

EU Cloud and AI Development Act (CADA): What Swiss SMEs Need to Know About Infrastructure Sovereignty

MANAGEMENT SUMMARY & CORE TAKEAWAY

The EU Cloud and AI Development Act (CADA) introduces four sovereignty levels that will de facto become procurement guidelines for Swiss companies with EU business. Level 1 requires EU infrastructure, Level 2 additionally demands independence from third-country laws such as the US CLOUD Act, Level 3 requires EU ownership and control. Around 80 per cent of professional cloud spending in the EU currently goes to US providers – CADA addresses this strategic vulnerability through harmonised compliance assessment from 2028/2029, yet many procurement bodies already demand the criteria today.

CONTEXT & EXECUTIVE RELEVANCE

On 3 June 2026, the European Commission published the draft Cloud and AI Development Act (CADA) as the centrepiece of its Tech Sovereignty Package. The declared goal: to triple datacenter capacity in the EU within five to seven years and reduce strategic dependencies. Switzerland formally stands outside the EU legal order, yet Swiss SMEs with EU customers, EU subsidiaries or subcontracting agreements for public clients will need to meet CADA requirements de facto. Instruments such as the JEFTA agreement demand equivalence, and procurement bodies in France, Germany and the Netherlands are already incorporating the four sovereignty levels into tenders – long before CADA is adopted following the trilogue process at the earliest in 2027 and enters into force 12 to 24 months later.

For you as CFO or CTO, this means: infrastructure decisions you make today determine compliance risks and contractual capability tomorrow. Switching between cloud or AI providers is technically complex and contractually expensive – those who wait until the customer demands Level 2 or 3 face time pressure and lose negotiating power.

CORE ACTION ITEMS

- 01 Which of your customers or projects fall under public procurement or critical infrastructure in the EU?
- 02 Can you transparently document today where your data is processed and who has access?
- 03 Do you have a contractual exit plan in case your cloud or AI provider no longer meets Level-2 requirements due to sanctions, acquisition or jurisdiction change?
- 04 How high are your migration costs and how long does a provider switch realistically take?

SWISS COMPLIANCE & ARCHITECTURE GUIDELINES

- ☒ Full compliance with revised Swiss Data Protection Act (revDSG).
- ☒ Zero vendor lock-in on closed proprietary models.
- ☒ Seamless integration into Abacus, Bexio and M365 ecosystems.

Non-Binding Process Analysis

Let us review in 20 minutes where AI agents create immediate measurable efficiency in your workflows.

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