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Communication & Promotion

Media relations

On October 11, 2022, the Geneva Financial Center (GFC) invited representatives of the Swiss and foreign media to its traditional press conference.

Journalists covered this event extensively with the emphasis on four main topics: the strength and resilience of the financial center in the face of a challenging environment (see page 5); the impact on the financial center of the sanctions imposed on Russia (see page 7); the energy crisis and the measures taken by the banking sector to address any energy shortage (see page 9); the fiscal challenges (see page 14), with particular reference to the wave of popular initiatives at cantonal level which will be put to the vote in Geneva in 2023.

These topics were presented by Yves Mirabaud (President), Xavier Oberson (Board Member) and Edouard Cuendet (Managing Director).

A consistent message was conveyed in these three talks. The financial sector remains a stable pillar of the economy in the face of geopolitical, energy and fiscal uncertainties. However much goodwill the financial center shows when it

comes to adaptation and resilience, its efforts are likely to be thwarted if the existing fiscal framework in Switzerland is inadequate. That being so, the rejection by the electorate of the planned abolition of stamp duty on February 13, 2022, and the withholding tax reform on September 25, 2022, (see page 14) were missed opportunities.

Fortunately, these obstacles have not placed the Financial Center in an untenable position. They do not overshadow the opportunities that are available for the most enterprising players, especially in the field of sustainable finance (see page 20).

Taxation of households is the key component that must be improved in the canton

Le Temps, 12 October 2022



■ Sustainable finance

Emerging fundamental trends are enabling stakeholders in the banking and financial sectors to capitalize on the favourable dynamic that began in 2021 and adhere to their commitment to sustainability. Swiss financial institutions are increasingly aligning their business models with the Paris Climate Accords by signing up to initiatives such as the Glasgow Financial Alliance for Net Zero (GFANZ) and the accompanying alliances: Net Zero Banking Alliance (NZBA) and Net Zero Asset Managers Initiative (NZAM). They have also subscribed to the UN Principles for Responsible Banking (PRB) and the UN Principles for Responsible Investment (PRI) in their investment activities.

The Financial Center has defined four priorities. First, incentivizing regulation and a universally accepted definition at international level are essential to expedite this process and avert greenwashing risks. The European Union (EU) was the first to establish classification and transparency standards for sustainable products. Switzerland welcomes a strong commitment by the federal authorities and professional associations, which are working towards self-regulation.

In contrast to the EU, the Swiss model thus relies on voluntary action. This “bottom up” approach requires close cooperation between all the stakeholders. In this context, the umbrella associations were quick to act. In the space of just one year, three regulations were drafted by the Swiss Bankers’ Association (SBA) for the banking sector (see page 13) and by the Asset Management Association Switzerland (AMAS) for asset managers (see page 13). The first two regulations cover, on the one hand, the inclusion of ESG preferences and risks in investment advisory and portfolio management services for the banking sector and, on the other hand, the promotion of energy efficiency to mortgage providers. The third element of self-regulation concerns products, with standards for asset managers. These fundamental texts help to position Switzerland as a key international player.

■ Switzerland welcomes a strong commitment to self-regulation by trade associations

Education and training are the second priority. The integration of sustainable finance into vocational, continuing and university education is essential if the Swiss Financial Center is to continue living up to its clients’ expectations. This is the only way of providing attractive products and services that meet sustainability criteria. Here too, the financial center’s players have not stood idly by. For instance, sustainable finance is to be included in the apprenticeship reform that is due to take effect in the autumn of 2023 (see page 27). In the field of continuing education, SAQ CWMA certification (see page 26) imposed more stringent sustainability requirements in 2022. Last but not least, in higher education, the University of Geneva and the Graduate Institute are committed to this trend with several Certificates of Advanced Studies (CAS) and Master’s Degrees in Sustainable Finance.

Digitisation and data reliability must also be taken into account. They are the third priority. The development of comparable data sets and key performance indicators (KPI) that are easy to use is vital if the Swiss Financial Center is to continue to play a central role in the economic transition. If the banks acknowledge that they must keep their clients informed of the sustainability of their investments, they then require access to business data. In fact, capital flows reflect the activities of the real economy. At present, data on the sustainability of Swiss businesses is not always available.



NetZero Initiatives & forward-looking methodologies: the transition way in finance

On the occasion of the “Building Bridges Week”, the GFC and the Swiss Bankers’ Association joined forces to invite top speakers to discuss the Net Zero Initiatives on October 5, 2022. Presentations by Simone Dettling, Head of Banking, UN Environment Finance Initiative (UNEP FI) and Lucie Pinson, Head of the Reclaim Finance NGO which promotes divestment from fossil fuels, enabled a vigorous exchange of views on a subject that is as important as it is topical. Alexis Favre, a journalist and RTS producer, moderated the discussions and helped to generate constructive exchanges of views during the debate.



