

SFAMA



Swiss Funds &
Asset Management
Association

SFAMA News

Summer edition



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Editorial

Dear readers

19 April

FinSA / FinIA

As reported in the March issue of SFAMA News, the two bills were dealt with first in the Council of States Economic Affairs and Taxation Committee (EATC-S) in Q1 2016. 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 to persist in the discussions in parliament, leading to heated debate. Although the EATC-S unanimously agreed to introduce the two bills at its meeting on 16 February 2016, it reserved the right to make extensive amendments to the draft versions. The committee has therefore tasked the Federal Department of Finance with submitting a series of specific proposed formulations before the detailed consideration begins, in particular for the provisions on applicability to insurers and independent asset managers. Owing to other urgent matters – specifically the third series of corporate tax reforms – the EATC-S has not been able to begin its detailed reading of the bills thus far, and the next opportunity would be the end of June 2016.

5th World Funds Day

The first World Funds Day was staged on 19 April 2012. Why this date in particular? The answer is that Abraham van Ketwich was born on 19 April 1744. He was a merchant in Amsterdam, and in 1774 he was the first to bring together a broad group of investors who bought units in a type of fund called Eendragt Maakt Magt (Unity Fosters Strength). This fund then invested in bonds of various governments, banks, and in West Indian credits. A few years before, numerous British banks had been plunged into insolvency having given high loans to a limited number of colonies. Van Ketwich recognized that broad diversification of risk was crucial in determining investment success. As such, he can be regarded as the father of the philosophy of fund investing. The World Funds Day gives providers and associations alike a platform to present information on the basic principle behind investment funds – and SFAMA was among those taking part.

We hope you enjoy reading this issue !

Swiss Funds & Asset Management Association SFAMA



In focus

ESMA statement

Fairness and transparency

Need for action

Closet index tracking funds: industry needs to play catch-up

At the beginning of February, the European Securities and Markets Authority ESMA published a statement on closet index trackers that attracted considerable attention in the fund and asset management industry. According to ESMA, between 5% and 15% of UCITS equity funds could potentially be closet indexers. While the authority concedes there is still considerable work that needs to be done on refining the collection of data and statistical models in this area, this is nonetheless an issue that cannot not be ignored by any means. Closet indexing in itself is not the problem, but rather the fact that such products often charge excessively high fees.

In the interests of fairness, a portfolio manager who purports to engage in active management must indeed actively manage the products – ultimately this is what the client is paying for. In the case of closet trackers, however, fewer investment risks are taken on and upside potential is thus squandered. If the requirements for transparency are to be met, fund and marketing documents must not be misleading. ESMA's finding that the vast majority of the identified closet index trackers describe their management approach as active in their disclosures must therefore be taken seriously, and any corrective measures given careful consideration. For example, risk classification on the basis of the KIID (Key Investor Information Document) is too trivial. Complexity cannot be simplified at will. The yearning for simplification on the part of regulators in this regard is neither welcome nor pragmatic. That said, the industry is still coming up short when it comes to putting across simply to investors what a fund really 'does', and the explanations are often overly technical.

In an initial step, the fund industry and sector associations should establish a transparent common approach in this regard as quickly as possible, before it is imposed on them by the supervisory authorities. Closet trackers are one of the reasons why many funds in numerous asset classes are unable to beat their benchmarks, which also ultimately damages the sector's credibility. Key figures such as the tracking error or active share are based on historical values, which has attracted criticism from various sides. That said, they are simpler to calculate and easier to understand intuitively than other forward-looking estimates that may be more correct technically. And they would at least make it relatively easy for investors – and also investment advisors – to uncover closet trackers. The discussion of this issue is set to continue.



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

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.

1 July 2016

Guidelines for Money Market Funds

The amendments to these Guidelines were approved by the Board of Directors of the Swiss Funds & Asset Management Association SFAMA on 4 May 2016. They enter into force on 1 January 2017. In the case of money market paper with maturities in excess of 90 days already held before 1 October 2016, margin no. 8e must be complied with in full within a reasonable period – but no later than 300 days after the new Guidelines enter into force – taking due account of the investors' interests.

