

The Swiss Financial Services and Institutions Acts  
Our approach to stay ahead of the change curve

**Business Possibilities**

1. Premises
2. FinSA and FinIA: Acts and implementing ordinances
3. The legal framework
4. The domains of intervention
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# Premise

## Our «Knowledge and experience»

Since the introduction of the «**MiFID2**» in the European Union Blue Wave Sourcing has supported Swiss Private banks in their journey to the adoption of internal rules and processes assuring to their clients an «Investor protection» in line with the provisions of the Directive.

Our clients, as well as us, were aware that MiFID2 was not a matter of compliance, rather of risk mitigation, waiting for the turning point expected with the release of Swiss Laws and Ordinances acting on the same domain, but «adapted» to the Swiss Financial Services Industry.




# Premise

## Our «Knowledge and experience»

Our mandates in MiFID2 projects included:

- Phases of impact analysis, in order to identify the changes to the products, the client contracts, the relationship in the shape of processes between a client and his banker and, last but not least, the changes to the IT applications.
- Phases of Solution design, tailor-made for each client reality, also assisting software vendors
- Phases of implementation, in all its aspects: requests for offers, solution development, use cases and test cases design and support to the delivery, policies and procedures.

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The Swiss Laws and Ordinances, as it was already for the MiFID2 Directive, provide clear rules that Financial Service Providers have to adopt in a given time frame.

Blue Wave Sourcing is ready to support Banks and Independent Asset Managers also in this new journey.

# FinSA and FinIA: Acts and implementing ordinances

## Their main purpose

In alignment with European Union Directives and regulations, already into force since a while, the Federal Council has announced November 6<sup>th</sup>, the forthcoming entering into force of the Financial Services Act and the Financial Institutions Act, together with the implementing ordinances (calendar available).

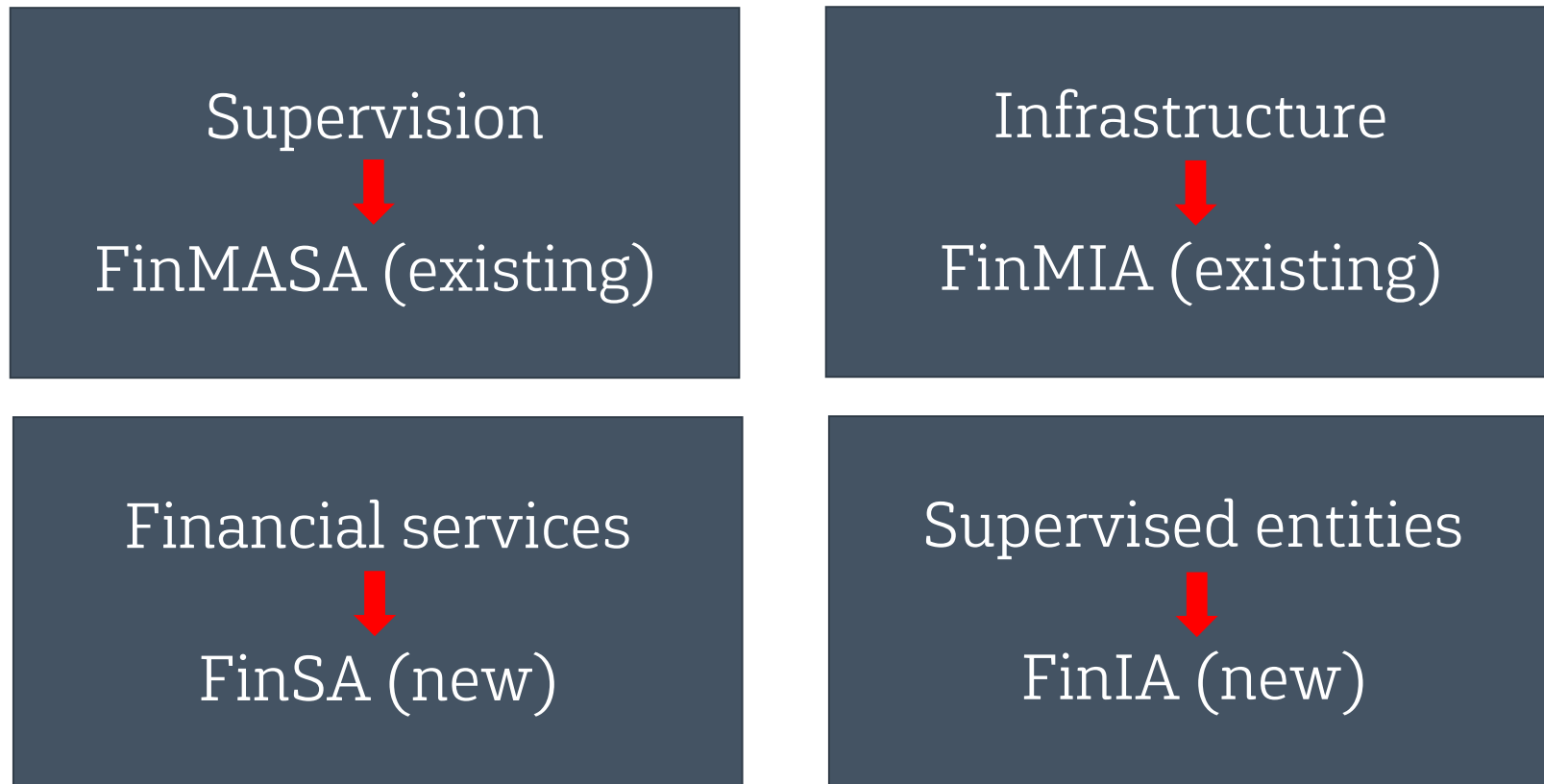
Complying with this laws and regulations the financial markets, in the intention of the Legislator, will:

