



# FinSA client classification

**This paper informs clients of Habib Bank AG Zurich (Zurich Branch) (hereafter ‘HBZ’) about the effects of client classification according to the Financial Services Act (FinSA).**

FinSA provides the following client classifications: retail clients, professional clients and institutional clients. This overview shows you the effects of client classification on investor protection for retail clients and professional clients.

Unless HBZ informs you otherwise, it will classify you as a retail client. Retail clients may apply to change their client classification to professional client by ‘Opting Out’. Your Relationship Manager will be pleased to explain the requirements.

	Retail clients	Professional clients
When providing investment advisory services, depending on the type of advice, HBZ carries out either an appropriateness or a suitability assessment. When providing discretionary management services, HBZ carries out a suitability assessment. In the case of “execution only” transactions without HBZ investment advice, neither an appropriateness nor a suitability assessment is conducted.	Yes	Yes <sup>1</sup>
HBZ documents your needs and the reasons for HBZ’s recommendation during the investment advisory process.	Yes	Yes
You have access to funds for qualified investors in accordance with the revised Collective Investment Schemes Act (CISA).	No <sup>2</sup>	Yes
When you purchase certain financial instruments, HBZ provides you with a Key Information Document (KID) as part of its investment advisory services. In the case of “execution only” transactions, this information is only provided if available.	Yes	No(except at client’s request)
HBZ is obliged to obtain best execution when handling your security orders (purchase / sale).	Yes	Yes

This overview sets out the FinSA requirements in terms of client classification only. Other FinSA requirements as well as additional regulatory requirements or contractual agreements continue to apply.

If you have any questions, please contact your Relationship Manager.

1 Limited appropriateness or suitability assessment: for professional clients, it is generally assumed that they have relevant knowledge and experience, and that they are able to bear the investment risks financially. In order to ensure that comprehensive advice is provided, HBZ will continue to enquire about your financial situation.  
 2 Exception: clients who have a long-term asset management or investment advisory mandate (e.g. a HBZ discretionary portfolio mandate) with a FINMA-licensed Swiss financial intermediary or a foreign financial intermediary subject to equivalent supervision (e.g. HBZ or an external asset manager) are classified as qualified investors pursuant to CISA for the purposes of these services and may acquire funds for qualified investors with advice or within the scope of the asset management mandate. Their classification according to FinSA remains that of retail clients.