

The regulatory turn of 2020

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Until 2020, independent asset managers in Switzerland were not subject to prudential supervision. They were subject only to the rules of conduct of their professional associations and to the anti-money-laundering rules, which required them to join a self-regulatory organisation or to be supervised directly by FINMA for their anti-money-laundering obligations. The Financial Institutions Act and the Financial Services Act, both in force since 1 January 2020, changed this position fundamentally.¹

The Financial Institutions Act subjects portfolio managers, who manage assets on behalf of clients on a discretionary basis, and trustees, who administer trust assets professionally, to a licensing requirement. While FINMA grants the licence, the ongoing supervision is carried out by supervisory organisations authorised by FINMA. Between July and October 2020, FINMA authorised five supervisory organisations: AOOS in Zurich, FINcontrol Suisse in Zug, OSIF in Geneva, OSFIN in Neuchâtel and SO-FIT in Geneva.² One of the five, FINcontrol Suisse, has its seat in Zug. Portfolio managers and trustees that were active before 2020 had until the end of 2022 to meet the requirements of the Act and to apply for a licence.

The licensing process was a major undertaking for FINMA and for the industry. By 28 February 2025, FINMA had received 1,864 applications and granted 1,532 licences. Of the remainder, 131 applications had been withdrawn and about 94 were still pending, half of them under investigation. More than half of the applications had been submitted in the last four months of the transitional period. More than 40 per cent had required five or more rounds of revisions.³ Numerous smaller portfolio managers gave up their activity and did not seek a licence, many of them for reasons of age. The regulation thus led to a significant consolidation of the industry.⁴

1 Notes

1. Federal Council, press release "Bundesrat setzt FIDLEG und FINIG in Kraft", 6 November 2019, admin.ch (nsb?id=76957): both Acts in force on 1 January 2020, with transitional periods of in principle two years. The FinIA is the Federal Act of 15 June 2018 on Financial Institutions, SR 954.1 (title as listed on lex.weblaw.ch). The date and SR number of the FinSA (SR 950.1) were not separately checked. ↩
2. BDO Switzerland, "Alle fünf Aufsichtsorganisationen von der FINMA bewilligt", bdo.ch: between 6 July and 28 October 2020 FINMA approved five supervisory organisations: AOOS (Zurich), FINcontrol Suisse AG (Zug), OSIF (Geneva), OSFIN (Neuchâtel) and SO-FIT (Geneva); independent wealth managers must connect with one of them and obtain FINMA approval; transitional deadlines: end of 2021 for compliance with FinSA and end of 2022 for compliance with FinIA and the submission of the licence application. ↩
3. FINMA, "FINMA provides information on the status of licences issued to portfolio managers and trustees", 11 March 2025, finma.ch: as of 28 February 2025, 1,532 licences approved out of 1,864 applications; 1,428 licences granted from the transitional-period cohort; 131 applications withdrawn; about 94 still pending, roughly half under investigation; over half of the applications arrived in the last four months of the transitional period, and more than 40 per cent required five or more rounds of revisions; 3,221 change requests received from licensed institutions. ↩
4. Allnews, "Décryptage du bilan de la Finma", 20 March 2025: 98 per cent of the managers who sought a licence obtained it; the decline in the number of managers is attributed largely to retirements. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/zug-the-regulatory-turn-of-2020