

SFAMA



Swiss Funds &
Asset Management
Association

SFAMA News

Autumn edition



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Editorial

Dear readers

FinSA / FinIA

The two bills were dealt with first in the Council of States Economic Affairs and Taxation Committee (EATC-S) in Q1 2016, as we reported in the March issue of SFAMA News. Given that the interests of smaller asset managers that are large in number but not crucial to the economy as a whole are diametrically opposed to those of the remainder of the financial center, the discussions of the FinSA/FinIA projects has been conducted in a very emotional tone from the outset.

With these differing standpoints, the debate in parliament can also be expected to be heated. The EATC-S decided to introduce the bills at its meeting in February 2016. According to a media release issued on 30 August 2016, owing to time constraints the consultation on the Financial Services Act and the Financial Institutions Act has had to be postponed once again, on this occasion to Q4 2016.



In focus

SFAMA survey

Switzerland leading the way

High share for institutional and foreign investors

Summary

Pivotal role of discretionary management mandates

There has been scarcely any data on asset management in Switzerland to date. In particular, there has been no information available on the managed volumes of discretionary asset management mandates from the perspective of Switzerland as a production location. To get a better take on the significance of this business, and to present it more effectively in the overall view of the Swiss financial center, the Swiss Funds & Asset Management Association SFAMA conducted a corresponding survey of Swiss market participants together with The Boston Consulting Group. The survey focused on the question of where the management of the assets took place, and covered assets managed in Switzerland for private and institutional investors alike. This approach differs fundamentally from the current statistics of the Swiss National Bank, which record the assets booked in Switzerland, and also from the fund domicile statistics of Swiss Fund Data and Morningstar, which focus on the volumes distributed in Switzerland or the legal domicile of the funds.

The results show that discretionary mandates play a pivotal role in asset management here, and that Switzerland ranks among the leading asset management locations in Europe. This is attributable to its strong position in private banking and the insurance sector, and the well-developed pensions system. Extrapolating the figures, banks, securities dealers, FINMA-authorized asset managers of collective investment schemes and fund management companies managed around CHF 1,240 billion in discretionary asset management mandates in Switzerland at the end of 2015. The institutions that participated in the survey also stated that they managed some CHF 320 billion in foreign-law collective investment schemes in Switzerland. Added to this there are more than CHF 700 billion in collective investment schemes under Swiss law. The overall total of the Swiss asset management market spread over the two product groups is thus well in excess of CHF 2 trillion.

Companies and institutions hold sway in the Swiss asset management market for discretionary mandates. This group of investors accounts for assets totaling CHF 820 billion, which translates into one third of the total Swiss asset management market. Foreign investors also make up one third. In the case of companies and institutions, one in five francs managed comes from abroad. For private investors, this figure stands at around 50%.

The figures obtained by this survey form an important basis for highlighting how important asset management is in Switzerland, and for demonstrating its significance to a broader group of interested parties. This work has only just begun.



Latest News

Reminder

31 December 2016

28 February 2018

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 CISO

The transitional provisions regarding the amendments to the Collective Investment Schemes Ordinance (CISO) of 13 February 2013 are to be found 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.

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).

Existing encumbrance arrangements pursuant to Art. 96 para. 1 CISO which exceed the threshold must be rectified.

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

1 January 2017
(grandfathering regime
30 September 2016)

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 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.



Fund markets

EUR 36.67 trillion in fund assets worldwide

Fund volumes moving unequally worldwide

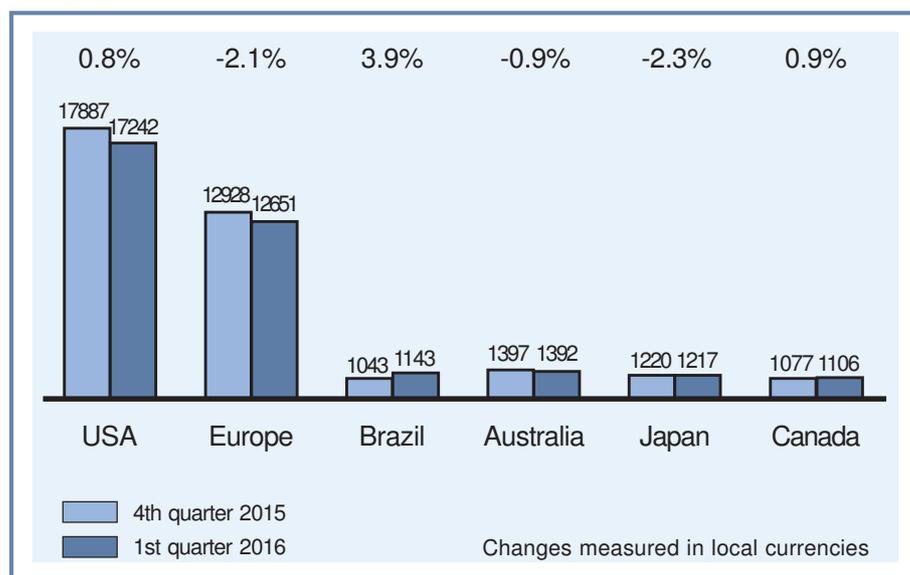
Scarcely any change in the international breakdown

