

# • Swiss Banking

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## FinSA and FinIA establish modern customer protection

Basel, June 15, 2018 – In its final vote, Parliament today approved the FinSA and FinIA draft legislations. In the lead-up to this outcome, the Swiss Bankers Association, together with other financial centre stakeholders advocated for modern and practicable investor protection. Today's final vote marks and end to a major legislative project that has resulted in the modernisation of Swiss financial market law.

- FinSA and FinIA establish contemporary protection for customers and investors, bringing advantages to both the customer and financial services providers.
- Both laws have been created in line with EU regulation while also taking into account particular Swiss characteristics.
- The laws exist today in a practicable form also thanks to a broad alliance of industry associations

The Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) are the two final building blocks in the financial market architecture, which has been extensively modernised in recent years. Parliament approved the draft legislations in its final vote today. It is therefore expected that the two laws could come into force in 2019. The Swiss Bankers Association (SBA) supported modern investor protection centred around the responsible investor throughout the long revision process. Claude-Alain Margelisch, CEO of the SBA, welcomes the completion of the process and is satisfied with the laws: "With FinSA and FinIA, credible, modern and practicable investor protection has been established. Customers' rights are now clearly consolidated in one place only. This increases transparency for customers. A general prospectus duty now also exists. Particularly important was also that independent asset managers be subject to appropriate supervision. In turn, under the new laws, financial services providers have greater legal and planning certainty. This means that all sides benefit from the new laws."

### Foundation for EU equivalence

FinSA and FinIA were deliberately closely aligned with the EU's "Markets in Financial Instruments Directive (MiFID) II" by incorporating equivalent but not identical provisions into the laws. Proven Swiss characteristics such as latitude in terms of self-regulation or the dual supervisory system remain in place. In the view of the SBA, there are therefore hardly any

reasons for these two laws not to be deemed equivalent by the EU. This ensures the international compatibility of Swiss legislation; an important prerequisite for the export-oriented Swiss finance industry.

## Broad alliance for FinSA and FinIA

The fact that the financial centre now has modern customer and investor protection is also thanks to the joint efforts made by many stakeholders from industry for the legislative projects. A number of detailed issues were discussed constructively and with a willingness to compromise; among this alliance, which acted jointly vis-à-vis the government, were a large number of business associations, including *economiesuisse*, and eight financial centre industry associations.

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