

VQF Circular 2011/1

Frequently Asked Questions (FAQ) about the VQF in general

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Addressees											
Prospective members		SRO members		BOVV members	Passive members	VQF auditors		Members' clients	Others		
Prospective SRO members	Prospective BOVV members	Professional financial intermediaries	Non-professional financial intermediaries			SRO auditors	BOVV auditors		Media	Members' clients	Other third parties:
X	X	X	X	X	X	X	X	X	X	X	

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2. LIST OF ABBREVIATIONS

AG	Limited Company
AKG	Regulations of the Supervisory Commission
AMLA	Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector (Anti-Money Laundering Act)
BOVV	Industry Organisation for Asset Managers
Circ.	Circular
FAQ	Frequently Asked Questions
FATF	Financial Action Task Force on Money Laundering
FINMA	Financial Market Supervisory Authority
FINMAG	Financial Market Supervision Act
Forum SRO	Forum of Swiss Self-Regulatory Organisations
KAG	Federal Act on Collective Investment Schemes
MROS	Money Laundering Reporting Office Switzerland
SRO	Self-Regulatory Organisation pursuant to the Anti-Money Laundering Act
StGB	Swiss Penal Code
VBF	Ordinance on the Professional Practice of Financial Intermediation
VQF	Financial Services Standards Association
ZAV	Lawyers' Association of the Canton of Zug
ZGB	Swiss Civil Code
ZTV	Zug Trustee Association
ZWK	Zug Chamber of Commerce

3. INTRODUCTION / PURPOSE OF THIS CIRCULAR

- 1 This Circular, issued by the Supervisory Commission of the VQF, summarises selected provisions from the regulatory documents governing the VQF (by-laws, regulations, concepts, guidelines etc.) and aims to give a brief overview of the VQF to prospective members, clients, members' clients, Swiss and foreign supervisory authorities, auditors, media and the like, in order to answer important, frequently asked questions of a general nature concerning the VQF. The Circular may serve its addressees in their application of the regulatory documents of the VQF with a view to ensuring uniform implementation and for the purpose of increasing legal certainty and the predictability of legal decisions.

It should be noted that the following explanations lay no claim to completeness. The activities and business models of the members of the VQF are many and varied. Therefore, the Supervisory Commission of the VQF will be required in future, in specific cases, to take appropriate decisions in matters concerning the application of the law, not all of which can be anticipated in the present Circular.

I. WHAT IS THE VQF? HOW IS IT ORGANISED?

- 2 The VQF - Financial Services Standards Association - is a centre of competence for compliance in Switzerland. It is:
 - The leading, largest, cross-industry **self-regulatory organisation** (SRO) pursuant to the Anti-Money Laundering Act (AMLA), officially accredited by the Financial Market Supervisory Authority (FINMA);
 - An **industry organisation for asset managers** (BOVV) with rules of conduct for independent asset managers officially accredited by FINMA;
 - A competent and trusted provider of **audit and inspection services**;
 - A competent, efficient partner in the field of **consulting and training**.
- 3 The VQF is organised as an **association** under private law, within the meaning of Article 60 et seq. of the Swiss Civil Code (ZGB). It was established in 1998 and is recorded in the Commercial Register of the Canton of Zug. The Association's **official bodies** consist of the General Meeting, the Management Board and the Auditor. The VQF operates in two **business divisions** as follows:
 - The area of Supervision: the Supervisory Commission (including parts of the Legal & Compliance Desk) and the Audit Service; and
 - The Service Division, the Management, the Legal & Compliance Desk and the Administration.

The **organisation chart** of the VQF is available for consultation at Appendix 1 to this Circular.

- 4 The **annual reports of the VQF** are available on the VQF website at: <http://www.vqf.ch/en/publications/annual-reports>

II. WHICH SUPERVISORY TASKS DOES THE VQF DISCHARGE?

A. SRO: Protection of the financial centre of Switzerland against money laundering and terrorist financing

- 5 In the area of the SRO, the VQF supervises and controls its members with regard to their implementation of the duties decreed by the AMLA. In the event that, during the course of this supervision, the member is found to have violated the duties with which he is bound to comply, appropriate sanctions and measures are imposed.

Since the VQF is an SRO that is officially accredited, regulated and supervised by FINMA, this regulatory system is also referred to as (legally and officially) controlled self-regulation.

