

AFBS Events

April 2018

46th Ordinary General Assembly: Opportunities for the Financial Centre Switzerland

Guest speakers outline their perspectives for the development of the global wealth management industry. They show that growth in assets comes from performance in the US and wealth creation in the Asia-Pacific region, which they expect to continue. They estimate that assets will continue to grow in Switzerland. Exposure to Asia-Pacific is weak however. The country remains strongly positioned thanks to its traditional assets such as stability, predictability, diversity of the offering. Nevertheless, decrease in margins pushes asset managers to either grow or focus. Digital will play an increasingly important role and intermediaries need to learn how to use it to their benefit.

Martin Mende, Anna Zakrzewski, Partners, Boston Consulting Group, Zürich.

The AFBS presents the state of play of its exploratory activities in FinTech where member banks pursue different streams: it is seeking partnerships with existing networks to allow foreign banks to share information so as to enhance cyber resilience; it develops cooperative platforms for the custody and sharing of KYC documents, in the realm of corporate and investment banking in a first instance.

AFBS Conference: Third Country Regimes

The negotiations between Switzerland and the EU on a market access regime are blocked. Alternative ways have to be explored. Many countries introduced specific third country regimes with the introduction of MiFID II; this makes the environment even more complex. The speakers explain specific countries' regimes and ways in which market access remains available. They also discuss pitfalls and specific regulation banks need to be particularly careful about.

Patrick Genazzi, Annette Hafner, BRP SA, Geneva.

AFBS Roundtable: Corporate & Investment Banking

A group of foreign banks servicing institutional clients gathers for a first time to identify common areas of interest and to develop joint initiatives. Key points of interest are on the regulatory framework for sharing client information with foreign group entities to assure consolidated risk monitoring (cyber, AML) and to better serve the international clients. The creation of a joint repository for KYC documents goes in the same direction.

Roundtables among Association members.

AFBS Conference: GDPR Audit

The EU Regulation on Data Protection has become effective in May 2018. Even though it does not formally apply to Switzerland, it is relevant due to the manifold exposure of banks in Switzerland: through their clients resident in the EU or through data sharing by outsourcing. The speakers summarise the regulation and discuss the potential impacts with participants.

Nadine Balkanyi-Nordmann, Denise Jud, L'experience AG, Zürich.

May 2018

AFBS Roundtable: Controls on Health and Security at the Place of Work

A Geneva group of HR Directors of foreign banks meet to share experience with the controls performed by the cantonal authorities on health and security at the workplace. The very open discussion helps those banks which expect a control or have it scheduled already.

Roundtables among Association members.

June 2018

AFBS Conference: Cyber Resilience for Foreign Banks in Switzerland

The impact of cyber threats for banks and financial intermediaries is increasingly complex. Technological

development also assists attackers and eases their way of proceeding. Banks need to prop up their internal processes and procedures as well as the IT infrastructure. In addition, the financial centre needs to create channels for information sharing and cooperation among individual players.

Matteo Bonfanti, ETH Zurich, Center for Security Studies, Zürich; Nicholas C. Niggli, Director General for Economic Development, Research and Innovation, Republic and Canton of Geneva, Geneva; Francesco Hemmeler, Independent Security Advisor; Stjepan Vinkovic, SIX Group, Zürich.

September 2018

AFBS Roundtable: SIX Cyber Hub

Following up on the AFBS Conference on cyber resilience with SIX the foreign banks meet with the SIX representatives to discuss in detail the expectations they have with respect to a cyber hub. Such a platform shall allow banks to share information confidentially and securely. This information shall be augmented with intelligence by SIX and returned to the banking community in view of enhancing their resilience.

Roundtables among Association members.

October 2018

AFBS Conference: Tax as Ongoing Challenge

Tax issues are no longer a merely technical topic. They are relevant for the compliance management as well as the definition of the bank's strategic positioning. The speaker outlines the major current areas where novelties are coming up and explains the expected changes. He discusses the measures banks have to adopt to respond and safeguard their clients' interest.

Bernhard Schopper, Head Taxes, Member of the SBA Tax Commission, HSBC Private Banking (Switzerland) SA, Geneva.

AFBS Conference: French Clients of a Bank in Switzerland: New Frame Conditions from 2018/2019

There are several means for tax efficient servicing of clients resident in France. The speaker outlines the new fiscal environment and explains to the audience in what way holdings can be structured in a tax efficient way. He insists on the novelties brought by the tax at source introduced on 1.1.2019 and the advantages the efficient setup of mortgage loans can have on the total assets.

Hugues Letellier, Duo Legal Bassano Avocats, Geneva, Paris.

