

# SFAMA News

Spring edition

2015

<b>Introduction</b>	Fully committed to the fund industry	4
<b>In focus</b>	The future of asset management	5
<b>Latest news</b>	Deadlines coming up!	6
	Partial revision of the CISA and CISO	6
	Complete revision of the CISO-FINMA	6
	Transparency Guidelines	6
	Guidelines on the Distribution of Collective Investment Schemes	7
	SFAMA Code of Conduct	7
<b>Fund markets</b>	Key data on the international fund business	8
	Swiss fund market in 2014	9
	Increase in assets under management year-on-year	10
	Equity markets in 2014	11
	Swiss ETF market in 2014	12
	Key information on the ETF market	13
	SFAARI®	14
	Key figures on the Swiss financial center	15
<b>Domestic environment</b>	Extension of deadline for submitting fund documents	16
	Extension of implementation deadline set down in the Transparency Guidelines	16
	Transfer of supervision of audit firms	16
	Revision of the FINMA Anti-Money Laundering Ordinance	16
	Portfolio turnover rate in the case of foreign collective investment schemes	17
	Key Investor Information Document	17
	Third series of corporate tax reforms	17
	Debtor and paying agent principle for withholding tax	18
	International exchange of information in tax matters	18
	State Secretariat for International Financial Matters SIF	18
<b>International environment</b>	MiFID II	19
	AIFMD	20
	UCITS V	20
	ETFs and other UCITS issues	21
	PRIIPS	21
	Foreign Account Tax Compliance Act	22
	EU Financial Transaction Tax	22
<b>SFAMA activities</b>	New Members	23
	Specialist committees	23
	Upcoming events	24

<b>Swiss Fund Data</b>	Continuing growth	25
	New statistics tool	25
	ETF listing in the Neue Zürcher Zeitung	25
	New mobile website	25
<b>Interesting reading</b>	Friends of Funds	26
	Friends of Funds: public event calendar	26
	CISO-FINMA	27
	What CEOs of the asset management sector think	27
	EY Global ETF Survey 2015 and beyond	27
	ETFs 2020	27
	Digitalization in wealth management	28
	Reliance on manual processes impacting investment performance	28
	International financial and tax matters	28
	Federal, Cantonal and Communal Taxes	28
	Fiscal files for 2014	29
	Steuern kollektiver Kapitalanlagen	29
	Statistical Yearbook on Switzerland	29
<b>Impressum</b>	Useful informations and addresses	30



## Editorial

### Fully committed to the fund industry

#### Dear readers

Throughout 2014, SFAMA remained completely dedicated to its task of ensuring that Swiss market participants have the best possible environment for a successful future. We will continue to do so in 2015, focusing in particular on further increasing awareness of the asset management sector, largely via information and lobbying activities as part of the Asset Management Switzerland initiative. The latter is now being driven forward by broad-based support, with more and more decision makers from the fields of politics and business recognizing that asset management is a key mainstay of the Swiss financial industry.

Our membership numbers also highlight the fact the association's work is appreciated. SFAMA had 190 members at the start of 2015, and we are confident that we will break through the 200 mark in the course of the year.

#### Website redesigned

Many of you will already have noticed that the SFAMA website was completely revamped at the beginning of February 2015. After six years, SFAMA decided to give its Internet presence a facelift, not least with a view to enhancing user-friendliness.

The website now has a more modern feel, and particular emphasis was placed on transparency, with corresponding color coding and distinctive buttons for downloads and links. It will be regularly updated with new content in keeping with SFAMA's mission of providing information.

We hope you enjoy reading this issue !

Swiss Funds & Asset Management Association SFAMA



## In focus

### The future of asset management

#### Where private and institutional asset management intersect

The history of asset management in Switzerland has been shaped by the business with private clients. It is only in the more recent past that institutional investors have become a significant client segment. Such investors are set to have ever greater volumes of assets to manage, above all in areas such as funds, insurance and pension schemes. Where private and institutional asset management intersect there are synergies, but also differences.

These days, the average person with savings is not only a private investor, but also indirectly an institutional investor, even though they may not always be aware of it. The percentages of salaries paid into pension funds every month bring regular inflows of money into institutional asset management. This collectivization of private assets is further bolstered by the purchase of fund units or life insurance.

#### Differing needs

Where do the differences lie in terms of the requirements of these two categories of investors? Private investors primarily focus on good absolute performance and the avoidance of realized losses. In addition to these factors, institutional investors have a further primary concern: a clearly defined investment process. In private banking, the clients bear the responsibility for their investments and the risks themselves, whereas institutional investors are mostly acting on behalf of an institution and thus the economic beneficiaries. They also have to be regularly accountable to them.

#### Systematic and understandable investment process

Private banking is and will remain a people business, and individual dealings with clients will still be decisive in the future. Nevertheless, a systematic and readily understandable investment process – coupled with the corresponding communication – is essential for lasting investment success in private asset management as well. This is something that smaller institutions and clients are now also coming to realize, although their wishes are still often along the lines of the purchase and sale of individual securities and currencies. The massive influx of private money into collective investment schemes in recent years is nothing other than the first step in the institutionalization of private asset management.

#### Professionalism in private asset management

Increasing professionalism in the management of private assets means the latter will come to have more in common with institutional asset management. In addition to this, private clients are also increasingly demanding the advantages of institutional asset management – and will (have to) be offered them.

Report by Markus Fuchs, SFAMA Managing Director



## Latest News

### Deadlines coming up!

#### Reminder

In this section we highlight any significant deadlines coming up over the short term. This is aimed at assisting your planning, but it is by no means an exhaustive list.

### Partial revision of the CISA and CISO

**1 March 2013 –  
28 February 2018**

The transitional provisions regarding the amendments to the Collective Investment Schemes Act (CISA) of 28 September 2012 are to be found in Articles 158a – 158e CISA, and those governing the amendments to the Collective Investment Schemes Ordinance (CISO) of 13 February 2013 in Article 144c CISO. Barring any ruling to the contrary in the specific transitional provisions, the new provisions apply from the entry into force on 1 March 2013. In its Newsletter 48 dated 17 May 2013, FINMA added specific detail with regard to the authorization requirement for asset managers of collective investment schemes, as well as the applicable statutory transitional provisions for CISA institutions and collective investment schemes. It also provided a brief overview of amendments to regulations downstream from the CISA and CISO.

### Complete revision of the CISO-FINMA

**1 January 2015 –  
1 January 2017**

The transitional provisions regarding the complete revision of 27 August 2014 are set out in Article 118 CISO-FINMA. Barring any ruling to the contrary in the specific transitional provisions, the new provisions apply from the entry into force, i.e. from 1 January 2015.

### Transparency Guidelines

#### Guidelines on Duties Regarding the Charging and Use of Fees and Costs

**1 June 2015**

Representatives of foreign funds must submit fund contracts, investment regulations or sales prospectuses amended in line with these Guidelines to the supervisory authority for approval by no later than 1 June 2015.

**31 August 2015**

Fund management companies and SICAVs must submit fund contracts, investment regulations or sales prospectuses amended in line with these Guidelines to the supervisory authority for approval by no later than 31 August 2015.

**Ongoing**

With respect to the granting of rebates, compliance with the respective provisions is only required once the corresponding amendments have been made to the fund contract, investment regulations or sales prospectus.