A detailed description of the supervisory system in Switzerland as it concerns the AMLA is available for consultation at Appendix 2 to this Circular.

B. BOVV: Investor protection for asset management (in accordance with the minimum requirements of FINMA)

- 6 On 23 April 2009, the current version of the "Rules of Conduct for the Practice of Asset Management" of the VQF Industry Organisation for Asset Managers (BOVV) was officially accredited by FINMA. These rules of conduct regulate the required content of an asset management agreement and how the latter has to be implemented. In doing so, provision is made for the protection of investors, as the rules of conduct determine how the duties of loyalty, information and due diligence of the asset manager towards his customers must be experienced, and define the principles which the compensation agreement between the asset manager and the client must satisfy.

In accordance with FINMA's minimum requirements for supervision and audit, in the context of its respective supervision of BOVV members the VQF verifies whether these rules of conduct were adequately incorporated into the asset management agreements between asset managers and their clients. In the event that a violation of duties to be fulfilled is found, if necessary appropriate enforcement measures and sanctions are imposed.

For a detailed description of the supervisory system in Switzerland in the field of asset management, please refer to the relevant passages of the following FINMA document:
http://www.finma.ch/d/faq/privaten/Documents/faq-vermoegensverwaltung_privatpersonen-d.pdf

III. DEPENDING ON THE SUPERVISORY ACTIVITY TO BE PERFORMED BY THE VQF - WHAT TYPES OF ACTIVE MEMBERSHIP ARE THERE AND HOW DO I IDENTIFY EXACTLY WHAT TYPE OF SUPERVISION THE VQF PERFORMS IN RESPECT OF A CERTAIN MEMBER (CORRECT DESCRIPTION OF MEMBERSHIP TYPE)?

A. Types of active membership

- 7 The following types of active membership exist:

- **VQF SRO member:** These financial intermediaries, which can be professional or non-professional, are supervised by the VQF in its capacity as a self-regulatory organisation pursuant to the Anti-Money Laundering Act.
- **VQF BOVV member:** These financial intermediaries are supervised by the VQF in its capacity as an industry organisation for asset managers.
- **VQF SRO and BOVV members:** These financial intermediaries are supervised by the VQF in both of its capacities, as SRO and BOVV.

In VQF SRO membership there are also two sub-categories: **professional** SRO membership and **non-professional** SRO membership. The Ordinance on the Professional Practice of Financial Intermediation (VBF) and "FINMA Circular 2011/1 Financial Intermediation under the AMLA"¹ define when financial intermediation pursuant to the AMLA in the so-called "other financial sector" is deemed to be professional. If a financial intermediary acts professionally, he must join an SRO or submit an application for a license to FINMA. By contrast, a non-professional financial intermediary voluntarily becomes subject to supervision by the VQF SRO. As a general rule, this is done so that if at some time in the future the non-professional member meets the criteria for professional activity in accordance with the VBF, SRO membership already exists and therefore the member's business activity does not have to be temporarily interrupted until receipt of SRO membership (see Article 11 VBF).

¹ See <http://www.finma.ch/d/regulierung/Documents/finma-rs-2011-01.pdf>

B. Correct description of the types of active membership

- 8 There are two versions to correctly describe the actual type of membership of the VQF: a short version and a more detailed version.

Short version:

- VQF SRO member
- VQF BOVV member
- VQF SRO and BOVV member

More detailed version:

- VQF SRO member – an officially accredited self-regulatory organisation (SRO) under the Anti-Money Laundering Act
- VQF BOVV member – an industry organisation for asset managers (BOVV) with officially accredited rules of conduct for asset managers
- VQF SRO and BOVV member – an officially accredited self-regulatory organisation (SRO) under the Anti-Money Laundering Act and an industry organisation for asset managers (BOVV) with officially accredited rules of conduct for asset managers

IV. PASSIVE MEMBERSHIP

- 9 Passive members are **not supervised** by the VQF. These are friends and supporters of the Association, such as numerous banks, other organisations and private individuals who wish to have access to information and documents etc., in connection with the Anti-Money Laundering Act and the rules of conduct for asset managers. They also have suitable access to the members' only secure area, such as the membership directory.

