



Swiss Association  
of Trust Companies

# Code of Ethics and Business Conduct

of the

Swiss Association of Trust Companies

("SATC")

Passed by the SATC Committee  
in consultation with the Advisory Board of SATC  
on April 28, 2008  
in Zurich

**SATC**

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## **PREAMBLE**

SATC's Code of Ethics and Business Conduct ("the Code") outlines the manner in which SATC expects its members ("SATC Members" or "Members") to operate their trust business and reflects the beliefs, priorities and principles SATC considers appropriate to the trustee profession. For the purposes of this Code the term Member shall include, where appropriate, a Member's shareholders, directors, officers and any other employees.

The SATC Code of Ethics and Business Conduct covers a wide range of ethical standards and business practices, based on a number of core values, indispensable to the trust business and all related services. It does not cover every issue that may arise, but it sets out guidance for SATC Members. All Members undertake to apply these guidelines and to seek to avoid improper behaviour.

The SATC Code of Ethics and Business Conduct covers a wide range of services a Member may provide including: acting as trustee or co-trustee; providing trust administration; acting as protector; acting as director of investment holding companies for trust assets and any other companies; providing company incorporation, management and administration services; bookkeeping; acting as board members of foundations; and any other services related to its trust operations (hereinafter "Services").

Switzerland is a leading international financial centre. Confidence in, and demand for Services is maintained by the quality, reputation and expertise of individual institutions providing these Services. One objective of this Code is to contribute towards maintaining a high standard of Services throughout the trustee profession.

The SATC Code of Ethics and Business Conduct applies to all SATC Members wherever they practice their profession and each Member accepts to comply fully with this Code at all times.

## **The Seven Values**

SATC's Code of Ethics and Business Conduct is based on seven core values.

### **Professionalism**

A Member's conduct in all professional matters must reflect credit upon the profession of trustees and trust administrators in Switzerland and elsewhere. A Member must at all times avoid damaging the reputation of the trustee profession and of SATC.

A Member must – in its capacity as trustee, co-trustee, trust administrator, protector, shareholder, nominee, director, manager or administrator - at all times act in accordance with, above all, the law (including the terms of the relevant trust) and comply with the Bylaws, regulations and other rules and guidance of SATC and in particular, this Code. A Member must observe the requirements of the laws of Switzerland and of any other jurisdiction in which it practices.

A Member shall act with due skill, care and diligence to fulfil the responsibilities it has undertaken.

A Member must be objective and independent in its actions and decisions and must exercise reasonable and prudent professional judgment at all times.

A Member must not accept trusteeships or mandates that may affect or lower the reputation of the trustee profession in general and of SATC.

### **Competence**

A Member must provide Services in relation to its trusteeships in a competent manner, must understand its duties and liabilities, and must comply with the requirements of the laws of the relevant jurisdictions.

A Member must recognize its own limitations and when delegation of duties or powers or external specialist advice is appropriate. Where duties or powers are delegated these should be monitored as appropriate.

A Member is responsible for the furtherance and the professional development of its directors, officers and other employees involved in the provision of Services as required by the SATC Bylaws and regulations.

A Member must provide appropriate supervision of all employees and it must set up and implement procedural rules to ensure such supervision and to provide for the appropriate limitations of the powers of directors, officers or any other employees, in particular over trust assets.

Where a Member, in its function as trustee or co-trustee, is responsible for exercising discretion, it must take all reasonable steps to obtain sufficient information in order to exercise its discretion.

### **Diligence**

A Member must at all times act with diligence and utmost care in providing its Services. It must ensure that the “principle of four eyes” is adhered to, in particular with respect to trust funds.

A Member must keep adequate, suitably detailed and orderly records on each trust. A Member must ensure that records are maintained for an appropriate number of years.

A Member must introduce effective controls of its information systems and it must conduct internal reviews at appropriate intervals. It must appoint an adequately skilled and experienced compliance officer to ensure compliance with all relevant laws and regulations.

A Member must diligently verify if new business is suitable. It shall only take on a trusteeship or the management or administration of an entity or perform any other services provided that it has secured sufficient information to be satisfied that the relationship complies with the due diligence and anti-money laundering regulations within the jurisdictions in which it operates.

### **Integrity**

A Member must at all times perform its Services with the highest standards of personal and professional integrity.

A Member has the duty to safeguard property entrusted to it with utmost care and diligence and as set out in the trust deed or any other governing legal instrument. A Member must not commingle a trust fund with the Member's own funds, those of its affiliates (as defined in the Membership Regulations) or those of other trust funds.

No gift should be accepted by a Member unless it is consistent with business practices, not excessive in value and does not violate any laws or regulations (internal or external).

### **Confidentiality**

A trust relationship is built upon the understanding that confidential information and, in particular, any and all information related to a trusteeship and acquired by a Member must be kept strictly confidential by the Member, its directors, officers and other employees.

A Member shall not disclose any confidential information without the express consent of the person or persons to whom that information relates unless required to do so by law.

Confidential documents must be kept in a secure facility and a Member shall introduce file protection and clean desk policies where any third party may gain access to office space where any confidential information is placed.

Utmost care must be taken by a Member if information is exchanged electronically or by other means.

A Member must exercise the utmost restraint when dealing with media. Information must be disseminated in a professional manner.

The above rules apply even after a trusteeship or a mandate has been terminated by a SATC Member, and the Member must ensure that its directors, officers and other employees preserve the confidentiality of information even after his or her employment or relationship with the SATC Member ends.

### **Transparency**

A Member must, at all times, be open and transparent about its fees and charges and it must follow the guidance provided by SATC.

Except where forbidden by law, a member will address all reasonable requests for information in a timely manner.

A Member must, at all times, ensure that advertising, promotional literature or proposals are not misleading.

A Member owes a special duty of transparency towards SATC at all times and will inform the Association of any relevant issues and substantial changes as required by the SATC Bylaws and regulations.

## **Fairness**

Fairness requires a proper balancing of competing interests. Any conflicts of interest must be dealt with openly and promptly by a Member.

Each Member will observe the rules of fair competition, seeking competitive advantage through superior services.

## **CLOSING REMARKS**

The Committee of SATC, in consultation with the Advisory Board of SATC, is responsible for the interpretation of this Code and for the future development and any amendments thereof.

Each Member is responsible for informing its shareholders, directors, officers and any other employees about the Code and for ensuring that they act in accordance with the Code.

If a law conflicts with a rule in this Code, a Member must comply with the law.