

SFAMA

 Swiss Funds &
Asset Management
Association

SFAMA News

Spring edition



Introduction	Asset management increasingly important in Switzerland	4
In focus	Broad alliance for a strong financial center and enhanced investor protection	5
Latest news	Deadlines coming up!	6
	Partial revision of the CISA and CISO	6
	Complete revision of the CISO-FINMA	6
	Financial Market Infrastructure Ordinance	6
	FINMA Financial Market Infrastructure Ordinance	7
	Guidelines on the Valuation of the Assets of Collective Investments	7
Fund markets	Key data on the international fund business	8
	Swiss fund market in 2015	9
	Assets under management essentially stable year-on-year	11
	Equity markets in 2015	12
	Swiss ETF market in 2015	13
	SFAARI®	14
	Key figures on the Swiss financial center	15
Domestic environment	FinSA/FinIA	16
	Reimbursement of withholding tax	17
	State Secretariat for International Financial Matters	17
International environment	AIFMD	18
	Benchmark regulation	18
	Closet indexing	18
	EMIR	19
	MiFID	19
	MiFIR	19
	Money market funds	20
	PRIIPS	20
	UCITS V	20
	Foreign Account Tax Compliance Act	21
SFAMA activities	Members	22
	New addition to the SFAMA team	22
	Specialist committees	22
	Upcoming events	24
Swiss Fund Data	New partnerships	25
	Steady growth trajectory	25
	Mobile access	25
	Change in the Board of Directors of Swiss Fund Data	26

Interesting reading

Friends of Funds	27
The industrial organization of the global asset management business	28
Kollektive Kapitalanlagen in der Schweiz	28
Recht der kollektiven Kapitalanlagen in der Praxis	28
Kommentar zum Finanzmarktinfrastukturgesetz	29
International financial and tax matters	29
Institutions' exposure to shadow banking entities	29
Federal, Cantonal and Communal Taxes	30
Statistical Yearbook and Statistical Data on Switzerland	30

Impressum

Useful informations and addresses	31
-----------------------------------	----



Editorial

Dear readers

Outstanding support

Asset management increasingly important in Switzerland

2015 proved an eventful year for the Swiss funds and asset management industry. This was also reflected in the level of fund volumes, which managed to break through the CHF 900 billion threshold but were unable to remain above it for long. On the regulatory front, SFAMA's focus was on the FinSA and FinIA projects. We regard the dispatch adopted by the Federal Council as an opportunity for Switzerland as a location, since these two laws will make a decisive contribution to safeguarding both the ability of Swiss providers to export their products and services, and thus also their future competitiveness. During the parliamentary debates, we will remain committed to ensuring that the issues raised by our industry are heard, and we will be highlighting the crucial importance of asset management for Switzerland's financial sector and its economy as a whole.

The following themes will be at the forefront for us in 2016: a) positioning SFAMA as a representative body and focusing on the implementation of the Asset Management Initiative Switzerland; b) implementing the completely revised Collective Investment Schemes Ordinance of the Swiss Financial Market Supervisory Authority FINMA in supervisory practice in the interests of our industry; c) focusing lobbying with regard to regulatory and tax matters on upcoming legislative projects, in particular the FinSA/ FinIA project; and d) bolstering SFAMA's platforms.

Fortunately we can count on considerable support in these efforts. On the one hand, SFAMA's membership has more than doubled in the past ten years, totaling 192 at the end of 2015. Meanwhile, a wide range of people also provide unstinting commitment to our working groups, ensuring we can present our interests in a well-founded manner. For this, we are truly grateful.

We hope you enjoy reading this issue !

Swiss Funds & Asset Management Association SFAMA



In focus

EATC-S decides on introduction

Broad alliance

Specific amendments by Parliament

Broad alliance for a strong financial center and enhanced investor protection

On 16 February 2016, the Council of States Economic Affairs and Taxation Committee (EATC-S) unanimously agreed to accept for further discussion the two bills for the Financial Services Act (FinSA) and Financial Institutions Act (FinIA). For the EATC-S, strengthening the competitiveness of the financial center is of pivotal importance. It recognizes the need to act, and will refrain from referring the bills back to the Federal Council for review. However, it has asked for proposals for significantly simplifying and amending the bills in its detailed consideration. It has therefore tasked the Department of Finance with submitting a series of specific proposed formulations, in particular for the provisions on the applicability to insurers and independent asset managers. The committee plans to then start its detailed consideration at its April meeting.

A broad alliance of organizations and associations from across the financial sector – the SBA, SFAMA, OAR-G, SIX, SATC, SECA, SASD, and SSPA – is pushing for the FinSA and FinIA to be approved with specific amendments. To strengthen and maintain the competitiveness of Switzerland's financial center, and thus by extension its role as a business location, Swiss financial services providers must be well placed at home to participate in growth worldwide and to make the most of the powerful financial infrastructure available to them. The FinSA and FinIA will make a significant contribution to ensuring the exportability of the Swiss financial sector. They will increase legal certainty by bringing together the existing provisions and establishing a level competitive playing field for providers – same products, same rules – while also modernizing investor protection. These bills thus represent an important opportunity for a forward-looking financial center in Switzerland, one that is stronger and with a greater international focus. This in turn will secure jobs, value creation, and ultimately prosperity for Switzerland.

Parliament can make the necessary adjustments with specific amendments. Referring the bills back for review would be entirely unnecessary, and would merely lead to delays resulting in detrimental consequences for Switzerland as a business location. The EATC-S has taken an initial move toward better financial market regulation. Further steps must now follow, and we will be keeping a close eye on proceedings.

