

## FINMA and authorisation: entry to markets for service providers

Certain financial market activities require advance authorisation. Issuing licences and granting authorisation are therefore key FINMA activities. Applicants who fulfil the licensing requirements receive a licence and are then supervised by FINMA to ensure compliance.

FINMA licenses a wide range of providers in the financial market. Licensing requirements for business activities conducted in the Swiss financial market are set out in financial market law and the associated implementing provisions. Institutions that fulfil the requirements are issued with a licence.

### **Authorisation to operate in the financial market**

FINMA mainly issues licences and grants authorisation to conduct a specific activity in the financial market. Licensing requirements vary depending on whether the licence holder is a bank, an insurance company or another type of financial service provider. Licence holders placed under prudential supervision must meet in particular organisational, risk management and financial requirements.

### **Authorisation of financial intermediaries under the Collective Investment Schemes Act**

The Collective Investment Schemes Act sets out requirements for authorising financial intermediary activities. Those active in this domain, for instance independent asset managers, must show compliance with the due diligence requirements to avoid money laundering, i.e. disclosure, reporting and organisational requirements. Institutions such as banks, securities dealers and fund management companies already authorised by FINMA to operate in the financial market do not require a separate licence to conduct financial intermediary activities under the Collective Investment Schemes Act. All other financial intermediaries not affiliated to a recognised self-regulatory organisation require FINMA authorisation to conduct their activities.

### Recognition of self-regulatory organisations under the Collective Investment Schemes Act

FINMA recognises organisations that monitor the compliance of affiliated financial intermediaries with the due diligence requirements set out in the Collective Investment Schemes Act. Such organisations are known as self-regulatory organisations under the Collective Investment Schemes Act.

### Registration

Certain financial intermediaries, for instance untied insurance intermediaries, must register via the FINMA registration platform. Intermediaries who fulfil formal registration requirements are entered in a register.

### Products and approval of tariffs

FINMA approves products used for collective investment schemes. Documentation about those schemes must meet the statutory provisions set out in the Collective Investment Schemes Act. FINMA also approves products offered by private insurance companies for occupational pensions and supplementary health insurance. General insurance conditions and tariffs are reviewed by FINMA as part of its preventive product control. In addition, FINMA reviews and approves uniform tariffs for natural hazard insurance proposed by the sector.

### Types of authorisation

<b>FINMA licences / authorisation</b>	<b>FINMA authorisation / recognition under AMLA</b>
Banks and securities dealers Insurances Products and institutions under the Collective Investments Schemes Act (e.g. asset managers of collective investment schemes, custodian banks, representatives and distributors) * Financial market infrastructures	Financial intermediaries supervised directly by FINMA** Self-regulatory organisations
<b>FINMA approval</b>	<b>FINMA registration</b>
Products under the Collective Investment Schemes Act (e.g. contractual investment funds, SICAVs, limited partnerships) Insurance products (occupational pension scheme and supplementary health insurance)	Insurance intermediaries

\* Distributors go through the authorisation process, but are not subject to FINMA prudential supervision.

\*\* Only compliance with the anti-money laundering requirements is supervised by FINMA. They are not subject to any other form of monitoring.