

# SFAMA News

Winter edition

2015

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## Season's Greetings

### Best wishes for the festive season

#### As 2015 draws to a close...

We are now nearing the end of what has been an interesting and busy year. The financial markets were once again beset with pronounced fluctuations – the Swiss fund market broke through the CHF 900 billion mark, but held there only briefly – and market participants were certainly tested to the full. The most recent developments, including some beyond the financial markets such as the refugee crisis and terrorist attacks, are also likely to occupy investors.

The management of regulation is another key issue at present, with various new laws in the offing such as the FinSA and FinIA. This calls for a prudent approach, exchanging information and views with a wide range of players and seeking advice, so as not to be caught on the hop. It will also involve making our voice heard during the parliamentary debates that will hopefully be held soon, and persuading the newly elected members of the need to lend the best possible support to our asset management industry in being competitive.

In addition to poring over the legal texts, we have also been on the road a great deal once again, and attended external events with our members. Dialog with other associations is also useful in taking a broader view and adopting a focused approach. As ever, our various working groups have supplied the ideal platform for this, and visits to other fund associations and international conferences gave us important insights into what may lie ahead, and how other countries are thinking of implementing certain requirements.

But in the coming days it will be time to take a break from our daily business and fully recharge our batteries, so that we can all successfully master the challenges that are in store for us in 2016. We at the Swiss Funds & Asset Management Association SFAMA hope you and your families enjoy a pleasant and restful festive season with your nearest and dearest, and we wish you every success in the New Year.

All the very best!

The Board of Directors and Executive Board of the SFAMA



## In focus

### FinSA and FinIA: Opportunity for the Swiss financial center

#### Federal Council dispatch

On 4 November 2015, the Federal Council adopted the dispatch on the Federal Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) to be sent to both houses of Switzerland's parliament. 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. SFAMA welcomes the approved drafts, which represent a major opportunity for Switzerland as a location for funds and asset management, since the FinSA and FinIA will make a decisive contribution to safeguarding the competitiveness of Swiss providers internationally.

#### Exportability pivotal

Having a small economy, Switzerland is dependent on its financial firms also being able to offer their products and services abroad. Access to foreign markets has become increasingly difficult for financial services in particular, as various countries have revised and extended their regulation in the wake of the financial crisis. With a view to the competitiveness of the Swiss financial center internationally, it is pivotal that our financial market legislation be in line with international regulatory standards. This is of particular importance in the case of institutional asset management, where the Swiss market will only be able to post modest growth while the global growth forecasts are considerably higher. An even greater proportion of our clients will come from outside Switzerland in future.

#### EU guiding the way – as far as necessary

The EU accounts for a significant portion of Swiss financial exports. It is therefore essential for Swiss financial market legislation to be fundamentally oriented in line with the provisions in the EU. Other markets outside the EU are also increasingly looking to the EU rules. The FinSA and FinIA will make a significant contribution to delivering the required equivalence. That said, both laws should be set out in such a way that the Swiss requirements are not stricter than those applicable internationally. If we are to seize the opportunity now on offer, it is important that both bills are dealt with quickly by parliament, retaining the basic substance of their present form. During the upcoming parliamentary debates, SFAMA will be committed to ensuring that the FinSA and FinIA provide a platform for the Swiss funds and asset management industry to build on its position in the international competitive environment.



## Latest News

### Deadlines coming up!

#### Reminder

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

### SFAMA Regulatory Pipeline

#### Monthly publication

SFAMA's new publication collates information on the latest regulatory developments concerning selected funds and asset management topics which are on the agenda of SFAMA. Dedicated to helping you staying ahead of, and taking advantage of any opportunity resulting from the regulatory changes, this newsletter captures the latest regulatory developments expected to affect the business. To enable to quickly retrieve the information needed, the content is organized by topic. In order to ensure a timely publication, the Regulatory Pipeline is available in English only. It will be uploaded on our website every month, making it a current source of information.

<http://www.sfama.ch/en/regulatory-pipeline>

### Partial revision of the CISA and CISO

**1 March 2013 –  
28 February 2018**

The transitional provisions regarding the amendments to the Collective Investment Schemes Act (CISA) of 28 September 2012 are to be found in Articles 158a – 158e CISA, and those governing the amendments to the Collective Investment Schemes Ordinance (CISO) of 13 February 2013 in Article 144c CISO. Barring any ruling to the contrary in the specific transitional provisions, the new provisions apply from the entry into force on 1 March 2013.

In its Newsletter 48 dated 17 May 2013, FINMA added specific detail with regard to the authorization requirement for asset managers of collective investment schemes, as well as the applicable statutory transitional provisions for CISA institutions and collective investment schemes. It also provided a brief overview of amendments to regulations downstream from the CISA and CISO.

## Complete revision of the CISO-FINMA

**1 January 2015 –  
1 January 2017**

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

**1 January 2016**

With FINMA's approval, SFAMA informed its members (in circular no. 32/2015) on how the transitional provisions in Art. 118 paras. 2, 3, 5 and 7 CISO-FINMA expiring on 1 January 2016 are to be handled in practice. The fund contracts and investment regulations amended in line with the ordinance are in principle to be submitted to FINMA for approval by 1 January 2017. The same deadline also applies in principle for the amendment of the prospectus. However, certain licensees subject to the CISA must implement certain changes operationally and carry out specific amendments to the prospectus by 1 January 2016. For details, please see circular no. 32/2015.

