

SFI Public Discussion Note

Global Financial Regulation, Transparency, and Compliance Index (GFRTCI) 2025



English Version | 2025 Edition



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.

Introduction



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Each year since 2020, the Swiss Finance Institute (SFI) has published a Global Financial Regulation, Transparency, and Compliance Index (GFRTCI). This index ranks countries on their adoption of, compliance with, and enforcement of a set of global financial standards. Constructed as a meta-index, the GFRTCI is based on public data from existing rankings, indices, and research studies. Its purpose is to clearly identify the strengths and weaknesses of the various countries and to encourage discussion of the regulatory environment.

As the previous five editions have been very well received within the financial community, the 2025 GFRTCI uses the same framework, index components, and component weights, with one exception: The Bank for International Settlements (BIS) removed an older standard (Leverage ratio – 2014 exposure definition) from its adoption framework, reducing the total number of Basel III standards from 31 to 30.

The 2025 GFRTCI thus documents the changes that have occurred over the years. From 2024 to 2025, the changes to the overall ranking are rather small. Nine of the ten top-ranked countries in 2025 were in the top ten in 2024 as well. France (#10 in 2024) fell out of the top ten, while Belgium (#17 in 2024) gained seven positions and now ranks #10. As in the previous years, except for Canada and Switzerland all countries in the top ten are members of the EU. In line with these relatively minor changes to the overall ranking, the individual country data and the averages of the index components have not changed much.

By contrast, there has been significant progress in adoption of the Basel III standards. At the end of 2024, although no country was fully compliant with all 30 standards, most countries showed an implementation score above 90%.

Risks to the financial system keep changing, requiring the Basel regulatory standards to continue to evolve. While no new regulations came into force in 2024, additional standards will have to be implemented in the years to come; these will most likely affect future GFRTCI scores.

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 deficiencies in specific areas.

The contributors would like to acknowledge the research assistance of Jason Blunier, SFI PhD candidate in Finance at the University of Zurich.

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About the GFRTCI

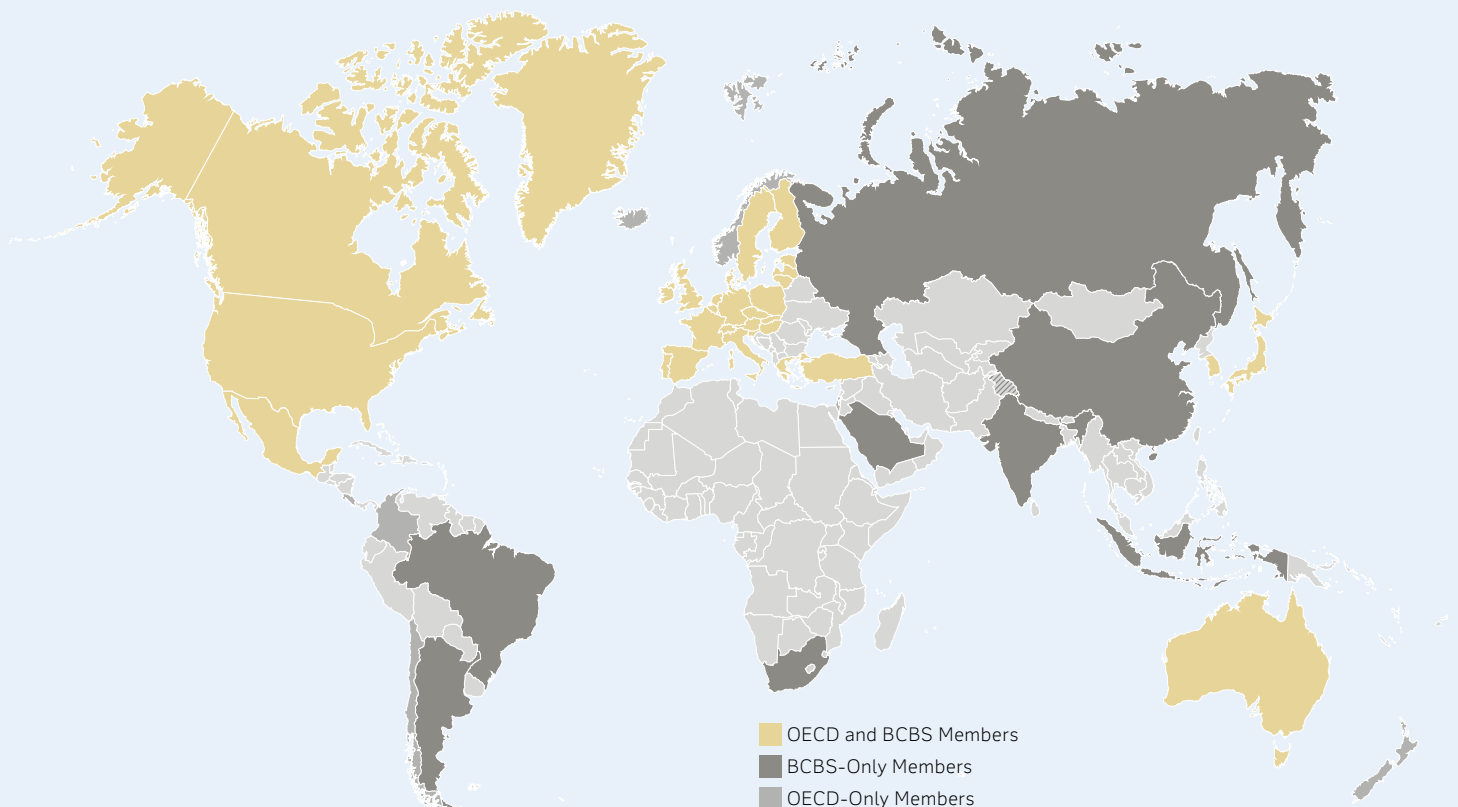
Over the last few decades, financial regulation has become broader, more global, and increasingly complex. On the one hand, there are international frameworks such as Basel III, sometimes accompanied by additional national "finishes" (Switzerland, for example, adds the so-called Swiss Finish). On the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