November 2018

AFBS Roundtable: Brexit and CH-UK financial market cooperation

Switzerland and the UK are reflecting on a new bilateral relationship after Brexit becomes effective. The industry groups are identifying their specific areas of interest which the trade associations and government are coordinating in preparation of the negotiations. The speakers are presenting the actual state of play and collect input from the foreign bank representatives.

Mario Ramò, economiesuisse, Zürich; Roberto Battegay, Swiss Bankers' Association, Basel.

AFBS Conference: Freistellung Deutschland

The speakers introduce to the updated regime of Freistellung which has been adopted following the introduction of MiFID II in Germany. They explain the different types of licence, the way in which they are granted, the interaction with the competent authorities and the cost-benefit assessment a bank needs to perform prior to initiating the procedure. They outline the regulatory requirements and offer a comparison between the simplified and the standard exemption.

Vera Neidermeyer / Kai-Uwe Steck, Pontinova AG, Zürich; Frank Zingel, Lindenpartners, Berlin.

AFBS Roundtable: Cloud and its Use by Foreign Banks in Switzerland

Cloud services are becoming increasingly attractive for professional use. Some IT services are no longer offered other than in the cloud. Banks can benefit from software which is available and up to date anytime; however, they also need to assure proper data protection. A compromise has to be found.

Foreign banks meet to discuss challenges around public vs private cloud, type of data stored, encryption and measures for cyber resilience.

Roundtables among Association members.

December 2018

AFBS Conference: Digitalised Banking: Fraud and Liability Risk

New means of digital communication offer huge advantages for simplified interaction but also contain risks for the data security. There are voluntary fraudulent attacks as well as security leakages due to lack of attention by users. Banks need to protect themselves and understand the potential threat under civil and supervisory law perspectives. Liability and responsibility should be clearly attributed through contracts and agreements.

Peter Reichart, Wartmann Merker, Zürich and Patrick Mouttet, MENTHA Avocats, Geneva

January 2019

AFBS Conference: Attracting Talents - Trends on the Swiss Labour Market

New technology, new ways of doing business and new expectations by workers have brought profound changes to the recruitment process and the work environment. Efficient human resource planning requires a swift adaptation to the new environment. The speakers outline the major developments, explain trends and compare them with other sectors, speak about the over-fifties and the talent shortage among young job-seekers.

Pascal Scheiwiler, Zürich, Anne Dagier-Joncour, Geneva, Marco Costantini, Lugano, von Rundstedt & Partner Switzerland SA.

AFBS Conference: AML and KYC in the Cryptocurrencies Business

In the introductory part the speaker explains what crypto-currencies are, what regulatory framework the FINMA defined and how this integrated in the international framework. The speakers further delve into technical questions regarding custody, compliance, trading and payments. Compliance is challenging for banks, especially when transiting from fiat to crypto currency and vice-versa.

Lars Schlichting, Kellerhals-Carrard and Poseidon Group, Lugano and Andrea Ghislieri, Eidoo KYC System, Lugano.

AFBS Conference: The future of cross-border service provision in the political triangle UK – Switzerland – EU

Few months before the deadline most questions remain open. In particular it is unclear whether the Brexit will be orderly or not and what impact that may have on the global markets and the international banking and finance community. The speakers explain the situation from a Brussels perspective and attempt to assess the impact either scenario may have on Switzerland and banks in Switzerland.

Simon Hirsbrunner, Steptoe & Johnson LLP, Brussels.

February 2019

AFBS Conference: Cross-Border Services Provision to Italian Residents

Speakers outline the regulatory and fiscal environment for the service of Italian resident clients by a bank in Switzerland. They insist on the restrictive market access policy adopted by the Italian government and

discuss the risks of regular business activities on Italian soil being considered as permanent establishment with related fiscal and supervisory consequences.

Paolo Altamura e Giovanni Belgiojoso, Studio Colombo Altamura Pometto, Commercialisti, Milano; Luca Zitiello, Zitiello Associati Studio Legale, Milano.

AFBS Roundtable: Outsourcing in Corporate&Investment Banking

A growing number of international banking groups rely on the possibility of concentrating banking activities. Cost efficiency is merely one effect. Others are the client driven desire to enter into one relation with a global banking group that tends to the global needs of its clients. Also competence centres assure consolidated monitoring of AML and cyber risks. The Swiss law makes cross-border data transfer difficult. Banks are between a rock and a hard place. The FINMA Circular Outsourcing and the FINMA practice offer some ways out, which remain a tight rope.

Roundtables among Association members.