**Guidelines on the Distribution of Collective Investment Schemes****30 June 2015**

Existing distribution agreements must be amended by no later than 30 June 2015. Compliance with the requirement in the Appendix „*Provisions for Distributors*“ is only required once the corresponding amendments have been made to the respective distribution agreements.

**SFAMA Code of Conduct****31 December 2015**

The SFAMA Code of Conduct entered into force on 1 July 2015. There will be a transitional period to 31 December 2015, during which fund management companies, investment companies with variable capital (SICAVs), limited partnerships for collective investment, investment companies with fixed capital (SICAFs), CISA asset managers, and representatives of foreign collective investment schemes, as well as their agents, are to carry out the necessary implementation work, in particular with regard to amending existing contracts.



## Fund markets

### Key data on the international fund business

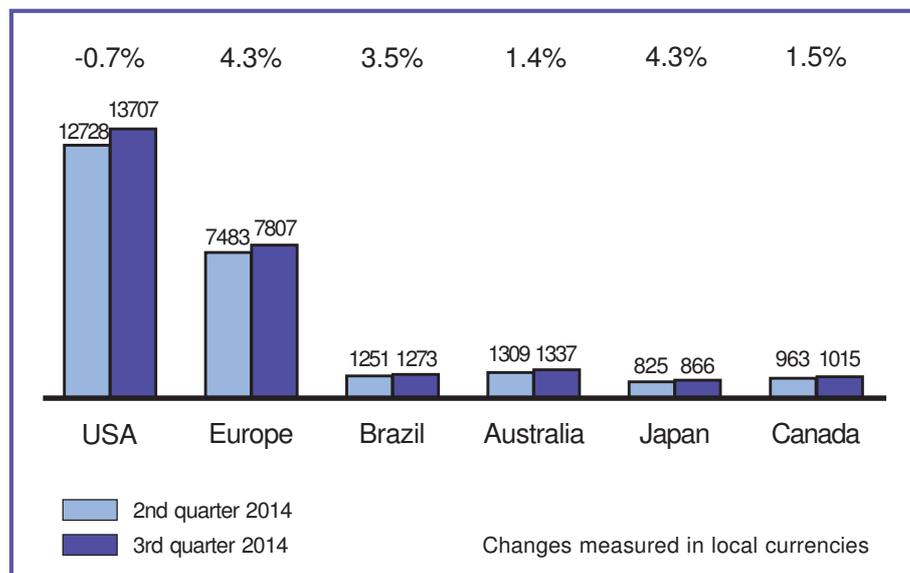
#### EUR 27.24 trillion in fund assets worldwide

Fund volumes picked up markedly in Q3 2014, reaching the highest level ever recorded. As at the end of September, the total volume stood at EUR 27.24 trillion, an increase of around 14.5% over the beginning of the year (EUR 23.79 trillion). The upward trend with rising fund volumes that has been persisting longer-term thus continued, with the increases mostly being uniform.

#### Growth virtually across the board

Measured in local currency terms, and taking into account funds of funds, growth was positive across the board in Q3 2014 with the exception of the US. As at the end of September 2014, fund assets in the US totaled around EUR 13.7 trillion. According to the latest EFAMA report, around EUR 7.8 trillion was invested in funds in Europe. The clear appreciation of the USD vs the EUR (up around 7.8% in the review period) is visibly reflected in the results.

#### Geographical trends in investment fund assets in Q3/14 (in EUR billions)

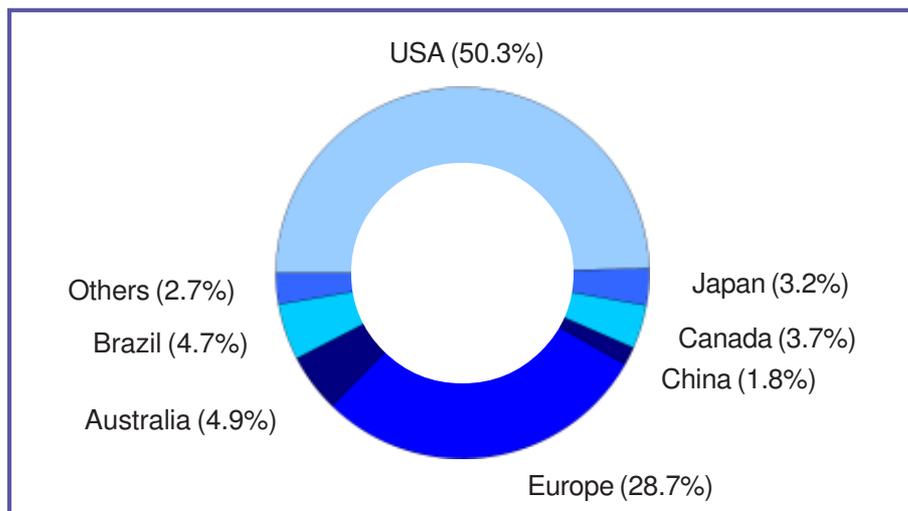


Source: EFAMA International Statistical Release, January 2015

#### Scarcely any change in the international breakdown

Comparing the figures ascertained by EFAMA, both the US and Europe showed relatively stable shares in the fund assets invested worldwide as at the end of September 2014. With a 4.9% share, Australia held on to third spot just ahead of Brazil (4.7%). If non-UCITS assets were also taken into account, Europe's market share would be around 36.3%.

### Geographical trends in investment fund assets by end of September 2014 (in EUR billions)



Source: EFAMA International Statistical Release, January 2015

### Swiss fund market in 2014

#### Cooperation between SWISS FUND DATA III and



Swiss Fund Data AG, a subsidiary of the Swiss Funds & Asset Management Association SFAMA and SIX Swiss Exchange Ltd, has been publishing new statistics for the Swiss fund market together with Morningstar Switzerland GmbH since the beginning of 2014. The market data of the two companies are brought together and published by Swiss Fund Data AG in the form of public market statistics and via a monthly statistics subscription service. This offering is complemented by the regular market commentaries from SFAMA, which cover the development of the Swiss fund market.

#### Fund volumes around CHF 864.4 billion

According to the statistics on the Swiss fund market, the total volume stood at around CHF 864.4 billion at the end of December 2014, an increase of CHF 35.2 billion quarter-on-quarter (4.25%). The figures are based on the FINMA authorization list and cover all funds under Swiss law as well as all foreign funds authorized for public sale in Switzerland, including unit classes for qualified investors.

#### Development of fund assets since october 2014

Fund category	Volumes 30.09.2014	Volumes 31.12.2014	Overall change
Equities	323.5	336.6	+ 13.1
Bonds	254.6	268.0	+ 13.4
Money Market	61.4	63.5	+ 2.1
Asset Allocation	100.1	105.8	+ 5.7
Others	3.9	5.1	+ 1.2
Natural resources *	20.5	19.0	- 1.5
Alternatives *	33.9	34.5	+ 0.6
Real Estate	31.3	31.9	+ 0.6
<b>Total Swiss Market</b>	<b>829.2</b>	<b>864.4</b>	<b>+ 35.2</b>

Source: Swiss Fund Data AG / Morningstar (in CHF billions)

Broken down by asset class, equity funds still have the largest share at about 39%, followed by bond funds with around 31%. Asset allocation funds remain in third spot with just over 12%.