Various organizations focusing on bank regulation, financial transparency, or financial compliance regularly document specific components of these rules and standards, whether national or international. For example: The Basel Committee on Banking Supervision (BCBS) oversees 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 (CPI). The Basel Institute on Governance assesses the risk of money laundering and terrorist financing with its Basel Anti-Money-Laundering Index (AML).

The institutions behind these rankings are credible and publish their findings on a regular basis (annual or semiannual). The SFI then aggregates several of these publicly available and established data, classifications, and rankings into a simple and understandable annual metric, the GFRTCI, which allows countries to be ranked according to their overall standing in terms of financial regulation, transparency, and compliance.

SFI has published the GFRTCI in 2020, 2021, 2022, 2023, and 2024, in addition to the current 2025 edition, and plans to continue to update the index on an annual basis.



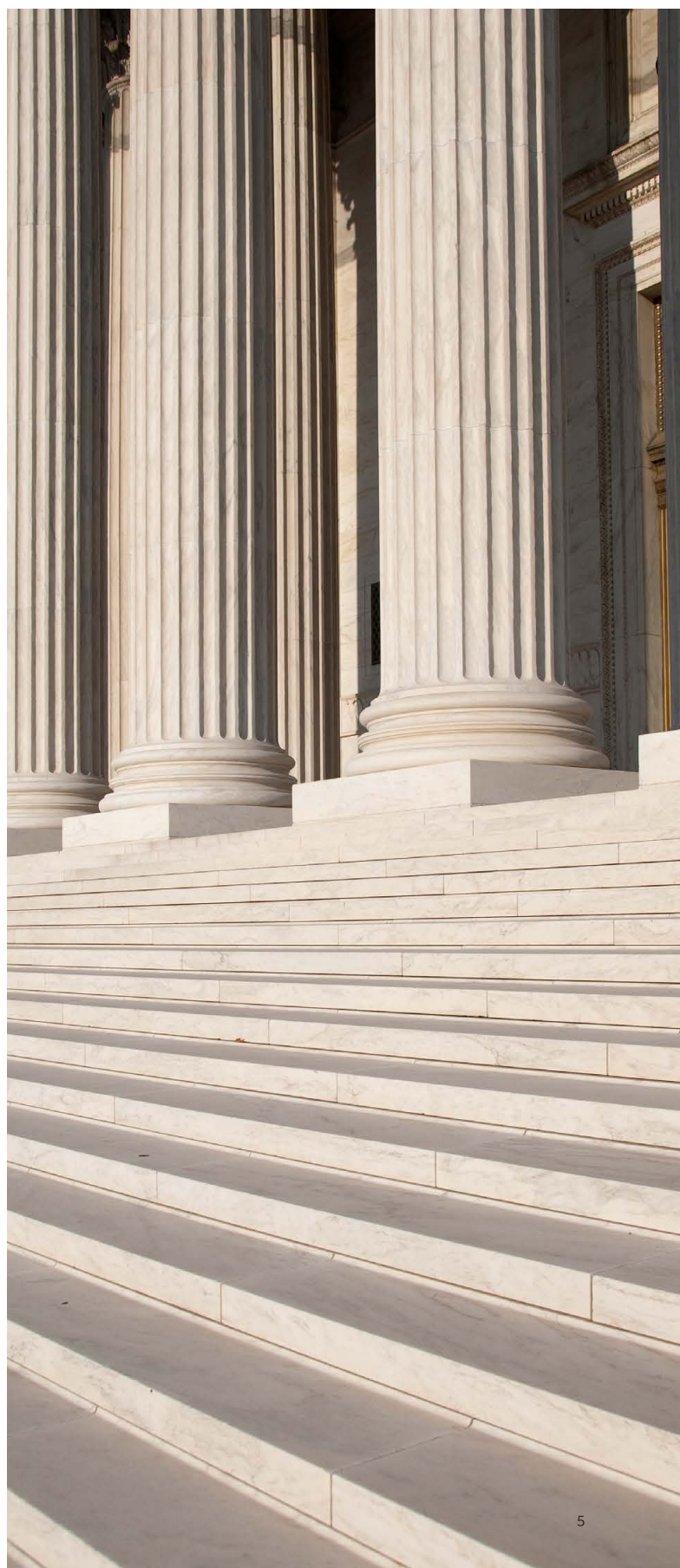
Countries Included in the GFRTCI

As noted above, in this sixth edition of the GFRTCI the underlying framework remains the same as in the previous five years. The index analyzes and ranks those OECD member countries which are, at the same time, 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 seven ratings and indices: Three components measure a country's 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 February 28, 2025.

Subindex A—Degree of Regulation Implementation

The following three components measure how well a country has implemented banking regulations, analyze its standards concerning the exchange of information on request, and assess its risk of money laundering and terrorist financing.

These three components define subindex A of the GFRTCI:

- **BCBS 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 on September 30, 2024. The report lists 30 different standards in seven categories, all with an implementation deadline of 2024 or earlier. The BCBS categories and standards for all 31 joint members of the OECD and BCBS are listed in Table 1.

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

Based on peer review by international assessment teams, and published by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes, this rating assesses each country's EOIR standard and its compliance with the corresponding international standard. Each country is rated as either compliant (4), largely compliant (3), partially compliant (2), or noncompliant (1). As the rating is continuously updated, the data used here is current as of February 2025.
<https://datawrapper.dwcdn.net/LGXCI/62/>

- **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 used here is current as of December 2024.
<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, a 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. On a scale of 0 to 10, 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 used here is current as of February 2025.
<https://www.eiu.com/n/campaigns/democracy-index-2024/>

- **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 of 0 to 100, a score of 0 is highly corrupt and a score of 100 is very clean. The data used here is current as of January 2025.
<https://www.transparency.org/en/cpi/2024>

- **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 of 0 to 100, a score of 0 equals no business freedom and 100 equals total business freedom. The data used here is current as of January 2025.
<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 of 0 to 100, a score of 0 equals no judicial effectiveness and 100 equals total judicial effectiveness. The data used here is current as of January 2025.
<https://www.heritage.org/index/>

