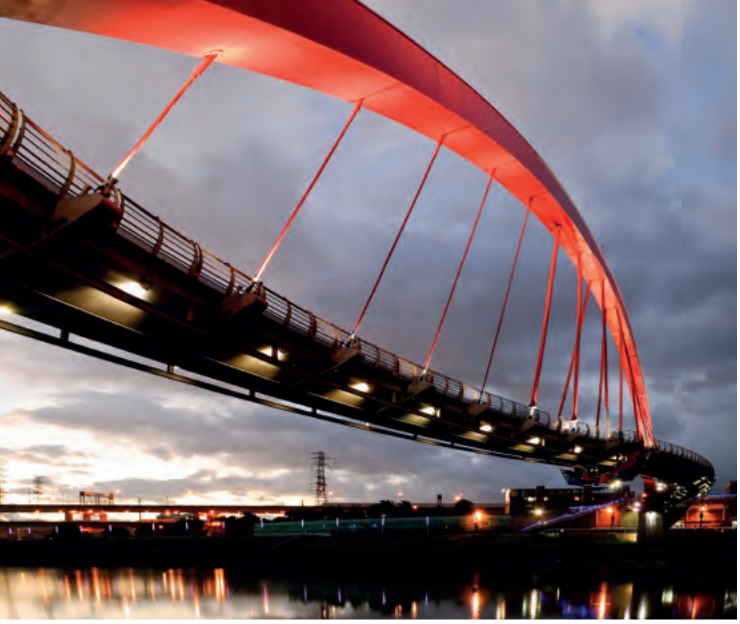

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PERIODIC LEGAL AND TAX INFORMATION REVIEW

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FOREIGN COMPANIES ACTIVE IN FRANCE: TARGETS OF CHOICE FOR THE FRENCH TAX ADMINISTRATION

With the development of international assistance procedures, we noticed that foreign companies are increasingly put under scrutiny by the French tax administration. In view of collecting material evidence of an activity in France, the latter no longer hesitates to perform searches of premises (administrative searches) of all French contacts of these companies (clients, certified accountants, attorneys, employees or any and all service providers).

The French tax administration is under a duty to make every effort to subject foreign companies dealing with French clients to a higher tax burden. To that effect, it may use several weapons:

If a foreign company considered it has no permanent establishment in France and therefore did not file a corporate tax return, the tax administration may seek to demonstrate that its activities for the benefit of French clients necessarily implied material and human resources located in France.

A search of premises, under a judicial control, might enable the tax administration to prove that its suspicions were founded.

If in the course of that search, the tax administration unveils the existence of a hidden place of business (office, computers, employees, etc.), it will conduct an audit of the foreign company's accounting records pertaining to its alleged activities in France. It will consequently demand production of accounting records meeting French accounting standards, which, in essence, have never been kept.

As a result, the company shall very often be taxed on a flat amount, based solely on the information held by the tax services.

If the tax administration does not succeed in demonstrating that a foreign company had a real permanent establishment in France, it can tax the foreign shareholder of the foreign company on a flat rate on the basis of Article 155A of the « Code général des impôts » (French General Tax Code).

In fact, this provision, whose compatibility with international treaties has been regularly affirmed by case-law, allows, under certain conditions, the taxation in France of the remuneration for services performed in France by a person resident or established in France, or surprisingly, even outside of France, notably when the person performing the services controls directly or indirectly the recipient of the fees connected therewith. Typically, that provision permits to tax in France an individual shareholder performing services in France on behalf of a foreign company which is the legal recipient of the corresponding remuneration, when that shareholder directly or indirectly controls that company.

The shareholder, whether or not a French resident, then becomes liable to a French flat tax under the heading of non-commercial profit.

PERSPECTIVES

We have been noticing a strong increase in the number of tax procedures instituted against foreign companies, with a quasi-systematic use of premises searches pursuant to Article L.16 of Tax Procedures Handbook. Very often these procedures are the result of former tax audits against French clients evidencing payments of services rendered by foreign companies (advisory, marketing, advertising services, etc.).

If a premises search produces obvious evidence of an undisclosed activity in France, there shall be a need to reconstitute accounting records for the permanent establishment thus uncovered, ensuring that only activities effectively carried out in France are reflected (income, but also expenditure).