Report by Markus Fuchs, SFAMA Managing Director



Latest News

Reminder

**1 March 2013 –
28 February 2018**

31 December 2016

**1 January 2015 –
1 January 2017**

**1 January 2016 –
31 August 2020**

Deadlines coming up!

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

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.

Unit certificates which are structured as securities in accordance with Article 108 para. 2 CISO and which are in bearer form must be converted into registered securities by 31 December 2016 at the latest (Art. 144c para. 7 CISO).

Complete revision of the CISO-FINMA

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.

Financial Market Infrastructure Ordinance

The transitional provisions regarding the Financial Market Infrastructure Ordinance of 25 November 2015 are set out in Title 4 FMIO. 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 2016.

**1 January 2016 –
1 January 2017**

FINMA Financial Market Infrastructure Ordinance

The transitional provisions regarding the FINMA Financial Market Infrastructure Ordinance of 3 December 2015 are set out in Article 50 FMIO-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 2016.

Guidelines on the Valuation of the Assets of Collective Investment Schemes

1 July 2016

Existing internal directives pursuant to prov. 24 must be brought in line with the amended provisions of margin no. 56 by the time they enter into force.



Fund markets

EUR 34.89 trillion in fund assets worldwide

Declines virtually across the board

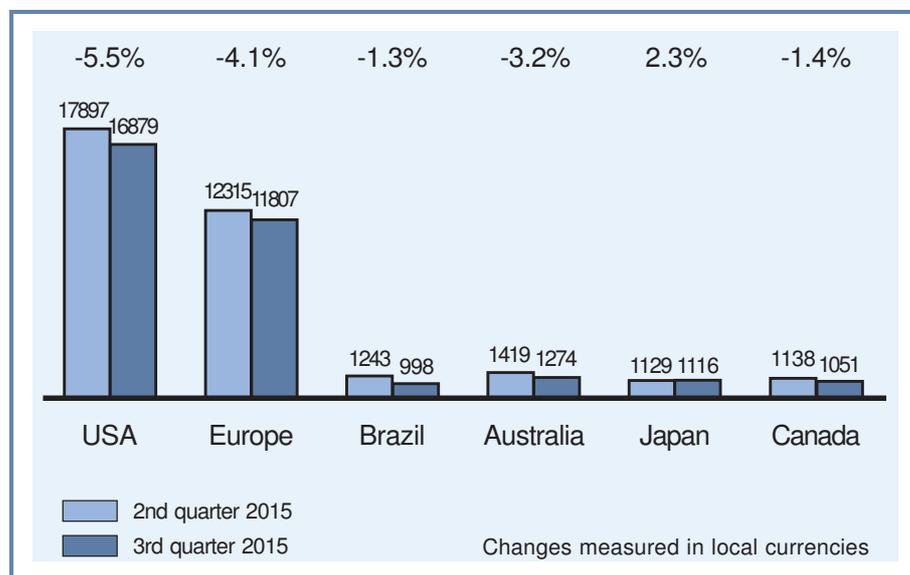
Scarcely any change in the international breakdown

Key data on the international fund business

Global fund volumes declined slightly in Q2 2015, and there was no turnaround in this trend in the third quarter. As at the end of September 2015, the newly calculated fund volumes stood at EUR 34.9 trillion, which corresponds to a drop of 5.9% quarter-on-quarter or 7.4% for the six-month period. Funds of funds accounted for EUR 2.62 trillion. Working in conjunction with the IIFA (International Investment Funds Association), EFAMA incorporated new fund types into the universe covered – such as ETFs, institutional funds, and hedging products – and this resulted in a large increase in both fund volumes and product numbers at the beginning of 2015. It is therefore no longer possible to make direct comparisons with the figures published previously.

There was no country or region in positive territory in EUR terms in Q3 2015. For once, exchange rates had no major impact on the figures. In the US, the total volume was back just below the EUR 17 trillion mark at the end of September 2015. According to the latest EFAMA report, a total of EUR 11.8 trillion was invested in funds in Europe.

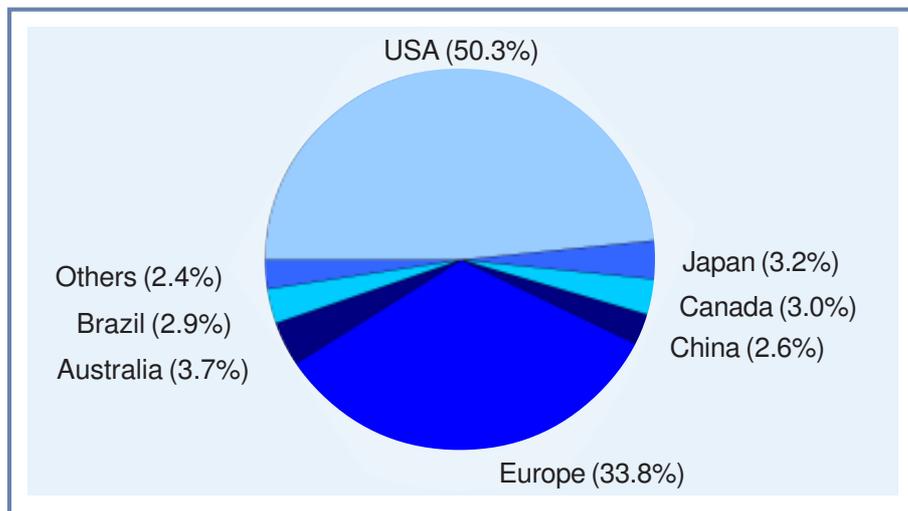
Geographical trends in investment fund assets in Q3/15 (in EUR billions)



Source: EFAMA International Statistical Release, January 2016

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 2015. With a 3.7% share, Australia held on to third spot well ahead of Brazil (2.9%), the latter having also fallen behind Japan, which now lies in fourth place with 3.2%.

