

Press release

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Contact:
Tobias Lux
Media Spokesperson
Phone +41 (0)31 327 91 71
tobias.lux@finma.ch

Vinzenz Mathys
Media Spokesperson
Phone +41 (0)31 327 19 77
vinzenz.mathys@finma.ch

FINMA Annual Media Conference 2018

At its annual media conference today, the Swiss Financial Market Supervisory Authority FINMA highlighted the importance of its institutional independence and the fact that it is integrated into a controlled environment governed by the rule of law. FINMA also explained how it is supporting technological change in the financial sector by enabling innovation and consistently taking action against abusive providers. It concluded by raising the issue of cybercrime prevention, calling for increased cooperation between different disciplines in this regard.

FINMA faced a considerable workload in 2017 in relation to its supervision of business conduct. It investigated serious cases of market manipulation and insider trading, proving that it will not tolerate any form of manipulation in its effort to preserve market integrity. FINMA also dealt with a number of enforcement cases concerning money laundering. While the vast majority of financial institutions behave correctly, the misconduct of a few damages the reputation of the Swiss financial sector. In terms of regulation and auditing, FINMA initiated projects that will further strengthen the proportionality of regulation and supervision, the focus being on easing the regulatory burden on smaller financial institutions that pose less risk.

"Independent" does not mean "uncontrolled"

In his speech at today's media conference, Thomas Bauer, Chair of FINMA's Board of Directors, stressed that an independent supervisory authority is vital to a properly functioning financial market. "FINMA's independence is not an end in itself: it brings clear advantages for the financial centre," he said. However, he pointed out that FINMA, while independent, is not uncontrolled: "There are checks and balances at various levels." He explained that the Board of Directors functions as an internal control mechanism, the Federal Council has various ways of exerting its influence, and parliamentary oversight and the courts ensure that FINMA is bound by the rule of law. Bauer summed up: "FINMA's work is integrated into the structures of the state. 'Independence' does not mean absence of control."

Technological change: cyber-risks must be taken seriously

FINMA CEO Mark Branson's speech addressed the topic of innovation and technological change in the financial sector. He explained that new business models, particularly those relating to cryptocurrencies, entail both opportunities and risks for financial institutions and their clients. Branson stated that "We want to see healthy competition through innovation, but not at the cost of the integrity of the Swiss financial sector." He also mentioned the issue of cyber-risks, noting that the risk of cyber-attacks is increasing as technological change advances. "Cyber-attacks are the most serious operational hazard facing the financial system", warned Branson. With this in mind, he said, FINMA has strategically built up its know-how in this area. Branson called for more interaction between different disciplines both within the public sector and between the public and financial sectors as regards cyber-risks, concluding that "Working together achieves more than going it alone."

FINMA's costs remain stable

At today's annual media conference, FINMA published its annual report, financial statements and enforcement report for 2017. The financial statements show expenditure of CHF 121 million, the same amount as in 2016. FINMA's headcount has remained largely stable since 2013.