



Financial Services Act (FinSA)

Information for Swiss clients of Deutsche Bank AG,
Frankfurt and Deutsche Bank AG, Zurich Branch in
Switzerland



1. INTRODUCTION

The new Swiss Financial Services Act (FinSA /FIDLEG) entered into force on 1 January 2020. Among other things, the aim of the new legislation is to strengthen investor protection and the Swiss financial market place, as well as to create comparable conditions for financial service providers. Please note that Deutsche Bank AG will make use of the transition periods provided by the legislator to implement the obligations set out in the FinSA (and in standards related to the FinSA) and most of the requirements set forth in the FinSA will only made applicable as of January 2022.

FinSA mainly governs the provision of financial services as well as the offering of financial instruments and is intended to strengthen investor protection. In terms of content, FinSA is closely aligned with the EU's Markets in Financial Instruments Directive and its delegated acts (MiFID II) and mainly covers the following areas:

- Enhancement of investor protection
- Transparency of financial products
- Revision of organizational requirements for the provision of services
- Introduction of cross-sectoral product documentation rules when offering financial instruments into Switzerland or to Swiss clients.

FinSA applies to financial services as defined under clause 3 (*Financial Services and Instruments*) hereinafter provided to clients domiciled in Switzerland as well as to financial services provided in Switzerland to domiciled clients outside of Switzerland.

As Deutsche Bank already complies with the MiFID II regulation, it will follow this regulation as far as it is compatible with the FinSA and its ordinances. Especially, in the area of client classification, best execution, inducements, duty to inform, adequacy and suitability tests, Deutsche Bank will continue to apply MiFID II standards to its Swiss clients and will fulfil with this approach also the requirements under the FinSA. In single cases, after the applicable transition periods, Deutsche Bank and its Swiss clients may opt for a specific FinSA rule as far as it is legally permissible.

2. DEUTSCHE BANK AG AND ITS SUPERVISORY AUTHORITIES

Deutsche Bank AG, domiciled in Frankfurt am Main, Germany, Local Court of Frankfurt am Main, HRB No. 30 000, VAT ID DE114103379 (www.db.com) is subject to comprehensive supervision by the European Central Bank (ECB), Sonnemannstraße 22, 60314 Frankfurt am Main, Germany (www.ecb.europa.eu), the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin), Graurheindorfer Straße 108, 53117 Bonn, Germany, (www.bafin.de) and Deutsche Bundesbank, Wilhelm-Epstein-Straße 14, 60431 Frankfurt am Main (www.bundesbank.de).

Deutsche Bank AG, Zurich Branch, domiciled at Uraniastrasse 9, 8001 Zurich, is subject to the prudential supervision by the Swiss Financial Market Supervisory Authority (FINMA), Laupenstrasse 27, 3003 Bern (www.finma.ch).



3. FINANCIAL SERVICES AND INSTRUMENTS

The FinSA applies when Deutsche Bank, Frankfurt, provides the following services on a cross border basis regarding the following financial instruments:

3.1 Financial services provided to clients

- Buying or selling financial instruments,
- Receiving and passing orders on financial instruments,
- Asset management,
- Investment advice,
- Granting loans to execute transactions in financial instruments.

3.2 Main financial instruments

- Equity securities (in particular shares, participation certificates, non-voting equity securities),
- Debt securities and bonds,
- Units in collective investment schemes,
- Derivatives and structured products.

3.3 Excluded instruments from FinSA

Not included are in particular

- FX/PM spot transactions,
- claims/receivables for physical delivery or
- cash settlement of currencies (FX) or precious metals,
- custody accounts or deposits, including callable and fixed term deposits and fiduciary deposits.

Please note that Deutsche Bank AG, Zurich Branch is not providing any financial services according clause 3.1 regarding financial instruments mentioned under clause 3.2.

