

4

Communication & Promotion

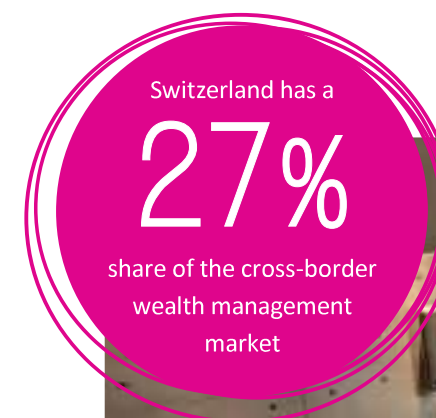
Media relations

On October 8, 2019, the Geneva Financial Center (GFC) invited representatives of the Swiss and foreign media to its traditional press conference.

This event was widely covered by the media. Journalists' interest focused on four topics: the effectiveness of negative interest rates; Geneva's positioning and advantages in sustainable finance (see p. 18); the results of the 2019-2020 economic survey (see page 5) and, in particular, the increase in assets under management in the first half of 2019; and the contribution of education and training to the success of the financial center (see p. 23).

These topics were presented by Yves Mirabaud (President), Pascal Besnard (Board Member) and Edouard Cuendet (Managing Director). All three speakers conveyed the same message. Financial intermediaries are now at a crossroads. Switzerland remains the world's biggest financial center for cross-border wealth management, with a market share of 27%. To retain this enviable position, gain access to new markets and develop innovative services, the Geneva Financial Center awaits major decisions affecting the relationship between Switzerland and the EU.

In this marathon, sustainable finance and digitalization could serve as catalysts, provided that the legislative and fiscal framework, both in Switzerland and internationally, facilitates the development of these promising assets.



Sustainable finance

Sustainable finance makes a substantial contribution to the diversity of the Geneva financial center. In particular, it attracts new kinds of expertise. It is therefore not only a major growth area, but also a tool for increasing differentiation from other financial centers.

The figures published in June 2020 by Swiss Sustainable Finance (SSF) on the volume of sustainable investments made in Switzerland show that they increased by 62% in 2019 to CHF 1,163 billion. This illustrates the extent to which social and environmental aspects now determine investment behaviour.

Geneva occupies a special place in this field, as a hub for international organizations, large private foundations, a cutting-edge academic sector and exceptional financial expertise. This close relationship between international Geneva and financial Geneva is an unparalleled asset.

By directing financial flows towards sustainable activities, the financial sector is making its contribution to transforming markets and developing tomorrow's economic models. From this perspective, the financial center is an active player, especially in the fields of self-regulation and education and training. First, the Swiss Bankers' Association (SBA) and the Swiss Funds and Asset Management Association (SFAMA)

are working on preparing guidelines to include sustainable financing in private wealth management as well as in asset management. Secondly, finance and sustainable development are fully integrated into professional and continuing education in the banking sector (see p. 23).

The total value of assets under management in Switzerland stood at just under CHF 7,000 billion at the end of 2018. These substantial amounts mainly come from deposits made by private individuals and companies, as well as the assets of occupational pension funds. Banking and financial institutions manage these portfolios on behalf of their private and institutional clients, according to the investment profiles stipulated contractually, depending on their appetite for risk and yield expectations. On the latter point, occupational benefit schemes are required to obtain short-term yields enabling pensions to be paid out to retirees, a requirement that is not always compatible with the concept of sustainability. Consequently, a transition towards more sustainable investments is not in the hands of the Swiss banking and financial establishments alone. They have certainly developed sophisticated expertise in this field, enabling them to offer attractive products that are compliant with sustainability criteria, but on the demand side, the incentive must come from private and institutional investors.



However, the development of sustainable finance is being held back by an overly rigid legislative straitjacket. The Swiss Parliament is aware of this major obstacle and in September 2019, it adopted a set of postulates intended to facilitate the transition to a more sustainable allocation (see p. 9).



In December 2019, the Federal Council set itself the objective of creating background conditions that will enable the Swiss center to be competitive in the field of sustainable finance.