**1 January 2017
(grandfathering regime
30 September 2016)**



EUR 36.94 trillion in fund assets worldwide

Fund volumes moving higher in unison worldwide

Scarcely any change in the international breakdown

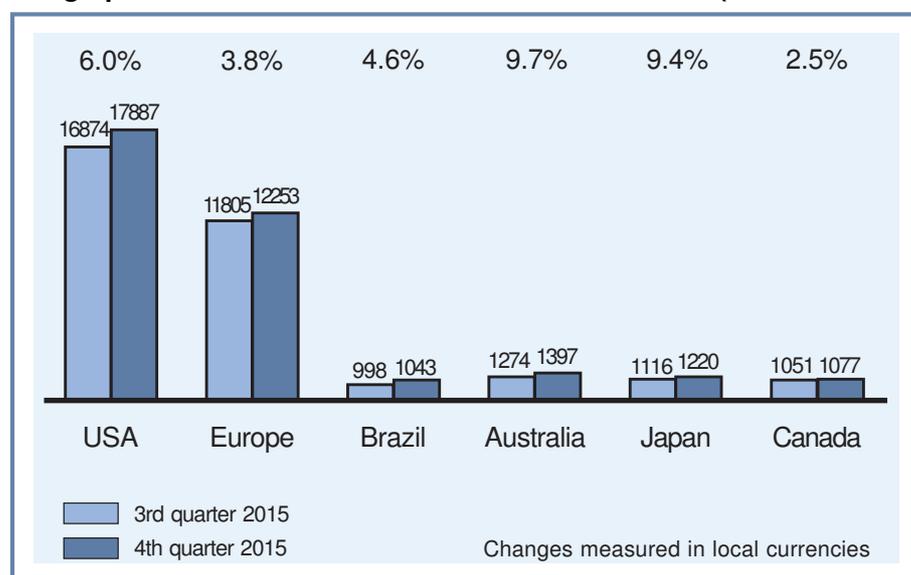
Fund markets

Key data on the international fund business

The decline in global fund volumes in Q3 2015 was essentially re-couped in the following quarter. As at the end of December 2015, the newly calculated fund volumes stood at EUR 36.9 trillion, corresponding to an increase of 5.9% quarter-on-quarter and a drop of 0.3% for the six-month period. Funds of funds accounted for EUR 2.77 trillion. Working in conjunction with the IIFA (International Investment Funds Association), at the beginning of 2015 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. It is therefore no longer possible to make direct comparisons with the figures published previously.

Every country and region was in positive territory in EUR terms in Q4 2015, with exchange rates having no major impact on the figures. In the US, the total volume was back just below the EUR 18 trillion mark at the end of December 2015. According to the latest EFAMA report, a total of EUR 12.3 trillion was invested in funds in Europe.

Geographical trends in investment fund assets in Q4/15 (in EUR billions)

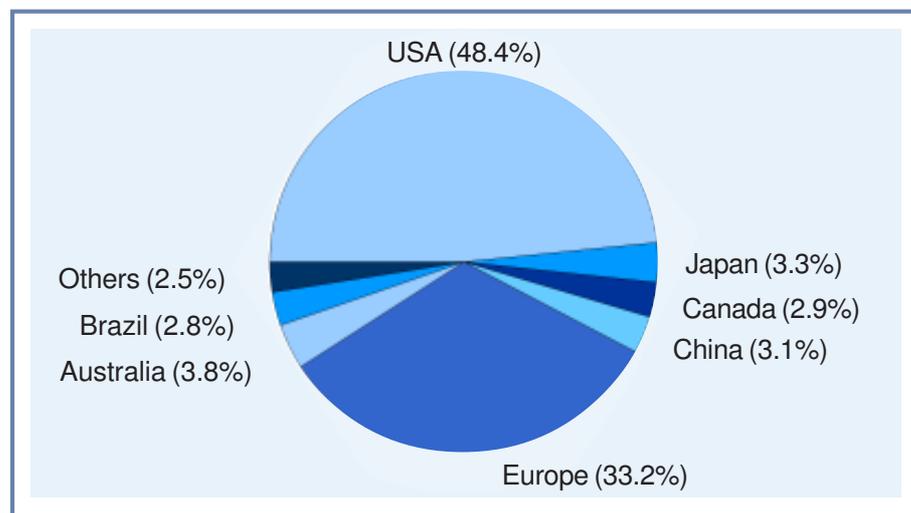


Source: EFAMA International Statistical Release, March 2016

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 December 2015. With a 3.8% share, Australia held on to third spot well ahead of Japan (3.3%), while Brazil (2.8%) has now slipped as low as seventh, behind China and Canada.