Passive membership of the VQF is **not to be confused** with SRO membership for non-professional financial intermediaries, in which members are supervised by the VQF in its capacity as a self-regulatory organisation under the Anti-Money Laundering Act (see also FAQ, item 7).

V. WHAT OTHER SERVICES DOES THE VQF PROVIDE IN ADDITION TO SUPERVISORY ACTIVITIES?

- 10 In addition to supervisory activities, the VQF offers the option to procure the widest possible variety of **audit and inspection services from one source** (VQF and / or VQF Audit AG as a wholly owned subsidiary of the VQF). These services are audits under the Anti-Money Laundering Act or rules of conduct for asset managers, ordinary and limited audits, special audits and other special statutory audits.

The VQF also offers **private specialist consulting** at competitive rates in the areas of the Anti-Money Laundering Act and the rules of conduct for asset management. Moreover, the VQF offers **basic and advanced training seminars and customised corporate training** in the area of the Anti-Money Laundering Act, in which experienced and highly trained specialists impart the latest knowledge from theory and practice. These seminars are also offered to non-members.

Furthermore, **the VQF represents its members' interests** before the Swiss authorities in the area of the Anti-Money Laundering Act and with regard to ongoing legislation on asset management, particularly in the parliamentary legislative process at the federal level and in consultations with the federal authorities.

VI. WHAT SPECIFIC PROCEDURES DOES THE VQF HAVE AND HOW ARE THEY ORGANISED?

A. Admission procedure

- 11 The **application for admission** and other standard documents in Word format can be downloaded from the VQF website (www.vqf.ch) and processed electronically. Suitable guide documents are also available, which simplify form-filling for prospective members, as well as checklists for the additional documents that are required, thus making it quick and easy to compile all of the documents for submission.

Once the VQF receives the membership application, including all necessary documents and enclosures, and the processing fee has been paid, the Supervisory Commission of the VQF considers the application and decides on admission or requests any other required information from the prospective member. The **decision of the Supervisory Commission** to approve or refuse the application for admission is notified in writing. No reason needs to be given for refusing an application and the decision can not be challenged by appeal to the arbitration panel. If the application is either withdrawn or refused, the **processing fee paid** by the applicant is not refundable; it is retained as compensation for the work performed.

The **processing time** is 3 to 5 weeks from the date on which the VQF receives all correctly completed documents and attachments as well as payment of the processing fee. For the “express” procedure, this processing time is 5 working days. Concerning fees, please refer to the Regulation on Fees².

B. Change procedure for existing memberships

- 12 Changes are defined as changes in the type of membership and changes of SRO membership status (professional or non-professional), but also include any other changes to the data that formed part of the membership application. The VQF must be **notified immediately** of such changes, including supporting documentation (see Guide to Changes), in order for the Supervisory Commission to decide whether the membership requirements continue to be met. Standardised forms and guides are also available for the various types of change available. In case of doubt the VQF Administration will be pleased to provide further assistance.

C. Audits performed by the VQF on active members

- 13 In its capacity as a **self-regulatory organisation (SRO) under the Anti-Money Laundering Act**, the VQF inspects its members in the context of AMLA audits. An initial audit is performed within one year of admission (Article 4 paragraph 1 letter b VQF SRO Audit Concept). After the initial audit, the cycle for periodic audits is defined, which is between one and three years (Article 4 paragraph 4 VQF SRO Audit Concept). In addition, an extraordinary audit can be arranged at any time, if this is deemed necessary by the Supervisory Commission (Article 4 paragraph 5 VQF SRO Audit Concept). Finally, upon termination of membership, a final audit is performed before leaving the Association; this may be waived in special circumstances (Article 4 paragraph 6 VQF SRO Audit Concept).

In its capacity as an **industry organisation for asset management (BOVV)**, the VQF inspects its members in the context of BOVV audits. The same types of audit as those performed in the SRO area also apply here (initial audit, periodic audits etc.; see Article 3 VQF BOVV Audit Concept).

When allocating audit assignments, the Supervisory Commission pays attention to appropriate **rotation of auditors**: as a general rule, a change of auditor takes place after the same auditor has performed a number of successive audits on the same member (Article 4 paragraph 4 and Article 5 paragraph 4 VQF BOVV Audit Concept).

