

Press release

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FINMA Annual Media Conference 2017

At its annual media conference today, the Chair of the Swiss Financial Market Supervisory Authority FINMA highlighted FINMA's differentiated approach to supervision and regulation. FINMA's CEO emphasised that market supervision remains a key strategic priority for FINMA and that unfair market conduct will not be tolerated.

In its annual report for 2016 presented at this year's media conference in Bern, FINMA reported on its activities and achievements over the past year. Last autumn, FINMA defined its strategic goals for the period from 2017 to 2020. Another important milestone has been FINMA's involvement in positioning Switzerland as an attractive FinTech location by establishing a dedicated FinTech desk at the beginning of 2016 and introducing regulations to facilitate video and online identification for client onboarding. As a result of increased money laundering risks in Switzerland, FINMA has prioritised this issue and carried out a number of major enforcement actions. It has also pooled its restructuring, recovery and resolution planning resources into a new Recovery and Resolution division with the aim of enhancing efficiency in the event of a crisis.

Differentiated approach to supervision and regulation

Thomas Bauer, Chair of FINMA's Board of Directors, explained FINMA's differentiated approach to supervision and regulation. The intensity of supervision by FINMA is determined by the size and risk profile of each institution. Bauer noted that "FINMA focuses on the essentials and, wherever possible, gives supervised institutions flexibility and responsibility when implementing principle-based regulation". Responding to calls for across-the-board deregulation, he commented that "it is not a case of less is more; what matters is targeting." He emphasised that FINMA has a highly differentiated supervisory approach and has established itself as an efficient and lean authority. Bauer wants to see increased efficiency so that resources are freed up "to deal with newly emerging issues". In this context, he specifically mentioned cyber attacks and the risks inherent in the outsourcing of operational activities by supervised institutions.

Market supervision remains a core task for FINMA

In his speech today, FINMA CEO Mark Branson focused on FINMA's role in market supervision. He stressed that "participation in financial markets is only attractive if investors are confident of being treated fairly, prices are reliable and the risk of market manipulation is low." Branson also mentioned that the market supervision tools available to FINMA have improved, in terms of both regulatory provisions and regulation technology. His closing comments were that "big data does not forget" and that "market participants should know that market supervision remains a key strategic priority for FINMA".

More breaches of money laundering due diligence requirements

FINMA also published its annual Enforcement report today. In addition to bringing transparency into this important area of FINMA's work, the report also underscores the types of market behaviour that FINMA will not tolerate, and what it does to prevent them. In 2016, FINMA conducted 625 investigations (2015: 794) and concluded 38 enforcement proceedings (2015: 55). Last year, FINMA investigated more breaches of money laundering due diligence requirements (22; 2015: 9), particularly in connection with international corruption offences.

FINMA's costs have fallen again

FINMA's financial statements for 2016 show a drop in expenditure of CHF 3 million to CHF 121 million (2015: CHF 124 million) compared with 2015. This is the second year running in which FINMA's costs have fallen. FINMA's costs and statutory reserves (CHF 12 million) are fully covered by supervisory fees and charges. FINMA's headcount has remained stable since 2013.