

## Swiss Financial Services Act (FinSA)

On 1 January 2020, the Financial Services Act ("FinSA") entered into force in Switzerland. FinSA introduces new rules applicable to the provision of financial services and instruments while improving investor protection. The requirements described below must be respected by all financial service providers in Switzerland. They cover general information about Banque Des Monts Blancs SA, client classification, verification of suitability and appropriateness in the context of discretionary and investment advice, best execution, conflicts of interest, risks associated with investments in financial instruments as well as fees and taxes.

Banque Des Monts Blancs SA is a fully independent Swiss bank regulated by the Swiss Financial Market Supervisory Authority (FINMA) and is licensed as a bank and securities firm. It may therefore provide a full range of wealth management and banking services, including Discretionary and Advisory Mandates.

## Financial services

The Bank provides the financial services described below that fall within the scope of FinSA, i.e. discretionary management (management of financial instruments), investment advice on the entire portfolio or transactional advice (issuing personalized recommendations concerning transactions in financial instruments), execution of transactions (without advice; reception and transmission of orders concerning financial instruments), granting of Lombard loans (granting of loans to execute transactions in financial instruments). For each financial service the client enters into a prior agreement with the Bank.

## Client classification

In accordance with the provisions of the FinSA, the Bank classifies its clients into the following categories:

- Retail Clients
- Professional Clients
- Institutional Clients

For Retail Clients, the Bank has an obligation to comply with certain rules of conduct aimed at protecting these clients when providing investment advisory or portfolio management services. In particular:

- If the Bank provides investment advice taking account of the client's portfolio, the Bank must enquire about the Client's knowledge and experience and must check whether such financial instruments are appropriate for the client before recommending them (appropriateness test)
- If the Bank provides investment advice taking account of the client's portfolio or provides portfolio management services, it must enquire about the client's financial situation and investment objectives (suitability test).
- If a financial instrument is considered inappropriate or unsuitable for a particular client, the Bank shall advise the client against the instrument in question.

Therefore, Retail Clients benefit from the highest level of protection from the Bank.

Professional Clients benefit from a lower level of protection compared to Retail Clients. FinSA provides a number of reliefs in the obligations of financial service providers.

Finally, Institutional Clients benefit from the lowest level of protection as most of the obligations set out in FinSA do not apply to this category of clients.

In the context of the execution-only service for client orders and irrespective of the Customer's classifications, the Customer acknowledges that the Bank will not at any time verify the suitability and appropriateness of the service.

Unless the Bank has expressly informed the client of a different classification, the Client shall be considered a Private Client benefiting from the highest level of protection established under FinSA.

The client is authorized, under certain conditions defined by FinSA, to request a classification other than the classification initially established by the Bank. In such cases, the client shall be informed of the related risks and changes in the terms and conditions.

## Special Risks in Financial Instruments Trading

Trading financial instruments contains opportunities but also bears risks. A good understanding of these risks is the basis for sound investment decisions. We recommend reading the brochure published by the Swiss Bankers Association (SBA): Risks Involved in Trading Financial Instruments ([www.banquedmb.com](http://www.banquedmb.com)). Please read it carefully and do not hesitate to ask for further information and explanations from your relationship manager.

## Key Information Document

As stipulated by FinSA, in the case of a personalised recommendation of financial instruments, the financial services provider shall also provide the Retail Client with the Key Information Document ("KID") relating to the product concerned, if it is obligatory to draw up such a document for the recommended financial instrument.

The KID contains information about the risks and costs of the financial instrument and enables a comparison of the various financial instruments. The Bank shall provide the client with the KID, provided it is available and easily accessible. In the event of a personalised recommendation of financial instruments for which it is obligatory to draw up a prospectus, the Retail Client may also ask the Bank to make available, at no extra charge, the entire prospectus for the recommended financial instrument.

## Best execution of client's orders

One of the objectives of FinSA is to safeguard the principle of best execution of orders when trading in financial instruments. The Bank has taken all the necessary steps to ensure that the transmission and execution of orders are performed in accordance with best-execution rules considering the price, cost, speed, likelihood of execution and settlement, size, nature of the order or any other consideration relative to the execution of orders ("execution factors"). These rules apply both where the order is executed by the Bank and where it is passed to a third party for execution.

## Conflicts of interest and compensation from third parties

The Bank endeavors to act professionally and independently at all times, taking into account the interests of its clients, and takes all reasonable steps to identify and prevent conflicts of interest. Within the scope of its own product range, the Bank enters into agreements with third parties, in particular with providers of investment funds and structured products.

These agreements, which are primarily for the distribution of products, exist independently of the contract signed with the client. To avoid any conflict of interest, the Bank has explicitly requested that it does not receive from said third parties any compensation like distribution fees, retrocessions, incentives, rebates, discounts and/or other pecuniary or non-pecuniary benefits for its own distribution activities or the related services provided by such third parties.

The Bank has put in place organizational measures to identify any conflicts of interest that may arise and to take all reasonable steps to prevent customers' interests from being prejudiced.

## Costs

The Bank provides its clients with a fee schedule (in particular commissions and fees) related to the financial services provided by the Bank. The client may request the schedule from their relationship manager at any time. After the execution of each transaction involving financial instruments, the client shall receive confirmation, in particular, the details of the costs and commissions of the Bank and/or of third parties relating to the specific transaction.

## Reporting

The client shall be able to choose from various modes of reporting (e.g. electronic or paper format) and various dispatching frequencies of the account statements (e.g. quarterly, half-yearly or annually). All the transactions executed as part of the financial services shall be reported on the day after execution, regardless of the chosen frequency of sending the account statement.

### Complaint management – Ombudsman

The Bank's objective is to ensure complete client satisfaction. In case of problems or disputes, the client may address the relationship manager, in the first instance, who will initiate an internal complaint management procedure.

Swiss regulations provide that financial services provider must be affiliated to a mediation body. Disputes between a financial services provider and a client can therefore be settled by way of mediation. The Bank is affiliated with the following mediation body:

#### Swiss Banking Ombudsman

Bahnhofplatz 9

P.O. Box

CH-8021 Zurich

+41 43 266 14 14 German / English

+41 21 311 29 83 French / Italian

### Contact details of the Bank and its competent authority in Switzerland

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