AFBS News FEB 2020

48th Ordinary General Assembly: Banking Meets Tech

The Conference on the 48 th Ordinary General Assembly will analyse what banking will look like in a technology-driven future world. It takes place on 12 June 2020 in Zürich.

Legislation and Regulation: International

USA-CH Double Taxation Treaty

The Swiss Federal Tax Administration expects first group requests under the new Double Taxation Treaty with the USA in spring 2020. Since deadlines for financial intermediaries to respond to the requests are ten days and penalties apply in case of non-compliance, the SFTA recommends intermediaries to make sure they have all relevant information ready.

EU Shareholder Rights Directive SRD II

The SRD II details the duties applicable for the engagement of shareholders of EU-based companies. It entitles companies to obtain information on the identity of shareholders and to provide them with information on corporate events through the chain of intermediaries. They are in the obligation of assuring quick flow of information back and forth. The Directive is applicable to companies incorporated in the EU and listed on an EU stock exchange irrespective of the place of custody or domicile of the investor. Therefore, it may impact intermediaries in third countries also.

Info: SRD II Directive: EN Implementing Regulation: EN

Legislation and Regulation: Switzerland

Strategic Roadmap for Financial Market Policy

The Advisory Board for Future of Swiss Financial Centre (Brunetti Group) has submitted five key elements that make attractiveness of the Swiss financial centre: attractive tax and regulatory environment, market access, stable financial system, innovation-friendly framework conditions and a high international reputation. The Board further assessed progress of implementation of Cyber Risks Crisis Organisaiton and the Reform project of the Anticipatory Tax, two recommendations the Advisory Board had made in the past. **Info**: Media Release in four languages EN DE FR IT Roadmap only in DE

Trust Law in Switzerland

The Swiss Association of Trust Companies SATC presented the proposal of a trust legislation in Switzerland. The advantages of allowing the creation of the legal vehicle under Swiss law appear to be manifold: clients can operate in one single legal environment; various additional activities can be drawn to Switzerland; the services offering can be extended; the de-personalisation of assets can be offered to various client categories, including legal entities.

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The draft law is expected to be published for comments during 2020 and submitted to Parliament in 2021.

SBA Self Regulation

The SBA published an update of its brochure **Risks Involved in Trading Financial Instruments** . It has been extended and made more comprehensive. It contains an extensive glossary. The brochure is available in four languages. **Info** : Brochure available in EN DE FR IT

FINMA: New Ordinance

FINMA has created a new Financial Institutions Ordinance (FinIO-FINMA) as well as amendments to current FINMA Ordinances and Circulars. The new FINMA Ordinance regulates the details of professional indemnity insurance for portfolio managers, trustees and managers of collective assets, details on calculating the de minimis threshold for authorisation as a portfolio manager, and on risk management and internal control system for managers of collective assets. The consultation lasts until 9 April 2020. **Info:** Draft FINMA Circular D E F R / Key Points EN DE FR IT

Small Banks Regime

FINMA informed about the state of affairs of the Small Banks Regime. Sixty-four banks fulfil the criteria to take part and are being admitted to the small banks regime retroactively from the beginning of 2020. According to FINMA, the high number of participating banks shows that the new regime is considered attractive by the qualifying banks. Banks can apply to join at any time, affiliation becomes effective on 1.1. of each year. **Info** : FINMA EN DE FR IT

On 21 January 2020, the third **FINMA Small Banks Symposium** took place in Bern. The presentations can be found here (DE only).

Crypto Currencies

The Federal Council remains open towards the emergence of crypto currencies. However, it alerts towards the challenges the emergence of alternative currencies may constitute especially in the realm of AML and monetary policy. Such questions should be addressed at the international level, such as in the Financial Stability Board. **Info** : EN DE FR IT

News from the Swiss Finance Institute

The Swiss Finance Institute has created a global financial regulation, transparency, and compliance index (GFRTCI), scoring countries in terms of their adoption of, compliance with, and enforcement of a set of global standards. The GFRTCI aggregates public data from established rankings, indices, and research studies into a single metric. The index and the key takeaways for the Swiss financial centre will be presented on 11 March 2020 at Haus zum Rüden in Zurich. **Info** : Presentation: LINK GFRTCI in EN DE FR IT

