

segregated per tied asset. This ensures that the securities lending activities are conducted in a manner that is transparent, secure, and in compliance with regulatory requirements.

The text also highlights that securities accepted as collateral in the context of repurchase agreements, securities lending, and similar transactions may not be used for securities lending. This is likely to prevent conflicts of interest or potential risks associated with using the same securities for multiple transactions.

Overall, the process for allocating an investment to tied assets involves a clear and transparent inventory and allocation of the investments, a valuation process that adheres to regulatory principles, and a securities lending process that is conducted in a manner that ensures transparency, security, and compliance with regulatory requirements.

Answer 2:

The criteria and process for allocating an investment to tied assets are comprehensively outlined in the FINMA Circular 2016/5. Here's a detailed explanation based on the guidelines:

Criteria for Allocating Investments to Tied Assets

Permissibility and Eligibility: The investment must be a permissible value under the applicable regulations (Art. 79 or Art. 68 para. 2 SO) and must comply with the specific requirements set out in the Circular.

Valuation: The investment should be easily valued without significant problems.

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