

Financial Services Act (FINSA)

Update 2023

Background

The Swiss Financial Services Act (FinSA) entered into force on January 1, 2020. The Act introduced new rules for the provision of financial services and the offering of financial instruments. The regulation aims to further strengthen the Swiss financial center, improve investor protection and enhance transparency on financial instruments.

Focus

FinSA applies whenever the financial service is provided in Switzerland, or to clients domiciled in Switzerland.

Our supervisory organization

PRIMENEST SA SA is owned by its partners. PRIMENEST SA is subject to the direct supervision of AOOS, the ASG supervisory organism (address: Rue Du-Roveray 14, 1207 Geneva Switzerland) and regulated by FINMA.

Information and documentation

Trading in financial instruments harbors opportunities and risks. Therefore, it is important to understand these risks before investing in such instruments. The revised brochure “Risks Involved in Trading Financial Instruments” includes the most important details of typical risks and is available in the downloads section below.

As of January 2022, clients benefit in particular from increased transparency through-out the investment cycle e.g.:

1. Key Information Documents (KIDs): “Retail Clients” receive standardized information for certain financial instruments, including details of risks and costs.
2. Advisory minutes: After every advisory meeting with the Relationship Manager, “Retail Clients” automatically receive the minutes documenting the suitability and the reasoning of the advice given. “Professional Clients” are able to request them.
3. Reports: Clients can request investment reports, which contain, amongst others, the portfolio performance, asset allocation, financial instruments and service costs.

Client Classification

The legislation established three client classifications: “Retail”, “Professional” and “Institutional” clients to determine the level of required investor protection. A change of the client classification can be requested by the client in writing which results in changes in the financial instrument offering and investor protection at the same time.

The following overview describes exemplary the three client classifications and their effects on investor protection.

	Retail	Professional	Institutional
When providing investment discretionary services, we carry out a suitability and appropriateness assessment.	Yes	Yes	No
When providing investment advisory services, we carry out a suitability and appropriateness assessment.	Yes	Yes	No
When providing investment advisory services, we document your needs and the reasons for our recommendation during the investment advisory process and provide you with documentation on request.	Yes	Yes	No
When providing investment advisory services, we provide you with a Key Information Document (KID) when you purchase certain financial instruments.	Yes	No	No
When providing investment execution only services, we carry out a suitability and appropriateness assessment.	No	No	No
You have access to funds restricted to Qualified Investors in accordance with the Collective Investment Schemes Act (CISA)	No	Yes	Yes
We are obliged to obtain best execution when handling	Yes	Yes	Yes

Ombudsman

Disputes about legal claims between a client and a financial services provider should be handled in a referral process by the Financial Services Ombudsman (“Ombudsman”). The Ombudsman is a free and neutral information and mediation agency. In general, the Ombudsman only gets actively involved after the asset manager receives and has had an opportunity to respond to a written client complaint. The client has then the possibility of resorting to a mediation body: OFS Ombud Finance Suisse, Rue du Conseil General 10, 1205 Geneva (www.ombudfinance.ch).