## SFAMA Code of Conduct

**31 December 2015**

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



## Fund markets

### Key data on the international fund business

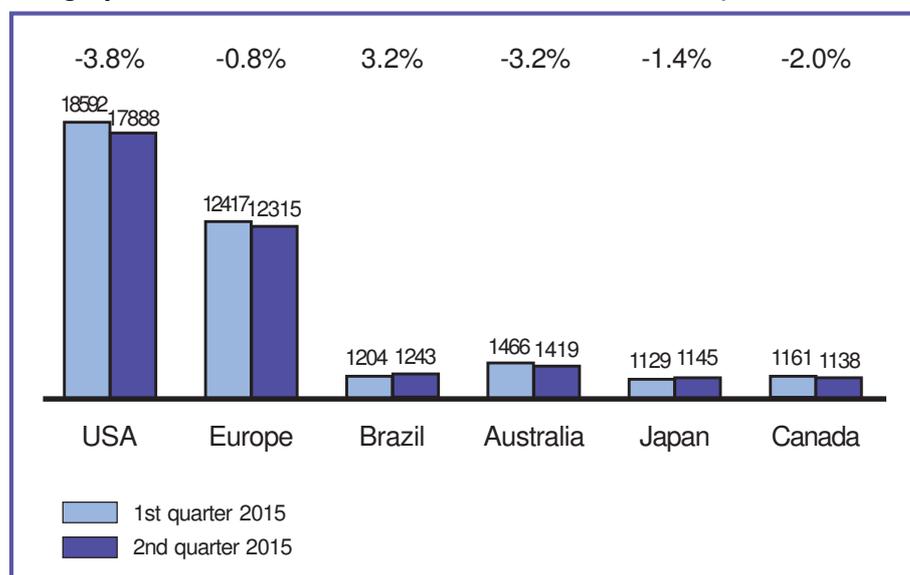
#### EUR 37.06 trillion in fund assets worldwide as of end-June 2015

The increase in global fund volumes stretching back over several quarters did not continue in Q2 2015. 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 the year. The figures for Q1 2015 are therefore the only published figures with which a direct comparison can be made. As at the end of June this year, the newly calculated fund volumes stood at EUR 37.1 trillion, which corresponds to a drop of 1.6%. Funds of funds accounted for EUR 2.84 trillion.

#### Europe has lost slightly

Measured in EUR, Brazil was the only country in positive territory in Q2 this year, posting an increase of 3.2%. However, Europe edged back by just 0.8%. In the US, the total volume was again slightly below EUR 18 trillion at the end of June 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 Q2/15 (in EUR billions)

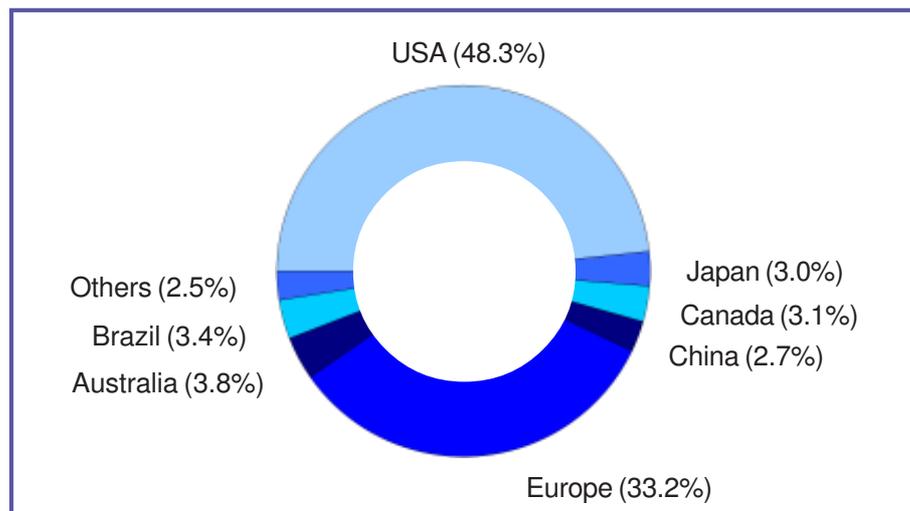


Source: EFAMA International Statistical Release, September 2015

#### US the clear leader on the international front

Comparing the data gathered, the US accounted for 48.3% of the global assets invested in funds at the end of the second quarter. Europe followed in second place with 33.2%, with Australia (3.8%) back in third spot ahead of Brazil, which posted a share of 3.4% and edged Canada down into fifth.

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



Source: EFAMA International Statistical Release, September 2015

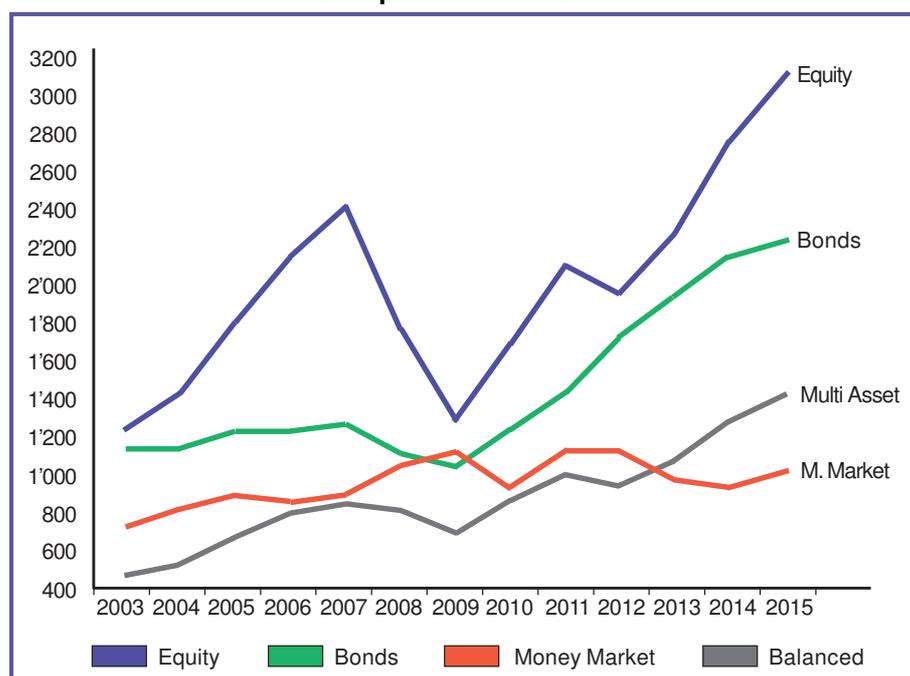
### Global fund universe of 114,868 funds

There was a further increase in the fund universe covered by EFAMA in Q2, and by the end of June 2015 it stood at a record high of 114,868 different products. This corresponds to an increase of 15,897 funds since the beginning of April 2015. As regards the types of fund, around 41% can be described as equity funds, 19% as mixed products, and 21% as bond funds. The money market fund category accounts for just 11%, while 8% of the products can be allocated to the „other funds“ category.

