Swiss Banking

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SBA welcomes clear rejectionof Sovereign Money Initiative

Basel, June 10, 2018 – The Swiss electorate has clearly rejected a radical alteration of the monetary system. The existing monetary and financial system functions well and is stable. The Swiss Bankers Association (SBA) welcomes the decision of the people and the cantons. With this decision, Switzerland is sending a clear signal of its confidence in the Swiss banking and monetary system. Companies and private individuals will thus continue to benefit from flexible loans, mortgages in line with the market and attractive account-related services.

The Swiss electorate today clearly rejected the popular initiative 'For crisis-safe money: Money creation by the National Bank only!' (Sovereign Money Initiative). Swiss voters therefore shared the clear view held by the Federal Council, Parliament, the National Bank and industry. Herbert J. Scheidt, Chairman of the Swiss Bankers Association, is pleased: "The rejection of the Sovereign Money Initiative reflects the confidence of the electorate in the Swiss financial centre and the banks. The result of the popular vote shows that the Swiss electorate appreciates the existing, stable and high-performing economic and monetary system and does not want to put this at risk by subjecting it to a reckless experiment." The banks will therefore maintain their central role in the economy as reliable providers of credit to industry and the citizens of Switzerland.

Against unnecessary experiments

The existing monetary and financial system provides indisputable advantages and has proven that it serves the people and the economy very well. In recent years, the stability of the banking sector has been further strengthened with the introduction of additional capital and liquidity requirements. In contrast, changing to a sovereign money system would have resulted in major uncertainties and risks, and would have called into question the independence of the Swiss National Bank. The independence of the National Bank in exercising its mandate to ensure currency and price stability in Switzerland is elementary. "The clear rejection of the Sovereign Money Initiative is a strong signal in favour of the independence of our national bank", says Chairman of the SBA Herbert J. Scheidt.

Broad alliance against sovereign money

Like the Federal Council, Parliament, the National Bank and industry, the SBA resolutely advocated against the Sovereign Money Initiative in order to highlight the consequences and risks of a sovereign money system for the Swiss economy. In addition, the SBA launched an alliance of financial centre stakeholders with whom it campaigned against the initiative (www.vollgeld-2018.ch).

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