Some EUR 14.8 trillion
invested in equity funds
at end of 2015

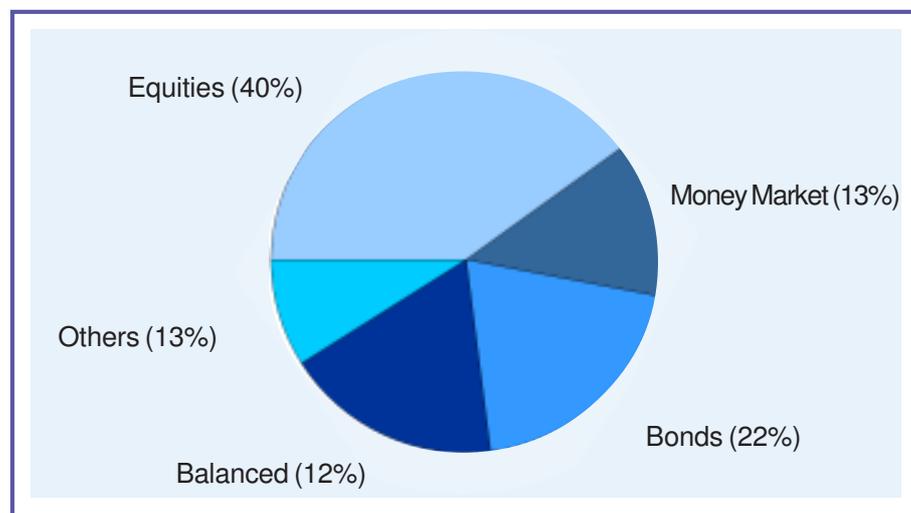
Geographical trends in investment fund assets by end of December 2015 (in EUR billions)



Source: EFAMA International Statistical Release, March 2016

The volume of assets invested in equity funds worldwide came to EUR 14.8 trillion, more than three times that of money market funds (around EUR 4.7 trillion). Bond funds gained ground over the year as a whole, rising by about EUR 0.36 trillion to EUR 7.5 trillion. At the end of 2015, around 40% of fund assets worldwide were invested in equity funds, exactly the same as in 2014. In keeping with the performance on the markets, balanced/mixed asset funds found more favor among investors (+6 percentage points), while demand for money market funds remained steady.

Composition of worldwide investment fund assets by category, end-2015



Source: EFAMA International Statistical Release, March 2016

Global fund universe of 113,562 funds

Europe can look back on a good year

Securities totaling CHF 5.4 trillion held in Swiss custody accounts

Comparison of fund holdings

Mixed showing for fund weightings between resident and non-resident clients

By the end of 2015, the fund universe covered by EFAMA had reached a total of 113,562 funds. This corresponds to a year-on-year increase of 21,962 products. A comparison of the funds in terms of asset allocation shows around 32% in the equities category and around 17% in the bonds category.

2015 can be regarded an exceptionally satisfactory year for Europe's fund industry, with net inflows recorded in each quarter. The highest inflows were in Q1 at EUR 282 billion. Inflows in Q4 were lower, but still well into positive territory nonetheless at EUR 122 billion.

Drop in assets under management with domestic banks

The securities holdings in client custody accounts at Swiss banks were clearly in excess of the CHF 5 trillion mark throughout 2015. Based on the SNB statistics, the figure stood at CHF 5.52 trillion at the end of December 2015. This was 0.8% less than at the beginning of the year, and holdings have decreased further since. As of the end of March, they stood at CHF 5.35 trillion. According to the SNB Monthly Statistical Bulletin for May 2016, non-resident clients accounted for around 51% of the total custody account holdings, around two percentage points lower year-on-year.

A comparison of fund holdings shows differing trends for resident and non-resident custody account clients. Between the beginning of the year and the end of March 2016, the fund assets held by resident custody account clients rose by CHF 12 billion to CHF 1,070 billion (+1.1%), while the corresponding figure for non-resident clients fell by CHF 40 billion to CHF 747 billion (-5.1%).

The weighting of fund holdings in custody accounts of resident clients has risen slightly over the course of the year, and stood at around 41.1% at the end of March. Over the same period, the weighting of funds for non-resident clients fluctuated between 27.2% and 27.5%. It is still primarily resident clients that hold funds under Swiss law in their custody accounts; at around CHF 678 billion these holdings make up more than 60% of the volume of collective investment schemes. Non-resident investors are still tending to avoid this fund type (the figure stands at around 9.0%, and the trend is edging downward). The CHF 40 billion drop in volumes year-on-year thus stems mainly from foreign funds.

Cooperation between Morningstar and Swiss Fund Data

Fund volumes around CHF 861.8 billion

Increase of 27 funds in 2015

Swiss fund market in 2016

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.

According to the statistics on the Swiss fund market, the total volume stood at around CHF 861.8 billion at the end of March 2016. This figure is down around CHF 29.5 billion quarter-on-quarter (-3.31%).

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.

