

April 2007

## Legislation and Regulation – Domestic

### Bank's Information Duties

In a ruling the Federal Supreme Court states that a bank has fulfilled its risk information duties by handing out the Swiss Bankers' Association's brochure on Special Risks and by obtaining the customer's consent to deal in derivatives.

**Info:** [link](#) (4C.270/2006 insert; DE only)

### Swiss Federal Banking Commission - SFBC

**Annual Report 2006:** Apart from the comments on stock exchange transactions widely reported in the press the Annual Report contains references to the supervisory's current practice. It covers topics such as internal control, structured products, and funds.

**Info:** full report: [DE](#) ; [FR](#) – summary in EN: [wuergler@foreignbanks.ch](mailto:wuergler@foreignbanks.ch)

**Media Conference:** SFBC Chairman and Director informed on plans to introduce an internal rating of

financial intermediaries for supervisory purposes. They also outlined principles of a risk-based approach when exercising their supervisory task.

**Info:** [link](#) (entry dd 27.3.2007)

### Structured Products

Following up on Art 5 of the Law on Collective Investment Schemes the Swiss Bankers' Association adopts its self-regulation with regard to the distribution of structured products.

**Info:** SBA Circular 7508, 15.3.2007: [www.sba.ch](http://www.sba.ch)

### CDB Audit

The AFBS has sent a letter to the Fiduciary Chamber suggesting to more strongly focus on a risk-based approach when implementing the CDB audit.

## Legislation and Regulation – International

### FSA: Market Cleanliness

The UK Financial Services Authority has conducted a survey on market cleanliness. It evaluates the market situation before and after enacting the law for combat of insider dealings. Although the law foresees fines, it has a small impact on the number of insider trades.

**Info:** FSA: [link](#)

### Single European Payments Area – SEPA

The impact of SEPA on Swiss financial intermediaries is expected to be limited at a first stage. SEPA applies to cross-border payments in EUR executed among the SEPA member countries. According to estimates, this represents only about 2% of the volume of payments executed within the EU.

Payments originating from or ending in Switzerland are not, in a first step, affected by SEPA.

**Info:** ECB: [link](#) ; rulebook: [link](#)

### MiFID

Note that the "AFBS Topics" on MiFID has been updated recently. Also additional presentations have been added on the website.

**Info:** [link](#)

### Remittance by Mobile Phone

National regulators and international organisations adopt ever more stringent regulations on traffic of payments and bank customer identification for anti-money laundering purposes. At the same time,

alternative ways of money transfer become widely accessible as show recent initiatives by credit card companies and mobile phone operators.

**Info:** [link 1](#) ; [link 2](#)

## Investment Funds

### Agreement AMF – SFBC

In 2002 the French supervisory (Autorité des marchés financiers AMF, then Commission des opérations de bourse) and the Swiss Federal Banking Commission met a co-operation agreement to facilitate the market access of the respective countries' funds. The text can – with some reserves – be seen as a precursor to those agreements the Collective Investment Schemes Ordinance entitles the Banking Commission to conclude under art 129.

The industry reports that some authorisation requests filed under that agreement have been processed quickly by the SFBC.

**Info:** The AMF makes the agreement available on its website: [doc](#) – AFBS Topics: [link](#)

### SFBC on qualified investor

Art 6 of the Ordinance on Collective Investment Schemes defines as qualified investor a person that decla-

res in writing disposing of financial assets of at least CHF 2 mio. The wording refers to a self-declaration by the customer. In its Annual Report the SFBC writes that financial intermediaries need to control periodically the existence of said financial assets. However, neither Law nor Ordinance define such an obligation.

**Info:** Annual Report 2006: [DE](#) ; [FR](#) (ch III.1.3)

### Swiss Funds Association - SFA

#### A guide to the CISA

The SFA has issued a brochure presenting the major changes and novelties brought by the new Swiss Law on collective investments. It sums up the characteristics of the different investment vehicles admitted.

**Info:** [DE](#) ; [FR](#) ; [EN](#)

#### Review of SFA Model Documents

The SFA currently drafts the model documents and guidelines to be adapted to the new CISA.

## Internal

### MEMBERS

NEW MEMBERS: BANCA ZARATTINI & CO. SA – Brown Brothers Harriman Services AG – FAISAL PRIVATE BANK (Switzerland) SA.

CHANGE OF COMPANY NAME: Compagnie Bancaire Espirito Santo SA *in* Banque Privée Espirito Santo SA.

### COMING EVENTS

Press Conference: Zurich: 23.5.2007.

Where banks can improve – Benchmarking as analytical tool: A. Aebi, U. Blattmann, SWISS

BENCHMARKING AG: Zurich: 24.5.2007; Geneva: 30.5.2007; Lugano: 31.5.2007.

35<sup>th</sup> Ordinary General Assembly: Prof. M. Statman, Sta Clara University; G. Wübker, Simon, Kucher & Partners. Zurich: 6.6. 2007.

Opportunities for Swiss Asset Managers under the new CISA: M. Volonté, Fantozzi & Associati: Zurich: 14.6.2007; Lugano: 19.6.2007; Geneva: 21.6.2007.

SEPA – Implications and Opportunities for Banks in Switzerland: R. Eigenmann, Citibank (Switzerland): Geneva: 11.6.2007; Lugano: 13.6.2007; Zurich: 5.7.2007.

## Last Minute

The Fédération Bancaire Française has published its annual report. It focuses its activities mainly on retail customers: [link](#)

The Federal Councillor Doris Leuthard outlines Switzerland's strategy for foreign economic policy: [DE](#) ; [FR](#)

«Impôts 2007 Genève» and «Impôts 2007 Vaud» are comprehensive brochures on taxation of persons and corporations, double taxation treaties, taxation at source and many other topics: Ernst & Young: Geneva: [doc](#) and Vaud: [doc](#) (only FR)

The Norwegian Anti Corruption Resources Centre U4 issued a brief on the "return of assets" importance for combat of corruption: [www.u4.no](http://www.u4.no)

The Swiss Parliament has published a survey on the transmission of data in cross-border financial transactions: [DE](#) ; [FR](#)

The IMF has published its semi-annual "Global Financial Stability Report": [link](#)