

- **Adequate Systems:** Adequate systems and infrastructure must be in place to support the complex nature of derivative transactions, including robust risk management and investment monitoring systems.

Compliance with Internal and Regulatory Guidelines

- **Adherence to Investment Strategies:** All derivatives used must align with the company’s broader investment strategies and risk management frameworks.
- **Compliance Monitoring:** Continuous monitoring and control of compliance with both internal directives and external regulatory requirements are mandatory.

Through these stringent management, reporting, and liquidity maintenance requirements, insurance companies can ensure that their use of derivatives aligns with regulatory expectations and their risk management objectives, thereby safeguarding the company's financial stability and compliance.

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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: What specific provisions must be followed when dealing with tied assets in relation to unit-linked life insurance policies?



Specific provisions that must be followed when dealing with tied assets in relation to unit-linked life insurance policies, according to the FINMA Circular 2016/5, include the following:



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