

In 2014, FINMA enhanced its risk-based supervision of the para-banking sector and financial market infrastructures, while also stepping up its contacts with audit firms. FINMA brings its expertise to bear in major regulatory projects such as the new Financial Market Infrastructure Act and the revision of the anti-money laundering legislation to implement the revised 2012 FATF recommendations.

The former Markets division was split in two in spring 2014. The new Asset Management division is chiefly responsible for licensing, authorising and supervising institutions and products under the Collective Investment Schemes Act (CISA), while the new Markets division supervises financial market infrastructures, combats money laundering and coordinates regulatory audits. Following the bundling of responsibility for supervising audit firms, FINMA's tasks in this area were transferred to the Federal Audit Oversight Authority (FAOA) on 1 January 2015.⁵³

Further development of risk-based supervision in the para-banking sector

FINMA expanded its risk-based supervision of directly subordinated financial intermediaries (DSFIs) during 2014. The Markets division established a new supervisory approach designed to ensure that DSFIs satisfy the licensing conditions at all times, while also complying with and implementing their obligations under the anti-money laundering regulations.

FINMA conducted on-site supervisory reviews of self-regulatory organisations (SROs), examining the extent of their risk-based supervision of affiliated financial intermediaries. Although the fundamental elements were in place in most cases, FINMA concluded that there was still scope for all SROs to expand this approach, and issued appropriate recommendations and requirements.⁵⁴

Financial Market Infrastructure Act

The project to create a Financial Market Infrastructure Act (FMIA), which was launched in 2012 and led by the Federal Department of Finance (FDF), reached an important milestone in September 2014 when the dispatch on the draft law was brought to Parliament. FINMA was actively involved in drawing up the proposed law, which covers both financial market infrastructures and OTC derivatives trading, contributing its expertise from a supervisory perspective.⁵⁵

FATF recommendations

Between 2009 and 2012, the Financial Action Task Force on Money Laundering (FATF) partially revised its standards on combating money laundering and terrorist financing. Although Swiss anti-money laundering regulations are already largely in line with the new FATF standards, the revised recommendations require certain adjustments to be made. Parliament's deliberations are at an advanced stage. Work has begun on the necessary amendments to subordinate regulations, in particular revision of the FINMA Anti-Money Laundering Ordinance (AMLO-FINMA) and the Agreement on the Swiss Banks' Code of Conduct with regard to the exercise of due diligence (CDB).

⁵³ See "Implementation of the revised audit regime", p. 59.

⁵⁴ See "Risk-based supervision of the para-banking sector", p. 58.

⁵⁵ See "Supervision of financial market infrastructures", p. 57.