### A look at Europe

The net inflows in Europe amounted to a further EUR 114 billion in Q2 2015, following on from inflows of EUR 283 billion in the first three months of the year. This result was primarily attributable to the develop-

### Net sales into UCITS in Europe since mid-2003



Source: EFAMA International Statistical Release, September 2015 (annual figures in EUR billions)

ment of multi-asset funds and bond products, which enjoyed inflows totaling EUR 104 billion in Q2. Equity funds also posted net inflows (EUR 22 billion), whereas money market funds suffered outflows of EUR 30 billion.

As regards the European countries with higher volumes – i.e. Luxembourg, France, Germany, Ireland, and the UK – only the latter and Luxembourg were able to bolster volumes further in Q2 (up 0.5% in the UK and 0.1% in Luxembourg). Switzerland posted a decrease of 0.2%, slightly below the average. The Southern European countries were able to produce a positive showing: Portugal (1.7%), Italy (0.9%) and Spain (1.2%). Only Greece had a decrease of 1.7%.

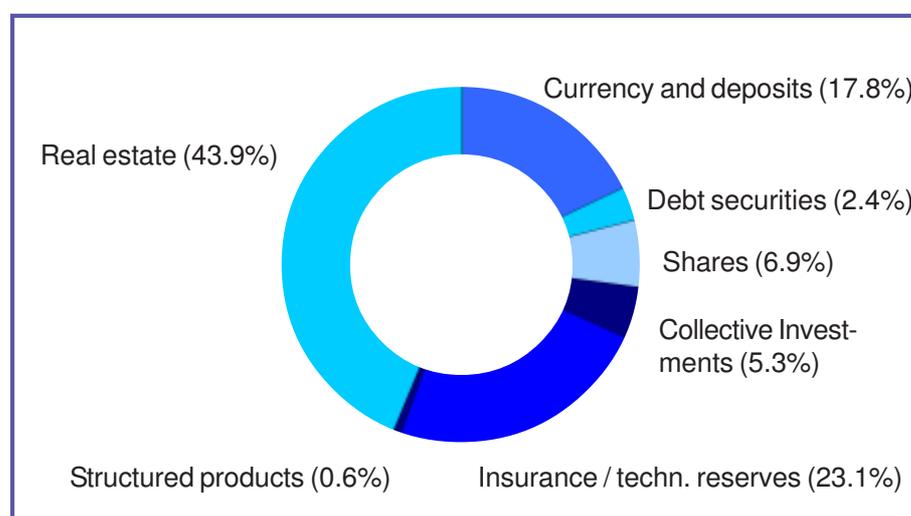
### Switzerland's financial accounts

#### Volumes of assets and liabilities for 2003 to 2014

In mid-November 2015, the Swiss National Bank (SNB) again presented financial accounts for Switzerland, showing the volumes and structure of the financial assets and liabilities in the individual sectors of the economy.

The results for 2014 show financial assets of private households at CHF 4,130 billion, which translates into a rise of CHF 168 billion or around 4.2%. However, much of the reported assets are not directly disposable as they are tied into pension provision.

#### Structure of private households (as of end-2014)



Source: [www.snb.ch/e](http://www.snb.ch/e) (Publications)

For the fund industry, the weighting of funds in the financial assets of private households is especially interesting. While this weighting was around 9% until 2003 and rose to 11.7% from 2004 to 2007, since 2008 it has been around 9.5% again. Between 2011 and 2013, the figures ranged from CHF 170 billion to CHF 197 billion respectively, or 8.4% and 8.8%. The weighting is now back up at nearly 9.5% with a volume of CHF 220 billion.

## Swiss fund market in 2015

Cooperation between  
SWISS FUND DATA III and  


Swiss Fund Data AG, a subsidiary of the Swiss Funds & Asset Management Association SFAMA and SIX Swiss Exchange Ltd, has been publishing new statistics for the Swiss fund market together with Morningstar Switzerland GmbH since the beginning of 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.

Fund volumes around  
CHF 858.4 billion

According to the statistics on the Swiss fund market, the total volume stood at CHF 858.4 billion at the end of September 2015. This figure is down around CHF 16 billion quarter-on-quarter (-1.8%). The figures are based on the FINMA authorization list and cover all funds under Swiss law as well as all foreign funds authorized 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%. Asset allocation funds remain in third spot with just over 12%.

### Development of fund assets since January 2015

Fund category	Volumes 31.12.2014	Volumes 30.09.2015	Overall change
Equities	336.6	341.2	+ 4.6
Bonds	268.0	278.2	+ 10.2
Money Market	63.5	59.6	- 3.9
Asset Allocation	105.8	104.9	- 0.9
Others	5.1	3.5	- 1.6
Natural resources	19.0	17.2	- 1.8
Alternatives	34.5	25.0	- 9.5
Real Estate	31.9	28.8	- 3.1
<b>Total Swiss Market</b>	<b>864.4</b>	<b>858.4</b>	<b>- 6.0</b>

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

Numbers of Swiss-law  
funds increasing

The uptrend in the number of Swiss funds discernible since April 2013 continued in Q3 2015. 1,540 Swiss-law products are now registered with FINMA, a new all-time high. 19 of these are limited partnerships for collective investment. All in all, the total number of investment vehicles under Swiss law rose by eleven products quarter-on-quarter.

