

FIDLEG/FINIG: a positive first step towards modern and appropriate supervision of asset managers and trustees

The Organisme d'Autoregulation des Gerants de Patrimoine (OAR-G) and the Swiss Association of Trust Companies (SATC) welcome the decision of the Economic Affairs and Taxation Committee (EATC) to enter into FIDLEG/FINIG and not to reject the bill. The committee recognised the need to act and does not wish to lose any unnecessary time in the competition to strengthen Switzerland as a financial centre.

External asset managers and trustees quickly need a legal basis for creating modern, independent supervisory organisations that are also recognised abroad. Subordination under Finma or continuation of the current SRO are not options. We need tailor-made and “Swiss-made” supervision that is both manageable for our members and meets the needs of an international clientele.

OAR-G and SATC want

- Neither a Basel III solution nor a disguised EU regulation. Banking-style regulation would be asking too much of our sector.
- An independent, Swiss solution. FINIG enables professional supervision for our members, who are usually SMEs.
- Certainty of the law in relations with foreign customers, creating a basis for sustainable growth.
- A certain degree of independence in relation to custodians.
- Scope for flexible solutions for smaller institutions with lower risk potential.
- Finally, supervision for trustees that will strengthen Switzerland as a (globally second most important) trust location in the face of foreign competition.

Long-term financing of the new supervisory organisation can be guaranteed by the regulated entities but start-up financing will initially be required. So as not to jeopardise independence during this initial phase, financing with a loan from the Confederation is the only sensible solution. However, the basic principles for this still need to be embodied in law. We recommend the approval of a new paragraph 5 in Article 43f of FINMAG, annexed to FINIG.

OAR-G is the leading association of asset managers in Western Switzerland. SATC represents Swiss trustees who administer the assets of trusts as owners in favour of the beneficiaries, including after the death of the founder. More than 1,500 financial intermediaries, together with other interested actors, belong to the two associations. External asset managers look after more than 11% of assets managed in Switzerland. Assets under the control of trustees amount to around CHF 1,500 billion.

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