AFBS News April 2023

AFBS Get Together

19 June 2023, 16.00-21.00, Zürich: FINMA and MROS Annual Reports: Lawyers' Assessment and Practitioners' Panel Discussion. The formal part will be followed by opportunities for informal networking, sharing and discussing.
The event will take place in collaboration with Bär & Karrer, this year's gold sponsor.

Legislation and Regulation: Switzerland

The **Money Laundering** Reporting Office presented its report on the establishment of a Public Private Partnership in view of enhancing collaboration in the fight against money laundering and terrorist financing. The initiative intends to strengthen exchange of information on patterns and modi operandi among financial instiutions and government agencies. Similar platforms exist already on several international financial centres. **Info**: DE FR IT EN

Upon FATF Recommendation 24 Switzerland works on the introduction of a **beneficial owners** register. SBA, jointly with AFBS and other associations, are lobbying in favour of the data being provided by the legal entities themselves, the register being recognised as of public faith, liability in case of errors being clarified. Banks can identify discrepancies but cannot be held responsible for accurateness of data. **Info**: EN

On 29 March 2023 the Federal Council enacted the tenth package of **sanctions against Russia**. This aligns Switzerland with the EU. Measures include changes to the reporting obligations. **Info**: DE FR IT EN

A working group of the federal administration clarified the legal basis for the confiscation of frozen assets from Russian persons. It concludes that the confiscation would undermine the Federal Constitution and the prevailing legal order. The expropriation of private assets of lawful origin without compensation is not permissible under Swiss Law. **Info**: DE FR IT EN

SECO updated the Ordinance on Sanctions against Russia with a requirement to report transactions of newly listed persons, entities, or organisations, over the two weeks preceding listing date. **Info**: DE FR IT EN

On 17 February 2023 the Federal Council started a consultation on the broadening of the scope of **welfare funds**. Welfare funds shall now be amended to cover contributions to the funding of other staff welfare schemes and provide benefits in emergency situations, in the event of illness, accident, disability or unemployment, for training and further education measures, for the reconciliation of family and career, and for health promotion and prevention. **Info**: DE FR IT

The Federal Council adopted its dispatch to Parliament on a communication platform for digital **exchange of legal documents**. It aims at establishing a standard to be used in communication with federal and cantonal judicial

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authorities (courts, attorneys, administration offices), even though cantons will be authorised to use their own platforms provided they comply with some technical minimum standards to assure interoperability. **Info**: DE FR IT

FINMA published its **annual report** 2022. It summarises key supervisory issues and comments on the resolution reports of the TBTF banks. Several amendments had been required and there remain some inconsistencies. FINMA expects the banks to update their planning for the upcoming audit cycle. In the realm of digitalisation much change is ongoing and new technology is widely used. With regards to sanctions implementation FINMA focused on organisational setup of banks while SECO assures compliance. **Info**: DE FR IT EN

Legislation and Regulation: International

On 5 April 2023 **IOSCO** published its work programme for the period of March 2023 to March 2024. The board has elaborated five priorities – * Strengthening financial resilience; * Supporting Market Effectiveness; * Protecting Investors; * Addressing new risks in sustainability and fintech; * Promoting regulatory cooperation and effectiveness – with corresponding focus areas. **Info**: LINK

QIs need to renew their Agreements. The deadline for filing application for renewal for QIs intending to renew their agreement per 1.1.2023 has been extended from 31.3.2023 to 1.5.2023. **Info**: LINK

Italy and Switzerland found agreement on several pending issues in tax matters. As a consequence, Italy declared withdrawing Switzerland from its blacklist. The agreement also provides for extension until 30 Jun 2023 of work-from home rules for Italian cross-border workers. **Info**: DE FR IT

Digitalisation

The Federal Council comes to the conclusion that the EU strategy on **digitalisation** does not oblige Switzerland to adopt new regulation. The EU is active in promoting platform services, artificial intelligence, data policy, where it intends to take a leading role. The report does not see need for urgent action but does not exclude autonomous action in specific fields. **Info**: DE FR IT and EU: DE FR IT EN