### Increase of 598 funds

At the end of 2014, there were 8,216 funds authorized for public distribution in Switzerland, a net increase of 598. Of these, 1,515 (+68) were funds under Swiss law and 6,701 (+530) were funds under foreign law, the latter category being dominated by Luxembourg-law products (up 401 to 4,539).

The new legislation bolstered the market activities of many providers, resulting in a net increase of 598 funds. Over the course of the year, 1,119 foreign collective investment schemes were newly approved, while 589 were removed from the register. The corresponding figures for Swiss-law products were a total of 116 new approvals, with 48 funds removed from the register. Of the 1,515 Swiss-law funds, 734 were authorized by FINMA exclusively for distribution to qualified investors (please see also the table below).

### Development of number of funds by type of fund / fund domicile

(in brackets: funds for qualified investors)

Fund type / Fund domicile	As of end- December 2013		As of end- December 2014		Change in the year 2014	
<b>Swiss funds</b>	<b>1447</b>	<b>(694)</b>	<b>1515</b>	<b>(734)</b>	<b>68</b>	<b>(40)</b>
Swiss limited partnerships	16	(16)	18	(18)	2	(2)
Securities funds	141	(0)	141	(0)	0	(0)
Other funds for trad. investm.	1182	(646)	1244	(681)	62	(35)
Other funds for altern. investm.	62	(17)	63	(17)	1	(0)
Real estate funds	46	(15)	49	(18)	3	(3)
<b>Non-Swiss funds</b>	<b>6171</b>		<b>6701</b>		<b>530</b>	
Luxemburg	4138		4539		401	
Ireland	1088		1223		135	
Other countries	945		939		- 6	
<b>Total Swiss and Non-Swiss</b>	<b>7618</b>	<b>(694)</b>	<b>8216</b>	<b>(734)</b>	<b>598</b>	<b>(40)</b>

Source: FINMA (as of the beginning of January 2015)

### Stable share for Swiss-domiciled funds

The ratio of foreign funds to collective investment schemes under Swiss law has remained fairly constant at around 4:1 over recent years. Luxembourg and Ireland are by far the largest foreign domiciles of funds authorized here in Switzerland. With a total of 5,762 products, their market share had even increased slightly at the end of 2014 to nearly 86%. France held on to third spot, followed by Liechtenstein and the UK.

### Increase in assets under management year-on-year

### Securities totaling CHF 5.6 trillion held in Swiss custody accounts

The securities holdings in client custody accounts at Swiss banks showed a respectable increase over the course of last year. According to the SNB statistics published in February, the figure stood at CHF 5.6 trillion at the end of December 2014. This represents a rise of 9.18% from the already relatively high level of CHF 5.1 trillion recorded at the beginning of the year. The increase was fairly steady over the months, with only the first quarter showing a slight stagnation.

According to the SNB Monthly Statistical Bulletin for February 2015, the securities holdings of non-resident clients rose by 8.4% to CHF 3 trillion. In the case of resident clients there was an increase of some 10.1%, bringing their holdings to CHF 2.56 trillion. At nearly 54%, the share of non-resident clients in the securities holdings was only marginally lower than in the previous year.

### Mixed showing with regard to fund weightings between resident and non-resident clients

In terms of the fund holdings as at the end of December, there were clear increases for both resident clients (up 16.7% to CHF 983 billion) and their non-resident counterparts (up 13.3% to CHF 811 billion). As regards fund weightings, the trends were a mixed bag over the course of the year. That of resident custody account clients rose steadily from 36.1% at the beginning of the year to 38.3% as of the end of December 2014. Meanwhile, the weighting for non-resident custody account clients fluctuated between 25.2% and 27.2% and currently stands at 27.0%.

### Development of securities holdings

Category	Domestic		Foreign		Total	
	2013	2014	2013	2014	2013	2014
Money market paper	27	26	37	43	63	69
Bonds	691	724	557	560	1248	1284
Equities	732	795	1311	1426	2044	2221
Coll. investments	842	983	716	811	1557	1794
Struct. products	37	36	147	161	184	197
Other securities	0	0	0	0	1	0
<b>Total</b>	<b>2329</b>	<b>2564</b>	<b>2768</b>	<b>3001</b>	<b>5097</b>	<b>5565</b>

Source: SNB, Monthly Statistical Bulletins (figures in CHF billions)

### Equity markets in 2014

#### Difficult year on the stock markets with various influencing factors

2014 was a veritable rollercoaster ride for investors on the stock markets. Taken over the year as a whole, however, the performance gains were mostly rather modest. There was no shortage of events keeping the equity markets on the move, with the Ukraine conflict, the rise of Islamic State, the slump in the price of oil, the resurgence of Europe's debt crisis, and the expiry of the US Federal Reserve's bond buying program. And at the end of the year, there came the uncertainty with the fresh elections in Greece.

#### Confidence from previous year soon curbed

Shortly before the start of 2014, most forecasts predicted the equity markets in an uptrend, this despite the fact that corporate earnings were tending to decline. Confidence in the strengthening of the global economy was more wishful thinking. Equities posted only moderate gains in the first three months of 2014, with some even slipping clearly into negative territory.

#### Volatile spring

The second quarter saw exceptional levels of volatility on the global stock markets. Share prices trended lower, in particular due to the economic data coming out of Europe. Hopes of an economic recovery alternated with fears of a reduction in the injections of liquidity. Toward

the middle of 2014, the European indexes were back close to the levels set at the start of the year.