Furthermore, an attractive fiscal framework is necessary to create products in Switzerland that comply with sustainability principles. In this regard, a debate on the abolition of stamp duty and withholding tax (see p. 12) has become unavoidable, since they are a major obstacle to the expansion of sustainable finance.



Building Bridges Summit

The organization of the “Building Bridges” Summit on October 10, 2019 proved that the bridge between the two shores of the lake is far more than a postcard image. For the first time, all the players in the ecosystem came together to create concrete and innovative solutions to maximize their collective impact.

Organized jointly by Swiss Sustainable Finance, Sustainable Finance Geneva and the Geneva Financial Center, the event was attended by the Confederation’s President, Ueli Maurer and gave 800 participants the opportunity to exchange their views with sustainable finance experts. It therefore helped to ensure that sustainable finance is not confined to a group of insiders who understand the esoteric language and highlighted the expertise of the Swiss Financial center, and Geneva in particular, in the area of sustainable management.

**Sustainable finance
is everyone’s affair!**



■ Events

Assises de la Place Financière

The Geneva Financial Center's annual conference brought together 530 employees from Geneva's banking and financial institutions in 2019.

Switzerland faces many challenges, from its positioning on the international stage to the Framework Agreement with the European Union (EU) and the reform of corporation tax. However, the financial center's attractiveness and job creation in our country largely depend on these factors. In this context, Federal Councillor Ignazio Cassis made a remarkable presentation on the need to pre-empt an ever-changing world and resolve the political and legal uncertainties that are poisoning the economy. The presentation was followed by a lively debate with the audience and illustrated the special relationship between Switzerland and the EU.



SFI-GFC Conference "The digital pulse of Swiss banking"

The question of digitalization is crucially important to Switzerland. And its consequences for one of the major economic sectors, namely the finance industry, were assessed in a study conducted by the Swiss Finance Institute (SFI) and zeb, a strategy and management consultancy.

Led by the GFC and SFI, a hundred or so participants met on June 11, 2019 to discuss the principal challenges and degree of maturity of the Swiss banks compared with the rest of Europe. Prof. Damir Filipovic of the SFI presented the "Digital Pulse Check 3.0" study, while Steve Krieger (Banque Pictet & Cie SA) outlined his views on digital transformation in the banking world.

GFSI Swiss Sustainable Funds Awards

During the past ten years, the number of funds labelled sustainable has tripled in Switzerland. To support this development, the "Geneva and Zurich Forum for Sustainable Investment", a major event in the sustainable investment industry, presented the "Swiss Sustainable Funds Awards" at an evening organized with the support of the Canton of Geneva, the Geneva Financial Center (GFC) and Sustainable Finance Geneva (SFG) on June 12, 2019.

These prizes, presented by Marc Pictet, Vice-President of the GFC, were awarded to the winners in ten different categories, with special prizes going to the best sustainable asset management company and best opinion leader in the industry. The funds and management companies were selected by an independent jury, whose task was to assess their performance on the basis of qualitative and quantitative criteria. The purpose of the Swiss Sustainable Funds Awards is therefore to create a reference point and ranking recognised by the financial community. They also aim to facilitate the adoption of sustainable investment products and assist the commercial development of players in this sector.

Digital Economy Forum

The fifth Digital Economy Forum was held on November 22, 2019 at the Fédération des entreprises romandes (FER). This event is the result of a partnership between the public and private sectors as it was set up by the Geneva Cantonal Directorate-General for Economic Development, Research and Innovation (DG DERI), working in cooperation with the University of Geneva, the Geneva Financial Center and FER Geneva, as well as AlpICT and Fongit.

Aimed at company directors and heads of IT and digital transformation, the meeting was devoted to the impacts of digitalization on employer-employee relations. The discussions focused mainly on issues of recruitment, employability and continuing education.

Experts in digital transition from a Geneva banking group led the workshop entitled "Expertise of an outside company serving the needs of banking". The participants were invited to share their experience from this perspective.

