

# AFBS Activities 2023/2024

## AFBS Events

### June 2023

#### AFBS Get Together

After the successful Anniversary Event of 2022 AFBS Board agreed to organise a Get Together once a year to unite stakeholders from the financial centre for an insightful panel discussion with ensuing informal networking and exchange. This year's event took place in Zürich and focused on the planned public private partnership for combat of money laundering and terrorist financing which is promoted by the Money Laundering Reporting Office. Speakers from Switzerland and abroad discussed the proposal and shared their experience with the person in charge. The flying dinner took place on a beautiful terrace overlooking the city and the setting sun.

Introductory speeches by Joel Fischer, Stephanie Walter, Bär & Karrer; Veit Bütterlin, Alix Partners; Panel with speakers and Alfonso Gomez, AFBS Vice Chair, BBVA (Suiza) SA; Anton Brönnimann, MROS; Erik Barnett, HSBC Bank PLC; Martin Peter, UBS AG.

#### 51st Ordinary General Assembly

The OGA elected the following new Board Members: Gabriel Castello, HSBC Private Bank (Suisse) SA, and Laurent Gagnebin, Rothschild & Co Bank AG. It renewed the mandates of Mauro De Stefani, Banca Popolare di Sondrio (Suisse) SA and AFBS Treasurer, and Daniel Belfer, Bank J. Safra Sarasin AG. It acknowledged resignation of Alex Classen and Heinrich Henckel and thanked them for the longstanding support.

#### AFBS Roundtable: FINMA OpRisk Critical / Non-Critical Functions

Speakers moderated discussion with participants on questions relating to the identification of critical functions. Banks are challenged with the drawing of a line between critical and non-critical functions. Banks also need to have processes and procedures to identify and monitor critical elements and assure management of change procedures. Assessment needs to integrate individual risk appetite as well as dependencies also to outside providers.

Christian Dähler, Vincenzo Chiochia, Frank Walter, Clement Chaffraix, Deloitte.

### July 2023

#### AFBS V-Conference: ESG Risk Management

ESG risk such as climate-related financial risks, are becoming increasingly important. Banks need to have in place tools allowing for identification, monitoring, and measurement of such risks. They also need to know how to manage such risks once identified. The speakers outline impact of ESG risks on a bank, standards of reference, regulatory action, and supervisor's expectations.

Oliver Jaeggi, Bruno Bischoff, ECOFACT.

## **August 2023**

### **AFBS Roundtable: FINMA OpRisk: Critical Data**

The event follows up on a previous roundtable on critical functions. There is a strong link between critical functions and critical data which increases complexity. Participants discuss questions such as granularity up to which data need to be specified and extent of Board involvement in the process of identification and treatment. Banks should prepare a strategy according to which they identify critical elements, also in view of interaction with auditors.

André Dylan Kohler, Ernst Soland, Ernst & Young.

## **September 2023**

### **AFBS Roundtable: OECD Minimum Taxation**

The OECD Minimum Tax scheme is a project that most international groups receive guidance from their parent company. Speakers outline the present state of implementation at global level and moderate discussion on interaction between Swiss affiliate and foreign headquarter, disclosure and reporting duties, comparison of national implementation and their impact on an international group.

Philipp Kuhli, Lauren Owen, Ernst & Young Ltd.

### **AFBS V-Conference: AI in ESG: Clarity**

Speakers are presenting an AI based solution assisting in the analysis as well as the preparation of ESG reports. They explain underlying logics, data used for reference, algorithms used for establishing reports, frameworks and metrics. They outline how firms can integrate international standards in their own reporting tools. A member bank offered a testimonial on the usage of Clarity AI services.

Andri Stocker, Quentin Dehem, Clarity AI; Alfonso Gomez, BBVA (Suiza) SA.

### **AFBS Roundtable Commodity Trade Finance**

C-Level representatives from AFBS Members active in commodity trade finance gather to discuss the impact of the UBS-CS transaction. They also discuss changes in the business which is triggered by emergence of alternative sources of funding, usage of alternative currencies, development of other centres. Awareness of Swiss government on the economic importance of commodity trade finance should increase. Especially it should be assured that regulatory burden does not exceed international standards.