Development of fund assets since January 2016

Fund Category	Volumes 31.12.2015	Volumes 31.03.2016	Overall change
Equities	366.7	348.7	- 18.0
Bonds	279.4	277.6	- 1.8
Money Market	63.0	60.7	- 2.3
Asset Allocation	107.3	106.3	- 1.0
Others	3.5	2.9	- 0.6
Natural resources	16.0	17.7	+ 1.7
Alternatives	25.2	21.4	- 3.8
Real Estate	30.2	26.5	- 3.7
Total Swiss Market	891.3	861.8	- 29.5

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

Broken down by asset class, equity funds still have the largest share at about 40%, followed by bond funds with around 32%. Asset allocation funds remain in third spot with just over 12%.

The number of funds established under Swiss law fell in 2012, but there has been a clear turnaround in this respect since 2013. This continued in 2015, with a net increase of 27 products. A total of 1,537 Swiss-law products are now registered with FINMA, including 19 limited partnerships for collective investment.

Turnover on SIX Swiss Exchange exceeds CHF 25 billion in Q1

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 2015		As of end-March 2016		Change in the year 2016	
Swiss funds	1542	(737)	1537	(749)	- 5	(12)
Swiss limited partnerships	18	(18)	19	(19)	1	(1)
Securities funds	142	(0)	138	(0)	- 4	(0)
Other funds for trad. investm.	1272	(686)	1275	(697)	3	(11)
Other funds for altern. investm.	57	(14)	52	(14)	- 5	(0)
Real estate funds	53	(19)	53	(19)	0	(0)
Non-Swiss funds	7198		7240		42	
Luxemburg	4870		4875		5	
Ireland	1460		1495		35	
Other countries	868		870		2	
Total Swiss and Non-Swiss	8740	(737)	8777	(749)	37	(12)

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

At the end of March, the number of funds approved for public distribution stood at 8,777, an increase of 37 funds quarter-on-quarter or 407 year-on-year. This came primarily on the back of foreign funds (above all those domiciled in Luxembourg). Luxembourg and Ireland have been able to maintain and further extend their leads among the domicile locations.

Swiss ETF market in 2015

ETF turnover on the SIX Swiss Exchange totaled CHF 96.3 billion in 2015, an increase of CHF 5.5 billion year-on-year. The same figure for the first quarter of this year was already CHF 25.2 billion, and these products are thus on track to set a new record. ETFs remain exceptionally popular.

The number of admitted products also continued to rise; as of 31 March 2016, there were 1,208 ETFs from 21 providers listed on the SIX Swiss Exchange. There are currently 23 market makers ensuring both liquidity and trading with appropriate bid/ask spreads. In terms of asset classes, the bulk of ETFs (848 products) are still concentrated on equities, with a good 249 on bonds and 89 focusing on commodities.

Looking back, we can see that the number of transactions rose from 53,000 in 2003 to some 1.06 million in 2015 (in 2014 there were around 912,000). Meanwhile, the average trade size has fallen from around CHF 155,000 to below CHF 100,000, and in 2015 stood at CHF 90,521. What is more interesting here is the median, which fell from CHF 29,964 to CHF 14,310 over the same period (i.e. in terms of volumes, half of the orders were above this amount and half below).

Yield on investment indicator for real estate funds in Switzerland

Current yield

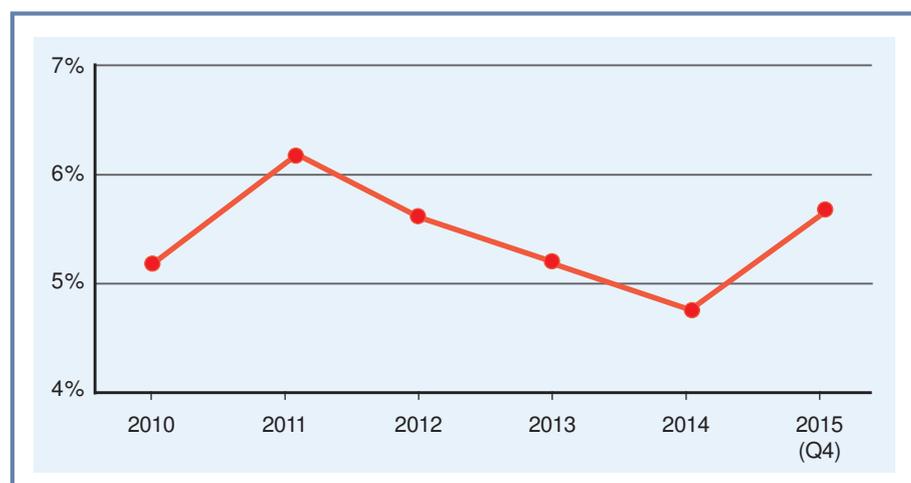
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SFA ARI®

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. 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 SFA ARI® stands at 5.70%. This figure is based on the annual reports as at 30 December 2015, representing an increase of 0.62 of a percentage point over the previous quarter. 25 real estate funds with net assets totaling around CHF 27.8 billion were included in calculating the current figure.