Renewed rise in foreign-  
domiciled funds autho-  
rized in Switzerland

The number of funds authorized for public distribution is steadily approaching the 9,000 mark. As at the end of September the figure stood at 8,615, up by 73 quarter-on-quarter. Year-on-year, this translates into an increase of some 399 funds. This trend was primarily attributable to foreign (above all Luxembourg-domiciled) funds, which increased in number by 62 in Q3 this year alone. Luxembourg and Ireland were able to clearly defend their lead among the domicile locations.

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

(in brackets: funds for qualified investors)

Fund type / Fund location	As of end- Dezember 2014		As of end- September 2015		Change in the year 2015	
<b>Swiss funds</b>	<b>1515</b>	<b>(734)</b>	<b>1540</b>	<b>(737)</b>	<b>25</b>	<b>(3)</b>
Swiss limited partnerships	18	(18)	19	(19)	1	(1)
Securities funds	141	(0)	137	(0)	- 4	(0)
Other funds for trad. investm.	1244	(681)	1273	(683)	29	(2)
Other funds for altern. investm.	63	(17)	58	(14)	- 5	- (3)
Real estate funds	49	(18)	53	(21)	4	(3)
<b>Non-Swiss funds</b>	<b>6701</b>		<b>7075</b>		<b>374</b>	
Luxemburg	4539		4799		260	
Ireland	1223		1385		162	
Other countries	939		891		- 48	
<b>Total Swiss and Non-Swiss</b>	<b>8216</b>	<b>(734)</b>	<b>8615</b>	<b>(737)</b>	<b>399</b>	<b>(3)</b>

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

### Further drop in assets under management in Q3

#### Securities totaling CHF 5.32 trillion held in Swiss custody accounts

According to the latest SNB statistics, the securities holdings in client custody accounts at Swiss banks had fallen to CHF 5.32 trillion as at end-September 2015, a 2.85% drop compared with the middle of the year. According to the SNB Monthly Statistical Bulletin for November 2015, the securities holdings of non-resident clients had decreased by 7.06% in the year to date to CHF 2.79 trillion. Meanwhile, in the case of resident custody account holders the corresponding figure was down 8.27% to CHF 2.50 trillion. Non-resident clients thus still account for slightly over 52.0% of the securities holdings.

#### Comparison of fund holdings

A comparison of fund holdings shows differing developments for resident and non-resident custody account clients. Between the beginning of the year and the end of September 2015, the fund holdings of resident clients rose by CHF 35 billion to CHF 1018 billion (+3.6%). Meanwhile, the fund holdings of non-resident custody account clients fell by CHF 45 billion to CHF 766 billion (-5.5%). It is still primarily resident clients that hold funds under Swiss law in their custody accounts; at around CHF 637 billion these holdings make up some 62.6% of the corresponding total. Non-resident investors' holdings in collective investment schemes under Swiss law long remained steady at 9-10%, then followed two years where the figure ranged between 10% and 12%. It now stands at around 8.7%.

As regards fund weightings, the trends have moved in the same direction over the course of the year. That of resident custody account clients rose steadily from 38.3% at the beginning of the year to 40.2% at the end of September. The weighting for non-resident custody account clients has been fluctuating between 26% and 28.5% for some time. It currently stands at 27.4%, 0.4 of a percentage point higher than at the beginning of the year.

## SFA ARI®

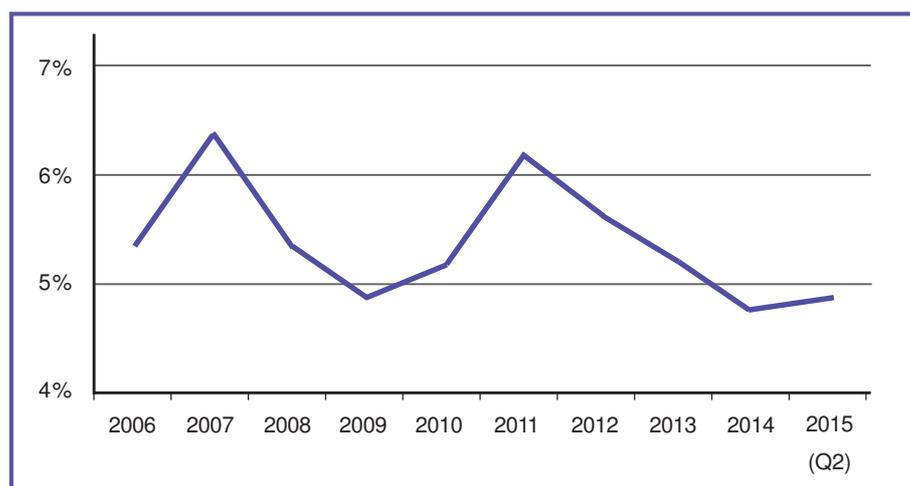
### Yield on investment indicator for real estate funds in Switzerland

SFAMA 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.

### Current yield

The current investment yield as measured by the SFA ARI® stands at 4.85%. This figure is based on the annual reports as at 30 June 2015, and is marginally higher compared with last quarter (up 0.07 of a percentage point). 25 real estate funds with net assets totaling around CHF 26.6 billion were included in calculating the current figure.

