

**Client Information Notice on the Federal Act on Financial  
Services (FinSA)**

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## I. FinSA

The Federal Act on Financial Services (hereinafter referred to as the "FinSA"), which entered into force on January 1, 2020, applies in Switzerland to all financial services providers. FinSA governs the provision of financial services as well as the offering of financial instruments and is intended to strengthen investor protection.

FinSA introduces a series of rules of conduct that financial services providers must comply with regard to their clients in terms of information, verification, and documentation.

## II. Presentation of Kepler Cheuvreux Suisse (SA)

Kepler Cheuvreux (Suisse) SA, hereafter Kepler Cheuvreux, is a securities firm specialized in the offering of various financial services, notably brokerage, financial intermediation, trading of all securities, derivatives and structured products and company advising.

### A. Address

Kepler Cheuvreux Suisse (SA)  
Avenue Perdtemps 23  
1260 Nyon  
Suisse  
+41 22361 5151

### B. Offered Financial Services

The securities trading activities carried out by Kepler Cheuvreux operators are as follows:

- Distribution of Structured Products
- Brokerage and execution of orders on derivative products
- Brokerage in Bonds
- Reception & Transmission of orders (RTO)
- Execution

### C. Supervisory Body

Kepler Cheuvreux (Suisse) SA is licensed as a securities firm and subject to the surveillance of the Swiss Financial Market Supervisory Authority (FINMA).

#### **Autorité fédérale de surveillance des marchés financiers FINMA**

Laupenstrasse 27  
CH - 3003 Berne  
Suisse  
+41 31 327 91 00

## D. Mediation Body

Kepler Cheuvreux aims to provide full satisfaction to its clients.

Kepler Cheuvreux has implemented a complaint management policy.

In the event of a dispute and prior to any legal recourse, the client has the possibility of turning to a mediation body. To this end, Kepler Cheuvreux is affiliated with the following body:

### **Swiss Arbitration Center**

**Boulevard du Théâtre 4**

**1204 Geneva**

**Switzerland**

**Tel. : +41 22 819 91 57**

E-mail : [centre@swissarbitration.org](mailto:centre@swissarbitration.org)

<http://www.swissarbitration.org/Ombuds-FIN>

## III. Client segmentation under FinSA

### - Classification

As per FinSA requirements, clients must be classified into one of the following categories: Institutional, professional, and retail clients.

#### 1. Institutional clients

Institutional clients benefit from the lowest level of regulatory protection and correspond to the following client typology:

- Financial intermediaries subject to supervision, such as financial intermediaries as defined by the Banking Act (BankA), the Financial Institutions Act (FinIA) and the Collective Investment Schemes Act (CISA)
- Insurance companies
- Foreign clients subject to prudential supervision;
- Central banks
- National and supranational institutions under public law with a professional treasury

#### 2. Professional clients

Professional clients have less protection than retail clients, given their knowledge, experience and ability to bear losses. As a result, professional clients can access a wider investment universe, including financial products that are strictly reserved for them or that are not authorized for distribution to private clients. Professional clients include institutional client as well, including:

- Public entities with professional treasury operations
- Occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations
- Companies with professional treasury operations
- Large companies that reach at least two of the following thresholds:

- ✓ balance sheet of CHF 20 million;
  - ✓ turnover of CHF 40 million;
  - ✓ or equity of CHF 2 million.
- private investment structures with professional treasury operations created for high-net-worth retail clients.

### 3. Retail clients

Retail clients are all clients who are neither institutional nor professional and benefit de facto from the greatest protection. The range of products available to "retail" clients is generally limited to products explicitly authorized for distribution to this type of client. Kepler Cheuvreux reserves the right to accept or refuse to enter into a relationship with a retail client.

#### B. Change in client classification

Under certain conditions, FinSA offers the opportunity to request an "Opting-in" or an "Opting-out". Clients can declare in writing that they wish to change to a category offering a lower level of regulatory protection (Opting-out) or a higher level (Opting-in). The following changes are permitted.

Kepler Cheuvreux reserves the right to refuse the change of category. By nature, Kepler Cheuvreux deals exclusively with so-called institutional or professional clients.

##### 1. Institutional clients

This latter can declare that they wish to be considered as professional clients.

