



Media release

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Embargo

Federal Council approves FINMA personnel ordinance

At its meeting today, the Federal Council approved the personnel ordinance requested by the Board of Directors of the Swiss Financial Market Supervisory Authority (FINMA) and the Federal Department of Finance (FDF). The personnel ordinance emphasizes a strong performance approach while maintaining a high degree of flexibility. It lays down principles applicable to the employment relationships of all FINMA's staff.

Bern, 27 August 2008. The dynamics of change on the financial markets and its effect on a visibly more global economy are presenting the financial market supervisory authorities in Switzerland with ever more complex challenges. As long ago as 1 February 2006, in its dispatch on the Financial Market Supervision Act (FINMASA), the Federal Council made it clear that the strength of any financial market supervisory authority would be dependent on its employees performing well and possessing high levels of expertise. It pointed out that such a financial market supervisory authority would therefore, in order to perform its tasks, require the greatest possible freedom to act, whether in exercising its functions as an institution or in managing its human and financial resources.

It was with this view in mind that the Board of Directors of FINMA sought a personnel ordinance that emphasizes a strong performance approach while maintaining a high degree of flexibility. The consequence is that extraordinary performance, as judged by an annual assessment, may be rewarded with a variable sum of money. The Board of Directors, when adopting the budget, sets aside a sum of money for these variable payments equivalent to a maximum of 10% of the total wages and salaries bill, with the variable salary element totaling a maximum of 20% of basic pay for the two highest wage bands and a maximum of 15% for all other staff.

FINMA is self-financing, relying exclusively on fees and taxes paid by those it monitors; this guarantees that it will use its funds in a demonstrably efficient manner and keep an appropriate balance between costs and benefits. FINMA will also make its cost structures public, thereby maximising transparency and ensuring that costs are kept under tight control. It will give an account of its activities in an annual report to the Federal Council, and the Swiss Federal Audit Office will act as its external auditor.



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

Swiss Financial Market Supervisory Authority (FINMA)

The members of the Federal Council adopted the Federal Act on the Swiss Financial Market Supervisory Authority (FINMASA) on 22 June 2007. The object of this law is to bring together in one authority the Swiss state's supervision of banks, insurance companies and other financial intermediaries in Switzerland. The Swiss Financial Market Supervisory Authority (FINMA) amalgamates three bodies – the Swiss Federal Banking Commission (SFBC), the Federal Office of Private Insurance (FOPI) and the Anti-Money Laundering Control Authority. The FINMA will commence operations on 1 January 2009.

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