### Development of the SFA ARI® since 2006



Source: Swiss Fund Data

### Key figures on the Swiss financial center

### Handy booklet format

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

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



## Domestic environment

### Financial Services Act and Financial Institutions Act

#### Dispatch adopted

At the beginning of November 2015, the Federal Council adopted the dispatch on the Federal Financial Services Act (FFSA) and on the Financial Institutions Act (FinIA). 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 authorization. Aside from creating uniform competitive conditions and strengthening the competitiveness of the financial center, the FinSA serves primarily to improve client protection. It contains rules on providing financial services and offering financial instruments for all financial service providers operating in the financial center on a commercial basis. The proposed regulation takes account of the various features of financial service providers and financial instruments, as well as the different needs of the various client segments. The improvement in client protection is achieved specifically by means of comprehensive transparency provisions, while refraining from imposing bans.

[https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news\\_list.msg-id-59331.html](https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-59331.html)

#### An opportunity for the Swiss financial center

As the sector association for the Swiss funds and asset management industry, SFAMA is strongly committed to ensuring the effective and proportionate regulation of the financial services sector. The versions adopted by the Federal Council represent a major opportunity for Switzerland as a location for funds and asset management. The FinSA and FinIA will make a decisive contribution to safeguarding the competitiveness of Swiss providers. For this opportunity to now be seized, both bills have to be dealt with quickly by parliament, retaining the basic substance of the present versions.

<http://www.sfama.ch/de/medien/medienmitteilungen/medienmitteilungen>

### Financial Market Infrastructure Act

#### Entry into force on 1 January 2016

At the end of November 2015, the Federal Council brought the Financial Market Infrastructure Act (FMIA) and the Financial Market Infrastructure Ordinance (FMIO) into force as at 1 January 2016. Consequently, new rules that are consistent with the current international standards in the area will apply in Switzerland for financial market infrastructures such as trading venues and central counterparties, as well as for derivatives trading.

#### International standards

The FMIA, which was passed by Parliament in the summer of 2015, will adjust the regulation of financial market infrastructures and

derivatives trading in line with market developments and international standards. The act contains supervisory law requirements for the operation of financial market infrastructures, including stock exchanges, multilateral trading facilities, central counterparties, and central securities depositories. In addition, it contains all of the rules that apply in connection with trading in securities and derivatives for all financial market participants, particularly the new derivatives trading rules, which are likewise consistent with the international standards.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=59647>

## Financial Market Infrastructure Act

### FDF, FINMA, and SNB Implementing Ordinances

The Federal Department of Finance (FDF) and the Swiss Financial Market Supervisory Authority FINMA initiated the hearings on their ordinances with respect to the Financial Market Infrastructure Act (FMIA) in August 2015. The hearings on the Financial Market Infrastructure Ordinance (FMIO) and the FINMA Financial Market Infrastructure Ordinance (FMIO-FINMA) ran until 2 October 2015. In the same regard, the Swiss National Bank (SNB) launched consultations on a revision of the National Bank Ordinance (NBO), which also ended on 2 October 2015. SFAMA published its position papers on the FMIO and FMIO-FINMA at the beginning of October 2015.

<http://www.sfama.ch/en/publications/initiatives-statements-position-papers/statements>

## Representatives and paying agents

### Frequently Asked Questions

With the entry into force of the partially revised CISA, the duty to appoint a representative and a paying agent was also introduced for foreign collective investment schemes distributed exclusively to qualified investors in Switzerland (Art. 120 para. 4 CISA). However, there is still no duty to obtain approval for collective investment schemes only distributed to qualified investors. Various questions have arisen in implementing this provision. One aspect in particular that has led to demarcation difficulties is the fact that the provisions relating to paying agents and representatives were actually drawn up for foreign collective investment schemes requiring authorization for non-qualified investors, and their application to collective investment schemes for qualified investors is often not clear. The FAQ on the subject of representatives and paying agents with regard to the distribution of foreign collective investment schemes exclusively to qualified investors in and from Switzerland are aimed at answering the most important questions in this regard, thus contributing to the uniform implementation of the CISA within the Swiss fund industry.

<http://www.sfama.ch/de/publikationen/frequently-asked-questions>

## Automatic exchange of information in tax matters between Switzerland and the EU

### Federal Council adopts dispatch

At the end of November 2015, the Federal Council adopted the dispatch on the agreement regarding the automatic exchange of information (AEOI) in tax matters with the EU and submitted it to Parliament for approval.

### Global standard

The OECD's global AEOI standard has been included in full in the new agreement. Approximately 100 countries, including all major financial centers, have thus far committed themselves to introducing this global standard. The agreement between Switzerland and the EU should come into force on 1 January 2017, and the first sets of data should be exchanged from 2018, provided the approval process is completed on time in Switzerland and in the EU. The agreement between Switzerland and the EU is applicable in Switzerland with regard to all 28 EU member states.

<https://www.news.admin.ch/message/index.html?lang=en&msg-id=59649>

## Base erosion and profit shifting

### New mandatory international OECD standards with regard to corporate taxation

Switzerland supports international efforts to achieve greater transparency and a level playing field with regard to the taxation of multinationals. As a member of the OECD, it actively participated in the base erosion and profit shifting (BEPS) project, the final outcomes of which were published beginning of October 2015. Some outcomes are regarded as new minimum standards with which all G20 and OECD member states undertake to comply. The minimum requirements concern country-by-country reports, criteria for taxing intangible property (patent boxes), the spontaneous exchange of information on advance tax rulings, access to the mutual agreement procedure for resolving disputes and the inclusion of anti-abuse clauses in double taxation agreements (DTAs). The OECD will set up control systems to monitor member states' compliance with the minimum requirements. Other BEPS outcomes are in the form of recommendations, e.g. rules on restricting the deductibility of interest payments and rules to neutralize the effects of hybrid mismatch arrangements. The Federal Council has instructed the FDF, in collaboration with the cantons and business circles, to deliver analyses and proposals for implementing the outcomes, i.e. the amendment of Swiss corporate tax law in the light of international developments.