Jean-Noël Ardouin, Dominique Bruggmann, Ernst & Young Ltd.

### **AFBS V-Conference: Operational Risks: FINMA's View**

The speaker gives an insightful presentation of the Circular and the way FINMA expects it to be applied by banks. He actively contributed to a successful preparation of the meeting by collecting questions and topics of interest and by sharing answers in advance in writing. This preparatory work together with exhaustive explanations on specific points and the ensuing discussion were very valuable and well appreciated.

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Yves Obrist, Head Supervision of Operational, Cyber, and IT Risks, FINMA

## AFBS Conference: US Enforcement Questions

Speakers outline the changed attitude of US authorities with regards to enforcement against firms that are in conflict with US regulation. The latter and related jurisprudence and supervisory practice are extremely complex and have become even more so over time. Compliance with the US regulatory and supervisory framework is complex and poses considerable challenges.

Marc Cohen, Jared Goldberger, Jason Hungerford, Brad Resnikoff, Mayer Brown LLP, Washington D.C., New York, London.

## AFBS Roundtable: Draft Revision Anti Money Laundering Act AMLA

Federal Council published for comments the draft revision of AMLA and the draft Law on Registry of Beneficial Owners. Both proposals are criticised for their complexity and far-reaching scope. Banks oppose the complex duties arising from the Beneficial Owners Registry and ask for clearer guidance and attribution of responsibility. They reject the inclusion of sanction compliance into AMLA. Federal Council agreed to overhaul the project and submit to Parliament a proposal before the Summer break.

Natacha Polli, PAZ Consultants SA; Claudia Gurtner-Mayr, Deutsche Bank (Suisse) SA.

## AFBS Roundtable: Operational Risks: FINMA's View: Debrief

This Roundtable follows up on the Conference with Yves Obrist. Participants extensively discuss some of the points raised and of the solutions proposed. They particularly welcome clarification regarding the expectation of up to five critical functions being identified and the criteria according to which they should be identified.

AFBS Roundtable among Association Members.

## October 2023

### AFBS C-Meeting Lugano

The event takes place twice a year and is chaired by the Ticino member of the AFBS Board. It offers room for information on activities by banking associations, AFBS and SBA, and allows participants to share their concerns and provide input on activities and suggest measures to be undertaken. Focus is on Italy-Switzerland bilateral relations as clear guidance regarding market access is of high importance.

### AFBS Roundtable Human Resources: Education

Participants discuss and are informed about the newest developments in the realm of HR. The speaker gives an overview of the education projects and the SBA's priorities. The exchange on implementation of the reform of the commercial apprenticeship was of special interest for those banks offering them.

Dominique Steiner, Swiss Bankers' Association

### AFBS Roundtable FINMA Circ OpRisk: Reporting

The speaker from KPMG outlines duties, processes and procedures to put in place in order to comply with the Circular's obligations in the realm of reporting. Board of Directors and General Management are exposed to new

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responsibilities which they can only assume if they are adequately informed about the state of play and measures. Reporting needs to be exhaustive but not too detailed. It must be regular but not too frequent. Ad hoc information channels can sometimes be more efficient than regular institutionalised formats of exchange. A board committee can serve as distiller.

Hans Ulrich Bacher, KPMG

## **AFBS V-Conference: SIX as an Enabler in ESG**

SIX Group's position as an interface between financial markets and business means that it can act as an enabler to promote ESG awareness. Speakers outline the way in which SIX Group itself assures compliance with ESG standards and further develops on measures for transparency at level of financial information to help market participants improve understanding of state of play of ESG compatibility in view of relevant investment decisions.

Fabienne Strobel, SIX; Martina Macpherson, SIX Financial Information

## **November 2023**

### **AFBS V-Conference: Presentation of AFBS Checklist**

The publication of the latest edition of the AFBS Checklist gives the opportunity to pick out a few key topics and give an in-depth presentation. Experts from EY, co-authors of the Checklist, offer insight into the topics of CRD6 and Trade Repository Reporting. Those two topics are triggered at EU level but inevitably have impact on the Swiss financial centre. It is important for banks to be aware of the developments, assess their institute's exposure, and follow transposition.

Darko Stefanoski, Silvia Devulder, Kelly Ching, Ernst & Young.

