

# GB-A Regulatory audit report representatives of foreign collective investment schemes 2023

Version 08/2023

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## General information

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Applicable to financial years beginning on or after 1 January 2023.

Name of the institution

Place of domicile

FINMA license

FINMA supervisory category

Audit firm

Recipients of the report

### Contact person

Given name, surname

Telephone

E-mail

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## 1. Framework conditions governing the audit

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This section lists the framework conditions for the audit pursuant to margin no. 64 of FINMA Circular 2013/3.

### a) General framework conditions of the audit

Audit scope / mandate

Beginning of the reporting period

End of the reporting period

Execution of the audit

**b) Key management personnel involved in the audit**

Function <input type="radio"/> Lead auditor <input type="radio"/> Person responsible for the mandate <input type="radio"/> Manager <input type="radio"/> Anti-money-laundering specialists <input type="radio"/> IT specialists <input type="radio"/> Tax specialists <input type="radio"/> Valuation specialists <input type="radio"/> Legal specialists <input checked="" type="radio"/> Other <input style="width: 100%;" type="text"/>	Surname, given name <input style="width: 100%; height: 20px;" type="text"/>	Function level <input type="radio"/> Partner <input type="radio"/> Director <input type="radio"/> Senior Manager <input type="radio"/> Manager <input checked="" type="radio"/> Other <input style="width: 100%; height: 20px;" type="text"/>
Function <input type="radio"/> Lead auditor <input type="radio"/> Person responsible for the mandate <input type="radio"/> Manager <input type="radio"/> Anti-money-laundering specialists <input type="radio"/> IT specialists <input type="radio"/> Tax specialists <input type="radio"/> Valuation specialists <input type="radio"/> Legal specialists <input checked="" type="radio"/> Other <input style="width: 100%;" type="text"/>	Surname, given name <input style="width: 100%; height: 20px;" type="text"/>	Function level <input type="radio"/> Partner <input type="radio"/> Director <input type="radio"/> Senior Manager <input type="radio"/> Manager <input checked="" type="radio"/> Other <input style="width: 100%; height: 20px;" type="text"/>

**c) Extent of reliance on work performed by third parties**

Was there any reliance on work by third parties?

- Yes  No

**d) Confirmation of compliance with the audit strategy**

The audit firm confirms compliance with the audit strategy.

- Yes  No

**e) Period during which the audit procedures were performed**

Activity			
<input type="text"/>			
From		Until	
Month of the audit period	Year of the audit period	Month of the audit period	Year of the audit period
<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>
Activity			
<input type="text"/>			
From		Until	
Month of the audit period	Year of the audit period	Month of the audit period	Year of the audit period
<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>

#### **f) Difficulties during the audit**

Did any difficulties arise during the audit?

Yes  No

e.g. absence of decision makers, refusal to provide timely information or to provide information at all, incomplete / poor quality documentation by the supervised institution.

#### **g) Provision of information by the supervised institution**

The audit firm confirms that the supervised institution provided all required information in a timely manner and in the required quality.

Yes  No

## **2. Independence of the audit firm**

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Audited financial year

The audit firm confirms that it has complied with the independence requirements under the Swiss Code of Obligations, the Audit Oversight Act and Ordinance, the Financial Market Auditing Ordinance and the supplementary provisions on independence under FINMA Circular 2013/3 in the above-mentioned financial year.

Yes  No

## **3. Additional mandates performed by the audit firm for the supervised institution**

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Did the audit firm provide additional services to the supervised institution during the regulatory audit reporting period that do not conflict with the independence rules?

Only applicable if the institution holds no FINMA license as bank, securities firm, fund management company, insurance company or manager of collective assets.

## **4. Summary of audit results / further audit findings / confirmations and overall assessment**

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Presentation of all notices of reservation and recommendations by the audit firm, incl. associated resolution and/or implementation deadlines and the respective measures pending or already taken by the supervised institution to rectify the notice of reservation or implement the recommendation (only those notices of reservation or recommendations need to be addressed for which the audit firm had planned own audit procedures according to the audit strategy).

Any instances of the supervised institution not agreeing to a notice of reservation or recommendation must be recorded. Repeated notices of reservation or recommendations must be specifically indicated.

State of implementation or resolution of notices of reservation and recommendations from the previous audit period.

The notices of reservation and recommendations must be classified as per margin no. 75.2ff of FINMA Circ. 2013/3 "Auditing".

### **4.1 Notices of reservation**

For the period under review, we issue notices of reservation based on our audit procedures in accordance with the audit strategy.

Yes  No

## 4.2 Recommendations

For the period under review, we make recommendations based on our audit procedures in accordance with the audit strategy.

Yes  No

## 4.3 Notices of reservation in the prior year's report

Notices of reservation were issued in the prior year's report.

Yes  No

## 4.4 Recommendations in the prior year's report

Recommendations were made in the prior year's report.

Yes  No

## 4.5 Material weaknesses from additional mandates/services

Have any material weaknesses been identified in the context of additional mandates/services according to chapter 3?