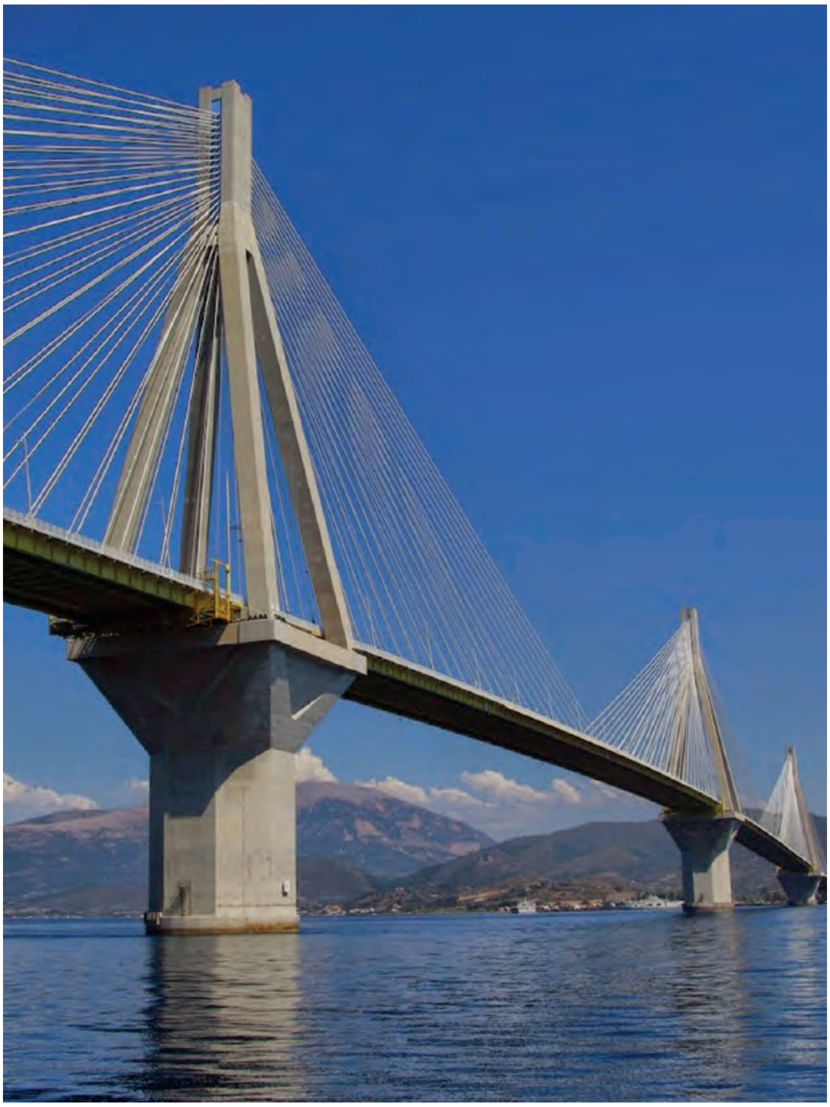
If a search does not show evidence of any activity in France, the administration shall nevertheless endeavor to tax a foreign company claiming that, from abroad, it performed a « complete activity cycle » in France, as will be the case when suppliers and clients are located in France.

Finally, we have been noting increasing instances of enforcement of Article 155 A of the « Code général des impôts » (French General Tax Code) which is a powerful weapon allowing to tax foreign residents for services performed in France, regardless of any French « base ».

Contact : Alain Moreau

«ONSHORIZATION» OF PORTFOLIO HOLDING COMPANIES: TRANSFER OF REGISTERED OFFICE AS A SOLUTION

In a context of increasingly stringent legal and tax compliance, it may prove problematic to hold portfolio assets through a company incorporated in a «sensitive» jurisdiction, even if these assets are duly reported to tax authorities. If tax or other reasons preclude the possibility to liquidate the company, the only remaining solution is a transfer of registered office to a more «appropriate» country. We shall take the case of France (1) and Switzerland (2).



1) TRANSFER OF REGISTERED OFFICE OF AN OFFSHORE COMPANY TO FRANCE

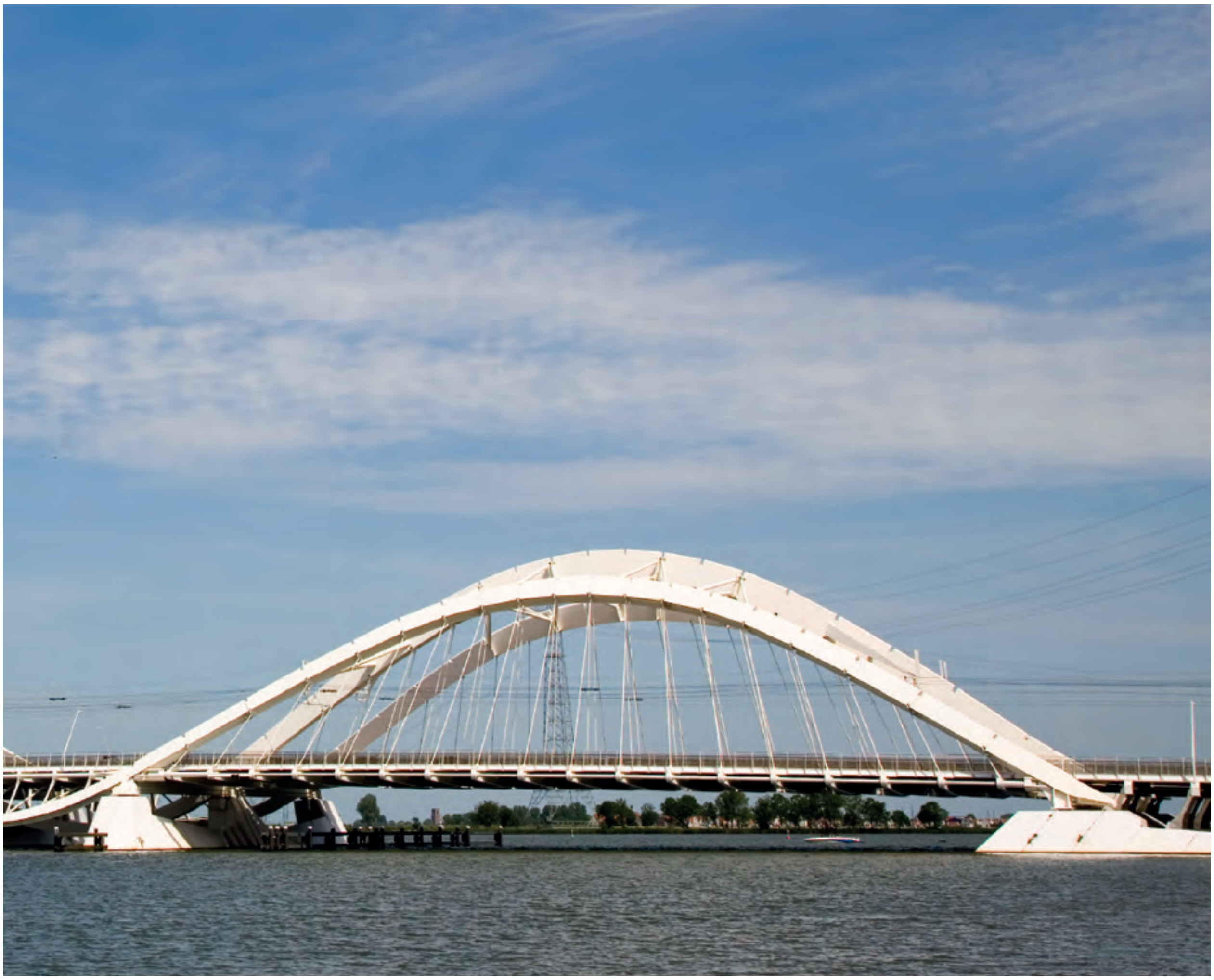
Being a shareholder of an offshore company is not prohibited in France, as long as the assets held through that vehicle are duly reported. However, the tax cost thereof may be prohibitively high because of the discriminatory provisions contained in Article 123 bis of the «Code Général des Impôts» (French General Tax Code) (taxation of a notional income, surcharge of 125% on income produced by a corporate vehicle and taxation of distributions without any deduction).

