

## **SOURCES OF REGULATION INCL. SELF-REGULATION**

- Parliament (or Federal Assembly) – fundamental principles and general rules
- Swiss Government (or Federal Council) – implementation details of Acts
- Swiss financial regulator FINMA - implementation details of ordinances, detailed areas
- Swiss Bankers Association – detailed areas, partially enforced by FINMA

# SURVEILLANCE BY FINMA

**Act on financial institutions** (2020-licensing requirements)

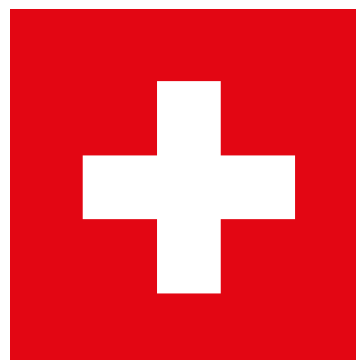
**Act on financial services** (2020-consumer protection)

**Act on money laundering**  
(1997-fight against money  
laundering and terrorist financing)

**Act on financial market  
infrastructures** (2015-stability  
& conduct on the market)

**Act on Swiss National Bank**  
(2003-organisation & function of the SNB)

**Act on FINMA**  
(2007-organisation & function of FINMA)



**Act on banks**  
(1934-license  
conditions, F/S)

**Act on collective  
investments**  
(2006)

**Legislation  
on insurances**

**Act on issuing  
letters of wages**  
(1930)

**Ordinances issued  
by Swiss government**  
(ordinances)

**Regulation issued  
by FINMA**  
(ordinances, circulars)

**Self-regulation  
issued by SBA  
and SFA**

# DRIVERS & SPECIFICS IN SWISS REGULATION

- Political forces (Swiss and foreign)
- Neighbours (European Union) and worldwide trends => compatibility/recognition
- Financial crisis => tightening (capital requirements, TBTF, etc.)
- Recommendations of the Basel Committee on Banking Supervision
- FATF (AML)
- Risk-based approach, cost-benefit optimisation - relaxation for small banks
- Competitiveness, tackling the Swiss finish and over-regulation
- Allowing innovation (sand-box, neutrality toward technology)
- Based on principles – minimum of details, simplicity and pragmatism
- Collaboration FINMA – Swiss National Bank
- Detailed regulation left to FINMA, SBA
- Dualistic approach of surveillance – limited on-site inspections, audit firms

# SCOPE OF MANDATORY SELF-REGULATION

## Risk management

- Convention of due diligence (AML)
- Country risk
- Business Continuity Management
- Handling of forged money
- Mortgage loans

## Client protection

- Contactless and dormant accounts
- Information on Notes of foreign issuers
- Allocation on the primary market
- Information on structured products
- Independence of financial research
- Code of conduct of securities dealers
- Fiduciary investments
- Wealth management mandate
- Mandatory inventory of client needs in the sale of funds