

# Classification Criteria under the Swiss Financial Services Act

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## 1. Natural professional clients (non-institutional) (article 4(3) FinSA)

- public law institutions with professional treasury management<sup>1</sup>
- retirement benefits institutions with professional treasury management<sup>1</sup>
- companies with professional treasury management<sup>1</sup>
- large companies, i.e. enterprises which individually exceed two of the following parameters: (i) total balance sheet of CHF 20 million, (ii) annual turnover of CHF 40 million and (iii) equity of CHF 2 million
- private investment structures set up for high net worth clients, with professional treasury management<sup>1</sup>

## 2. Natural professional clients who may choose to be classified as institutional clients (article 5(3) and (4) FinSA)

- retirement benefits institutions and other institutions whose purpose is to serve occupational retirement benefits institutions with professional treasury management<sup>1</sup> as well as companies with professional treasury operations may declare that they wish to be treated as institutional clients
- Swiss and foreign collective investment schemes and their management companies which are not already deemed to be institutional clients within the meaning of Article 4(3)(a) or (c) FinSA in conjunction with Article 4(4) FinSA may declare that they wish to be treated as institutional clients

## 3. Natural institutional clients (article 4(3) – (4) FinSA)

- national and supranational institutions with professional treasury management<sup>1</sup>
- Swiss regulated financial intermediaries, including banks regulated under the Swiss Banking Act, securities firms, asset managers, trustees, managers of collective assets and fund management companies regulated under the Swiss Financial Institutions Act, and SICAVs, SICAFs or limited partnerships of collective investments regulated under the Swiss Collective Investment Schemes Act
- Swiss insurance companies regulated under the Swiss Insurance Supervision Act
- foreign clients who are subject to prudential supervision as the above-mentioned Swiss regulated financial intermediaries and insurance companies
- central banks

## 4. Retail clients who may choose to be classified as professional clients (article 5(1) FinSA)

- High net worth individuals and private investment structures established for such individuals who have a Financial Wealth of at least CHF 2,000,000 may declare that they want to be classified as professional clients.
- "Financial Wealth" inter alia includes sight or time deposits with banks or securities firms, securities and book-entry securities (including units in collective investment schemes and structured products), derivatives, precious metals, life insurances having a redemption value, but excludes direct investments in real estate, social insurance benefits and claims arising from occupational retirement funds.

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<sup>1</sup> The requirement of "professional treasury management" is met where the relevant client entrusts at least one experienced person with appropriate professional skills in financial matters with the principal responsibility of managing its assets on a continuous basis.