To avoid that heavy recurring tax, the transfer of the company's registered office to France may offer a possible alternative, provided there is a continuation of the company's legal existence. Indeed, failing that continuation, all tax consequences of liquidation would apply and might act as a deterrent (taxation of a possible liquidation surplus for the shareholders, taxation of unrealized gains, immediate taxation of profits).

A change of «nationality» of a foreign company consists in the transfer of the registered office in both relevant countries.

As far as France is concerned, a petition has to be filed with the judge in charge of supervision of the Trade and Companies Registry, requesting permission to proceed with the registration of that foreign company in France.

This petition has to enclose a number of supporting documents, including amended bylaws complying with French law requirements, minutes of a meeting made in the country of origin resolving to transfer the company and to convert it into a form of company recognized under French law, a banking identification certificate in the



name of the new French company, certificate of no criminal records, and verified information as to the identity of the executive officers, etc.

On the foreign country's side, the law of the country of origin will govern the steps to be taken and the supporting documents to be supplied.

2) TRANSFER OF REGISTERED OFFICE OF AN OFFSHORE COMPANY TO SWITZERLAND

Under Swiss law, the conditions of transfer of a foreign company to Switzerland are governed by Articles 161 and seq. of the Federal Act on Private International Law (PILA). These provisions do not deal with a mere transfer of registered office, but with the conditions under which a company may change its legal status and elect to be governed by a different law without liquidation and re-incorporation.

To achieve this, the following three cumulative conditions have to be met:

– The foreign law governing the company shall recognize the principle of a transfer. There is no need that transfers be expressly provided for; it suffices that the relevant foreign law accepts the ensuing legal consequences and recognizes its effects. In our experience, the laws of Panama, the British Virgin Islands (BVI), Liechtenstein and Luxembourg permit such transfers without prior liquidation;

– Foreign law requirements shall have been met as regards matters of procedure and registration, rules on protection of creditors, tax payment, etc;

– Finally, the transferred company has to be able to adapt to an organizational form recognized by Swiss law. As there is a limited number of company types thereunder, the foreign company has to be compatible with one of them. What is decisive is not the name, but the internal structure of the company, including the legal relationship of its members towards the company, their liability for debts (limited or unlimited), the powers of representation, etc.

In order to adapt to a certain type of accepted company under Swiss law, the foreign company may, in certain instances, have to undergo a prior corporate structure change without liquidation or change in legal existence in its original jurisdiction, provided the laws thereof permit it. This prior transformation process may even imply going through successive legal systems, provided that the same legal entity survives at each stage.

Practical details are listed in Article 126 of the Swiss Ordinance on the Commercial Registry (OCR) governing changes of registered office.

The transferred company shall supply the Swiss Commercial Registry of the place of its new registered office with all documents needed for registration of a new company, plus the following documents relating to the transfer :

a) documents evidencing that the company existed as a legal entity in its jurisdiction of origin ;
b) evidence that applicable foreign law permits a cross-border registered office transfer ;
c) evidence that the relevant entity meets the requirements of a recognized company type under Swiss law ;
d) evidence that the relevant entity transferred its principal business to Switzerland ;
e) a report by an authorized expert auditor confirming that the company's capital is covered pursuant to Swiss law requirements.

All documents shall be submitted with a certified translation in a Swiss national language (French, German or Italian). However, depending on their experience and practice, certain Commercial Registry offices may accept standard documents in English (certificate of good standing, etc.).

As to the above-mentioned auditor's report (let. e), accounts submitted shall be dated no earlier than 12 months before application and shall contain a statement of applicable exchange rate, unless prepared in Swiss francs.

PERSPECTIVES

During or after a tax regularization procedure, an in-depth reorganization of the holding structure of the relevant assets is frequently required. Whenever possible, any structure no longer appropriate (foundations, trusts and offshore companies) will be purely and simply wound up. If this is not possible, mainly for reasons of prohibitive costs, a registered office transfer may be a solution.

That highly technical mission has to be carried out by several professionals acting in cooperation : directors and lawyers in the jurisdiction of origin, or possibly in other countries, if successive changes have to be performed, and lawyers in the destination country (France or Switzerland). Indeed, steps in the country of origin, in « intermediary » countries, if any, and in the country of destination have to be totally harmonized so as to ensure that the same legal entity survives in the destination country.

Once it becomes French or Swiss, a previously « offshore » company will enjoy the legal and tax regime of its new incorporation jurisdiction and its members will then be treated without any discrimination for tax purposes.

Contacts : Alain Moreau and Jean-Luc Bochatay

MORTGAGE INDEBTEDNESS IN A FRENCH-SWISS CONTEXT : A TAX TRAP!