### **AFBS Roundtable: Italy-Switzerland Agreement on Cooperation among Supervisory Authorities**

The newly signed Agreement on Cooperation and Exchange of Information attracts much interest from the community which has been eagerly waiting for it. There is hope for more clarity regarding supervisory procedures, especially on the Italian side. The agreement marks an important step as it allows Swiss banks to open a branch on Italian soil, which was not possible before. Ratification is pending. Provision of services on a cross-border basis remains open, but further negotiations may lead in that direction.

Patrick Genazzi, BRP SA Geneva; Edoardo Guffanti, FiveLex Studio Legal e Tributario Milano; Pierangelo Chiodino, Studio Antonelli Cattaneo Chiodino Battai, Milano.

### **AFBS V-Conference: Free Education for Employees of Foreign Banks: Swiss Finance Institute**

SFI offers Master classes and roundtable discussions that come at no costs for member banks of the SBA and AFBS. This event gives visibility to the offers of SFI and an introduction by Alfonso Gomez, Vice-Chairman AFBS Board and AFBS representative in the SFI Foundation Board.

François Degorge and Alain Krapl, SFI; Alfonso Gomez, BBVA (Suiza)

### **AFBS V-Conference: Perception of ESG in the Real Economy**

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The speaker outlined endeavours of the Swiss industry towards ESG compliance. He offers insight for banks to understand where developments are heading and how collaboration between different sectors of economy is taking form. As the event takes place shortly after elections, the speaker also shared expectations from new members of Parliament to the economy in the realm of ESG.

Alexander Keberle, economiesuisse.

## **December 2023**

### **AFBS C-Meeting: With French Ambassador to Switzerland**

The meeting gives the opportunity for exchange with the newly nominated French Ambassador who outlines the way in which Switzerland is perceived from the outside. She discusses the federal government's measures adopted in the context of the Credit Suisse bankruptcy, stating that the transaction managed to smoothen impact, but that risk related to the merged bank is estimated being large. Contacts among neighbours need to be pursued and France is active in promoting initiatives in the FinTech environment.

Marion Paradas, Ambassador of France in Switzerland.

## **January 2024**

### **AFBS Roundtable: FINMA OpRis**

The Roundtable offers room for exchange and update on the state of play. Banks agree that the need for intensive exchange is no longer, but that meetings at regular, more extended, intervals would be welcome. Implementation is completed. Adaptations and fine-tuning remain to be done as an ongoing process which is guided also by experience made with the chosen setup.

AFBS Roundtable among Association Members.

## **March 2024**

### **AFBS V-Conference: Modelling Climate-Related Scenarios**

The speaker outlines tools that are available for banks to model climate scenarios. He discussed scenario definitions as well as assumptions such as temperature rise, international alignment and policy strength, that are underlying models and impact results. He further offered guidance for the interaction with stakeholders.

Owen Matthews, KPMG.

### **AFBS V-Conference: Artificial Intelligence – A Double-Edged Sword for Banking**

Speakers from a law firm and from a consulting firm outlined specific projects for introduction of AI in banking services and presented the legal framework governing such initiatives. Banks need to bridge the gap between regulatory and technical possibilities and client expectations for ease of use. They also need to find a compromise between adequate level of automation while avoiding excessive dis-intermediation and loss of personal interaction. AI can assist but should not replace the personal interaction with clients.

Gregor Bühler, Luca Dal Molin, Benjamin Leisinger, Homburger; Lukas Kölbl, Accenture.

### **AFBS Roundtable: ESG Introduction into the Topic by an AFBS Member**

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Based upon long-standing professional experience the speaker shares challenges and opportunities arising from ESG implementation. It becomes clear that explaining and teaching is important to make clients understand opportunities that investment class can bring to a portfolio. There need to be first movers to make ESG investment become mainstream. Present method for measurement of GDP does not take into account cost of nature impact; thus effective cost of human behaviour is not available.

Roundtable among AFBS Members with Martin Brenner, Banco Itaú (Suisse) SA.

