



# Financial Services Act (FinSA)

Information for Swiss clients of Deutsche Bank  
AG, London Branch



## 1. Introduction

This disclosure solely applies to business conducted with clients of the Investment Bank and Corporate Bank business divisions of Deutsche Bank AG, London branch (**DB London**) and you are being sent this information in your capacity as a Swiss client (or in relation to services provided to you in Switzerland) of one of these business divisions. This disclosure is without prejudice to existing disclosures, agreements, consents and other information supplied to you in relation to MiFID II and UK MiFID (each as defined below), any other applicable law or regulation or in relation to Deutsche Bank's business practices, each of which will continue apply to your relationship with DB London as supplemented by the information set out in this document.

The new Swiss Financial Services Act (**FinSA** or **FIDLEG**) entered into force on 1 January 2020. Amongst other things, the aim of the new legislation is to strengthen investor protection and the Swiss financial marketplace, as well as to create comparable conditions for financial service providers. Please note that Deutsche Bank AG (**Deutsche Bank**) will make use of the transition periods provided by the legislator to implement the obligations set out in FinSA (and in standards related to FinSA) and most of the requirements set forth in 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<sup>1</sup> (including for this purpose related and delegated legislation, **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*) provided to clients domiciled in Switzerland as well as to financial services provided in Switzerland to clients domiciled outside of Switzerland.

As Deutsche Bank already complies with MiFID II (and, where relevant, the UK equivalents of such European Union legislation which form part of United Kingdom law in amended form, for this purpose **UK MiFID**), it will follow applicable EU and, where relevant, UK law and regulation as far as it is compatible with 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 follow this approach to implement the requirements under FinSA. From time to time, after the applicable transition periods have expired, Deutsche Bank and its Swiss clients may opt to follow a specific FinSA rule (rather than the equivalent under MiFID II or UK MiFID) as far as it is legally permissible.

## 2. Deutsche Bank AG and its supervisory authority

Deutsche Bank AG is domiciled in Frankfurt am Main, Germany, Local Court of Frankfurt am Main, HRB No. 30 000, VAT ID DE114103379 ([www.db.com](http://www.db.com)) and is subject to comprehensive supervision by the European Central Bank (**ECB**) (contact address: Sonnemannstrasse 22, 60314 Frankfurt am Main), the Bundesanstalt für Finanzdienstleistungsaufsicht (Germany's Federal Financial Supervisory Authority, **BaFin**) (contact address: Marie-Curie-Str. 24-28, 60439 Frankfurt am Main) and Deutsche Bundesbank (**Bundesbank**) (contact address: Wilhelm-Epstein-Straße 14, 60431 Frankfurt am Main ([www.bundesbank.de](http://www.bundesbank.de))).

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<sup>1</sup> Directive 2014/65/EU



DB London is a branch of Deutsche Bank AG in the United Kingdom whose address is at Winchester House, 1 Great Winchester Street, London EC2N 2DB. It is authorized by the Prudential Regulation Authority (contact address: 20 Moorgate, London, EC2R 6DA). It is subject to regulation by the Financial Conduct Authority (contact address: 12 Endeavour Square, London E20 1JN) and limited regulation by the Prudential Regulation Authority. Details about the extent of the Bank's authorization and regulation by the Prudential Regulation Authority are available from the Bank on request or from <https://www.db.com/disclosures>.

Please see <https://www.db.com/legal-resources/information-about-the-firm> (also available at <https://www.db.com/legal-resources> under "Information about the firm") or as otherwise notified to clients from time to time for up to date information in relation to Deutsche Bank AG, London Branch.

### 3. Financial Services and Instruments

The FinSA applies when Deutsche Bank provides the following services on a cross border basis in relation to the following financial instruments:

#### 3.1 Financial services - 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 (without limitation)

- foreign exchange or precious metals spot transactions,
- claims/receivables for physical delivery,
- cash settlement of currencies (FX) or precious metals,
- custody accounts or deposits, including callable and fixed term deposits and fiduciary deposits,
- certain physically settled commodity transactions (not capable of cash settlement) that are not traded on a trading venue or an organised trading facility.

