

Media release

## **Federal Council adopts dispatch on revision of Collective Investment Schemes Act to introduce limited qualified investor fund (L-QIF)**

### **L-QIF: an innovation for the Swiss fund market**

**Basel, 19 August 2020 – At its meeting today, the Federal Council adopted the dispatch on the revision of the Collective Investment Schemes Act (CISA). The revision will create a new category of fund, the limited qualified investor fund (L-QIF), that offers qualified investors an alternative to similar foreign products. SFAMA supports this project, the implementation of which represents an important step toward strengthening the Swiss financial sector and enhancing Switzerland’s competitiveness as a location for funds and asset management.**

The L-QIF project got up and running quickly by Swiss standards. The Federal Council instructed the Federal Department of Finance (FDF) to draft the necessary revision of the Act on 5 September 2018. The idea also met with widespread support in parliament. The motion put forward by Ruedi Noser of the Council of States was passed with large majorities by the Council of States in September 2018 and by the National Council in March 2019. The consultation on the L-QIF was opened on 26 June 2019, and SFAMA played an active role in it. Those taking part in the consultation broadly supported the creation of the L-QIF, but the Federal Council’s vote to adopt the dispatch was delayed by the coronavirus situation. To ensure that Switzerland can benefit from the enhanced competitiveness this innovation brings as soon as possible, it is now all the more important for parliament to debate and adopt the draft swiftly.

The core aim of the draft is to create a flexible form of collective investment scheme under Swiss law that is not subject to FINMA approval and can thus be launched much more quickly and cost-effectively. At the same time, this innovative product, which is to be available only to qualified investors, should guarantee the usual levels of quality and security. The asset manager or fund management company responsible for an L-QIF must be an institution supervised by FINMA. This indirect supervision takes due account of qualified investors’ need for protection. Both open-ended and closed-ended collective investment schemes in accordance with the CISA could be set up as L-QIFs. They would enjoy flexibility as regards their investment universe so as to offer investors the greatest possible choice. In addition, the tax treatment of L-QIFs as Swiss funds would be crucial to their success.

Parliament is expected to debate the draft in its 2020 winter session after the preliminary advisory committee. It is likely to enter into force in 2022.

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The Swiss Funds & Asset Management Association SFAMA (SFAMA), which was established in 1992 and has its registered office in Basel, is the representative association of the Swiss fund and asset management industry. Its members include all the major Swiss fund management companies, many asset managers, and representatives of foreign collective investment schemes, as well as service providers active in the asset management sector. SFAMA is an active member of the Brussels-based European Fund and Asset Management Association (EFAMA) and the International Investment Funds Association (IIFA) in Toronto. For further information, please see [www.sfama.ch](http://www.sfama.ch). You can also follow us on Twitter: @SFAMAinfo