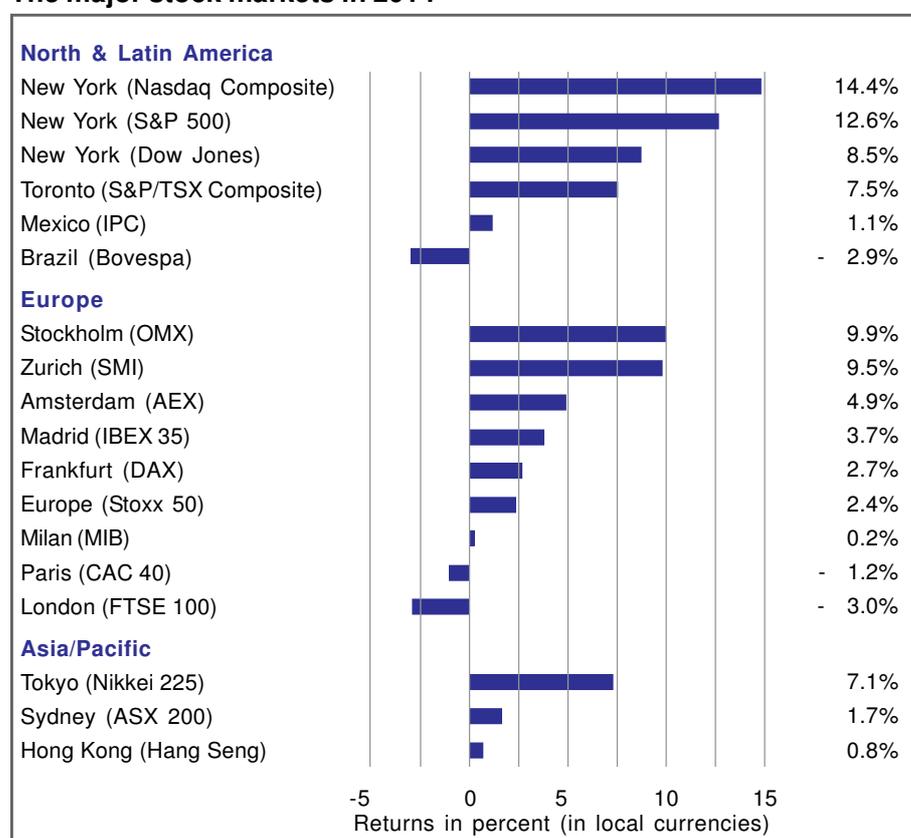
### Upswing in the summer

The European equity markets posted a very positive showing from the end of June, with pleasing share price gains. Performance in the third quarter was driven primarily by political decisions and the massive amounts of liquidity provided by the central banks, in clear contrast to the economic developments. The euro debt crisis had an increasingly strong impact on the growth of the global economy.

### Year ends with mixed feelings

The correction that set in on the equity markets in September lasted a few weeks, and was followed by a surprisingly rapid recovery. One of the main factors driving the share price gains was the declining oil price. Countries lacking in natural resources benefit most from falling oil prices. Meanwhile, Russia was hit especially hard, and this was further exacerbated by the sanctions imposed by the West.

### The major stock markets in 2014



Source: NZZ of 31.12.2014

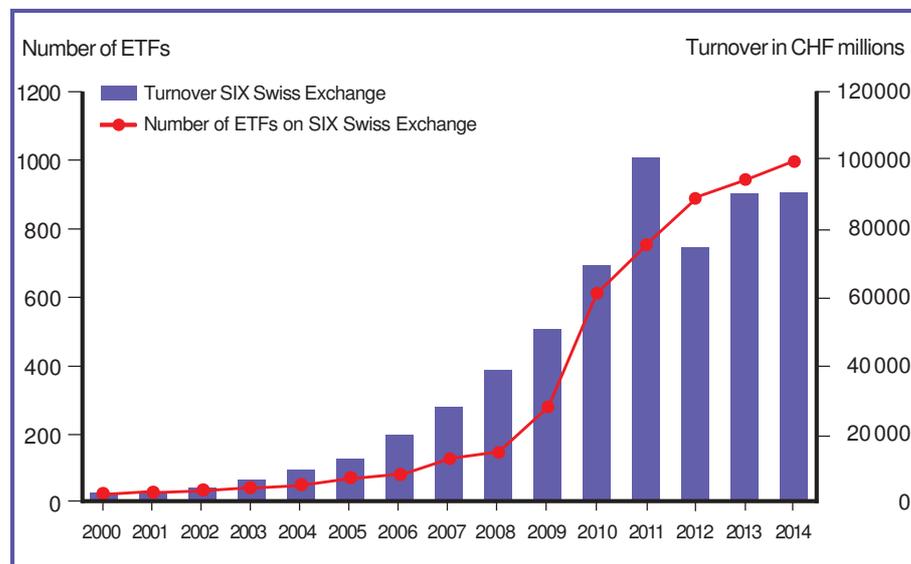
### Swiss ETF market in 2014

### Steady turnover for exchange-traded funds

The turnover of exchange-traded index funds was curbed slightly for the first time in 2012, but ETFs resumed their success story in 2013 and maintained this in 2014. Turnover of the corresponding products remained more or less constant, reaching the second-highest level ever recorded at CHF 90.8 billion. As of the end of 2014, there were

988 ETFs listed on the SIX Swiss Exchange. In terms of investment focus, ETF products covering traditional equity markets were out in front with a 29% share. Bond ETFs have a 20% share of the market with 198 products. Meanwhile, there were a total of just 89 ETFs listed for commodities and precious metals. As regards trade sizes, the median was lower than ever before at CHF 14,081.

### Turnover and number of ETFs at SIX Swiss Exchange since year 2000



Source: SIX Swiss Exchange

### Key information on the ETF market

#### Record inflow of capital in January

European Central Bank President Mario Draghi helped make it a happy start to the New Year for providers of exchange-traded products traded in Europe, with the announcement of the ECB's extremely easy monetary policy leading to an inflow of USD 13.7 billion into such funds. This is 22% of the figure achieved in 2014 as a whole, which was itself a record year, according to a global study published by BlackRock. The strong inflows in January were posted primarily by pan-European equity ETPs (+ USD 8.4 billion), and also fixed-income products, which attracted USD 13 billion worldwide. Currency-hedged ETPs were also popular in January, posting USD 6.9 billion in net new money. This comes as little surprise given the turbulence on the forex markets.

#### 1,000 ETFs listed for trading in Switzerland

Even managers of actively managed funds cannot dispute the fact that trading in index products has been enjoying a boom since the turn of the century that shows no sign of abating. At the end of February, SIX Swiss Exchange announced that the number of ETFs listed for trading in Switzerland now exceeds 1,000 products. This psychologically important threshold was crossed with the listing of a further five funds on SIX by UBS. This segment began on the Swiss Exchange back in 2000 with two products on the European STOXX equity indexes. Since then, the number of ETFs has risen rapidly year after year, and a further 162 products were added in 2014 alone.

## Many of the largest funds worldwide are passively managed

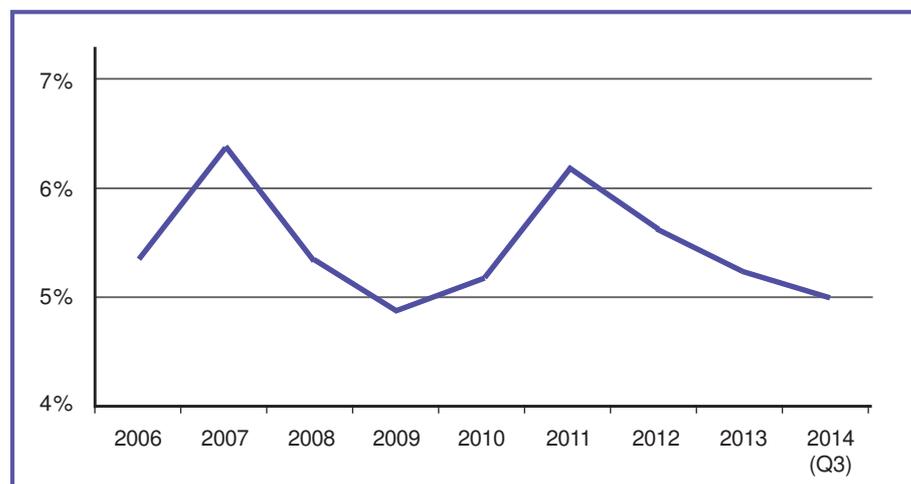
The ten largest funds in the world together manage a scarcely conceivable total of just under EUR 1.8 trillion. Analysis conducted by the Vienna-based firm e-fundresearch.com shows that six of these ten funds are passively managed, while only four portfolios pursue an active investment approach. However, „passive“ in this instance does not automatically mean ETFs: in fact, there is only one ETF in the top ten, the remaining five passive products being run as index funds. The top ten funds show the US continuing to hold sway in the global fund business, with all ten products currently domiciled in the United States. The largest fund at present is Vanguard Total Stock Market Index Fund (volume in excess of EUR 300 billion); in second spot is SPDR S&P 500 ETF Trust with a volume of around EUR 200 billion.