Table 1: BCBS Implementation (September 2024 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	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	2016	1	4	4	4	1	4	3	3	4	2	3	2	4	4	4	4	1	4	4	4
	Capital requirements for exposure to central counterparties	2017	4	4	4	4	4	4	3	3	4	4	4	2	4	4	4	4	4	4	4	4
	Capital requirements for equity investments in funds	2017	4	4	4	4	4	4	1	na	4	4	2	4	4	4	4	4	4	4	2	4
	Standardized approach for counterparty credit risk exposure	2017	4	4	4	4	4	4	3	4	4	4	1	4	4	4	4	4	4	4	4	4
	Securitisation framework	2018	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	1	4	2	4
	Total loss-absorbing capacity holdings	2019	na	4	4	4	4	4	1	na	4	1	4	4	4	4	4	4	1	4	4	4
	Revised standardised approach for credit risk	2023	3	4	4	4	4	3	1	4	4	4	4	2	4	4	2	3	1	3	2	3
	Revised IRB approach for credit risk	2023	na	4	4	4	4	3	na	na	4	4	1	4	4	4	2	3	1	3	na	3
	Revised credit valuation adjustment framework	2023	1	1	1	4	4	3	1	4	4	4	1	1	4	3	2	3	1	3	2	3
	Revised minimum requirements for market risk	2023	1	1	2	4	4	3	2	4	4	4	na	1	4	3	2	3	1	3	2	3
	Revised operational risk framework	2023	3	4	3	4	4	3	3	4	4	4	4	4	4	4	2	3	2	3	2	3
	Output floor	2023	na	4	na	4	4	3	na	na	4	4	1	4	4	4	2	3	1	3	2	3
	Risk-based capital	2013	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Leverage Ratio	Leverage ratio - 2017 exposure definition	2023	4	4	2	4	4	3	1	4	4	4	1	1	4	4	2	3	2	4	4	4
SIB	Global-SIB requirements	2016	na	na	4	4	4	4	na	na	4	4	na	na	na	4	na	4	na	4	4	4
	Domestic-SIB requirements	2016	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	na	4	4
	Leverage ratio buffer	2023	na	na	na	4	4	na	na	na	4	na	na	1	na	na	na	4	na	4	4	4
IRRBB	Interest rate risk in the banking book	2018	4	3	4	4	4	4	3	4	4	4	2	2	4	4	4	4	2	4	4	4
Liquidity	Monitoring tools for intraday liquidity management	2015	4	4	4	4	4	4	4	4	1	1	1	4	4	4	4	4	4	4	4	4
	Net stable funding ratio	2018	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	Liquidity coverage ratio	2015	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Large Exposures	Large exposure framework	2019	4	4	4	4	4	4	4	4	4	4	4	2	4	4	4	4	4	4	4	4
Disclosure	Revised pillar 3 requirements	2016	4	3	4	4	4	4	1	4	4	4	2	4	4	4	4	4	4	4	na	4
	CCyB, liquidity, remuneration, leverage ratio	2017	4	3	4	4	4	4	1	4	4	4	2	4	4	4	4	4	4	4	4	4
	Key metrics, IRRBB, NSFR	2018	4	3	4	4	4	4	2	4	4	4	4	2	4	4	4	4	4	4	4	4
	Capital composition, RWA, prudential valuation adjustments, G-SIB	2018	4	3	4	4	4	4	1	4	1	4	1	4	4	4	4	4	1	4	4	4
	TLAC disclosure	2019	na	na	na	4	3	4	na	na	4	3	4	na	4	na	na	4	na	4	4	4
	Market risk	2023	1	1	1	3	4	3	1	4	4	4	1	1	4	3	2	3	1	3	2	3
	Key metrics, RWA overview, leverage ratio, credit risk, operational risk, modelled and standardised RWA comparison	2023	1	3	1	4	4	3	2	3	4	4	2	1	4	4	2	3	1	3	2	3

The BCBS assigns number codes to each of these 30 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 September 2024 report). https://www.bis.org/bcbs/implementation/rcap_reports.htm

GFRTCI Data and Data Adjustments

In a first step toward calculating the GFRTCI, the seven different components described above 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:

- **BCBS Progress Reports on the Adoption of the Basel Regulatory Framework:**
 - The BCBS quantifies each of its 30 standards as 1, 2, 3, or 4.
 - All 30 scores for an individual country are added together, which results in a raw score of between 30 and 120.
 - The country's raw score is 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 Anti-Money-Laundering 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), so that a higher score stands for a lower risk.
- **The Economist Intelligence Unit'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 Index (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: Data and Statistics for the Seven Components of the GFRTCI

