

Scope for entrepreneurial freedom and open markets

Basel, September 11, 2018 – At its annual media conference, the Swiss Bankers Association (SBA) provided information about the current status of its key dossiers. The Swiss financial centre is stable and transparent at the international level. Looking to the future, focus must be placed on creating scope for entrepreneurial freedom and on open markets. Bankers Day 2018, the annual general meeting of the Bankers Association, will be held in Geneva on 13 September 2018 under the motto: “Shaping the future, creating scope for development”.

Stability as the foundation for scope for development

Following the onset of the financial crisis and the elimination of bank-client confidentiality, great emphasis was placed on matters such as stability, security and transparency in the area of regulation. Linked to this was a far-reaching transformation process. Looking to the future, targeted focus must now be placed on competitive framework conditions. “Stability must be accompanied by framework conditions that provide our banks with scope for entrepreneurial freedom in order to ensure they can further develop and be successful as businesses”, underscored Herbert J. Scheidt, Chairman of the SBA. Speaking of the SBA’s role, he said: “Over the last two years, we have focused on recognising trends early on in order to anticipate developments in the industry. The goal is to set the course for the right framework conditions of the future.”

Claude-Alain Margelisch, CEO of the SBA, emphasised the importance of close collaboration and an effective dialogue between all bank groups during the drafting of the SBA’s positions: “Around 500 experts from all of the banks in Switzerland work in our committees. Whether big or small, whether they have a domestic or international focus, all of the banks are directly involved in the process. The banking experts bring their broad range of expertise and various perspectives to our steering committees, expert committees and task forces.” As a result of this broad-scale involvement of the members, solutions are found that make it possible to react with one voice and in a broad-based manner to the challenges in the sector.

Review: Successful implementation and progress in key projects

The SBA aligns its work along the [twelve priorities](#) adopted by the Board of Directors in early 2018. Over the last year, this has resulted in the achievement of a number of successes relating to various dossiers.

- During the summer, Parliament adopted the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA), which gives Switzerland modern financial market legislation with effective customer protection. The SBA played a leading role in campaigning for this together with a broad-based alliance of industry associations.
- On 10 June, the Swiss electorate rejected the Sovereign Money Initiative with a strong majority of 75.7 percent. The clear no is an expression of the trust that voters have in the existing, stable and effective economic and monetary system.
- With the implementation of the Automatic Exchange of Information (AEOI), the Swiss banks stand for transparency and international cooperation. The SBA estimates the introduction cost of the AEOI to over 500 m francs. Despite the complexity and the costs, the banks in Switzerland succeeded in implementing the AEOI on time and correctly. The SBA provided support during the implementation process.

Outlook: Creating scope for development and open markets

For the SBA, creating scope for development is key in order to maintain and strengthen the competitiveness and future viability of the financial centre. The current activities of the SBA are focused on the following five areas:

- The SBA firstly calls for amendments to the regulatory process whereby the sector is involved in all regulatory steps as a recognised interlocutor and on equal footing with the authorities.
- Secondly, the SBA, in collaboration with the FINMA, advocates scope for development for small and medium-sized banks. A pilot project is currently underway with 67 banks, which the Bankers Association is following closely. The initiative is on the right track, but the goal has not yet been reached. The SBA sees clear potential for further relaxations as well as an expansion to include banks in categories 2 and 3.
- Thirdly, the SBA is committed to ensuring framework conditions that provide room for innovation, as is expected from the customers of the banks in the age of digitalisation. A current example of this is the establishment of an e-ID law, which the SBA explicitly supports.
- Fourthly, it is key that the tax framework be improved. It is important that tax proposal 17 be adopted during the autumn session. For the banks it is important that following this, the abolition of stamp duty together with the withholding tax reform be addressed swiftly. This would result in the elimination of a competitive disadvantage in the wealth management business.
- Lastly, open markets are an indispensable prerequisite for the successful business activities of the banks. Without framework agreements with the EU, market access to the EU cannot be further developed. It is of particular importance for the sector that stock exchange equivalence be recognised indefinitely.

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