Key data on the international fund business

Following a rebound in Q4 2015, the volumes of assets invested in funds worldwide dropped back slightly in the first quarter of 2016. 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. It is therefore no longer possible to make direct comparisons with the figures published to date in the SFAMA News. At the end of March 2016, the newly calculated fund volumes totaled EUR 36.7 trillion, with funds of funds accounting for EUR 2.77 trillion. Fund volumes moving higher in unison worldwide

Measured in local currency terms, Brazil posted the strongest gain in Q1 2016 at 3.9%, followed by Canada (+0.9%) and the US (+0.8%). However, if the calculations were made in EUR, the US would have posted a decline of some 3.6%. In the US, the total volume was well below EUR 18 trillion at the end of March 2016. According to the latest EFAMA report, a total of EUR 12.7 trillion was invested in funds in Europe.

Geographical trends in investment fund assets in Q1/16 (in EUR billions)



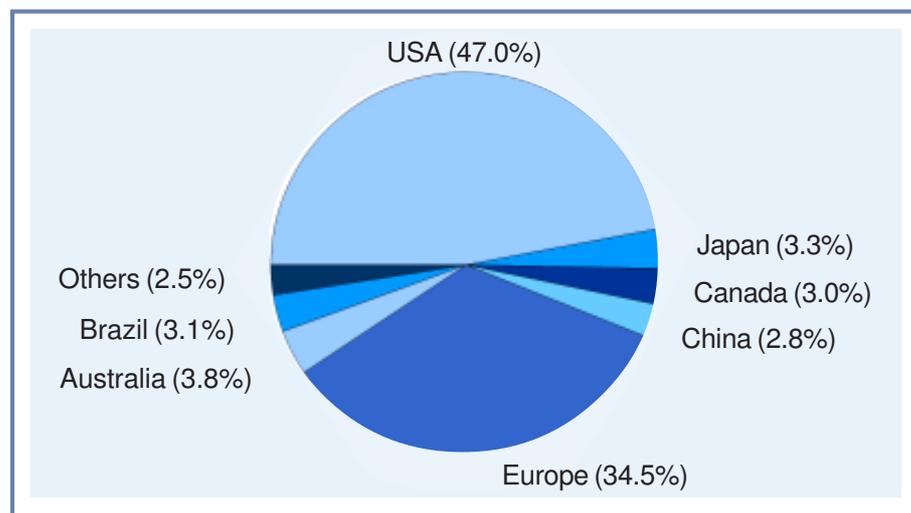
Source: EFAMA International Statistical Release, June 2016

Comparing the data gathered, the US accounted for 47.0% of the global assets invested in funds at the end of the first quarter. Europe followed in second place with 34.5%, with Australia (3.8%) still holding off Japan (3.3%) in third spot. Brazil has overtaken Canada and China once again, moving into fifth place.

Global fund universe of
117,770 funds

A look at Europe

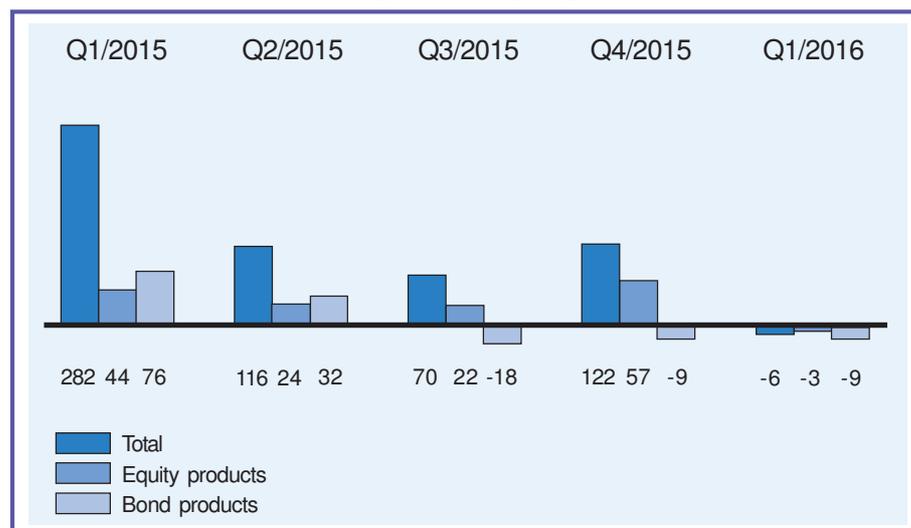
Geographical trends in investment fund assets by end of March 2016 (in EUR billions)



