

Press release

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Implementation of the FinSA/FinIA: FINMA authorises first supervisory organisations

The Swiss Financial Market Supervisory Authority FINMA has granted OSIF and OSFIN the first licences as supervisory organisations, responsible for the supervision of portfolio managers and trustees. It has also authorised the first registration body for client advisers. Furthermore, the Federal Department of Finance has recognised the first ombudsman's offices in accordance with the FinSA for financial service providers.

FINMA is granting the Organisme de Surveillance des Instituts Financiers based in Geneva (OSIF) and the Organisation de Surveillance Financière based in Neuchâtel (OSFIN) licences as supervisory organisations (SOs) with effect from 6 July 2020. The two organisations submitted their applications to FINMA in January 2020. The SOs will be responsible for the supervision of portfolio managers and trustees in the future. FINMA is currently reviewing three further SO applications, which were submitted later.

New supervisory architecture for portfolio managers and trustees

With the enactment of the Financial Institutions Act (FinIA) and the Financial Services Act (FinSA) the supervision of portfolio managers and trustees became subject to new regulation. Independent portfolio managers and trustees now require authorisation from FINMA. However, they will be monitored by the SOs with regard to compliance with the obligations laid down in the FinIA and FinSA, as well as compliance with AMLA rules. The SOs also require authorisation from FINMA and will be supervised by FINMA. If there are any violations FINMA is responsible for enforcing financial market law.

2,206 portfolio managers and trustees seeking a licence

The portfolio managers and trustees must apply for a licence from FINMA before the end of 2022 and prove that they are affiliated to a supervisory organisation. They had to notify FINMA by 30 June 2020. By this cut-off date FINMA had received notifications from 1,934 portfolio managers and 272

trustees who are interested in a licence. 1208 of the notifications originated from German-speaking Switzerland, 743 from French-speaking Switzerland and 255 from Ticino. 273 portfolio managers and trustees have stated that they intend to apply for a licence this year. 629 portfolio managers and trustees have announced their licence application for 2021 and 1,304 for 2022. 121 institutions have reported to FINMA that they will not be submitting a licence application since they are either giving up their business or will merge with others. On 6 July 2020 FINMA authorised two portfolio managers belonging to a FINMA-supervised financial group for the first time.

Client advice: first registration body authorised

With effect from 20 July 2020 FINMA also authorised BX Swiss AG as the first registration body for client advisers. It is to be expected that further registration bodies will be authorised. The registration bodies maintain a register of advisers as defined in the FinSA. Client advisers of financial service providers must register there if they are not subject to supervision and provide their services in Switzerland. The registration bodies will check that the client advisers have completed the necessary training and further education measures. FINMA is responsible for authorising the registration bodies, but not for their prudential supervision. The authorisation of the first registration body marks the start of a six-month transitional period: affected client advisers must submit an application to be entered in the register of advisers by 19 January 2021.

FDF recognises ombudsman's offices for financial service providers

The Federal Department of Finance (FDF) recognised the first ombudsman's offices according to the FinSA with effect from 24 June 2020 ([FDF list](#)). Unlike the self-regulatory ombudsman system of the past for banks, under the FinSA affiliation to an ombudsman's office has become obligatory for all financial service providers that provide their services in Switzerland. Furthermore, the ombudsman's offices must now be recognised by the FDF. As in the past, the ombudsman's offices should settle disputes regarding legal claims between the client and the financial service provider in mediation proceedings. In accordance with the FinSA, financial service providers must affiliate themselves to such an ombudsman's office within six months of the first ombudsman's office being recognised. FINMA will monitor the implementation of the affiliation requirement within the scope of its supervisory work.