

4

Communication & Promotion

Media relations

The Geneva Financial Center (GFC) invited representatives of the Swiss and foreign media to its traditional press conference on 12 October 2023.

The journalists covered this event extensively, focusing on four main topics: the health of the Geneva Financial Center following the publication of the 2023-2024 Economic Survey (see page 5); the impact of the acquisition of Credit Suisse by UBS, especially on employment; sanctions imposed in the context of the war in Ukraine (see page 7); and overregulation, in particular issues regarding shareholders' equity and remuneration on the occasion of the merger between Credit Suisse and UBS (see page 8).

This press conference also provided an opportunity to highlight the development of asset management in Switzerland, which is a major global player in this sector.

These topics were presented by Denis Pittet (President), Edouard Cuendet (Director) and Régis Martin (Chairman of the Alternative Investment Council, an Expert Committee of the Asset Management Association Switzerland (AMAS)).

A consistent message was conveyed in these three talks: the Financial Center is confident. This confidence is essentially based on three pillars: a robust financial system; the rule of law; and the spirit of innovation. The acquisition of Credit Suisse by UBS at the national level and the geopolitical crisis linked to the conflict in Ukraine at the international level undermined trust in the Financial Center. On the occasion of the acquisition of Credit Suisse, Switzerland proved that it had adopted the measures required to maintain the robustness of the financial system. Our country demonstrated exceptional diligence in complying with the sanctions imposed on

The Geneva Financial Center is flourishing despite the uncertainties

AWP/ATS, 12 October 2023



Russia, in accordance with the rule of law. In order to retain its leadership status, Switzerland would therefore be well advised to apply regulatory neutrality in these two matters.

With CHF 3,000 billion in assets under management, asset management has been growing almost continuously in Switzerland since 2016. In the 1st half of 2023, Swiss asset managers ended the negative trend observed in 2022, reflecting investors' confidence in this sector. The sector is therefore helping to strengthen the Financial Center and plays a key role in the occupational benefits sector. Another strong point of the Swiss asset management hub is its export capacity. Access to the market of EU Member States' (see page 16) and to qualified specialists are crucial in strengthening this field of activity.

Trust in the Financial Center is also linked to its ability to plan for the future. With regard to taxation, Swiss and Geneva citizens will be asked to express their support for entrepreneurial attractiveness during the new referendums in 2024 (see page 14). In the field of education and training (see page 27), continuous development of the skills of the 38,000 employees who work in the Geneva Financial Center was made possible by the partnership between the public and private sectors.

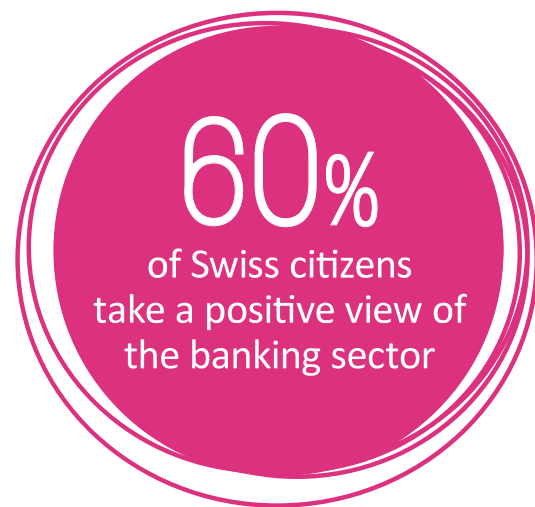
In this challenging climate, the prospects for 2024 are good. Thanks to an upturn of results in 2023, financial operators are optimistic.

■ 2023 opinion poll on current issues in the banking sector

The Swiss Bankers Association (SBA) published its biennial survey of banks in Switzerland in mid-March 2024. This survey, conducted by the gfs.bern research institute in autumn 2023, is a unique analysis of public opinion on the banking sector. The 2023 edition focused in particular on the impact of the Credit Suisse crisis and the acquisition of Credit Suisse by UBS. Despite this announcement which was covered widely in the media and the ensuing shock wave in the financial and political spheres, the climate of public opinion remained relatively stable and positive. In fact, a large majority of respondents were clearly convinced of the importance of the role of the banks for the economy and for society.