March 2019

AFBS Conference: Revision of the Regulatory Framework on the Automatic Information Exchange

Upon the Global Forum's country assessment on Swiss implementation of the Common Reporting Standard, the legislation and regulation needs to be amended in certain points. The speaker explains the reasons for the necessary amendments and the way in which they are being conducted. In particular, certain account types are no longer exempt from reporting, self-certification is compulsory in any account opening, the grace period for collecting missing documentation is shortened.

Ramona Fedrizzi, State Secretariat for International Finance, Bern.

April 2019

AFBS Conference: Changes in the Audit Process – what will the revised FINMA Circular 2013/3 Auditing achieve?

The revision of the FINMA Audit Circular 2013/3 introduces important novelties, in particular with respect to the audit frequency, audit intervals and depth. It is important for auditors and audited firms to prepare themselves and understand what impact the novelties have. The speakers give an overview and discuss the audit strategy and division of labour between internal and external auditor.

Christoph Gröbli, Manfred Suppan, Zürich; Oliver Gauderon, Geneva; Patrizio Aggio, Lugano.

AFBS Conference: A Compliance Utility Attending the Entire Client Lifecycle

Upon initiative from large Swiss banks SIX set up a compliance platform for the collection, storage and management of client KYC documentation. It assures compliance with Swiss and – where appropriate – relevant foreign legislation. It follows regulatory developments and assures the client files are up to date.

Norbert Zuercher, SIX Group, Zürich.

May

AFBS Conference: GAP Assessment between MiFID II and the Financial Services Law

The major challenge that the Financial Services and Financial Institutes Laws constitute for foreign banks in Switzerland with international clients is to know where the differences with respect to MiFID II are. Most have it largely implemented and want to know what work remains to be done. The speakers outline the key topics regarding inducements, conflicts of interest, target markets, product documentation and investor rights.

Liborio Cataldi, Elisabetta Serra, CAD IT, Verona.

AFBS Roundtable: Financial Services Law and Financial Institutes Law: Relationship between the EAM and the Bank

The introduction of the new legislation offers the opportunity to clarify terms and conditions, responsibilities and obligations in the relationship between the external wealth manager and its custodian bank. The AFBS Roundtable allows banks to express their concerns and make suggestions in view of drafting a model document for contracts.

Roundtable among association members with Andreas Hofmann, LGT Bank (Switzerland) Ltd; AFBS representative in the SBA working group.

AFBS Roundtable: Outsourcing – One Year Later

The AFBS Roundtable allows banks to share experience with application of the new FINMA Circular

Outsourcing. Are there benefits from the Small Banks Regime? How do they materialise? What are the challenges and could they be expected?

Roundtable among association members with Beatrice Bartelt and Stefan Müller, Mazars AG, Zürich.

AFBS Conference: The New Payment Landscape: in Switzerland and Abroad

Speakers from a major services provider in the EU and from the Swiss infrastructure provider offer their view on the news in the realm of payments. Technical and regulatory developments bring an impressive range of novelties banks need to be aware of if not integrate into their infrastructure.

Boris Brunner, Thomas Reske, SIX Group, Zürich; Pietro Sacchi, Citi, Milan.

June

AFBS Roundtable: Foreign Banks on Cloud

Following up on a first Roundtable in December 2018 and based upon the since published SBA Cloud Guidelines, the foreign banks discuss the opportunities the new reference text offers. Easy access to a foreign-based cloud is welcome as it offers economies of scale and group-wide consolidation of monitoring. However, the clients want to have assurance that their data is equally safe as if it remained within the Swiss borders.

Roundtable among association members with Rudolf Müller, AFBS representative in the SBA working group, Sberbank (Switzerland) Ltd., Zürich.

AFBS Roundtable: from LIBOR to ...

Following a brief introduction to the topic and presentation of the major challenges the market is facing foreign bank representatives discuss their concerns and questions with respect to LIBOR replacement. Client information, conclusion of new contracts, information on changed terms are at the core of the attention, beyond internal operational and organisational challenges.

Roundtable among association members with Sergio Cruz, Partner, Deloitte Consulting AG, Zürich.

April 2018

FINMA Small Banks Regime

The FINMA invites for a panel on proportionality. It wishes to discuss with category 4 and 5 banks which modifications in the supervisory regulation can bring simplification and reduce the administrative and cost burden on the banks. A total of 60, among which 17 foreign banks, participate in the pilot programme. It offers banks a simplified regime with respect to the FINMA Circulars Audit, Outsourcing, Corporate Governance. First results are expected in 2020. The involved banks will be allowed to maintain the pilot regime during transition and in view of applying the revised Circulars when approved.

