

Press release

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FINMA launches liquidation proceedings at Aston Bank

The Swiss Financial Market Supervisory Authority FINMA has withdrawn the banking licence and securities dealing licence of Aston Bank, Lugano. FINMA has determined that the bank had severe organisational failings and was overindebted. Liquidation proceedings have therefore been launched. Investors who hold privileged deposits are covered by the Deposit Protection Scheme.

In early November 2009 FINMA appointed PricewaterhouseCoopers to conduct an investigation at Aston Bank SA, Lugano, on suspicion that it no longer met the terms for holding a licence. The investigation agent subsequently found organisational failings at the bank and discovered a shortfall of at least CHF 20 million.

In view of the shortage of funds to remedy the overindebtedness and meet capital adequacy requirements, and owing to the existing poor liquidity situation and severe organisational failings, there was no prospect of restructuring the bank. On 22 December 2009 FINMA therefore launched liquidation proceedings against Aston Bank and appointed PricewaterhouseCoopers as the liquidator in bankruptcy.

Aston Bank SA is a member of the Deposit Protection Scheme. The liquidator in bankruptcy is currently engaged in identifying privileged client deposits; since the accounting systems need to be brought into order first, this is likely to take some time. Privileged deposits can only be paid out once the number and amount of such deposits has been established.

The criminal prosecution authorities in Tessin are also investigating the CEO and his deputy for allegedly taking money for their own private purposes and disguising the withdrawals by false accounting. With the CEO abroad and his deputy under arrest, the bank was left with no person of sufficient authority in charge. The two accused are also the bank's main shareholders. As such, there could no longer be any assurance that affairs would continue to be conducted in a proper manner.

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