AFBS Activities 2022/2023

EVENTS

June 2022

AFBS 50th Anniversary Event

The panel discussion on the Assembly focused on the future of private wealth management in Switzerland. The moderator challenged the panel by stating that Singapore and Hong Kong were expected to outpace Switzerland. Panellists agreed with the audience that the Swiss financial centre remained in a very strong position and continued to be attractive for international investors who want to diversify their exposure.

Anna Zakrzewski, Boston Consulting Group; Daniela Stoffel, State Secretary for International Finance; Thomas Wellauer, Chairman SIX Group; Mathias Imbach, Co-Founder and CEO, Sygnum Bank AG; Alex Classen, CEO HSBC Private Bank (Suisse) SA and AFBS Vice-President.

50th Ordinary General Assembly

The OGA elected three new Board Members: Marco Pagliara, Deutsche Bank (Suisse) SA; Marni McManus, Citibank (Switzerland) SA; Enna Pariset, BNP Paribas (Suisse) SA. It also renewed the mandates of Alex Classen, Alfonso Gomez, Pete Gabriele, Anne Marion-Bouchacourt. It elected Ivan Mattei, Banca Zarattini & Co SA, as new auditor. It also agreed on a change of Articles allowing the AFBS Board to decide whether to hold the OGA by correspondence or in person.

AFBS V-Conference: Digital Money

The speaker summarises the latest developments in the realm of digitalisation of currencies. He compares private and public initiatives. Even though competition also with private players may be welcome, central banks want to avoid fragmentation of currency provision and maintain control on monetary mass. // Tony McLaughlin, Citi, London

AFBS Roundtable: Requests from Custodians

Banks report that an increasing number of custodians request extensive information on identity of clients. Nominee holdings are no longer accepted. The Group concludes this being a market practice towards more transparency. // AFBS Roudtable among Association Members.

July 2022

AFBS V-Conferences: SNB, SIX, and BIS Innovation Hub present Helvetia and Jura

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SNB, BIS Innovation Hub and SIX present the two projects Helvetia and Jura which they jointly conducted to improve understanding of digitalisation in domestic and cross-border securities issuance, trading, and settlement. The fully integrated Swiss value chain offers an attractive framework for investments in the digital realm as confirms the testimonial of a participating commercial bank. // Sébastien Kraenzlin, Benjamin Müller, SNB; Mathias Studach, SDX; Morten Bech, BIS; Amar Amlani, Alannah O'Caoimh, Goldman Sachs.

AFBS Roundtables: Sanctions Russia-Ukraine

AFBS continues to organise V/C and further exchange on the implementation of sanctions in the context of the Russia-Ukraine conflict. // AFBS Roundtables among Association Members.

August 2022

AFBS Conference: Impact Investing

Only 5% of sustainable investments apply the impact approach, which offers large potential. The speaker explains the concept, shows how the approach can complement an existing portfolio and explains benefits for banks. // Frédéric Berney, iGravity, Zürich.

AFBS V-Conference: Update US IRS Sct 1446

The revision of the QIA imposes new obligations on financial intermediaries who have to offer transparency on publicly traded partnerships PTP. They are subject to withholding on distribution and sales proceeds. Banks acting as QI need to be prepared. // Jared B. Goldberger, Mayer Brown LLP, New York.

September 2022

AFBS Roundtable: Energy Shortage

In view of the announced possibility of an energy shortage, banks discussed implementation of energy saving measures, potential impact from energy rationing and operational resilience of banks regarding energy supply. // AFBS Roundtable among Association Members.

October 2022

AFBS V-Conference: Instant Payments: New Services, New Challenges, New Opportunities

Instant Payment is to be introduced in Switzerland also. It imposes a heavy burden upon banks as they need to restructure internal processes to real-time. This is particularly onerous for banks with few to no payment transactions. Nevertheless, they need to participate if they wish to continue being reachable in the SIC payment infrastructure. // Simon Durrance, FAB Private Bank (Suisse) SA; Bruno Kudermann, SIX Group; Henning Gebert, Swisscom.

AFBS Group: HR

AFBS members met in Zürich and Geneva to exchange on topics in the realm of HR. Discussions included training

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and education of employees, EU regulation and its impact on foreign banks in Switzerland, Work from Home and registration of Work Time. // AFBS Roundtable among Association Members.