A majority of Swiss citizens stated that they had closely followed developments in the banking sector generally, and the acquisition of Credit Suisse by UBS in particular (see page 8) in the past twelve months. The omnipresence of information on the latter subject made its mark on public opinion and had a negative impact on the perception of 54% of respondents. Although the action taken by the Swiss Confederation is accepted by 60% of Swiss citizens, one third are critical of the acquisition by UBS, the main concern being the risk that such a large new bank poses for Switzerland. More than 90% are in favour of a thorough investigation of Credit Suisse's responsibility. A similar percentage is in favour of a clarification of the role played by the State. However, three-quarters of the Swiss population reject the adoption of across the board regulations.

Against the background of intense competition between different financial centers, the fact that respondents consider the Swiss banks to be well positioned sends a strong signal. Moreover, younger generations tend to be most optimistic about the future of the Swiss Financial Center. Economic and political stability is regarded as one of its major assets, closely followed by education and training.



Compared to the previous opinion poll conducted in 2021, a higher percentage of the population takes the view that protection of the private sector is a vital success factor. Customer service and sustainability (see page 21) are also highly rated and help to set the Swiss Financial Center apart from its competitors.

For the first time since its inception, this opinion poll looked at the concept of security. It is noteworthy that the general sense of security is very high in Switzerland among all strata of the population. An overwhelming majority of people of voting age believe that their own assets are safe with their bank.

This indicates that neither the prevailing global economic situation nor the Credit Suisse crisis are giving rise to doubts among the population who continue to trust the banking sector.

■ Sustainable finance

The success of the sustainable transition is essentially based on the shared determination of the private and public operators to create the best possible conditions for a sustainable and more competitive financial sector. The financial sector plays a key role by actively participating in initiatives designed to draft international standards on transparency and classification, and by contributing, at national level, to the work by the Federal Council on climate change in particular.

More specifically, the action of the Swiss financial institutions is based on a coordinated approach by the umbrella associations with the emphasis on three areas: standards and directives; membership of international alliances; and education and training. The Swiss Bankers Association (SBA) and the Asset Management Association Switzerland (AMAS) have accordingly set up working groups. An SBA Committee of Experts defines the long-term strategic vision on matters of sustainable finance, while a working group is then responsible for its implementation, with due regard to transparency and classification. The Sustainability Board of AMAS focuses on sustainable asset management strategy.

One of the results of this hard work is the drafting of three regulations with the aim of defining minimum standards in the following areas: the investment advice process; the mortgage advice process; and sustainable asset management. The first two directives on the advice process are self-regulatory provisions published by the SBA at the end of June 2022. They have been in force since 1 January 2023 with various deadlines for implementation by the financial service providers. Sustainable asset management was the subject of an AMAS self-regulation in September 2022, with the aim of strengthening the Swiss asset management sector's role in the field of sustainable finance. Defining the requirements not only for the organization of the financial institutions, but also for the design of, and information about, the products for the benefit of investors, this directive entered into force on 30 September 2023 and is binding on AMAS members. There is

also an Expert Committee on Sustainability coordinated jointly by AMAS and Swiss Sustainable Finance (SSF), which produced the Swiss Stewardship Code in October 2023.

In order to continue the alignment of the Swiss financial institutions' business models with the Paris Agreement, the SBA and AMAS have joined the Net Zero Banking Alliance (NZBA) and the Net Zero Asset Managers Initiative (NZAM) as supporting institutions and advise their members to adhere to the "Net Zero" alliances and sustainability initiatives. Moreover, together with the Federal Administration, the Swiss Financial Center supports the international Net-Zero Data Public Utility (NZDPU) initiative which will have to be integrated into the UNFCCC (United Nations Framework Convention on Climate Change) initiative. This initiative seeks to become an open centralized repository of (Net Zero) raw data that is free and accessible to all. Some banking institutions and asset managers volunteered to become "beta testers" for the first version of this platform in the autumn of 2023.

This crucial coordination by the Swiss financial institutions makes perfect sense for the prevention of greenwashing by the financial sector. The Federal Council noticed that there was no specific regulation on this matter, apart from a FINMA Communication dating back to 2021. It consequently published a position statement on 16 December 2022 and plans to adopt an ordinance that could be supplemented or replaced by an equivalent self-regulation of the sectors concerned (see page 12). At the same time, FINMA initiated a consultation procedure on a new Circular entitled "Nature-related financial risks" (see page 13).

These two examples and the numerous international initiatives are an apt illustration of the profusion of legal and regulatory provisions on sustainability. In order to assist staff at the financial institutions with the application of these laws and regulations, training in banking conformity, more commonly called "compliance", assumes unprecedented importance (see page 28).