List of Countries	BCBS	EOIR	AML	EIU DI	CPI	HF BF	HF JE
Australia	105	3	4.04	8.85	77	92.5	95.3
Austria	112	3	4.35	8.28	67	81.7	94.8
Belgium	112	4	4.48	7.64	69	82.3	93.0
Canada	119	3	4.47	8.69	75	84.6	95.6
Czech Republic	112	3	3.85	8.08	56	81.4	92.0
Denmark	112	3	3.50	9.28	90	93.0	90.5
Estonia	112	4	3.16	8.13	76	83.3	93.9
Finland	112	3	3.07	9.30	88	88.3	97.0
France	112	4	3.86	7.99	67	81.9	84.2
Germany	112	3	4.63	8.73	75	83.7	93.5
Greece	112	3	3.66	8.07	49	78.0	70.4
Hungary	112	3	5.06	6.51	41	76.1	62.7
Ireland	112	4	4.23	9.19	77	88.1	95.5
Italy	112	4	4.80	7.58	54	77.6	78.8
Japan	114	3	4.77	8.48	71	78.0	96.0
Korea (South)	111	3	4.42	7.75	64	90.0	77.3
Latvia	112	3	4.08	7.66	59	81.8	72.3
Lithuania	112	3	3.54	7.59	63	81.0	74.6
Luxembourg	112	3	3.99	8.88	81	89.2	97.2
Mexico	85	3	5.44	5.32	26	71.9	39.9
Netherlands	112	3	4.52	9.00	78	84.8	95.7
Poland	112	3	4.34	7.40	53	77.8	52.3
Portugal	112	4	4.09	8.08	57	79.6	91.3
Slovak Republic	112	3	4.39	7.21	49	77.0	69.9
Slovenia	112	3	3.54	7.82	60	78.5	91.8
Spain	112	3	4.29	8.13	56	83.6	74.0
Sweden	112	3	3.45	9.39	80	84.6	95.6
Switzerland	111	3	4.46	9.32	81	88.8	99.3
Turkey	81	3	5.63	4.26	34	58.5	23.8
United Kingdom	112	3	4.14	8.34	71	83.4	84.8
United States	102	3	4.81	7.85	65	88.5	76.6
Average 2025	110	3.19	4.23	8.03	64.8	82.2	82.2
Std Dev 2025	7.63	0.40	0.60	1.12	15.16	6.69	18.04
Average 2024	106	3.2	4.03	7.98	66.0	79.1	81.3
Std Dev 2024	7.33	0.43	0.59	1.12	14.62	6.37	17.58
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 Calculation

One of the central aspects of an index are the weights used in its calculation. To calculate the GFRTCI, we take two different approaches. 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%. All of the country scores are calculated and a country ranking is established for each possible scenario. The frequency of how often a specific country is ranked #1 allows us 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 are 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 (30 standards in 7 categories).