4. CLIENT CLASSIFICATION

The Bank's protective and information obligation that is based on the client categories is part of the regulatory framework introduced by MiFID II. The statutory level of protection differs between retail clients, professional clients and eligible counterparties. The FinSA provides for a similar segmentation - **Private Clients, Professional Clients and Institutional Clients**:

Client category	Definition under FinSA
Private (Retail) Clients	- Private (Retail) Clients are clients who are neither professional nor institutional clients



Professional Clients	<ul style="list-style-type: none"> - Public entities with professional treasury operations. - Occupational pension schemes and other institutions whose purpose is to serve occupational pensions with professional treasury operations. - Companies with professional treasury operations. - Large companies (a large company is a company which exceeds two of the following criteria): <ul style="list-style-type: none"> • balance sheet total of CHF 20million • turnover of CHF 40 million • equity of CHF 2 million - Private investment vehicles with professional treasury operations set-up for high-net-worth retail clients. - Institutional clients who opted-in to professional client status. - High-net-worth retail clients and private investment vehicles set-up for wealthy retail clients who opted-out to professional client status.
Institutional Clients	<ul style="list-style-type: none"> - Financial intermediaries as defined in the Banking Act (BA), the Financial Institutions Act of 15 June 2018 (FinIA) and the Collective Investment Schemes Act (CISA). - Insurance companies as defined in the ISA (Insurance Supervision Act). - Foreign clients subject to a prudential supervision as the persons listed above (institutional client, bullet 1 and 2). - Central banks. - National and supranational public entities with professional treasury operations.

Deutsche Bank is planning to use the MiFID II classification also under the FinSA regulation as far as legally permissible. Where there is a difference in the level of protection offered to a client between MiFID II or the German Securities Trading Act and FinSA the higher level of protection will prevail

You will be informed of your classification separately. Your client advisor will be pleased to explain you the requirements and implication of the classification. If you do not agree with the initial classification by Deutsche Bank, you can request a change in your classification as far as you meet the necessary requirements.



5. RULES OF CONDUCT AND ORGANIZATIONAL MEASURES IMPLEMENTED BY THE BANK

5.1 Duty to provide information

If you are a Retail Client or a Professional Client we have already provided you with the MiFID II brochure "*Information on the Bank and its services for transactions in financial instruments and structured deposits*". Eligible Counterparties / Institutional Clients have received the brochure "*MiFID II - Information for eligible counterparties*". In order to comply with the FinSA duty to provide information, the Bank provides you furthermore with the information contained in this brochure.

5.2 Appropriateness and suitability check

Deutsche Bank is only providing investment advice to retail and professional clients and will in such a case only recommend a transaction based on MiFID requirements. For further details please see section 7 of the "*Information on the Bank and its services for transactions in financial instruments and structured deposits*".

5.3 Disclosure of remuneration received by third parties and waiver of surrender of remunerations

In connection with dealings in securities which the Bank concludes with clients on investment units, certificates and structured bonds, the Bank receives sales-linked payments from securities issuers (fund management companies, foreign investment companies and certificate/bond issuers, including companies in the Deutsche Bank Group), who pay these to the Bank for the sale of such securities ("sales commissions").

Sales commissions are paid as placement and trailer fees. Placement fees are incurred when certificates and structured bonds are sold. They are paid by issuers of these securities as a one-off, sales-linked commission to the Bank. The level of the fee usually ranges from 0.5% to 2% of the relevant issue price of the securities; alternatively, the issuers grant the Bank a corresponding discount on the issue price of the securities. Trailer fees are incurred when investment units, certificates and structured bonds are sold. They are paid by the issuers of these securities as a recurring, holding-related commission to the Bank. The Bank receives these payments on different dates (generally monthly) depending on the reporting date and on the basis of the relevant holding booked in the client's securities account (redemption value/net asset value for investment unit certificates or market value for certificates and structured bonds). **The level of the fees usually ranges, for example, from 0.1% to 1.2% p.a. for fixed income funds, from 0.5% to 1.6% p.a. for equity funds, from 0.2% to 1.1% p.a. for open-ended real estate funds, from 0.5% to 2.0% p.a. for all other funds (e.g. funds of funds, mixed funds, alternative funds, capital-protected funds, etc.) and from 0.1% to 2.0% p.a. for certificates and structured bonds.** The Bank informs the client of the details of the sales commissions prior to concluding a securities transaction.

