

Press release

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FINMA imposes sanctions for serious case of insider trading

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The Swiss Financial Market Supervisory Authority FINMA has concluded enforcement proceedings against a former CEO of a Swiss bank relating to insider trading and other violations of supervisory law. FINMA has ordered the confiscation of around CHF 730,000 of unlawfully generated profits from the person concerned and imposed long-term bans on him from acting in a management capacity and trading in securities.

FINMA has conducted proceedings against a former CEO of a Swiss bank. During his time in office as an executive board member or as CEO he had executed transactions through deposit accounts held in his wife's name at other banks and thus violated the bank's internal directives. FINMA conducted investigations and discovered evidence of insider trading and other contraventions of supervisory law. The enforcement proceedings subsequently initiated concluded that the person concerned had repeatedly and systematically violated supervisory law.

Former top management member repeatedly involved in insider trading

During the proceedings, FINMA discovered that the former CEO had used insider information that he had obtained by virtue of his role at the bank. He also disclosed privileged information. Besides conducting insider trading the person concerned systematically breached the bank's internal directives as well as directives recognised by FINMA as a minimum standard over a period of many years through other private trading activities. Overall, the former bank manager and executive board member therefore committed a serious breach of supervisory law.

FINMA confiscates profits and imposes long-term bans on acting in a management capacity and trading in securities

The prohibited exploitation of insider information and other serious violations of supervisory law enabled the former bank manager to generate profits through deposit accounts held in his wife's name over a period of several years. FINMA is therefore confiscating around CHF 730,000 of unlawfully acquired profits. In addition, FINMA is imposing a ban preventing him from acting in a management capacity for four years and from carrying on

business as a securities dealer for six years. The ruling is still subject to appeal.

Patric Eymann, Head of the Enforcement division, commented as follows: “Bank employees with access to privileged information must abide by supervisory law. This states, quite simply, that anyone who has insider information may not trade in the shares concerned and neither may they disclose such knowledge. Insider trading undermines confidence in the market. We will therefore continue to rigorously investigate any evidence of violations of supervisory law.”