Portfolio Managers, Trustees and Investment Advisers: Licence, Registration or Affiliation?

Four regimes that must be kept apart

Swiss law regulates asset-related services through four regimes. They apply cumulatively and must be kept distinct.

1. FINMA licence (institutional). Portfolio managers and trustees are financial institutions under the Financial Institutions Act (FinIA), whatever their legal form. They need a FINMA licence, and they may be entered in the commercial register only once the licence has been granted **Art. 2 FinIA Art. 5 FinIA**.
2. Supervision by a supervisory organisation (SO). This is not an alternative to the licence. Proof of SO supervision is a licensing condition, and the SO then carries out ongoing supervision **Art. 7 FinIA Art. 61 FinIA**.
3. Client-adviser registration (individual). Under the Financial Services Act (FinSA), registration attaches to the natural person who advises clients on behalf of a provider that is not prudentially supervised **Art. 28 FinSA**.
4. Anti-money-laundering (AML) affiliation. Under the Anti-Money Laundering Act (AMLA), financial intermediaries outside the prudentially supervised sectors must join a self-regulatory organisation (SRO). Since 1 October 2026 the same applies to certain "advisers" **Art. 14 AMLA**.

An SO and an SRO are different bodies. An SO may also act as an SRO if it is recognised as one, but it must make that dual role recognisable to outsiders at all times **Art. 43a FINMASA**.

How the regimes combine for licensed institutions, pure advisers and family offices is analysed in the sections on investment advice and anti-money-laundering classification below.

All four regimes are federal. Cantonal law adds a separate layer only for professions the canton regulates itself. Ticino, for example, requires a cantonal authorisation for professional commercial and real-estate fiduciary activities. Its administrative court held that a lawyer acting as managing officer does not exempt a separate company from that requirement; the company must itself employ an authorised fiduciary **52.2023.417**. Cantonal fiduciary licences of this kind neither replace the federal regimes nor are replaced by them.

Decision tree

The legislation allocates the regimes in the following order. Each step is analysed in the sections below.

1. Is a financial service involved? Portfolio management and investment advice are both financial services under FinSA **Art. 3 FinSA**.
2. Can the provider dispose of client assets under a mandate, in the client's name?
   - If so, it is a candidate portfolio manager under Art. 17 para. 1 FinIA.
   - If it only recommends and the client decides, it is an adviser.
   - If it acts in its own name for the client's account, Art. 17 FinIA does not apply, and a securities-firm question arises **2025iv-4**.
3. Is it a trustee under a trust instrument within the meaning of the Hague Convention? If so, it is a candidate trustee under Art. 17 para. 2 FinIA **Art. 17 FinIA**.
4. Does it manage collective investment schemes or pension fund assets above the de minimis limits? If so, the higher licence as manager of collective assets is required **Art. 24 FinIA**.
5. Does an exemption apply? The main ones concern family or group links, employee participation plans, lawyers' professional secrecy, statutory mandates and listed institutions **Art. 2 FinIA**.
6. Is the activity commercial? Any one of the following suffices **Art. 19 FinIO**:
   - more than CHF 50,000 gross revenue;
   - the 20-relationship test;
   - unlimited power of disposal over more than CHF 5 million.
7. If the activity is licensable: the provider affiliates with an SO, obtains the FINMA licence and is then supervised on an ongoing basis by the SO. FINMA supervises AML compliance.
8. If the activity is advisory only:
   - the FinSA conduct and organisation rules apply;
   - client advisers must be registered unless exempt;
   - the provider must join an ombudsman unless it serves only professional or institutional clients;
   - a separate check is needed whether execution, custody, company-director or structuring functions trigger SRO affiliation under the AMLA.

Portfolio management under Art. 17 para. 1 FinIA

Mandate, power of disposal and discretion

A portfolio manager is whoever "gestützt auf einen Auftrag gewerbsmässig im Namen und für Rechnung der Kundinnen und Kunden über deren Vermögenswerte im Sinne von Artikel 3 Buchstabe c Ziffern 1-4 FIDLEG verfügen kann" **Art. 17 FinIA**. In English: whoever, under a mandate and on a commercial basis, can dispose of clients' assets in the clients' name and for their account. The decisive element is the ability to dispose ("verfügen kann"). How often the manager actually trades does not matter.

The Federal Administrative Court relied on the explanation of the Federal Department of Finance. Portfolio managers agree investment objectives or a strategy with the client and then make the individual investments autonomously and with discretion **b-5992-2022**. Discretion therefore marks the line between management and advice.

The Federal Supreme Court draws the same line in contract law. The advisory contract differs from portfolio management "per il fatto che la decisione di investimento spetta al cliente, assistito dalla banca che lo consiglia" **4A_329/2021**. In English: because the investment decision rests with the client, assisted by the bank that advises it.

