

INFORMATION ABOUT THE FEDERAL ACT ON FINANCIAL SERVICES



The Federal Act on Financial Services (FinSA) and its related Ordinance on Financial Services (FinSO) came into force on 1 January 2020. In particular, FinSA aims to strengthen investor protection and the reputation of the Swiss financial centre as well as to establish comparable conditions for the provision of financial services offered by the various market players. FinSO provides for a transitional period of two years from its entry into force, meaning that most of the provisions will be effective from January 2022.

FinSA introduces extensive information duties with regard to financial services and financial instruments, as well as with regard to the financial service provider itself.

In this context, we would like to inform you that Swissquote Bank Ltd, a wholly-owned subsidiary of Swissquote Group Holding Ltd., is authorised to operate in Switzerland as a bank within the meaning of the Federal Act on Banks and Savings Banks (BA) and as a custodian bank for collective investment schemes within the meaning of the Federal Act on Collective Investment Schemes (CISA) and is subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA). Swissquote Bank Ltd offers the following services:

- Receipt and transmission of orders in relation to financial instruments (*execution only*);
- Custody banking services for independent portfolio managers;
- Granting of loans to carry out transactions on financial instruments (Lombard loan);
- Automated, algorithm-based and transaction-related investment advice (Investment Inspiration Tool);
- Automated and algorithm-based portfolio management (Robo-Advisory);
- Receipt and transmission of orders on the foreign exchange market¹;
- Mortgages, leasing and payment solutions¹;
- Trading, as well as subscriptions, custody and transfers of crypto-assets¹.

You can contact Swissquote Bank Ltd and its supervisory authority at the following addresses:

Swissquote Bank Ltd

Chemin de la Crétaux 33
P.O. Box 319
1196 Gland
Switzerland
0848 25 88 88 (from abroad: +41 44 825 88 88)

Swiss Financial Market Supervisory Authority (FINMA)

Laupenstrasse 27
3003 Bern
Switzerland
+41 31 327 98 88

¹ Services not subject to FinSA.

CONSEQUENCES FOR SWISSQUOTE BANK LTD CLIENTS

A) CLIENT SEGMENTATION

FinSA provides a requirement for financial service providers to classify their clients in one of the following categories: retail client, professional client or institutional client.

The following table describes the impact of the segmentation on investor protection as part of prudential code of conduct provisions applied by Swissquote Bank Ltd when providing financial services and offering financial instruments:

| | RETAIL CLIENT | PROFESSIONAL CLIENT | INSTITUTIONAL CLIENT |
|---|---|---------------------------------------|----------------------|
| In the execution or transmission of client orders by Swissquote Bank Ltd, we carry out an appropriateness or suitability assessment of the transaction with the client's investment profile. | No | No | No |
| When providing transaction-related investment advice (Investment Inspiration Tool), we carry out an appropriateness assessment of the transaction or service with the client's investment profile. | Yes | Yes | No |
| As part of a Robo-Advisory portfolio management agreement, we carry out a suitability assessment of the service with the client's investment profile. | Yes | Yes, limited to investment objectives | No |
| When providing transaction-related investment advice (Investment Inspiration Tool), we document the client's needs and the underlying reasons for each recommendation. | Yes | Yes | No |
| You have access to funds restricted to qualified investors in accordance with CISA. | No, except within the framework of a portfolio management or advisory relationship ² | Yes | Yes |
| You have access to structured products that do not meet the minimum FinSA requirements. | No, except within the framework of a portfolio management or advisory relationship ² | Yes | Yes |
| Swissquote Bank Ltd provides you with a key information document (KID) as part of transaction-related investment advisory services (Investment Inspiration Tool) when a KID needs to be established for the recommended financial instrument. When executing or transmitting client orders, a KID shall only be provided if it is available for the financial instrument in question. | Yes | No | No |
| We are bound by best execution requirements when executing transactions on financial instruments. | Yes | Yes | No |

Unless you are informed of another classification by Swissquote Bank Ltd, you will be classified in the "retail client" category and benefit from increased protection as described in the table above. If you meet the necessary criteria, particularly in terms of the volume of your financial assets, your knowledge and experience, you can inquire to be classified as a "professional client" and obtain access to a wider range of financial instruments.

For any further information about this, please contact our [Customer Care Center](#).

² It is specified that Swissquote Bank Ltd (apart from the Robo-Advisory and Investment Inspiration Tool) does not offer portfolio management or advisory services, but that clients have the possibility of concluding such agreements with an independent third-party portfolio manager.

B) INFORMATION ON FINANCIAL INSTRUMENTS

Transactions on financial instruments involve opportunities and risks that are important to understand before any investment. The brochure [Risks Involved in Trading Financial Instruments](#) presents the most important aspects of typical risks.

Depending on the type of service and the type of financial instrument, a key information document (KID) is provided to retail clients. The KID sets out the key characteristics of the financial instrument as well as its risks and costs. No KID shall be delivered upon execution and transmission of client orders unless provided by the issuer.

C) BEST EXECUTION

The [Best Execution Policy for Trading Accounts](#) provides more information on the best possible execution of orders on financial instruments.

D) OMBUDSMAN'S OFFICE

In the event of a dispute with Swissquote Bank Ltd, you also have the opportunity to contact the Swiss Banking Ombudsman, the neutral and independent body responsible for mediation proceedings with our clients:

Swiss Banking Ombudsman

Bahnhofplatz 9
Case Postale
8021 Zurich
Switzerland