Description:

I. If its ultimate shareholders and/or beneficial owners are nationals and/or residents of a non-Party, authorisation of a foreign stock exchange or of a stock exchange controlled by foreign persons domiciled abroad may be refused if the non-Party in which the foreign stock exchange has its registered office or in which the controlling foreign persons are domiciled does not accord Swiss stock exchanges effective access to its markets and does not offer them the same competitive opportunities as to the local stock exchange. The same rule shall apply to the authorisation of securities dealers.

II. Stock exchanges and securities dealers which subsequently come under foreign control must obtain the approval of the Swiss Financial Market Supervisory Authority (Eidgenössische Finanzmarktaufsicht (FINMA); Autorité fédérale de surveillance des marchés financiers (FINMA); Autorità federale di vigilanza sui mercati finanziari (FINMA)). The same condition shall apply to foreign-controlled stock exchanges or securities dealers, if there is a change in the foreign persons with significant interests.

Stock exchanges and securities dealers organised under Swiss law shall be considered foreign-controlled, if foreign persons (see below) with significant interests in them hold over half the voting rights directly or indirectly, or otherwise exert a controlling influence on them.

The following shall be deemed foreign persons:

(a) natural persons who have neither Swiss nationality nor a residence permit conferring the right of establishment in Switzerland;

(b) juridical persons and partnerships which have their registered office abroad or, if they have their registered office in Switzerland, are controlled by persons mentioned under letter (a).

45. Sector: Financial Services

Sub-Sector: Banking and Other Financial Services

Industry Classification: Part of CPC 81

Type of Reservation: Market access (Article 46)

National treatment (Article 47)

Level of Government: Federal

Measures: Federal Ordinance on stock exchanges and securities trading (SR 954.11), Article 39

Swiss Financial Market Supervisory Authority Circular 2008/5, n. 54-63

Description: Representative offices of a foreign securities dealer may neither conduct business nor act as an agent.