Development of the SFA ARI® since 2010



Source: Swiss Fund Data

Key figures on the Swiss Financial Center

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

Federal Council wants to allow for innovative forms of financial services

FINMA reduces obstacles

Transposition of IOSCO Policy Recommendations

Minimum standard

Entry into force and transitional provisions

Fintech

At the end of April 2016, the Federal Council instructed the Federal Department of Finance (FDF) to examine the need for regulatory action in the innovative financial technology (fintech) area. At the same time, it reiterated that the existing statutory provisions for the license-exempt processing of financial transactions apply also to fintech firms' services.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=61427>

The Swiss Financial Market Supervisory Authority FINMA has published a new circular facilitating video and online client identification. In addition to removing a number of unnecessary obstacles from its regulations, FINMA also supports the introduction of a new licensing category for financial innovators and a license-exempt area for start-up companies. An increasing number of financial intermediaries interact with their clients via the internet and mobile devices. In this context, FINMA's new circular on video and online identification (FINMA Circ. 2016/7), which came into force on 18 March 2016, sets out the anti-money laundering due diligence requirements for digital business.

<https://www.finma.ch/en/news/2016/03/20160317-mm-fintech/>

Amendments to Guidelines for Money Market Funds

The International Organization of Securities Commissions (IOSCO) published its Policy Recommendations for Money Market Funds Final Report in October 2012. As a signatory, Switzerland is obliged to transpose these recommendations into its national law. Given the role that self-regulation plays in implementation in Switzerland, SFAMA saw the need to amend its Guidelines for Money Market Funds also issued in 2012. In consultation with FINMA, SFAMA has now transposed Recommendations 1 (Scope/Designation), 4 (Valuation), and 6-8 (Liquidity Management) into the existing Guidelines.

The supervisory authority has recognized these amended Guidelines as a minimum standard (FINMA Circular 2008/10 „Self-Regulation as a Minimum Standard“).

The amendments to these Guidelines were approved by the Board of Directors of the Swiss Funds & Asset Management Association SFAMA on 4 May 2016. They enter into force on 1 January 2017. In the case of money market paper with maturities in excess of 90 days already held before 1 October 2016, margin no. 8e must be complied with in full

Federal Council initiates consultation on Ordinance

Newsletter

within a reasonable period – but no later than 300 days after the new Guidelines enter into force – taking due account of the investors' interests.

<http://www.sfama.ch/en/self-regulation-model-documents/fund-management/available-documents>

International automatic exchange of information in tax matters

The ordinance contains the Federal Council's implementing provisions for the Federal Act on the International Automatic Exchange of Information in Tax Matters (AEOI Act). It makes specific mentions of other non-reporting financial institutions and exempt accounts, and regulates details with regard to the reporting and due diligence requirements for reporting Swiss financial institutions. Aside from the implementing provisions for the AEOI Act, the ordinance contains other provisions that are required to implement the automatic exchange of information. It also includes implementing provisions on the tasks of the Federal Tax Administration (FTA), on the information system and in the Annex the applicable alternative provisions of the OECD commentary on the Common Standard on Reporting and Due Diligence for Financial Account Information. The consultation will run until 9 September 2016.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=61734>

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

AIFMD

On 5 April 2016 the European Securities and Markets Authority (ESMA) published an updated Q&A document on the application of the Alternative Investment Fund Managers Directive (AIFMD), featuring new questions and answers on notification requirements relating to additional investment in existing Alternative Investment Funds (AIFs).

Q&A:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-updated-aifmd-qa-0>

Final guidelines on remuneration policies

AIFMD, UCITS Directive

On 31 March 2016 ESMA issued its final guidelines on sound remuneration policies under the UCITS Directive and AIFMD. They will apply from 1 January 2017, subject to the transitional provisions stated therein.

Guidelines:

https://www.esma.europa.eu/sites/default/files/library/2016-411_final_report_on_guidelines_on_sound_remuneration_policies_under_the_ucits_directive_and_aifmd.pdf

Opinion

Loan origination

On 12 April 2016 ESMA put out an opinion addressed to the European Parliament, the Council and the Commission on the components necessary for a common European framework which applies to loan origination by investment funds. The opinion, which forms part of ESMA's ongoing work on the Capital Markets Union, sets out ESMA's views on elements such as the authorization of loan-originating funds and their managers, eligible investors, organizational requirements and leverage.