[https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news\\_list.msg-id-58972.html](https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-58972.html)

## Focus on withholding tax reform

### Expert group set up

The Federal Council is keen to press on with the currently suspended reform of the withholding tax regime. The current system brings with it

disadvantages for the economy, and also only achieves its safeguard role in Switzerland to a limited extent. The Federal Council therefore instructed the Federal Department of Finance at the start of November 2015 to set up a group of experts to draft corresponding reform proposals. The group is to comprise representatives of the federal government, the cantons, and business.

[https://www.efd.admin.ch/efd/de/home/dokumentation/nsb-news\\_list.msg-id-59336.html](https://www.efd.admin.ch/efd/de/home/dokumentation/nsb-news_list.msg-id-59336.html)

## State Secretariat for International Financial Matters SIF

### Newsletter

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

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



## International environment

### AIFMD

#### Clarifications in Q&A

On 1 October 2015, the European Securities and Markets Authority (ESMA) published its updated questions and answers document for the Alternative Investment Funds Management Directive (AIFMD) in relation to depositaries. The Q&A now clarifies that when an Alternative Investment Fund's (AIF) depositary sub-delegates custody of the AIF's assets to either an EU or third-country Central Securities Depository (CSD), that CSD must comply with the provisions on delegation under Article 21(11) of the AIFMD.

Q&A:

[http://www.esma.europa.eu/system/files/esma-2015-1490\\_-\\_qa\\_aifmd\\_1\\_oct\\_15.pdf](http://www.esma.europa.eu/system/files/esma-2015-1490_-_qa_aifmd_1_oct_15.pdf)

### AIFMD and UCITS Directive

#### Guidelines on sound remuneration policies

On 29 October 2015, ESMA published the responses received to the consultation on guidelines on sound remuneration policies under the UCITS Directive and AIFMD.

Responses:

<https://www.esma.europa.eu/consultation/GuidelinesoundremunerationpoliciesunderUCITSDirectiveandAIFMD>

### ELTIF

#### Responses on draft RTS

On 20 October 2015, ESMA published the responses received to the consultation on draft regulatory technical standards (RTS) under the European Long Term Investment Funds (ELTIF) Regulation.

Responses:

<https://www.esma.europa.eu/consultation/ConsultationdraftregulatorytechnicalstandardsunderELTIFRegulation#responses>

### EMIR

#### Update of standards on data reporting

On 13 November 2015, ESMA published an update of existing technical standards regarding data reporting requirements under the European Markets Infrastructure Regulation (EMIR). EMIR requires counterparties to report their derivative trades to trade repositories following a defined data format.

Final report:

[http://www.esma.europa.eu/system/files/2015-esma-1645\\_-\\_final\\_report\\_emir\\_article\\_9\\_rts\\_its.pdf](http://www.esma.europa.eu/system/files/2015-esma-1645_-_final_report_emir_article_9_rts_its.pdf)

## MiFID II

### Final technical standards

On 28 September 2015, ESMA published its final technical standards (TS) on the Markets in Financial Instruments Directive (MiFID II). The rules ESMA delivered on MiFID II, once implemented, will bring the majority of non-equity products into a robust regulatory regime and move a significant part of OTC trading onto regulated platforms. Thus, MiFID II will increase market transparency, efficiency and safety.

Final report:

[http://www.esma.europa.eu/system/files/2015/esma-1464\\_-\\_final\\_report\\_-\\_draft\\_its\\_and\\_ts\\_on\\_mifid\\_ii\\_and\\_mifid\\_ii.pdf](http://www.esma.europa.eu/system/files/2015/esma-1464_-_final_report_-_draft_its_and_ts_on_mifid_ii_and_mifid_ii.pdf)

### Responses on ITS

On 4 November 2015, ESMA published the responses received to the consultation on draft implementing technical standards (ITS) under MiFID II regarding trading suspensions, data service providers and derivatives reporting. ESMA will use the input received to finalize its draft ITS which will be sent for endorsement to the European Commission on 3 January 2016. MiFID II/ MiFIR and its implementing measures will be applicable from 3 January 2017.

Responses:

<https://www.esma.europa.eu/consultation/Consultation-Draft-implementing-technical-standards-under-MiFID-II/responses>

## PRIIPs

### Consultation on PRIIPs KID

On 11 November 2015, the Joint Committee of the European Supervisory Authorities (ESAs) launched a joint consultation paper on Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Documents (KID) to gather stakeholder views on proposed rules on the content and presentation of the KID. The KID, once finalized and implemented, aims to provide EU retail investors with consumer-friendly information to enable retail investors to understand and compare PRIIPs across the EU, whether offered by banking, insurance or securities firms. The ESAs will also hold a public hearing on KID for PRIIPs in Frankfurt on 9 December in support of this consultation. The closing date for stakeholder input is 29 January 2016.

Consultation paper:

<https://www.esma.europa.eu/consultation/Consultation-Paper-PRIIPs-Key-Information-Documents>

## UCITS V

### Draft ITS

On 18 September 2015, ESMA delivered its implementing technical standards (ITS) on penalties and measures under UCITS V to the European Commission for endorsement. UCITS V requires National Competent Authorities (NCAs) to provide ESMA annually with aggregated information on all the penalties and measures they impose on companies and persons in respect of infringements under UCITS. In addition, when NCAs make public any administrative penalties or

measures, they must report this information to ESMA at the time of publication. These technical standards set out the procedures and forms NCAs must use when submitting this information to ESMA. UCITS V and these technical standards are expected to apply from 18 March 2016.

Final report:

[http://www.esma.europa.eu/system/files/2015-esma-1409\\_is\\_penalties\\_and\\_measures\\_under\\_ucits\\_v.pdf](http://www.esma.europa.eu/system/files/2015-esma-1409_is_penalties_and_measures_under_ucits_v.pdf)

## Foreign Account Tax Compliance Act

### Updates

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>

## Withholding tax agreement with Austria

### Change in rate of withholding tax

Indirect interest via collective investment schemes is covered completely by the rate change. The differentiation by source of income has no effect at the level of collective investment schemes. From 1 January 2016, the uniform rate of 27.5% will apply to all distributions made by collective investment schemes.