- Acquire more uniformity in the competitive conditions and
- provide an improved Investor Protection.



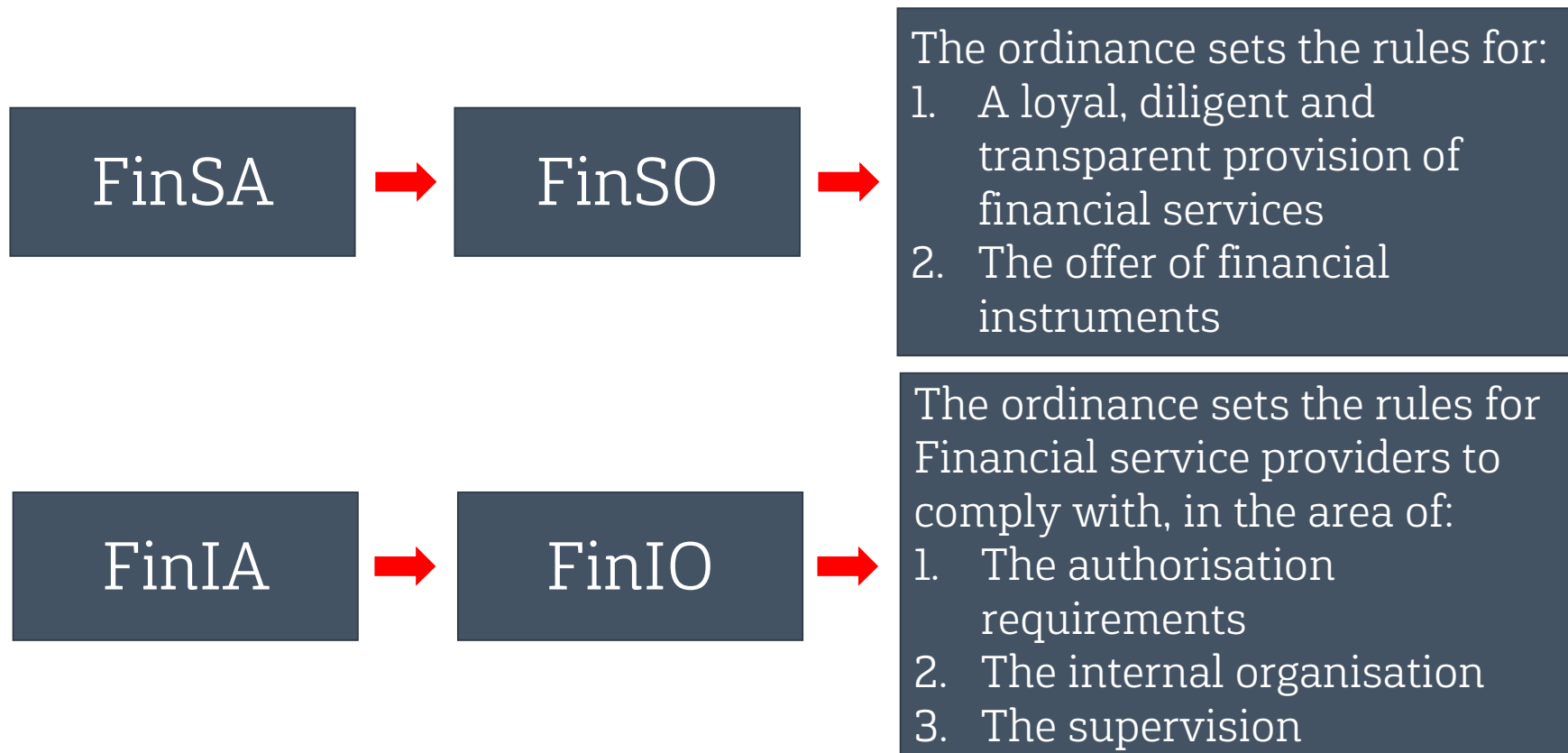