November 2022

AFBS C-Meeting: SIX Digital Exchange

A meeting between C-level managers of AFBS Members and the CEO of SDX offers room for report on latest developments of the digital exchange, which is now up and running. It offers the advantage of a fully integrated and FINMA-supervised market infrastructure for trading in digital assets. // David Newns, CEO SIX Digital Exchange.

AFBS V-Conference: Data Protection Ordinance

Speakers outline key challenges for foreign banks in relation to the new data protection regulation, whose Ordinance the Federal Council adopted in Summer. There are novelties regarding client interaction, cross-border data transfer. The data controller needs to be put in place and measures planned in case of breach. // Antoine Amiguet, Philipp Fischer, OBERSON ABELS.

AFBS V-Conference: Impact on Operational Risks of Work from Home

The work from home regime can increase risk for a firm. The absence of personal contact is a major risk factor that can, however, be overcome with appropriate processes. Speakers identify key risk drivers and discuss how they can be mitigated. // Cyrille Reynard, Oprisko, QNB (Suisse) SA; Olivia Balu, University of Geneva; Dominique Monier, Operational Controlling in a private bank.

AFBS V-Conference: Availability of Infrastructure in case of Energy Shortage

The person in charge of infrastructure speaks about measures Swisscom prepares and expectations it has towards the Federal Council's strategy for reducing energy consumption in winter 2022. Periodical interruptions of a few hours, as discussed are not a realistic solution because IT needs time to drive down and to reboot. // Tobias Balcon, Swisscom.

December 2022

AFBS V-Conference: FinTech World in Switzerland

A growing number of clients are using services from FinTechs for their financial matters, not merely in retail but also in private banking. Banks need to be alert and understand how APIs can enhance their customer service. Speakers present the general market landscape and discuss interaction between market players and opportunities for the near future. // Jürgen Petry, Swiss FinTech Innovations; Darshini Waibel, Wiseblik.

January 2023

AFBS V-Conference: FINMA Circular Operational Risks

In December FINMA published the long awaited revised Circular Operational Risks. Speakers outline the new

version and discuss impact of the principles-based approach. The Circular clearly attributes duties to the board of directors and to the executive board. Banks need to carefully assess internal processes and procedures to align implementation to their specific situation. // Alexandra Burns, Philipp Rosenauer, Philipp Gaemperle, Gabriela Tsekova, PwC.

AFBS Roundtable: US QI Agreement

With the revised version of the QI Agreement finally available, the AFBS members can discuss impact and measures necessary for implementation with an expert on US tax matters. The in-person meetings offer room for discussion of the new regulation governing proceeds from PTPs and impact for QIs. // Paul Millen, Millen Tax & Legal.

AFBS Roundtables: FINMA Circular Operational Risk

A series of Roundtables takes place from January onwards to accompany AFBS Members in the implementation of the FINMA Circular. The meetings take place in Zürich, Geneva and Lugano and offer room for exchange and allow participants to ask questions, outline solutions, share views, identify topics of concern. // AFBS Roundtable among Association Members.

AFBS Roundtable: External Wealth Managers

A joint event organised with the Ticino antenna of the Swiss Association of Wealth Managers helps to clarify expectations between banks and external wealth managers. There are questions regarding division of labour and liabilities especially in the field of customer identification and transaction monitoring. Banks want to avoid duplicate work and to assume excessive liability. Regretfully FINMA does not provide clear guidance. // Roundtable among members of AFBS and VSV/ASG.

February 2023

AFBS C-Meeting: Helvetia and Jura

SNB discusses its projects on digitalisation with CEOs of AFBS Members in Geneva and Zürich. The two proofs of concept offered valuable insight into the functioning of systems, also in a cross-border context. The digital currency should be issued by a regulated entity but even issuance of digital currency by a central bank is novel terrain and impact on monetary markets is unknown. // Sébastien Kraenzlin, Benjamin Müller, Swiss National Bank.

AFBS V-Conference: SBA Guidance on ESG

Speakers from SBA introduce the two SBA Guidelines on ESG implementation by banks in Switzerland. The texts are short and principles based as they want to avoid duplication of already-existing EU-regulation but to provide clear guidance for banks in Switzerland. They focus on advice in private banking and promotion of environmental compatibility in mortgage business. A third text by the Asset Management Association promotes transparency in the realm of product disclosure. // Hans-Ruedi Mosberger, Swiss Bankers' Association.