Source: EFAMA International Statistical Release, June 2016

At the end of March 2016, the fund universe covered by EFAMA stood at a total of 117,770 products. This corresponds to an increase of 4,208 funds in the year to date. The breakdown of products per fund category is as follows: equities 39%, bonds 21%, mixed 18%, money market 12%, and others 10%.

Net sales into UCITS in Europe since spring 2015



Source: EFAMA Quarterly Statistical Release, June 2016 (quarterly figures in EUR billions)

The net asset flows in recent quarters reflect the uncertainty felt by many investors, both with regard to the general economic situation in the west, and the Asian markets at the beginning of 2016. That said,

Trend in terms of volumes mostly negative

Securities totaling CHF 5.4 trillion held in Swiss custody accounts

Comparison of fund holdings

all fund categories have enjoyed net inflows over the past five quarters. While money market funds posted respectable inflows on balance in 2015, they suffered net outflows in Q1 2016.

A look at the European fund markets shows that only few countries were able to post increases in volumes in Q1 2016, Germany and the Netherlands in particular. The countries with well-documented problems – Spain, Italy, Greece, and Portugal – were all in negative territory with figures ranging from -1.9% in Spain to -4.8% in Italy. The European average stood at -3.4% for UCITS and -0.1% for AIFs. Across all fund categories, there was a decline of 2.1%, with Switzerland faring somewhat better with a drop of 1.2%.

Assets held with domestic banks holding steady

The securities holdings in client custody accounts at Swiss banks rose slightly in Q2, and stood at CHF 5.36 trillion at the end of June according to the latest SNB statistics. This represents an increase of 0.1% over the end of Q1. According to the SNB Monthly Statistical Bulletin for August 2016, the securities holdings of non-resident clients have fallen by 6.7% to CHF 2.70 trillion in the year to date. Meanwhile, in the case of resident custody account holders the corresponding figure was up 1.37% to CHF 2.66 trillion. Non-resident clients thus still account for just over 50% of the securities holdings.

A comparison of fund holdings shows different trends for resident and non-resident custody account clients. Between the beginning of the year and the end of June 2016, the fund assets held by resident custody account clients rose by CHF 38 billion to CHF 1,096 billion (+3.6%), while the corresponding figure for non-resident clients fell by CHF 66 billion to CHF 721 billion (-8.4%). The weighting of fund holdings in custody accounts of resident clients rose slightly, and stood at around 41.2% at the end of June. The corresponding figure for non-resident clients has fluctuated around 27% this year, and currently stands at 26.6%. It is still primarily resident clients that hold funds under Swiss law in their custody accounts; at around CHF 695 billion these holdings make up more than half of the volume of collective investment schemes.

Non-resident investors are still tending to avoid this fund type (the figure lies around 9%). The CHF 66 billion drop in volumes thus stems mainly from foreign funds.

Cooperation between Morningstar and Swiss Fund Data

Fund volumes around CHF 877.6 billion

Fewer Swiss funds approved

Slight increase in foreign funds approved in Switzerland

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 March 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 CHF 877.6 billion at the end of June 2016, an increase of CHF 15.8 billion quarter-on-quarter (1.8%).

The figures are based on the FINMA approvals list and cover all funds under Swiss law as well as all foreign funds approved for distribution in Switzerland, including institutional unit classes.

Broken down by asset class, equity funds still have the largest share at nearly 40%, followed by bond funds with around 32.6%. Asset allocation funds remain in third spot with around 12.2%.