# The legal framework

The Financial Markets overall architecture – Acts overlooking the areas



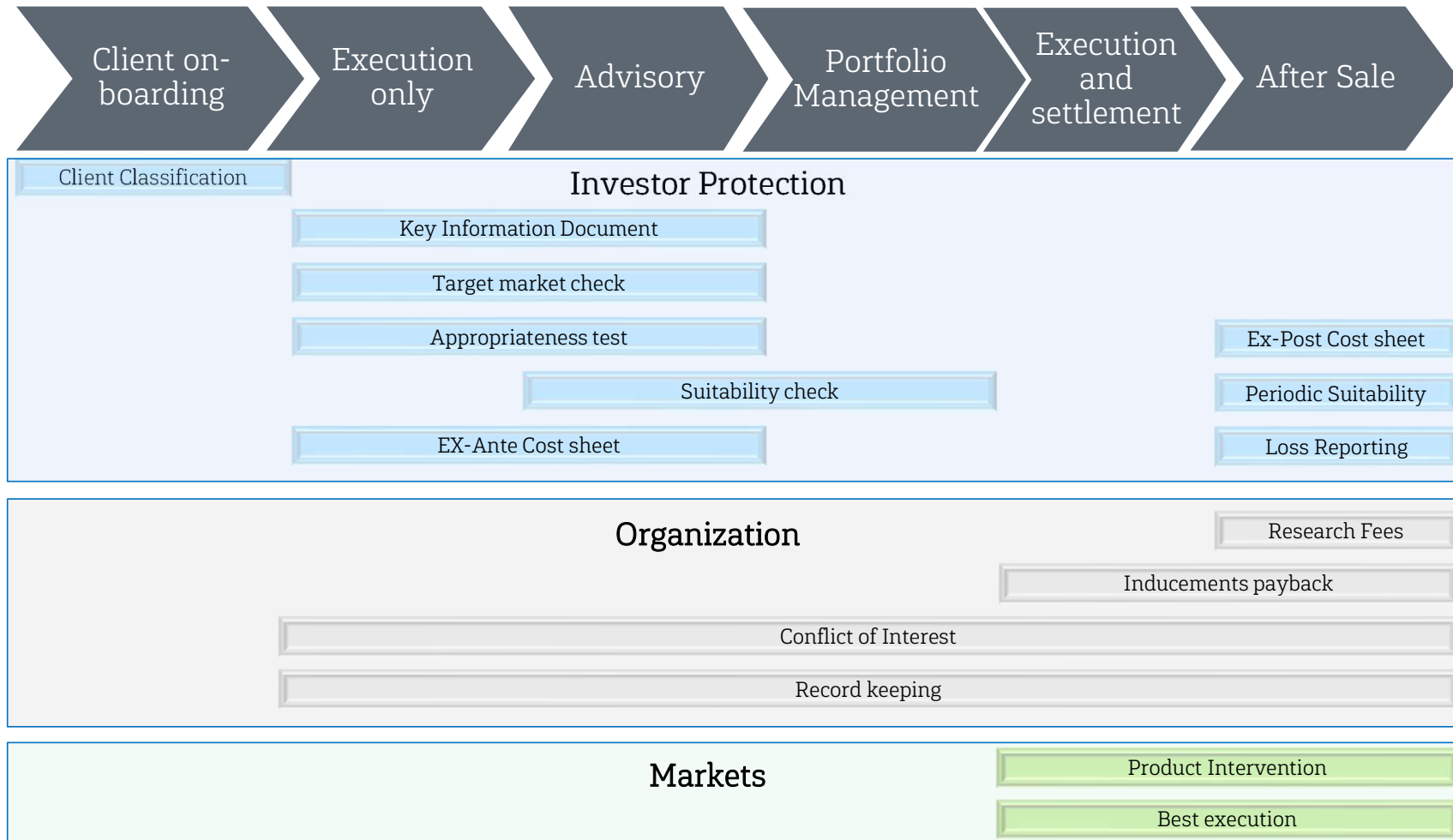
# The legal framework

In a