	70.4	29 Hungary	62.0	29 Korea (South)	70.4	76.3	<b>73.3</b>	26	-3
30 Mexico	64.5	30 Mexico	48.4	30 Mexico	64.5	48.4	<b>56.4</b>	30	0
31 Turkey	50.6	31 Turkey	42.1	31 Turkey	50.6	42.1	<b>46.4</b>	31	0

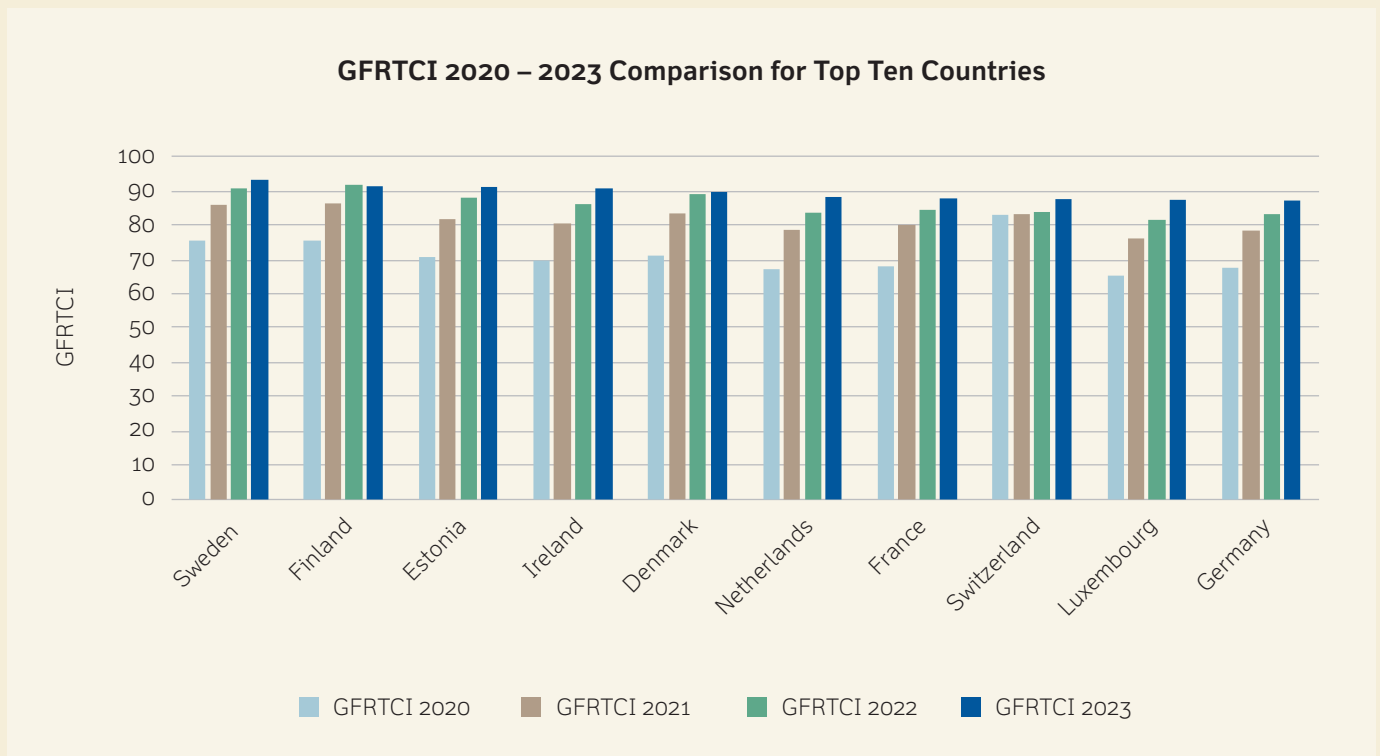


### B: Sensitivity Analysis

In order to see how systematically assigned weights for the seven index components can influence the final ranking, a statistical sensitivity analysis is performed. Each of the seven index components is assigned weights in 5% increments, from 0% to 100%, with the restriction that the sum of all weights adds up to 100%. A sensitivity analysis is then performed to determine which country is ranked first in each of these scenarios. Only five countries are ranked #1 in at least 1% of the scenarios, and the ranking of the first three countries perfectly corresponds to the final index ranking. Overall, 202'107 scenarios have been calculated.

The five countries, and the corresponding statistical distribution for rank #1, are as follows:

Country	% Country Was Ranked #1
Sweden	50.5%
Finland	24.8%
Estonia	18.3%
Denmark	4.7%
Ireland	1.5%



# Interpretation and Comments

## The main findings of the 2023 GFRTCI calculations are as follows:

- Only four of the 31 countries place among the top ten when ranked by both subindex A (focusing on implementation) and subindex B (focusing on enforcement). The four countries are Denmark, Finland, Ireland, and Sweden.
- The average score for subindex A slightly increased from 2022 to 2023, which brought the country scores closer together. Particularly, the scores for the countries in the "midfield" (ranks #9 to #25) are all very close.
- Switzerland ranks #23 for subindex A. While it is in full compliance with respect to BCBS implementation, it ranks relatively lower in the AML and, to a lesser extent, in the EOIR index components. The reasons for these lower rankings can be found in the elements of the respective subcomponents: For example, the AML assigns a "high risk" rating for "public transparency," and the EOIR assigns a ranking of "partially compliant" for "ownership and identity information."
- The average score for subindex B significantly increased from 2022 to 2023, due to increases in the HF BF and HF JE rankings.
- Switzerland ranks #4 for subindex B (#6 in 2022).
- Switzerland ranks #8 in the final GFRTCI Index calculation (#7 in 2022), slightly behind Sweden, Finland, Estonia, Ireland, Denmark, the Netherlands, and France.

## Comparing the 2022 and 2023 GFRTCI Indices reveals the following:

- Based on the raw data shown in Table 2, there have been noteworthy changes in three of the seven index components: AML, HF BF, and HF JE. The averages of these three components increased; in the case of HF JE, the increase was quite large.
- Only small changes occurred within the BCBS index component. A substantial majority of the observed countries are now in full compliance with the current BCBS implementation guidelines. This situation is expected to last until the BCBS updates its guidelines, at which time countries will be asked to respond anew.
- Eight countries were ranked among the top ten in 2021 and 2022, as well as in 2023: Sweden, Finland, Estonia, Ireland, Denmark, the Netherlands, France, and Switzerland.
- The majority of observed countries show continuously improved index scores.
- It appears that most countries continue to take significant steps toward the implementation and enforcement of financial regulation, transparency, and compliance.
- Given the significance and importance of the banking sector for most countries, these are important developments, and they are rightly reflected in publicly available indices and rankings.

## Swiss Finance Institute

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