Development of fund assets since January 2016

Fund Category	Volumes 31.12.2015	Volumes 30.06.2016	Overall change
Equities	366.7	349.7	- 17.0
Bonds	279.4	285.7	+ 6.3
Money Market	63.0	64.4	+ 1.4
Asset Allocation	107.3	106.9	- 0.4
Others	3.5	2.9	- 0.6
Natural resources	16.0	20.2	+ 4.2
Alternatives	25.2	21.1	- 4.1
Real Estate	30.2	26.7	- 3.5
Total Swiss Market	891.3	877.6	- 13.7

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

The number of funds established under Swiss law increased further in 2015 (from 1,515 to 1,542 products), but this positive trend did not continue in Q2 2016. A total of 1,540 Swiss-law products are now registered with FINMA, including 19 limited partnerships for collective investment.

As at the end of June, the number of funds approved for distribution stood at 8,767, a drop of 10 funds quarter-on-quarter but an increase of 225 year-on-year. This came primarily on the back of foreign funds (above all those domiciled in Luxembourg and Ireland).

Turnover on SIX Swiss Exchange exceeds CHF 47 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-June 2016		Change in the year 2016	
Swiss funds	1542	(737)	1540	(736)	- 2	(-1)
Swiss limited partnerships	18	(18)	19	(19)	1	(1)
Securities funds	142	(0)	137	(0)	- 5	(0)
Other funds for trad. investm.	1272	(686)	1280	(689)	8	(3)
Other funds for altern. investm.	57	(14)	48	(9)	- 9	(-5)
Real estate funds	53	(19)	56	(19)	3	(0)
Non-Swiss funds	7198		7227		29	
Luxemburg	4870		4867		- 3	
Ireland	1460		1491		31	
Other countries	868		869		1	
Total Swiss and Non-Swiss	8740	(737)	8767	(736)	27	(-1)

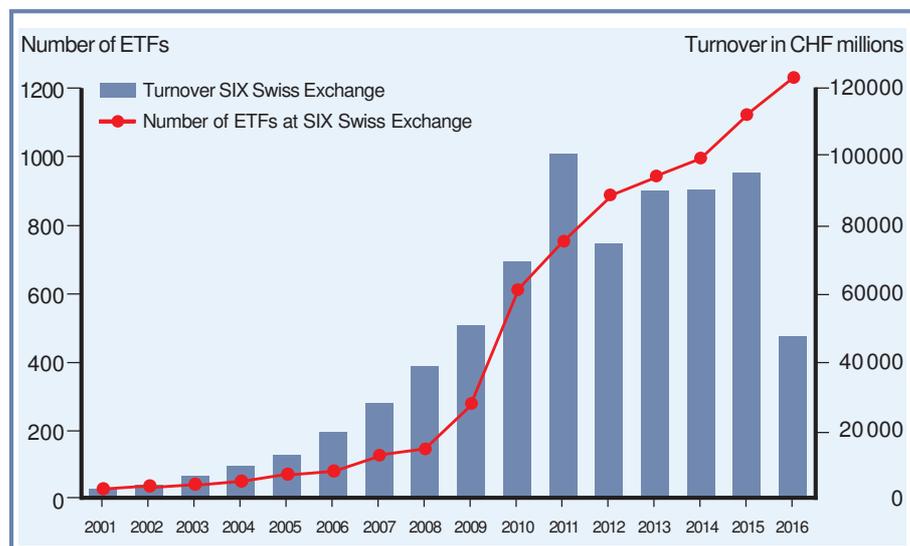
Source: FINMA (as of the beginning of April 2016)

ETF segment nearly as strong as in 2015

After a slight hiatus in 2012, the ETF segment got back on an even keel. The total turnover of the segment on the SIX Swiss Exchange in the first six months of this year came to CHF 47.6 billion, down only slightly on the same period in 2015.

At the end of June 2016, there were 1,236 ETFs from various product providers listed on the SIX Swiss Exchange, an increase of 156 compared with the same time last year.

Turnover and number of ETFs since 2001



Source: SIX Swiss Exchange

Median doggedly low

Yield on investment indicator for real estate funds in Switzerland

The category 'Equities – developed regions' accounts for the majority of products, but the 'Fixed income' category also has an ever increasing number of products. If we look at the turnover by asset class in Q2, equities from the developed regions remained well out in front at 53.7%, albeit down from the 59.2% share they held last year. Commodities and precious metals regained third spot. Emerging market equities were in fifth place with 9.33%. Fixed income products now rank second, while theme equities remain rather insignificant in terms of turnover.