The Court upheld the finding that the relationship was advisory on two grounds **4A_329/2021**:

- the clients had signed individual investment orders and decided whether to accept the bank's proposals;
- no management fee had been paid for the individually held relationships.

The Ticino Court of Appeal had reached the same result even though investments were discussed and agreed with the adviser. What

mattered was that the clients themselves decided whether to proceed **12.2020.134**.

These are civil-liability decisions and apply to the regulatory boundary only by analogy. They are still useful because they identify the relevant indicators: who takes the decision, whether individual orders are signed, and how the provider is paid. FINMA has also stressed that a firm wishing to fall below the licensing threshold must actually change its business model. Merely relabelling the service is not enough
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
.

Own-name structures fall outside Art. 17

The leading authority is the Federal Administrative Court's judgment of 25 March 2025 in B-5992/2022, published as BVGE 2025 IV/4 **b-5992-2022 2025iv-4**. FINMA had found that a co-investment platform would need a portfolio-manager licence if it acted as service provider and exceeded the thresholds of Art. 19 para. 1 FinIO.

The court held that the concept of portfolio manager "das gewerbsmässige Handeln im Vertretermodell (im Namen und für Rechnung Dritter) umfasst und dasjenige im Treuhandmodell (im eigenen Namen für Rechnung Dritter) ausschliesst" **2025iv-4**. In English: it covers commercial activity under the representative model (in the name and for the account of third parties) and excludes activity under the fiduciary model (in one's own name for the account of third parties). It concluded: "Ein solches Geschäftsmodell ist nach Art. 17 ff. FINIG nicht bewilligungsfähig" ("Such a business model cannot be licensed under Art. 17 et seq. FinIA") **2025iv-4**. It therefore annulled FINMA's finding **b-5992-2022**.

The court did not declare the activity unregulated. It found that the applicant was managing third-party assets rather than merely providing ancillary services, and that such management falls within FinIA unless an exception applies. It said the question that really arose was whether Art. 41 lit. a FinIA (securities firm) applied, and it left that question open **2025iv-4**.

This line matches older Federal Supreme Court case law under the former Stock Exchange Act. A company was classified as a securities dealer because, towards third parties, it acted in its own name with assets entrusted by clients and held them on accounts in its own name. The Court contrasted this with managing assets under a power of attorney over accounts held in the clients' names, which would have been asset management not then subject to a licence **2A.565/2002**. That decision applied superseded law. It supports the distinction by analogy but is not authority on Art. 41 FinIA.

The practical lesson is that an own-name model does not escape regulation by escaping Art. 17. It moves the analysis towards the securities-firm licence, which under the cascade also covers portfolio management and trustee activity **Art. 6 FinIA**.

The boundary with the manager of collective assets

Whoever professionally manages assets for collective investment schemes or pension funds is a manager of collective assets. Within the following limits, such a manager counts only as a portfolio manager **Art. 24 FinIA**.

- Collective investment schemes. All investors must be qualified investors under Art. 10 para. 3 or 3ter CISA, and one of these limits must be met:
  - the assets managed, including assets acquired through leverage, total at most CHF 100 million; or
  - the assets total at most CHF 500 million, no leveraged instruments are used, and investors have no redemption right during the first five years after the first investment.
- Pension funds. The assets managed total at most CHF 100 million and, in the mandatory area, at most 20 per cent of the assets of any single pension fund.

Admitting non-qualified investors or exceeding a ceiling therefore triggers the higher licence. A manager below the limits may still request that licence if the state where the scheme is formed or offered, or where the pension fund is operated, requires it **Art. 24 FinIA**. The commercial-basis thresholds of Art. 19 FinIO do not apply to these de minimis managers **Art. 19 FinIO**.

The licence cascade runs downwards only **Art. 6 FinIA**:

- a bank licence covers all categories below it;
- a securities-firm licence under Art. 41 lit. a FinIA covers managers of collective assets, portfolio managers and trustees;
- a fund manager licence covers managers of collective assets and portfolio managers, but not trustees;
- a licence as manager of collective assets covers portfolio management.

Portfolio manager and trustee are separate licences. FINMA records institutions that hold both as having a "dual licence"
FINMA Guidance 01/2024: Status of the licensing process and supervision
.

Trustees under Art. 17 para. 2 FinIA

A trustee is whoever commercially manages or disposes of separate assets for the benefit of beneficiaries or for a specific purpose, on the basis of the instrument creating a trust within the meaning of the Hague Convention of 1 July 1985 **Art. 17 FinIA**. The definition depends on a trust instrument. Officers of foundations and companies fall outside it; their AML position is discussed below.

The most important recent development concerns the commercial-basis test. In SK.2020.47 (17 October 2022), the Federal Criminal Court dealt with a trustee company under pre-2020 law. It held that the company was a financial intermediary under the AMLA general clause because it could dispose of assets attributable to third parties. Its activity was professional from the outset, because its unlimited power of disposal exceeded CHF 5 million **SK.2020.47**. The court also noted that trustees are now financial institutions under FinIA, and that unlicensed trustee activity remains punishable under Art. 44 FINMASA **SK.2020.47**.

