

Schwanengasse 12
P.O.Box
CH-3001 Berne
Phone +41 31 322 69 11
Fax +41 31 322 69 26
info@ebk.admin.ch
www.sfbc.admin.ch



Eidgenössische Bankenkommission
Commission fédérale des banques
Commissione federale delle banche
Swiss Federal Banking Commission

Media release

Contact Tanja Kocher
Phone +41 31 323 08 57
E-mail tanja.kocher@ebk.admin.ch
Embargo

SFBC puts into force the circular “Supervision and internal control”

On 1 January 2007 a new circular “Supervision and Internal Control” by the Swiss Federal Banking Commission (SFBC) will enter into force. The circular takes account of the input received from the consultation procedure and replaces SFBC circular 95/1 “Internal Audit” and the Swiss Bankers Association’s “Guidelines on Internal Control”.

4 October 2006 – With its circular “Supervision and Internal Control”, the SFBC underlines the importance of effective corporate governance for Swiss banks, securities traders, financial groups and financial conglomerates.

The circular inter alia establishes rules and deals with the independence of the board of directors, the institution and responsibilities of an audit committee, the task of internal audit, as well as requirements and responsibilities in connection with the compliance function and risk control. It differentiates according to the size and complexity of the firms concerned and thus takes account of the heterogeneous nature of the Swiss financial centre. Through the use of a “comply or explain” clause, additional flexibility is brought to a number of provisions (for example, the requirements regarding the composition of the board of directors). The circular renounces to include rules on “whistleblowing”, as this area is being dealt with by Parliament.

Input from the consultation procedure was taken into account. In an open and constructive dialogue, particularly with the Swiss Bankers Association, points of view have been exchanged and differences settled (e.g. with respect to the criteria for establishing an audit committee). Since the Swiss Bankers Association had decided to withdraw its own “Guidelines on Internal Control” with the entry into force of the SFBC circular, significant content from these guidelines is now included in the circular (e.g. with regard to control activities, which form an integrated part of ordinary work flows).