SAQ Certified Wealth Management Adviser

The AFBS welcomes the initiative taken by the SBA and SAQ to export the certification by having it recognised by foreign supervisory authorities. A first success was achieved with the Spanish supervisor, negotiations with other jurisdictions such as Germany and the UK are ongoing.

May 2018

SBA Initiative: Proportionality

In parallel to the FINMA initiative the SBA invites representatives from all banking groups to discuss alignments of the regulation for all banks, irrespective of their supervisory category.

Foreign Country Visits by the Minister of Finance

The visits to foreign countries by the Minister of Finance are a welcome framework for the deepening of economic and trade relations. The AFBS Board agrees that banking and finance should be strongly involved and the foreign banks should insist on their important role in connecting the Swiss with other countries economies, especially through trade finance and corporate and investment banking services.

June 2018

SIX Panel on Tax and Compliance

The AFBS Secretariat moderates the panel discussion on the SIX roadshow. The focus is on how to make the link between tax and investment performance, and how to best integrate the country-specific tax treatment of individual investment products into a comprehensive investment strategy.

September 2018

Crypto Finance

The AFBS Board discusses with an expert in crypto finance on the legal and regulatory challenges the new currency and related services pose. Banks are mainly concerned by the KYC issues since there are no clear rules and it is difficult to assure proper AML and KYC procedures in the process of transferring assets from crypto into fiat and vice versa. This is the main reason why only very few banks offer services which go beyond custody of crypt assets for investment purposes.

Cloud: Use by Foreign Banks

Foreign banks are exposed to the use of Cloud storage through their parent companies. However, stringent Swiss regulation on confidentiality impose limits on data transfer. On the other side, even clients – especially corporate clients – wish their data to be transferred across borders to receive integrated banking services across country borders. Cloud providers estimate that if set up correctly the cloud services cannot be covered by the US Cloud Act.

October 2018

AFBS-SBA Roundtable: Cyber Resilience

Experts for global cyber resilience for Citi are meeting with representatives from the AFBS and the Swiss Bankers' Association to develop joint initiatives in view of enhancing cyber resilience for the Swiss financial centre. The limitations on exchange of data due to the Swiss bank customer secrecy is a recurrent concern. Solutions should be found to assure that information can be collected, assessed and consolidated at a global level.

SIF Roundtable: revision AEoI Regulation

The State Secretariat for International Finance SIF invites for an information and discussion on the planned revision of the Swiss regulation implementing the Automatic Exchange of Information in Switzerland. Key points need to be reviewed upon the Global Forum country assessment: the list of exempted accounts needs to be shortened; the same applies to the transition for undocumented relations; the self-declaration needs to be collected in any case when opening a new relation. The consultation will take place in spring 2019.

November 2018

5th Conference of the Associations of Foreign Banks in Europe in Vaduz/FL

The Liechtenstein Bankers' Association organised the 5th Conference of the Associations of Foreign Banks in Europe on sustainable finance. In a first part, the regulatory and legal projects of the EU were presented and commented on. In a second part, companies present specific solutions addressing environmental issues. Banks discussed the integration of sustainability into their wealth and asset management.

Meeting between SIX Group and the AFBS

A delegation of SIX Group gave an account on the strategical changes of the Group, in particular the transfer of the card business to Worldline. The focus will be entirely on their core business (securities business, financial information, banking services). The SIX Group is moving rapidly in providing solutions to the financial sectors which are based on modern technologies. In the meeting the relation with the EU and the uncertain future of the equivalency requirement is addressed. The SIX Group is mildly optimistic that a solution can be found; if not, they support the decision of the Federal Council to retaliate.

Meeting between the esisuisse and the AFBS

The AFBS Board meets with representatives from the esisuisse, depositor protection scheme. They explain reasons and content for the forthcoming revision of the Swiss legislation which introduces financing that is compatible with the international standards (50% being covered through collateralised debt obligations); shortens payout duration from 20 to 7 days and strengthens client information. The AFBS Board welcomes the initiative which aligns the Swiss rules to international standards.

December 2018

AFBS Comments on Ordinances on Financial Services and Financial Institutes

The AFBS comments on the draft Ordinances on Financial Services and Financial Institutes. The foreign banks are concerned by the restrictive interpretation of cross-border market access, which is granted only to foreign staff of Swiss firms. It suggest introducing a level playing field and defining stricter control mechanisms to assure Swiss due diligence and market conduct are obeyed.

