AFBS News April 2019 EN

47th Ordinary General Assembly on 5 June 2019, Geneva: Sustainable Investments: Will Finance Save the Planet?

Legislation and Regulation – Domestic

Federal Council on Tax Reform

The Federal Council published for comments the Ordinances implementing the reform of corporate tax and new financing of the pension system. The proposals aim at aligning the Swiss corporate tax system with the new international standards. The popular vote on the legislation takes place on 19.5.2019. **Info**: DE FR IT

Implementation of the Recommendations by the Global Forum

Amendments to the Swiss legislation will implement the recommendations by the Global Forum. * Thus bearer shares will only be admissible if issued by an exchange listed company or as intermediated securities; the beneficial owners are to be listed in a registry / shareholders book. * Requests for international assistance shall not be disclosed to the concerned person without explicit consent by the requesting authority. * Requests for assistance based upon stolen information shall be processed provided the requesting State has not been actively involved in the illicit obtention of data. **Info**: DE FR IT EN

Cloud

The Swiss Bankers' Association published its Cloud Guidelines. They clarify in what instances data can be transferred to the cloud, also abroad. This is the case in particular if the same standard of data protection can be assured as if the data were stored in Switzerland. This attitude has been confirmed by legal opinions. The question remains on how to inform clients on this; a mere statement in the General Terms and Conditions may not suffice. An explicit statement in a special contract may be necessary, especially with respect to existing clients. **Info**: DE FR EN

Audit

The revised FINMA Circular Audit has been presented to the foreign banks. Discussions revealed that several simplifications are welcome. However, the extended audit cycles and audit intervals appear to be difficult to implement for foreign banks whose parent companies tend to stick to the annual audit rhythm which they apply group-wide and for consolidated supervisory purposes. Nevertheless, the foreign banks unanimously welcome the debate about proportionality in the banking regulation initiated by the FINMA through its Small Banks Regime. They expect simplifications especially in forthcoming new regulations which can take into account such aspects from the outset.

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Legislation and Regulation – International

Italy

The Italian tax authorities approached banks in various countries in view of obtaining information on their business activities on Italian soil. Requests are based on the obligation to levy and pay wihtholding tax on interest payments on loans but rumours say that the authorities want to assess whether the third country firm fulfils the conditions for setting up a permanent establishment in Italy and would thus be subject to the Italian supervisory and tax regime.

Switzerland no longer being a black-listed country Swiss financial intermediaries are held to levy and pay the Italian Financial Transaction Tax FTT on transactions in stocks with an Italian nexus. There potentially is a conflict with Swiss law prohibiting action for a foreign government; therefore assessments are ongoing.

EU

The EU Parliament has published a study on Money Laundering in the Real Estate Sector. The report outlines common schemes used for camouflaging illicit funds used for real estate transactions and invites the financial intermediaries to attentively assess the economic background. It identifies situations such as cash transactions, out-of-market pricing, large distance between beneficial owners and object of the transaction or use of complex structures for financing as indicia towards money laundering. **Info**: LINK

Miscellanea

SIX Digital Exchange

SIX Group is setting up a platform for the digital exchange. The platform shall use the distributed ledger technology for trading, settlement, and custody of tokenised assets and be fully regulated. Access shall be granted to financial intermediaries which will themselves assure KYC on the end-users. Contrary to similar platforms, SDX will offer the advantage of being fully regulated and benefitting from the SIX Group infrastructure. It will also allow third parties to create their own private markets. It is expected to become fully operational in 2020. **Info**: DE EN

Sustainable Finance

The EU is heavily promoting **sustainable investments** and coordinates various initiatives. It aims at promoting investments and at the same time assuring adequate transparency and investor information. Regulation regards a classification system, disclosure standards and definition of benchmark. **Info**: DE EN

The SBA is assessing pros and cons of self-regulatory standards versus government regulation. The latter might become excessively restrictive thus threatening the potential of new opportunities but assure international recognition.

The FINMA joins the Network for Greening the Financial System NGFS which invites central banks and supervisory authorities to take into account environment and climate risks in the financial sector: DE FR IT EN

The Swiss National Bank takes into account non-financial aspects of the realm of sustainability when implementing its investment strategy. It thus avoids investments in stocks of firms which disrespect human rights, systematically cause harm to the environment or contribute to the production of proscribed weapons. **Info**: DE FR EN IT (p.82).

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Sustainable Finance Geneva has created a map showing the cluster that emerged on the Geneva financial centre: FR EN

Agenda

Events

- MiFID II – FinSA: a comparative analysis. L.Cataldi, E.Serra, CAD-IT, Verona: 7.5.2019 Geneva; 8.5.2019 Zürich.
- Roundtable on Bank-EAM relationship. A.Hofmann, LGT Bank (Switzerland) Ltd.: 9.5.2019 Zürich; 14.5.2019 Lugano; 21.5.2019 Geneva.
- Roundtable on Outsourcing under the Small Banks Regime. B.Bartelt, S.Müller, Mazars: 20.5.2019 Zürich; 24.5.2019 Geneva;
- Payments: Future Landscape in Switzerland and in the EU: B.Brunner, Th.Reske, SIX Group Zürich; P.Sacchi, Citi, Milan: 12.6.2019 Geneva; 18.6.2019 Zürich; 26.6.2019 Lugano.
- Roundtable on the usage of Cloud Services. R.Müller, Sberbank (Switzerland) Ltd.: 19.6.2019 Zürich; 28.6.2019 Geneva;

Last Minute

- The FINMA publishes its Annual Report 2018 and the related Enforcement Report: DE FR IT EN
- The State Secretariat for Economic Affairs SECO publishes a salary calcluator: LINK
- KPMG Clarity on Tax Paid in Switzerland in comparison to other countries: LINK
- The Financial Stability Board publishes a directory of crypto-assets regulators: LINK
- Discussion Paper by the German Ministry of Finance on the use of crypto-tokens:LINK
- The Basel Committee on Banking Supervision publishes a survey on proportionality in bank regulation and supervision in different jurisdictions: LINK
- The Federal Council adopts an agreement with the UK assuring access to the labour market also in case of no-deal Brexit: DE FR IT EN
- The Swiss Finance Institute Masterclasses offer professionals of the Swiss finance centre direct access to results from research and academia: DE EN
- Federal Councillor U.Maurer visits China in view of deepening cooperation and continuing finanical dialogue: DE FR IT EN and the Swiss Bankers' Association: DE FR
- Politforum in Bern on 20.6.2019: In view of the forthcoming federal elections the SBA invites for exchange among bank employees who are politically active: DE FR IT
- Activities Report 2018 of the Swiss Federal Tax Administration: DE FR
- The Federal Council publishes the first report on the situation regarding information security: DE FR IT

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