The client agrees that the Bank will retain the sales commissions paid to it by the issuers, provided that the Bank is permitted to accept the sales commissions under the provisions of the German Securities Trading Act (especially section 70 WpHG) and the FinSA (especially article 26 FinSA). In this respect, the client and the Bank agree that, contrary to the statutory provisions of the law of management of the affairs of another (sections 675, 667 German Civil Code - BGB, 384 German



Commercial Code - HGB), the client has no claim against the Bank for the return of the sales commissions. Without this agreement, the Bank would have to surrender the sales commissions to the client – assuming the law of management of another's affairs applies to all dealings in securities concluded between the Bank and the client.

The waiver does not apply to monetary inducements (including sales commissions) which the Bank receives in connection with dealings in securities in the context of financial portfolio management. Based on the above disclosure and any separate documentation containing fee disclosures, the client confirms that it has been duly informed on the type, the extent and the method of calculation of the remuneration that the Bank may receive from third parties.

Unless objected in writing to the Bank, the client understands and accepts the system of additional compensation of the Bank as described above. Accordingly, the client expressly waives its right to restitution of any additional remuneration in the context of the promotion and offer of its services rendered and agrees to the Bank keeping any such remuneration as part of its remuneration for services rendered. The fact that the Bank may not exercise its right to keep such inducements in a given situation shall not amount to a waiver of its right. In particular, if the Bank accepts to credit such inducements to the client during a certain time period shall not be deemed to have waived its right to keep such inducements for the future.

5.4 Documentation and reporting

The Bank is required to document the agreed financial services and the information collected about you. If you are a Retail Client or a Professional Client, please see for further details section 11 and 12 of the *"Information on the bank and its services for transactions in financial instruments and structured deposits"*. Eligible Counterparties / Institutional Clients can find the relevant details in section II. of the brochure *"MiFID II - Information for eligible counterparties"*.

In the case investment advice is provided to a Retail or a Professional Client, the Bank also documents the needs and the reasons for each individual recommendation.

5.5 Transparency and due diligence for client orders

The bank executes transactions in financial instruments in accordance with the applicable Execution Policy of the Corporate Bank and the Investment Bank divisions, unless agreed otherwise. This Execution Policy is available at: [db.com/order-execution-policy](https://www.db.com/order-execution-policy).

6. SWISS BANKING OMBUDSMAN

Deutsche Bank AG puts a lot of attention to its client's satisfaction. In the case we would not be able to fulfil your expectations as a client, please contact us so we can address your concerns and find a solution.

If no mutually agreeable solution can be found, you as a Swiss domiciled client who maintains a relationship with any Deutsche Bank AG business unit, providing financial services into Switzerland



or to Swiss domiciled clients and subject to the FinSA rules, can apply to the respective Ombudsman, a free and impartial information and mediation service.

Generally, the Ombudsman only gets involved after the client has made a written complaint to the bank and the bank had the opportunity to provide with an answer.

For any **Deutsche Bank AG, Frankfurt** and any other business unit not located in Switzerland, providing financial services into Switzerland or to Swiss domiciled clients and subject to the FinSA rules, clients may seek a mediation through the following ombudsman office in Switzerland:

"Verein Ombudsstelle Finanzdienstleister (OFD)", Bleicherweg 10, 8002 Zürich,
(www.ofdl.ch/finanzdienstleister)

or any other Ombudsman Office that such DB AG entity has chosen to be affiliated with and has been disclosed to the relevant clients.

Deutsche Bank AG Zurich Branch has affiliated to the Swiss Banking Ombudsman:

Swiss Banking Ombudsman
Bahnhofplatz 9
8021 Zurich
(www.bankingombudsman.ch)

7. **SWISS BANKERS ASSOCIATION (SBA) BOOKLET "RISKS INVOLVED IN TRADING FINANCIAL INSTRUMENTS"**

Transactions with financial instruments are associated with opportunities and risks. It is therefore important that you are familiar with and understand these risks before using a financial service. You have already received the brochures *"Basic Information on Securities and Other Capital Investments"* and *"Basic Information on Financial Derivatives"*.

SBA's new brochure *"Risks Involved in Trading Financial Instruments"* contains further general information on financial services and on the characteristics and risks of such financial instruments.

The new risk brochure can be found here: www.swissbanking.ch/en/downloads