### 4. Client Classification

Deutsche Bank is required by law to classify all of its clients into different classifications with different levels of client protection under applicable law. Under MiFID II and UK MiFID this involves classification of clients into Retail Clients, Professional Clients and Eligible Counterparties. FinSA



provides for a similar set of categories for client classification: **Private Clients, Professional Clients and Institutional Clients.**

Client category	Definition under FinSA
<b>Private (Retail) clients</b>	<ul style="list-style-type: none"> <li>- Private (Retail) clients are clients who are neither professional nor institutional clients</li> </ul>
<b>Professional Clients</b>	<ul style="list-style-type: none"> <li>- Public entities with professional treasury operations.</li> <li>- Occupational pension schemes and other institutions whose purpose is to serve occupational pensions with professional treasury operations.</li> <li>- Companies with professional treasury operations.</li> <li>- Large companies (a large company is a company which exceeds two of the following criteria): <ul style="list-style-type: none"> <li>• balance sheet total of CHF 20million</li> <li>• turnover of CHF 40 million</li> <li>• equity of CHF 2 million</li> </ul> </li> <li>- Private investment vehicles with professional treasury operations set-up for high-net-worth retail clients.</li> <li>- Institutional clients who opted-in to professional client status.</li> <li>- High-net worth retail clients and private investment vehicles set-up for wealthy retail clients who opted-out to professional client status.</li> </ul>
<b>Institutional clients</b>	<ul style="list-style-type: none"> <li>- 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).</li> <li>- Insurance companies as defined in the ISA (Insurance Supervision Act).</li> <li>- Foreign clients subject to a prudential supervision as the persons listed above (institutional client, bullet 1 and 2).</li> <li>- Central banks.</li> <li>- National and supranational public entities with professional treasury operations.</li> </ul>

DB London has decided to use MiFID classification of its clients for classification under FinSA as far as legally permissible. Where there is a difference in the level of protection offered to a client between FinSA and MiFID II the higher level of protection will prevail.



<b>FinSA Classification</b>	<b>Equivalent MiFID II and UK MiFID Classification<sup>2</sup></b>
<b>Private (Retail clients)</b>	<b>Retail clients<sup>3</sup></b>
<b>Professional Clients</b>	<b>Professional Clients</b>
<b>Institutional clients</b>	<b>Eligible Counterparties</b>

DB London has classified all of the clients of its Investment Bank and Corporate Bank business divisions as Professional Clients or Eligible Counterparties under MiFID II and UK MiFID. Pension Funds classified under the FinSA as Professional Clients and under MiFID II as Eligible Counterparties will be subject to the MiFID II classification.

You will be informed of your classification separately to this document. If you have any questions about your classification you can speak to your usual Deutsche Bank contact. If you do not agree with your classification by Deutsche Bank, you may request a change in your classification if you meet the necessary requirements under applicable law and regulation. Please note that the Investment Bank and Corporate Bank business divisions of DB London do not provide financial services to clients classified as Retail Clients.

## **5. Rules of Conduct and Organizational Measures implemented by Deutsche Bank**

### **5.1 Duty to provide information**

We have already provided you with information related to our compliance with MiFID II (and, where relevant, UK MiFID) as well as other applicable laws and our business practices, which may be found on <https://www.db.com/legal-resources/>. In order to comply with the FinSA duty to provide information, Deutsche Bank also provides you with the information contained in this document.

### **5.2 Appropriateness and suitability check**

To the extent applicable to you, suitability and appropriateness requirements will be applied to your activity with Deutsche Bank based on MiFID II and UK MiFID requirements. DB London only provides

<sup>2</sup> Please note that this list is provided for information purposes only and the classification notified to you by Deutsche Bank in relation to MiFID II and UK MiFID remains effective.