FINMA then re-examined its practice. Trust assets, it reasoned, are economically separate from the trustee's own assets, even though the trustee appears to third parties as their formal owner. It stated: "Therefore, FINMA will also apply Article 19 para. 1 let. c FinIO to trustees from now on."
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Since February 2024, a trustee with unlimited power of disposal over trust assets exceeding CHF 5 million at any time therefore needs a licence, even if it stays below the revenue and relationship thresholds. Trustees newly caught by this practice had to apply before the end of 2024
FINMA Guidance 01/2024: Status of the licensing process and supervision
. This is a change in administrative practice, not an amendment of the ordinance. It rests on the ordinance's reference to power of disposal over "fremde Vermögenswerte" (assets belonging to others) **Art. 19 FinIO**, and the Federal Criminal Court's reasoning supports it.

The commercial-basis test

FinIA defines commercial activity as an independent economic activity directed at permanent gain **Art. 3 FinIA**. A portfolio manager or trustee acts commercially, and at the same time professionally under AML law, if any one of the following criteria is met **Art. 19 FinIO**:

- gross revenue from the activity of more than CHF 50,000 per calendar year;
- business relationships that are not limited to a one-off activity, either opened with more than 20 contracting parties per calendar year or maintained with at least 20 such parties;
- unlimited power of disposal over assets of others exceeding CHF 5 million at any time.

The criteria are alternatives. A single large open-ended mandate can therefore trigger the licence requirement, and a temporary peak above CHF 5 million is enough.

Activity for persons and institutions within Art. 2 para. 2 lit. a, b, d and e FinIA is disregarded **Art. 19 FinIO**. These are linked persons, employee participation plans, statutory mandates and the central-bank institutions. A mixed business is thus measured only on its unrelated mandates.

The Federal Criminal Court described the parallel AML thresholds as mere de minimis limits ("lediglich als Bagatellgrenzen"), not as constitutive elements. Once a threshold has been crossed, the duty to obtain a licence or affiliation does not lapse at year-end. It continues for as long as the intermediary regularly carries out relevant transactions **CA.2025.4**. That case concerned the pre-2020 AML regime. The FinIO criteria now expressly double as the AML professional-basis test **Art. 19 FinIO**, so the court's reasoning is persuasive guidance on how they apply.

Exemptions from FinIA

Family and economic links: single- and multi-family offices

FinIA does not apply to persons who manage solely the assets of persons with whom they have economic or family links **Art. 2 FinIA**.

The following persons count as family-linked **Art. 4 FinIO**:

- relatives and in-laws in the direct line;
- relatives and in-laws up to the fourth degree in the collateral line;
- spouses and registered partners;
- co-heirs and legatees until the estate is divided or the legacy delivered;
- reversionary heirs and legatees;
- persons living in a permanent life partnership with the manager or trustee.

The ordinance extends the exemption to the typical single-family office. A family link also exists where the manager or trustee acts for persons who are family-linked with one another and is directly or indirectly controlled by either:

- a third party linked to them; or
- a trust, foundation or similar structure set up by a linked person.

The exemption still applies if public-interest or charitable institutions are also beneficiaries **Art. 4 FinIO**.

The wording also sets the boundary for multi-family offices. The statute requires that "solely" linked persons be served **Art. 2 FinIA**, and the control variant requires that the beneficiaries be linked "with one another" **Art. 4 FinIO**. An office serving several unrelated families therefore cannot invoke the exemption for its business as a whole. Because exempt activity is disregarded in the commercial-basis assessment, however, such an office needs a licence only if its non-family mandates alone meet one of the criteria **Art. 19 FinIO**. This conclusion follows from the wording of the statute and the ordinance.

Economic links are confined to groups. Only companies or units of a group that provide financial or trustee services to other companies or units of the same group are covered **Art. 3 FinIO**. The Federal Administrative Court requires an actual or at least possible relationship of control ("ein tatsächliches oder zumindest mögliches Beherrschungsverhältnis"). It added that "Jegliche gesellschaftsrechtliche Verbindung, gerade auch in Form einer einfachen Gesellschaft" does not suffice: no corporate-law link as such is enough, a simple partnership in particular **2025iv-4**. Investment syndicates and club deals therefore do not fall within the group exemption merely because the manager is a partner in them.