##### 2. Professional clients

Companies, pension funds or institutions serving occupational pension plans with professional cash holdings as well as Swiss and foreign collective investment schemes or their management companies, which are not considered to be institutional clients that are not subject to prudential supervision, may declare that they wish to be considered institutional clients (Opting-Out).

Conversely, all professional clients may declare that they wish to be considered as retail clients (Opting-In).

##### 3. Retail clients

Clients classified as retail investors, who wish to become professionals, may declare that they wish to be considered as professionals. This possibility is open to high-net-worth private clients (or private investment structures established for them) who validly declare that they have:

- education and professional experience or comparable experience in the financial sector, and have the necessary knowledge to understand the risks associated with investments; and available assets of a minimum amount of CHF500,000;
- or available assets of at least CHF2m.

Kepler Cheuvreux reserves the right to accept or refuse the change of categorization.

## C. Impact of the classification

### 1. Investor protection

The classification of customers determines the level of protection as well as the information and control requirements.

### 2. Qualified investor

For the purpose of the distribution of collective investment schemes, the Collective Investment Schemes Act (CISA) has been updated and defines the status of qualified investor in particular in relation to the classification of clients as determined by the FinSA. Accordingly, clients classified under the FinSA as professional or institutional are considered to be qualified investors. Private clients are considered as non-qualified and therefore do not have access to collective investments (funds), with the exception of private clients with a management mandate or a long-term investment advisory mandate with a financial intermediary.

### 3. Exemption from the duty to review

No verification of appropriateness and suitability is required if the service provided is limited to the execution and transmission of client orders according to the FinSA.

In the case of simple execution services, the client makes his own investments without receiving any advice or recommendation from the financial services provider. He is therefore fully responsible for the valuation of the financial instruments and the risks involved.

This information is final and will not be reiterated after each order.

## IV. General Risks

The choice of a financial instrument may involve risks and requires an understanding of these risks before considering any purchase of a financial instrument. Kepler Cheuvreux does not guarantee the performance or profitability of any product.

The Swiss Bankers Association brochure "Risks of Trading in Financial Instruments" provides general information on the risks associated with financial instruments<sup>1</sup>.

The client must be aware of the risk of loss of value of an investment which, depending on the product, may be equal to or greater than the initial investment.

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<sup>1</sup>[https://www.swissbanking.ch/Resources/Persistent/c/6/c/8/c6c8088972fdd9f624e8e877dfa28424d8b8d887/ASB\\_Risques\\_inherents\\_au\\_commerce\\_instruments\\_financiers\\_2023\\_FR.pdf](https://www.swissbanking.ch/Resources/Persistent/c/6/c/8/c6c8088972fdd9f624e8e877dfa28424d8b8d887/ASB_Risques_inherents_au_commerce_instruments_financiers_2023_FR.pdf)

## V. Best Execution

One of the objectives of the FinSA is to guarantee best execution in financial instrument transactions. Kepler Cheuvreux has taken all the necessary measures to ensure that the transmission and execution of orders are carried out in accordance with the best execution rules. For further information, please refer to our policy.<sup>2</sup>

## VI. Conflicts of interest

As a financial institution, Kepler Cheuvreux is required to identify, prevent and manage conflicts of interest in the course of its activities. To this end, Kepler Cheuvreux has a dedicated procedure<sup>3</sup>.

## VII. Costs and Charges

The financial services provided by Kepler Cheuvreux and by third parties involve fees and commissions. This information is available upon request from our office.

## VIII. Relationship with third party

Kepler Cheuvreux may have economic relationships with third parties, which may result in benefits and/or compensation. In this context, the company has implemented a directive aimed at avoiding conflicts of interest.

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<sup>2</sup> <https://www.keplercheuvreux.com/app/uploads/2022/09/Execution-Policy-2022-English-15.09.2022.pdf>

<sup>3</sup> [https://www.keplercheuvreux.com/app/uploads/2020/07/KEPLER-CHEUVREUX\\_POLITIQUE-DE-PREVENTION-ET-DE-GESTION-DES-CONFLITS-DINTERETS.pdf](https://www.keplercheuvreux.com/app/uploads/2020/07/KEPLER-CHEUVREUX_POLITIQUE-DE-PREVENTION-ET-DE-GESTION-DES-CONFLITS-DINTERETS.pdf)