<sup>3</sup> Please note that the Investment Bank and Corporate Bank business divisions of DB London do not provide any banking services to Private or Retail Clients



investment advice to professional clients when specifically agreed in writing and will in such a case only recommend a transaction based on MiFID II and UK MiFID requirements.

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

In connection with dealings in securities which Deutsche Bank concludes with clients on securities (such as, without limitation, bonds, investment units, certificates and structured bonds) Deutsche Bank receives sales-linked payments from securities issuers (such as, without limitation, fund management companies, foreign investment companies and certificate/bond issuers, including companies in the group of companies controlled by Deutsche Bank), who pay these to Deutsche Bank for the sale of securities (**sales commissions**).

Sales commissions are paid as underwriting, placement and trailer fees. Underwriting or placement fees are incurred when securities are sold. They are paid by issuers of these securities as a one-off, sales-linked commission to Deutsche Bank. The level of the fee usually ranges from 0.2% to 5% of the relevant total principal amount of the securities; alternatively, the issuers grant Deutsche Bank a corresponding discount on the issue price of the securities.

Trailer fees are incurred when securities are sold. They are paid by the issuers of these securities as a recurring, holding-related commission to Deutsche Bank. The level of the fees may range, for example, from 0.1% to 2.0% p.a.. Deutsche Bank informs its client of the details of sales commissions prior to concluding a securities transaction.

You agree that Deutsche Bank will retain sales commissions paid to it by issuers, where permitted by applicable law and regulation. In this respect, you agree that you have no claim against Deutsche Bank for the return of the sales commissions. The waiver does not apply to monetary inducements (including sales commissions) which Deutsche Bank receives in connection with dealings in securities in the context of financial portfolio management.

Based on this disclosure and any separate or further documentation setting out fee disclosures, you acknowledge and confirm that you have been duly informed on the type, the extent and the method of calculation of the remuneration that Deutsche Bank may receive from third parties.

**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 Deutsche Bank keeping any such remuneration as part of its remuneration for services rendered. The fact that Deutsche Bank may not exercise its right to keep such sales commissions in a given situation shall not amount to a waiver of its right. In particular, if Deutsche Bank agrees to credit such amounts to the client during a certain time period it shall not be deemed to have waived its right to keep such sales commissions in the future.**

It will be Deutsche Bank's understanding that you understand and accept the matters described above by continuing to carry out transactions with Deutsche Bank or receive services from Deutsche Bank after the date on which you receive this document.

### **5.4 Documentation and reporting**

Deutsche Bank is required to document the agreed financial services and the information collected about you.

In the case of investment advice (which DB London will only provide if specifically agreed in writing with you), Deutsche Bank also documents your needs and the reasons for each individual recommendation.



## 5.5 Transparency and due diligence for client orders

Deutsche 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. For more information on how your orders will be handled, please see: Deutsche Bank's Order Execution Policy (available at: <https://www.db.com/order-execution-policy>), Deutsche Bank's FX Disclosures (available at: <https://www.db.com/fxdisclosures>) and Deutsche Bank's Fixed Income Disclosures (available at: <https://www.db.com/fidisclosures>)

## 6. Risks Involved in Trading Financial Instruments

Transactions in or involving 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.

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

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

In addition, further information on the financial instruments in relation to which Deutsche Bank provides services and the risks associated with them will be made available on the following website: <https://www.db.com/riskdisclosures> or as otherwise notified by Deutsche Bank to its clients.

## 7. Modification

Deutsche Bank may amend or modify this document from time to time by giving Client written notice (including by email or electronic message to Client) of such changes and/or by Deutsche Bank making such changes available at: <https://www.db.com/legal-resources> (under the heading "FinSA FIDLEG"), such other website as Deutsche Bank may notify you from time to time or in such other manner as reasonably considered appropriate by Deutsche Bank. Such changes will become effective on a date to be specified in the relevant notice or on the website.

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