

## Opt-in form for legal entities (‘native’ institutional or professional clients)

**Change of client segment from one offering less consumer protection to one offering more (opt-in), in accordance with the Financial Services Act (FinSA)**

**Partner number:**

**Name:**

Under the Swiss Financial Services Act (FinSA), clients are segmented into retail, professional or institutional clients, with retail clients afforded the highest and institutional clients the lowest level of consumer protection. The client segment applies to the entire client relationship under the above partner number.

In addition to opting in, professional clients may release Luzerner Kantonalbank AG (referred to below as the ‘Bank’) from applying the FinSA code of conduct with respect to the duty to provide information, documentation, and rendering of account (please also refer to the explanations given below).

### **Change of segment from institutional to professional client**

A change of segment from institutional client to professional client (opting in) increases the level of consumer protection. It also changes or applies the following obligations on the part of the Bank under the FinSA code of conduct.

- I. When providing investment advice and portfolio management services, the Bank may assume that
  - you have the necessary knowledge and experience to understand the risks associated with products and transactions;
  - you are financially able to bear the investment risks;
  - you waive rights to the provision of information pursuant to FinSA (see point III).
- II. When purchasing financial instruments, we will provide you with the available key investor information documents only upon request.
- III. When providing financial services, no general business-related or product-specific information, such as that on risks and costs, etc. will be provided.

Furthermore, professional clients under FinSA are deemed to be qualified investors in accordance with the Swiss Collective Investment Schemes Act (CISA), and are therefore entitled to acquire financial instruments that are reserved exclusively for qualified investors.<sup>1</sup>

### **Change of segment from professional to retail client**

A change of segment from professional client to retail client (opting in) improves the level of consumer protection. It also changes the following obligations on the part of the Bank under the FinSA code of conduct.

- I. When providing investment advice, we will check your knowledge and experience of financial instruments.
- II. When purchasing financial instruments, we will provide you with the available key investor information documents.
- III. When providing financial services, we will show you general business-related or product-specific information, such as that on risks and costs, etc.

Furthermore, retail clients under FinSA are deemed to be non-qualified investors in accordance with the Swiss Collective Investment Schemes Act (CISA), and are therefore not entitled to acquire financial instruments that are reserved exclusively for qualified investors.<sup>1</sup> Further information on client segmentation can be found (in German) at [www.lukb.ch/fidleg](http://www.lukb.ch/fidleg).

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<sup>1</sup> Retail clients for whom a financial intermediary as referred to in Art. 4 para 3 let. a FinSA, or a foreign financial intermediary subject to equivalent prudential supervision, provides portfolio management or investment advice as described in Art. 3 let. c points 3 and 4 FinSA as part of a long-term portfolio management or investment advisory relationship are also deemed to be qualified investors unless they have declared that they do not wish to be treated as such.

**Client declaration**

We have read and understood the information on changing client segment. By signing this document, we apply voluntarily to be classified as a:

Retail client

Professional client

(as a professional client in accordance with point <sup>2</sup> of the client segmentation table (on page 3)).

We acknowledge that the Bank reserves the right not to offer retail and professional clients the same services as institutional clients.

The status applies to the entire banking relationship under the above partner number.

As a professional client, by signing this document we voluntarily release the Bank from applying the FinSA code of conduct with respect to the duty to provide information, documentation, and rendering of account (please also refer to the explanations given below).

**Further rights and obligations**

Professional clients are willing, at the Bank's request, to provide proof that they meet the relevant segmentation criteria. Should the criterion no longer be met, whether temporarily or permanently, we are obliged to notify the Bank immediately.

By signing this document, we confirm that we are able to make investment decisions independently and that we understand the associated risks. We further confirm that we assume responsibility for all of the repercussions of incorrect information or of any breach of the aforementioned duty to provide information, and that we will indemnify the Bank against all of the resulting consequences.

We are aware that our declaration may be of relevance under both supervisory and civil law, and that it covers the above banking relationship exclusively.

The sole place of jurisdiction for all proceedings is Lucerne, which is also the place of performance. Notwithstanding legal venues determined in imperative law.

**Client:**

Place, date:

Signature/s:

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<sup>2</sup> Here please enter the relevant figure from the table on page 3.