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

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

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

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

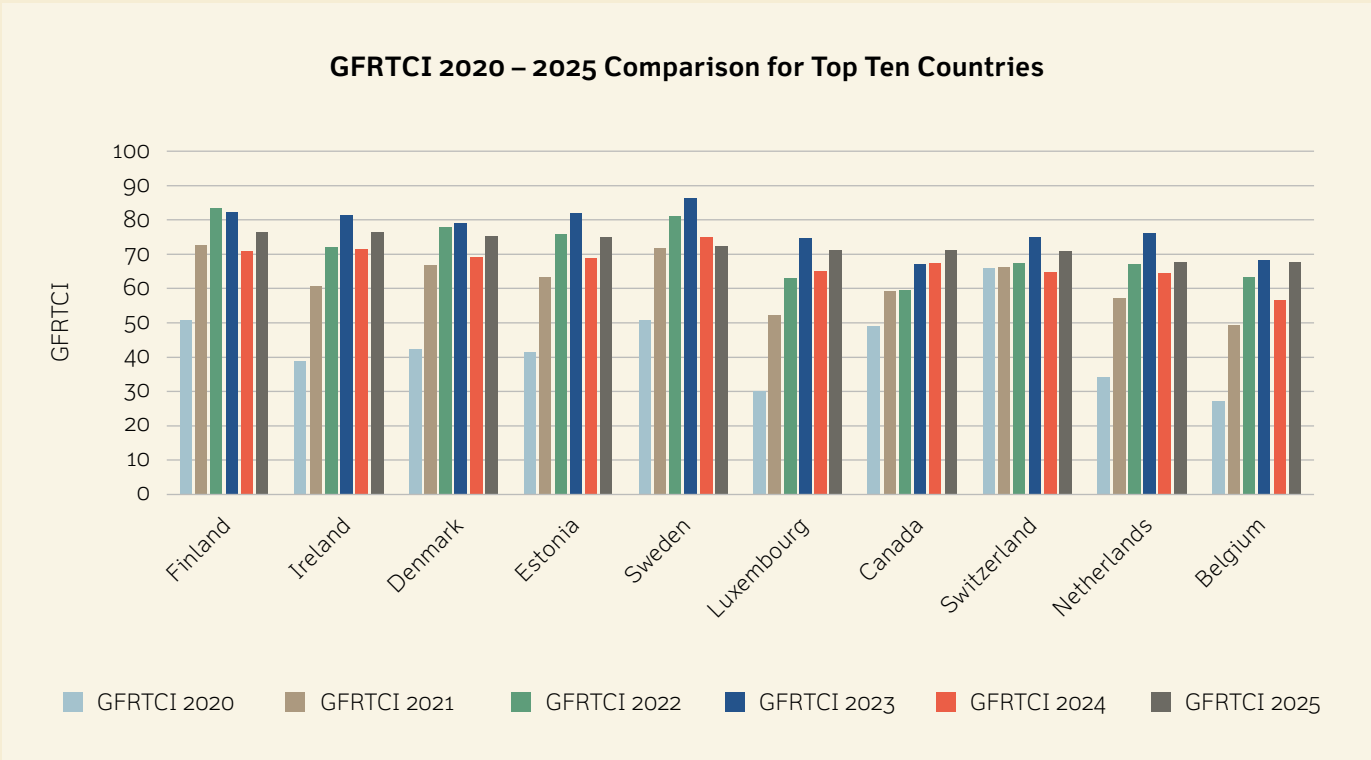
Rank / Country	Subindex A	Rank / Country	Subindex B	Rank / Country	Subindex A	Subindex B	GFRTCI	Rank 2024	Change 2024 to 2025
1 Estonia	91.4	1 Denmark	91.6	1 Finland	84.9	91.6	88.3	3	2
2 France	89.4	2 Finland	91.6	2 Ireland	88.3	88.1	88.2	2	0
3 Portugal	88.7	3 Switzerland	90.6	3 Denmark	83.7	91.6	87.6	4	1
4 Ireland	88.3	4 Luxembourg	89.1	4 Estonia	91.4	83.6	87.5	5	1
5 Belgium	87.6	5 Sweden	88.5	5 Sweden	83.9	88.5	86.2	1	-4
6 Italy	86.7	6 Australia	88.3	6 Luxembourg	82.3	89.1	85.7	7	1
7 Canada	85.6	7 Ireland	88.1	7 Canada	85.6	85.5	85.6	6	-1
8 Finland	84.9	8 Netherlands	87.1	8 Switzerland	80.3	90.6	85.4	8	0
9 Sweden	83.9	9 Canada	85.5	9 Netherlands	80.8	87.1	84.0	9	0
10 Denmark	83.7	10 Germany	84.9	10 Belgium	87.6	80.2	83.9	17	7
11 Lithuania	83.6	11 Estonia	83.6	11 France	89.4	78.3	83.8	10	-1
12 Slovenia	83.6	12 Japan	82.5	12 Portugal	88.7	77.2	82.9	13	1
13 Greece	83.3	13 Austria	81.6	13 Australia	77.5	88.3	82.9	12	-1
