

A year of continuity and positive feedback

2014 was dominated by major investigations into unacceptable business conduct in certain sectors of the finance industry, and the corresponding lessons learned. FINMA received good reports from the Federal Council and the International Monetary Fund, following their in-depth assessments of Swiss financial market supervision.

Throughout another busy year, we at FINMA were focused on successfully delivering the high quality and intensity of supervision expected of us.

Growing concern over business conduct

One of our major concerns is the declining trust in the finance industry. This trust is the key to financial stability and therefore to a flourishing economy. Misconduct at many banks around the globe has eroded that trust.

We have seen many examples of unacceptable business conduct: manipulation of stock prices and foreign exchange markets, and aggressive conduct in cross-border wealth management, all of which absorbed much of our time in 2014.

Moving enforcement forward

In response, we have placed increasing emphasis on enforcement, our sanctions. We have expanded the division responsible for these activities to around 15% of our workforce.

We published a new enforcement policy clearly setting out in simple principles our strategy in this area. The policy makes clear that we will deal rigorously with misconduct and that we will act more forcefully against individuals who breach supervisory law.



Deterrent effect

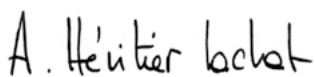
Our enforcement activities aim to be corrective and to deter, especially where business conduct is concerned. We also intend to increase our focus on conduct supervision.

High marks at home and abroad

Our work was subjected to critical scrutiny in 2014, both within Switzerland and internationally. The Federal Council issued a report on the state of Swiss financial market supervision in response to a number of parliamentary initiatives. Its main findings were positive. The Federal Council does not see any need to change our remit nor to alter our organisation. It also views our regulatory powers and processes as appropriate.

In 2014, FINMA also received a favourable assessment from the International Monetary Fund's (IMF) Financial Sector Assessment Program (FSAP), acknowledging the progress made since the last FSAP more than five years ago. The IMF sees FINMA as providing high-quality supervision and its staff as well-qualified. However, the FSAP and the Federal Council reports both highlighted certain potential for improvement, which we will be addressing in 2015.

While such recommendations help us to develop, the positive feedback is encouraging, and we are happy to pass it on to our staff, management and Board of Directors, all of whom have played a major role in our progress.



Prof. Anne Héritier Lachat
Chair



Mark Branson
CEO

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