

## General information on the Financial Services Act (FinSA)

### Introduction

The purpose of this information sheet provided by Loyal Finance AG is to outline the main features of the Financial Services Act (FinSA).

### 1. Purpose of FinSA and deadlines

The purpose of FinSA is to:

- protect the interests of clients,
- create comparable conditions for providing financial services,
- strengthen the reputation and competitiveness of the Swiss financial centre.

Since 1 January 2020, all financial service providers must comply with FinSA. Transitional periods of up to two years are provided for certain obligations.

### 2. Financial services and instruments

The FinSA applies when Loyal Finance provides the following services:

- Asset management,
- Buying or selling financial instruments,
- Investment advice.

on the following financial instruments:

- Debt securities and bonds,
- Units in collective investment schemes,
- Structured products and derivatives.

### 3. Client classification

To ensure that clients are adequately protected, Loyal Finance must classify them among the following 3 categories: private client, professional client or institutional client (the private client benefits from the highest level of protection). The rules of conduct to be applied by Loyal Finance vary according to this classification (refer to "4. Rules of conduct").

Category	Definition
Private client	<ul style="list-style-type: none"> <li>• Clients deemed to be non-professional or institutional</li> </ul>
Professional client	<ul style="list-style-type: none"> <li>• Corporations under public law with professional treasury facilities</li> <li>• Pension funds or institutions for occupational pensions with professional treasury facilities</li> <li>• Companies with a professional treasury</li> <li>• Large companies, i.e. companies exceeding two of the following values: total assets (CHF 20 million), sales (CHF 40 million), equity (CHF 2 million)</li> <li>• Private investment structures with professional treasury facilities set up for high net worth clients</li> </ul>
Institutional client	<ul style="list-style-type: none"> <li>• Financial intermediaries within the meaning of the Banking Act (LB) of 8 November 1934, the Financial Institutions Act (FinIA) of 15 June 2018 and the CISA.</li> <li>• Insurance companies subject to the Insurance Supervision Act (LSA)</li> <li>• Central Banks</li> <li>• National and supranational corporations under public law with professional treasury facilities</li> </ul>

It is possible to change classification as illustrated in the following examples:

- Based on certain eligibility criteria, a high net worth private client may declare that he wishes to be considered as a professional client (opting-out) and thus benefit from a lower level of protection,
- an institutional client may declare that it wishes to be considered as a professional client (opting-in) and thus benefit from a higher level of protection.

## 4. Rules of conduct applied by Loyal Finance

The rules of conduct do not apply to relations with institutional clients.

Clients classified as professional clients may expressly waive Loyal Finance's duty to provide information, its duty of documentation and of reporting.

### 4.1 Duty to provide information

In order to comply with the duty to provide information, Loyal Finance provides you with the document "Duty to provide information according to the Financial Services Act (FinSA)" containing the following information:

- the name and address of Loyal Finance, its field of activity and the supervisory regime to which it is subject
- the nature, characteristics, operation, costs and economic relations with third parties concerning the financial services offered
- the procedures for providing information documents on financial instruments
- the market offer taken into consideration for the selection of financial instruments
- the possibility of initiating a mediation procedure

#### **4.2 Appropriateness and suitability check**

Asset management that takes into account the client's entire bond portfolio: For individual investments, no assessment of appropriateness is required. Loyal Finance will only carry out a transaction if it is appropriate to your financial situation and your investment objectives.

Investment advice on one-off transactions: Loyal Finance will verify the appropriateness of the transaction in terms of your knowledge and experience.

#### **4.3 Documentation and reporting**

Loyal Finance is required to document the agreed financial services and the information collected about you.

In the case of investment advice, Loyal Finance also documents your needs and the reasons for each individual recommendation.

#### **4.4 Transparency and due diligence for client orders**

When processing your orders, Loyal Finance applies the principles of good faith and equal treatment.

When executing or receiving and transmitting your orders, Loyal Finance guarantees you the best possible result in terms of price, costs and the speed and probability of execution and settlement.