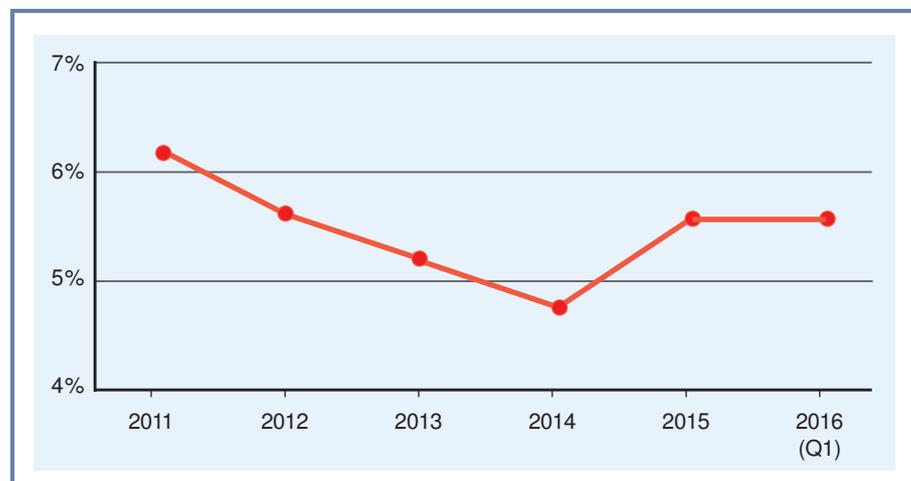
The average trade size remained essentially stable. From a level of around CHF 155,000 in 2003, by H1 2016 it stood at just CHF 96,403. The median has not fallen further, but still remains very low at CHF 14,316.

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.

Development of the SFA ARI® since 2011



Source: Swiss Fund Data

Current yield

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.

Impressive volumes

The scale of the European fund-of-funds universe is thoroughly impressive. According to a current analysis conducted by the Vienna-based e-fundresearch.com, the aggregated volumes of all strategy products domiciled in Europe and classified by Lipper as retail funds of funds stood at EUR 651 billion at the end of June 2016.

Highly concentrated

However, this is by no means evenly distributed: the 25 top strategies alone account for just under 15% of the total market, with 8% of the fund of funds managing some 60% of the overall volume.

The total volume is currently made up from 4,756 portfolios, which gives an average of around EUR 137 million per fund of funds. That said, appearances are deceiving, as underscored by the median of the universe, which stands at EUR 30.5 million.

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»)

Newsletter



Domestic environment

Detailed consideration begins

FinSA/FinIA

The EATC-S began its detailed consideration of the Financial Services Act and the Financial Institutions Act at the end of June 2016, and tasked the Federal Administration with handling certain other points. The bills should actually have been discussed further in the EATC-S at the end of August 2016, but this was postponed at short notice until Q4 2016 owing to time constraints. At this stage it remains to be seen whether the detailed consideration can be concluded by then, allowing the matter to be put before the Council of States in its winter session. The committee has decided to inform the public about its specific proposals to the Council only after the conclusion of the consideration as a whole.

G: <https://www.parlament.ch/press-releases/Pages/mm-wak-s-2016-06-29.aspx>

F: <https://www.parlament.ch/press-releases/Pages/mm-wak-s-2016-06-29.aspx?lang=1036>

Federal Council extends transitional periods for financial market infrastructures

Financial Market Infrastructure Ordinance

The Federal Council made amendments to the Financial Market Infrastructure Ordinance (FMIO) at the end of June 2016, extending the transitional periods for financial market infrastructures by a year in line with developments in the EU.

<https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-62434.html>

Asset management

Technology-neutral FINMA regulations

Asset management contracts no longer need to be concluded in writing, and digital contracts are now also allowed. The Swiss Financial Market Supervisory Authority FINMA has revised its „Guidelines on asset management“ circular accordingly. This step finalizes the work FINMA has been doing on rendering and implementing technology-neutral regulations.

<https://www.finma.ch/en/news/2016/07/20160701-mm-rs-09-01/>

New communications vehicle

FINMA Guidance

The new ‘FINMA Guidance’ communications replace the previous ‘FINMA Newsletters’, which contained a broader array of information. FINMA communicates important information to supervised institutions,

FINMA Guidance 01/2016

Newsletter

providing them with guidance on regulatory matters. FINMA Guidance is targeted at specific groups of supervised institutions, focuses on topical regulatory issues and raises awareness about current risks.

The first Guidance covers the topic of 'The Financial Market Infrastructure Act: FINMA's next steps'.

<https://www.finma.ch/en/documentation/finma-guidance/#Order=4>

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

Q&A Update

Extension of fund passport

Consultation

Final report

AIFMD

On 3 June and 19 July 2016 the European Securities and Markets Authority (ESMA) published updated questions and answers documents (Q&As) on the application of the Alternative Investment Fund Managers Directive (AIFMD) regarding the domicile of EU Alternative Investment Funds (AIFs) and the valuation of centrally cleared OTC derivatives by AIF managers respectively.