Geographical trends in investment fund assets by end of September 2015 (in EUR billions)



Source: EFAMA International Statistical Release, January 2016

Swiss fund market in 2015

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.

Development of fund assets since october 2015

Fund Category	Volumes 30.09.2015	Volumes 31.12.2015	Overall change
Equities	341.2	366.7	+ 25.5
Bonds	278.2	279.4	+ 1.2
Money Market	59.6	63.0	+ 3.4
Asset Allocation	104.9	107.3	+ 2.4
Others	3.5	3.5	+ 0.0
Natural resources	17.2	16.0	- 1.2
Alternatives	25.0	25.2	+ 0.2
Real Estate	28.8	30.2	+ 1.4
Total Swiss Market	858.4	891.3	+ 32.9

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

Fund volumes around CHF 891.3 billion

Increase of 524 funds

Stable share for Swiss-domiciled funds

According to the statistics on the Swiss fund market, the total volume stood at around CHF 891.3 billion at the end of December 2015, an increase of CHF 32.9 billion quarter-on-quarter (+3.83%).

The figures are based on the FINMA approvals list and cover all funds under Swiss law as well as all foreign funds approved for public distribution in Switzerland, including institutional unit classes. Broken down by asset class, equity funds still have the largest share at about 41%, followed by bond funds with around 31%. Asset allocation funds remain in third spot with just over 12%.

At the end of 2015, there were 8,740 funds approved for public distribution in Switzerland, a net increase of 524. Of these, 1,542 (+27) were funds under Swiss law and 7,198 (+497) were funds under foreign law, the latter category being dominated by Luxembourg-law products (up 331 to 4,870).

The recently revised legislation is continuing to bolster the market activities of many providers, resulting in a net increase of 524 funds. Over the course of the year, 1,102 foreign collective investment schemes were newly approved, while 605 were removed from the register. The corresponding figures for Swiss-law products were a total of 109 new approvals, with 82 funds removed from the register. Of the 1,542 Swiss-law funds, 737 were approved by FINMA exclusively for distribution to institutional investors. (Please refer also to the table below.)

Development of number of funds by type of fund / fund domicile (in brackets: funds for qualified investors)

Fund domicile / Fund type	As of end- December 2014		As of end- December 2015		Change in the year 2015	
Swiss funds	1515	(734)	1542	(737)	27	(3)
Swiss limited partnerships	18	(18)	18	(18)	0	(0)
Securities funds	141	(0)	142	(0)	1	(0)
Other funds for trad. investm.	1244	(681)	1272	(686)	28	(5)
Other funds for altern. investm.	63	(17)	57	(14)	- 6	- (3)
Real estate funds	49	(18)	53	(19)	4	(1)
Non-Swiss funds	6701		7198		497	
Luxembourg	4539		4870		331	
Ireland	1223		1460		237	
Other countries	939		868		- 71	
Total Swiss and Non-Swiss	8216	(734)	8740	(737)	524	(3)

Source: FINMA (as of the beginning of January 2016)

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 approved here in Switzerland. With a total of 6,330 products, their market share had even increased slightly at the end of 2015 to nearly 88%. France held on to third spot, followed by Liechtenstein and the UK.

Securities totaling CHF 5.5 trillion held in Swiss custody accounts

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

Assets under management essentially stable year-on-year

The securities holdings in client custody accounts at Swiss banks were rather volatile over the course of 2015, reflecting the performance of the markets. According to the SNB statistics published in February, the figure stood at CHF 5.5 trillion at the end of December 2015. This represents a drop of 0.85% from the admittedly relatively high level of CHF 5.6 trillion recorded at the beginning of 2015. The high point was reached at the end of November at CHF 5.7 trillion. According to the SNB Monthly Statistical Bulletin for February 2016, the securities holdings of non-resident clients fell by 3.5% to CHF 2.9 trillion. In the case of resident clients there was an increase of some 2.3%, bringing their holdings to CHF 2.62 trillion. At 52.5%, the share of non-resident clients in the securities holdings was roughly 1.5 percentage points lower than in the previous year.

As regards fund holdings, only resident clients posted an increase, up around 7.6% to CHF 1,058 billion. Their non-resident counterparts had fund holdings totaling CHF 787 billion at the end of December, which translates into a drop of 3%. As regards fund weightings, the trends were a mixed bag over the course of the year. In the case of resident clients, there was a steady increase from the 38.3% recorded at the beginning of the year and by the end of December 2015 it had reached 40.4%, breaking through the 40% threshold for the first time. Meanwhile, the weighting for non-resident custody account clients fluctuated between 26.4% and 27.2% and currently stands at 27.2%.

Development of securities holdings

Category	Domestic		Foreign		Total	
	2014	2015	2014	2015	2014	2015
Money market paper	26	21	43	39	69	61
Bonds	724	704	560	543	1284	1248
Equities	795	806	1426	1396	2221	2202
Coll. investments	983	1058	811	787	1794	1845
Struct. products	36	33	161	131	197	162
Other securities	0	0	0	0	0	0
Total	2564	2622	3001	2896	5565	5518

