

June 2003

Topics of Interest

Negotiations Switzerland – EU

The EU-Finance Ministers agreed to the Directive on savings income in form of interest payments. The text is available at: <http://register.consilium.eu.int/pdf/en/03/st07/st07242en03.pdf>.

The Federal Department of Finance has published a press release, information on the agreement's content and terminology and a synoptical presentation of the taxation of investments: www.dff.admin.ch/e/dok/medien/medienmitteilungen/2003/06/zbvertrag.htm.

Negotiations on the Dossiers Schengen/Dublin and Combat of Fraud are not yet concluded. It must be expected that the agreement between Switzerland and the EU on the paying agent tax will not be signed before final conclusion of negotiations in these two fields.

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Basel II

The Basel Committee on Banking Supervision has published one more consultative paper (www.bis.org/bcbs/cp3ov.pdf). It proposes further modifications, especially with regard to credit risks and requirements on public disclosure. The Foreign Banks have included their comments into the position paper of the Swiss Bankers' Association.

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The US Comptroller of the Currency confirmed that the USA are not interested in having implemented the Basel Committee's recommendations by all banks.

Trust

On the occasion of a meeting between representatives of the Federal Department of Justice and Police and the Swiss Banks, the latter underlined the importance of Switzerland ratifying the Hague Agreement on Trusts and wished this step to be given high priority.

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Anti-Money Laundering: Levelling the playing field

On the occasion of the Swiss Bankers' Association's Press Seminar the brochure published by "SFS Stiftung Finanzplatz Schweiz" was presented. The brochure contains a short version of the final report of the survey comparing Anti-Money Laundering Legislations of the USA, Singapore, the UK and Switzerland. The brochure can be obtained at info@foreignbanks.ch (as long as available). The full text of the final report, which was presented to the public in January, will be published by an English editor.

New Legislation – Switzerland

"Market Behaviour Rules"

The Swiss Federal Banking Commission hopes to adopt a Circular on market behaviour by the end of the year. It is to address issues such as insider dealings and price manipulations and is related to the Attribution Directives for New Emissions and the revision of Insider Legislation in the Penal Law; the latter being in preparation by an expert group.

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Revision Data Protection Act

The Federal Council has published its Message on and a draft of the new Data Protection Act (French

and German). Only few modifications proposed by the Banks seem to have been taken into account.

Message F: www.admin.ch/ch/f/ff/2003/1915.pdf

Draft F: www.admin.ch/ch/f/ff/2003/1967.pdf.

Message G: www.admin.ch/ch/d/ff/2003/2101.pdf

Draft G: www.admin.ch/ch/d/ff/2003/2156.pdf.

Depositor Insurance

The Swiss Parliament is debating whether the Swiss Bankers' Association's Convention on Depositor Insurance should be declared mandatory. The upper limit would be increased from CHF 1 to 4 bio; half of this amount would have to be covered by banks' liquidi-

ties. For the Federal Council's Message and the Draft Act (French and German only) see:

Message F: www.admin.ch/ch/f/ff/2002/7476.pdf

Draft F: www.admin.ch/ch/f/ff/2002/7535.pdf

Message G: www.admin.ch/ch/d/ff/2002/8060.pdf

Draft G: www.admin.ch/ch/d/ff/2002/8117.pdf

New Legislation – International

Cross-border Services with Germany

A final regulation governing the Cross-border Services is still being looked for and cannot be expected soon. It cannot be excluded that an intermediate solution will be defined awaiting the entry into force of a final legal framework. The definition and interpretation of the term "Passive Provision of Services" is crucial to the agreement. Those concerned agree on its liberation from a formal authorization although further details remain still to be defined.

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Sarbanes-Oxley Act

The Sarbanes-Oxley Act extends requirements of information imposed on companies and reinforces the supervisory and penal framework. It concerns companies listed on US stock exchanges, their affiliates and – according to the legislator – their auditors. It thus directly concerns Swiss auditors.

Information: www.treuhand-kammer.ch \ News \ Sarbanes-Oxley Act; www.pcaobus.org; original text: <http://news.findlaw.com/hdocs/docs/gwbush/sarbanesoxley072302.pdf>.

Internal

GENERAL ASSEMBLY

Provided agreement by the speakers, the presentations of the addresses given on the General Assembly of 27 June 2003 in Geneva will be available on the AFBS' Internet site from Monday, 30 June 2003: www.foreignbanks.ch.

AGENDA

1 July: Strategic positioning, Zurich;

28 August: CEO Lunch, Zurich;

4 September: CEO Lunch, Geneva;

10 September: CEO Lunch, Lugano;

11 September: Interne Kontrolle – Implikationen der Richtlinie der Schweiz. Bankiervereinigung, Zurich;

16 September: Contrôle Interne – Implications de la Directive, Geneva;

25 June 2004: 32nd General Assembly, Lugano.

MEMBERS

APPLICATIONS FOR MEMBERSHIP: Banca Aletti & C. (Suisse) SA – Isbank GmbH, Zurich Branch – Sydbank (Switzerland) Ltd.

MISCELLANEOUS: Sanpaolo Bank (Suisse) SA has closed its Geneva offices and transferred its headquarters to Lugano.

Last Minute

The German Think Tank "Zentrum für Europäische Wirtschaftsforschung" has published the report "Towards a Single European Market in Asset Management": www.zew.de/en (English)

The Association of Banks in Liechtenstein has published a documentation on its financial centre: "Finanzplatz Liechtenstein": www.bankenverband.li \ Publikationen \ Schriftenreihe Nr. 2 (English and German)

The Swiss Federal Banking Commission has published a report on the sanctioning system which is to be integrated in the new Act on Financial Market Supervision: www.ebk.admin.ch/e/aktuell/index.htm (French and German only)

The Swiss National Bank has published its statistics "Banks in Switzerland": www.snb.ch/e/publikationen/publi.html (French and German)

Economiesuisse has published its annual report www.economiesuisse.ch \ Publications \ Rapport annuel (French, and German resp.)

The EU-Commission has published its report concerning the priorities 2003-2006 for the creation of a common internal market: http://europa.eu.int/eur-lex/en/com/cnc/2003/com2003_0238en01.pdf

The European Banking Federation presents its report on an integrated European financial market: www.fbe.be/docs_financial.html \ Eurozone's Financial Market Integration – FBE Letter May 2003

The Draft European constitution is available on: <http://european-convention.eu.int/docs/Treaty/cv00797-re01.en03.pdf>

The Newsletter is being published five times a year. It is sent to the members by e-mail or facsimile and is also available on www.foreignbanks.ch.

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