

GB-A Regulatory audit report limited partnerships for collective investment 2023

Version 08/2023

General information

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

Name of the institution

[FI.InstitutName](#)

Place of domicile

FINMA license

Limited partnerships for collective investment schemes

FINMA supervisory category

[Zulassung.Aufsichtskategorie](#)

Audit firm

[PG.InstitutName](#)

Recipients of the report

Contact person

Given name, surname

Telephone

E-mail

1. Framework conditions governing the audit

This section lists the framework conditions for the audit pursuant to margin no. 64 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: 95%;" 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: 95%;" 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: 95%;" 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: 95%;" type="text"/>

c) Extent of reliance on the work of third parties

Was there any reliance on the work of third parties?

- Yes No

d) Confirmation of compliance with the audit strategy

The audit firm confirms compliance with the audit strategy.

- Yes No

e) Confirmation that the work was performed in accordance with the audit points defined by FINMA

The audit firm confirms that the work was performed in accordance with the audit points defined by FINMA.

- Yes No

The audit points defined by FINMA are to be applied to the following audit areas – provided the audit strategy includes an intervention in the reporting year: 1) Anti-money laundering rules, 2) Market behaviour and market conduct, 3) Conduct rules FinSA.

f) Period during which the audit procedures were performed

Activity			
<input style="width: 100%;" 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: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" 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 type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

g) 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.

h) Provision of information by the supervised institution

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

Yes No

2. Independence of the audit firm

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

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?

Yes No

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

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, the audit did not reveal any 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 of the general partner.

Yes No

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

Yes No

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

5.1 Business activities and information on the limited partners

The audit firm describes the purpose, investment areas, the investments of the limited partnership for collective investment and the limited partners. It assesses if the limited partners are qualified investors according to rt. 10 para. 3 or 3ter CISA. Furthermore, it mentions the location of the head office.

Purpose, investment areas, the investments of the limited partnership for collective investment and the limited partners

Are the limited partners qualified investors according to rt. 10 para. 3 or 3ter CISA?

Yes No

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.).

Structure of the group

Qualified participants

Relationships and dependencies with other companies or stakeholders

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 of the general partner and expresses an opinion on the allocation and completion of the imposed and irrevocable duties.

Organisation of the body responsible for governance, supervision and control as well as the management board of the general partner

Allocation and completion of the imposed and irrevocable duties

5.4 Major changes at the supervised institution

The audit firm presents major changes at the supervised institution, especially regarding owners, management bodies and qualified participants of the general partner, changes at the level of the limited partners as well as relationships with other companies.

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 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

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

6.1.1 Internal organisation / Internal control system / Partnership agreement

Audit area

Internal organisation

Audit field

Internal organisation / Internal control system / Partnership agreement

Explanation

The audit firm assesses the adequacy of the corporate governance of the general partner by checking the structure of the balance between management and monitoring at the institution (principle of “checks & balances”) and if it is in accordance with the partnership agreement.

If the case of a KmGK with a sustainability context the audit firm assesses whether the respective internal organisation is adequate.

Net risk

Intervention in the reporting year

General Partner:

Corporate governance is appropriate.	
The members of the body responsible for governance, supervision and control as well as the executive management have the required professional qualifications.	
The non-competition clause provisions according to art. 104 para. 2 CISA are respected.	
The internal organisation is appropriately designed taking into account the nature and extent of the business activities.	
There is an effective separation between decision-making (asset management), execution (trading and settlement) and administration for the management of collective investment schemes.	
The internal control system is appropriately designed taking into account the nature and scope of the business activities.	
The institution complies with the partnership agreement approved by FINMA.	
The general partner complies with the articles of organisation and organisational regulations approved by FINMA.	
The authorised institution has an inventory of contracts and directives and keeps it up to date.	
The safekeeping of assets is adequate.	

The management of construction and real estate investments as well as infrastructure projects is adequate.

The confirmations are based on the following audit procedures

6.1.2 Information technology

Audit area

Internal organisation

Audit field

Information technology

Explanation

The audit firm assesses the appropriateness of the design of the IT structure. This includes in particular the infrastructure (hardware/software), IT strategy and IT organisation as well as IT security and Business Continuity Management (BCM).

The audit firm names the relevant systems for the management and administration of the limited partnership for collective investment as well as compliance and risk management.

Considering banks' BCM requirements taking account of the nature and extent of the business activities.

Net risk

Intervention in the reporting year

The IT is appropriately designed taking into account the nature and extent of the business activities.

