



NAEGELI & PARTNERS ATTORNEYS AT LAW

Investment Funds Practice

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SWISS FEDERAL BANKING COMMISSION ("SFBC") TO DROP THEIR REQUIREMENTS REGARDING PERFORMANCE FEES AS FROM APRIL 1ST 2008

The SFBC have communicated the following change of practice:

"After the consultation process, the SFBC has decided to renounce definitively to regulate the performance fee. The practice in this matter applied to Swiss and Foreign Collective Investment Schemes is abrogated as of April 1st, 2008. The Appendix II "Performance fee" of the Guideline for the applications of Investment funds will therefore be suppressed and the other guidelines adapted. The applicable criteria for the performance fee are left to the market's participants. As required by CISA and the Guidelines of the Swiss Funds Industry, the licensees will have to indicate in the collective investment scheme's documents the nature, the amount and the calculation of a potential performance fee."

This change is a welcome liberalisation which will allow access to the Swiss retail market for a number of products which have in practice been barred from Swiss registration by the SFBC's requirements regarding performance fees.

For more information feel free to contact any of our investment fund specialists (www.nastra.ch).