Commodity Trade Finance and Anti-Money Laundering

The Federal Council published a report on the anti-money laundering measures followed by the commodity trade finance sector. It concludes that offences are mainly a consequence of bribery and poor governance. It concludes that the prevention of money laundering is sufficient and suggests further measures through the application of UN guidelines and OECD standards, sector-specific self-regulation, suspicious activity reporting. **Info** : DE FR

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Sustainable Finance

Sustainable Finance and Cyber Security among core goals

The Federal Council's priorities on foreign policy encompass sustainability and digitalisation. It aims at contributing to implement the goals of the Paris Agenda domestically and internationally through reinforced international cooperation. In the area of digitalisation, Switzerland aims at creating a competence centre in Geneva gathering national and international players and promoting an all-encompassing digital policy for data safety. **Info** : EN DE FR IT

Climate Compatibilty Test

The Federal Office of the Environment (FOEN) is conducting for the second time a climate compatibilty test. This time special criteria are included that allow banks to assess the climate impact of financial investments. Participants can compare with peer groups. The Assessment is based upon the Paris Agreement Climate Transition (PACTA) tool. Intermediaries can participate at no charge by submitting their investment portfolios (real estate and securities) wose climate impact can be assessed on an anonymised basis. Individualise reports and benchmarking will be provided as a result. **Info** : On the assessment: silvia.ruprecht@bafu.admin.ch and on PACTA 2020: LINK

Global Climate Finance Survey

The Institute of International Finance (IIF) and European Banking Federation (EBF) conducted a joint survey of 70 financial firms around the world on how they are approaching climate risk analysis, measurement, and disclosure. The survey finds that the streamlining of measurement and disclosure frameworks, and increased international collaboration, are key to strengthening the climate-related risk analysis and reporting toolkit. Overall, 60% of institutions are already implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to some degree, with another 30% planning to do so in the future. However, only 37% of emerging market respondents reported disclosing information aligned with TCFD recommendations, compared with more than 80% of respondents in developed Europe. **Info :** The full report is available in EN

Calendar

AFBS Conference: Revised CDB 20 / AMLA legislation
Natacha Polli (PAZ Consultants): 5 March 2020 in Zürich; 9 March 2020 in Geneva

AFBS Conference: International Tax Matters (FATCA, CRS,
Urs Kapalle (SBA): 6 March 2020 in Zurich; 13 March 2020 in Geneva; 16 March 2020 in Lugano

AFBS Roundtable: US Tax landscape / CRS, FATCA regulation
Paul Millen (Millen Tax&Legal GmbH): 31 March 2020 in Zurich

AFBS Roundtabe: FinSA/FinIA Implementation
16 March 2020 in Lugano; 17 March 2020 in Zurich; 19 March 2020 in Geneva

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12 June 2020 in Zurich

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Last Minute

- State Secretariat for International Finance SIF review on international financial and tax matters: EN DE FR IT
- EY publishes its annual issue of “Banking Barometer Switzerland 2020” (German only): DE
- The Centre de Droit Bancaire et Financier of the University of Geneva is offering a CAS Programme in Digital Finance Law, starting end of April 2020 (French only): FR
- The Federal Council adopts its report on foreign policy 2019. The conclusion of the Institutional Agreement with the EU remains a main policy goal: EN DE FR IT
- BAK Economics publishes its annual study on the economic impact of the financial sector in Switzerland: EN DE FR
- Economiesuisse is opposed to the Kündigungsinitiative / initiative de résiliation: DE FR
- Central Banking and Financial Stability: a publication by the BIS: EN
- OECD analysis: The impact of proposed international tax reforms: EN
- Global Legal Insights: Banking Regulation 2019 – Switzerland: EN
- ECB launches Eurosystem listening events for its strategy review: EN
- The Federal Council publishes the report on the consultation of the revision of the Civil Action Law: DE FR IT
- The 34th edition of the Fund Academy's Swiss Fund & Asset Management Officer training programme starts on 11 March 2020. AFBS members benefit from 10% rebate: LINK

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