Private and public operators are united around shared principles and objectives: transparency, good governance, risk management, quality of reporting and training



BUILDING BRIDGES

GENEVA ▪ 2-5 OCTOBER 2023

Centre International



Building Bridges: stronger together!

While expertise is essential, promotion is equally important. The “Building Bridges” conference makes a specific contribution to encouraging action that is designed to expedite the transition to sustainability. As a Founding Partner, GFC has been supporting this conference since its inception in 2019. The fourth edition brought together the financial industry, international Geneva and the federal and cantonal authorities at a Summit on 2 October 2023, followed by 71 events organized under the “Building Bridges

Action Days” heading from 3 to 5 October 2023. With nearly 2,600 participants from 111 countries attending in person and 3,000 people online, the 2023 edition proved a great success. The varied programme, together with the presence of internationally renowned experts and the young generation who made themselves heard, fuelled the debates and introduced concrete measures. The 5th edition will be held from 9 to 12 December 2024.



Antoine Tardy © Building Bridges 2023

Paris Aligned Finance Flows: Data & Standards

On the occasion of the “Building Bridges Action Days”, the top-level structures of the Financial Center demonstrated their unity by inviting prominent speakers to lead an interactive workshop. The Geneva Financial Center, the Swiss Bankers Association and the Asset Management Association Switzerland asked the 75 participants to work on a case study. The objective is to evaluate the usefulness and relevance of data and standards in the implementation by the financial players of Article 2.1 c. of the Paris Agreement making financial flows consistent with a pathway towards low greenhouse gas emissions. The exchange of views led to a better understanding of the opportunities and challenges ahead and to a continuation of the constructive dialogue between the different stakeholders.

2023 Assises de la Place Financière

Every year, the Geneva Financial Center (GFC) brings together employees from the financial sector to discuss a subject that is both topical and forward-looking, the aim being to draw their attention to events that impact the Financial Center and enable them to anticipate the consequences of these events in the longer term.

The 10th edition of the “Assises de la Place Financière”, organized with the Swiss Bankers’ Association (SBA), on 6 June 2023, made more than 600 guests aware of the effects of geopolitical risks on the economy and on the financial sector.

The two years of the pandemic, the conflict in Ukraine and new technologies have created a new and more fragmented world order. For 20 years, we had been accustomed to low inflation with low or even negative interest rates. In 2023, this environment gave way to high inflation and rising interest rates. It was in this context that members of the public had an opportunity to discover the challenges which the Geneva Financial Center players have to face, as they listened to

the address by GFC President, Denis Pittet. The participants went on to explore the work done by the secret services and the Federal Intelligence Service, informed by the fascinating presentation by the Director of the Swiss Confederation’s Intelligence Service, Christian Dussey, who discussed the “major geopolitical and security challenges facing Switzerland”.

At the 2023 “Assises de la Place Financière”, the audience also had the honour of welcoming Councillor of State Nathalie Fontanet, who is in charge of the Department of Finance, Human Resources and External Affairs (DF), and Councillor of State Delphine Bachmann, who is responsible for the Department of the Economy and Employment (DEE). On this occasion, Nathalie Fontanet spoke about tax matters relating to Geneva, in particular Initiative 185 which had been rejected by the electors on 18 June 2023 (see page 15), before answering questions put by members of the audience to her and other speakers in a debate chaired by Alexis Favre, RTS journalist.



■ Lecture by Thomas J. Jordan, Chairman of the Governing Board of the Swiss National Bank (SNB) in Geneva

The Geneva Financial Center (GFC), the Geneva National Institute (INGE) and the Investment Strategists Association of Geneva (ISAG) jointly organized the visit by Thomas J. Jordan to Geneva on 4 March 2024, three days after the announcement of his departure from the SNB at the end of September 2024.

Olivier Rigot, Chairman of the Economic Section of the INGE and Denis Pittet, President of the GFC, opened this event by welcoming more than 400 guests, members of the organising institutions. This was followed by a brilliant presentation by Thomas J. Jordan, Chairman of the SNB, who discussed the “SNB’s monetary policy in a difficult environment”. He made specific reference to the fact that price stability is essential for growth and prosperity. In this regard, he stated that the SNB’s mission is to pursue a monetary policy that is designed to maintain the value of the Swiss franc and ensure appropriate economic development. He answered numerous questions from the audience about Swiss monetary policy. The convivial and lively discussion continued over drinks.

■ **The SNB will, if necessary, adapt its monetary policy to keep inflation within the range of medium-term price stability, having due regard to changes in the economic environment**

Thomas J. Jordan,
lecture in Geneva on 4 March 2024