## SFA ARI®

### Yield on investment indicator for real estate funds in Switzerland

The then SFA launched the SFA ARI® at the end of April 2012 with a view to making it possible to compare the actual yields of listed Swiss real estate funds at the product level. This indicator is based on the investment yield statistics and is calculated quarterly (January, April, July, October) by Swiss Fund Data AG on the basis of the respective annual reports. The fund universe comprises the real estate funds listed on the SIX Swiss Exchange that make direct real estate investments in Switzerland, with Switzerland being their sole investment country. Funds of funds and Swiss funds that invest directly outside Switzerland are excluded.

### Development of the SFA ARI® since 2006



Source: Swiss Fund Data

### Current yield

The current investment yield as measured by the SFA ARI® stands at 4.99%. This figure is based on the annual reports as at 30 September 2014, and is lower compared with last quarter (down 0.11 of a percentage point). 26 real estate funds with net assets totaling CHF 25.9 billion were included in calculating the current figure.

## Key figures on the Swiss Financial Center

### Handy booklet format

Twice a year, the State Secretariat for International Financial Matters publishes up-to-date figures on Switzerland as a location for financial services. This useful summary publication is available for download and can also be ordered free of charge in a handy booklet format.

<http://www.sif.admin.ch> (Rubric «dokumentation»)



## Domestic environment

### Extension of deadline for submitting fund documents

#### Transitional provision pursuant to Art. 158a para. 1 CISA

FINMA confirmed in writing on 29 January 2015 its approval of SFAMA's application for an extension to the deadlines set down in Art. 158a paras. 1 and 3 CISA. Fund management companies, SICAVs, and limited partnerships for collective investment thus have until 31 August 2015 to submit amended fund contracts, fund regulations and partnership agreements to FINMA for approval (Art. 158a paras. 1 and 3 CISA). The model documents not yet available are being worked on as a top priority so that these can be provided to the fund industry as soon as possible.

### Extension of implementation deadline set down in the Transparency Guidelines

#### Transitional provision pursuant to margin note 31

SFAMA has decided to extend the implementation deadline specified in margin note 31 of the Transparency Guidelines for fund documents to be amended in line with the guidelines. Fund management companies / SICAVs now have until 31 August 2015 to submit amended fund contracts, fund regulations or sales prospectuses to FINMA for approval. The implementation deadline for representatives of foreign funds remains unchanged at 1 June 2015. FINMA acknowledged the extension of this deadline on 29 January 2015.

### Transfer of supervision of audit firms

#### FINMA publishes revised circular on auditing

The Swiss Financial Market Supervisory Authority FINMA has published its partially revised circular on auditing (FINMA Circ. 2013/3). Following the transfer of supervision of audit firms from FINMA to the Federal Audit Oversight Authority (FAOA), adjustment of the legal basis was necessary. Following these changes, FINMA's „Auditing“ circular was partially revised and put out for consultation. It entered into force on 1 January 2015.

<http://www.finma.ch/e/aktuell/pages/mm-rs-pruefwesen-20141215.aspx>

### Revision of the FINMA Anti-Money Laundering Ordinance

#### Consultation

The Swiss Financial Market Supervisory Authority FINMA has opened consultations on the draft revised version of the FINMA Anti-Money Laundering Ordinance. The revised ordinance reflects the revisions

made in the Anti-Money Laundering Act of 12 December 2014 as well as changes to international standards, namely the Financial Action Task Force recommendations. Insights gained from supervisory practice and recent market developments have also been taken on board. The deadline for submitting comments on the draft ordinance is 7 April 2015.

<http://www.finma.ch/e/aktuell/pages/mm-revision-gwv-20150211.aspx>

## Portfolio turnover rate in the case of foreign collective investment schemes

### PTR disclosure no longer mandatory

According to the latest FINMA checklists for semi-annual / annual reports for foreign collective investment schemes / UCITS and non-UCITS, the disclosure of the PTR is no longer mandatory for accounting years beginning on or after 1 January 2015.

G: <http://www.finma.ch/beanspruchte/kollektivekapitalanlagen/Selbstauslandsche/kollektivekapitalanlagen.aspx>

F: <http://www.finma.ch/beanspruchte/kollektivekapitalanlagen/pages/auslandsche/kollektivekapitalanlagen.aspx>

## Key Investor Information Document

### Frequently Asked Questions

In mid-January 2015, SFAMA published a new version of its FAQs on its website (both as a „clean“ version and in „track changes“ mode). Discussions with FINMA in the meantime have resulted in amendments being made to the following two questions:

Question 19, p. 10: Do we need a KIID for a non-launched share class?

Question 8, p. 29: CISO Annex 3 - Article 5.6 states „for a fund which does not yet have performance data for one complete calendar year, a statement shall be included explaining that there is insufficient data to provide a useful indication of past performance to investors“. Does this mean that an empty chart should be displayed or that no chart should be displayed?

[www.sfama.ch](http://www.sfama.ch) (Publications / Frequently Asked Questions)

## Third series of corporate tax reforms

### SFAMA's position

SFAMA's „Taxes“ specialist committee analyzed the draft submitted for consultation, focusing in particular on possible implications for collective investment schemes and their investors. In its comments on CTR III, SFAMA decisively set out its position regarding refraining from a capital gains tax in addition to wealth tax. The detailed position has been published on our website.

[www.sfama.ch](http://www.sfama.ch) (Publications / Statements)

## Debtor and paying agent principle for withholding tax

### Federal Council launches reform to strengthen capital market

The Federal Council is seeking to refine the withholding tax system. Its aim is to facilitate the raising of capital within Switzerland, while at the same time increasing systemic stability since the reform will cover the issuance of certain financial instruments by big banks. The reform will also mean the tax will be better able to play its safeguard role. The Federal Council submitted for consultation a corresponding bill on the debtor and paying agent principle for withholding tax in mid-December 2014. The consultation period will run to 31 March 2015.

### SFAMA's position

SFAMA's „Taxes“ specialist committee is currently analyzing the draft, focusing in particular on possible implications for collective investment schemes and their investors.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=55731>

## International exchange of information in tax matters

### Federal Council initiates two consultations

In mid-January 2015, the Federal Council launched two consultations on the international exchange of information in tax matters, aimed at enabling the automatic exchange of information (AEOI). One bill concerns the OECD/Council of Europe administrative assistance convention signed by Switzerland in 2013. The second concerns Switzerland's participation in the Multilateral Competent Authority Agreement and the AEOI implementing act.

### Further steps

Both consultations will run until 21 April 2015. The Federal Council's dispatches are expected to be submitted to parliament in summer 2015, allowing the draft legislation to be debated from autumn 2015. The legal basis could therefore come into force from the beginning of 2017, even with a possible referendum. The first automatic exchange of information would then take place in 2018.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=55889>

## State Secretariat for International Financial Matters SIF

### Newsletter

The SIF Newsletter provides regular information on the latest developments in the business areas covered by the State Secretariat for International Financial Matters. It is published three to four times a year in German and French.