Yes  No

## 4.6 Material weaknesses raised by third parties

Have any material weaknesses been raised by third parties (including internal audit) that were not considered by the audit firm as notices of reservation or recommendation in connection with audit procedures in accordance with the audit areas in the audit strategy?

Yes  No

## 4.7 Confirmations of the audit firm

### 4.7.1 FINMA recommendations and rulings

The audit firm records its audit opinion on compliance with the recommendations and legally binding FINMA rulings in force during the reporting period, stating the audit depth applied.

The audit firm will only respond to legally binding rulings in connection with the approval of the institution or collective investment schemes if they contain explicit provisions, which must be audited.

Comments on the implementation of FINMA recommendations in the context of supervisory reviews / deep dives are also dealt with in this section.

Are there any legally binding rulings containing explicit provisions which must be audited?

Yes  No

Are there any legally binding FINMA recommendations?

Yes  No

### 4.7.2 Audit report of the prior period

The audit firm confirms that the audit report of the prior period was discussed at a meeting of the body responsible for governance, supervision and control and that minutes were taken.

Yes  No

## 4.8 Overall assessment of the audit firm

### 4.8.1 Guarantee of irreproachable business conduct and good reputation

Based on the audit procedures performed, there are no findings that would call into question the guarantee of irreproachable business conduct by the persons responsible for administration and management and the good reputation of those persons responsible for administration and management as well as qualified participants.

Only to be confirmed if the institution holds no FINMA license as bank, securities firm, fund management company, insurance company or manager of collective assets.

The influence of the company shareholders and qualified participants is not detrimental to a prudent and solid business activity.

Only to be confirmed if the institution holds no FINMA license as bank, securities firm, fund management company, insurance company or manager of collective assets.

#### 4.8.2 Licensing and approval requirements

The audit did not reveal any findings that would affect the ongoing compliance with the licensing and approval requirements. The notices of reservation listed under 4.1 with a deadline do not call into question compliance with the authorisation requirements as a whole.

Yes  No

There are no measures required on the part of FINMA

Yes  No

## 5. Important information on the audited institution

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### 5.1 Business activities and client structure

The audit firm describes the key business areas of the supervised institution, the relevant customer segments and the location of the head office.

Business areas

Customer segments

Location of the head office

### 5.2 Group structure and participations/relationships with other firms

The audit firm describes the structure of the group, the qualified participants and key relationships and dependencies with other companies or stakeholders (economically significant contracts, group-internal cooperation etc.)

Does the institute have an additional FINMA license as bank, securities firm, fund management company, insurance company or manager of collective assets?

Yes  No

### 5.3 Operational and organisational structure

The audit firm shows the organisation of the body responsible for governance, supervision and control (committees and commissions) and the management board and expresses an opinion on the allocation and completion of the imposed and irrevocable duties.

Does the institute have an additional FINMA license as bank, securities firm, fund management company, insurance company or manager of collective assets?

Yes  No

#### 5.4 Major changes at the supervised institution

The audit firm presents major changes at the supervised institution, especially regarding the organisation and activities of the representative.

Have there been any major changes at the supervised institution?

Yes  No

#### 5.5 Future challenges

The audit firm provides a future-oriented outlook for key, especially regulatory, changes that will affect the supervised institution in its function as representative of foreign collective investment schemes and possible impact its business activity, as well as an indication of the measures planned or initiated.

Description

## 6. Audit firm's confirmations and summary of the audit procedures performed

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By saying "Yes" or "No", the audit firm establishes its audit opinion on the audit points addressed. Where individual audit points are not applicable ("N/A"), this is explained. The statements to be made by the audit firm relate in each case to the ongoing compliance with the requirements mentioned.

If the audit firm answers an audit point with "Yes", it is not necessary to explain how the audit firm arrived at this assessment.

In the case of weaknesses or if an audit point was answered with "No", the audit firm provides a meaningful explanation. In the case of judgements based on facts established by Internal Audit or third parties, a corresponding disclosure is made.

The main audit procedures that form the basis for the audit firm's confirmation must be described (list).

### 6.1 Internal organisation

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Explanation

For institution holding a higher license as bank, securities firm, manager of collective assets, insurance company) this audit area is only applicable with respect to the activity as representative.

#### 6.1.1 Corporate Governance / Internal Organisation / Internal Control System / Compliance / Risk Management

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Audit area

Internal organisation

Audit field

Corporate Governance / Internal Organisation / Internal Control System / Compliance / Risk Management

Net risk

Intervention in the reporting year

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**Corporate governance is appropriate.**

Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

**There is adequate separation between the body responsible for governance, supervision and control and operational management.**

Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

**The members of the body responsible for governance, supervision and control as well as the executive management have the required professional qualifications.**

Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

**The internal organisation is appropriately designed taking into account the nature and extent of the business activities.**

For institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company) only applicable with respect to the activity as representative.

**The internal control system is appropriately designed taking into account the nature and scope of the business activities.**

For institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company) only applicable with respect to the activity as representative.