² See <http://www.vqf.ch/en/vqf/regulation-on-fees>

D. Enforcement procedure

- 14 As part of its supervisory role, the Supervisory Commission can impose enforcement measures on members, both in its capacity as a self-regulatory organisation (SRO) under the Anti-Money Laundering Act (AMLA) and as an industry organisation for asset management. In particular, the Supervisory Commission can set a **deadline for the restoration of compliance with the by-laws, regulations and / or rules of conduct, stipulate requirements of a personal or organisational nature**, and set **deadlines for regular reporting** of certain events or facts (Article 22 paragraph 3 VQF By-laws, Article 64 VQF SRO Regulations and Article 7 VQF BOVV Regulations).

E. Sanctions procedure

- 15 In the event that the Supervisory Commission takes cognizance of the fact that a member has violated statutory and / or regulatory requirements within the applicable scope of the SRO and / or BOVV, or there are reasonable grounds to suspect such violation, the Supervisory Commission clarifies, investigates and where appropriate imposes sanctions in respect of the breach of duty (Article 30 Supervisory Commission Regulations, AKG). A sanction may take place within the framework of ordinary or abridged sanctions proceedings (so-called command procedure).

In the case of the **ordinary sanctions procedure**, first of all a decision is made to initiate the sanctions procedure, of which the member is notified and given the opportunity to state his opinion with regard to the alleged breach of duty (Article 31 paragraphs 1 and 2 AKG). Upon expiry of the period allowed for submitting observations, the Supervisory Commission takes the decision that concludes the procedure (Article 34 AKG).

In the case of the **abridged sanctions procedure (so-called command procedure)**, without prior notification of the commencement of sanctions proceedings the member is immediately sent a provisional sanctions ruling (sanctions order) and given the opportunity, within a reasonable period of time, to state his opinion (Article 32 AKG). If the member makes use of this opportunity, the provisional sanctions ruling is treated as the decision to open proceedings in accordance with the ordinary procedure, so that after the member has submitted his observations a decision that concludes the procedure can take place in accordance with Article 34 AKG. If, on the other hand, the member fails to submit his opinion, the provisional sanctions ruling becomes definitive, i.e. the sanction becomes legally binding (Article 32 paragraph 4 AKG).

F. Arbitration procedure

- 16 An arbitration procedure takes place if, within the 20-day period allowed for appeal, the member raises an **objection**, in writing and in the correct form, against a sanctions ruling that concludes sanctions proceedings. The Supervisory Commission forwards the objection to the President of the District Court of the Canton of Zug who proposes, and finally appoints, a sole arbitrator to evaluate the objection and review the contested sanctions ruling, unless the parties present grounds for rejecting or refusing the arbitrator. The sole arbitrator's decision on the matter is final (no right of appeal). The arbitration proceedings are governed by the Concordat on Arbitration, supplemented by the Swiss Code of Civil Procedure of 19 December 2008 (Article 32 VQF By-laws, Article 72 et seq. VQF SRO Regulations and Article 16 et seq. VQF BOVV Regulations).

G. Procedure for terminating membership

- 17 Membership may be terminated in three ways:
- The member cancels his membership by submitting a written **resignation** to the Supervisory Commission, subject to a notice period of three months effective at the end of a calendar year; or
 - Membership is terminated by means of legally binding **exclusion** (sanction); or
 - Membership is terminated as a result of **forfeiture due to cancellation** if insolvency proceedings are opened against the member, or if the member is removed from the Commercial Register, or upon the member's death.

Furthermore, it should be noted that a final audit is usually carried out after termination and that resigning or excluded members are liable to pay the regular annual fee by the end of the calendar year in which resignation / exclusion takes place.

If the SRO member ceases to practice financial intermediary activity on a professional basis within the meaning of the VBF, instead of termination a change of status within SRO membership is also possible: change from "SRO membership as a professional financial intermediary" to "SRO membership as a non-professional financial intermediary" (see also item 7 of this Circular).

A financial intermediary who acts (or continues to act) professionally within the meaning of the VBF and is neither affiliated to an SRO nor possesses a license from the FINMA for this financial activity is acting illegally. Please refer to Articles 44 et seq. FINMAG with regard to the corresponding penal sanctions.