nutshell, the new ordinances focus



# The domains of intervention

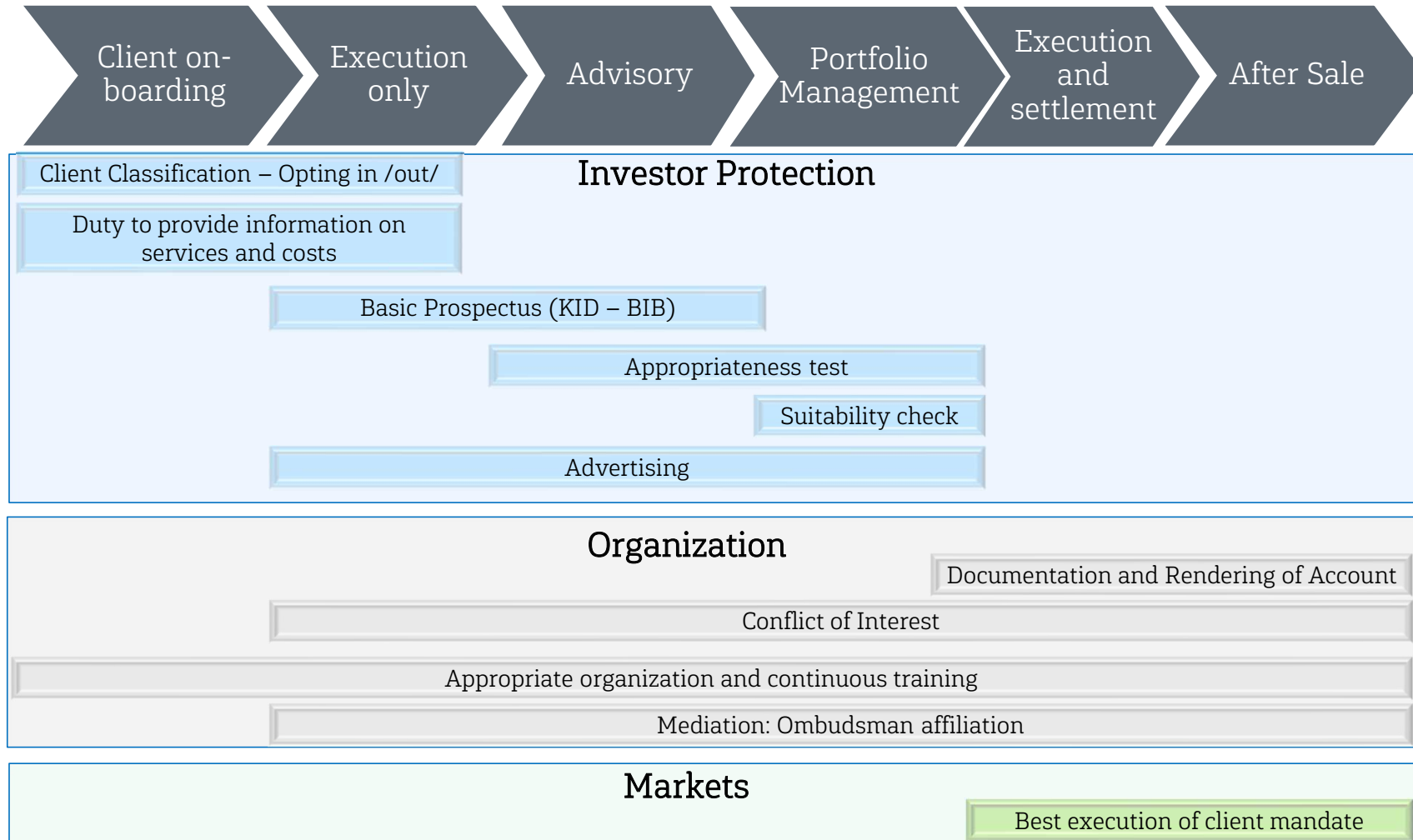
European Union MiFID II / MiFIR set some rules.....