Press release:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-opinion-eu-framework-loan-origination-investment-funds>

Delegated Acts published

MiFID, MiFIR

On 7 April 2016 the European Commission published part of the long-awaited Delegated Acts for the Markets in Financial Instruments Directive II (MiFID II). This first set is based on an ESMA's Technical

National supervision of investment advice to retail clients

Advice and covers the following topics: safeguarding of client financial instruments and funds, product governance requirements and inducements. For the time being, the Commission is continuing with the finalization of more than 30 Level II measures to provide greater certainty of firms' implementing strategies.

Delegated Acts:

<https://ec.europa.eu/transparency/regdoc/rep/3/2016/EN/3-2016-2031-EN-F1-1.PDF>

ESMA's Technical Advice:

<https://www.esma.europa.eu/databases-library/esma-library?ref=2014/1569>

On 7 April 2016 ESMA issued a peer review on how national regulators assess compliance with MiFID's suitability requirements when firms provide investment advice to retail clients. Overall, ESMA found that while most national regulators have a good understanding of the investment advice market in their jurisdictions and regularly review the distribution methods and business models of investment firms, there is scope to adopt more proactive supervisory approaches and strengthen enforcement activities.

Press release:

<https://www.esma.europa.eu/press-news/esma-news/esma-finds-room-improvement-in-national-supervision-investment-advice-retail>

Amendments to MiFID II

On 2 May 2016 ESMA put out two opinions proposing amendments to its draft Regulatory Technical Standards (RTS) under MiFID II and the Markets in Financial Instruments Regulation (MiFIR). They relate to non-equity transparency and position limits.

Amendments:

<https://www.esma.europa.eu/press-news/esma-news/esma-amends-mifid-ii-standards-non-equity-transparency-and-position-limits>

Amendment to MiFIR

On 4 May 2016 ESMA published a request for amending its draft RTS on transaction reporting under MiFIR. The amendment relates to the list of instances that are not considered to be reportable.

Amendment:

<https://www.esma.europa.eu/press-news/esma-news/esma-proposes-amend-draft-mifir-standard-transaction-reporting>

PRIIPs

Proposal for RTS on KIDs

On 7 April 2016 the Joint Committee of the European Supervisory Authorities (ESAs) finalized its proposal for RTS on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs). The new rules were submitted to the European

Obligations of depositaries

Commission for endorsement, and will come into force on 31 December 2016. In order to help the industry to be prepared for the implementation of the new PRIIPs regulation, SFAMA is drawing up a FAQ which will be updated on an ongoing basis.

Proposal for RTS on KIDs:

<http://www.eba.europa.eu/-/esas-finalise-key-information-documents-for-retail-investors-in-the-eu>

UCITS V

On 24 March 2016 the European Commission's Delegated Regulation supplementing the UCITS V Directive with regard to obligations of depositaries was published in the Official Journal of the EU. It came into force on 12 April 2016 and will apply from 13 October 2016.

Delegated Regulation:

http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=urisrv:OJL_201607801.0011.01.DEU&cc=OJL2016078:TOC

Updated Q&A

On 5 April 2016 ESMA issued an updated Q&A on the UCITS Directive. The document includes a new question and answer on UCITS investment in UCITS feeder funds.

Q&A:

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

ECB wants to keep investment fund leverage in check

Upper limit for all investment funds

According to its Vice-President Vitor Constancio, the European Central Bank is in favor of upper limits being set for the use of leverage for all investment funds. At a conference in Frankfurt in April 2016, Constancio referred to the fact that the significance of such funds for the financial system has increased markedly in recent years, while regulation has lagged behind. „Financial regulatory reform has to be completed and extended through further efforts to contain risks in the shadow banking sector,“ said Constancio. His comments were aimed above all at the alternative investment funds area, where there are as yet no limits on leverage.

<http://www.finanzen.ch/nachrichten/fonds/EZB-will-Verschuldung-von-Investmentfonds-bremsen-1001167780>

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

Highly active

Alternative Investments Hans-Jörg Baumann

ETF Stephan Müller

Real Estate Funds Roger Hennig

Processes & Operations Daniel Lüdin

Risk Management Martin Jufer

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**.