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

Ups and downs

Central banks and volatility setting the tone

Additional challenges for investors in Switzerland

Equity markets in 2015

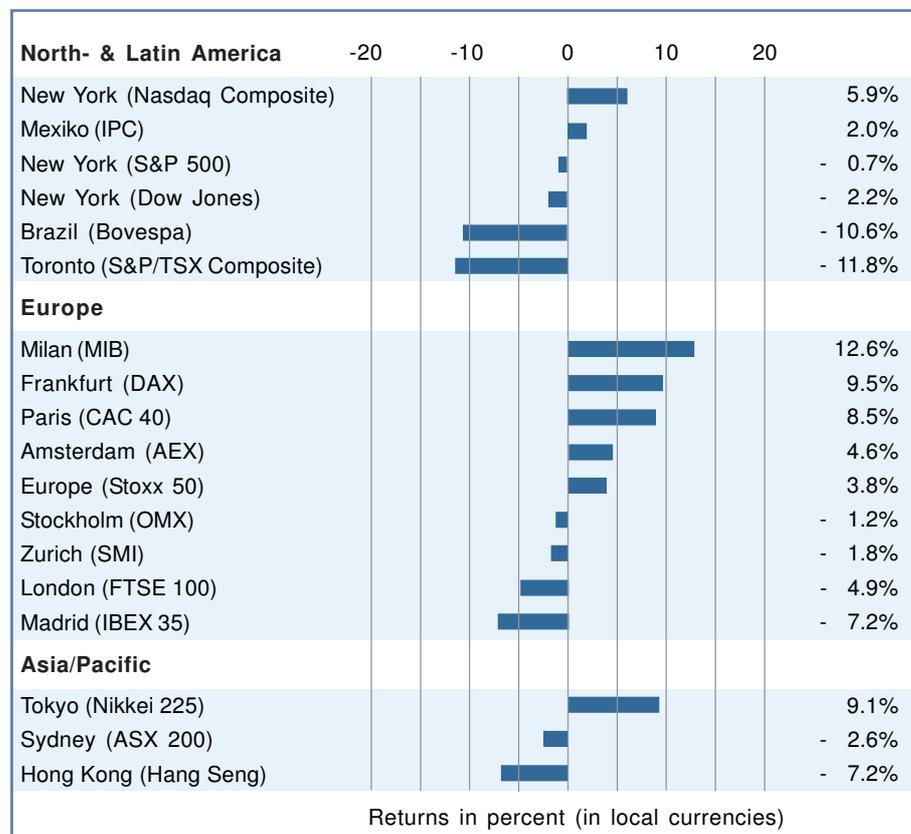
2015 tested investors' nerve, with hefty price swings in some cases. Pronounced currency fluctuations, several flash crashes on the bond markets, the crisis in Greece, the Chinese stock market's rollercoaster ride, and terrorist attacks across the globe led to heightened volatility. Added to this, at the end of the year there was the turnaround in interest rates in the US. Once again, achieving satisfactory returns on the markets proved to be no easy task.

In the first few months of the year, themes such as the announcement of quantitative easing by the European Central Bank (ECB) led to a pronounced boom on most equity markets, and the lack of a solution to the Greek crisis was nearly forgotten. That said, genuine optimism only took hold on the back of the excellent first quarter. The subsequent corrections quickly put paid to the upbeat investor sentiment, however. In 2015, the emerging markets continued to decouple from the West, with China leading the way. The crash on the Chinese stock markets in the summer then saw a return of marked uncertainty over the state of the global economy, and a sharp sell-off of equities ensued. Owing to the strong USD and the plummeting commodity prices, the third quarter brought a heightening in the debt crisis for certain emerging markets, among them Brazil, Russia, South Africa, and Turkey. The flagging oil price may be viewed as a global „special economic program“, but it was only importers that benefited from this whereas producing countries bore the brunt. An uptrend then took hold again from the middle of September 2015, but this came to a halt at the beginning of December. In addition to the geopolitical events in Ukraine and Syria, the influx of refugees and IS terrorist attacks, attention also had to be paid to the risks relating to individual securities, for example in the commodities and automotive sectors. Last, but not least, the interest rate turnaround in the US also had an impact on the markets.

On the domestic front, one of the main defining aspects of 2015 was certainly the abandoning of the CHF minimum exchange rate vs the EUR. The SNB's announcement on 15 January 2015 came out of the blue, and wrong-footed many players. Nevertheless, although the SMI posted its low for the year on that day, it had recouped its losses by March 2015 and four months later posted its high for the year, only a few points short of the record set in 2007. The index's performance range was therefore extreme, and is likely to have opened up opportunities above all for disciplined investors unswayed by emotional responses.

Slightly higher turnover
for exchange-traded
funds

The major stock markets in 2015



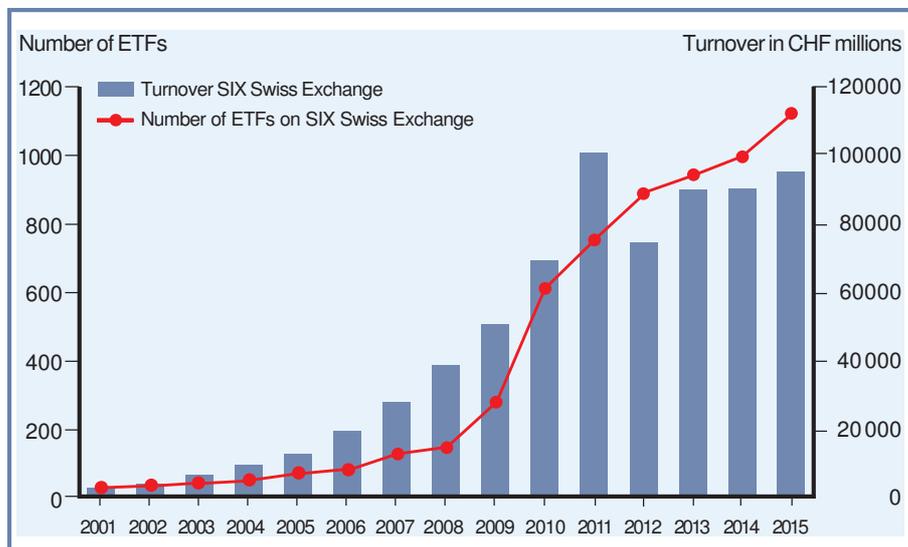
Sources: Bloomberg (NZZ of 05.01.2016), Onvista

Swiss ETF market in 2015

The turnover of exchange-traded index funds was curbed slightly for the first time in 2012, but ETFs resumed their success story thereafter, and this continued with slight gains in 2015. The turnover of the corresponding products reached CHF 96.4 billion, the second-highest level ever recorded. As of the end of 2015, there were 1,117 different ETFs listed on the SIX Swiss Exchange. In terms of investment focus, products covering traditional equity markets were out in front with a 31% share. Bond ETFs have a 21% share of the market with 229 products. ETFs for commodities and precious metals remained steady at 89 products, but saw their share ease back by one percentage point to 8%. As regards trade sizes, the median was lower than ever before at CHF 13,473.