Q&As:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-updated-aifmd-qa-1>
<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-updated-aifmd-qa-2>

On 19 July 2016, ESMA published its advice in relation to the application of the AIFMD passport to non-EU Alternative Investment Fund Managers (AIFMs) and AIFs in twelve countries: Australia, Bermuda, Canada, Cayman Islands, Guernsey, Hong Kong, Japan, Jersey, Isle of Man, Singapore, Switzerland, and the United States.

Advice:

<https://www.esma.europa.eu/press-news/esma-news/esma-advises-extension-funds-passport-12-non-eu-countries>

AIFMD and UCITS Directive

On 15 July 2016, ESMA issued a call for evidence on asset segregation and custody services under AIFMD and the Directive on Undertakings for Collective Investment in Transferable Securities (UCITS Directive). ESMA is particularly interested in gathering views on any asset segregation regime that ensures assets are clearly identifiable as belonging to AIF or UCITS, and which provides investors with robust protection by avoiding ownership of the assets being called into question in the event of insolvency. The consultation closes on 23 September 2016.

Consultation:

<https://www.esma.europa.eu/press-news/esma-news/esma-consults-asset-segregation-and-custody-services-under-aifmd-and-ucits>

ELTIF

On 8 June 2016, ESMA published its final report and draft regulatory technical standards (RTS) under the European Long-Term Investment Fund Regulation (ELTIF). Following discussion with the European

Ancillary activities

Commission ESMA is postponing the delivery of its ELTIF RTS on the cost disclosure information that must be included in the ELTIF's prospectus, in order to take into account the work being undertaken on cost disclosures for PRIIPs.

Final report:

https://www.esma.europa.eu/sites/default/files/library/2016-935_final_report_on_eltif_rts.pdf

MiFID

On 30 May 2016 ESMA issued an opinion in response to a letter sent by the European Commission asking to amend its draft RTS 20 under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR). RTS 20 provides criteria to establish when a non-financial firm's commodity derivatives trading activity is considered to be ancillary to its main business.

Opinion:

<https://www.esma.europa.eu/press-news/esma-news/esma-issues-opinion-mifid-ii-standards-ancillary-activities>

Update Q&A

On 25 July 2016 ESMA published an updated version of its Q&A document on the application of MiFID to the marketing and sale of financial contracts for difference (CFDs) and other speculative products to retail clients (such as binary options and rolling spot forex).

Q&A:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-updated-qa-cfds-and-other-speculative-products-0>

MiFIR and EMIR

Final draft RTS

On 26 May 2016 ESMA issued two final draft RTS on indirect clearing under MiFIR and the European Market Infrastructure Regulation (EMIR) respectively. The draft RTS clarify provisions of indirect clearing arrangements for OTC and exchange-traded derivatives and help to ensure consistency and that an appropriate level of protection for indirect clients exists.

RTS:

<https://www.esma.europa.eu/press-news/esma-news/esma-issues-technical-standards-indirect-clients>

KIDs**Responses to discussion paper****Update Q&A****Updates****PRIIPs**

On 30 June 2016 the Joint Committee of the three European Supervisory Authorities (ESAs) – EBA, EIOPA and ESMA – published a letter to the European Parliament and European Council on the supervisory convergence work by the ESAs in relation to the draft RTS on Key Information Documents (KIDs) for Packaged Retail and Insurance-based Investment Products (PRIIPs).

Letter:

https://esas-joint-committee.europa.eu/Publications/Reports/ESAs_2016_51_ESAs_letter_EP_Council_PRIIPs_QA.pdf

UCITS

On 23 June 2016, ESMA published the responses received to the discussion paper on UCITS share classes.

Responses:

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-responses-its-discussion-paper-ucits-share-classes>

On 19 July 2016, ESMA published an updated Q&A document on the application of the UCITS Directive regarding the valuation of centrally cleared OTC derivatives by UCITS management companies.

