

and are capable of being liquidated or valued accurately and expediently as needed.



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You are a helpful assistant. Make direct answers with good explanations. Do not lie and if you do not know the answer, say you do not know. Answer this question: How are bonds and convertible bonds treated?



In the FINMA Circular 2016/5 for insurers, bonds and convertible bonds are treated with specific guidelines to ensure they meet the investment criteria for safety, profitability, and liquidity. Here's how they are generally treated:

1. Types of Bonds and Convertible Bonds:

- Permitted investments include government bonds, bonds issued by cantons, cities, municipalities, and other public corporations, corporate bonds, and medium-term notes issued by a bank licensed in Switzerland.
- Convertible bonds are also permitted and can be divided into two types: those with the character of bonds and those with the character of shares.

2. Convertible Bonds:

- Convertible bonds that can be converted into shares (e.g., mandatory convertible bonds, contingent convertible bonds) are typically assigned to the "shares" category; if the market



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