<http://www.sif.admin.ch> (Rubric Documentation / Publications)



## International environment

### MiFID II

#### Investor information

On 11 December 2015, the European Securities and Markets Authority (ESMA) published a peer review of how national regulators supervise MiFID conduct of business rules on providing fair, clear and not misleading information to clients. The report found that there was a high degree of compliance overall, with good practices identified in key areas. However, a variety of approaches were observed, leading to differing intensity in supervision. A number of areas for improvement were identified.

Press release:

<http://www.esma.europa.eu/news/Press-Release-ESMA-reviews-supervisory-practices-MiFID-investor-information>

#### Level 2 measures

On 19 December 2014 the ESMA published the following MiFID II Level 2 materials:

- Final technical advice to the European Commission on delegated acts  
<http://www.esma.europa.eu/content/Technical-Advice-Commission-MiFID-II-and-MiFIR>
- Consultation Paper on draft technical standards  
<http://www.esma.europa.eu/consultation/Consultation-MiFID-II-MiFIR>

The ESMA final technical advice contains final proposals and recommendations to the European Commission for the delegated acts which will concretize the Level 1 provisions of MiFID II and MiFIR. Topics discussed intensively such as inducements or disclosure of costs and charges are covered by this advice. It is assumed that the European Commission will adopt the delegated acts next June. The member states will have to transpose the delegated acts into their national legislations by July 2016. The consultation paper on the regulatory and implementing technical standards includes topics such as transparency. Taking into account the answers to this consultation paper (deadline: 2 March 2015) ESMA will present draft regulatory technical standards to the Commission by mid-2015. It is assumed that these will be implemented and published in all member states by July 2016. SFAMA informs its members regularly with circulars (cf. circular 05/2014, 03/2015).

#### Cost-benefit-analysis

On 22 December 2014 the ESMA published a preliminary cost-benefit-analysis in respect of regulatory and implementing technical standards it proposes for MiFID II. The analysis should be read together with the consultation paper and draft standards published on 19 December by ESMA. It covers most of the topics ESMA is mandated with on Level 2. A full and all-encompassing analysis will follow together with the publication of the final technical standards on MiFID II.

Analysis:

[http://www.esma.europa.eu/system/files/consultation\\_paper-annex\\_a\\_cba\\_final.pdf](http://www.esma.europa.eu/system/files/consultation_paper-annex_a_cba_final.pdf)

## Open Hearing

On 23 February 2015 the ESMA published the videos of the open hearing on its consultation paper on MiFID II/MiFIR, which took place on 19 February in Paris.

Videos:

<http://www.esma.europa.eu/content/Recording-ESMA-Open-Hearing-MiFID-II-MiFIR-19-February-2015>

## Addendum Consultation Paper

On 18 February 2015 the ESMA published a consultation paper which complements the transparency section of the consultation paper on MiFID II/MiFIR published on 19 December 2014. It covers the following non-equity asset classes: (1) foreign exchange derivatives; (2) credit derivatives; (3) other derivatives; and (4) contracts for difference. The consultation runs until 20 March 2015.

Consultation paper:

<http://www.esma.europa.eu/content/Addendum-Consultation-Paper-MiFID-II-MiFIR>

## AIFMD

### Asset Segregation

On 1 December 2014 ESMA published a consultation paper on the AIFMD asset segregation requirements. ( This consultation paper sets out ESMA's proposals for possible guidelines regarding the asset segregation requirements in case of delegation of safe-keeping duties by the appointed depositary of an AIF. The depositary provisions – and, in particular, those on asset segregation – are a key aspect of the AIFMD framework and are aimed at improving investor protection. The consultation ran until 30 January 2015. ESMA aims at publishing a final report on the guidelines in the second quarter of 2015.

Consultation paper:

<http://www.esma.europa.eu/consultation/Consultation-Guidelines-asset-segregation-under-AIFMD>

### Update Q&As

On 9 January 2015 the ESMA published updated questions and answers on the application of the AIFMD. The purpose of this document is to promote common supervisory approaches and practices. It is aimed at competent authorities under AIFMD.

Q&As:

[http://www.esma.europa.eu/system/files/2015-11\\_qa\\_aifmd\\_january\\_update.pdf](http://www.esma.europa.eu/system/files/2015-11_qa_aifmd_january_update.pdf)

## UCITS V

### Advice on delegated acts

On 28 November 2014 the ESMA submitted its technical advice to the European Commission on delegated acts required by UCITS V. On 3 July 2014 ESMA received a provisional request from the European Commission for technical advice on the content of two of the delegated acts on depositaries required by UCITS V. ESMA published a consultation paper on 26 September setting out the draft technical advice on those delegated acts. That consultation

closed on 24 October. This report sets out ESMA's final advice to the Commission in light of the feedback from stakeholders.

Final report:

<http://www.esma.europa.eu/system/files/2014-1417.pdf>

## ETFs and other UCITS issues

### Update Q&A

On 9 January 2015 the ESMA published updated questions and answers on the revised UCITS framework. The purpose of this document is to promote common supervisory approaches and practices in the application of the UCITS Directive and its implementing measures, with a specific focus on the guidelines on exchange-traded funds (ETFs) and other UCITS issues.

Q&As:

[http://www.esma.europa.eu/system/files/2015-12\\_qa\\_etf\\_guidelines\\_january\\_update.pdf](http://www.esma.europa.eu/system/files/2015-12_qa_etf_guidelines_january_update.pdf)

### Discussion paper

On 23 December 2014 the ESMA published a discussion paper on different share classes of UCITS. The UCITS Directive recognises the possibility for UCITS to offer different share classes to investors but it does not prescribe whether, and to what extent, share classes of a given UCITS can differ from each other. ESMA identified diverging national practices as to the types of share class that are permitted, ranging from very simple share classes e.g. with different levels of fees, to much more sophisticated share classes e.g. with potentially different investment strategies. Therefore, ESMA sees merit in developing a common understanding of what constitutes a share class of UCITS and of the ways in which share classes may differ from each other. The closing date for responses to the paper is 27 March 2015.

Discussion paper:

<http://www.esma.europa.eu/content/Discussion-Paper-Share-classes-UCITS>

## PRIIPS

### Key information documents

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA) published on 17 November 2014 a discussion paper on key information documents (KIDs) designed to help retail investors in the EU better understand and compare packaged retail and insurance-based investment products (PRIIPs) across the EU. The European Supervisory Authorities were looking for feedback from all concerned stakeholders by 17 February 2015.

Discussion paper:

<http://www.esma.europa.eu/content/Discussion-Paper-Key-Information-Documents-Packaged-Retail-and-Insurance-based-Investment-Pr>

## Foreign Account Tax Compliance Act

### Updates

Das IRS stellt auf ihrer Homepage fortlaufend Aktualisierungen zur Verfügung, etwa diverse Dokumente und Formulare sowie auch FAQs zu verschiedenen Aspekten.