14 Czech Republic	82.7	14 United Kingdom	80.7	14 Germany	80.5	84.9	82.7	11	-3
15 Luxembourg	82.3	15 Belgium	80.2	15 Japan	81.4	82.5	81.9	16	1
16 Latvia	82.1	16 France	78.3	16 Austria	81.3	81.6	81.4	14	-2
17 United Kingdom	81.9	17 Czech Republic	77.6	17 United Kingdom	81.9	80.7	81.3	15	-2
18 Spain	81.5	18 Korea (South)	77.2	18 Slovenia	83.6	77.1	80.4	21	3
19 Japan	81.4	19 Portugal	77.2	19 Czech Republic	82.7	77.6	80.1	22	3
20 Austria	81.3	20 United States	77.2	20 Italy	86.7	71.6	79.1	20	0
21 Poland	81.3	21 Slovenia	77.1	21 Korea (South)	80.4	77.2	78.8	19	-2
22 Slovak Republic	81.2	22 Spain	73.7	22 Lithuania	83.6	73.6	78.6	18	-4
23 Netherlands	80.8	23 Lithuania	73.6	23 Spain	81.5	73.7	77.6	24	1
24 Germany	80.5	24 Latvia	72.4	24 Latvia	82.1	72.4	77.2	25	1
25 Korea (South)	80.4	25 Italy	71.6	25 Greece	83.3	69.5	76.4	26	1
26 Switzerland	80.3	26 Greece	69.5	26 United States	73.3	77.2	75.2	23	-3
27 Hungary	79.3	27 Slovak Republic	67.0	27 Slovak Republic	81.2	67.0	74.1	27	0
28 Australia	77.5	28 Poland	64.3	28 Poland	81.3	64.3	72.8	28	0
29 United States	73.3	29 Hungary	61.2	29 Hungary	79.3	61.2	70.2	29	0
30 Mexico	60.2	30 Mexico	47.8	30 Mexico	60.2	47.8	54.0	30	0
31 Turkey	57.0	31 Turkey	39.7	31 Turkey	57.0	39.7	48.3	31	0