Other exemptions

- Employee participation plans. Exempt are plans that invest directly or indirectly in the employer or its group and are addressed to employees who are not under notice at the time of the offer **Art. 5 FinIO**.
- Lawyers and notaries. Lawyers, notaries, their auxiliaries and the legal entity through which they practise are excluded insofar as the activity is covered by professional secrecy under Art. 321 SCC or Art. 13 of the Lawyers Act **Art. 2 FinIA**. Asset management outside the protected professional activity is not covered.
- Statutory mandates. Examples include advance care mandates, deputyships, executorships, estate administration, insolvency administration and FINMA investigation or restructuring mandates. The list is not exhaustive **Art. 6 FinIO**.
- Institutional carve-outs. These are the SNB and the BIS; occupational pension institutions and patronage funds; employers and associations managing their own pension institutions' assets; social insurance institutions; insurers; public-law pension institutions; and banks **Art. 2 FinIA**.

The statutory-mandate exemption covers the deputy personally. It does not extend to an external manager to whom the deputy delegates. The Vaud Chamber of Guardianship upheld the refusal to approve a portfolio mandate with an external manager that did not yet appear on FINMA's list. As long as the licence had not been obtained, the court held, the firm could not be regarded as a sufficiently reliable provider, even though the transitional period had not yet expired **CCUR qe99-010300-189/2022**. In civil and guardianship practice, the licence thus also operates as a market-access signal.

Licensing conditions and ongoing organisational duties

Guarantee, qualified management and place of management

The institution, and the persons entrusted with its administration and management, must provide a guarantee of irreproachable business conduct. Managers must also have a good reputation and the specialist qualifications their function requires. Qualified participants must have a good reputation and must ensure that their influence does not harm prudent and sound business activity. A qualified participant is anyone holding at least 10 per cent of capital or votes, or able to exert significant influence in another way **Art. 11 FinIA**.

Portfolio managers and trustees are relieved in two respects **Art. 11 FinIA**:

- they are exempt from the advance notification duties for qualified participations;
- qualified participants may themselves sit on the management body.

The institution must be effectively managed from Switzerland, and its managers must reside where they can effectively exercise that management **Art. 10 FinIA**.

The management body must consist of at least two qualified persons. One is sufficient if continuity of business operations is demonstrated **Art. 20 FinIA**. A qualified manager must show **Art. 25 FinIO**:

- five years' professional experience in portfolio management for third parties, or within trusts; and
- at least 40 hours of training in the same field.

FINMA may grant exemptions on legitimate grounds. Continuing professional development is mandatory. A sole-manager structure must provide for the manager's incapacity or death, and clients must be informed if outside third parties are appointed **Art. 25 FinIO**.

On organisation **Art. 23 FinIO**:

- two authorised signatories must sign jointly, subject to the single-manager exception;
- the institution must be capable of being represented by a person resident in Switzerland;
- FINMA may require a governance body with a majority of non-executive members if the institution has ten or more full-time positions or gross earnings above CHF 5 million, and its business so requires.

The leading judicial application of the guarantee requirement is the Federal Administrative Court's judgment B-5256/2024 of 29 June 2026, which upheld FINMA's refusal of a portfolio-manager licence **b-5256-2024**. The court made the following findings:

- Guarantee holder by actual influence. A co-founder and former majority shareholder could be treated as a guarantee holder and qualified participant because of her actual influence, not her formal titles.
- Past AML failings count. Earlier AML sanctions by the SRO and five omitted reports to the Money Laundering Reporting Office (MROS), made only after SRO proceedings had begun, were "offenkundig relevant für die Institutsgewähr" ("obviously relevant to the institutional guarantee").
- Later fixes did not cure. Subsequent reorganisation and outsourcing did not remove these doubts.
- Duration. The guarantee must exist "dauerhaft", throughout the entire activity.

The decision shows that a firm's AML record under SRO supervision follows it into the FINMA licensing procedure.

Risk management, internal control and outsourcing

Portfolio managers and trustees need an appropriate risk management system and an effective internal control system. These tasks may be performed by a qualified manager, by employees, or by a qualified external entity. Whoever performs them must not be involved in the activities they monitor **Art. 21 FinIA**.

Independence from revenue-generating activities is not required if both of the following apply **Art. 26 FinIO**:

- the firm has five or fewer full-time positions, or annual gross earnings below CHF 2 million; and
- it does not pursue a high-risk business model.

These thresholds must be met in two of the past three business years or be provided for in the business plan. Larger institutions with a governance body and gross earnings above CHF 10 million may be required to appoint an independent internal audit **Art. 26 FinIO**.

FINMA's current practice tightens the approach to outsourcing. Responsibility for outsourced risk management and compliance remains with the institution, which must retain the resources and expertise to monitor the service provider **FINMA Guidance 03/2026: Risks associated with the use of products in individual portfolio management**. In escalation cases, FINMA found that outsourcing had often produced standardised rather than individual controls, leading to unclear responsibilities and control gaps. It also emphasised that risk management must extend to the risks of client portfolios and of products used, including concentration, liquidity and valuation risks **FINMA Guidance 03/2026: Risks associated with the use of products in individual portfolio management**.

Delegation is permitted only to persons with the necessary skills, knowledge, experience and authorisations **Art. 14 FinIA**.