H. Restructuring / "transfer" of membership

18 aa. Separation of a member on establishment of a third party company

Membership of the Association remains with the member who must immediately report to the VQF on the separation and submit the respective change documents. The third party company can submit an application for admission to the VQF.

bb. Splitting of a member into two new legal entities

Membership of the Association expires on removal of the member from the Commercial Register. The third party companies can submit applications for admission to the VQF.

cc. Acquisition of the member by a third party company through merger

The question here concerns what happens to VQF membership if the assets and liabilities of the member company are transferred to another company (third party company) by means of absorption merger under the Federal Act on Merger (FusG). In such cases, the member's company is removed from the Commercial Register. This also terminates membership of the VQF (Article 8 paragraph 1 letter b VQF By-laws; numerals 2.4 and 3 Guide to Changes - Companies). The third party company can then submit an application for admission to the VQF. Following admission of the third party company to the VQF, the audit cycle of the former VQF member (absorbed company) can then be adopted, provided that the same natural persons hold the same positions in the third party company as they held in the former VQF member (Article 4 paragraph 1 letter c VQF SRO Audit Concept).

dd. Acquisition of a third party company by the member through merger

Membership of the Association remains unchanged. However, the member must immediately notify the VQF about the merger and submit any necessary change documents.

ee. Transfer of assets from a member to a third party

Membership of the Association remains with the member who must immediately notify the VQF about the transfer of assets and submit any necessary change documents.

ff. Change of legal form by the member

Membership of the Association remains unchanged. However, the member must immediately notify the VQF about the change of legal form and submit any necessary change documents (see numeral 2.4 Guide to Changes - Companies).

J. Non-professional SRO membership

- 19 See items 7-9 of this Circular.

There is a special VQF SRO regulation for non-professional financial intermediaries (available for downloading at:

http://www.vqf.ch/de/dokumente/doc_download/103-vqf-dok-nr-4002).

VII. COSTS AND OTHER OBLIGATIONS?

- 20 The VQF has a clear, transparent and favourable cost structure. The fees charged to members in both the SRO and BOVV categories are regulated by the VQF Regulation on Fees (VQF doc. no. 1101.5).

VIII. MEMBERS' RIGHTS?

- 21 The VQF offers its members supervision both as a self-regulatory organisation (SRO) in accordance with the provisions of the Anti-Money Laundering Act (AMLA) and as an industry organisation for asset management in accordance with the provisions of the Collective Investment Schemes Act (KAG): due to the fact that they are supervised by the VQF, SRO members are authorised to act as **financial intermediaries in the parabanking sector** in Switzerland (Article 2 paragraph 3 AMLA); due to the fact that they are supervised by the VQF, BOVV members in addition to other benefits are authorised to **offer collective investment schemes to their customers in Switzerland**.

As an association under the provisions of Article 60 of the Swiss Civil Code (ZGB), the VQF offers its members **participation rights at the annual general meeting**.

Members receive information on relevant topics in the fields of supervision in which the VQF operates, in the form of the periodically published "**VQF News**" and **electronic newsletters**.

In addition, the VQF offers its members a **range of services** (see item 10 of this Circular), in particular private specialist consulting on favourable terms. Furthermore, members receive one hour of consulting per year, free of charge.

IX. SECRECY, DATA PROTECTION & CONFIDENTIALITY

- 22 Responsibility and confidentiality are very important to the VQF. The members of the Management Board and the Supervisory Commission and all employees and agents of the VQF are obliged to maintain confidentiality within the limits of the law on disclosure of any confidential information that may become known to them in the context of their activity. This obligation continues to exist even after resignation from the Association or termination of the employment or mandate relationship (Article 19 paragraph 7 and Article 22 paragraph 5 VQF By-laws).

X. COMMUNICATION AND LANGUAGES

- 23 aa. Communication

Communication takes place on several levels and by different means. On the one hand, individual messages are tailored to the needs of specific members; on the other hand, there are messages to all members or specific groups of members, which include the publication "VQF News" as well as circulars and newsletters from the VQF. Exchange of information also takes place in the context of the self-declaration and during the audits performed by the VQF on the member.

bb. Languages

The following differences should be noted here:

- The procedures of the Supervisory Commission (sanctions, enforcement measures, admissions, changes, etc.) are conducted in German. Members and prospective members can send their submissions and documents in German, French or English. Documents drawn up in a different language must be translated into German by a suitably qualified translator who is independent of the member or prospective member concerned. The translation, which is produced at the expense of the member or prospective member, must be accompanied by a written statement by the translator concerning the correctness of his translation and his independence.
- Contractual audits: are carried out in German and English (except for periodic audits carried out at the member's request, e.g. auditing of asset management agreements as a VQF BOVV member).
- Responses by the VQF (by letter): usually take place in German.
- Verbal communication with auditors, employees, Legal & Compliance Desk, etc.: takes place in German, French and English.
- Communication by e-mail: takes place in German, French and English.
- Basic and advanced training: takes place in German.
- Individual (company) training: takes place in German, French and English.