Point	Legal form	Retail client	Professional client	Institutional client
1	Bank under BankA	not possible	opt-in	default
2	Portfolio manager under FinIA	not possible	opt-in	default
3	Trustee under FinIA	not possible	opt-in	default
4	Manager of collective assets under FinIA	not possible	opt-in	default
5	Fund management company under FinIA	not possible	opt-in	default
6	Securities firm under FinIA	not possible	opt-in	default
7	SICAV under CISA	not possible	opt-in	default
8	Limited partnership for collective capital investments under CISA	not possible	opt-in	default
9	SICAF under CISA	not possible	opt-in	default
10	Representative of foreign collective investment schemes under CISA	not possible	opt-in	default
11	Insurance company under IOA	not possible	opt-in	default
12	Foreign entities under prudential supervision (if covered by points 1-11)	not possible	opt-in	default
13	Central bank	not possible	opt-in	default
14	National / supranational public-sector entity with professional treasury operations	not possible	opt-in	default
15	Private investment structure for high-net-worth retail clients, with professional treasury operations	opt-in	default	not possible
16	Occupational pension scheme with professional treasury operations	opt-in	default	opt-out
17	Company with professional treasury operations	opt-in	default	opt-out
18	Large company under Art. 4 para. 5 FinSA	opt-in	default	not possible
19	Cantonal / municipal public-sector entity with professional treasury operations	opt-in	default	not possible
20	High-net-worth retail client	default	opt-out	not possible
21	Private investment structure for high-net-worth retail clients, without professional treasury operations	default	opt-out	not possible
22	Swiss collective investment scheme which does not classify as an institutional client either independently or via its fund management company	not possible	default	opt-out
23	Foreign collective investment scheme which does not classify as an institutional client either independently or via its fund management company	not possible	default	opt-out
24	All other	default	opt-out	not possible

**Appendix: Client segmentation criteria pursuant to FinSA and additional waiver of duty to provide information, documentation, and rendering of account.**

#### **Retail clients**

##### **Client segmentation pursuant to FinSA Art. 4 para. 2**

Retail clients are clients who are not professional clients.

#### **Professional clients**

##### **Client segmentation pursuant to FinSA Art. 4 para. 3**

The following are deemed to be professional clients:

- a) Financial intermediaries as defined in the Banking Act of 8 November 1934 (BankA), the Financial Institutions Act of 15 June 2018 (FinIA) and the CISA;
- b) Insurance companies as defined in the IOA;
- c) Foreign clients subject to prudential supervision as the persons listed under a and b above;
- d) Central banks;
- e) Public entities with professional treasury operations;
- f) Occupational pension schemes with professional treasury operations and other occupational pension institutions which have professional treasury operations;
- g) Companies with professional treasury operations;
- h) Large companies;
- i) Private investment structures with professional treasury operations created for high-net-worth retail clients

#### **Large companies**

A large company is a company which exceeds two of the following parameters:

- Balance sheet total of CHF 20 million;
- Turnover of CHF 40 million;
- Equity of CHF 2 million.

#### **Professional treasury operations:**

A company or a private investment structure created for high-net-worth retail clients has professional treasury operations if it entrusts the ongoing management of its finances to an individual who is professionally qualified and experienced in the field of finance.

#### **Segmentation as retail client (opting in), FinSA Art. 5 para. 5**

Professional clients who are not institutional clients within the meaning of Article 4 paragraph 4 may declare that they wish to be treated as retail clients.

#### **Institutional clients**

##### **Designation as institutional client, FinSA Art. 4 para. 4**

Institutional clients are professional clients as defined in paragraph 3 letters a to d as well as national and supranational public entities with professional treasury operations.

##### **Designation as institutional client (opting out), FinSA Art. 5 para. 3**

Professional clients within the meaning of Article 4 paragraph 3 letters f and g may declare that they wish to be treated as institutional clients.

**Designation as institutional client (opting out), FinSA Art. 5 para. 4**

Swiss and foreign collective investment schemes and their management companies which are not already deemed to be institutional clients within the meaning of Article 4 paragraph 3 letter a or c in conjunction with Article 4 paragraph 4 may declare that they wish to be treated as institutional clients.

**Segmentation as professional client (opting in), FinSA Art. 5 para. 6**

Institutional clients may declare that they wish to be treated only as professional clients.

**Abbreviations:**

FinSA: Financial Services Act

FinIA: Financial Institutions Act

CISA: Collective Investment Schemes Act

IOA: Insurance Oversight Act

**To be completed by the Bank:****Internal processing****Confirmation from client advisor**

The client advisor is responsible for checking the signature. The client advisor responsible hereby confirms that they have conducted plausibility checks on the information given above, and that they are not in possession of any details or information to the contrary that would render the content of the present form incorrect or implausible.

The client advisor must enter the Client's details in Avaloq (CRM data allocated to the individual concerned).

Advisor:  Dept.  Tel.  Date

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Initialed, MPA

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Initialed, MOWD