Capital, own funds, insurance and custody

Minimum capital is CHF 100,000, paid up in cash and maintained at all times. In addition, adequate collateral or professional liability insurance is required **Art. 22 FinIA**. FINMA may allow partnerships and sole proprietorships to provide a bank guarantee or a blocked cash deposit instead **Art. 27 FinIO**.

Own funds must at all times amount to at least one quarter of the fixed costs in the last annual accounts, capped at CHF 10 million **Art. 23 FinIA**. Insurance that covers the risks of the business model may count for 50 per cent towards qualifying capital **Art. 31 FinIO**.

Client assets must be held in safekeeping, segregated per client, with a bank, a securities firm or an equivalently supervised institution. The management authorisation must be in writing or another form demonstrable via text, and must be limited to administrative acts **Art. 24 FinIO**. Trustees must also act in the beneficiaries' best interests and take organisational precautions against conflicts of interest **Art. 24 FinIO**.

Changes after licensing

Every change in the facts on which the licence is based must be notified, and material changes require prior FINMA approval **Art. 8 FinIA**. FINMA distinguishes three categories **FINMA Guidance 01/2024: Status of the licensing process and supervision**:

- changes without relevance, which need not be reported;
- non-material changes, which are reported to the SO only;
- changes requiring authorisation, which significantly affect the risk profile, for example new business activities.

Changes requiring authorisation are submitted via FINMA's survey and application platform (EHP) as a change request, after a first review by the SO **FINMA Guidance 01/2024: Status of the licensing process and supervision**. Changes of board and management members accounted for the largest share of such requests **FINMA Guidance 01/2024: Status of the licensing process and supervision**.

Supervision: the two-tier model

Portfolio managers and trustees are supervised by FINMA "in consultation with" an SO. Ongoing supervision is performed by FINMA-approved SOs. Where no SO exists, FINMA supervises directly **Art. 61 FinIA**. The SO checks compliance with FinIA, AMLA, FinSA and, where applicable, CISA. Only FINMA may issue rulings **Art. 84 FinIO**.

FINMA becomes directly involved only when the SO reports a serious breach that cannot be remedied within an appropriate period, or other irregularities **FINMA Guidance 03/2026: Risks associated with the use of products in ind**. Escalations have risen sharply: 68 supervisory cases were opened in 2025, against 9 in 2023. FINMA has also identified weaknesses in how the SOs authorise and supervise audit firms and process audit reports, and has ordered measures **FINMA Guidance 03/2026: Risks associated with the use of products in ind**.

Dormant companies are supervised by FINMA itself rather than by an SO **FINMA Guidance 01/2024: Status of the licensing process and supervision**.

The audit rhythm is as follows **Art. 62 FinIA**:

- an audit firm performs an annual audit, unless the SO conducts the audit itself;
- depending on the activity and its risks, the SO may extend the audit cycle to a maximum of four years;
- in years without an audit, a compliance report, which may be standardised, is submitted to the SO.

By contrast, for managers of collective assets, fund management companies and securities firms, FINMA itself supervises and sets any multi-year audit rhythm **Art. 63 FinIA**. Supervision costs fall on the supervised entities at both levels: SO fees and audit costs, plus FINMA's fees and supervisory levy **FINMA Guidance 01/2024: Status of the licensing process and supervision**.

The application procedure

Sequence: SO first, then FINMA

The order of steps is fixed by statute and practice:

1. Register on the EHP. Confirmation of the authorisation coordinator can take up to two weeks **FINMA Guidance 01/2022: Timetable for the licensing process for portf**

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2. Submit the complete application to the chosen SO. The SO reviews it and, if satisfied, confirms affiliation. FINMA advises institutions to allow enough time for this stage so that they can make any changes the SO requires
FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresh
.
3. Submit to FINMA with proof of SO supervision. Proof of SO supervision must accompany the application **Art. 7 FinIA**. An application without confirmation of SO affiliation is incomplete and will be rejected
FINMA Guidance 01/2022: Timetable for the licensing process for portfolio managers and trustees
.
4. Supporting documents. Criminal-record and debt-enforcement extracts must not be older than three months
FINMA Guidance 01/2022: Timetable for the licensing process for portfolio managers and trustees
.
5. Commercial-register entry. Entry may take place only after the licence has been granted **Art. 5 FinIA**.

A licence is a matter of entitlement: whoever meets the statutory conditions has a right to it **Art. 7 FinIA**.

