

Leaflet minimum content of portfolio management conduct directives for financial institutions according to Art. 17 FinIA

1. General remarks

All financial institutions shall be appropriately organized in accordance with the Federal Act on Financial Institutions FinIA. In this regard, the supervisory organizations and the Swiss Financial Market Supervisory Authority particularly check that the financial institution set up comprehensive and appropriate directives concerning its planned and performed activities which comprise all possible risks, conflicts and duties within the meaning of the Financial Services Act FinSA.

Such documentation and identification of business relevant risks particularly include employee code of conduct directives in the context of portfolio management (quasi at „point of sale“). Principles applicable to the financial institution shall be outlined.

This leaflet or code of conduct duties described herein may often be combined with other guidelines. As a consequence, reference is made to the additional leaflets on information, diligence and transparency, dealing with clients and staff transactions.

This leaflet is not exhaustive but lists all aspects which usually need to be laid down and reflect the minimum content from FINcontrol Suisse Ltd's perspective. The way in which the code of conduct duties are regulated may vary. FINcontrol Suisse Ltd reviews compliance with above-mentioned aspects on the occasion of the (preliminary) affiliation as well as in the context of the ongoing supervision. Code of conduct directives concerning dealing with clients also form a mandatory document for approval by the Swiss Financial Market Supervisory Authority FINMA.

2. Content of directives

	Subjects to be addressed	Remarks
1.	Objective / basis / target	<p>The directives shall initially describe the subject area and its goals:</p> <ul style="list-style-type: none"> - Setting out principles and guidelines for orientation by the financial institution and ongoing abidance in the context of client services and portfolio management - Instructions concerning specific subjects and implementation of the aforementioned principles - Provisions concerning responsibilities and controls within the institution in order to ensure compliance with relevant duties <p>Furthermore, the directives shall reference their underlying principles (i. a. Art. 6 et seq. FinSA as well as Art. 6 et seq. FinSO).</p> <p>Finally, the directives shall clarify to whom they do apply (usually to all employees of the financial institution, including its highest governing body).</p>

2.	Specifications and corresponding measures	<p>Next to the duties concerning diligence, documentation and rendering of accounts, transparency and diligence as well as assessment of appropriateness and suitability expressly specified by FinSA, further duties for which the financial institution provides uniform regulations shall be listed. As an example, these may be the following:</p> <ul style="list-style-type: none"> - Principles of appropriate conduct towards clients in general; no fraudulent activities, manipulations of transactions/data or other factors, etc. - Specification of target markets and jurisdictions as well as associated principles for cross-border transactions whereby it is advisable to regulate these in detail by means of separate directives (with reference to the corresponding investigations, so-called <i>cross-border-manuals</i>, for all target markets supported) - Requirements for personnel working with clients/partners in foreign jurisdictions - Handling of so-called «dormant accounts» - Tax compliance - Data protection
3.	Principles for dealing with clients	<p>Subject to the institution's business size and client portfolio, it may be advisable to define principles concerning handling of client relationship cycle, from onboarding to ongoing support in the context of portfolio management and termination of any mandate or client relationship.</p> <p>The following aspects shall be emphasized:</p> <ul style="list-style-type: none"> - Information relevant at initial contact (what to be known about the client, what to be communicated about the financial institution) - Duties to be fulfilled at onboarding (please also refer to leaflet «dealing with clients»), e. g. provisions on minimum of regular contact or interaction to be documented - Duties to be fulfilled at termination of client relationship (particularly with regard to retention of relevant documentation in compliance with data protection regulations) - Instructions concerning appropriate documentation at each aforementioned stage of client relationship
4.	Other relevant topics	<p>Based on the activity, it may be advisable to define further principles on other topics, such as:</p> <ul style="list-style-type: none"> - specific services or investment strategies offered. This ensures clarification towards clients regarding services offered or explicitly not offered (e. g. pure advisory services or exclusion of certain investment strategies, instruments or products)

		<ul style="list-style-type: none">- Cost structure of the financial institution: which services are charged with which fee? Flat rates, individual billing, other models
--	--	--