French or Swiss resident individuals who own a piece of real property in the other State incur a limited tax liability in that State in respect of income tax and wealth tax connected with that piece of real estate. Switzerland and France are parties to a Double Taxation Agreement (DTA) aimed at allocating taxation power between the two States and avoiding double taxation for taxpayers. Unfortunately this Agreement does not provide for the allocation of debts, much less of interest paid. As a result, painful tax consequences may arise, as illustrated by the examples below (where, for simplification purposes, we shall consider that CHF 1.00 = EUR 1.00).

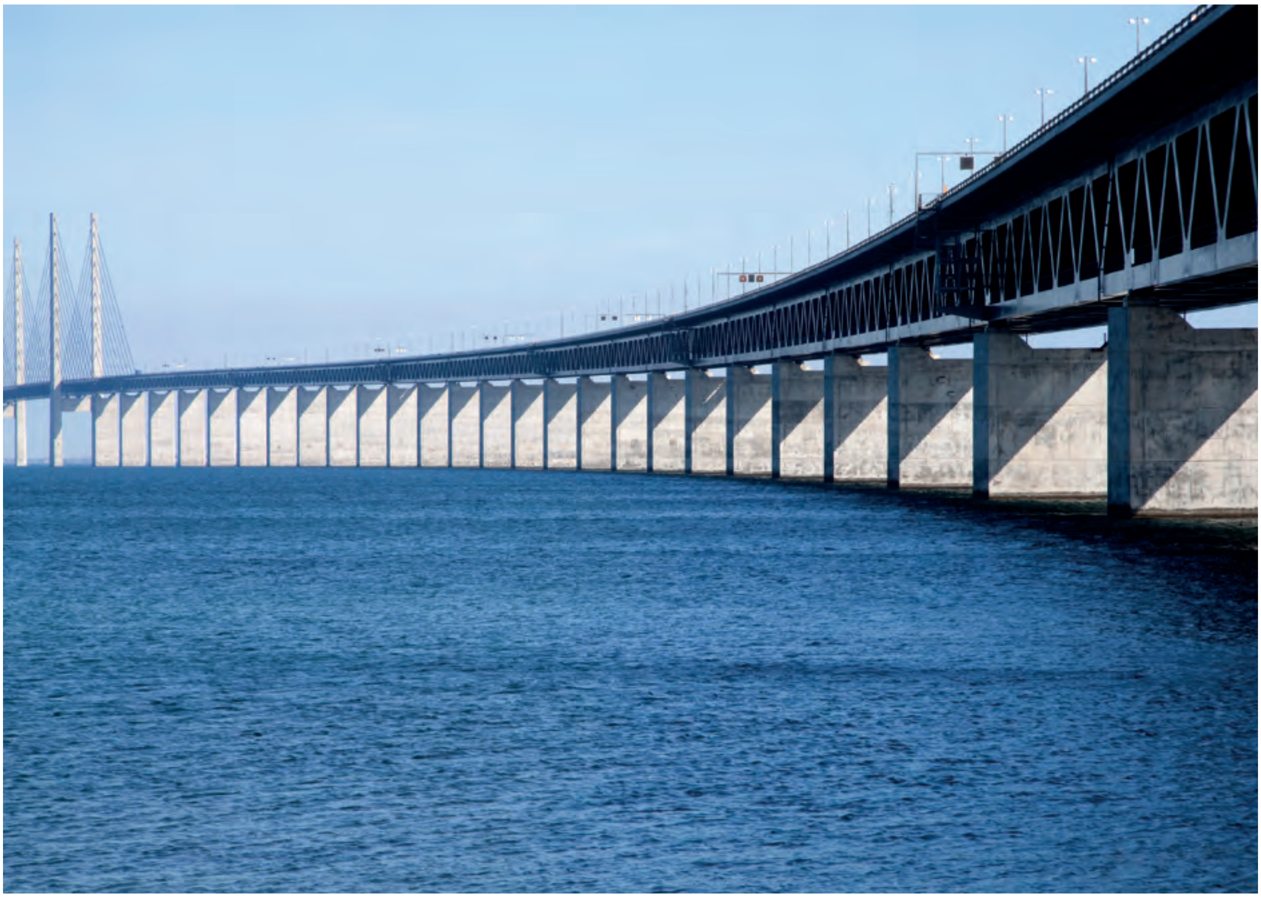
1) FRENCH RESIDENCE

Mr. X, a French resident for tax purposes, owns a piece of income producing property located in the Canton of Vaud, with a value of CHF 3 million, yielding a gross income of CHF 120,000. He financed the purchase thereof through a CHF 2 million mortgage loan, generating an annual mortgage interest of CHF 60,000. The worldwide assets of Mr. X – liable to ISF (wealth tax) in France at a marginal rate of 1.5 % – amount to CHF 6 million gross (without deduction of the mortgage loan).

As regards income tax :

In France, Mr. X shall be taxable on his (worldwide) income, including income derived from his property located in Switzerland. Pursuant to the DTA, that taxpayer may deduct from his income tax the (theoretical) tax which would have been payable in France on this (Swiss) property income, computed as if it was income from a property located in France. In France, mortgage interest will be totally deductible from the gross property income, for it is « objectively » connected therewith, to determine the tax base (i.e. CHF 120,000 – 60,000 = 60,000) and to compute the amount of the deductible tax.

