

LLB Swiss Investment AG

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About us

Dear reader,

With this newsletter we would like to keep you updated on changes in our company as well as interesting facts about Swiss fund law in regards of distributing foreign funds in Switzerland.

We aim to provide you with valuable information in this new newsletter format and **look forward to receiving any feedback** you may have. We hope you enjoy this read!

1. Re-Branding of LLB

You may have heard that LLB Group has done a rebranding across its entire organisation. Most notably since mid-September 2023 we have been operating under a **new group logo** (see top right). This logo is one of the core elements of a larger "**re-branding**" of the **LLB Group**, which comprises various elements and initiatives, including the market entry into the German wealth management market.

As part of this "**one-brand strategy**", LLB Swiss Investment AG now also operates under the uniform "LLB logo", however **without any changes to our legal name** or in **the conduct of our day-to-day business activities**.

2. Internal: Welcome Alain Grüter / Farewell to Beatrice Inderbitzin



Our long-standing colleague and your relationship manager, **Beatrice Inderbitzin**, will be taking her well-deserved **retirement** at the **end of April 2024**. **Alain Grüter** (pictured left) **will then take over** all her responsibilities. He has been supporting Beatrice Inderbitzin in her day-to-day business activities in recent months and has already got to know most of our clients in person. With his extensive and proven experience in the fund business, Alain Grüter is the ideal person for this important role in our Swiss representation business.

Beatrice Inderbitzin has played a key role in shaping LLB Swiss Investment AG over the past 25 years and we would like to take this opportunity to thank her for her great commitment and wish her all the best for the next stage of her life!

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3. Point-of-Sale – Duty to Register in the Advisory Registry?

According to the Financial Services Act (FinSA), client advisors must register with a Swiss advisor registry when providing financial services in Switzerland.

Client advisors of Swiss prudentially supervised financial service providers are exempt from this obligation. **Client advisors of foreign financial service providers who are subject to "prudential supervision" and who provide their services exclusively to professional clients in accordance with FinSA are also exempt.**

We would like to discuss the definition of "**prudential supervision**" in more detail below, as it **cannot simply be considered to be fulfilled in every case**. "Prudential supervision" is defined by a Swiss standard and is derived from the concept of investor protection. In order to assess this, the foreign supervision must be analysed both in terms of its local scope and the extent of regulation.

On the one hand, the criterion of **local scope** is intended to ensure that foreign supervision also extends to **financial services activities in Switzerland**. Without this local scope, the required investor protection could not be achieved in Switzerland. On the other hand, the examination of the **scope of regulation** relates to the provisions of the foreign supervisory regime for ensuring **solvency and liquidity, risk management and compliance with rules of conduct**. It is primarily the breadth and not so much the depth of the regulation that is decisive and these foreign regulations are not to be reviewed for their appropriateness or equivalence.

Unfortunately, a general assessment of foreign supervision regime is not possible even in the harmonised environment of EU law. Instead, the **assessment must be made on a case-by-case** basis for each type of foreign financial service provider and for each legal system separately. This needs to be taken in consideration when delegating distribution in Switzerland.

4. EU ELTIF – Distribution also to non-qualified Investors in Switzerland?

The **revised ELTIF (European Long Term Investment Fund) regulation** came into force in the EU on 10 January 2024. This is also associated with the new accessibility of this type of fund for private clients/retail investors (**retailisation**). As before, it is no problem to distribute such new ELTIFs to qualified investors in Switzerland. But can such a new **ELTIF in Switzerland** also be authorised by FINMA **for distribution to non-qualified investors**?

In this context, it must first be assessed whether the requirements of the Collective Investment Schemes Act (CISA) regarding "public supervision" and "equivalent regulations regarding organisation, investor rights and investment policy" are met. This assessment is still pending, which is why this question **cannot be answered at this point in time**. However, please do not hesitate to contact us with such a representation request – we would be pleased to be able to obtain such an (initial) distribution licence from FINMA.

5. Do you have further Question on the Distribution in Switzerland?

As the legal representative of your funds in Switzerland, we will be happy to answer any questions you may have! Please do not hesitate to contact us.