## AFBS Roundtable Commodity Trade Finance

The speakers focus on the two key topics of fraud and emissions trading. The first presentation discussed the way in which banks can respond, mitigate and react in the case of a fraud incident. The discussion about emissions trading evolved around the standards applicable at international level, measures for offsetting emissions and the effective execution of transaction, monitoring and follow-up. As in many ESG topics, the main difficulty resides in the fact that there is no common agreement on standards for measurement of action.

Roundtable among AFBS Members with Patrick Eberhardt, Eversheds Sutherland Ltd.; Jean-Noël Ardouin and Dominique Bruggmann, Ernst & Young Ltd.

## April 2024

### AFBS Roundtable Human Resources: Recruiting

Speakers present ways for banks to tap into academia's talent pool. The presentations provide insight into the different offers to interact with students and how these offers complement each other. Depending on size and need of banks different way of contact and target group is ideal. Contact with students is of importance to create a talent pool and engagement of employees. Additionally, it helps understanding the newer generations entering in the job market with their expectations and needs.

Roundtable among AFBS Members with Daniela Gunz, University of Zurich; Magali Cailleaux, University of Geneva; Thomas Schulz, CareerFairy; Simon Hofer, CareerLunch

### AFBS Conference: FINMA Operational Risks: Experience Sharing about Implementation

The speaker from Raiffeisen Group reports about challenges met and solutions found when implementing the Circular. It is interesting to see that at level of processes and procedures, a large Swiss banking group faced similar challenges as many foreign banks: identification and management of critical data and critical functions and related management and mitigation of risks. Even though foreign banks could, in some instance, benefit from parent group knowledge, lessons learnt were similar to those of a Swiss bank.

Michele Luongo, Raiffeisen Group.

## May 2024

### AFBS Roundtable: New Challenges Arising from Positive Interest Rates

The abrupt introduction of positive interest rates put banks and their clients in a new situation. Holding cash has suddenly become acceptable again but puts banks in front of new risks that they need to assess and mitigate. Interaction with third parties such as correspondent banks and the central bank also change. Pricing of products and services needs to be adapted. Many changes, different answers. The Roundtable gives an introduction into the

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topic and opens the floor for exchange.

Roundtable among AFBS Members with Hans Ulrich Bacher, Anna Sommer, KPMG.

### **AFBS V-Conference: Implementing the Swiss Climate Scores**

To accompany Switzerland's way towards a leader in sustainable finance, government and industry created the Swiss Climate Score, a framework of reference measuring progress. It is based upon the Paris Climate Goals and offers comparison of compatibility. It also allows measurement of the firm's position with respect to the global net zero target by 2050. A testimonial from an AFBS Member offers insight into the way in which a bank implements the framework; outlining challenges and discussing benefits in internal measurement as well as in client interaction.

Christoph Baumann, State Secretariat for International Finance SIF; Daniel Wild, Bank J. Safra Sarasin Ltd.

### **AFBS V-Conference: Current EU Regulation on Market Access and Latest Changes**

Speakers give an update of the main pieces of EU regulation governing third country market access. In the recent past, regulation has become increasingly restrictive which undermines the business model of banks in Switzerland. New solutions need to be identified. New strategies need to be defined. For doing so, in-depth knowledge about the regulation is indispensable. The event offered an overview ranging from MiFID over UCITS to PRIIPS and CRD.

Philipp Rosenauer, Jean-Claude Spillmann, PwC Legal.

### **AFBS Roundtable: Correspondent Banking**

Especially small banks in Switzerland see increasing difficulties for the establishment and entertainment of relations with third party correspondent banks. The situation has become even more challenging with the disappearance of Credit Suisse. New solutions need to be found. Alternative partners have to be identified. The exchange of views offered insight into the key challenges and aimed at identifying possible ways out. In the end, the situation impacts attractiveness of Switzerland as a financial centre. With only one globally active bank, the financial centre becomes ever more dependent from the goodwill of foreign firms.

Roundtable among AFBS Members.

## **June 2024**

### **AFBS Roundtable: Corporate & Investment Banking**

Representatives of foreign banks active in CIB meet to exchange views and share experience on usage of Artificial Intelligence in their business. Expert speakers provide insight from a market and legal/regulatory perspective, thus setting the framework for the off-the-record discussions. Usage of AI is heavily promoted by international groups but it is not always easy to assure effective benefits for clients. Back- and middle-office functions can, however, benefit hugely, if application is clearly targeted.

