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## Message from the President

### Let's create the finance of the future together!

This activity report provides an overview of the main issues that were addressed by the Geneva Financial Center (GFC) and their progress over the past twelve months.

The financial center has probably changed more in the past ten years than in the entire previous century. It has had to contend with a major paradigm shift in the fields of tax and regulation. During this period, the center has proved highly resilient thanks to its diversity and ability to innovate. Published by the Geneva Financial Center, the economic survey 2017-2018 (see p. 5) shows that with the settlement of the past is no longer a central concern. The financial and banking establishments are now focusing on developing strategies for the future. The banking sector is still making a key contribution to Swiss GDP (9.1%) and cantonal GDP (12%).

In the past year, the GFC focused its efforts on ensuring that everything was done in Geneva, and in Switzerland, to make the financial center even more competitive and enable it to continue to play its role as a driving force of the economy.

With this in mind, the GFC has intensified its outreach to the cantonal authorities, in particular to the Councilors of State in charge of finance and the economy, namely Mr. Serge Dal Busco and Mr. Pierre Maudet. 2017 was an opportunity to begin reflecting on professions for the future, especially in the FinTech field, thanks to exchanges with influential leaders such as Professor Martin Vetterli, President of the Federal Polytechnic School of Lausanne (EPFL).

At the international level, a dialogue was also established with Mr. Joachim Son-Forget, member of the French National Assembly responsible for French citizens living in Switzerland and Liechtenstein, and with Mr. Jörg Gasser, State Secretary for International Finance. During these meetings, the issue of access to foreign markets was highlighted, since it is of such vital importance to our financial center.

### Commitment and conviction

Our economic partners also received our full attention. In fact, networking based on a shared conviction remains the key contributory factor to the success and future of our financial center. The Canton of Geneva has a major advantage: its financial center forms a cluster combining asset management, trading and financing of commodity trading, marine freight and inspection, as well as a very dense network of multinationals. These interdependent links form a value chain that is unrivalled anywhere in the world. The presence of international organizations, combined with high-level university research, makes the region even more attractive.

In 2017, the GFC was particularly active in supporting measured and differentiated regulations, compliant with international standards (see p. 6) on the one hand, and the vital corporate tax reform, now known as "Fiscal Project 17" (FP 17) (see p. 9) on the other hand. A shared commitment on both these issues by all the stakeholders in the economy is essential.

The desire to harness energies led to the creation of an Association de Soutien à la Fondation Genève Place Financière (ASFGPF) which was set up in 2016 (see p. 25). The General Meeting was held on November 27, 2017 in the presence of Mr. Mark Branson, Director of FINMA.

On that occasion, aware of the fact that diversity is a key asset in competition, the supervisory authority presented its initiatives in favor of regulation and supervision with a greater focus on risks to members of the ASFGPF. This pragmatic vision seeks to implement the principle of differentiated regulation, depending on the size of the establishments concerned.

The Federal Financial Services Act (FFSA) and the Federal Financial Institutions Act (FinIA) (see p. 7) have enabled the progress made in adopting regulations which are in line with established practice to be measured. After a chaotic start in 2015, this project is now well on track. The tenacity



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of the financial players and parliamentarians must be welcomed. It certainly demonstrates that an area of agreement between all the players in the economy with a focus on competitiveness is a real possibility.

We hope that a similar concerted effort will lead to the practical implementation of FP 17. In fact, equal treatment of all businesses must be established and a transparent system implemented in the long term, which will gain widespread support at the international level.

#### **Talent and innovation**

The framework conditions are indeed central, but they could not be implemented without the 35,600 or so people who work in the financial sector in Geneva. Investment in training and attracting talent remains a priority, now more than ever.

The challenge is twofold because we must train both financial professionals to work in tomorrow's careers and at the same time, the young people who will take over from them in future. To that end, profiles must evolve to take account of the constant evolution of regulations and new technologies. This is not a technical issue but a substantive reflection on continuing training, as well as apprenticeship and academic education. That is why, here too, a partnership between economic and academic circles is essential.

In cooperation with Go-Apprentissage, the GFC has continued its visits to the cycles d'orientation and écoles de commerce in the Canton of Geneva to make students more aware of careers in finance, thereby encouraging them to apply for an apprenticeship (see p. 19). The financial sector therefore plays a full part in the strategy adopted by the Department of

Public Education (DIP) which has made compulsory schooling until the age of 18 a priority.

The increasingly regulated environment of the wealth management sector shows the need to maintain the excellence of the talented people who are working in the financial center by providing continuing education facilities. To that end, SAQ certification in wealth management (see p. 18) has rapidly become an innovative standard.

The "Global Competitiveness Index 2017-2018" produced by the WEF has rightly placed Switzerland at the top of its ranking for the 9th year in a row, thanks to its education system. This ranking also shows that the ability to innovate is a vital contributory factor to greater competitiveness. In this context, the Geneva financial center is exploring promising possibilities such as FinTech (see p. 14), sustainable finance (see p. 15) and philanthropy. These three fields enhance the diversity of the financial center and attract new and complementary competences. They are therefore not only important growth drivers but also factors which set the Geneva financial center apart from other financial centers

In conclusion, the leading role played by enterprises in the sector, the political authorities and the world of education will enable the finance of the future to be created for the prosperity of our Canton.