Collective Investment Schemes Act (CISA)

21.12.2018

1. Introduction

The Collective Investment Schemes Act (CISA) (enacted in June 2006 and changed the last time on 1 July 2016) and its implementing ordinances govern Swiss collective investment schemes as well as the management, distribution and safekeeping of collective investment schemes. They also govern the licensing requirements for, inter alia, Swiss open-ended and closed-ended collective investment schemes, fund management companies and asset managers of collective investment schemes managing Swiss or non-Swiss collective investment schemes in or from Switzerland as well as the distribution of collective investment schemes.

The entry into force of FinIA and FinSA on 1 January 2020 will narrow the scope of CISA as set out below.

2. Overview of Proposed Amendments

The following key changes will be made to CISA upon the enactment of FinSA and FinIA:
The definition of qualified investors under CISA will be aligned with the definition of professional clients under FinSA. The CISA definition will, however, be broader than the definition of professional clients under FinSA; investors that have entered into a written asset management agreement with a financial intermediary continue to be classified as qualified investors unless they have declared in writing that they do not want to be classified as such. A notable change is that independent and external asset managers will also fall within the category of regulated financial intermediaries and constitute qualified investors under CISA (and professional clients under FinSA) since all asset managers will be subject to prudential supervision as envisaged by FinIA.

The provisions regarding structured products will be integrated into FinSA without any changes in substance. A simplified prospectus for the distribution of structured products in or from Switzerland will no longer be required under CISA. Instead, issuers will be obliged to prepare a key information document (Basisinformationsblatt) under FinSA.
All CISA provisions regarding distributors of collective investment schemes will be repealed. Distributors will be subject to registration requirements as client advisors and the rules of conduct under FinSA.

The provisions on prospectus requirements (also for structured products (simplified prospectus)) and key information documents for collective investment schemes will be transposed into FinSA and removed from CISA.

- **CISA will stay in place, but many provisions have been and will be moved to the new Swiss regulatory laws**
- **Downscaled scope**
- **Integration into FinSA and FinIA**
- **New authorization rules**

All provisions regarding the regulation and licensing of asset managers of collective investment schemes and fund management companies will be repealed in CISA and incorporated into FinIA without any substantial changes.

Certain provisions concerning the cooperation of the Swiss Financial Market Supervisory Authority (FINMA) with foreign authorities will be moved to FINMASA and therefore be repealed in CISA.

3. Key Points for Market Participants

While the entry into force of FinIA and FinSA will narrow the scope of CISA by repealing multiple provisions in CISA, these provisions will primarily be integrated into FinIA and FinSA. Under such a new regulatory regime, the integrated regulations will be supplemented by additional obligations applicable to market participants in general. Market participants will, therefore, have to familiarise themselves with the new regulations, in particular in terms of product documentation obligations and new authorisation rules for distributors of collective investment schemes.

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