The Federal Council decided to transfer its office applications to the **cloud** as no alternative appears to be available. Certain specifically sensitive data, such as emails and calendar, will remain on local storage. Also, specifically sensitive data and confidential data must not be stored in the cloud. It publishes the hierarchy along which it took the decision: **Info**: DE FR IT EN

The Swiss National Bank presents the **Swiss Payments Vision**, which contains plans for digitalisation of the Swiss financial centre. It focuses its attention on the introduction of instant payment, as did the EU already with mixed success, and by promoting trade in tokenised assets. Both initiatives aim at introducing efficiency gains and enhancing transparency. **Info**: DE FR EN

Sustainable Finance

The **Intergovernmental Panel on Climate Change** IPCC published its sixth assessment report. It is structured into three parts: * Current Status and Trends; * Future Climate Change, Risks, and Long-Term Responses; * Responses in the Near Term. **Info**: LINK

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Swiss Sustainable Finance published its annual report for 2022. Some progresses have been made with the launching of the Swiss Climate Scores and the self-regulations by the SBA, AMAS and ASIP. In 2022, nevertheless, the public discussion has seen a shift towards possible downsides of sustainable finance, with the term greenwashing gaining more popularity. Addressing these concerns, SSF encourages the financial industry to provide more transparency about the objectives and achievements of the sustainable process. **Info**: LINK

Swiss Sustainable Finance has also published its **new strategy** for the years 2023 and 2024. It is based on four priorities which are: * Shaping Swiss frameworks; * Engaging key stakeholders; * Informing on best practice; * Creating supportive tools. **Info**: LINK

The Federal Office for the **Environment** launched its interactive CO_2-calculator regarding the emissions of buildings. It estimates the CO_2 emitted under standard conditions. **Info**: DE FR IT EN

On 24 March 2023 the Financial Times announced that **MSCI** is going to tighten up the criteria for ESG-compliant funds. The changes are reported to be made due to pressure from regulators and the prevalence of "greenwashing". According to BlackRock, ESG ratings of European-listed ETFs will have the following changes: 1,476 ETFs will be downgraded while 905 will remain unchanged and 78 will get a higher rating; 446 funds will lose their rating entirely. **Info**: LINK

On 20 April 2023 the eleventh edition of the **Global Green Finance Index** (GGFI) was published. The GGFI is a factor assessment index based on a range of quantitative measures and a worldwide survey of finance professionals' assessments on the quality and depth of green finance offerings from 86 major financial centres worldwide. In the eleventh edition of the Index, Geneva placed fourth and Zürich twelfth, gaining three places and losing one respectively. Nevertheless, the underlying, absolute rating for all financial centres increased in comparison with the previous edition. **Info**: LINK

Events

AFBS Events

9 May 2023 in Geneva, 10 May in Zürich, 23 May in Lugano: AFBS Roundtable: FINMA Circular Operational Risks

23 May 2023: by V/C: AFBS Conference: ESG Education Opportunities; Frédéric Ruiz, ISFB; Alberto Stival, Alma Impact AG; Alain Krapl, SFI.

7 June 2023 in Geneva, 8 June 2023 in Zürich: Digital CHF to come: Form, Format, Availability; Oliver Buschan and Martin Hess, both Swiss Bankers' Association.

13 June 2023: AFBS Conference: Swiss Bankers' Association update on key tax matters; Andreas Rohner, Gabriel Bourquin, Urs Kapalle.

19 June 2023 in Zürich: AFBS Get Together 2023.

21 June 2023: by V/C: update from the SBA Legal Commission; exchange of views among AFBS Members.

21 June 2023: by V/C: update from the SBA Tax Commission; exchange of views among AFBS Members.

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Last Minute

Swiss trade associations are in favour of introduction of OECD minimum tax: Economiesuisse:DE FR IT ; SBA: DE FR IT EN ; Federal Government: DE FR IT

The zYen Global Financial Centres Index used to be followed attentively by the Swiss banking community. It has lost attention, maybe also because ranking of Swiss places has weakened. As the results are based on a peer review, this can change if Swiss bankers participate and vote in favour of Swiss financial centres. LINK

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