Mr. X will « logically » assume that in Switzerland, tax will be assessed on his net property income, taking into account (like



in France), a full deduction of mortgage interest, i.e. in our example, a net property income of CHF 60,000. That is not the case: the tax will be computed on a base amount of CHF 90,000 (not CHF 60,000) as the practice of the Swiss tax authorities (upheld by the Swiss « Tribunal fédéral » – the Swiss Supreme Court) is to allow deduction only of a portion of the mortgage interest paid, on the basis of the ratio between the gross value of the property located in Switzerland and the value of the worldwide assets of the taxpayer (CHF 3 million / CHF 6 million = 50 %; deductible mortgage interest = CHF 60,000 x 50 % = CHF 30,000).

As to wealth tax:

In France, Mr. X shall pay wealth tax (ISF) on an amount of EUR 6 million; he will be entitled (pursuant to the DTA) to a deduction of the private wealth tax he paid in Switzerland against his ISF liability.

The Swiss wealth tax (assessed solely on the real property value) shall be computed on a basis of CHF 2 million (not CHF 1 million) because – following the same logic as for interest deduction – the mortgage loan of CHF 2 million shall be deductible up to 50 % only (the ratio between the gross value or the property located in Switzerland and the value of the worldwide assets of the taxpayer). Certainly, the wealth tax paid in Switzerland may be fully deducted from the ISF payable in France (which is assessed on the taxpayer's worldwide assets, including the property located in Switzerland); as a rule, ISF payable in France is higher than the Swiss wealth tax, and the non-deductibility of the total mortgage loan in Switzerland should therefore not be prejudicial.

2) SWISS RESIDENCE

The assets of Mrs Y, a Swiss resident, consist of securities worth CHF 2 million, of a piece of real estate located in Switzerland worth CHF 4 million (financed through a CHF 3 million mortgage loan, generating annual interest of CHF 90,000) and a holiday home located in France, worth EUR 4 million, which she failed to report in Switzerland.

Mrs Y paid ISF on her French holiday home on a EUR 4 million base (no deduction being allowed for the mortgage loan because it is connected with the Swiss located property). In Switzerland, Mrs Y was able to deduct (i) from her taxable wealth, the entirety of her mortgage loan (CHF 3 million) and (ii) from her taxable income, the entirety of interest paid (CHF 90,000 annually) and was taxed accordingly.

Proceedings seeking back-taxes and penalties were instituted in Switzerland against Mrs Y for failure to report her French property for purposes of income and wealth tax in Switzerland, with the following consequences: she will be ordered to pay additional taxes on wealth and income for the 10 last years. They result, firstly, of an increase of the applicable rate (for wealth tax, because of the market value of her French property, and for income tax, because of the rental value thereof) and secondly, of a higher tax base assessed for both wealth and income. In effect, Swiss tax authorities will allow only a 60 % deduction of the mortgage and interest thereon (the ratio between the gross wealth of Mrs Y excluding real estate abroad and her total gross wealth, i.e. 6 million over 10 million). Therefore, Mrs Y shall pay additional wealth tax, corresponding to the non-deductible part of her mortgage loan, i.e. 40 % of CHF 3 million, equal to CHF 1,200,000.-, and additional income tax corresponding to the non-deductible interest, i.e. 40 % of CHF 90,000, equal to CHF 36,000, for the last 10 years. The bottom line is that back-taxes will be assessed on an additional wealth of CHF 12 million and on an additional income of CHF 360,000. Considering the amounts at stake, it would have been highly preferable for Mrs Y not to fail to report her French real estate or – at the very least – to report it spontaneously (self-reporting procedure) so as to avoid tax penalties, generally amounting to 100 % of avoided tax.

PERSPECTIVES

France and Switzerland have very different approaches as to cross-border allocation of mortgage debt and interest thereon ; the former applies the principle of objective allocation (deduction depending on the location of the mortgaged property) while the latter follows the proportional allocation principle (according to location of gross assets). The DTA brings no comfort to the taxpayer, who might, depending on circumstances, be taxed on a basis higher than his/her actual net wealth or income. In such a situation, one has to consider carefully any tax consequence of a mortgage related indebtedness structure. Moreover, for a Swiss taxpayer having failed to report a holiday home located abroad, a self-report is highly advisable if this taxpayer has taken a mortgage on his or her Swiss property.

Contacts : Alain Moreau and Jean-Luc Bochatay

ARBITRATION: IS THE GAME WORTH THE CANDLE?

Comparing arbitration and civil proceedings has always been a matter of interest for litigators. In Geneva, recent economic and political developments may render arbitration even more attractive.

Even though official statistics for 2015 have not yet been released, a slowdown in the processing of files by State Courts has been noticed. Judges openly acknowledge that this slowdown may result from an increase in case numbers, a lack of additional means and the restructuring of 1st instance civil courts which tend to do away with the chambers dealing with «complex» cases. The number of cases per presiding judge seems thus to have substantially increased, with more diversified cases ranging from divorce to complex financial litigations.

An improvement in the financial resources of the judiciary appears unlikely, as the legislative power seems to show a propensity for budget cuts.

This slowdown is such that even simple cases may take two to three years before a judgment is rendered, not to mention an appeal to the Court of Justice.

This lengthening in the processing of cases by State Courts makes arbitration even more attractive, because much faster. Thus, by way of example, Article 42 of the Swiss Rules of International Arbitration provides that if the parties so agree, or if the amount in dispute does not exceed CHF 1,000,000, an arbitral award must be rendered within six months from the date on which the Secretariat transmitted the file to the arbitral tribunal, whereas only exceptional circumstances may allow an extension of that deadline. An arbitral award may only be challenged before the «Tribunal fédéral» (the Swiss Supreme Court), with important limitations as to possible grounds for appeal. This means that a prevailing party in arbitration is in a more favorable situation than a party prevailing on appeal to the Court of Justice.

Furthermore, in the framework of a dispute involving parties residing (or having their registered office) abroad, service of documents is more efficient and quicker in arbitration, in particular in the early stages of the proceedings.

