

Press release

Date	11 December 2014
Place	Vaduz

The FMA continues to provide international administrative assistance

The Constitutional Court of the Principality of Liechtenstein (StGH) has found parts of the administrative assistance rules of the Financial Market Authority (FMA) Liechtenstein to be unconstitutional. Legal effect of the ruling has been deferred by one year. This means the FMA can continue to provide administrative assistance to foreign authorities. For the time after that period of one year, the FMA is developing an internationally recognized and constitutionally sound solution together with the Government.

In its non-public meeting of 1 July 2014, the StGH found parts of the administrative assistance rules in the Financial Market Authority Act (FMA Act) to be unconstitutional and voided them. At the same time, the StGH deferred the legal effect of the ruling by one year from the date when the ruling was announced on 11 December 2014. The FMA is therefore able to continue providing international administrative assistance in accordance with current practice and the required standard. In cooperation with the Government, the FMA will develop an internationally recognized and constitutionally sound solution. The new rules must enter into effect by 11 December 2015 so that the FMA will be able to provide administrative assistance according to international standards without interruption.

From the perspective of the international context, administrative assistance is a challenging task for supervision and of the utmost importance to market access and the reputation of the financial centre. In 2013, the FMA responded to 41 requests by foreign authorities for administrative assistance. Grounds for requests for administrative assistance have included investigations on suspicion of market manipulation, insider dealing, activities performed without a licence, and violations of disclosure obligations. By providing administrative assistance, the FMA makes an important contribution to the investigation and resolution of international cases of market abuse and accordingly also to client protection.

New rules for administrative assistance were set out in 2010 in the FMA Act and entered into force on 1 January 2011. Thanks to the new provisions, the FMA was accepted as a regular member of the International Organization of Securities Commissions (IOSCO) in April 2011. Four weeks later, the FMA was invited by the European Securities and Markets Authority (ESMA) to participate as an observer in the Board of Supervisors, committees, and working groups. The FMA's membership in IOSCO and its observer status at ESMA strengthen the international integration of the financial centre and are necessary for the access of Liechtenstein financial intermediaries to foreign markets.

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