<https://www.estv.admin.ch>

(International fiscal law / Topics / Withholding Tax acc. / Publications / Guidance)



## SFAMA activities

### New members

#### Three additional members

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

- Solo-PartnerShip SICAV, Solothurn
- Blum & Grob Attorneys at Law Ltd, Zurich
- Merrill Lynch Capital Markets Ltd, Zurich

### Specialist committees

#### Highly active

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

#### Alternative Investments

Hans-Jörg Baumann

- Detailed analysis of the consequences of Switzerland receiving an AIFMD passport
- Placing the key themes of private equity, private debt and infrastructure on the agenda
- Impact analysis of the increasing demand for alternative UCITS products

#### Asset Management

Markus Fuchs

- Realignment/renaming of Specialist Committee from Asset to Risk Management
- Still no stand-alone activities at present as a committee
- Organization of an initial set-up meeting (participants, objectives, schedule of activities)

#### 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

#### 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](http://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 NAV guidelines – amending the threshold values for assessing the significance of valuation errors
- SFAMA's Guidelines for Money Market Funds – implementation of the IOSCO Policy Recommendations for Money Market Funds

- SFAMA's Performance Guidelines (review)
- Solvency II reporting
- Data dissemination

## Legal & Compliance

Olivier Siervo

### Domestic

- CISO-FINMA transitional provisions: results of discussions with FINMA
- FMIA ordinances: SFAMA position paper

### Outside Switzerland

- EMIR / FMIA (European Commission equivalence decisions regarding CCPs)
- MiFID II (internal analysis and SFAMA Round Tables from 2016)
- AIFMD (Q&A session – SFAMA lobbying for the passport)
- UCITS V (ESMA consultation paper on guidelines on sound remuneration policies under the UCITS Directive and AIFMD, and SFAMA's and EFAMA's positions)

## Legal & Compliance

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
- Tax treatment of the swaps of synthetic replication funds
- Stamp duty in the case of single-investor funds
- DTA Liechtenstein

## Distribution & Marketing

Markus Signer

- The distribution of collective investment schemes under the requirements of the new financial market law regime with the issuance of the Federal Financial Services Act (FFSA) 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 rulings to be amended
- Drawing up a standardized Distributor's Due Diligence Questionnaire for monitoring distributors

## Upcoming events

### A date for your diaries

### **Swiss Funds & Asset Management Forum 2016**

Friday, 18 March 2016 (Hotel Bellevue Palace, Bern)

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

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



## Swiss Fund Data AG

### Modernization of the platform

#### Focus on smartphones

User behavior with regard to digital media is constantly changing. Ever smaller, quicker and more powerful mobile devices are coming on the market, with no end in sight. With this in mind, Swiss Fund Data AG has upgraded its fund information platform.

Mobile access to the information provided on the [www.swissfunddata.ch](http://www.swissfunddata.ch) website already accounts for 10% of the traffic – and this without there being a version optimized for mobile devices. This prompted Swiss Fund Data to carry out a technology upgrade of the platform to address the need for uncomplicated navigation and quicker loading times, thus giving users easy access to the information they want.

#### Design tweaks included

The Swiss Fund Data website has also been revamped slightly, and optimized to deliver responsive design for all modern devices such as mobile phones, tablets, notebooks, and desktop PCs. This was the result of a lengthy process involving our staff, the designers, and the developers at our partner, Rolotec. The most noticeable change is to the fonts, which are clearer and easier to read. A conscious decision was taken not to make any marked changes to the colors and layout of the website, retaining the look and feel of the key elements such as the search functions by product and provider. Nevertheless, these also had to be brought up to the latest technological standards, and above

#### Flexible display

The content on the Swiss Fund Data platform is now responsive, i.e. the page adapts to your device irrespective of whether you are viewing in landscape or portrait mode. The website is available in four languages: English, German, French, and Italian.

Swiss Fund Data hopes you enjoy using the new responsive website, and would be happy to hear what you think. Please send your feedback by email to:

[marketing@swissfunddata.ch](mailto:marketing@swissfunddata.ch)



## Interesting reading

### Friends of Funds

#### In partnership with SFAMA

The Swiss Funds & Asset Management Association SFAMA has a long-standing partnership with the neutral discussion forum Friends of Funds. The dates and topics for the events through to the end of June 2016 in Zurich and to the end of 2016 in Geneva are as follows:

#### Events in Zurich (cycles 26 and 27)

- 19.01.16 Fund platforms: their role, performance and financing
- 23.02.16 Market positioning amid rising interest rates
- 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)

- 08.03.16 Politics / competition between locations
- 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](http://www.friends-of-funds.ch)

### Friends of Funds: public event calendar

#### Free of charge

The Friends of Funds forum offers an independent calendar for fund and financial industry events in Switzerland.

#### 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 website (click on „Event-Kalender“).

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

## Increase in assets held with largest asset managers

### P&I/Towers Watson survey

According to the annual survey conducted by P&I/Towers Watson, the world's 500 largest asset managers had assets under management totaling USD 78.1 trillion at the end of 2014. While US financial institutions posted growth of 18.6% year-on-year, the assets under management held with European firms were down 1.5%. There was an even sharper decline for Japanese asset managers, which suffered a 14.4% drop year-on-year according to a report in [fondstrends.ch](http://fondstrends.ch).

<http://www.fondstrends.ch/fileadmin/pdf/Towers-Watson-500.pdf>

## Regulatory Horizon

### KPMG tool

„Regulatory Horizon“ is KPMG Switzerland's online platform for news on the most important regulatory topics in the financial industry. It is targeted at those active in the industry as well as journalists and other interested parties. The interactive timeline provides a quick overview of regulatory topics. Click on a given area for general information on a particular piece of regulation, its status in the legislative process, KPMG's view and links to further relevant blog articles and external material. Topics are usually updated every three months.

