



Financial Services Ombudsman

A fair, independent, impartial, transparent, specialized and confidential alternative for the prevention and resolution of conflicts or disputes.

Who is FINSOM

As of 1 January 2020, affiliation to a Commercial Mediation body recognised by the Federal Department of Finance (FDF) is a requirement for companies providing **financial services in Switzerland or for clients in Switzerland**.

Financial service providers **exempted** from this new obligation can affiliate voluntarily.

FINSOM is a **mediation body** recognised under the **Financial Services Act (FinSA)**.

FinSA legal mandate and other activities

As a recognised mediation body, FINSOM provides **access to the Swiss financial market** and contributes to its **supervision** (Art. 77, 81-83, 88 FinSA).

The FINSOM affiliation gives affiliated companies and their clients access to a specialised, independent and impartial **Commercial Mediation** system that meets international standards (Art. 75 FinSA).

FINSOM also contributes to public information and will publish an **annual report** on its Commercial Mediation activities (art. 86 FinSA).

Companies can also opt for **Workplace Mediation**, which falls under the legal requirements for occupational psychosocial health protection.

Why affiliate to FINSOM

In Switzerland, financial service providers have to meet special requirements to ensure the proper conduct of business. They are also exposed to greater regulatory and reputation risks than other industries or sectors and require a **specialised and appropriate mediation body**.

FINSOM is **the only recognised mediation body** that is legally and administratively independent of any association of companies or branch organisations, supervisory authorities and state bodies.

Mediation is available in **four languages** and **proximity to the mediation body is not necessary**.

Companies can also benefit from an **integrated risk management and compliance approach** by opting for Workplace Mediation.

As required by law and good management practices, FINSOM's governing bodies guarantee the **technical skills of its mediators and experts**.

A recognised mediation body must be financed by the affiliated companies, by law. In addition to being a non-profit organisation under private law that benefits from lower operating costs in the Valais as compared to other regions, FINSOM is **the only recognised mediation body** that acts in the public interest and is consequently also tax-exempt.

FINSOM thereby provides an **optimal guarantee of independence, impartiality and technical skills as well as a certain degree of cost control and distinguishes itself** by its activities, organisation and transparency. For more information please visit www.finsom.ch.

Financial contributions

According to articles 75 para. 1 and 80 FinSA as well as the provisions on occupational health protection, affiliated companies finance **the mediation body collectively and the mediation procedures individually.**

The economics of a mediation system and its quality risks are very similar to those of the judicial system.

By centralising companies and procedures with the same mediation body, **the associated compliance costs can be better controlled while optimising their efficiency**, especially if the number of procedures is low.

Annual base tax

Each affiliated company pays an **annual*** (for 12 months) base tax, depending on its **size and type of authorisation in Switzerland**. The hotline and a basic training for affiliated companies are **included**.

For Commercial Mediation, the annual base tax is calculated based on the number of employees assigned to activities subject to FinSA. The base tax of a FINMA regulated company is calculated according to the total number of employees in Switzerland engaged in regulated activities. Administrators involved in operational activities count as employees. Client Advisers defined in FinSA pay a base fee based on the number of Client Advisers concerned. If the contact person is external to the company, he/she counts as an employee.

For Workplace Mediation, the annual basic fee depends on the number of employees who fall under the responsibility of the affiliated employer, within the meaning of occupational health protection provisions. The tax is calculated on the basis of the total number of employees concerned.

Commercial Mediation : CHF 34 per employee (CH)

Workplace Mediation : CHF 50 per employee (CH)

** In view of the transitional affiliation period running until 23 December 2020, the base tax collected in 2020 is valid for the affiliation period from 1 January 2021 to 31 December 2021.*

Procedural fees

In case of admission to mediation, the following rates are borne by the affiliated company concerned and apply to Commercial Mediation and Workplace Mediation:

Simple case : CHF 500 per case

Complex case : CHF 200 per hour

Administrative fee : CHF 50 per case

Mediation is conducted remotely or at a location designated by FINSOM. Any meeting room expenses are at the expense of the company.

Reminder: According to FINSOM's Rules of Procedure, a mediation procedure doomed to failure must be refused or interrupted.

Other administrative fees

Reminder fee : CHF 50

Refund fee* : CHF 200

** FINSOM does not charge a registration fee. The basic fee collected upon registration is reimbursed less the reimbursement fee in the appendix, if authorisation or registration is not granted by FINMA or a register of advisers.*

Affiliation conditions

Companies subject to **FINMA authorisation or registration** can affiliate irrespective of their legal form. For example :

- Portfolio manager (Art. 17 para 1 FinIA)
- Trustee (Art. 17 para 2 FinIA)
- Securities firm (Art. 41 FinIA)
- Branch (Art. 52 FinIA)
- Representation (art. 58 FinIA)
- Bank (Banking Act)

Client advisers of **Swiss financial service providers not subject to FINMA authorisation or registration** as well as client advisers of **foreign financial service providers** can affiliate with FINSOM (Art. 28 FinSA or Art. 31 FinSO).

Client advisers mandated by or partners of an affiliated company may be included in the latter's affiliation (art. 29 para. 1 let. c FinSA).

How to affiliate

The FINSOM affiliation procedure is simple. For more information please visit www.finsom.ch.

Contact

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