

FINMA and Enforcement

Where supervisory law is violated or irregularities come to light, FINMA takes action. The statutory measures available to FINMA allow it to restore compliance with the law.

FINMA's supervisory activities include issuing licences and authorisations, supervising financial intermediaries and, where necessary, enforcing supervisory law by conducting proceedings against financial institutions and/or individuals.

Investigations – Proceedings – Rulings

FINMA's Enforcement division takes action when there are indications of a possible violation of supervisory law. Whether indications emerge from the ongoing supervision of licence holders or reports from clients or other authorities, FINMA initially launches a preliminary investigation to establish the substantiality of the evidence.

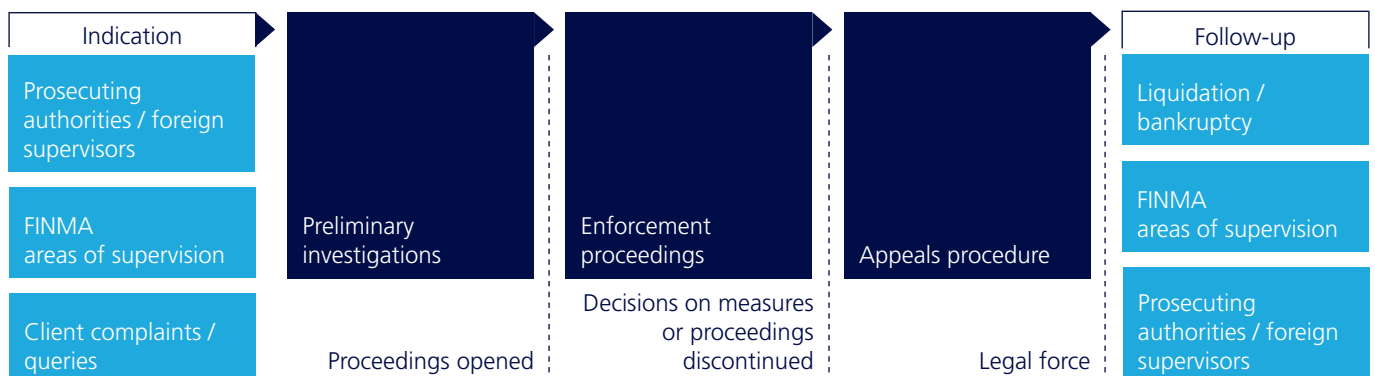
If there is concrete evidence that rules have been breached, FINMA will then open formal enforcement proceedings. In the case of severe violation of supervisory law, FINMA generally concludes the proceedings by issuing a ruling in which it sets out

measures to restore compliance with the law, and it supervises their implementation. Appeals can be filed against FINMA rulings (Federal Administrative Court, Federal Supreme Court).

Proceedings against licence holders and unauthorised providers

FINMA initiates and conducts investigations or enforcement proceedings against licence holders. When ongoing supervision can no longer enforce the regulatory requirements, the next step is enforcement.

FINMA also takes action against unauthorised companies and individuals conducting activities that require authorisation or registration under supervisory law. FINMA thus protects and watches over the Swiss financial market, ensuring that only authorised financial providers are active in the financial market. Enforcement proceedings conducted in such cases



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often conclude with liquidation or bankruptcy proceedings. FINMA conducts such proceedings insofar as they are ordered as a measure under financial market law to restore compliance with the law (“supervisory liquidation”). Conducting civil law liquidations and bankruptcies of unauthorised companies, in particular in the case of overindebtedness, has fallen under the jurisdiction of the civil courts since 1 January 2023.

FINMA can order far-reaching measures, ranging from establishing violation of supervisory law and revoking licences to issuing an industry ban or liquidating the company involved.

Market abuse is another area in which FINMA intervenes where its competence extends beyond supervised institutions to the investments made by all market players in securities admitted to trading on a Swiss exchange. FINMA investigates and sanctions improper business conduct such as market manipulation, using insider information or incorrect disclosure of holdings.

Comprehensive catalogue of measures

FINMA can order far-reaching measures ranging from establishing a breach of supervisory law and revoking licences to issuing an industry ban or liquidating the company involved. The measures are targeted and proportionate. They aim to restore compliance with the law and are thus not of a punitive nature.

FINMA’s most important enforcement measures are:

- Organisational and senior management requirements: FINMA can order measures that affect the business model, organisation and constellation of key positions of the company involved.
- Profit disgorgement order: FINMA can order individuals and companies to disgorge profits generated illegally and costs avoided. FINMA does not have the authority, however, to issue fines.
- Industry bans: FINMA can issue senior managers with an industry ban of up to five years, preventing them from acting in a managerial capacity at any supervised institution.
- Revoking licences / authorisation: One of the strictest measures FINMA can impose is the revocation of licences or nullification of authorisation.

Only criminal authorities can conduct searches, make arrests or issue fines, as FINMA does not have the competence to do so. FINMA can file a criminal complaint with the criminal authorities, however, where it has knowledge of criminal activities, offences or other infringements.

Ensuring transparency

Generally, the legal framework does not allow FINMA to inform the general public about individual proceedings against financial market participants. Only where a particular case is of public interest is an exception made to this rule. To ensure a high degree of transparency and to inform the market about penalised violations and incidents, FINMA publishes an enforcement report with anonymized case summaries once a year.

For more information

- [Enforcement policy](#)
 - [Enforcement reporting](#)
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