

The role of audit firms and supervisory organisations

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The Swiss supervisory system relies to a large extent on audit firms, which carry out prudential audits on behalf of FINMA, and, for asset managers and trustees, on supervisory organisations. This system allows the authority to concentrate its own resources on the largest institutions and the riskiest situations.

It nevertheless has its limits. Audit firms are paid by the institutions they audit, which can give rise to tensions. The quality of the audits depends on the skills and independence of the auditors. The supervisory organisations, some of which emerged from former self-regulatory organisations, must have sufficient resources to supervise a large number of institutions.¹

The debates that followed the Credit Suisse crisis also touched on these questions, in particular on FINMA's capacity to intervene directly and on the resources available to it. The development of the supervisory system remains an important issue for the financial centre, which needs a credible authority capable of guaranteeing the soundness of institutions without unnecessarily hampering their business.

Key points. The regulatory framework for wealth management also includes the authorisation of trustees, the transparency of trusts, international sanctions, data protection and outsourcing. It rests on a supervisory system that combines the action of FINMA, audit firms and supervisory organisations.

1 Notes

1. “LSFin et LEFin : une surveillance accrue” (FinSA and FinIA: increased supervision), Allnews, 30 September 2019, which notes that certain self-regulatory organisations would become supervisory organisations. ↩

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