

## Leaflet delegation of activities for financial institutions according to Art. 17 FinIA

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### 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 directives on principles concerning delegation of key activities. It shall be outlined which principles do apply within the financial institution.

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 form in which the principles are regulated may vary. It is not necessary to do so by means of directives. It is however advisable to agree upon relevant aspects before any delegation. 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. In case of any delegation, provisions on conduct rules 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 financial institution determines principles to be respected in case of any delegation, with particular focus on:</p> <ul style="list-style-type: none"> <li>- Principles and conditions under which delegation is possible</li> <li>- Instructions on how to proceed in case of any delegation</li> <li>- Provisions on responsibilities and control mechanisms within the institution to ensure compliance with duties delegated.</li> </ul> <p>Furthermore, the directives shall reference their underlying legal and regulatory principles.</p> <p>The directives shall apply to all employees of the financial institution, incl. its highest governing body.</p>
2.	Description of delegation principles	<p>Principles concerning monitoring and implementation of activity delegation shall be recorded.</p> <p>In case of any activity delegation, separate contracts shall be signed with the delegation partner. It is important to ensure that any</p>

		<p>delegation is permissible by law, i.e. no inalienable duties (e.g. overall management of the company or activity as qualified managing director) are delegated.</p> <p>The due diligence requirements foreseen by the Code of Obligations shall be referenced and it shall be proceeded with due care in relation to</p> <ul style="list-style-type: none"> <li>- selection</li> <li>- instruction</li> <li>- monitoring</li> </ul> <p>of any delegation partner.</p> <p><i>Important: even in case of any delegated tasks, e.g. delegation of risk management or control, responsibility for the relevant aspect remains with the institution.</i></p>
3.	Responsibility for delegation partners	<p>General responsibility within the institution regarding execution of aforementioned duties of care shall be determined.</p> <p>This is of particular relevance as any outsourced activity shall be mapped to and monitored within the framework of risk management and ICS. In case of any responsibility with an external partner, regular reporting must be requested. Any data/documentation developed by the delegation partner shall be accessible to the financial institution at all times.</p>
4.	Documentation/disclosure	<p>Any delegation must be documented and disclosed in the company documentation. Depending on the activity type, the delegation is to be disclosed towards clients too. This particularly applies to any delegation of core business (e.g. outsourcing of market researches, administrative tasks, risk management, etc.). Disclosure to and consent of clients must be obtained in case of any client data nexus or transfer thereof to third parties.</p>