March 2023

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AFBS Roundtable: Freistellung Deutschland

After a long wait, the foreign banks meet to discuss state of play of their application for Freistellung with the German supervisory authority. Situations widely vary and it is difficult to understand a common stance from either FINMA or BaFin. // AFBS Roundtable among Association Members.

AFBS Group: Corporate & Investment Banking

A group of representatives from banks active in corporate finance and lending meets to discuss hot topics. Focus is on the beneficial owners' registry, capital adequacy for trade finance, application of AML regulation. Participants agree to regular meetings. // AFBS Group among Association Members.

AFBS V-Conference: OECD Minimum Tax in Switzerland

What aspects does a foreign bank particularly have to take into consideration with regards to the new OECD tax scheme? What measures does it have to adopt on its own? Where can it possibly rely on its parent company? These are a few questions experts from PWC discuss with the audience. There will be more clarity once the second Ordinance governing Swiss domestic issues is available. // Philipp Kuhlin, Lauren Owen, PwC.

AFBS Group: Commodity Trade Finance

The group of experts meets to discuss implementation of sanctions and application of ESG principles in commodity trade finance. The topics are introduced by experts from EY. The group agrees to meet in regular intervals to deepen exchange and foster knowledge exchange. // Jean-Noël Ardouin, Dominique Bruggmann, Ernst&Young Ltd.

AFBS Roundtable: Instant Payment Outsourcing

SNB introduces instant payments facility in Switzerland with deadline of 2025 for the whole financial centre. Banks need to make sure they are reachable unless they will no longer be reachable for client payments in SIC. The introduction imposes a heavy burden because batch settlement needs to be replaced by real-time settlement. Outsourcing can constitute a solution that is being discussed in the Roundtables. // AFBS Members with Ivo Bieri, independent consultant.

AFBS Group: ESG

The AFBS representatives in the SBA Working Groups give updates on the developments in their respective groups. The exchange allows to share information and coordinate a common position. // Roundtable among Association Members.

AFBS Roundtable: National Cyber Security Centre and Foreign Banks' Involvement

Speakers from the Federal Government's institution and from a global bank explain the interaction between private bank and government entity to enhance cyber resilience on an international financial centre. It is clear that open information sharing and continuous exchange are key for successful implementation. // Florian Schütz, Federal Cyber Security Delegate; Matthew Rhodes, Technology Risk & Control, Citibank NA, UK.

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AFBS Group: Retail Banks

A meeting with representatives from SIX Terravis offers insight into the digitalised real estate registry in the canton of Geneva. Participants are keen to transfer transactions to the digital world as processes are easier and safer. // Werner Möckli, Konoma consultant; Nicolas Yerli, Raiffeisen; Jérôme Welti SIX Terravis.

April 2023

AFBS V-Conference: ESG Disclosure Standards

There is a broad range of different standards along which ESG compatibility can be measured and disclosed. The speaker explains major standards and their up- and downsides. He discusses the usefulness of Swiss-specific standards for foreign banks which are bound by international sets of reference. // Patrick Schmucki, KPMG.

AFBS Group: Education Genève

In order to have an exchange on education topics, AFBS launched the education group in Geneva where several foreign banks offer apprenticeships or similar educational education opportunities for young adults. The first meeting included a presentation and discussion about the employees aged less than 30. // Fabrizio Masella, Carmen Pellegrini, Banca Popolare di Sondrio (Suisse) SA.

May 2023

AFBS V-Conference: ESG Education Offers

Various training institutions have adapted their offer to new needs. Knowledge about ESG matters is particularly important for bank employees as this contributes to avoid running the risk of misinformation of clients and thus of greenwashing. Training on ESG matters is one novel field. The event offers an overview on what training is available in different language regions of Switzerland. // Frédéric Ruiz, ISFB; Alberto Stival, ALMA Impact AG; Alain Krapl, SFI.

ENGAGEMENT

June 2022

Financial Centre Promotion

AFBS Secretariat is invited by the Republic and Canton of Geneva to give a presentation to a Swedish investment brokerage firm intending to establish offices in Geneva.

July 2022

Intra-Group Liquidity Management

A group of foreign banks meet to discuss changed FINMA requirements on intra-group liquidity management. It reviewed expectations and imposed thresholds obliging some banks to diversify counterparties. It seemed that this

might lead to increased risks as liquidity management with third parties was becoming more complex than if held merely with the parent company. The meetings helped gain common understanding and obtain clarification from FINMA.