# The domains of intervention

.... mapped in the Swiss architecture of the Financial services, with some differences



# The impact on business and operating model

## Who are the Financial service providers impacted and which are the most important changes

Already subject to similar regulations:

- Banks, Securities houses, Issuers of financial instruments



- Adaptation of the existing organisation, product offer, reporting to clients
- For international players decision on which standard processes to adopt for domestic and foreign clients (especially the EU clients)

New subjects:

- Independent Asset Managers, Trustees



Design of a new internal set up to satisfy:

- Authorisation requirements,
- Financial requirements,
- Organisational requirements (structure, processes, risk management, internal controls, client information, client profiling, IT, others)

# Implementation timeline

**Acting sooner will optimize effort and costs**

Duty under FinSA	Reference	Mandatory by 01.01.2020	Variable transition period: 6 months from appoint date	2 years transition period: 01.01.2022
Client segmentation	Art. 4 FinSA			Art. 103 FinSO
Required knowledge for client advisors	Art. 6 FinSA			Art. 104 FinSO
Rules of conduct	Art. 7 – 16 FinSA			Art. 105 FinSO
Organisational measures	Art. 21 – 27 FinSA			Art. 106 FinSO
Duty to register for client advisors	Art. 28 FinSA		Art. 95 FinSA par. 2	
Indication of advertising	Art. 68 FinSA	Art. 68 FinSA		
Provision of documents	Art. 72-73 FinSA	Art. 72-73 FinSA		
Duty of affiliation with an ombudsman's office	Art. 77 FinSA			Art. 107 FinSO
General duty to publish prospectus	Art. 35 et seq. FinSA		Art. 108 et sq. FinSO	Art. 108 et sq. FinSO

# What we can do for you

## Our «approach»

Each Financial Service Provider has its own business model, its operating model, and, more relevant, its size, both in terms of internal organization and size of its client base.

**Blue Wave Sourcing viewpoint is that a standardized approach is not a solution valid to the “problem”, because each Financial Service Provider has a different problem to be solved.**

Keeping this in mind, we have developed our own “project approach”, in three “customised” steps:

1. Acquisition of the best and deepest understanding of the laws and ordinances, with regard to the impact on each different type of Financial Service Providers,
2. Collection of all the information on our client’s business and operating model and on its actual business strategy,
3. Mapping of the changes inducted by the ordinances onto the “business” as is, highlighting PROs and CONs generated by dismissing or maintaining client specific behaviors, products, organization,

