

Press release

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FINMA puts revised 'Guidelines on asset management' into effect

The Swiss Financial Market Supervisory Authority FINMA has revised the circular on 'Guidelines on asset management'. The revised circular sets out in concrete terms the duties of asset managers when dealing with clients. In particular, it takes into account the most recent decisions of the Federal Supreme Court and the amendments to the Collective Investment Schemes Act. The revised circular enters into force on 1 July 2013.

The circular 'Guidelines on asset management' (FINMA-Circ. 2009/1) defines the benchmark against which FINMA recognises as a minimum standard the rules of conduct of self-regulatory organisations active in the asset management industry.

As a result of decisions made by the Federal Supreme Court on individual portfolio management and the revision of the Collective Investment Schemes Act, it was deemed necessary to make adjustments to the circular. This mainly concerned the duty of investigation (client's risk profile), information requirements (risk disclosure), due diligence obligations (updating the client's risk profile) and disclosure duty for retrocessions.

The revision of the circular was welcomed by the majority of consultation respondents who made some requests for changes in the content. Essentially FINMA adhered to its proposals as they reflect the decisions made by the Federal Supreme Court, and supervisory law thus does not fall behind civil law. FINMA, however, did not take up those proposals that will be dealt with in the Federal Financial Services Act (FFSA), which is currently being drafted.

The revised circular enters into force on 1 July 2013. Professional organisations have up until the end of 2013 to adjust their rules of conduct.

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