

Investment Management Alert

March 24, 2015

New Swiss Disclosure Annex for Non-Swiss Funds

The Swiss Funds and Asset Management Association (SFAMA) has published a model annex setting out prescribed form disclosure statements to be included in the offering documents and other marketing materials of non-Swiss funds distributed in Switzerland. The SFAMA model annex provides additional detail to funds seeking to comply with the new Swiss marketing rules in force from March 1, 2015. The new Swiss marketing rules include, *inter alia*, the appointment of a Swiss-licensed representative and a Swiss bank as paying agent, certain mandatory disclosures to Swiss investors and the entry into a Swiss-compliant distribution agreement.

As marketing to “regulated qualified investors”, namely, Swiss financial institutions authorized and supervised by the Swiss Financial Markets Supervisory Authority (FINMA), is not subject to the new Swiss marketing rules, it is not necessary to include the model annex disclosures in the offering documents and other marketing materials of a non-Swiss fund marketed exclusively to regulated qualified investors in Switzerland.

However, a manager of a non-Swiss fund(s) marketed to unregulated qualified investors (e.g., pension plans, corporates, family offices, family trusts and high-net-worth individuals) should ensure that the investor disclosure statements included in the offering documents and other marketing materials of the relevant fund(s) (the “Materials”) are consistent with the disclosure statements set out in the model annex.

Managers should consider the applicability of the disclosures in the SFAMA model annex even if the Materials have already been amended to meet the Swiss disclosure requirements, as it may be necessary or advisable to further amend them.

Specifically, the model annex requires the disclosure to investors of the existence and details of any rebates paid or payable to investors, and any trailer fees or similar retrocession fees payable in connection with the distribution of the fund. The absence of any rebates and/or retrocession fees must also be explicitly disclosed.

Further, the model annex specifies that, if the law in the country of domicile of the fund or the manager in relation to the payment of rebates or retrocession fees is more restrictive than the comparable Swiss laws, such stricter standard shall also apply in Switzerland. The disclosure should reflect the stricter non-Swiss requirements, where applicable.

The SFAMA model annex provides a standardized approach to investor disclosure in Switzerland, and FINMA has recognized the model annex as containing the minimum level of disclosure required in relation to a non-Swiss fund for the manager to comply with the new Swiss marketing rules.

Contact Information

If you have any questions regarding this alert, please contact:

Christopher Leonard

christopher.leonard@akingump.com

+44 (0)20.7661.5384

London

Thomas John Holton

john.holton@akingump.com

+44 (0)20.7661.5336

London

Ian Meade

imeade@akingump.com

+44 (0)20.7012.9664

London

Tim Pearce

tpearce@akingump.com

+44 (0)20.7012.9663

London

Thiha Tun

thiha.tun@akingump.com

+44 (0)20.7661.5398

London