<http://www.irs.gov/Businesses/Corporations/FATCA-Registration>

## EU Financial Transaction Tax

### Another statement of intent by EU Finance Ministers

At ECOFIN Council's meeting end of January 2015, 10 participating Member States released a Joint Statement reaffirming their commitment to implementing an EU FTT from 1 January 2016. Whilst there is little detail at this stage as to the scope of any such tax, the Joint Statement suggests a move back to a broader scope of tax, but with lower rates than proposed in the February 2013 Commission proposal. Given the lack of consensus towards the end of 2014 amongst the EU-11, the developments are somewhat surprising.

PwC Global FS Tax Newsflash:

<http://www.pwc.ch/nachrichten/de/16882/>



## SFAMA activities

### New members

#### One additional member

The Board of Directors and the Executive Board were pleased to welcome the following new member to the SFAMA in Q1 2015:

- Procimmo AG, Zurich

### Specialist committees

#### Highly active

The specialist committees essentially undertake the preparatory work for decisions relating to their specific areas, which they then submit to the Board of Directors and the Executive Board. The individual committees were/are actively involved with the following **issues**.

#### Alternative Investments

Hans-Jörg Baumann

- Discussion of the specialist committee concept for covering regulatory themes in the asset management area
- Detailed discussions on extending the committee with representatives from the commodities sector
- Analysis of the impact of MiFID II / FFSA on the Swiss alternative investments business

#### Asset Management

Gérard Fischer

- Function as „sounding board“ for the Asset Management Initiative Switzerland
- Involvement in various project groups under the Asset Management Initiative Switzerland

#### ETF

Stephan Müller

- Continuing the discussion regarding price-setting mechanisms for ETFs and other exchange-traded instruments
- Evaluation of the possible impact of FFSA on the ETF business

#### Real Estate Funds

Roger Hennig

- Roger Hennig took over from Riccardo Boscardin as chair at the beginning of 2015
- Amending SFAMA's model documents in line with the partially revised CISA and CISO and the Transparency Guidelines
- Revising and amending the Guidelines for Real Estate Funds in line with the partially revised CISA and CISO

#### Processes & Operations

Martin Jufer

- Acknowledging the SCSF Strategy 2014-16
- The complete revision of the CISO-FINMA and its implications for SFAMA's model documents
- Transitional regime for the PTR in the case of foreign collective investment schemes
- Revision of AMLO-FINMA

**Legal & Compliance**

Delphine Calonne (a.i.)

Domestic

- Partial revision of the CISA: amendment of self-regulation material (extension of CISA/CISO and Transparency Guidelines deadlines)
- Completely revised CISO-FINMA: amendment of SFAMA's model documents
- FMIA: submission by SFAMA and follow-up regarding the CEAT meeting on 9 February 2015
- Planned revision of Lex Koller
- Reform of company law: implementing OaEC

EU level

- AIFMD: passport for third countries (ESMA Call for Evidence and coordination with FINMA, SIF, and SBA)
- MiFID II: Level 2 measures (final technical advice on delegated acts in respect of investor protection, issued by ESMA on 19 December 2014)
- UCITS V: Level 2 measures regarding depositaries
- PRIIPS: Level 2 measures / ESA discussion paper – EFAMA position

**Taxes**

Hanspeter Kurz

- Paying agent tax in Switzerland
- Stamp duty in the case of single-investor funds
- Law of Swiss Corporate Tax Reform III (CTR III)
- Automatic exchange of information
- Financial Transaction Tax
- Foreign Account Tax Compliance Act

**Distribution & Marketing**

Markus Signer

- Future fund distribution under the Federal Financial Services Act (FFSA) and Financial Institutions Act (FinIA) as submitted for consultation
- Clarification of the classification / standardization of unit classes for improved transparency

**Upcoming events****27 March 2015 in Bern****Swiss Funds & Asset Management Forum**

This year's Swiss Funds & Asset Management Forum again offers an attractive program. Expert speakers will address the impact of the various regulatory developments in Switzerland and abroad, and the outlook for the Swiss fund and asset management sector. We are also looking forward to a first-class panel debate with Karin Oertli (Head UBS Global Asset Management Switzerland), Martin Huber (Senior Partner and Global Leader of Wealth & Asset Management Practice at McKinsey & Company, Inc.) and Christian Hinze (CEO BlackRock Asset Management Switzerland Limited). At the 2015 forum, you will also have the opportunity to enjoy interesting discussions with other members, invited guests, and the speakers.

[www.sfama.ch](http://www.sfama.ch) (Events)



## Swiss Fund Data AG

### Continuing growth

#### New partners

Swiss Fund Data has continued on its growth path, and has been able to add the following fund providers to the group of companies using its services:

- EuroTrust JSC
- GFG Groupe Financier de Gestion S.A.
- IFM Independent Fund Management AG
- Jupiter Asset Management Ltd.
- Leumi Private Bank Ltd.
- Pergam Funds SICAV
- Stryx International Funds plc

### New statistics tool

#### Numerous test accounts issued

The fund market statistics tool developed together with Morningstar was made available to interested parties free of charge from 1 January to 31 March 2015, and attracted considerable interest. A total of 62 test accounts were provided. Users were able to explore all the functions of the new web-based tool for Swiss fund market statistics during Q1, analyzing the data independently in line with their own needs.

### ETF listing in the Neue Zürcher Zeitung

#### Direct from the SFD system

Since the beginning of January, Swiss Fund Data is the exclusive provider of ETF data published in the funds section of the Neue Zürcher Zeitung. The data are compiled directly from the Swiss Fund Data system, and made ready for printing in cooperation with MDD.

### New mobile website

#### Planned for after the summer vacation

In response to mounting demand, by the end of summer 2015 a mobile version of the [www.swissfunddata.ch](http://www.swissfunddata.ch) platform will be launched. This will enable investors to access information on key aspects such as NAVs, performance, documents, contacts, etc. at any time via their mobile devices.



## Interesting reading

### Friends of Funds

#### In partnership with SFAMA

The Swiss Funds & Asset Management Association SFAMA has a long-standing partnership with the neutral discussion forum Friends of Funds. The dates and topics for the events through to the beginning of July 2015 in Zurich and to the end of 2015 in Geneva are as follows:

#### Save the date

Events in Zurich (cycle 23)

- 17.03.15 Process management in the fund business: never touch a running system?
- 14.04.15 Initiative to promote Switzerland as an asset management location: initial results?
- 05.05.15 Current trends in active investment approaches
- 09.06.15 Alternative investment funds: markets, products and regulation
- 30.06.15 Investment compliance: key factors and operational implementation

#### Save the date

Events in Geneva (cycle 9)

- 03.06.15 Illiquid products and their role in current asset allocations
- 08.09.15 FFSA, FinIA, MiFID, etc.: Switzerland's new financial market architecture
- 01.12.15 New challenges facing custodian banks

Further information on the events in Zurich and Geneva, where available, can be found on the forum's website at

[www.friends-of-funds.ch](http://www.friends-of-funds.ch)

### Friends of Funds: public event calendar

#### Free of charge

Since fall 2010, the Friends of Funds forum has been offering an independent calendar for fund and financial industry events in Switzerland.

#### Even for events with restricted audiences

If you have dates for roadshows, media conferences, seminars, anniversaries or other events, you can publish these free of charge.

[www.friends-of-funds.ch](http://www.friends-of-funds.ch) (Rubrik Event-Kalender)

## CISO-FINMA

### English translation

An unofficial English translation by FINMA (status as of 1 January 2015) is now available in the Federal Chancellery's Classified Compilation of Federal Legislation.