B. Sensitivity Analysis

To see how systematically assigned weights for the seven index components influence the final rankings, we perform a statistical sensitivity analysis. Each of the seven index components is assigned weights in 5% increments, from 0% to 100%, with the restriction that the sum of the weights adds up to 100%, producing a total of 202'107 scenarios. We then determine which country ranks #1 in each scenario. The six countries that rank #1 in at least 1% of the scenarios are top-ranked countries in the GFRTCI.

These six countries, and the corresponding statistical distribution for rank #1, are as follows:

Country	% Country Was Ranked #1
Finland	32%
Ireland	30%
Estonia	18%
Denmark	16%
Canada	2%
Switzerland	2%



Interpretation and Comments

The main findings of the 2025 GFRTCI calculations are as follows:

- Only five of the 31 countries place among the top ten when ranked by both subindex A (focusing on implementation) and subindex B (focusing on enforcement). These five countries are Canada, Denmark, Finland, Ireland, and Sweden.
- While the total number of Basel III standards decreased from 31 to 30 (slightly changing the BCBS component of subindex A), there was also significant progress in adoption of the standards, leading to a higher component score and an increase in the average score of subindex A, as well as in the average GFRTCI score. However, while most countries showed an implementation score above 90%, no country was fully compliant with the Basel regulatory framework.
- Switzerland ranks #26 for subindex A (#25 in 2024). While it is about 93% compliant with BCBS implementation, it ranks relatively lower for the AML component (which assigns a "high risk" rating for its Financial Secrecy Index) and, to a lesser extent, the EOIR component (which assigns a ranking of "partially compliant" for "ownership and identity information").
- The average score for subindex B barely changed from 2024 to 2025, from 76.5 (2024) to 77.4 (2025).
- Switzerland ranks #3 for subindex B (#4 in 2024).
- Switzerland ranks #8 in the final GFRTCI calculation (same as in 2024), behind Finland, Ireland, Denmark, Estonia, Sweden, Luxembourg, and Canada.

Comparing the 2024 and 2025 GFRTCIs reveals the following:

- Based on the raw data shown in Table 2, there have been only minor changes in six of the seven components of the index: EOIR, AML, EIU DI, CPI, HF BF, and HF JE.
- While some changes occurred within the BCBS index component, with the older standard being removed, most countries showed clear progress in implementing the Basel III rules.
- Most countries continue to take steps toward the implementation and enforcement of financial regulation, transparency, and compliance standards.
- Five countries ranked among the top ten in 2020, 2021, 2022, 2023, and 2024, as well as in 2025: Denmark, Estonia, Finland, Sweden, and Switzerland.

The banking sector continues to be important for most countries. Tracking and documenting their developments in the areas of regulation, transparency, and compliance can be helpful for policymakers to further develop regulatory frameworks and to find the desired balance between business freedom and stricter regulation.

Swiss Finance Institute

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