AFBS News NOV 2019 EN

AFBS News November 2019

The AFBS will start into the new year with a new setup at its Secretariat. Following the decision of the long-standing Secretary General Martin Maurer to retire at the year-end, his Deputy Raoul Würgler will head the Secretariat. He will be joined by Florian Specht as a new member of the Secretariat. Elisabel Lopez remains as Office Manager.

Legislation and Regulation: International

Anti-Money Laundering Reporting

The Money Laundering Reporting Office faces a strong increase in suspicious activity reports. It engages new staff and introduces an electronic system for filing. This obliges banks to adapt their internal processes for the collection and preparation of the intelligence. Upon request by the banks reports can continue to be filed manually, in parallel to the automatic filing system goAML which is based on an XML-file transfer solution. Background information to the reports can also be filed in the original language instead of an official national language. **Info** : DE FR IT

Automatic Exchange of Information AEoI

In the first round of exchange Switzerland received 2.8 Mio reports, the majority coming from France and Germany. It sent 3.1 Mio reports. The Swiss Federal Tax Administration SFTA makes available the information for the cantons to collect, assess and exploit. Financial intermediaries report on all participating countries; the SFTA shares information only with countries that comply according to the Global Forum assessment.

The Federal Council adopted its dispatch on the revision of AeoI. Accounts of foundations and associations remain exempt as long as this point remains open at international level; account opening requires a full self-certification in any case. **Info** : DE FR IT EN

Luxembourg: market access

Luxembourg offers market access to non-EU financial firms for the servicing of per-se professional and institutional clients according to MiFID categorisation. If the European Securities Markets Authority ESMA has not yet recognised as equivalent the third country supervisor, the Luxembourg authority CSSF can do so. The equivalence decision is not required if the services are provided on a reverse solicitation basis merely. **Info** : Circular 19/716: FR EN

Digitalisation

The Federal Council adopts its dispatch to Parliament on the "Blockchain Law", which proposes amendments to nine laws in view of imrpoving the frame conditions to foster DLT and Blockchain technology in Switzerland. Parliament is expected to debate the proposal in 2020. **Info** : DE FR IT EN

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The Swiss Bankers' Association SBA states the minimum requirements for an agreement with the USA on data access under the **US Cloud Act** . Transfer should be admitted only if the scope is clearly circumscribed and if data privacy and bank customer secrecy are safeguarded. **Info** : DE FR EN

The **UK** is the first country to have met such an agreement with the USA. **Info** : LINK

The **Financial Action Task Force FATF** is looking into the opportunities the digital ID can offer for the fight against money laundering, for transaction monitoring and for financial inclusion. It has published a report for comments. **Info** : LINK

The latest edition of the **OECD country report** recommends Switzerland to invest more in digitalisation in the public administration. It identifies challenges in the high rate of ageing and pollution due to mobility. **Info** : OECD: LINK economiesuisse: DE FR

Legislation and Regulation: Switzerland

Bank Employer

The framework employment contract for bank employees has been modernised. It includes measures for the maintenance and enhancement of employee's labour market competitiveness and the inclusion of elderly persons. Beyond amendment of the framework employment contract. **Info** : DE EN and www.skillaware.ch

The State Secretariat for Economic Affairs SECO published a report on the effectiveness of the measures accompanying simplified registration of work time. It concludes that staff without registration work longer hours and more frequently suffer non-standard working hours. It cannot find any direct link between flexible working hours and psycho-somatic stress factors provided accompanying measures are put in place. High degree of stress and insatisfaction can be seen where no such measures are adopted. **Info** : DE FR IT

Implementation of FinSA/FinIA

The Federal Council adopted the Ordinances on the new legislation and confirmed entry into force on 1 January 2020. For several key aspects, such as client categorisation and product documentation, MiFID standards are recognised as equivalent. Thus duplicate implementation can be avoided. An important novelty consists in the obligation for client advisers to be inserted in a public registry. Several private firms are in the process of being authorised by the FINMA for such purposes. Advisers of Swiss FINMA-supervised financial firms and advisers of foreign financial firms under equivalent supervision provided they exclusively approach professional and institutional clients are not obliged to register. The registration occurs upon the advisor's initiative and needs to be renewed. **Info** : Ordinances: DE FR IT

Small Banks Regime

The FINMA publishes the amended regulation for the small banks' regime. It confirms entry into force of the new regime per 1 January 2020. **Info** : DE FR IT EN

In the same context the Federal Council adopts the capital adequacy ordinance, which introduces simplified formula for the calculation of capital adequacy of small liquid and well-capitalised banks. **Info** : DE IT EN

Negative Interest Rates

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The Swiss Bankers' Association invites the Swiss National Bank to prepare an exit strategy from negative interest rates. They no longer respond to the need they were triggered by but offer wrong incentive for investors and increase indebtedness. The study concludes that the CHF is not overvalued but that it continuously increases its value. **Info** : SBA: DE FR

Training & Education

The Swiss Finance Institute SFI, a joint initiative of banks in Switzerland for research and training, has updated its positioning. It is recognised as one of the top three training institutions in Europe and one of the top ten worldwide. 50% of graduates find employment with banks in Switzerland – which assures knowledge transfer from the SFI to the financial sector. The SFI extends its activities for knowledge exchange through "Masterclasses" and "Knowledge Exchange Seminars". They are chaired by SFI professors and open to bankers. They take place on the three financial centres, cover various topical matters and participation is free of charge. **Info** : **Info** : Masterclasses: DE FR EN Practicioner Roundup: DE FR EN

Last Minute

- Swiss Federal Tax Administration updates its statistics on federal direct tax income: DE FR
- The Swiss Federal Tax Administration makes available an overview of forthcoming changes in regulation and legislation: DE FR IT
- Overview on sustainable investment know-how in Switzerland: LINK
- The Swiss government and the Cantons publish their joint report on digitalisation in administration: DE FR
- Von Rundstedt survey on the Swiss labour market: DE FR IT EN
- BAK Economics study on the economic impact of the Swiss financial sector: DE FR and executive summary: DE FR EN
- The Alternative Credit Council ACC publishes its report on Financing the Economy: The Future of Private Credit: LINK
- Swiss Federal Institute for Vocational Education and Training study on benefits of vocational training for the employers of apprentices: DE FR IT
- The BEPS (Base Erosion and Profit Shifting) agreement enteres into force on 1.12.2019: DE FR IT EN
- Deloitte Report "The Future of Wealth Management in Switzerland": LINK
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