Yield on investment indicator for real estate funds in Switzerland

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

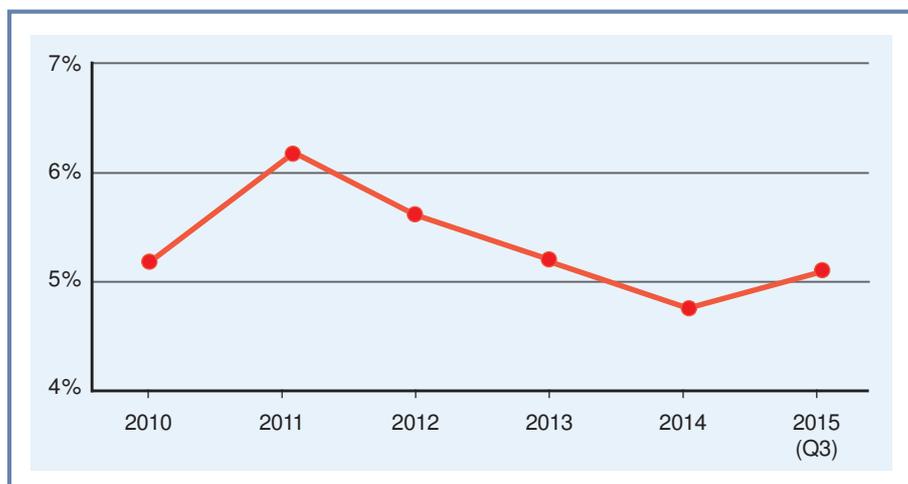


Source: SIX Swiss Exchange

SFA ARI®

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.

Development of the SFA ARI® since 2006



Source: Swiss Fund Data

Current yield

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.

The current investment yield as measured by the SFAARI® stands at 5.08%. This figure is based on the annual reports as at 30 September 2015, and is higher compared with the previous quarter (up 0.23 of a percentage point). 25 real estate funds with net assets totaling around CHF 27.1 billion were included in calculating the current figure.

Key figures on the Swiss Financial Center

Newsletter

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»)



Financial Services Act and Financial Institutions Act go before Parliament

Domestic environment

FinSA/FinIA

The dispatch on the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) was adopted on 4 November 2015. The FinSA governs the prerequisites for providing financial services and offering financial instruments, while the FinIA makes provision for an activity-based, differentiated supervisory regime for financial institutions requiring a license. These bills are aimed at improving client protection, in addition to creating a level playing field and strengthening the competitiveness of the financial center.

https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-59331.html

During the consultation process, SFAMA argued forcefully for the need to drastically slim down the drafts. In particular, we called for the Swiss requirements imposed on financial services providers and products not to be more stringent than is the case internationally. This concern has largely been addressed in the current versions, and the amendments still required can be made specifically by parliament on the basis of the bills that have been submitted. There is no need to send the bills back for review in this regard – on the contrary, that could lead to delays that would be detrimental to Switzerland as a business location.

In Q1 2016, the Council of States Economic Affairs and Taxation Committee (EATC-S) dealt with the two bills for the first time. The debate over the FinSA/FinIA project has been conducted in a very emotional tone from the outset. The interests of small asset managers that are large in number but relatively insignificant in terms of the economy as a whole are diametrically opposed to those of the remainder of the financial sector.

This state of affairs is now also likely to persist in the discussions in parliament, leading to heated debate. Although the EATC-S unanimously agreed to accept the two bills for further discussion at its meeting on 15 February 2016, it reserved the right to make extensive amendments to the draft versions. The Department of Finance has therefore been tasked with submitting a series of specific proposed formulations before detailed consideration commences, in particular for the provisions on the applicability to insurers and independent asset managers. The committee plans to start its detailed consideration at its April meeting.

<https://www.parlament.ch/press-releases/Pages/mm-wak-s-2016-02-17.aspx>

Exportability of Swiss financial services and products is pivotal

Creating legal certainty by merging existing rules

FinSA/FinIA – an opportunity for the Swiss financial center

Apply online

Newsletter

As a small and open economy, Switzerland is dependent on its financial firms also being able to offer their products and services abroad. The FinSA and FinIA are a key prerequisite for this. The global market offers considerable potential for the Swiss financial sector, with its strong infrastructure. An essential requirement for the exportability of Swiss financial services and products is that Swiss financial market law be in line with international standards, specifically those of IOSCO and the OECD. These central standards include both appropriate conduct rules (FinSA) and internationally recognized prudential supervision of all asset managers (FinIA). Anyone who wants to export has to play by the international rules, and the FinSA and FinIA will both make a considerable contribution in this regard.

The rules on client protection are currently extremely fragmented. They are based on general contract law and on specific pieces of legislation and self-regulation measures. However, it is also often the case that the applicable rules result from the practice of the courts and authorities, or from interpretation stemming from scholarly opinion. This has on occasion led to legal uncertainty for financial services providers and their clients. The FinSA systematically brings together the applicable law already in force, and thus only some of the rules are new.