The confirmations are based on the following audit procedures

6.1.3 Risk management

Audit area

Internal organisation

Audit field

Risk management

Explanation

The audit company assesses the adequacy of the risk management at the level of the limited partnership for collective investment as well as the general partner. The assessment covers the identification, measurement, management and supervision of all relevant risks including the corresponding internal reporting.

If the KmGK has a sustainability context the audit firm assesses whether sustainability risks are adequately covered within risk management.

Net risk

Intervention in the reporting year

The risk management function is appropriately designed taking into account the nature and extent of the business activities.

The risk management is functionally and hierarchically segregated from the operational business units.

The risk management function has adequate professional competence and time resources.	
The risk management for the limited partnership for collective investment is adequate.	
The risk management in relation to operational risks is carried out appropriately.	
Risk reporting to the executive management and the body responsible for governance, supervision and control of the general partner is appropriate.	

Additionally for real estate projects:

There is adequate risk management for construction projects.	
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The confirmations are based on the following audit procedures

6.1.4 Compliance

Audit area	Audit field
Internal organisation	Compliance

Net risk	Intervention in the reporting year

The compliance function is appropriately designed taking into account the nature and extent of the business activities.	
The compliance function is functionally and hierarchically segregated from the operational business units.	
The compliance function has adequate professional competencies and time resources.	
The compliance reporting to the executive management and the body responsible for governance, supervision and control of the general partner is adequate.	

The confirmations are based on the following audit procedures

6.1.5 Delegation of tasks / Outsourcing

Audit area	Audit field
Internal organisation	Delegation of tasks / Outsourcing

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. 119 CISO.

The delegation of investment decisions is to be treated in section No. 6.1.6.

Net risk

Intervention in the reporting year

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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.	
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

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6.1.6 Investment decision process

Audit area

Audit field

Internal organisation	Investment decision process
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Explanation

If the KmGK has a sustainability context the audit firm assesses if the sustainability criteria are adequately considered in the investment decision process.

Net risk

Intervention in the reporting year

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The investment decision process is appropriately structured taking into account the nature and extent of the business activities.	
The investment decision process corresponds to the legal documents as well as the partnership agreement approved by FINMA.	
In case of a delegation of the investment decisions the provisions according to Art. 119 CISO are respected.	
Investment decisions by authorised third parties are effectively monitored.	
The involvement of investment advisers in the investment decision process is adequate.	

No prohibited investments according to Art. 121 CISO occurred in the reporting period.	
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The confirmations are based on the following audit procedures

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6.1.7 Compliance with investment guidelines

Audit area

Internal organisation

Audit field

Compliance with investment guidelines

Explanation

<p>The audit firm assesses compliance with investment restrictions and the remediation of investment breaches for managed collective investment schemes and individual asset management.</p> <p>If the KmGK has a sustainability context the audit firm assesses if the sustainability criteria and/or restrictions (e.g. exclusions) are supervised adequately.</p> <p>The audit firm adopts a summary position on the material active investment breaches during the reporting year and states the measures taken to remediate the breaches. It also assesses whether passive investment breaches were rectified within an appropriate timeframe.</p>

Net risk

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Intervention in the reporting year

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The organisational and operational structure for monitoring investment restrictions and remediating investment breaches is appropriate.

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Investments correspond to legal restrictions as well as the partnership agreement.
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The monitoring of investment regulations and/or restrictions is appropriate.
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The measures taken to remediate investment breaches were appropriate and in the interests of the investor.
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The confirmations are based on the following audit procedures

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6.1.8 Valuation and NAV calculation

Audit area

Internal organisation

Audit field

Valuation and NAV calculation

Explanation

<p>The audit company assesses the valuation methods used and – if applicable – the corresponding international standards (e.g. EVCA, IPEV). Furthermore, it assesses if the valuation method corresponds to the legal as well as self-regulatory requirements approved by FINMA. If external valuers are used the audit company assesses the review of the external valuation by the supervised institution.</p> <p>The audit firm takes a position regarding any material valuation errors during the period under review, how they were managed and the appropriateness of the measures taken.</p>
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Net risk	Intervention in the reporting year
<input type="text"/>	<input type="text"/>
Internal directives and processes to value investments are appropriate.	<input type="text"/>
Determination of the market value as per Art. 88 CISA is correct and complies with legal and regulatory provisions.	<input type="text"/>
The confirmations are based on the following audit procedures	
<input type="text"/>	

