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Federal Act on Collective Investment Schemes (Collective Investment Schemes Act, CISA)

of 23 June 2006 (Status as of 1 January 2020)

*The Federal Assembly of the Swiss Confederation,
based on Articles 98 paragraphs 1 and 2 and 122 paragraph 1 of the Federal
Constitution¹,
and having considered the Federal Council Dispatch of 23 September 2005²,
decrees:*

Title 1 General Provisions

Chapter 1 Aim and Scope of Application

Art. 1 Aim

This Act aims to protect investors and to ensure transparency and the proper functioning of the market for collective investment schemes.

Art. 2 Scope of Application

¹ This Act governs the following, irrespective of their legal status:

- a.³ collective investment schemes and persons who are responsible for the safe-keeping of assets held in them;
- b.⁴ foreign collective investment schemes which are offered in Switzerland;

AS **2006** 5379

¹ SR **101**

² BBl **2005** 6395

³ Amended by Annex No II 13 of the Financial Institutions Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).

⁴ Amended by Annex No II 13 of the Financial Institutions Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).

c.–e.⁵ ...

f. persons who represent foreign collective investment schemes in Switzerland.⁶

² The following are not governed by this Act:

- a. institutions and ancillary institutions in the occupational pensions sector, including investment foundations;
- b. social security institutions and compensation funds;
- c. public authorities and institutions;
- d. operating companies which are engaged in business activities;
- e. companies which by way of a majority of the votes or by any another way bring together one or more companies to form a group under single management (holding companies);
- f. investment clubs whose members are in a position to manage their financial interests themselves;
- g. associations and foundations as defined in the Swiss Civil Code⁷;

h.⁸ ...

2bis ...⁹

³ Investment companies in the form of a Swiss company limited by shares are not governed by this Act, provided they are listed on a Swiss exchange, or provided that:¹⁰

- a.¹¹ only shareholders as defined in Article 10 paragraphs 3 and 3^{ter} are entitled to participate in them; and
- b. their shares are registered.¹²

⁴ ...¹³

⁵ Repealed by Annex No II 13 of the Financial Institutions Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).

⁶ Amended by No I of the FA of 28 Sept. 2012, in force since 1 March 2013 (AS **2013** 585; BBl **2012** 3639).

⁷ SR **210**

⁸ Inserted by No I of the FA of 28 Sept. 2012 (AS **2013** 585; BBl **2012** 3639). Repealed by Annex No II 13 of the Financial Institutions Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).

⁹ Inserted by No I of the FA of 28 Sept. 2012 (AS **2013** 585; BBl **2012** 3639). Repealed by Annex No II 13 of the Financial Institutions Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).

¹⁰ Amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

¹¹ Amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

¹² Amended by No I of the FA of 28 Sept. 2012, in force since 1 March 2013 (AS **2013** 585; BBl **2012** 3639).

¹³ Repealed by No I of the FA of 28 Sept. 2012, with effect from 1 March 2013 (AS **2013** 585; BBl **2012** 3639).

Art. 3–6¹⁴**Chapter 2 Collective Investment Schemes****Art. 7** Definition

¹ Collective investment schemes are assets raised from investors for the purpose of collective investment, and which are managed for the account of such investors. The investment requirements of the investors are met on an equal basis.

² Collective investment schemes may be open or closed-ended.

³ The Federal Council may stipulate a minimum number of investors in accordance with the legal status and target group. It may authorise collective investment schemes for a single qualified investor (single investor fund) in accordance with Article 10 paragraph 3 in conjunction with Article 4 paragraph 3 letters b, e and f of the Financial Services Act of 15 June 2018¹⁵ (FinSA).^{16 17}

⁴ In the case of single investor funds, the fund management company and the investment company with variable capital (SICAV) may delegate the investment decisions to the single investor. FINMA may exempt them from the duty to subject themselves to supervision recognised under Article 31 paragraph 3 and Article 36 paragraph 3, respectively.¹⁸

⁵ Collective investment schemes must have their registered office and head office in Switzerland.¹⁹

Art. 8 Open-ended collective investment schemes

¹ Open-ended collective investment schemes may be in the form of a contractual fund (Art. 25 et seq.) or SICAV (Art. 36 et seq.).

² With open-ended collective investment schemes, investors have either a direct or indirect legal entitlement, at the expense of the collective assets, to redeem their units at the net asset value.

³ Each open-ended collective investment scheme has its own fund regulations. In the case of contractual funds this is the collective investment contract (fund contract), and in the case of SICAVs it is the articles of association and the investment regulations.