<http://blog.kpmg.ch/regulatory-horizon/?lang=de>

## Overview of key supervisory projects

### PwC publication

In its regularly updated publication „Synopsis of the most important regulatory developments in the banking and asset management industry“, PwC provides information on all the key projects, with commentaries on the content and changes, as well as the current status.

[www.pwc.ch/regulatorydevelopments](http://www.pwc.ch/regulatorydevelopments)

## Regulatory & Compliance Update October 2015

### BDO brochure

BDO's Regulatory & Compliance Update October 2015 gives an overview of the legal provisions that have recently come into force, as well as other regulatory projects in the offing. It is aimed primarily at banks, securities dealers, institutions subject to the CISA, external asset managers, and other financial intermediaries, although not all are affected by the regulations directly or to the same extent. Insurance companies are not taken into consideration. The publication sets out the regulations/projects regarded as being of particular significance from BDO's perspective.

<http://www.bdo.ch/de/fuer-sie/publikationen/search/>

## KAG-News 2/2015

### BDO-News

BDO-Newsletter mit einer Zusammenfassung der wichtigsten Informationen aus dem Bereich KAG.

<http://www.bdo.ch/de/fuer-sie/publikationen/search/?serie=10>

### OECD Automatic Exchange Portal

#### Online support for the implementation of automatic exchange of information in tax matters

The portal provides a comprehensive overview of the work the OECD and the Global Forum on Transparency and Exchange of Information for Tax Purposes in the area of the automatic exchange of information, in particular with respect to the Common Reporting Standard.

<http://www.oecd.org/tax/automatic-exchange/>

### Self assessment for independent asset managers

#### GWP tool

GWP's self-assessment tool offers independent asset managers a practical way to assess how up-to-date they are with regard to the coming laws (especially FinSA, FinIA), compare themselves against their competitors, and implement measures at an early stage to remedy any gaps in compliance.

<http://gwpartner.ch/self-assessment/>

### AZEK FMO course: training experts in operations

#### New offering

The Swiss Training Centre for Investment Professionals AZEK is offering a new training program – Financial Market Operator FMO – leading to a federal diploma in higher vocational education.

Operations departments face a whole array of challenges. Regulations, consolidation, industrialization and automation, fast tax changes, and the increasing diversity and complexity of financial products are testing the logistics of the financial industry to the extreme. The necessary knowledge and requirements in the operations business are subject to marked change. Employees not only need well-founded knowledge of the use and evaluation of financial instruments, they also have to be well versed in the market infrastructures, regulations, and standards required for the settlement of transactions in financial instruments.

#### Systematic course content

The training program is systematically structured, and extends the traditional on-the-job learning, adding in content relating to functions and processes. This specialist expertise improves quality management across all business functions, reduces costs related to operations, lowers risks, and promotes operations specialists compared with front-

office staff. With its contribution to optimizing the entire value chain, the FMO training can lead to a high return on investment.

### Wide-ranging content

The course covers trade and post-trade functions including taxes, securities lending and repos, financial messaging services such as Swift and FIX, the valuation of assets such as bonds and derivatives, the primary and secondary markets for money market, forex, equity, bond and derivative instruments and their key operational processes, investment funds and hedge funds, as well as operations management. The material is closely related to business practice and is taught by experienced market specialists, offering comprehensive and professional know-how with a view to the overall context.

### 2. Auflage 2015

The course is suitable for specialists and managers with exceptional commitment and development potential in the operations field, but also for specialists from the compliance, risk and auditing areas, as well as business analysts and bank software specialists from IT.

AZEK Program of Courses for 2016

[http://www.azek.ch/files/AZEK\\_Kursprogramm\\_D.pdf](http://www.azek.ch/files/AZEK_Kursprogramm_D.pdf)

### Basler Kommentar zum Kollektivanlagengesetz

### New information platform for alternative investments

Im Oktober 2015 erscheint der Basler Kommentar zum Kollektivanlagengesetz von den Herausgebern Bösch, Rayroux, Winzeler und Stupp in zweiter Auflage. Das Bundesgesetz über die kollektiven Kapitalanlagen von 2006 ist nunmehr über 8 Jahre in Kraft und hat neben neuen Formen der Kollektivanlage (SICAV, Kommanditgesellschaft für kollektive Kapitalanlagen und SICAF) eine Modernisierung auch im Aufsichtsbereich gebracht. Nebst der Kommentierung aller Gesetzes- und Verordnungsartikel finden sich auch eine Darlegung der in der Praxis sehr zentralen steuerlichen Vorgaben und praktische Hinweise zur Umsetzung des neuen Gesetzes.

[www.schulthess.com](http://www.schulthess.com) (ISBN 978-3-7190-3163-3)

### Recht der kollektiven Kapitalanlagen in der Praxis

### 2. Auflage 2015

Die Publikation von Dr. iur. Armin Kühne ist eine umfassende Darstellung des geltenden Kollektivanlagenrechts. Das Werk soll als Wegleitung für die Praxis dienen und den Lesern mit der vielschichtigen Gesetzesmaterie vertraut machen. Dabei werden auch zahlreiche sich in der Praxis stellende Fragen behandelt. Auch die aktuellen Entwicklungen seit der Teilrevision des KAG sowie die Praxis der FINMA werden berücksichtigt. Eine Anzahl von grafischen Darstellungen soll zudem helfen, die komplexen Vorgänge rasch zu überblicken. Die Publikation ist eine Fortführung der von Prof. Franz Hasenböhler herausgegebenen ersten Auflage mit dem Titel «Recht der kollektiven Kapitalanlagen».

[www.schulthess.com](http://www.schulthess.com) (ISBN 978-3-7255-7315-8)



## 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

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