XI. VQF AUDIT AG

- 24 VQF Audit AG is an organisational unit of the Financial Services Standards Association (VQF). Its purpose is to provide audit services in relation to Federal law and special statutory provisions, especially the Anti-Money Laundering Act and related fields. As an audit specialist approved by the Federal Audit Oversight Authority, VQF Audit AG also offers ordinary and limited audits to VQF members and third parties. For more information see <http://www.vqf.ch/en/audit-ag>.

XII. SPECIAL INFORMATION FOR PROSPECTIVE MEMBERS

- 25 If anything is unclear, the VQF will be pleased to assist in answer to your questions relating to:
- Duty of subordination to the provisions of the Anti-Money Laundering Act as a consequence of intended financial intermediary activity, i.e. the need to become affiliated to a self-regulatory organisation (VQF SRO);
 - An obligation to become affiliated to an industry organisation for asset managers (VQF BOVV); or
 - The admission procedure and the forms and documents required for this purpose.

Valuable guidance is provided under the individual headings on the VQF website (<http://www.vqf.ch>). Naturally, the VQF is also pleased to provide information directly.

XIII. SPECIAL INFORMATION FOR CLIENTS OF FINANCIAL SERVICE PROVIDERS

- 26 If clients of financial service providers approach the VQF with questions about members supervised by the VQF, they are given the following information:
- Type of membership, the resulting level of supervision by the VQF and the period of time for which membership has been in place.
 - Notification that due to its statutory and regulatory duties of confidentiality the VQF is unable to issue or disclose any further, specific information about the member, as to whether and in what way the VQF is proceeding or may proceed against a member in the future.
 - Information that the VQF can exert no influence on the relationship under private law between its members and their clients.

XIV SPECIAL INFORMATION FOR FOREIGN SUPERVISORY AUTHORITIES

27 In response to a specific, written request, foreign supervisory authorities are provided with information about our members. Depending on the request, this relates to certification of membership, certification of audit(s) and confirmation of sanctions. Thus, for example, the following information may be confirmed:

- Type of membership, how long membership has been in place and the resulting level of supervision (certification of membership);
- Whether audits conducted in the past gave rise to complaints (audit certificates);
- Whether it was necessary to take enforcement measures against a member (certification of sanctions).

As the audits carried out by the VQF do not involve examination of a fiscal nature, no certification is given in this regard.

XV. SPECIAL INFORMATION FOR THE MEDIA

28 In addition to the extensive information available on the VQF website (<http://www.vqf.ch>), we refer in particular to the various publications such as annual reports and "VQF News".

XVI. MEMBERSHIP DIRECTORY

29 A membership directory is published on the Association's website at: <http://www.vqf.ch/de/mitglieder/mitgliederverzeichnis>
However, VQF members are only listed in the membership directory with their consent. Hence the members' names published there do not represent a complete list of VQF members.

XVII. REPRESENTATION OF MEMBERS' INTERESTS BY THE VQF

30 The VQF is politically networked and thus also represents the interests of its members, both in the field of the Anti-Money Laundering Act (SRO) and in asset management (BOVV), whereby the VQF, for example, takes part in the legislative process through consultation with the federal authorities or campaigns for controlled self-regulation. In addition, the VQF works in the interests of its members together with other industry-specific organisations and is a member of Forum SRO, <http://www.forumoar.ch>

XVIII. PARTNERS OF THE VQF

31 The VQF Financial Services Standards Association is a joint initiative of the Zug Chamber of Commerce (ZWK), the Zug Trustee Association (ZTV) and the Lawyers' Association of the Canton of Zug (ZAV).

Furthermore, the VQF maintains exchanges at various levels with numerous other partners in different financial service sectors in order to exert an influence with the organisations involved and thus represent the interests of its members in the best possible way.