Arbitration thus appears much quicker than ordinary litigation. But what about its costs?

A comparison of costs as determined, on the one side, by Geneva regulations as to costs in civil litigation and, on the other side, by the Schedule of Costs of the Swiss Rules of International Arbitration regarding the sole arbitrator's fees and administrative costs, shows that invariably, the costs of an arbitration are higher than those of a lawsuit in State Courts.

This being said, for the parties in a dispute, a quick resolution of the said matter may be worth higher costs, all the more as they will finally be borne by the non-prevailing party.

PERSPECTIVES

Arbitration appears more and more attractive for parties involved in a dispute. However, in order for arbitration proceedings to be efficient, the parties should resort to lawyers familiar with the field, so as to select an efficient arbitration institution, a procedural system with due regard for the parties' needs, and a watertight arbitration clause, unlikely to be challenged.

Contact: Michael Biot

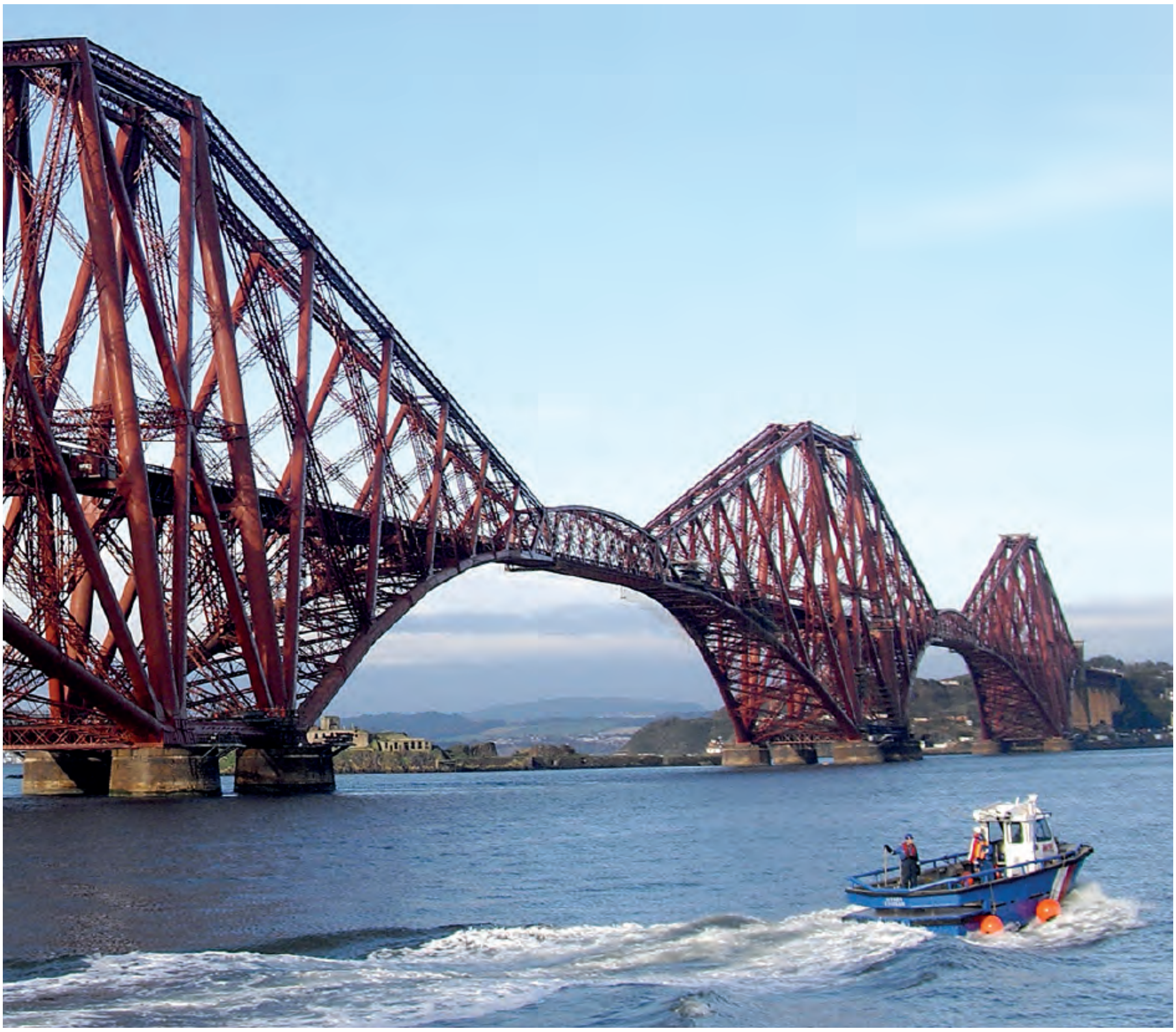
MANDATORY RECORDING OF WORKING TIME

An amendment of Ordinance I implementing the Federal Law on Labor (OLT 1, having entered into force on January 1, 2016) introduced a distinction among four categories of employees. Time recording requirements and information to be recorded vary according to the category.

Article 46 of the Federal Law on Employment (LTr) imposes a duty on employers to keep available to authorities registers containing all data required under the Federal Law on Employment and its implementing Ordinances. Article 73 OLT 1, which supplements Article 46 LTr, provides a non-exhaustive list of data required to be listed in employers' registers. These contain data on employees' working hours, which an employer has a duty to record.

Even though these provisions have been in force for several years, the SECO and the Cantonal Labor Offices noted that they were rarely enforced. An amendment to OLT 1 was therefore introduced so as to ensure better compliance, but also to eliminate some bureaucratic red tape. As a result, two articles were added to OLT 1 (Articles 73a and 73b), thus sorting employees into four categories:

1. Executives (CEOs, members of top management and similar) are subject to LTr to a very limited extent. Provisions governing working time recording do not apply to them.