Duration, cost and cooperation

On FINMA's own figures, the average processing time up to the end of 2022 was 129 days, ranging from nine to 550 days. The average fee was CHF 5,891
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
. By the end of 2023 the average fee was CHF 6,411, and after the SO's review FINMA typically requested three to four additional items of information
FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresholds
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Since the end of 2023, FINMA has set time limits for answers to its queries. These may be extended in justified cases
FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresholds
. While an application is pending, applicants can generate a status confirmation on the EHP to show business partners
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
. FINMA does not disclose information on pending applications to third parties
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
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Transitional law: now largely historical

FinIA entered into force on 1 January 2020. The transitional rules distinguished three groups **Art. 74 FinIA**:

- Firms first made subject to a licence requirement. They had to report to FINMA within six months, and to meet the requirements and apply within three years. They could continue operating meanwhile, provided they remained affiliated to and supervised by an SRO.
- New entrants in the first year. They had to affiliate to an SO and apply no later than one year after the first SO was authorised.
- Extensions. FINMA could extend the deadlines in special cases.

FINMA treated 31 December 2022 as the end of the transitional period. It granted extensions only where the applicant could not meet the deadline through no fault of its own, for instance illness, death or force majeure
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
. For 2020 entrants, the deadline expired on 6 July 2021
FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees
.

Three consequences remain relevant today:

- Pending timely applications. A firm that applied in time with SO confirmation may continue operating until FINMA decides, provided it is still affiliated with an SRO
FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresh
.
- Late applicants. FINMA requires late applicants to confirm that they will restrict their activity "to those actions that are strictly necessary in order to maintain the value of the assets of their existing clients". It will not examine the application until that confirmation is given. Failure to do so may lead to measures "which could extend to the liquidation of the institution"
FINMA Guidance 02/2023: Status of the licensing process for portfolio
.
- Refusal ends the status quo. In B-5256/2024 the Federal Administrative Court held that an application under the transitional provisions is a fresh application under FinIA, not an extension of an existing status. No warning or cure period is owed beyond the cessation period ordered with the refusal. The court upheld an order to cease the activity within 30 days of the decision confirming FINMA's supervisory powers over persons who require a licence **b-5256-2024**.

Every new market entrant now faces the ordinary rule. It needs SO affiliation and a FINMA licence before commencing commercial activity, and there is no transitional privilege.

Investment advice: FinSA duties, registration and ombudsman

Conduct and organisation without a licence

Investment advice is a financial service in its own right: the provision of personal recommendations on transactions in financial instruments **Art. 3 FinSA**. Because FinIA attaches the licence to the ability to dispose of client assets **Art. 17 FinIA**, a pure adviser who recommends but never disposes needs neither FINMA authorisation nor a licence. It is nevertheless a financial service provider if it acts on an independent, permanent, for-profit basis **Art. 3 FinSA**. Its main duties are:

- Suitability. An adviser who takes the client's portfolio into account must, like a portfolio manager, enquire about the client's financial situation, investment objectives, knowledge and experience **Art. 12 FinSA**. For portfolio mandates and ongoing advisory relationships, FINMA requires a risk profile and an agreed investment strategy for each client. It has identified complex, illiquid and illegal products in retail portfolios as a recurring source of escalation cases
FINMA Guidance 03/2026: Risks associated with the use of products in
.
- Organisation. Compliance must be ensured through internal regulations and an appropriate organisation **Art. 21 FinSA**.
- Criminal sanction. A fine of up to CHF 100,000 applies to wilful false information under the information duties, serious breaches of the appropriateness and suitability duties, and breaches of the rules on disclosing third-party compensation **Art. 89 FinSA**.

Group companies providing financial services to other units of the same group are not financial service providers **Art. 3 FINSO**.

Registration of client advisers

Client advisers of Swiss providers not supervised under Art. 3 FINMASA, and client advisers of foreign providers, may act in Switzerland only if entered in a register of advisers **Art. 28 FinSA**. Registration compensates for the absence of prudential supervision. A single-person independent advisory boutique must therefore register. On the wording, advisers employed by a FINMA-supervised institution, including a licensed portfolio manager, need not.

The only exemption in the ordinance covers advisers of foreign providers that are prudentially supervised abroad and serve exclusively professional or institutional clients in Switzerland **Art. 31 FINSO**. Unsupervised foreign advisers, and Swiss independent advisers serving only professionals, cannot rely on it.

Registration requires proof of **Art. 29 FinSA**:
- knowledge of the FinSA code of conduct and the necessary expertise **Art. 6 FinSA**;
- professional indemnity insurance or equivalent collateral, which an employing provider may supply;
- ombudsman affiliation of the adviser or its provider, where a duty to affiliate exists.

Registration is refused after convictions under Arts. 89-92 FinSA, Art. 86 ISA or the property offences of the Criminal Code, and where FINMA has imposed an activity or professional ban **Art. 29 FinSA**. Minimum insurance cover is CHF 500,000 per year and rises with the number of advisers. The policy needs a notice period of at least three months and one year of run-off cover **Art. 32 FINSO**. Equivalent collateral may be a bank deposit of the insured sum, with the registration body's consent **Art. 33 FINSO**.

The register is kept by FINMA-licensed registration bodies **Art. 31 FinSA**. They decide on entry and removal by ruling. Advisers and their provider must report every change in the facts underlying the registration. An adviser who no longer meets a condition is deregistered, and the register is public **Art. 32 FinSA**. Fees cover the bodies' rulings and services **Art. 33 FinSA**.

