



Media release

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Embargo -

Pragmatic solution for the Swiss financial centre

The Swiss Federal Banking Commission has issued its first securities trading licence to an asset manager of foreign collective investment schemes. This decision is in response to regulations being tightened up outside Switzerland and will not increase the regulatory burden.

March 11, 2005 – Swiss asset managers of foreign collective investment schemes are at a competitive disadvantage following the introduction of a new EU directive governing investment funds. The directive provides that, with effect from February 2007, management of assets in European investment funds may only be delegated to management companies that are subject to the adequate scrutiny of competent authorities in their country of origin¹. This will prevent Swiss-based independent asset managers, who are not subject to prudential supervision, from managing European investment funds. In order to protect the industry from loss of market share, the SFBC has come to the aid of asset managers for institutional clients with a pragmatic solution.

Upon request, the SFBC will issue asset managers affected by the directive with securities trading licences. This will be accomplished through the interpretation of existing legislation and will not require amendment of regulatory requirements. However, applicants must comply with the conditions for obtaining authorisation and the rules governing securities dealers under the Stock Exchange Act². The SFBC granted its first request, submitted by the Swiss subsidiary of a globally active asset manager, at the end of February 2005.

This flexible solution will also enable the SFBC to follow a recommendation from the Zimmerli commission of experts. In its third interim report on extending prudential supervision, the commission had identified a pressing need for action in this area of asset management and urged immediate action.³

The new practice introduced by the SFBC will not prejudice any future decisions by the Federal Council on the subordination of all independent asset managers to prudential supervision.

¹ [Directive 2001/107/EG](#), Art. 5g Para. 1c

² see Art. 10-19 [SESTA](#)

³ see [Zimmerli III](#), p. 18