Roundtable among AFBS Members with Joël Fischer, Bär & Karrer; Veit Bütterlin, Alix Partners.

### **AFBS Conference: Corporate Social Responsibility: Reporting Duties for Swiss Companies**

The counter proposal to the popular initiative on corporate responsibility enhances corporate responsibility in

social matters. It requires firms to provide transparency on the effects of their business activity on environmental, social, employee, human rights, and corruption matters. It imposes diligence duties in relation with child labour and conflict minerals on all companies and defines liability for board members and general management. Small firms are exempt.

Daniel Bühr, Tabea Segessenman, Nicola Noth, LALIVE.

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## AFBS Engagement

### June 2023

#### Exchange of Views with CEO Economiesuisse

The bilateral contact offers room for exchange and coordination of activities. The present state of bilateral relations with the EU is a key concern for both associations which agree that financial services need to be included in possible future negotiations. Clear guidance in the realm of ESG and transparent regulation for the application of sanctions are two fields where major challenges arise and need to be resolved in common. More open exchange with government would be welcome.

#### Single Credit Reporting

In order to gain better visibility of the lending market and banks' exposure SNB is introducing the single credit reporting mechanism. It aims at receiving regular up-to-date data on banks' lending exposure. It offers exemption to banks below a certain threshold of lending volume and

### August 2023

#### Uzbekistan Banking Sector in Switzerland

On the occasion of a visit of Uzbekistan bankers to Switzerland, AFBS Secretariat gives an introduction to the Swiss financial centre and the place of foreign banks in Switzerland. The diversity of banking institutes, the variety of services offered, and the links between banks and authorities raises much interest among participants.

#### Exchange of Views: Basel Banking Association, Zürich Banking Association, AFBS

The three banking associations entertain regular contacts in view of coordinating activities and sharing views and experiences. Main topic of the meeting is the current definition of a mandate for the Federal Council to resume negotiations with the EU. Banking associations are concerned about the absence of financial services questions and elaborate strategies on how to have this aspect included.

### September 2023

#### Finance Meets DLT

The one-day conference organised by University Basel invites experts to discuss developments in digitalisation in

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the financial industry. Challenges arising from startups and from the explosion of the value chain are of concern for the incumbent industry participants. Also, they want to assure there is regulatory level playing field to assure equal client protection and avoid distortion of competition. The technology neutral regulation as adopted by Swiss authorities is welcome but its scope needs to be defined accordingly.

## Meeting between Economiesuisse and AFBS

Chair and Secretariat of the two associations meet for an informal exchange of views. There is agreement about the importance of financial services being included in the mandate for bilateral negotiations with the EU. The Associations agree that foreign banks' contribution to Swiss economy is important as they offer corporate banking services with international connectivity to the industry firms. There is concern about stability of electricity supply and the need of assuring investment in major projects for production.

Christoph Mäder, Monika Rühl, Economiesuisse; Adrian Nösberger, Raoul Würigler, AFBS.

## 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.

## AFBS Board with Parliament

AFBS Board dedicates its September meeting to exchange on interest representation and networking with members of Parliament. It receives presentations by public affairs experts from Economiesuisse, Swiss Bankers' Association, and Swiss Finance Council. It welcomes State Councillor Ruedi Noser for an insightful exchange of views on the work of Parliament and the interaction with industry. It is interested to learn that as owner of an international firm he well appreciates the presence of foreign banks in Switzerland, as they are the only banks that can offer true global coverage.

Norina Frey, Economiesuisse; Carina Schaller, Swiss Bankers' Association; Esther Widmer, Swiss Finance Council; Ruedi Noser, Councillor of States Zürich.

## Meeting between the SIF and the AFBS Board

SIF is thankful to foreign banks which contributed in the CS-UBS transaction and helped stabilise markets. Banks and SIF agree that communication of the Swiss financial centre, also in the context of the CS-UBS transaction, could be more outspoken to make facts. Implementation of sanctions against Russia was difficult as Switzerland had to follow international developments without being involved. Switzerland should review definition of "neutrality" in order to bring the concept into the XXI century. There is much interest towards the UK-CH MRA clarifying market access.

