

Press release

Date	17 April 2019
Place	Vaduz

Anti-money laundering in the focus of supervision

- **In 2018, the Liechtenstein financial centre again recorded an increase in assets under management.**
- **Through its targeted intervention, the FMA protected the clients of two insurance companies.**
- **Anti-money laundering at the FMA was reviewed and concentrated within a single division.**

In a difficult environment with lower global growth and persistently high regulatory pressure, the Liechtenstein financial centre – with its strong international linkages – developed well in 2018. Despite negative market developments, assets under management at banks rose by 4% to CHF 305.2 billion at the end of 2018. Net new money inflows, including acquisitions, amounted to CHF 33.4 billion. The total income generated by banks amounted to CHF 579 million (previous year: CHF 575 million).

For the first time after a downward trend lasting more than six years, more funds were registered than in the previous year. Nevertheless, the fund sector recorded declines in fund volume due to market developments. Net assets under management fell to CHF 50.4 billion (previous year: CHF 53 billion). A market-related decline was also recorded in assets under management at asset management companies, falling by 5% to CHF 38.7 billion.

The total premium income of insurance undertakings in 2018 amounted to CHF 5.42 billion (previous year: CHF 5.12 billion). Of the premiums written, CHF 3.02 billion are attributable to non-life insurance, CHF 2.34 billion to life insurance, and CHF 0.06 billion to reinsurance. Non-life insurance recorded a significant premium increase of 12.3%.

Targeted intervention: FMA protects insured persons

To protect insurance holders, the FMA ordered the compulsory transfer of the insurance portfolios of Wealth-Assurance AG and Valorlife Lebensversicherungs-Aktiengesellschaft to Skandia Leben (FL) AG. The FMA communicated the transfer on 13 February 2019. This supervisory measure became necessary because the shareholders had links with criminal persons and were no longer able to guarantee the sound and prudent management of the undertakings. About 2,800 policies with a total volume of CHF 3.8 billion are affected by the transfer. The FMA monitors the transfer of the portfolios.

Already in 2016, the FMA had appointed a special representative with all powers to protect policyholders and their assets at the two insurers.

Focus on anti-money laundering

Recent cases in European countries have shown that effective anti-money laundering measures are essential for reputation and thus market access. Money laundering incidents attract a great deal of media attention and are accompanied by a loss of trust on the part of customers and partners.

The FMA reviewed its money laundering supervision and reorganised it effective 1 April 2019. The FMA's anti-money laundering mechanism, which previously had been spread out among the four supervisory divisions, is now being concentrated within the Anti-Money Laundering and Designated Non-Financial Businesses and Professions (AML/DNFBP) Division. The division has been strengthened in terms of personnel and performs risk-based money laundering supervision in all financial sectors.

This concentration of anti-money laundering in the AML/DNFBP Division and the strengthening of personnel will enhance the effectiveness and efficiency of money laundering supervision within the FMA. The FMA verifies compliance with anti-money laundering legal provisions by financial intermediaries and takes rigorous action against violations. It will increasingly carry out its own due diligence inspections at financial intermediaries.

But anti-money laundering also challenges market participants and can only succeed as a joint effort: Financial market players have the responsibility – especially in view of the significant inflows of new money and international sanctions – to strictly observe due diligence obligations in order to prevent money laundering risks and damage to reputation.

Publication of the Annual Report and the Financial Market Liechtenstein brochure

Today, the FMA published its Annual Report and the updated version of the brochure "Financial Market Liechtenstein – Facts and figures on the financial intermediaries supervised by the FMA." They are available in digital format on the FMA website.

In accordance with its legislative mandate, the Financial Market Authority (FMA) Liechtenstein ensures the stability of the Liechtenstein financial market, the protection of clients, the prevention of abuses, and the implementation of and compliance with recognised international standards.

As an integrated and independent supervisory authority, the FMA supervises the financial market participants in the Liechtenstein financial centre. The FMA ensures the implementation of international standards and participates in the preparation of financial market laws on behalf of the Government. The FMA is represented in all relevant supervisory organisations at the European and global level.

For additional information please contact:

Lukas Müller
FMA – Financial Market Authority Liechtenstein
Telephone +423 236 62 22
lukas.mueller@fma-li.li