

Press release

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FINMA launches consultation on auditing

The Swiss Financial Market Supervisory Authority FINMA is creating a new Regulatory Auditing Ordinance. The majority of the existing content of Circular 2013/3 “Auditing” will be carried over. This does not involve any material adjustments to the existing auditing process. However, FINMA is in favour of examining the legal basis for the regulatory auditing process for potential improvements, particularly in connection with direct mandating.

In 2023, FINMA carried out an ex-post evaluation of Circular 2013/3 “Auditing” ([press release](#)). This did not reveal any need to make material adjustments to the regulatory auditing process in the context of the existing legal framework. For formal reasons, FINMA is now transferring the majority of the rules on auditing that were previously set out in the Circular to a new FINMA ordinance. A small part of the content will remain in a circular. FINMA will conduct a consultation on this up to 22 May 2024.

This step will enable more flexible and faster amendment of the previous annexes to the Circular. These annexes, which mainly concern the standard audit strategy and the risk analysis of the audit firms, are supervisory instruments and will now become templates. FINMA will ensure that those affected, namely the institutions and audit firms, are able to comment on amendments. This increased flexibility was broadly supported in the ex-post evaluation.

This revision does not address the potential for improvement to the legal basis for regulatory auditing discussed in the context of assessing the CS crisis. This concerns in particular a direct mandating of the audit firms by FINMA to strengthen the independence of the audit, as recommended, for example, by the International Monetary Fund. FINMA would welcome an investigation into this issue.