- Preparation for the media event on the topic of „Alternative investments – balancing risk diversification and performance enhancement“
 - More in-depth coverage of the key themes of private equity, private debt and infrastructure
 - Detailed discussions on ‘obstacles’ to the sale of alternative investments beyond the regulatory area
- Discussion of the requirements for the listing of currency classes in Switzerland
 - Commissioning a new ETF brochure
- Coordinating activities with the „For a modern Lex Koller“ alliance (www.modernelexkoller.ch) regarding the planned revision of „Lex Koller“
 - Amending SFAMA’s model documents for real estate funds in line with the fully revised CISO-FINMA (stand-alone funds, funds in contractual form, and SICAVs)
 - Comprehensively revising the specialist information factsheet on key figures of real estate funds
 - Updating the brochure „Real Estate Funds – Compact“
- 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
 - Solvency II Reporting
 - PRIIPs
- Discussion of risk management approaches at individual institutions with a view to deriving best practice
 - Discussion of a common approach on closet index trackers
 - Drawing up a list of measures in the event of liquidity bottlenecks, in particular for bond funds

Legal & Compliance

Olivier Sierro

**Legal & Compliance
Asset Management**

Jasmin Djalali

Taxes

Hanspeter Kurz

Distribution & Marketing

Markus Signer

Save the date

National

- Implementation of FMIA: drawing up FAQ

International

- MiFID II – analysis of Level 2 measures
- PRIIPs - drawing up FAQ in the PRIIPs KID working group
- UCITS V – analysis of the ESMA Remuneration Guidelines in the UCITS V working group

- Client-side issues regarding insurance and pension provision, specifically with regard to alternative investments
- Confirmation in accordance with Art. 48I BVV2 (disclosure)
- EU regulation on venture capital funds (EuVECA)

- Automatic exchange of information
- Securities dealers subject to stamp duty

- Standardization of „Distributor’s Due Diligence Questionnaires“ with regard to monitoring distributors in line with the SFAMA „Distribution“ guidelines

Upcoming events**SCFS Funds Conference**

Friday, 24 June 2016

Zurich

Swiss Fund and Asset Management Cup

Monday, 27 June 2016

Greifensee

6th Swiss Fund Golf Cup

Tuesday, 30 August 2016

Hildisrieden

11th Swiss Fund Day

Thursday, 10 November 2016

Zurich

More detailed information on these events will be published on the Internet in due course.

www.sfama.ch (Events)



Swiss Fund Data AG

Successful launch

Cooperation with cash.ch

On 27 May 2016, the entire fund universe available on the website www.swissfunddata.ch was integrated in cash.ch. The fund guide on cash.ch has now been set up as a white labeling solution of the Swiss Fund Data website. All funds and unit classes of Swiss Fund Data partners are thus available to cash.ch users, who can now view a wide range of fund information as well as being able to trade all of the products directly online at a flat rate via the cash portal. Partners also benefit from an attractive advertising offering on the cash.ch platform set up exclusively for Swiss Fund Data clients.

You can find more information on this attractive offer at:

http://www.swissfunddata.ch/sfdpub/1606_Factsheet_Fonds-Partnerschaften_en.pdf

You can access the cash.ch fund guide via:

<https://www.cash.ch/fonds>

www.swissfunddata.ch

New providers integrated

The attractiveness of the publication and marketing platform for the Swiss fund industry was bolstered yet further in Q2, with the following providers deciding to publish their products at www.swissfunddata.ch:

- State Street Global Advisors
- FORT Investments
- Arveus
- HBM Partners AG



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 (cycles 26 and 27)

- 28.06.16 Emerging markets put to the test
- 30.08.16 How do we see investors – a comparison over time
- 20.09.16 Commodity investments in the current market environment
- 11.10.16 The advantages and risks of multi-asset strategies
- 01.11.16 Digitalization in asset management
- 29.11.16 Risk management in the fund & asset management business
- 24.01.17 How is fund research faring?

Events in Geneva (cycle 10)

- 06.09.16 Is there really no alternative to the equity markets at present?
- 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)

Practical overview and legal basis

Schweizerisches Recht der kollektiven Kapitalanlagen

Newly released in August 2016, this publication on collective investment schemes in Switzerland written by certified public accountants Markus Schunk and Astrid Keller and attorney-at-law Silvan Meyer is aimed primarily at assisting people working in this field. Following the first and second editions, this updated version has been extended significantly to encompass the revision of the legislation in March 2013. An initial list of contents with illustrations gives a quick and easy overview of the various areas covered. There follows a table setting out the matters requiring approval, notification and disclosure for licensees under the collective investment schemes legislation. The CISA and the implementing ordinances (CISO and CISO-FINMA) are also integrated in the publication, as are the key specific FINMA circulars and SFAMA guidelines.

www.schulthess.com (ISBN 978-3-7255-7403-2)

NZZ's financial lexicon – concise, clear, and comprehensible

„What is ... actually?“

Finding your way around the world of finance is not easy, and you often have to fight through a jungle of jargon. To offer some guidance, the NZZ publishes a video clip every two weeks explaining an important term. After a cartoon illustrating what it actually means, the key questions are put to a professor from the Swiss Finance Institute.