2. For employees who (i) enjoy a great degree of autonomy and may generally determine their working schedule themselves and (ii) earn an annual gross salary exceeding CHF 120,000 (including bonus, except in the banking sector) or equivalent on a part-time basis: Article 73a OLT 1 grants an exemption to working time recording, subject to two conditions. The first one is that the relevant employer is a party to a collective labor agreement (CLA) containing provisions governing (a) steps to guarantee employees' health protection and to ensure compliance with mandatory hours of rest and (b) a duty of an employer to appoint an internal service dealing with working schedule matters. As an example, the Swiss Banks Employers' Association (« Association patronale des banques en Suisse »), the Swiss Banking Sector Employees Association (« Association Suisse des employés de banques ») and the Swiss Society of Trade Employees (« Société Suisse des employés de commerce ») entered into such an agreement. The second condition is that an employee signs an agreement whereby he or she waives the recording of working hours. This waiver may be terminated every year by either party. If both conditions are met, the registers to be held by the relevant employer may omit the data listed in Article 73 para. 1 let. c to e and h OLT 1. The employer shall make available to the competent authority: the CLA, all individual agreements, and a register of employees having waived the recording of their working hours (indicating their annual gross salary).

3. For employees who may determine a significant portion of their working schedule: Article 73b OLT 1 authorizes employers to keep a simplified time recording. This possibility is however subject to the condition that the relevant employer enters into an agreement with the employees' representatives or with a majority of employees. If a company has less than 50 employees, individual agreements are authorized. These agreements shall (1) provide which categories of employees are covered by the simplified working time recording system, (2) contain provisions aimed at ensuring compliance with requirements as to hours of work and hours of rest and (3) introduce a joint procedure aimed at ensuring compliance with the provisions of the agreement. If those conditions are met, only daily and weekly working hours and the beginning and the end of the night shift or Sundays' work are to be recorded. Even if an agreement is entered into, employees have a right to record the data listed in Article 73 para. 1 let. c to e OLT 1. Their employer is then under a duty to supply them with an appropriate working time recording tool.

4. For all other employees, an employer shall be under a duty to fully record working hours pursuant to the provisions of Article 73 OLT 1.

PERSPECTIVES

Even though many market players view this amendment as a legislative strengthening of mandatory provisions governing working time recording, it is only a reminder of statutory provisions in force since several years. The innovation introduced is the possibility to waive recording or to carry out a simplified recording. In spite of some statutory constraints, the choice of working time recording systems remains relatively free and may be suited to the organizational needs of individual businesses.

Contacts: Michael Biot and Paul Michel

DRAFT FINANCIAL SERVICES ACT AND DRAFT FINANCIAL INSTITUTIONS ACT: AN OVERVIEW OF THE MAIN NEW FEATURES

On November 4, 2015, the Federal Council adopted a Message on a draft Financial Services Act (FinSA) and on a draft Financial Institutions Act (FinIA) and submitted them to Parliament. The proposed legislation aims mainly at improving the protection of clients of financial services providers, introducing professional requirements substantially similar for all services providers and strengthening the reputation and competitiveness of Switzerland as a financial center. The Federal Council, which broadly followed European regulations, also aims at opening access of Swiss providers to the European financial market.