September 2022

Financial Services - Cyber Security Centre

AFBS pursues involvement in the setup of the FS-CSC and promotes adherence among its members. Foreign banks can gain Switzerland-specific cyber security information and access to local networks for exchange of information.

Exchange with Director of German Foreign Banks' Association

The Directors of the two associations regularly exchange views and share experiences. Coping with special measures implemented as a consequence of the pandemic are at core. ESG compliance is a second hot topic, where the EU strategy differs fundamentally from the self-regulatory approach of Switzerland.

Meeting between the SIF and the AFBS Board

The AFBS Board meets with State Secretary for International Finance. Main focus of the meeting is on the implementation of sanctions. SIF acknowledges difficulties banks meet in finding answers to their questions on interpretation. All had been taken by surprise. Especially trade financing activities were underestimated. Regarding market access, progress has been slow at best. Switzerland is well-appreciated by the foreign banks for its knowledgeable and business friendly approach towards innovation in digitalisation and FinTech.

October 2022

Building Bridges Summit

The AFBS Secretariat and several Member Banks are present on the Building Bridges Summit in Geneva. The event is a unique get together in the realm of sustainable finance involving private sector as well as representatives from government and international organisations.

Meeting between FINMA and AFBS Board

The exchange with FINMA focuses on the implementation of ESG regulation; FINMA sees climate change as a risk factor that needs to be taken into account like others. It issued a questionnaire to banks to understand their awareness of climate risks and whether a best practice emerges. It expects banks to integrate energy disruptions into their business continuity planning. Regarding digitalisation FINMA adopts a principles-based approach and insists that there is a clear understanding of risks.

Exchange with CEO Economiesuisse

An exchange of views between the association secretariats proves useful as it helps identifying topics of common interest and strengthen alliances. Key points are the campaign for the abolition of anticipatory tax, lean implementation of ESG standards, assurance of cyber security.

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November 2022

Update: Associations of WM Banks

In the update among the Association Secretariats focus is on the coordination of next steps in promoting ESG compatibility. The three associations agree to promote the initiative jointly among their members. The initiative follows the Federal Council's recommendation for the industry to introduce self-regulatory standards.

FINMA Small Banks' Regime

The participation in the regime is low. Some adherents are very pleased about the simplifications. However, many banks do not use extended audit intervals and reduced control intensity. There is hope for simplifications based upon the proportionality principle in upcoming regulation.

January 2023

EU Mission to Switzerland and Liechtenstein

The AFBS Secretariat meets with the Head of Sector Trade to discuss bilateral relations. It is clear that no progress can be expected as long as the aftermath of the Swiss decision to interrupt negotiations on a framework agreement is not overcome. Country by country agreements can continue to be negotiated.

March 2023

AFBS Board meets AFBS Members in Ticino

The AFBS Board holds a meeting in Lugano to gain insight into the specificities of the Ticino financial centre. Focus is on commodity trade finance, where banks play an important role especially in metals trade.

The Board Meeting in Lugano also offers room for exchange with CEOs of Ticino-based AFBS Members. Guest speakers present the activities the Ticino University promotes in the realms of artificial intelligence and crypto-currencies. Following introduction there was discussion on pros and cons of a private digital currency. The Board appreciated the exchange with the Ticino-based banks.

AFBS and SNB

The meeting with the SNB Directorate focuses on the impact of CS takeover by UBS. The disappearance of a major independent player causes concern among foreign banks, SNB estimates that others will enter the market. SNB outlines its plans regarding digital CHF where it expects to be collaborating with the commercial banks so as to set up a system similar to the one existing in the fiat currency world. SNB understands that there continue to be major challenges for implementation of sanctions.

AFBS and STSA

The Association Secretariats of the Swiss Trading and Shipping Association and AFBS meet to identify areas of common interest and possible joint actions. They agree that government should be made aware on the importance

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of commodity trade finance for the Swiss economy, as it contributes 4% of GDP.

AFBS CEO Meetings with the Chairman

The newly elected Chairman invites a group of CEOs in Geneva and Zürich respectively for an exchange of views. He is interested to receive feedback on the activities. Participants make suggestions which the Board intends to take up in a review of the Association activities.

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