

Press release

Date: 14 November 2013

Embargo: ---

Protocol requirements: FINMA recognises SBA guidelines as a minimum standard

The Swiss Financial Market Supervisory Authority FINMA recognises the Guidelines on protocol requirements for the distribution of collective investment schemes issued by the Swiss Bankers Association (SBA) as a minimum standard. The new guidelines define the form and content of the protocol which licence holders must provide as of 1 January 2014.

As of 1 January 2014, supervised institutions are obliged to record in writing customer requirements and reasons for each recommendation made during advisory discussions regarding the purchase of units of a collective investment scheme. That protocol is to be handed over to the customer. Protocol requirements for the distribution of collective investment schemes were introduced during the parliamentary debate on the revision of the Collective Investment Schemes Act (CISA) in spring 2013 in anticipation of the Financial Services Act (FSA). Moreover, the revised Collective Investment Schemes Ordinance (CISO) stipulates that the form and content of the protocol are to be regulated at the self-regulation level, which must be recognised by FINMA as a minimum standard.

When the CISO was adopted in March 2013, the submissions of the Swiss Funds & Asset Management Association and the Swiss Bankers Association initially filed to FINMA diverged in approach and content for the Guidelines on protocol requirements. Once both associations had submitted a common proposal in July, FINMA was able to begin with the recognition process.

FINMA's Board of Directors recognised the SBA Guidelines on protocol requirements under Article 24 para. 3 of the Federal Act on Collective Investment Schemes as a minimum standard under supervisory law. The Board of Directors has limited the validity of recognition of the guidelines to a maximum of two years. The appropriateness of the approach adopted in the guidelines by the SBA should be reviewed in the context of the regulatory work on the FSA.

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