AFBS News June 2021

Save the Date: The Association of Foreign Banks in Switzerland intends to commemorate its 50th Anniversary on 14 June 2022 in Zürich.

Legislation and Regulation: Switzerland

Report on Systemically Important Banks

On 4 June 2021, the Federal Council published the fourth evaluation report on its regime regarding systemically important banks. It comes to the conclusion that the present regime is adequate and that no further amendments are necessary. It also estimates that the Swiss regime compares well at the international level. The resilience of the large banks during the COVID19 pandemic confirms this situation. **Info:** Federal Council Press Release DE FR IT EN

MROS Annual Report 2020

In May, the Money Laundering Reporting Office Switzerland (MROS) published its annual report 2020. Reports of suspected money laundering continued to increase in 2020. COVID19 led to an increase in cases reported both regarding fraudulent access to loans and fraud on the internet through phishing and social engineering. Almost 90 percent of the total notifications last year came from banks. The new goAML system has become established among financial intermediaries, which is beneficial for its internal organisation and smoothening of processing of reports, according to MROS. **Info:** MROS Annual Report 2020 in DE FR IT EN and UniGE (Natacha Polli): LINK

SBA: New Guidelines on handling data

The Swiss Bankers Association published a set of guidelines on handling data in day-to-day business. The guidelines are intended to aid bank staff in their communication with customers and the general public. The growing amount of digitally collected data and new technological possibilities increase the potential for systematic data use that both ensures data protection and enables new insights for clients and banks. **Info:** SBA Guidelines Handling data in day-to-day business in DE FR EN

Transfer of Personal Data Abroad

The Federal Data Protection Officer has issued guidance governing the transfer of data abroad. A flowchart clarifies different situations of transfer of data and its compliance with Art 6 of the Federal Act on Data Protection. It outlines cases where sufficient guarantee for transfer is available and those where additional assessments are necessary. It annexes a questionnaire that can be submitted to data processors with potential US-nexus. **Info**: DE FR IT EN

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Legislation and Regulation: International

Switzerland recognises Chinese CSRC as equivalent

At its meeting on 26 May 2021, the Federal Council recognised the equivalence of the Chinese Audit Supervisory Authority CSRC. It thus facilitates cooperation between the Swiss stock exchange and Chinese stock exchanges.

Info: Federal Audit Oversight Authority DE FR IT

Sustainable Finance

FINMA: Transparency on Climate Risks

The FINMA revised its Circular Disclosure Banks in view of integrating prescriptions regarding the transparency on climate risks. Financial firms are required to describe climate-related financial risks and their impact on the business strategy, business model and financial planning and to disclose the process for the identification, valuation and mitigation of climate related financial risks as well as the quantitative information relating to the methodology, and general principles of their governance. The requirements are based upon the recommendations of the Task Force on Climate-Related Financial Disclosure TCFD and apply to banks of supervisory categories 1 and 2 in a first instance. The revision enters into force on 1 July 2021. **Info:** FINMA Press Release DE FR IT EN

Building Bridges Week 2021

The Building Bridges Summit 2021 will take place in Geneva from 29 November to 2 December 2021. The Summit will take place Monday, 29 November 2021 at the Maison de la Paix and Campus Biotech. The Building Bridges Week will take place on 30 November to 2 December at Maison de la Paix and the Forum Genève. Interested Swiss-based organisations active in sustainability and finance are invited to contribute their content and ideas. The organisers have set aside space in the programme for diverse events related to the Week's three themes for 2021: impact and transparency, supply demand mismatch, and fintech for the SDGs. **Info:** Building Bridges Week LINK

Climate Compatibility Assessment

The Swiss climate compatibility assessment concluded that the financial markets do not sufficiently support climate compatibility targets and investments in CO2 alternatives such as renewable energies. To measure individual initiative another assessment will be conducted in 2022. The Federal Council furthermore assesses the need for regulation in the realms of transparency, fiduciary duties, and risk management. **Info**: Federal Office for the Environment DE FR IT EN

Miscellanea

Training and Education

Jointly with the Swiss Bankers' Association's training commission, two providers prepared platforms which offer employees access to the offer in training and education matters. The platforms list the programmes available and offer selection according to specific search criteria. **Info**: www.evrlearn.ch ; www.eduwo.ch.

Vacancy Reporting

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The Federal Council is pleased with the implementation of the duty to report vacancies, as established in response to the initiative against mass immigration. Introduction appears to have been successful, job-seekers welcome the early information through regional employment centres. It is difficult to assess effectiveness for the early stage, as unemployment was generally low and as the reporting duty was triggered by unemployment beyond 8%; the threshold changed to 5% on 1.1.2020. Taking into consideration such changes the Federal Council requested an impact assessment by 2024. **Info**: DE FR IT and SECO information: DE FR IT

Equal Pay Assessment

The Federal Government makes available the logib analysis tool at no charge. It amended the tool and offers a solution targeting employers with less than 50 employees. There is no obligation for assessment for employers with less than 100 staff; nevertheless, it is possible for small firms to perform the assessment with the tool. **Info**: DE FR IT

Positive image of banks in Switzerland

The SBA published the Banking Barometer 2021. Surveys show a strong improvement of the banks' popularity. 75% of all Swiss citizens have a positive or highly positive opinion of the Swiss banks, a percentage that has never been higher in the past 20 years. Qualities of the banking institutions that are mentioned include credibility, dependability and employee competence. The effective processing of the COVI19 lending programme may have contributed to this result. It appears that banking is the most advanced sector in digitalisation in Switzerland. **Info:** SBA Banking Barometer 2021 in DE FR

Internal

AFBS Events

- **8 September 2021: HR Relations in a post-COVID world**: Axel May, Senior Partner, and Hanna Hummel, Senior Manager, HCM International
- **16 September 2021**: **SIX Financial Information New Leadership, New Plans, New Offerings**: Call for Input, Marion Leslie, CEO, SIX Financial Information.
- **September to December: ESG in Banking and Finance**: Challenges and Opportunities: series of four conferences with speakers from the EU Commission, the State Secretariat for International Finance, a boutique rating agency and global financing and investment firms.

Last Minute

- The SIF informs on Switzerland's role in the realm of commodity trade finance: DE FR
- NCSC Semi-annual report 2020/2: DE FR IT EN
- OECD Publication: Fighting Tax Crime, second edition to be available from 17 June 2021: LINK
- The European Banking Authority (EBA) published its 2020 Annual Report: LINK
- European Securities and Markets Authority (ESMA) report on Guidelines under the Regulation on cross-border distribution of funds: LINK
- Boston Consulting Group (BCG) Global Wealth Report2021: When Clients Take the Lead: LINK
- Annual report of e-government Suisse, which promotes digitalisation in government matters: DE FR IT
- European Securities and Markets Authority (ESMA): Annual Report 2020: LINK
- The IMF on Switzerland's policy during the pandemic: only 3% loss in GDP: DE FR IT EN

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- 2021 summit of the EU foreign banks' associations on the impact of COVID19: LINK
- SFTA publication on the Swiss tax system: DE FR IT EN
- SwissBanking and Accenture study on value creation of banking in Switzerland: DE FR EN
- Federal Council report on digital foreign policy: DE FR IT EN
- Federal Council publishes activity report 2020: DE FR IT

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