Ombudsman affiliation

Disputes between clients and providers are to be settled, where possible, through mediation before an ombudsman **Art. 74 FinSA**. Every provider that does not serve exclusively institutional or professional clients must affiliate "at the latest on commencing their activity" **Art. 77 FinSA**. For a new adviser, affiliation is therefore a precondition both for starting business and for registering its advisers. The six-month transitional periods that followed FinSA's entry into force are historical **Art. 95 FinSA Art. 108 FINSO**.

Anti-money-laundering classification

Licensed managers and trustees versus the general clause

Licensed portfolio managers and trustees are financial intermediaries under Art. 2 para. 2 lit. a^bis^ AMLA. FINMA is responsible for their AML supervision **Art. 2 AMLA Art. 12 AMLA**, exercised in practice through the SO **Art. 84 FinIO**. They do not join an SRO.

Others who professionally accept, hold, or help invest or transfer assets of others fall under the general clause. It expressly includes persons who "als Anlageberater Anlagen tätigen" (make investments as investment advisers) **Art. 2 AMLA**. The ordinance lists the relevant activities, provided they are carried out for third-party account **Art. 6 GwV**:
- managing securities and financial instruments;
- executing investment orders;
- safekeeping securities;
- acting as an officer of a domiciliary company.

A pure recommendation without execution or power of disposal is not among them, and the statute requires the adviser to "make investments". On that wording, mere advice stays outside the general clause, while an adviser who executes orders enters it. The Federal Criminal Court treated management under powers of attorney combined with executing transactions for clients as financial intermediation **CA.2025.4**.

Intermediaries under the general clause must join an SRO **Art. 14 AMLA**. Direct FINMA supervision is no longer available as an alternative **b-2149-2022**. The Federal Administrative Court held that an SRO's refusal to admit an applicant is a ruling based on federal public law and can be appealed to that court **b-2149-2022**. It also stated that SROs could set neither stricter nor laxer admission conditions than the statute. Since 1 October 2026, however, Art. 14 para. 3 AMLA allows SROs to provide further admission conditions in their regulations **Art. 14 AMLA**, so that part of the judgment reflects the earlier wording.

Professional basis and the family-office trap

The AML thresholds mirror FinIO. AMLO adds a fourth criterion: transactions with a total volume above CHF 2 million per calendar year, excluding inflows and reallocations within the same custody account **Art. 7 GwV**. Activity for related persons counts only if it yields more than CHF 50,000 gross revenue in the year **Art. 7 GwV**.

The AML circle of related persons is narrower than the FinIA family circle. It reaches blood relatives only to the third degree of the collateral line **Art. 7 GwV**, whereas FinIA reaches the fourth degree and includes in-laws **Art. 4 FinIO**. Two consequences follow from the texts:
- a single-family office exempt from FinIA is, for that reason, not a financial intermediary under Art. 2 para. 2 lit. a^bis^ AMLA;
- it may nevertheless fall under the general clause, and need SRO affiliation, if it disposes of family assets and either earns more than CHF 50,000 from related persons or serves persons who are family-linked under FinIO but not related under AMLO, such as fourth-degree cousins.

Officers of domiciliary companies and foundations

Acting as an officer of a domiciliary company for others is financial intermediation. Domiciliary companies include legal entities, foundations, trusts and similar structures that do not run a commercial business. Associations with ideal purposes and holding companies of operating subsidiaries are excluded **Art. 6 GwV**.

The Federal Administrative Court upheld FINMA's finding that the director of 22 domiciliary companies, earning CHF 84,000 a year with more than 20 relationships, was a professional financial intermediary. It also upheld the ban on new business pending regularisation **b-490-2013**. For family offices, a board seat in a private investment company or a family foundation is therefore an AML question under the general clause. It is not a FinIA trustee question, because no trust instrument is involved.

The 2025 revision: advisers under the AMLA

The Federal Act of 26 September 2025 extended the AMLA to "advisers", with effect from 1 October 2026 **Art. 2 AMLA**. According to the Federal Office of Police, the revision brings risk-prone advisory activities, notably in real estate and in forming and structuring legal entities, under AML due diligence and SRO supervision **fedpol National Risk Assessment (NRA): Juristische Personen und Rechts**
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Advisers are persons who professionally take part, for third parties, in financial transactions connected with **Art. 2 AMLA**:
- the purchase and sale of real estate;
- the formation of non-operating entities, or of entities seated abroad;
- the management and administration of non-operating entities;
- contributions to and distributions from such entities;
- the purchase or sale of entities through such entities.

Persons who provide a domicile or seat for more than six months are also covered **Art. 2 AMLA**.

