

Media release

SFA welcomes FINMA recognition in respect of self-regulation for collective investment schemes

Basel, 28 April 2009 – The self-regulation codes of conduct drawn up by the Swiss Funds Association SFA, which have now been recognized as minimum standards by the Swiss Financial Market Supervisory Authority, will serve as a good aid for the fund industry and also benefit investors.

The SFA submitted the final versions of its codes of conduct to the Swiss Financial Market Supervisory Authority (FINMA) at the end of March 2009. On 27 April 2009, FINMA recognized these as minimum standards. These are:

1. the revised Code of Conduct for the Swiss Fund Industry, which has also been amended in line with the Collective Investment Schemes Act (CISA), and
2. the new Code of Conduct for Asset Managers of Collective Investment Schemes.

The former contains rules on aspects such as professional distribution, communications with investors, the voting behavior of fund management companies and SICAVs (investment companies with variable capital) and best execution, as well as the avoidance and disclosure of conflicts of interest. For example, the section on duties in respect of disclosure states that fund management companies and SICAVs must explain the investment character and investment suitability of the funds in a reader-friendly form and language in the sales documentation, making particular reference to the risks connected with a certain type of investment.

The second code of conduct which has been newly drawn up by the SFA applies to asset managers of all collective investment schemes domiciled in Switzerland that have received authorization from FINMA as asset managers of collective investment schemes pursuant to Art. 13 CISA. The list of all authorized asset managers can be found on the FINMA website (www.finma.ch). The code of conduct gives more specific guidance on duties required of asset managers by law, thus ensuring high standards in the asset management of funds and other collective investment schemes. Compliance with both codes of conduct will be monitored by the respective audit firms.

“The codes of conduct that have been recognized as minimum standards by FINMA are a key aid for the fund sector in that they provide additional specific implementing provisions drawn up by the industry for the pertinent requirements of the CISA,” said SFA President Martin Thommen. “Investors will also benefit as this ensures the greatest possible transparency in

respect of the funds offered on the Swiss fund market,” added SFA CEO Dr. Matthäus Den Otter.

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The Swiss Funds Association SFA was established in 1992, and its activities are focused on ensuring optimal frameworks for its 149 members in Switzerland. Its members include almost all Swiss fund management companies, numerous representatives and asset managers of collective investment schemes, as well as law firms, audit companies and other service providers in the fund and asset management sector. These cover around 95% of the assets of funds distributed in Switzerland. The SFA is a member of EFAMA and the IIFA, the European and international umbrella organizations of the fund and asset management industry.