Q&A:

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

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

Two new members admitted

Members

The Board of Directors and the Executive Board were pleased to welcome the following members to SFAMA in summer 2016:

- T. Rowe Price (Switzerland) GmbH
- Helvetica Property Investors AG Specialist committees

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

- Media event on the topic of 'Alternative investments – balancing risk diversification and performance enhancement'
- Discussion of possible business models (boutique approach versus multi-asset management) for providers of alternative investments
- Detailed discussions on 'obstacles' to the sale of alternative investments beyond the regulatory area

ETF Markus Götschi

- Detailed discussions on the calculation and publication of performance data of indexed products
- Start of work on a new ETF brochure

Real Estate Funds Roger Hennig

- Coordinating activities with the „For a modern Lex Koller“ alliance (www.modernelexkoller.ch) regarding the planned revision of „Lex Koller“ in Q4 2016
- Amending SFAMA's model documents for real estate funds (SICAVs) in line with the fully revised CISO-FINMA
- Comprehensively revising the specialist information factsheet on key figures of real estate funds
- Analysis of the impact of CTR III on real estate funds

Processes & Operations Daniel Lüdin

- PRIIPs
- Collective investment scheme data collected by the SNB extended to include liquidity of assets
- Guidelines on the Calculation and Publication of Performance Data of Collective Investment Schemes: calculating performance in the case of index-based funds

Risk Management

Martin Jufer

- Discussion of risk management approaches at individual institutions with a view to deriving best practice
- Discussion of a common approach on closet index trackers
- Work on a publication on risk management standards

Legal & Compliance

Olivier Sierra

National

- Model documents (real estate funds – SICAVs): Amendments in line with the CISO-FINMA

International

- International Distribution: consultation on cross-border fund distribution within the EU to identify the obstacles with regard to integration in the European fund markets.
- FMIA: updating FAQs (new FINMA Guidance 01/2016 and the Federal Council's decision at the end of June 2016 to extend certain transitional provisions in line with developments in the EU).
- AIFMD: ESMA advice of 19 July 2016
- MiFID II: Level 2 measures and implementation of the target market analysis (Round Tables of 15 and 16 June 2016)
- PRIIPS: drawing up FAQ
- UCITS V: ESMA call for evidence – asset segregation and custody services

Legal & Compliance Asset Management

Jasmin Djalali

- Client-side issues regarding insurance and pension provision, specifically with regard to alternative investments
- Confirmation in accordance with Art. 48I OPO2 (disclosure)
- EU regulation on venture capital funds (EuVECA)
- Innovative fund solutions

Taxes

Hanspeter Kurz

- Draft FTA guidelines on the automatic exchange of information
- Draft revision of FTA circular no. 24
- Withholding tax relief on US securities via Swiss CIVs

Distribution & Marketing

Markus Signer

- Standardization of 'Distributor's Due Diligence Questionnaires' with regard to monitoring distributors in line with the SFAMA guidelines on 'Distribution'

Save the date

Upcoming events

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)



Interesting reading

In partnership with
SFAMA

Save the date

Friends of Funds: new
sections

Use of event calendar
free of charge

Federal and Advanced
Federal Diploma

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 end of January 2017 in Zurich and to the end of 2016 in Geneva are as follows:

Events in Zurich (cycle 27)

20.09.16 Digitalization in asset management

11.10.16 The advantages and risks of multi-asset strategies

01.11.16 Commodity investments in the current market environment

29.11.16 Risk management in the fund & asset management business

24.01.17 How is fund research faring?

Events in Geneva (cycle 10)

06.12.16 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“).

www.friends-of-funds.ch (Events / Ihre Veranstaltung)

AZEK training program in Financial Market Operations revised

AZEK is one of the leading training centers for financial professionals in Switzerland. The Financial Market Operators program has recently been added to AZEK's collection. From 2017 onwards, the program

**Operations are
challenging**

Wide-ranging content

Morningstar study

will be offered in a revised format in order to cover the requirements of the candidates and their employers further. It is divided into two complete programs, the first covering the core knowledge and awarded with the federal diploma for Technician in Financial Market Operations (FMT) and the second, the advanced knowledge program, leading to the advanced federal diploma for Financial Market Operator (FMO). Both programs can be followed with classroom teaching or by a distance-learning format. After completion diploma holders are offered an entire series of continuous professional training seminars.

The development of the program was motivated mainly by the recent developments in the financial sector. Increasing competition and regulatory density, an environment shaped by industrial consolidation and automation as well as the growing complexity of new financial instruments increase the requirements on the operations departments. The implementation of changes and their integration into existing structures requires a deep understanding of the functionality, the processes and the treatment of the risks in financial market operations. The necessary knowledge – comprehensive know how about operations processes linked to financial instruments and market infrastructures – are taught in our training programs.