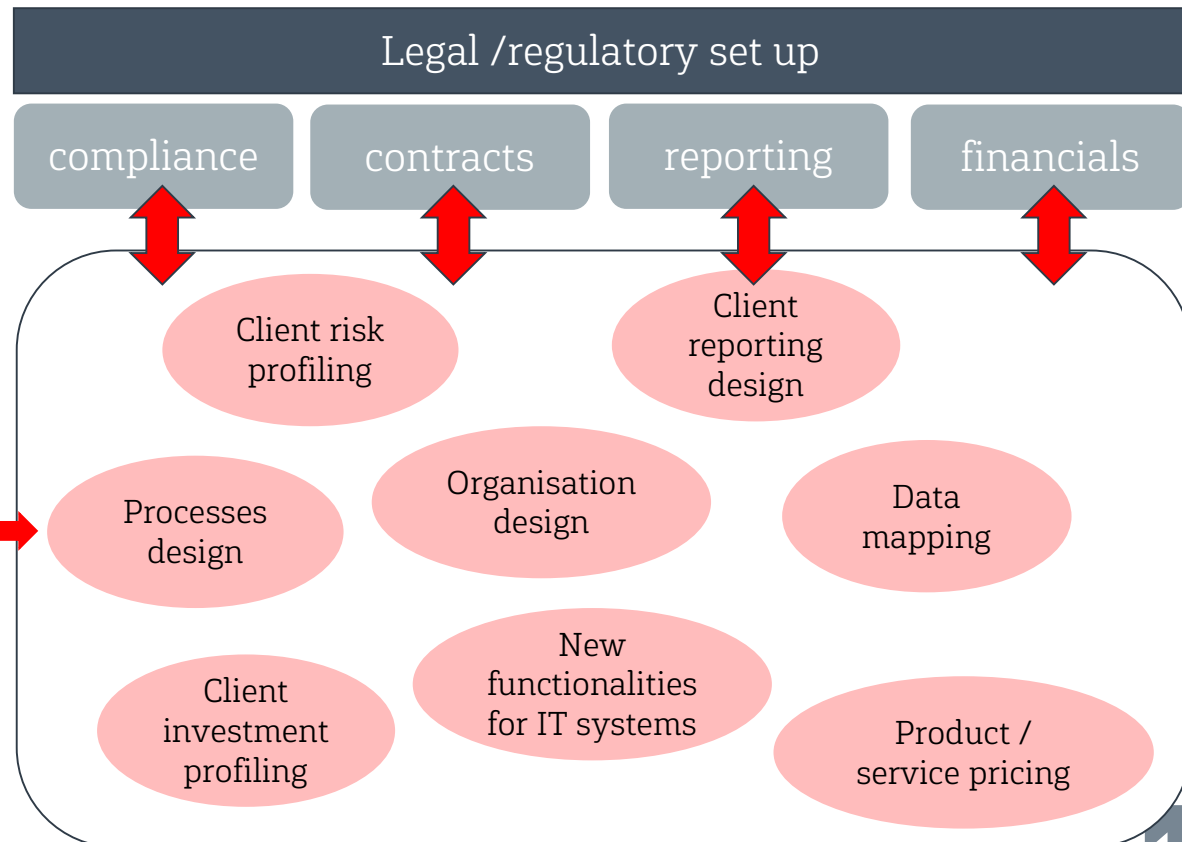
plus a fourth step, the implementation project, following a standard methodology.

# What we can do for you

## Contents

We develop the full set of requirements, collaborating with all the stakeholders, from the design to the implementation; in case of vendors and suppliers to be involved, we can manage the end-to-end implementation process

Applying the norms



Our contribution can start supporting the company in the interpretation of the norms, cooperating with the key stakeholders and the selected law firm (gap analysis phase)