The FinSA and FinIA will make a decisive contribution to safeguarding the competitiveness of Swiss providers. Together with other major sector representatives, such as the Swiss Bankers Association (SBA), SFAMA is therefore campaigning strongly for these bills to be passed.

http://www.sfamach/en/publications/initiatives-statements-position-papers/position-papers/?set_language=en

Reimbursement of withholding tax

Legal entities domiciled in Switzerland can now apply for the reimbursement of withholding tax online using form 25. This minimizes the workload involved, and marks a further step toward e-government.

<https://www.news.admin.ch/message/index.html?lang=de&msg-id=60402>

State Secretariat for International Financial Matters

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

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



International environment

Updated Q&A

European Commission on AIFMD passport

Discussion paper

Statement

AIFMD

On 15 December 2015 the European Securities and Markets Authority (ESMA) published an updated Q&A on the application of the Alternative Investment Fund Managers Directive. It includes new questions on the depository liability regime.

Q&A:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-updated-aifmd-qa>

On 19 January 2016, ESMA published the letter it received from the EC in respect of its advice on the application of the AIFMD passport to non-EU AIFMs and AIFs, and ESMA's opinion on the functioning of the passport for EU AIFMs and on the national private placement regimes.

Letter:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-letter-european-commission-aifmd-passport>

Benchmark regulation

On 16 February ESMA published a discussion paper regarding the technical implementation of the incoming benchmark regulation aimed at improving the governance and control over the benchmark process, thereby ensuring their reliability and protecting users. ESMA held an open hearing on the discussion paper on 29 February 2016. It will publish a follow-up consultation in Q3 2016.

Discussion paper:

<https://www.esma.europa.eu/press-news/esma-news/esma-consults-implementation-benchmarks-regulation>

Closet indexing

On 2 February 2016 ESMA published a statement providing details on its work on closet index tracking funds. According to research between 5 and 15% of UCITS equity funds could potentially be closet indexers. ESMA will continue to work with national regulators to determine further actions as the analysis gives only a first indication of whether particular funds are closed index trackers.

Statement:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-supervisory-work-closet-indexing>

Q&A update**EMIR**

On 4 February and 16 February 2016, ESMA issued updates of its Q&A regarding the implementation of the European Market Infrastructure Regulation (EMIR). The Q&A includes new answers regarding central counterparties' default management, competent authorities' access to trade repository data and reporting of notional in position reports. They clarify how the clearing obligation should apply to swaps resulting from the exercise of a swaption, including the frontloading period.

Q&A updates:

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-its-emir-qa>

<https://www.esma.europa.eu/press-news/esma-news/esma-updates-emir-qa>

Standards**MiFID**

On 11 December 2015 ESMA published implementing technical standards regarding the implementation of the Markets in Financial Instruments Directive II (MiFID II). They set out how the legislation will apply to market participants, market infrastructures and national supervisors.

<https://www.esma.europa.eu/press-news/esma-news/esma-issues-standards-reporting-cooperation-suspensions-under-mifid-ii>

Guidelines for assessment of knowledge and competence

On 17 December 2015 ESMA published the final report on MiFID II guidelines for the assessment of knowledge and competence. The guidelines will come into effect on 3 January 2017.

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-final-report-mifid-ii-guidelines-assessment-and-knowledge>

Guidelines on cross-selling practices

On 22 December 2015 ESMA published its guidelines on cross-selling practices under MiFID II to ensure that investors are treated fairly when an investment firm offers two or more financial products of services as part of a package. They apply from 3 January 2017.

Guidelines:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-mifid-ii-guidelines-cross-selling-practices>

Consultation**MiFIR**

On 23 December 2015 ESMA published a consultation paper on the guidelines regarding the Markets in Financial Instruments Regulation

Follow-up peer review

(MiFIR) seeking stakeholders' feedback on future guidance regarding transaction reporting, reference data, order record keeping and clock synchronization. The consultation is open for comment until 23 March 2016.

<https://www.esma.europa.eu/press-news/esma-news/esma-consults-transaction-reporting-reference-data-record-keeping-and-clock>

Money market funds

On 16 February 2016 ESMA issued a follow-up peer review into the compliance of national competent authorities with guidelines regarding money market funds. This report provides an update of the first peer review from 2013 and sets out the result of this second assessment by peers.

<https://www.esma.europa.eu/press-news/esma-news/esma-issues-follow-review-money-market-fund-guidelines>

PRIIPS

On 10 February 2016 ESMA published the responses received to the consultation paper on Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Documents (KID).

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-responses-consultation-priips-key-information-documents>

UCITS V

On 18 December 2015 the European Council published its proposal for a Commission Delegated Regulation supplementing the Undertakings for the Collective Investment in Transferable Securities Directive V (UCITS V) with regard to the obligations of depositaries.

Proposed obligations:

<https://ec.europa.eu/transparency/regdoc/rep/3/2015/EN/3-2015-9160-EN-F1-1.PDF>

On 1 February 2016 ESMA published a consolidated Q&A on the application of UCITS V. It contains new questions on additional documents funds need to provide for UCITS V.

Q&A:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-consolidated-ucits-qa>

Responses to KID consultation

Level 2 measures

Consolidated Q&A

Updates

Foreign Account Tax Compliance Act

The IRS provides regular updates via its website, including various documents and forms as well as FAQs on a range of different aspects.