Building Bridges: from words to deeds!

Mark Henley © Building Bridges 2022

This leads us to the fourth priority: transparency. In this regard, the Swiss Climate Scores (see page 11), drawn up by the Confederation working together with the financial sector and NGOs in June 2022, assure greater transparency with regard to the alignment of financial investments with the Paris Climate Accords. As a pioneering initiative, the Swiss Climate Scores position the Swiss Financial Center as a vital source of data for clients and investors, both in Switzerland and elsewhere. Transparency of the information supplied to clients is designed to prevent any discrepancy between investors' expectations and the characteristics of the sustainable products offered by the financial institutions.

The above comments show that a successful transition to sustainability depends first and foremost on the shared determination of private and public players to create an optimal regulatory framework for a sustainable and more competitive financial center. Private and institutional

investors, as well as the political authorities, civil society and academia, consequently have a key role to play.

The Building Bridges conference assists in implementing these synergies. The third such event brought the finance industry and international Geneva, as well as the federal and cantonal authorities, together at a Summit held on October 3 and 4, 2022, followed by 68 events organized under the "Building Bridges Week" designation from 4 to 6 October 2022. With just under 1,900 participants drawn from 51 countries meeting face to face and 9,600 persons attending online, the 2022 event was a landmark. The varied programme, the presence of renowned international experts and the loud voices of the younger generation made for lively debates and resulted in the implementation of specific measures. The Founding Partners, including the Geneva Financial Center, have already agreed to repeat this process, from 2 to 5 October 2023.



2022 Assises de la Place Financière

The need for a transition towards a more resilient and sustainable economy is unanimously recognized by the Geneva Financial Center (see page 20). Employees in the financial sector are in fact showing increasing interest in sustainability and wish to acquire the knowledge necessary to understand this sector which is as promising as it is complex. Education and training are key factors in accelerating this trend.

As a result, the 9th Geneva Financial Center's conference, organised on June 15, 2022 together with the Swiss Bankers' Association (SBA), brought together more than 260 attendees from banking and financial institutions to discuss the role of education and training in the transition to sustainability. On this occasion, Yves Flückiger, Rector of Geneva University and Rajna Gibson Brandon, Professor at the Geneva Finance Research Institute (GFRI) and Director of the Geneva Institute of Wealth Management (GIWM), made excellent presentations before answering questions put by the audience in a debate chaired by Jennifer Covo, an RTS journalist.



GIWM Annual Conference, Recent Trends in Wealth Management

On September 15, 2022, Geneva Financial Center hosted the annual Conference of the Geneva Institute for Wealth Management dedicated to sustainable investment. Professors from European universities and renowned experts in this field presented their views on recent trends in the area of ESG (Environment, Social, Governance) preferences in wealth management.

Philanthropy Lunch “Managing the assets of foundations – analysis and benchmarking”

Under the banner of the “Building Bridges Community” (see page 21), GFC took part in the debate which followed the presentation of the “2022 Benchmark Report” by SwissFoundations on October 6, 2022. The publication analyses the key figures for the investment activities of public interest donor foundations. The way in which a foundation invests its assets has a decisive influence on its impact, not only in financial terms but also at the social level.



■ SFI-GFC Conference “Global Financial Regulation, Transparency, and Compliance Index (GFRTCI)”

The Swiss Finance Institute (SFI) has created a global index of financial regulation, transparency and compliance in order to measure the way in which different countries adopt, implement and apply a set of international standards. At the instigation of the SFI and Geneva Financial Center (GFC), the results of the 3rd GFRTCI Conference were presented to a hundred or so attendees in person and remotely on April 27, 2022. Their numerous questions were moderated by Carine Rielle, an AGEFI journalist.

Alfred Mettler, Adjunct Professor at the SFI, Steven Ongena, Professor of Banking at the SFI and at the University of Zurich, and Christoph Basten, Assistant Professor of Banking at the SFI and at the University of Zurich, explained the reasons why Switzerland had fallen back to seventh place after ranking fourth in the previous year. This downgrading is explained

by the fact that other countries which had previously lagged behind in compliance with financial regulations have now caught up with Switzerland. In this context, Yvonne Lenoir Gehl, Head Group Regulatory Office at Banque Pictet & Cie SA, insisted on the vital need for Switzerland to participate in the development of future international standards.

“The application of international standards is based on four key elements: synchronization, proportionality, the cost-benefit ratio and the principle of equivalence”

