

Press release

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FINMA recommends portfolio managers and trustees submit licence applications in good time

Half way through the three-year transition period, only 180 out of around 2,400 portfolio managers and trustees affected have so far submitted a licence application to the Swiss Financial Market Supervisory Authority FINMA. FINMA therefore strongly recommends the applicants not to lose any time in initiating the licensing process. As a further topic, FINMA wishes to draw attention to the provisions concerning the duty to register client advisers in force since 1 August 2021.

[Portfolio managers and trustees](#) now require a licence. Some 2,400 of those already operating prior to 1 January 2020 have so far registered with FINMA. Out of these, only around 180 have hitherto submitted a licence application to FINMA. This is approximately equivalent to just seven percent of all portfolio managers and trustees (as at 1 September 2021) required by the Financial Institutions Act (FinIA) to submit their application by 31 December 2022. As **Thomas Hirschi**, Head of the Asset Management division, recommends: “Anyone wishing to avoid longer waiting times and uncertainties should not leave the licence application to the last minute but submit it as soon as possible.”

Before portfolio managers and trustees can submit a licence application to FINMA, they must obtain the confirmation of a supervisory organisation (SO) for a possible affiliation. This step in the [process](#) should also be taken into account in the time planning. The SOs are set to be confronted with a high number of applications in 2022. If large quantities of applications are submitted simultaneously, this will naturally slow down the processing of each individual case.

No timely application without SO confirmation

The responsibility for submitting applications on time lies with the portfolio managers and trustees. **Thomas Hirschi**: “For the SO to be able to deal with an application on time, it needs to be submitted early on as otherwise the company affected may miss the legal deadline. ”If the application is received by FINMA after the deadline, this would mean that the company is

operating without authorisation, which could entail consequences under criminal law. “However, submitting the application on time but shortly before the deadline can also lead to uncertainties for companies awaiting authorisation: their customers and custodian banks will not know automatically from 2023 who is waiting for a licence or who is operating without authorisation. This is another reason why it is advantageous to establish clarity beforehand,” continues the FINMA Executive Board member. In consultation with the SOs, FINMA therefore recommends the portfolio managers and trustees concerned to submit their applications as soon as possible to their SO and by 30 June 2022 at the latest.

Transition period also for pension fund managers and managers of foreign collective investment schemes

The deadline of 31 December 2022 also applies to occupational pension scheme managers previously licensed by the Occupational Pension Supervisory Commission (OPSC). They have to submit their licence application by this date either as managers of collective assets or as portfolio managers, depending on the amount of the pension fund assets under management. Managers of foreign collective investment schemes that manage assets below certain thresholds and until now have only been subject to the anti-money laundering regulations must also submit a licence application as portfolio managers by the end of 2022.

Advisers must demonstrate knowledge of rules of conduct by the end of 2021

The entry of client advisers of domestic financial intermediaries not subject to prudential supervision in a register of advisers has been compulsory since 21 January 2021. Such an entry may also be necessary for client advisers of foreign financial intermediaries, particularly if they advise private clients in Switzerland. Since 1 August 2021 this has explicitly also applied to client advisers of Swiss representative offices of foreign banks and financial institutions (see [information about the duty to register](#)). Around 4,600 client advisers were entered in one of the three registers of advisers by the end of August 2021. FINMA will be carrying out spot checks in the next few months to monitor compliance with the duty to register by financial service providers and their client advisers. Any breach of the duty to register is a criminal offence.

Client advisers who did not provide evidence upon registration of adequate knowledge of the rules of conduct and the requisite specialist expertise may submit this subsequently to their registration body by 31 December 2021. Those failing to supply this evidence by the deadline will be removed from the register of advisers and will consequently no longer be permitted to continue working as a client adviser.