

Press release

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Consolidated supervision under the BA and FinIA: FINMA launches consultation on new circular

The Swiss Financial Market Supervisory Authority FINMA is creating transparency regarding its supervisory practice on consolidated supervision under the BA and FinIA. To this end, it has drafted a circular that specifies the scope and content of consolidated supervision. FINMA is conducting a public consultation on the new circular up to 1 November 2024.

The primary purpose of consolidated supervision is to ensure that all risks entered into by a financial group are covered by supervision. FINMA has many years of established supervisory practice in the area of consolidated supervision of financial groups under the [BA](#) and [FinIA](#). Up to now, supervisory practice has been communicated to the institutions concerned in the form of case-by-case decisions. The circular explains this practice and includes clarifications in selected areas that are key from a supervisory perspective.

The circular sets out the requirements for the inclusion of group companies in consolidated supervision (regulatory scope of consolidation). The decisive factors are the company's activity in the financial sector and the existence of an economic unit, a legal duty to provide support or a de facto obligation to provide support (Art. 21 BO).

The specific implications of consolidated supervision are based on the provisions of the Banking Ordinance (Art. 24 BO). The requirements listed in the circular can be grouped according to quantitative and qualitative elements, the latter including, for example, elements of corporate governance at group level.

By commenting on its practice, FINMA is providing greater clarity on questions of interpretation regarding the scope and content of consolidated supervision.