Advisers must join an SRO and are supervised by it **Art. 14 AMLA Art. 12 AMLA**. Advice is professional if any of the following applies **Art. 12f GwV**:
- gross revenue above CHF 50,000;
- more than 20 clients or more than 20 transactions a year;
- the adviser must assume, applying due care, that the assets concerned exceed CHF 5 million or that the transaction volume exceeds CHF 2 million.

It is irrelevant whether advice is a main or ancillary activity **Art. 12f GwV**.

The revision exempts, among others, transactions between persons

linked within the meaning of Art. 2 para. 2 lit. a FinIA, and officer functions for operating entities, charitable foundations and operating associations seated in Switzerland **Art. 2 AMLA**. It does not make investment advice in financial instruments as such subject to the AMLA. It matters chiefly for family offices, fiduciaries and lawyers who set up, structure or administer holding vehicles and trusts.

Consequences of operating without the required status

Wilfully carrying on an activity that requires a licence, registration or SRO affiliation without it is punishable by a custodial sentence of up to three years or a monetary penalty. Negligence is punishable by a fine of up to CHF 250,000 **Art. 44 FINMASA**. The case law shows how this works in practice:

- Negligence of the responsible officer. In SK.2020.47 the key person of a trustee company was convicted of negligence. He should have checked at the outset whether the company itself needed affiliation, and the affiliation of another company in the structure did not suffice **SK.2020.47**.
- Eventual intent. In CA.2025.4 the directors of a manager acting under powers of attorney were convicted of acting with at least eventual intent. The duty persisted beyond the year in which the threshold was crossed **CA.2025.4**.
- Limits on using FINMA material as evidence. In SK.2025.38 the defendant was convicted of unauthorised activity after exclusion from SROs. However, a self-declaration and questionnaire obtained by FINMA without warning him of his right not to incriminate himself could not be used, so he was acquitted of the related false-information counts **SK.2025.38**.

All three decisions concern conduct under pre-2020 law. The FINMASA offence itself is unchanged in substance for FinIA-licensable activity **SK.2020.47**.

On the supervisory side, FINMA's powers extend to persons who require a licence but lack one **b-5256-2024**. FINMA reports investigations into unauthorised portfolio management or trustee activity, criminal complaints to the Federal Department of Finance, and entries on its public warning list **FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresholds**. Where the licensing conditions cannot be restored, measures may extend to liquidation **FINMA Guidance 02/2023: Status of the licensing process for portfolio managers and trustees**.

Application checklist

1. Classify the activity: power of disposal, name in which the provider acts, trust instrument, collective assets **Art. 17 FinIA Art. 24 FinIA**.
2. Test exemptions and document family or group control **Art. 3 FinIO Art. 4 FinIO**.
3. Monitor all thresholds continuously, including peaks in assets under disposal **Art. 19 FinIO**.
4. Put in place the organisation before applying **Art. 20 FinIA Art. 21 FinIA Art. 22 FinIA**:
   - two qualified managers, or proof of continuity for a single manager;
   - risk management and compliance, independent where required;
   - CHF 100,000 capital and own funds;
   - insurance;
   - Swiss management.
5. Review the AML history of guarantee holders and qualified participants **b-5256-2024**.
6. Register on the EHP, submit the complete file to an SO, then file with FINMA with the SO confirmation **FINMA Guidance 01/2022: Timetable for the licensing process for portf**.
7. Do not start commercial activity, or enter the firm in the commercial register, before the licence is granted **Art. 5 FinIA**.
8. After licensing, report changes, and route material changes through the SO to FINMA **FINMA Guidance 01/2024: Status of the licensing process and supervis**.
9. For advisory-only models:
   - register the client advisers;
   - affiliate with an ombudsman before starting;
   - assess SRO affiliation if any execution, custody, company-director or structuring work is performed **Art. 29 FinSA Art. 2 AMLA**.

Business examples

Business model	Classification
Independent manager with discretionary mandates via powers of attorney on client accounts, above one threshold	FinIA portfolio-manager licence, SO supervision, AML supervision by FINMA **Art. 17 FinIA Art. 19 FinIO**
Platform acting in its own name for investors' account	Outside Art. 17; securities-firm question under Art. 41 FinIA **2025iv-4**
Professional trustee of Hague trusts holding over CHF 5 million	Trustee licence, even below the revenue threshold **FINMA Guidance 01/2024: Status of the licensing process and supervision for portfolio managers and trustees, plus new approach to thresholds**
Single-family office controlled by the family, serving only FinIO-linked persons	Exempt from FinIA **Art. 4 FinIO**; check AML general clause **Art. 7 GwV**
Multi-family office	No exemption as a whole; licence if non-family mandates meet a threshold **Art. 19 FinIO**
Advisory boutique, client decides, retail clients	No licence; FinSA duties, adviser registration, ombudsman **Art. 28 FinSA Art. 77 FinSA**
Director of private investment companies or family foundations	AML general clause, SRO affiliation **b-490-2013**