<http://www.irs.gov/Businesses/Corporations/FATCA-Foreign-Financial-Institution-Registration-Tool>



SFAMA activities

One additional member

New members

The Board of Directors and the Executive Board were pleased to welcome the following new member to the SFAMA in early 2016:

- HBM Partners Ltd, Zug

Annina Brusil

New addition to the SFAMA team

Annina Brusil started work with SFAMA as a Management Support Officer at the beginning of March 2016. A qualified management assistant, she has an extensive track record with many years' professional experience as a corporate secretary as well as in corporate services and management support. SFAMA is delighted with this appointment, which strengthens our Executive Board. We would like to welcome Annina Brusil to SFAMA, and wish her all the very best in her new role.

Highly active

Specialist committees

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

- Detailed analysis of consequences for the business stemming from the current regulatory developments
- More in-depth coverage of the key themes of private equity, private debt and infrastructure
- Impact analysis of the increasing demand for alternative UCITS products

ETF Stephan Müller

- Discussion of the price-setting mechanisms for ETFs and other exchange-traded instruments, as well as provisions for ETFs in certain listing regulations
- Discussion of the requirements for the listing of currency classes in Switzerland

Real Estate Funds Roger Hennig

- Monitoring developments relating to the planned revision of „Lex Koller“ and coordinating activities with the „For a modern Lex Koller“ alliance (www.modernelexkoller.ch)
- Amending SFAMA's model documents for real estate funds in line with the fully revised CISO-FINMA
- Comprehensively revising the specialist information factsheet on key figures of real estate funds

Processes & Operations

Martin Jufer

- SFAMA's Guidelines for Money Market Funds – implementation of the IOSCO Policy Recommendations for Money Market Funds
- GIPS Standards – Exposure Draft of the Guidance Statement on Broadly Distributed Pooled Funds
- SCFS Funds Conference 2016

Risk Management

Martin Jufer

- Discussion of risk management approaches at individual institutions with a view to deriving best practice
- Discussion of the key elements for a SFAMA conference on risk management in Q4 2016
- Approving the list of issues to be worked on in 2016

Legal & Compliance

Olivier Sierro

National

- FMIA: Implementation

International

- MiFID II (SFAMA roundtables)
- PRIIPS (SFAMA roundtables)
- AIFMD (SFAMA lobbying for the passport – ESMA advice has been delayed)
- UCITS V (ESMA Q&A)

Legal & Compliance

Asset Management

Jasmin Djalali

- Authorization procedure for asset managers subject to CISA
- Implementation of CISO-FINMA in risk management
- Client-side issues regarding insurance and pension provision, specifically with regard to alternative investments
- Key focal issues for the specialist committee in 2016

Taxes

Hanspeter Kurz

- Automatic exchange of information
- Online application for reimbursement of withholding tax
- Common Consolidated Corporate Tax Base (CCCTB)
- Securities dealers subject to stamp duty

Distribution & Marketing

Markus Signer

- The distribution of collective investment schemes under the requirements of the new financial market law regime with the enactment of the Financial Services Act (FinSA) and Financial Institutions Act (FinIA)
- Working as part of the SFAMA working group on the FinSA/FinIA dispatch, focusing on distribution in the FinSA/FinIA and decrees to be amended
- Drawing up a standardized Distributor's Due Diligence Questionnaire for monitoring distributors

Save the date

Upcoming events

Swiss Funds & Asset Management Forum 2016

Friday, 18 March 2016
Hotel Bellevue Palace, Bern

SCFS Funds Conference

Friday, 24 June 2016
Zurich

More detailed information on the second event will be published on the internet in due course.

www.sfama.ch (Events)



Swiss Fund Data AG

www.cash.ch

Further participants

High growth rate

New partnerships

Swiss Fund Data is expanding its fund data distribution activities, and from around the start of April will be the exclusive supplier of fund information to www.cash.ch and cash zweiplus ltd.

All fund data, legal notices and documents from the Swiss Fund Data database will be presented exclusively on the www.cash.ch platform, maintaining the same look and feel as www.swissfunddata.ch (white labeling). Holders of a trading account with bank zweiplus ltd will also be able to trade all of the funds shown in the cash-Fondsguide via its platform. The cash.ch website is visited by around 290,000 users every month, who access some 18 million individual pages. Swiss Fund Data partners can profit from exclusive advertising offers, which are available on demand.

Steady growth trajectory

Swiss Fund Data was once again able to start off the new year by welcoming new participants. The following companies are now also using our services:

- S.E.A. Asset Management
- New Capital (EFG Asset Management Switzerland SA)
- Forum One [Edmond de Rothschild Asset Management (Luxembourg)]
- Notz, Stucki Europe SA

Mobile access

The decision to adapt our website to responsive technology (i.e. optimizing it for use on all modern devices such as smartphones, tablets, notebooks and PCs) has already proven very popular with users. For example, while in September 2015 mobile access accounted for just 9.24% of the total, by January 2016 this figure had already risen to 12.23%, an increase of 32.35%.



Martin Jufer

Change in the Board of Directors of Swiss Fund Data

After ten years as Chairman of the Board of Directors, Gérard Fischer stepped down at the beginning of March 2016. Since its launch, Swiss Fund Data has developed into a well-known and appreciated fund platform. We would like to take this opportunity to thank Mr. Fischer for his dedicated commitment on behalf of the company, and wish him all the very best for the future.

Martin Jufer has been appointed as his successor. He is a member of the Group Management Board and Regional Head Continental Europe at GAM Investment Management (Switzerland) Ltd., and also sits on the SFAMA Board of Directors. He brings extensive expertise in the fund business, and we are looking forward to continuing to develop our company with him.