<http://www.admin.ch/opc/en/classified-compilation/20140344/index.html>

## What CEOs of the asset management sector think

### PwC's 18<sup>th</sup> Annual Global CEO Survey

Asset management CEOs are confident about revenue growth in 2015 but see both opportunities and threats. CEOs are finding new paths to profitability by disrupting other areas of financial services. They are preparing for challenges by leveraging digital technology and looking to promote diversity. PwC has published an industry snapshot of asset management as well as an in-depth analysis with the key findings in the asset management industry.

<http://www.pwc.com/gx/en/ceo-survey/2015/industry/asset-management.jhtml>

## EY Global ETF Survey 2015 and beyond

### Wealth & Asset Management

This is EY's third annual ETF survey and its second fully global study of the industry. It once again interviewed more than 60 leading promoters, investors, market makers and service providers across the United States, Europe, and Asia. Respondents included issuers representing 84% of global assets under management.

[http://www2.ey.com.ch/publications/items/wam/201410\\_etf\\_survey/201410\\_EY ETF\\_Survey\\_2015.pdf](http://www2.ey.com.ch/publications/items/wam/201410_etf_survey/201410_EY ETF_Survey_2015.pdf)

## ETFs 2020

### Preparing for a new horizon

The proliferation of ETFs was identified in PwC's AM 2020 publication as one of the six game changers in the asset management (AM) industry. ETFs are no longer a niche product, and their impact will continue to be felt much more widely than imagined. As such, all financial services firms should consider developing an ETF strategy. This may be an obvious choice for firms planning to manage, service, or distribute ETFs, but it is also important for firms that will be competing in an environment that is increasingly shaped by ETFs. PwC's report leverages the results of its global survey and its insights to paint a picture of how the ETF business is likely to evolve globally over the next six years.

<http://www.pwc.ch/news/en/17120/etf-2020-preparing-new-horizon>

## Digitalization in wealth management

### Wow moments in wealth management

In its current study „Self-Service in Wealth Management“, Capgemini highlights why this should also be made to appeal to affluent clients.

[http://www.capgemini.com/resource/e-access/resource/pdf/self-service\\_in\\_wealth\\_management\\_whitepaper\\_2014.pdf](http://www.capgemini.com/resource/e-access/resource/pdf/self-service_in_wealth_management_whitepaper_2014.pdf)

## Reliance on manual processes impacting investment performance

### Front Office Survey

SimCorp’s survey of front-office decision makers demonstrates the relationship between high spending on manual processing and decreased investment performance.

<http://www.simcorp.com> (Rubric Company / News 2015)

## International financial and tax matters

### 2015 report

2014 saw even fiercer global competition for the best economic and financial conditions. This also presents a challenge for Switzerland and its financial market policy. The annual report on international financial and tax matters issued by the Federal Department of Finance features a review and an outlook with regard to activities in the areas of financial market regulation, participation in international financial bodies, and international tax policy. Approved by the Federal Council, the report shows that Switzerland still has numerous challenges to overcome regarding international financial and tax matters. It is geared towards political circles, the media and interested members of the public.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=56109>

## Federal, Cantonal and Communal Taxes

### An Outline on the Swiss Tax System

The Analysis and Data Division of the Swiss Federal Tax Administration FTA has published an updated version of its brochure „Federal, Cantonal and Communal Taxes – An Outline on the Swiss Tax System“. This publication aims to give a broad overview of the Swiss tax system, and also includes a section containing detailed tables with tax deductions and tax rates.

<http://www.estv.admin.ch/dokumentation/00079/00080/00660/index.html?lang=en>

## Fiscal files for 2014

### Helpful overview

The Analysis and Data Division of the Swiss Federal Tax Administration FTA has published the „fiscal files“ for 2014.

- Income and wealth taxes for natural persons
- Income and capital taxes for legal entities
- Capital gains taxes as well as inheritance and gift taxes

G: <http://www.estv.admin.ch/dokumentation/00079/00080/00734/index.html?lang=de>

F: <http://www.estv.admin.ch/dokumentation/00079/00080/00734/index.html?lang=fr>

## Steuern kollektiver Kapitalanlagen

### Besteuerung kollektiver Kapitalanlagen und deren Anleger unter Berücksichtigung der Mehrwertsteuer

Das Buch von Dr. Toni Hess (erscheint im Frühjahr 2015 im Helbing Lichtenhahn Verlag) bietet eine umfassende und kompetente Darstellung der relevanten Rechtsfragen im Zusammenhang mit der Besteuerung der kollektiven Kapitalanlagen und deren Anleger in der Schweiz. Ein unentbehrliches Nachschlagewerk in einer auch im internationalen Bereich an Bedeutung zunehmenden Materie.

#### Inhalt

- Rechtsgrundlagen und Grundsätzliches zum Recht der kollektiven Kapitalanlagen
- Besteuerung der ausschüttenden und der thesaurierenden kollektiven Kapitalanlagen
- Besteuerung der Anleger
- Besteuerung der anlagefondsähnlichen Anlagevehikel
- Internationale Aspekte: Rückerstattung der Verrechnungssteuer und der ausländischen Quellensteuer, EU-Zinsbesteuerung, Quellensteuerabkommen
- Mehrwertsteuer

<http://www.helbing.ch/detail/ISBN-9783719035457/Steuern-kollektiver-Kapitalanlagen>

## Statistical Yearbook on Switzerland

### Standard reference book on Swiss statistics

The Swiss Federal Statistical Office's long-standing flagship publication once again offers a current statistical overview of 21 topics. The Statistical Yearbook of Switzerland 2015 covers all facets of the lives of Swiss people, from population to work, prices, industry and services, as well as healthcare, education and crime.

This is a bilingual publication (German / French), with summary sections in English and Italian.

[www.nzz-libro.ch](http://www.nzz-libro.ch) (ISBN 978-3-03810-030-0)



## Impressum

### Editorial team

Swiss Funds & Asset Management Association SFAMA  
 P.O.Box, CH – 4002 Basel  
 Phone +41 61 278 98 00  
 Fax +41 61 278 98 08  
 office@sfama.ch  
 www.sfama.ch

### Layout and implementation

R Consult Markus Röthlisberger  
 P.O.Box 140, CH – 5022 Rombach  
 Phone +41 62 827 37 47  
 roethlisberger@r-consult.ch  
 www.r-consult.ch

### Authors' opinions

Quoted articles or links to corresponding sources do not necessarily coincide with the views of the SFAMA.

### Liability

The SFAMA accepts no liability whatsoever for the correctness of the text and figures stated in this publication, in particular for contributions from third-party sources. The present English version is a translation of the original document in German.

### Copyright

The reprinting and reproduction of the content of this publication (including excerpts) are permitted provided the original source is acknowledged.

### Twitter

Follow @SFAMAinfo to receive our tweets in English and German (set-up an own Twitter account at [www.twitter.com](http://www.twitter.com), enter SFAMAinfo in the search field and click on „Follow“).



The SFAMA News is published 4 times a year (in March, June, September, and December) in English, German and French. The download facility and subscription form can be found on the SFAMA website at [www.sfama.ch](http://www.sfama.ch)