## October 2023

### 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. Adhesion from sectors other than banking is growing; the role of corporate services where banks can play an important role through transition finance could still be strengthened.

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## Meeting between FINMA and AFBS Board

FINMA intends to assess the CS-UBS transaction's impact prior to proposing new regulation; in any case it will respect proportionality. It nevertheless considers that possibility to issue fines, liability of decision takers, and transparency on enforcement procedures would help promoting responsible management. With regards to banks' usage of AI FINMA insists on the principles of accountability, reliability of processes, transparency and explainability, non-discrimination. FINMA is broadly satisfied with banks' implementation of sanctions against Russia, and it understands that compliance posed considerable challenges. It welcomes conclusion of the MoU with Italy, which confirms the good relationship between the two countries' authorities.

## November 2023

### Meeting between SECO and AFBS

State Secretary for Economy Affairs welcomed Chair and Secretary of the Association. SECO focuses its activities on the aftermath of the COVID pandemic and transposition of measures in relation with the Ukraine-Russia conflict. SECO was challenged with pace of implementation and questions on practical application. Exchange further touches upon introduction of the beneficial owners registry, the proposal on asset recovery. AFBS can underline the importance for foreign banks to have regulation that is compliant and in-line with international standards, be it with regards to AML standards, sanctions, or cross-border data transfer which becomes an increasingly sensitive topic in the era of transition to the cloud.

Helen Budliger Artieda, SECO; Adrian Nösberger, Raoul Würigler, AFBS.

### Meeting with UK Embassy

Secretariat meets with representatives of the UK Embassy. Focus of discussions is on the imminent signature of the Mutual Recognition Agreement which sets the basis for cross-border market access based upon mutual recognition of the respective countries' financial market regulation. The Agreement is given high priority by both governments which expect it to foster cooperation and thus push growth in the respective economies. It is however important that national legislation adequately transpose the international agreement. Entry into force is expected for 2026.

### Meeting among banking associations and SBA

SBA invites group associations for two yearly meetings to update and exchange. Key topics were the aftermath of CS-UBS transaction and its impact on the association landscape. International perception and expected FINMA regulation were also high on the agenda. Overreaction must be avoided, especially because the incident is not due to market-failure but weakness of one individual institute.

### Meeting between associations of private banks, asset management banks, foreign banks

The regular update offers room for exchange in various fields of common interest. It also offers space to coordinate positions held in the SBA and other associations where the three associations are involved.

## December 2023

### Meeting with the Bank Employers Association

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The exchange offers room for coordination and sharing of ideas between the two associations. Core fields of interest are the implementation of work-from-home regime in the cross-border context where income tax issues are about to be resolved but questions relating to permanent establishment and supervisory law remain pending. Life-long learning and application of equal opportunities for all employees are further areas of interest. Some foreign banks have extensive experience through the activities at group-level.

## **January 2024**

### **Meeting on Instant Payments**

AFBS Secretariat meets with Patrick Graf, chair, SIX Interbank Clearing, to discuss the impact of introduction of instant payment facility for banks. The expectation to be able to process payments within a few seconds poses considerable challenges to banks and requires extensive adaptation of processes and procedures. SNB insists on all banks being compliant by 2026.

### **SBA Roundtable on its Presence in Romandie**

AFBS participates in an exchange of views organised by SBA to strengthen its presence in Romandie. SBA wishes to understand what type of interaction would be welcomed by its members. Feedback includes physical presence, informal exchange, ongoing contacts, organisation of events on-site and availability of communication and texts also in French.

## **February 2024**

### **Meeting between secretariat of Association of Cantonal Banks and AFBS**

The exchange allows update on key topics and discussion of points of concern. The government's attitude towards regulation on greenwashing and the debate around revision of regulation as a consequence of the CS-UBS transaction are two topics of concern. There is agreement that the present regulatory setup is sufficient, both in the area of ESG and the one on banking regulation. In particular with regards to prescriptions in the field of liquidity, capital adequacy, and internal organisation, it is important to adhere to the principle of proportionality.