Interesting reading

In partnership with
SFAMA

Save the date

Friends of Funds: new
sections

Use of event calendar
free of charge

Friends of Funds

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 2016 in Zurich and to the end of 2016 in Geneva are as follows:

Events in Zurich (cycle 26)

- 15.03.16 Outsourcing – professionalism vs cost growth
- 12.04.16 Quantitative investments – developing trends
- 10.05.16 Switzerland's new financial market laws – status report
- 31.05.16 AMLA, product and distribution compliance – current issues
- 28.06.16 Emerging markets put to the test

Events in Geneva (cycle 10)

- 07.06.16 Asset management / performance
- 06.09.16 Asset management / markets
- 06.12.16 Laws / regulations

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

The website was revamped at the beginning of the year, and various new features added. Visitors can now download documents such as studies, research reports, PowerPoint presentations and survey results of partner companies. These can be found in the sections „Investment Center“, „Service Center“, „Education Center“, and „News Center“.

The Friends of Funds forum is continuing to offer an independent calendar for fund and financial industry events in Switzerland, intended for events of all kinds (including those with restricted audiences). If you have dates for roadshows, media conferences, seminars, anniversaries or other events, you can publish these free of charge via the www.friends-of-funds.ch website (under „Events / Ihre Veranstaltung“).

<http://www.friends-of-funds.ch> (Events / Ihre Veranstaltung)

Ingo Walter Study

Dritte Auflage der PWC-Publikation ist online

Umfassende Darstellung des Kollektivanlagenrechts für den Praktiker

The industrial organization of the global asset management business

This study considers the industrial organization (IO) of the modern global asset management industry in terms of its structure, conduct, and performance, as is standard in the IO field. It provides a global perspective that reflects both the global nature of asset allocation decisions and the size and growth of the markets for fiduciary services in each of the major asset management markets.

<http://www.cfapubs.org/doi/pdf/10.2470/rf.v2015.n5.1>

Kollektive Kapitalanlagen in der Schweiz

Mit der 3. Auflage von «Kollektive Kapitalanlagen in der Schweiz» stellt PwC ein handliches und umfassendes Arbeitshilfsmittel zur Verfügung. Die Ausgabe vom Winter 2015/16 vermittelt einen guten Überblick über den aktuellen Stand der schweizerischen Kollektivanlagegesetzgebung (inkl. Selbstregulierung) und die bewilligungs- und meldepflichtigen Tatbestände.

http://www.pwc.ch/user_content/editor/files/publications16/kag_2016_gesamt_online_de_web.pdf

Recht der kollektiven Kapitalanlagen in der Praxis

Die Publikation von Dr. Armin Kühne «Recht der kollektiven Kapitalanlagen in der Praxis – unter Berücksichtigung von Anlagestiftungen und strukturierten Produkten» ist eine umfassende Darstellung des geltenden schweizerischen Kollektivanlagenrechts. Das Werk dient als Wegleitung für die Praxis und macht die Leser mit der vielschichtigen Gesetzesmaterie vertraut. Dabei werden zahlreiche sich in der Praxis stellende Fragen behandelt. Auch die aktuellen Entwicklungen seit der Teilrevision des KAG sowie die Praxis der FINMA werden berücksichtigt. Grafische Darstellungen helfen zudem, die komplexen Vorgänge rasch zu überblicken.

www.schulthess.com

Erscheint Juni 2016

2016 report

EBA guidelines and recommendations

Kommentar zum Finanzmarktinfrastrukturgesetz

Im Juni 2016 erscheint die erste umfassende Kommentierung zum schweizerischen Finanzmarktinfrastrukturgesetz (FinfraG). Der Kommentar wird herausgegeben von Rolf Sethe, Oliver Favre, Martin Hess, Stefan Kramer und Ansgar Schott.

www.schulthess.com (ISBN 978-3-7255-7315-8)

International financial and tax matters

The report drawn up by the Federal Department of Finance shows that Switzerland still has numerous challenges to overcome as regards international financial and tax matters. It is aimed at the political world, the media and interested members of the public.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=60501>

Institutions' exposure to shadow banking entities

In mid-December 2015, the European Banking Authority (EBA) published its final Guidelines regarding limits on institutions' exposures to 'shadow banking entities' that carry out bank-like activities outside a regulated framework. In particular, these Guidelines introduce an approach that will allow EU institutions to set internal limits for their exposures to 'shadow banking entities', hence addressing in a proportionate way the risks that these exposures pose to the EU banking sector. The Guidelines were informed by a Report, also published on 15 December 2015, on the exposures of a sample of EU institutions to 'shadow banking entities' and the impact of setting limits.

Media release:

<http://www.eba.europa.eu/-/eba-issues-final-guidelines-on-institutions-exposures-to-shadow-banking-entities-and-recommends-approach-to-limiting-risks#.VnGD66AS8Hc.twitter>

Guidelines:

<http://www.eba.europa.eu/documents/10180/1310259/EBA-GL-2015-20+GL+on+Limits+to+Exposures+to+Shadow+Banking+Entities.pdf>

Report:

<http://www.eba.europa.eu/documents/10180/50548/Report+on+institutions+exposures+to+shadow+banking+entities.pdf>

An Outline on the Swiss Tax System

Where numbers are more than mere data

Federal, Cantonal and Communal Taxes

The Division for Economic Analysis and Tax Statistics at 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 sets out a broad overview of the Swiss tax system, and also includes a section containing detailed tables with tax deductions and tax rates.

<https://www.estv.admin.ch> (Rubrik Allgemein / Publikationen der ESTV)

Statistical Yearbook and Statistical Data on Switzerland

The 2016 editions of the „Statistical Yearbook of Switzerland“ and „Statistical Data on Switzerland“ were published at the -end of February. These two publications from the Federal Statistical Office provide a clear overview of all economic and social aspects of life in Switzerland.

<http://www.bfs.admin.ch/bfs/portal/en/index/news/medienmitteilungen.html?pressID=10720>

<http://www.bfs.admin.ch/bfs/portal/en/index/news/publikationen.html>



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, 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