

FINMA Annual Media Conference, 8 April 2025

Marlene Amstad, Chair of FINMA's Board of Directors

Thank you, Markus Jaggi

Ladies and gentlemen

A warm welcome also from me to FINMA's annual media conference.

This year, too, this media conference is taking place during extraordinary times. Economic and geopolitical developments and the continuing rapid pace of technological change are also likely to preoccupy us in 2025. And so it is all the more important that we at FINMA remain robust in our supervisory work, and that we also think about how we can tackle the challenges of the future. Stefan Walter and I will talk about both of these topics today.

If you follow the public discourse, you could be forgiven for thinking that FINMA is primarily concerned with supervising one large bank. That is not the case: In terms of figures, FINMA supervises over 200 banks and slightly fewer than 200 insurance companies. Almost 9,000 untied intermediaries are registered, over 1,500 portfolio managers and trustees are authorised and over 10,000 funds are approved. The Swiss financial centre is diverse. I often like to compare it to a Swiss army knife. Both provide everything you need – with guaranteed high quality.

One topic that is particularly close to my heart is diversity in terms of the size of the institutions. And so the criticism that we supervise large institutions less strictly than the small ones really bothers me. Of course I take this perception very seriously – we just don't see it in our statistics. In an international comparison, we are the only supervisory authority that operates a small banks regime. This is a regime under which we grant the small banks specific relief, which we discuss together with them at an annual symposium. In the year under review, we also introduced the same system for insurance companies, i.e. a small insurers regime. This is also unique in an international comparison.

In other words, FINMA generally adopts a risk-orientated and proportional supervisory approach. That means the smaller the institution and the lower the risks it poses, the greater the degree of regulatory relief accorded. Of course, this does not apply with regard to money laundering or similar obligations, but it does apply to reporting, for example.

Our statistics on supervisory activity clearly show that we supervise large institutions more frequently and more intensively than small institutions. UBS, for example, has over 40 on-site supervisory reviews per year, whereas a small bank is only subject to an on-site supervisory review every 8-10 years on average.

We also see this pattern in the issuing of guarantees of irreproachable business conduct. There are around 3,000 members of corporate bodies subject to a guarantee of irreproachable business conduct

in Switzerland – half of them are members of boards of directors, the other half are executive board members of supervised institutions. FINMA imposes additional requirements on around 30% of applications for guarantees of irreproachable business conduct from large banks. For small banks, this figure is below 10%.

Public interest in FINMA last year was dominated by the integration of CS into UBS and the report of the Parliamentary Investigation Committee (PInC) on the emergency CS merger.

Almost exactly two years ago, at the FINMA media event, I publicly called for FINMA to be granted new powers for the first time.¹ I am very pleased that these new instruments were included in the Federal Council report on banking stability. And, of course, that the PInC now also supports these demands.

It is important to me to emphasise the general direction we are aiming for with the new instruments. FINMA is not concerned with more rules in general, but with greater consequences in the event of a breach of the existing rules. We are primarily concerned with the – if you will allow me to use this expression – “recalcitrant” institutions or members of corporate bodies. As a rule, FINMA prevails. In 90% of enforcement investigations, full compliance with the law is restored within around three months. In 10% of cases, enforcement is more difficult; as has now been repeatedly documented, sometimes even much more difficult. These are precisely the cases where FINMA needs to use its discretionary powers even more broadly, but where this is simply not enough. Instead, we need stricter consequences for these “recalcitrant” cases, which we can only achieve with a change in the law. Let me briefly illustrate this with three examples.

More active **public communication about our supervisory activities** is particularly important to me personally. Today, I am only allowed to tell you in a few exceptional cases whether your bank, your insurance company or your fund regularly breaks the rules. Specifically, FINMA communicated about five concluded enforcement proceedings in 2024. But no communication was possible for 33 further concluded enforcement proceedings. We were therefore not allowed to inform clients, employees and investors of the institutions concerned, nor you as media representatives, by whom and what rules were broken here. Accordingly, we were also unable to inform you that these breaches of rules were corrected as a result of FINMA’s intervention. I don’t think that’s right. To change this, the law needs to be amended. It goes without saying that, in future too, public communication should only relate to concluded proceedings.

The second example is the **power to levy fines**. A fine is not a sale of indulgences. A fine is a clear and simple signal to the public, expressed as a specific number, that an institution has violated the rules. It is important that the fine is imposed by the authority that also grants or withdraws the licence or guarantee of irreproachable business conduct. The fine then acts like a yellow card. FINMA’s power to levy fines is an important component of preventive supervision. It is a liberal instrument. Anyone who plans to abide by the rules has no reason to fear a fine.

The third example is an **accountability regime** that imposes legally binding responsibilities on the organisation chart of an institution. The accountability regime as an instrument of corporate governance

¹ Marlene Amstad: [Fines, Senior Manager Regime and Enforcement Transparency](#), media talk on 5 April 2023.

has a deterrent effect and means that people in important functions are more aware of their duties and therefore fulfil them more seriously. Many foreign financial centres already have such a regime.

The Swiss accountability regime would be inherently proportional. In concrete terms, this means that the number of people held accountable would vary depending on the size and complexity of the institutions. For example, it may be appropriate for small banks to have no or only a few people outside the executive board and the board of directors who are accountable for the organisation. The impact on the individual institution would be proportional: UBS, as a global systemically important bank, would clearly be treated most strictly, while smaller banks could expect less stringent requirements.

Other elements are also proposed. FINMA expressly welcomes the proposed powers for **early intervention**. The following principle is central here: The earlier FINMA is required to intervene, the more certain and specific the legislation needs to be. The creation of a legal basis is therefore also the main priority here.

Other elements include strengthening the **independence** and credibility of regulatory audits. At present compliance with supervisory requirements is verified by firms that are mandated and paid by the supervised institutions themselves. The conflicts of interest in this system, which is unusual internationally, are obvious. They could be reduced by means of direct audits by FINMA – i.e. on-site supervisory reviews carried out by FINMA itself. FINMA is in favour of being able to decide for itself when to carry out on-site supervisory reviews at banks – something that it can already do for insurance companies.

Ladies and gentlemen: The Federal Council's TBTF report and the PlnC report proposed legislative changes to reinforce banking stability and give FINMA a stronger set of tools. FINMA welcomes the thrust of these reports. And FINMA, for its part, will do everything it can to use its discretionary powers even more broadly where appropriate.

It is therefore critical for effective supervision, for the protection of financial market clients and for the functioning of the Swiss financial centre that the recommendations of the Federal Council and the PlnC report are implemented as quickly as possible. In addition, we always want to be a strong partner for the further development of the financial centre. Or to return to my earlier image: Switzerland, the clients, employees and investors of Swiss institutions and investment products not only deserve a Swiss army knife with multiple innovative features, but also one that is clean and safe!

Thank you for your attention.