The learning subjects for the program of the technician FMT cover trade and post-trade functions including taxes, securities lending and repos, financial messaging systems such as Swift and FIX, the valuation of financial instruments such as bonds and derivatives, primary and secondary markets for money market instruments, foreign exchange, stocks, bonds and derivatives and their most important operational processes. Investment funds and hedge funds as well as the management of operations are covered in the advanced knowledge program. The whole program has a strong practical focus and is taught by experienced market specialists, offering comprehensive and professional know-how with a view to the overall context.

The FMT program is intended for specialists in operations and in the areas of compliance, risk management and control, audit, IT and project management. The FMO program is suitable for all the specialists mentioned above with managerial responsibility.

For more information, please consult www.azek.ch

European Fund Expenses Are Decreasing in Percentage

Morningstar's study of European investment funds finds that the asset-weighted ongoing charge for the full European fund universe is 1.00% in 2016, down from 1.09% in the 2013 study entitled 'Expenses in

Practical overview and legal basis

Éditeurs : Christine Kaddous (professeure) et Sylvain Matthey (avocat)

Nordic Investment Funds in a European Context'. Among other factors, this decline is a result of the increasing penetration of clean share classes (without commission fee) but also investors' increased preference generally for less expensive funds. Among the countries in the study, Sweden, Germany, the Netherlands and Switzerland all exhibit the highest degree of economies of scale to the benefit of investors. In general, these countries are attractive from a cost point of view, but they become even more attractive relative to the other countries in the study.

http://www.fondstrends.ch/fileadmin/pdf/news/Morningstar_European_Cost_Study_2016.pdf

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 as of 1 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 Act (CISA). 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)

Services financiers : Suisse et Union européenne

Cet ouvrage traite de thèmes clés liés à la prestation de services financiers en Suisse et dans l'Union européenne. Il réunit quatorze contributions, rédigées par des négociateurs, des banquiers, des avocats spécialistes du droit bancaire et financier et du droit de l'Union européenne. L'ensemble de ces textes fournit une analyse politique, juridique et économique du domaine des services financiers. Il donne un éclairage des enjeux liés la conclusion d'un accord avec l'Union européenne dans ce domaine, tant du point de vue de la Confédération suisse que de celui de la place financière suisse.

www.schulthess.com (ISBN 978-3-7255-8601-1)

Wegweiser für
Privatanleger

VÖIG-Broschüre

New trading platform for
client assets

2015 Annual Report

Was Sie über Geldanlage wissen sollten

Michael Ferbers Buch gibt einen Überblick über Finanz- und Anlageprodukte und leistet Schützenhilfe für das Gespräch mit dem Finanzberater. Das Buch ist ein unabhängiger, auch für Privatanleger verständlicher Leitfaden und Ratgeber. «Was Sie über Geldanlage wissen sollten» erläutert die in der Schweiz vertriebenen Anlage-Produkte und hilft etwa Private Banking-Kunden oder Altersvorsorgern.

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

Didi's Investmentfonds leicht gemacht

Die Broschüre der Vereinigung Österreichischer Investmentgesellschaften (VÖIG) zum Thema Anlagefonds wurde aktualisiert und auf ihrer Homepage aufgeschaltet.

[http://www.voeig.at/voeig/internet_4.nsf/sysPages/de.html/\\$file/Broschuere_final.pdf](http://www.voeig.at/voeig/internet_4.nsf/sysPages/de.html/$file/Broschuere_final.pdf)

Lan Advisory

Independent asset managers can now buy and sell client assets on the online platform Lan Advisory.

<http://www.fondstrends.ch/news/newsseite/artikel/neuer-handelsplatz-fuer-kundenvermoegen/>

Swiss Banking Ombudsman

The 2015 Annual Report of the Swiss Banking Ombudsman has been published in German and French, and can be ordered directly from the Office of the Swiss Banking Ombudsman, P.O. Box 1818, 8021 Zurich (fax +41 (0)43 266 14 15). The full media pack – annual report, media release, speeches – can also be downloaded from the Swiss Banking Ombudsman website.

<http://www.bankingombudsman.ch/en/documents/>

**New version of FTA
brochure**

First publication

Guidelines for future taxpayers

The new-look, revamped publication 'Guidelines for future taxpayers' provides an overview of the income and wealth taxes for natural persons. It also addresses the specific tax issues that younger and new taxpayers face.

<https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-61958.html>

2015 Tax Statistics

The Swiss Federal Tax Administration has for the first time published a leaflet entitled '2015 Tax Statistics', providing an insight into the figures for the various tax types, statistical evaluations for natural persons and legal entities, and the tax burden in Switzerland.

<https://www.admin.ch/gov/de/start/dokumentation/medienmitteilungen.msg-id-62711.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 LLC
 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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