**The institution complies with the articles of association and organisational regulations approved by FINMA.**

**The authorised institution has an inventory of contracts and directives and keeps it up to date.**

**The compliance and risk management function are appropriately structured and sufficiently qualified with regard to the nature and extent of the business activities as representative of foreign collective investment schemes.**

For institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company) only applicable with respect to the activity as representative.

The confirmations are based on the following audit procedures

## 6.1.2 Delegation of tasks/ Outsourcing (Activity of representative)

Audit area

Internal organisation

Audit field

Delegation of tasks/ Outsourcing (Activity of representative)

Explanation

The audit firm provides in annex under "10.1 List of delegations" an overview of the material tasks delegated by the supervised institution in table format (incl. specifying the mandataries) in accordance with Art. 12b-12d CISO.

Net risk

Intervention in the reporting year

The institution maintains an inventory of outsourced functions.

The selection and instruction of mandataries when delegating tasks is adequate.

The delegation of tasks is properly documented in written agreements. Where security-relevant functions are outsourced security requirements are defined therein.

The monitoring and control of task performance by the mandataries is performed with diligence and with sufficient, adequately qualified human resources.

The confirmations are based on the following audit procedures

### 6.1.3 Notification, publication and information obligations

Audit area

Internal organisation

Audit field

Notification, publication and information obligations

Net risk

Intervention in the reporting year

The institution complied with the provisions relating to notification, publication and information obligations.

Not applicable for supervised institutions which represent foreign collective schemes that are only offered to qualified investors. Applicable remains the notification duties on the institution level.

The confirmations are based on the following audit procedures

### 6.1.4 Offering of financial instruments FinSA

Audit area

Internal organisation

Audit field

Offering of financial instruments FinSA

Net risk

Intervention in the reporting year



The provisions for the offering of financial instruments are complied with.	
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Advertising for financial instruments is clearly indicated as such.	
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The confirmations are based on the following audit procedures

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## 6.2 Minimum capital and furnishing of collateral

Audit area

Audit field

Minimum capital and furnishing of collateral
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Minimum capital and furnishing of collateral
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Explanation

The minimum capital according to Art. 131 para. 1 CISO must be paid up in full and must not be impaired by a loss carried forward or a current loss of the year.
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Net risk

Intervention in the reporting year

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Adequate processes and controls to monitor compliance with the minimum capital a requirements are in place.
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Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

A professional indemnity insurance with appropriate coverage exists (Art. 132 CISO).
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Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

The provisions regarding minimum capital resp. collateral are respected (Art. 131 CISO).
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Not applicable for institution holding a higher license in Switzerland (Bank, securities firm, fund management company, manager of collective assets, insurance company).

The confirmations are based on the following audit procedures

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## 6.3 Protection of investors' interests CISA

Audit area

Audit field

Rules of conduct
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Protection of investors' interests CISA
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Explanation

The audit company mentions collective investment schemes with breaches or limitations.
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Net risk

Intervention in the reporting year

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The processes and controls to ensure the protection of investor's interests are appropriate.

Investors' interests are upheld.

The confirmations are based on the following audit procedures

## 6.4 Conduct rules FinSA

Audit area

Audit field

Rules of conduct

Conduct rules FinSA

Net risk

Intervention in the reporting year

The processes and controls to ensure the compliance with the FinSA rules of conduct are adequate.

The FinSA rules of conduct are complied with.

The confirmations are based on the following audit procedures

## 7. Additional audits

The audit firm summarises the results of additional audits. Any notices of reservation and recommendations are to be included in chapter 4.

Were additional audits carried out in accordance with the audit strategy?

Yes  No

## 8. Additional comments

### 8.1. Events after the completion of the audit procedures

Are there any significant events that were identified in the period between the completion of the audit procedures and the submission of the audit report?

Yes  No

### 8.2 Supplementary reports

Is there any supplementary reporting (e.g. management letter) with details of significant findings and recommendations?

Yes  No

### 8.3 Additional comments or information from the audit firm

Are there any additional comments or information from the audit firm?

Yes  No

## 9. Signatures/confirmation by the audit firm

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The lead auditor together with another auditor with signatory powers sign the PDF-report (qualified electronic signature), which they submit as an attachment to the electronic survey via the FINMA survey platform.

If it is not possible to sign the report electronically in a qualified manner, it must be printed out, signed by hand and submitted to FINMA by post in addition to the electronic submission of the survey via the FINMA survey platform.

## 10. Annex

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### 10.1 List of delegations

#### 10.1.1 Activities delegated by the representative to a third party

Supplement to audit field 6.1.2 Delegation of tasks/outsourcing (Activity of representative)

Are there any activities delegated to a third party?

Yes  No

### 10.2 Documents to be submitted

The following documents are to be submitted with the audit report:

- a) Organisational chart of the representative for foreign collective investment schemes
- b) Audited financial statements including auditor's report in accordance with Art. 728a CO (if no license as fund management company or manager of collective assets (FinIA Art. 2 al. 1 let. d) or c)
- c) Additional documents deemed relevant by the audit firm