Meeting between the SIF and the AFBS

The SFBS delegating ae an account of the situation of the foreign banks. Consolidation has slowed down,

many regulatory projects are in the phase of implementation. Banks are looking more forward, However, the uncertainties associated with Brexit and the arrangements of Switzerland with EU are factors slowing down business development. The SIX delegation oriented on the work of the international organisation on correspondence banking. The trend of larger volumes but less banks acting as correspondent bank is raising concerns, in particular with respect to USD clearing.

January 2019

February 2019

Meeting between the FINMA and the AFBS

Participants from both sides agree that frame conditions in Switzerland need to be improved in order to assure the country remains attractive for international banks. Banking secrecy imposes a burden on the cross-border transfer of data but remains highly-valued by clients – banks may find themselves torn between cost savings and client servicing. Exchange of data is important also for enhancing cyber resilience; this threat can be fought only through cooperation across borders and sectors. The FINMA invites the AFBS to speak up more prominently and have its voice heard with government and Parliament.

March 2019

Meeting between the SNB and the AFBS

The Swiss National Bank remains concerned about the general economic situation which remains fragile; it estimates a lack of stability among currency exchange rates. Therefore, the SNB intends to keep negative interest rates and remains ready for intervention. It is afraid of possible corrections in the real estate market.

April

AFBS Comments: Revision of the regulation on Swiss implementation of the Automatic Exchange of Information

The AFBS welcomes the suggested amendments as they contribute to aligning the Swiss framework to the international standards. Major novelties concern the abolition of exemptions granted to associations and foundations, the clarification of deadlines for the obtention of customer identification documentation, and minor procedural amendments which the Global Forum had identified during its country review.

AFBS Comments: Revision of the regulation on depositor protection

The AFBS agrees on the proposed amendments of the depositor protection scheme. They aim at a compromise between the Swiss specific system and the international standard. Thus half of the amounts set aside for a case of bankruptcy are henceforth to be deposited in cash or liquid securities. Furthermore the deadlines for payout are shortened and the client information is to be improved.

AFBS Comments: Revision of the Act on Automatic Exchange of Information

The AFBS welcomes the proposed revision which has become necessary upon the comments by the Global Forum. Several points incompatible with the common reporting standard needed to be adapted. The revision clearly shows that The AFBS aligns to the comments of the Swiss Bankers' Association.

AFBS Groups

Beyond the AFBS Conferences and AFBS Roundtables the Association manages an increasing number of topical working groups meeting at regular intervals to discuss current developments. Off-the-record discussions and trust among members thanks to longstanding participation allow the assessment in detail of various also sensitive issues. The AFBS Groups gather representatives of foreign banks on the following topics:

Capital Markets is a newly-founded group aiming at looking into a different but not less important dimension of the Swiss financial centre. The presence, even if small, of global players in that realm is a key asset of Switzerland.

AFBS Group Lugano is a local group which discusses updates and regulatory developments on various subjects. The diversity of group membership allows addressing a wide variety of topics.

Otschweizer Gruppe works in a similar way to the AFBS Group Lugano as it discusses various topics and their impact on the individual bank.

AFBS Group KMB allows small and middle-sized banks to gather for an informal exchange of views and experiences over lunch.

HR Zirkel Zürich invites experts to present hot topics and discuss them in-depth with the members. Continuous training was at the core of attention as well as the new regulation regarding registration of work time.

AFBS Group Retail GE meets twice a year to discuss key points on specific regulation and business environment for retail banks in Switzerland. The servicing of clients living in France and working in Switzerland is among the issues.

AFBS Group Funds operates in parallel in Zürich and Geneva. It allows member to discuss points of concern

under a clearly circumscribed focus of the foreign fund representation and distribution in Switzerland. The groups liaises with the SFAMA through their representative in the latter's board.

Juristenzirkel Zürich follows up on major changes in legislation and regulation and their impact on the banks' daily business. Invites experts from time to time to delve into specific topics and exchange views among banks.

AFBS Group Rep QI Funds: new entities discussing the market standards for their business and the added value the newly introduced representative for qualified investor funds can offer business, investors and the supervisor.

Trade Finance Geneva: presently focussing on the development of sanctions regimes vis-à-vis Iran and Cuba and its impact on the business opportunities for banks in Switzerland.

AFBS Group CRS/FATCA ZH and GE: on the technical implementation of the FATCA regulation and the definition of the forthcoming common reporting standards governing the automatic information exchange.

CEO and CFO Luncheons: In regular meetings, the President and local Board members invite CEOs for an exchange of views on current topics. Similarly, CFOs of different member banks meet to discuss issues of interest.

This chapter of the Annual Report is available only in EN. Thank you for your understanding.