Eidgenössische Finanzmarktaufsicht FINMA
Autorité fédérale de surveillance des marchés financiers FINMA
Autorità federale di vigilanza sui mercati finanziari FINMA
Swiss Financial Market Supervisory Authority FINMA

Press release

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FINMA Annual Media Conference 2016

Money laundering risks in focus

At its annual media conference today, the Swiss Financial Market Supervisory Authority FINMA presented the benefits of risk-oriented supervision and a principle-based approach to regulation. Focusing on increased money laundering risks in the Swiss financial centre, it pointed out the need for more rigorous supervision. It also called for greater efforts on the part of supervised institutions: banks should consistently report suspicious client relationships and transactions.

FINMA's Annual Report and financial statements for 2015 are now online. In 2015, the Swiss financial centre remained exposed to persistently low interest rates which continue to present a challenge for many supervised institutions. Another focal point has been the increase in digitalisation in the financial sector prompting FINMA to remove obstacles in its regulation and to launch regulatory proposals for a lean and forward-looking licence category for financial innovators. To strengthen the stability of the Swiss financial system, FINMA also actively contributed to the further strengthening of "too big to fail" legislation. Its implementation will remain central to FINMA's supervisory activities.

At FINMA's annual media conference, the Chair of FINMA's Board of Directors, Thomas Bauer, and FINMA CEO, Mark Branson, presented FINMA's viewpoints on current supervisory and regulatory issues.

FINMA is well positioned

Thomas Bauer regards FINMA as well positioned to carry out its duties –protecting creditors, investors and insured persons, as well as supervising the proper functioning of the financial markets – also in the future. In his new role as Chair of the Board, he described FINMA as "a mature, stable organisation with a clearly defined remit. It is therefore not in need of reform."

Regulation must be intelligently designed

Thomas Bauer also said that trust in the financial markets and their competitiveness requires independent and credible supervision, in addition to an intelligently designed and differentiated regulation. He pointed out that "There can be no shortcuts in financial stability requirements for supervised institutions" and that strict capital requirements for Swiss banks and insurers enhance

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stability. On the other hand, Bauer believes that other regulation can be lean and principle-based. Switzerland's target-oriented supervision and regulation have also successfully completed the EU equivalence recognition process in a number of areas.

Money laundering risks rising

FINMA's CEO, Mark Branson, spoke in detail about increased money laundering risks, in particular with regard to client assets from emerging countries. While money laundering is a global problem, Switzerland, as the world's largest wealth management location, is especially exposed. In addition to more rigorous supervision, this requires supervised institutions to deal with money laundering risks responsibly and consistently. Branson asks the banks to rethink how they report suspicious transactions and client relationships to the criminal prosecution authorities. He believes that a bolder and more systematic approach to the reporting system would make the fight against money laundering more effective and strengthen the financial centre's reputation.

Enforcement: more measures taken against individuals

FINMA also published its annual enforcement report today. This report enhances transparency in FINMA's enforcement activities. The statistics and anonymised cases included in the report show the kind of conduct FINMA will not tolerate, and what it does to prevent it. In 2015, FINMA conducted 794 investigations (2014: 782) and concluded 55 enforcement proceedings (2014: 59). In addition, it stepped up and imposed measures on employees and top management engaging in misconduct at supervised institutions. In 2015, FINMA issued fourteen (2014: nine) industry bans.

FINMA's costs have fallen

Compared with 2014, FINMA's financial statements for 2015 show a fall in expenditure of CHF 3 million to CHF 124 million (2014: CHF 127 million). Together with allocations to its statutory reserves, this amounts to CHF 136 million (2014: CHF 140 million), which is covered by income from supervisory fees and charges levied. The result reflects FINMA's cost discipline. Mark Branson pointed out that, in view of FINMA's size and the importance of the Swiss financial sector, FINMA remains a lean authority. Since 2013, both its staff numbers and operating costs have stayed constant as intended.

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