## **March 2024**

### **Meeting between Government of Canton of Zürich and AFBS**

Government Councillors Carmen Walker-Späh, Economic Affairs, and Ernst Stocker, Financial Affairs, welcome the AFBS for an exchange of views. AFBS outlines the commitment of foreign banks to Switzerland which remains an attractive place to do banking and to welcome international clients, both institutional and private. Excellence of workforce, good infrastructure, social stability, are key factors of attractiveness. Support of the cantonal government to have financial services matters included in the negotiation mandate with EU was very welcome.

### **Meeting between SIX Group and AFBS**

AFBS Board and C-level managers of AFBS Members met with board and management of SIX Group to discuss current topics of common interest. Beyond a discussion of the present state of SIX and its international engagement, focus was on SDX SIX Digital Exchange, which is an internationally unique, fully-integrated and fully-regulated trading platform for digital securities. The partnership Stock Exchange Connect with China brought numerous listings of Chinese companies in Switzerland, giving them access to a liquid market. Introduction of instant payment is coordinated by SIC Interbank Clearing upon mandate from Swiss National Bank.

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## April 2024

### Meeting with Governing Board of Swiss National Bank

A delegation of AFBS Board meets with Governing Board of Swiss National Bank to discuss present state of economy and financial centre. Inflation could be contained thanks to real-term appreciation of CHF. The dogmatic ESG policy in EU puts economic growth at disadvantage compared to USA and China; this also impacts Swiss economic growth. Geopolitical instability makes Switzerland attractive as a place of residence; ensuing capital inflow will impact CHF in a way that is difficult to predict. SNB learns with interest about the lending and financing activities of foreign banks in Switzerland which are an important partner for the Swiss economy. It continues to pursue projects in digitalisation of assets and currency and is interested to understand impact of simultaneity of securities transactions and their impact on markets.

### Meeting on EU Government Affairs

A small Roundtable initiated by an AFBS Member gives insight into the way networking and interest representation takes place. Distinction between foreign and domestic players is less effective than insistence on international players' contribution onshore. Swiss Finance Council has a good standing in the EU. Contributions need to focus on core points and remain at strategic level rather than delving into technical details.

### Meeting with City of London on the Berne Agreement

With the signature of the Mutual Recognition Agreement the governments of the UK and Switzerland took a landmark step in international cooperation. It is the first time that an agreement provides for recognition of a foreign country's regulatory standards, without providing for own adaptation for implementation. The agreement aims at strengthening both financial centres and offering opportunities for growth. Clear rules for transposition are being defined and entry into force is expected for 2026.

## AFBS Groups

AFBS Groups are gathering Member representatives to discuss and exchange views on topical matters. They offer room for off-the-record discussions which are facilitated thanks to the long-standing participation of members. Some groups focus on specific topics and gather participation from all financial centres, others meet in one place and offer a global wrap-up on the various ongoing developments. AFBS Groups are active in the following fields:

**Legal&Compliance:** One group gathering legal counsels of major foreign banks in Switzerland is meeting three times a year. In addition, L&C Groups in Zürich, Geneva, Lugano, are meeting in regular intervals to discuss specific topics.

**AFBS Group Lugano** meets in regular intervals to discuss topical matters of relevance. It receives information on current developments and takes the opportunity to share experience and discuss common challenges.

**AFBS Group Commodity Trade Finance** meets twice a year in Geneva with outside speakers from legal and consulting. It gathers specialists from foreign and Swiss banks active in the field.

**AFBS Group Finance** meets twice a year, alternating between Zürich and Geneva offering V/C connection. It hears the AFBS representative in the SBA Commission, comments developments, and discusses topical matters.

**AFBS Group Human Resources** There are two groups in Zürich and Geneva respectively which operate in parallel.

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They liaise with the SBA Training Commission and the Employer Banks Association.

**AFBS Group Update KORECO / Update STEKO** offer updates from the SBA Commissions through the AFBS representatives who also moderate exchange among participants and collect input for topics to discuss.

**AFBS Group ESG** gathers experts on the topic discuss the key issues, thrusts of action. The Group liaises with the AFBS representation in SBA, towards FINMA, and several other bodies active in the field.

**AFBS Group Open Banking** to update on international developments and initiatives at national level and to share views and experience on developments in the realm of platform banking, open finance, and related topics.