The Regulatory Architecture: MAS, the Banking Act, the SFA, the FAA and the FSMA: Comparison with Geneva and Hong Kong

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Switzerland: several authorities, one supervisor of conduct

The Swiss framework described in the Geneva volume rests on the Banking Act, the Financial Institutions Act, the Financial Services Act, the Collective Investment Schemes Act, the Financial Market Infrastructure Act and the Anti-Money Laundering Act. FINMA applies these Acts with the help of audit firms, supervisory organisations and self-regulatory bodies.[1] Singapore's statutory division is similar. Both systems separate the licensing of institutions from the rules on conduct towards clients. Both also classify clients by wealth and expertise. The Swiss Financial Services Act distinguishes private, professional and institutional clients. Wealthy private clients may opt out of protection with assets of at least 500,000

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francs and sufficient knowledge, or with assets of at least two million francs.[2] Singapore's accredited investor regime reaches a comparable result through an opt-in in place of an opt-out.

The institutional differences are greater. In Switzerland the central bank and the supervisor are separate bodies, while FINMA relies on private audit firms for much of its on-site work. Independent wealth managers have been supervised since 2020 by supervisory organisations that FINMA authorises. In Singapore the central bank supervises directly, with its own examiners and without an intermediate level of supervisory organisations. Swiss banking secrecy under Article 47 of the Banking Act carries a maximum penalty of three years' imprisonment for intentional breaches, which matches the maximum term under section 47 of the Singapore Banking Act.[3]

On individual accountability, Singapore has moved earlier than Switzerland. After the disappearance of Credit Suisse, the Swiss Federal Council proposed in April 2024 a senior managers regime, rules on variable remuneration and an examination of fining powers for FINMA.[4] MAS had issued its guidelines in 2020 and has since used prohibition orders and reprimands against senior managers. Singapore also gives MAS the power to compound offences, which yields financial penalties without a court judgment. In Switzerland the question whether FINMA should receive such a power to fine is still part of the reform debate.

Hong Kong: twin regulators and the Manager-in-Charge regime

Hong Kong divides supervision between the Hong Kong Monetary Authority for banks and the Securities and Futures Commission for securities and futures intermediaries, with a separate Insurance Authority. A Hong Kong private bank therefore deals with at least two regulators for its banking and its investment business. Singapore's single regulator avoids this duplication. On individual accountability, the SFC introduced a Manager-in-Charge regime by a circular of

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December 2016. It requires licensed corporations to designate managers for eight core functions.[5] The Hong Kong regime is narrower in its personal scope than the Singapore guidelines but more formal in its notification requirements.

What the comparison shows

The comparison shows that Singapore combines three features that are rarely found together. Supervision is concentrated in a single authority that is also the central bank. The statutes are modern, having been rewritten or consolidated in 2002, 2018, 2021 and 2022. The regulator also has strong enforcement powers, including compositions, civil penalties and prohibition orders, which it uses against both institutions and individuals. The price of this model is a dependence on the quality and integrity of a single authority, closely linked to the Government. Clients who choose Singapore are in effect placing their trust in MAS. The priority clause of section 4(1A) is the statutory expression of that trust.

In figures

MAS founded on 1 January 1971, with insurance supervision added in April 1977, securities supervision in September 1984 and the merger with the Board of Commissioners of Currency on 1 October 2002. Banks in the Association of Banks in Singapore on 17 March 2026: 3 local, 21 foreign full banks, 10 qualifying full banks, 93 wholesale banks and 4 digital banks, plus 20 merchant banks as affiliates. Regulated activities under the SFA: 7. Licensed fund managers: 1,320. Assets under management at the end of 2025: S$6.7 trillion, up 10.1 per cent. Financial sector share of GDP: about 14 per cent, with about 200,000 employees.[6] Enforcement from January 2025 to June 2026: 19 criminal convictions, S$29 million in financial penalties and compositions, 23 prohibition orders and 3 licence revocations. AML composition penalties of 4 July 2025: S$27.45 million on nine institutions.

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Notes

1. *Genève, place financière internationale*, chapter E.IV, section "L'architecture du droit suisse des marchés financiers". ↩
2. *Genève, place financière internationale*, chapter E.IV, "Le cadre réglementaire de la gestion de fortune", section "L'architecture du droit suisse des marchés financiers". *Genève, place financière internationale*, chapter E.IV, section "La loi sur les services financiers", citing arts 4–5 of the Federal Act on Financial Services (FinSA, SR 950.1). ↩
3. *Genève, place financière internationale*, chapter E.IV, section "La loi sur les établissements financiers", citing the FINMA press release of 7 July 2020: since 2020 independent wealth managers and trustees require FINMA authorisation and are supervised by supervisory organisations authorised by FINMA. *Genève, place financière internationale*, chapter E.IV, section "La loi sur les banques aujourd'hui": Article 47 of the Swiss Banking Act provides for up to three years' imprisonment for intentional breaches and a fine of up to 250,000 francs for negligence. ↩
4. *Genève, place financière internationale*, chapter E.IV, section "La loi sur les banques aujourd'hui", citing the Federal Council's report on banking stability of 10 April 2024. ↩
5. On the division of supervision in Hong Kong between the HKMA, the SFC and the Insurance Authority, and the registration of banks with the SFC as registered institutions for regulated activities, see the websites of the HKMA (hkma.gov.hk) and the SFC (sfc.hk). Securities and Futures Commission, circular on the Manager-in-Charge of Core Functions, 16 December 2016, introducing eight core functions. ↩
6. Monetary Authority of Singapore, "Asset Management" (mas.gov.sg/development/asset-management, accessed November 2026): AUM of S$6.7 trillion and 1,320 licensed fund managers; Chia Der Jiun, remarks at the MAS Annual Report 2025/2026 media conference, 28 July 2026, para. 26c: AUM "grew 10.1% to reach S$6.7 trillion as at end-2025". Gan Kim Yong, address at

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the ABS Annual Dinner, 25 June 2026 (mas.gov.sg): the financial sector contributes about 14 per cent of GDP and employs about 200,000 people. ↩

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