FINANCIAL SERVICES ACT

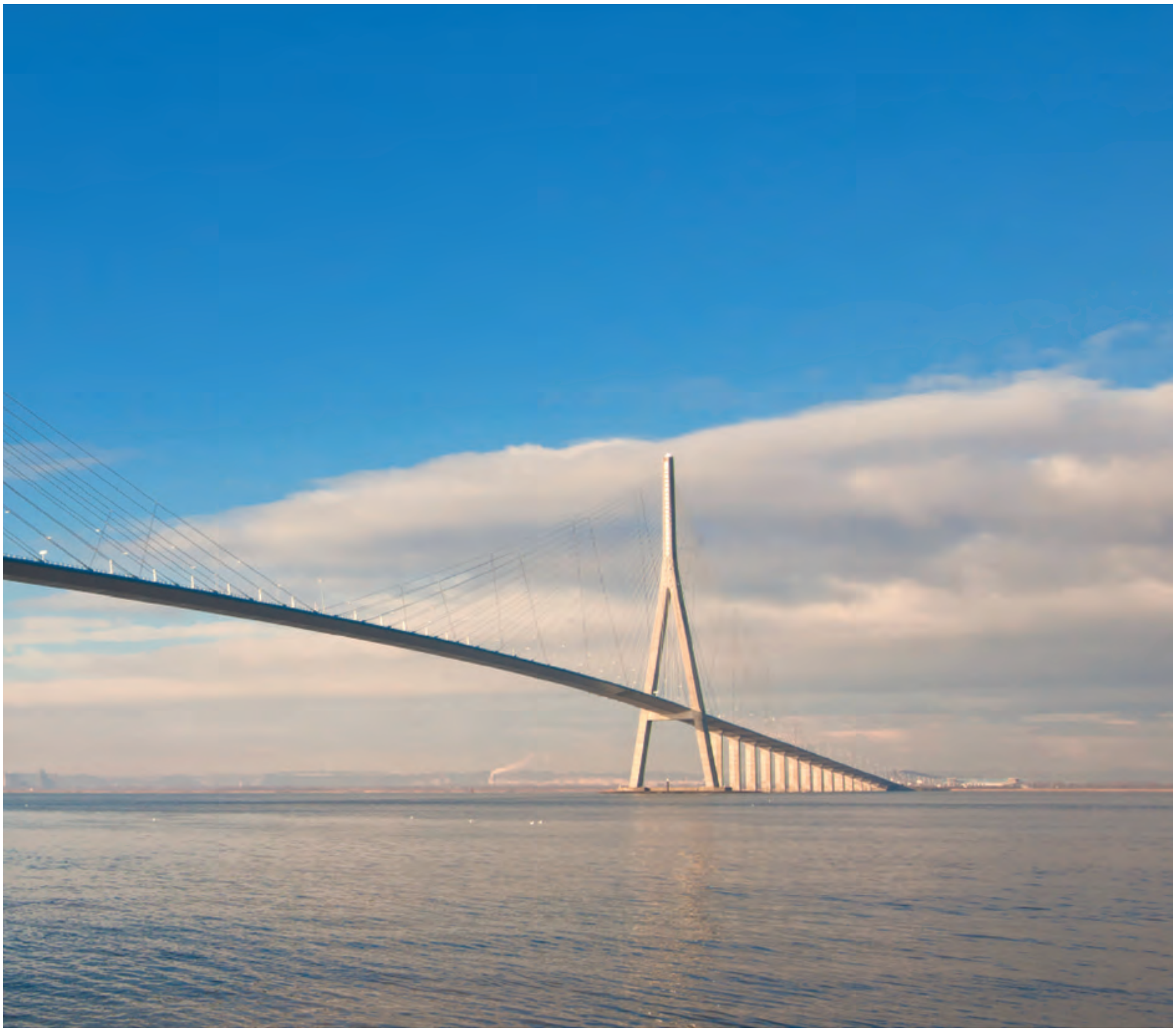
The FinSA introduces uniform behavior rules for all financial services providers. The draft rules include enhanced disclosure duties about the providers themselves, the services and instruments offered and their cost. Furthermore, they impose a duty on providers to gather information as to the **profile of their clients.** For all advisory activities pertaining to individual transactions, providers shall have a duty to enquire whether financial instruments are suitable, taking into account the knowledge and experience of their clients *(transaction suitability test)*. When providers give advice as to the entirety of a client's portfolio, or when they manage it, they shall have a duty to enquire into the overall financial situation and investment objectives of their clients as well as into their knowledge and experience *(adequacy of services and instruments offered with a client's profile)*. The draft law imposes substantial documentation and **accountability** requirements regarding information collected from, and services provided to, clients. Finally the FinSA imposes on providers a duty to treat clients equally when executing client orders and a duty of best execution in terms of cost, speed and quality, which they shall document in internal regulations.

Clients of financial services providers shall henceforth be classified as private, professional or institutional clients. Rules of conduct and information duties of providers shall vary according to **client categories.** To a certain extent however, clients will have the option to choose whether they wish to belong to a category with a lower protection level *(opting-out)* or a higher one *(opting-in).*

The FinSA imposes moreover upon financial services providers an obligation to take organizational measures so as to ensure compliance with their duties. They shall implement all possible measures aimed at avoiding conflicts of interest, which implies **total transparency** as to any remuneration received from third parties in connection with financial services provided (e.g. retrocessions).

A new training and development duty is imposed on client advisers, i.e. the individuals who provide financial services on behalf of providers or as principals. Client advisers also need to register in a register of advisers, which will be kept by a registrar licensed by the FINMA.

Finally, the FinSA also introduces uniform **prospectus**



requirements for all securities offered to the public or traded on a trading platform. Prospectuses shall be approved by a body subject to supervision by the FINMA. There are however substantial exceptions according to offering types and instruments. Offers of financial instruments to private clients shall include a fact sheet mentioning their main features, risks and cost, for comparison purposes.

FINANCIAL INSTITUTIONS ACT

The FinIA aims at governing **licensing and supervision conditions for all financial institutions** in one piece of legislation. Individual portfolio managers (independent asset managers), managers of collective investments with a value below CHF 100 million and trustees shall in the future be subject to prudential supervision. Banks and insurance companies shall continue to be regulated by specific laws.

The law contains licensing and organizational provisions applicable to financial institutions. It introduces specific audit and supervision procedures for the newly regulated financial players, who will be supervised by an independent regulatory body to be created and licensed by the FINMA. The latter shall continue to regulate managers of collective investments (including pension fund investments), managers of investment funds and securities houses, that last category corresponding to securities dealers under current legislation.

Organizational requirements shall depend on the type of license. The FinIA introduces a « cascade » license system. Thus the broadest license shall generally include any less stringent ones. As an example, a license to operate a securities house shall also comprise the authorization to perform activities as a manager of collective investments, individual portfolio manager or trustee. The « lightest » licenses shall be those introduced for individual portfolio managers and trustees.

A grandfather clause will exempt individual portfolio managers from licensing requirements to the extent that they have operated for at least fifteen years and restrict their activity to servicing existing clients.

Finally, the FinIA imposes criminal penalties for violations of **confidentiality duties,** which in practice extends « banking secrecy » to individual portfolio managers and trustees to whom it was not directly applicable so far.

PERSPECTIVES

The FinSA and FinIA introduce substantial changes for newly regulated financial players, i.e. individual portfolio managers (independent asset managers), managers of collective investment with a value below CHF 100 million, and trustees. These regulatory changes shall have an impact on their operational costs. As a result, long-predicted mergers may ensue upon the coming into force of these legislative texts.

In the background of FinSA and FinIA, there is an intended aim to gain access to European financial markets. However, that will not happen merely through introduction of national laws without a political will, and critics of this draft legislation do not see any urgency or relevance therein. The consultation procedure, however, brought about substantial changes in favor of the finance industry.

These draft pieces of legislation shall be debated in Parliament at its 2016 autumn session. Their entry into force is expected to take place at the end of 2017 or early 2018. Financial services providers are advised to include them already in their strategic planning.

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