¹⁴ Repealed by Annex No 3 of the Financial Services Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

¹⁵ SR **950.1**

¹⁶ Second sentence amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

¹⁷ Amended by No I of the FA of 28 Sept. 2012, in force since 1 March 2013 (AS **2013** 585; BBl **2012** 3639)

¹⁸ Inserted by No I of the FA of 28 Sept. 2012, in force since 1 March 2013 (AS **2013** 585; BBl **2012** 3639)

¹⁹ Inserted by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

Art. 9 Closed-ended collective investment schemes

¹ Closed-ended collective investment schemes may be in the form of a limited partnership for collective capital investments (Art. 98 et seq.) or an investment company with fixed capital (SICAF, Art. 110 et seq.).

² In the case of closed-ended collective investment schemes, investors have neither a direct nor an indirect legal entitlement at the expense of the collective assets to the redemption of their units at the net asset value.

³ Limited partnerships for collective investment are based on a company agreement.

⁴ SICAFs are based on articles of association and issue a set of investment regulations.

Art. 10 Investors

¹ Investors are natural and legal persons, as well as general and limited partnerships, which hold units in collective investment schemes.

² Collective investment schemes are open to all investors, except where this Act, the fund regulations or the articles of association restrict investor eligibility to qualified investors.

³ Qualified investors within the meaning of this Act are professional clients as defined in Article 4 paragraphs 3–5 or Article 5 paragraphs 1 and 4 FinSA^{20,21}

^{3bis} ...²²

^{3ter} Qualified investors also include retail clients for whom a financial intermediary in accordance with Article 4 paragraph 3 letter a FinSA or a foreign financial intermediary that is subject to equivalent prudential supervision provides portfolio management or investment advice in accordance with Article 3 letter c items 3 and 4 FinSA within the scope of a permanent portfolio management or investment advice relationship, provided they have not declared that they do not wish to be treated as such. Such declaration must be made in writing or in another form demonstrable via text.²³

⁴ ...²⁴

⁵ The FINMA may fully or partially exempt collective investment schemes from certain provisions of the financial market acts within the meaning of Article 1 paragraph 1 of the Financial Market Supervision Act of 22 June 2007²⁵ (FINMASA),

²⁰ **SR 950.1**

²¹ Amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²² Inserted by No 1 of the FA of 28 Sept. 2012 (AS **2013** 585; BBl **2012** 3639). Repealed by Annex No 3 of the Financial Services Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²³ Inserted by No 1 of the FA of 28 Sept. 2012 (AS **2013** 585; BBl **2012** 3639). Amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²⁴ Repealed by Annex No 3 of the Financial Services Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²⁵ **SR 956.1**

provided that they are exclusively open towards qualified investors and that the protective purpose of this Act is not impaired, specifically from the provisions concerning:²⁶

a.²⁷ ...

b.²⁸ ...

- c. the requirement to produce a semi-annual report;
- d. the requirement to provide investors with the right to terminate their investment at any time;
- e. the requirement to issue and redeem units in cash;
- f. risk diversification.

Art. 11 Units

Units are claims against the fund management company conferring entitlement to the assets and income of the investment fund or interests in the investment company.

Art. 12 Protection against confusion or deception

¹ The designation «collective investment scheme» must not provide any grounds for confusion or deception, in particular in relation to the investments.

² Designations such as «investment fund», «investment company with variable capital», «SICAV», «limited partnership for collective investment», «investment company with fixed capital» and «SICAF» may only be used for the relevant collective investment schemes governed by this Act.²⁹

Chapter 3 Authorisation and Approval

Section 1 General

Art. 13 Duty to obtain authorisation

¹ Any party who establishes or operates a collective investment scheme or is responsible for the safekeeping of the assets held in it requires authorisation from FINMA.³⁰

²⁶ Amended by Annex No 3 of the Financial Services Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²⁷ Repealed by No I of the FA of 28 Sept. 2012, with effect from 1 June 2013 (AS **2013** 585; BBl **2012** 3639).

²⁸ Repealed by Annex No 3 of the Financial Services Act of 15 June 2018, with effect from 1 Jan. 2020 (AS **2019** 4417; BBl **2015** 8901).

²⁹ Amended by No III of the FA of 25 Sept. 2015 (Law on Business Names), in force since 1 July 2016 (AS **2016** 1507; BBl **2014** 9305).

³⁰ Amended by Annex No II 13 of the Financial Institutions Act of 15 June 2018, in force since 1 Jan. 2020 (AS **2018** 5247, **2019** 4631; BBl **2015** 8901).