6.1.9 Duties in relation to derivative transactions

Audit area	Audit field
Internal organisation	Duties in relation to derivative transactions
Net risk	Intervention in the reporting year
<input type="text"/>	<input type="text"/>
Internal directives and methods/processes relating to the settlement via a central counterparty are appropriate and were applied effectively (for audit depth "audit").	<input type="text"/>
Internal directives and methods/processes relating to notification duties to a trade repository are appropriate and were applied effectively (for audit depth "audit").	<input type="text"/>
Internal directives and methods/processes relating to risk-mitigation obligations are appropriate and were applied effectively (for audit depth "audit").	<input type="text"/>
Internal directives and methods/processes relating to the obligation to trade via trading venues and organised trading systems are appropriate and were applied effectively (for audit depth "audit").	<input type="text"/>
The confirmations are based on the following audit procedures	
<input type="text"/>	

6.1.10 Notification obligations

Audit area	Audit field
Internal organisation	Notification obligations
Net risk	Intervention in the reporting year
<input type="text"/>	<input type="text"/>
The institution complied with the provisions relating to notification obligations.	<input type="text"/>

The confirmations are based on the following audit procedures

6.1.11 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.

Advertising for financial instruments is clearly indicated as such.

The confirmations are based on the following audit procedures

6.2 Capital of the general partner

Audit area

Capital of the general partner

Audit field

Capital of the general partner

Net risk

Intervention in the reporting year

The provisions regarding the paid-up share capital of the general partner are respected (Art. 118 CISO).

The confirmations are based on the following audit procedures

6.3 Rules of conduct

6.3.1 Anti-money laundering provisions

Audit area

Rules of conduct

Audit field

Anti-money laundering provisions

Explanation

The audit firm records if the institution does not maintain any business relations to third parties, which are relevant according to the anti-money laundering provisions.

Net risk

Intervention in the reporting year

A General audit points:

The design of the organisational measures for compliance with anti-money laundering rules is appropriate.	
The management of high-risk business relationships is correct.	
High-risk transactions are managed correctly.	
Notification duties and asset freezes are performed correctly.	

B Identification:

The opening of business relationships (incl. identification of contracting party, determination of controlling persons, beneficial owners) is correct.		Year of last intervention

C Complex structures:

The management of business relationships with complex structures is correct.		Year of last intervention

D Politically Exposed Persons (PEP):

The management of business relationships with PEP is correct.		Year of last intervention

E Trade Finance & Sanctions:

The management of trade finance and sanctions is correct.		Year of last intervention

F Virtual Assets / Virtual Asset Service Provider:

Services in the context of Virtual Assets are provided correctly.		Year of last intervention

The confirmations are based on the following audit procedures

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References for supplements

(refer to FINMA audit points); mention other/additional audits
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6.3.2 Protection of investors' interests CISA

Audit area	Audit field
Rules of conduct	Protection of investors' interests CISA

Net risk	Intervention in the reporting year

The processes and controls to ensure the protection of investor's interests are appropriate.	
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Investors' interests are upheld.	
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The confirmations are based on the following audit procedures

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6.3.3 Conduct rules FinSA

Audit area

Audit field

Rules of conduct	Conduct rules FinSA
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Net risk

Intervention in the reporting year

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The processes and controls to ensure the compliance with the FinSA rules of conduct are adequate.	
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The FinSA rules of conduct are complied with.	
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The confirmations are based on the following audit procedures

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References for supplements

(refer to FINMA audit points); mention other/additional audits)

6.3.4 Market conduct rules and market integrity

Audit area

Audit field

Rules of conduct	Market conduct rules and market integrity
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Net risk

Intervention in the reporting year

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The internal directives and methods/processes for the identification, measurement, management and monitoring of risks in the area of market conduct are appropriate.	
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The rules of market conduct are complied with.	
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The confirmations are based on the following audit procedures

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References for supplements

(refer to FINMA audit points); mention other/additional audits)

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

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

10.1 List of delegations

10.1.1 Activities delegated by the limited partnership for collective investment to a third party

Supplement to audit field 6.1.5 Delegation of tasks/outsourcing

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) Annual report of the general partner including audited financial statements and auditor's report in accordance with Art. 728a OR
- b) Comprehensive report to the board of directors of the general partner according to Art. 728b para. 1 CO (taking into account the additional information according to FINMA Cir. 2013/3 Appendix 20)
- c) Audited financial statements of the limited partnership for collective investment
- d) Structure of the limited partnership for collective investments
- e) Organisational chart of the general partner
- f) Additional documents deemed relevant by the audit firm