Interpreting the norms

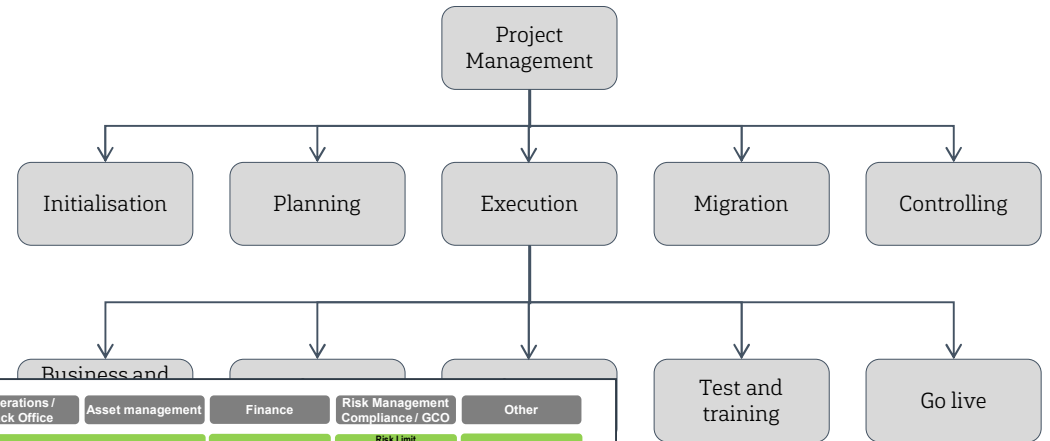
Legal opinion

Company strategy review

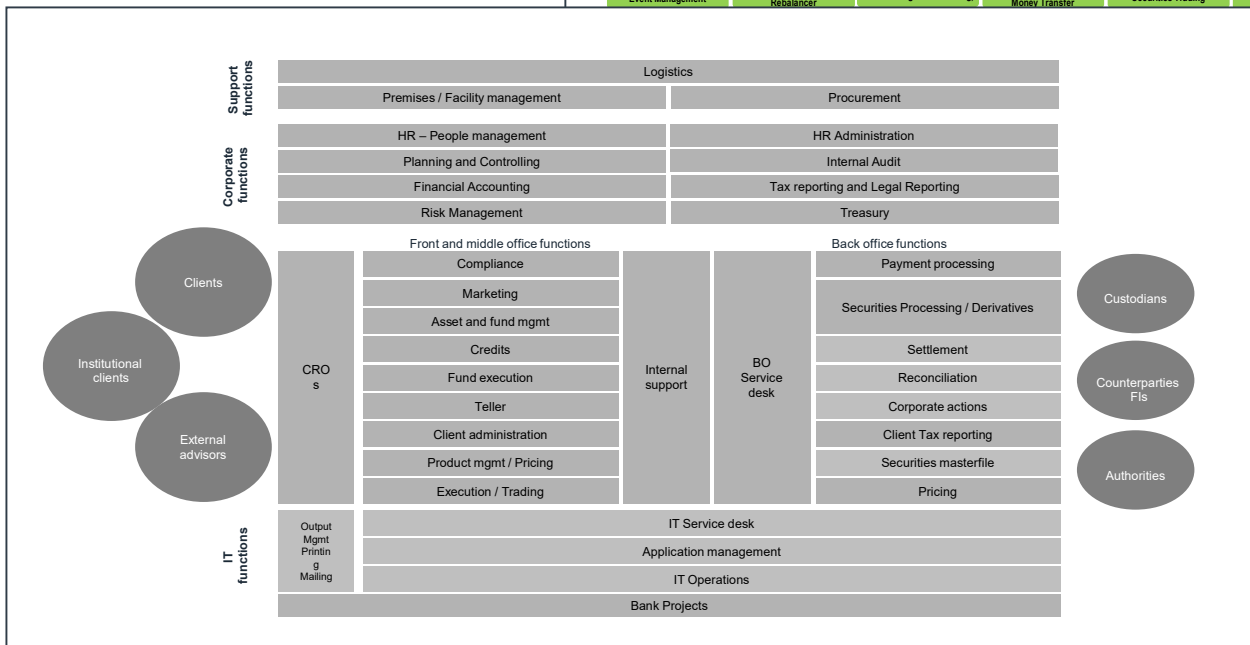
# What we can do for you

## Methodology

- Project
- Applications and functions mapping
- processes



CRM	Retail	Trading	Operations / Back Office	Asset management	Finance	Risk Management Compliance / GCO	Other
Client Master Data Management	Asset Master Data Management			Financial Accounting	Risk Limit Management	Output Management	
Client Communication Management	Securities Trading			Cost & Fees	Credit Portfolio	Reporting Engine	
Prospect Management	CRM Desk Portfolio Mgmt.	Securities Lending & Borrowing	Settlement	Invest. Proposition Rebalancer	Taxes	Margin Management	Security & User Management
Event Management	Invest. Proposition Rebalancer	Order management/ routing	Payments Money Transfer	Securities Trading	Accounts payable	KYC	System Operation & Monitoring
					Services management	AML Transaction monitoring	HR Management/ Performance measurement
					Financial reporting	Legal reporting	Payroll system
					Management Accounting	ALM	
						Credit Management	
						Credit Scoring	
						Operational losses	



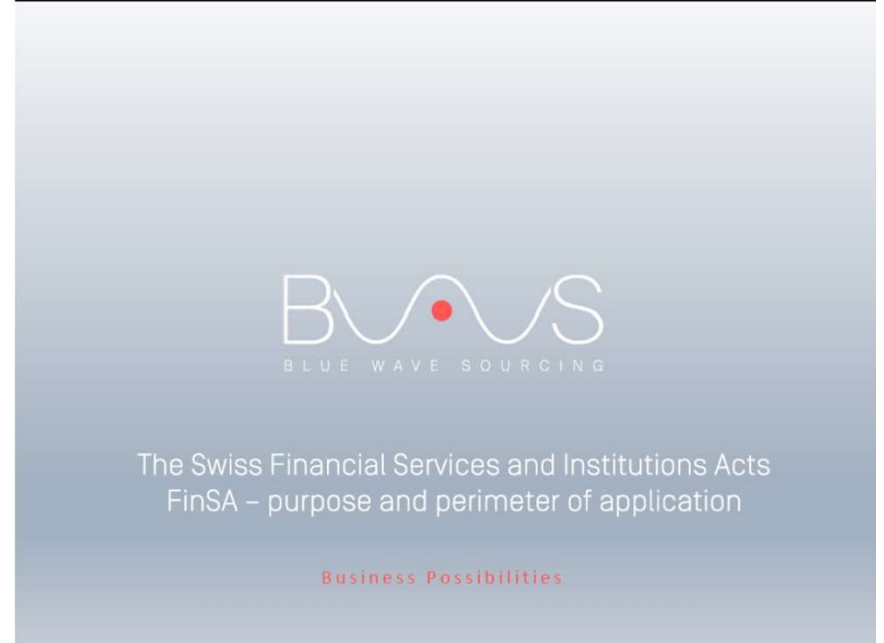


# What we can do for you

**Our templates to speed up the assessment**



1. Premises
2. Introduction to FinIA
3. What is in it for.....Portfolio managers
4. Final provisions
5. Steps forward towards the Ordinance implementation



1. Premises
2. Our approach in a nutshell
3. What is in it for.....Banks
4. What is in it for..... Portfolio managers
5. Final provisions



## Filippo Bernasconi



Most of my 30 years professional career has been devoted to Change Management, contributing to continuous improvements of the effectiveness and quality of company services and products, and to increase the efficiency of processes and organisations.

My working philosophy is inspired by pragmatism and flexibility without renouncing to apply and maintain high quality standard methodologies.

I am a strategic thinker with a solution-based approach, and a proven ability in leading and managing large programs and projects within the banking and financial services domain.

As a “Banking Engineer”, the application of a strict methodology together with rigorous priorities, planning and budget management are the base of my working approach.

My goal is always to support management and stakeholders in their decision with business, economical and scenario analysis, and to put the resulting strategies into actions.



**Paolo Ferrari Trecate**





# Contacts

## Contact Us

Blue Wave Sourcing Sagl  
Via Cassarinetta 7,  
CH-6900 Lugano

## Visit us

[www.bluewavesourcing.com](http://www.bluewavesourcing.com)

[info@bluewavesourcing.com](mailto:info@bluewavesourcing.com)

p +41 79 45 94 804

p +41 79 79 69 067

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