<http://www.nzz.ch/finanzen/nzz-finanzlexikon/>

What is FinSA actually?

Following the financial crisis, there was a clamor worldwide for better regulation, and Switzerland also took stock. Has the Financial Services Act been a resounding success in this regard?

<http://www.nzz.ch/finanzen/nzz-finanzlexikon/gesetze-fuer-den-finanzplatz-schweiz-was-ist-eigentlich-fds-gld-13251>

What is an investment fund actually?

When it comes to investing your money, you're often spoiled for choice, with a wide range of funds on offer in addition to the various direct investments. The document explains the pros and cons of investment funds, and show you what you should be aware of when making investments.

<http://www.nzz.ch/finanzen/nzz-finanzlexikon/diversifiziert-investieren-was-ist-eigentlich-ein-anlagefonds-td-10472>

Guide for private investors

Bundesbank study

A cautious stance on investment

Germans are world champions in saving, but not in investing

Program 2016 – Zurich

What you need to know about investing

Michael Ferber's book „Was Sie über Geldanlage wissen sollten“ provides an overview of financial and investment products, and offers support for discussions with financial advisors. It provides an independent set of guidelines and advice, but is also easily understandable for private investors. The book explains the investment products distributed in Switzerland, and can be useful for private banking clients and people interested in retirement saving solutions.

www.nzz-libro.ch (ISBN 978-3-03823-033-1)

Funds important for wealth creation

A current study published by Germany's Bundesbank shows that funds play a key role when it comes to wealth development. Fewer and fewer Germans hold equities and funds in their portfolios. But anyone who would rather keep their money in their savings or current account has little prospect of growing their wealth.

Germans are becoming increasingly wealthy, but only as far as the average is concerned. The unfortunate fact is that the distribution of wealth is becoming increasingly uneven, and an ever greater section of the population is not participating in the country's increasing riches. One reason for this is the pronounced caution shown by German citizens in investing their money. This is the finding of the 2014 survey on wealth published just recently by the Bundesbank.

Following on from its study in 2010, the Bundesbank conducted a second survey in 2014 asking German households about their finances and debt. Around half of the some 4,500 households surveyed took part in the „Panel on Household finances“ study for the second time. The findings are aimed at encouraging investors that have not invested in equities or funds to date to reconsider.

http://www.bundesbank.de/Presse/Pressemitteilungen/Nachrichten/Top-Themen/2016/2016_03_vermoegen_franzen_privat_haushalte.pdf

Certified Investment Fund Director

The Certified Investment Fund Director Program is delivered through a combination of online and class-based learning supported with extensive reading material selected by the program faculty. It comprises 10 modules. Module 1 is the Fundamentals of Alternative Investments

IFZ one-year study program

(FAI) Program, a CAIA Program. This is a 20-hour online course designed to provide a foundation of core concepts in alternative investments and should be completed by participants prior to completing Module 4, Portfolio Management and Board Oversight. Participants are provided with login details to the FAI Program on CAIA's website and can complete the Program in their own time. The remaining 9 modules of the CIFD Program are classroom-based, supplemented with assigned pre-reading material and, for some modules, short webinars relevant to the subject area. Participants on the CIFD Program are given login access to a program participant page on the CIFDI website (www.cifdi.org). Through this page, participants will have access to a library of reading material recommended by the program faculty as well as webinars that supplement class-based learning. The 9 class-based modules are delivered over two blocks, one of five and one of four days' duration. The CIFD Program is designed for all investment fund directors, or those with extensive asset management or funds experience who aspire to become investment fund directors. It would also be a valuable program for those operating in director/senior management positions within both fund promoter and service provider organizations, those responsible for the regulation of investment funds, and institutional investor personnel responsible for the oversight of investment fund governance frameworks within their portfolio of investment funds.

<https://www.cifdi.org/our-programme>

CAS Tax Compliance Management for Financial Institutions

In this CAS program outstanding practitioners and academics will discuss and analyze current tax and regulatory problems faced by financial institutions such as banks, insurance companies, family offices, asset managers, and other financial service providers when attempting to comply with the changing and dynamic tax and regulatory environment. The Certificate of Advanced Studies CAS in Tax Compliance Management for Financial Institutions will provide you with a comprehensive understanding of the national and international tax and regulatory framework, as well as the possibility to explore the most pressing issues encountered by financial institutions.

www.hslu.ch/tax

New report from EFAMA and ICMA

Fund liquidity

The report sets out the statutory liquidity requirements as well as a list of the liquidity management tools for investment funds.

<http://www.efama.org/Pages/NewfundliquidityreportfromEFAMAandICMAundertheBaseltoBloombergbyrisk.aspx>



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

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