

Press release

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Private banking – a key export sector for Switzerland

Swiss wealth management needs a model for European integration

The third Private Banking Day, held in Lugano and organised jointly by the Association of Swiss Private Banks (ASPB) and the Association of Swiss Asset and Wealth Management Banks (VAV), focused on issues concerning access to the European market and, more broadly, Switzerland’s relationship with the EU. The event brought together leading figures from the worlds of private banking, politics, economics and administration and showcased the canton of Ticino.

Wealth management for private and institutional clients, which generates over 50 per cent of the revenues earned by the Swiss banking sector, is also an export activity – a fact of which many people are still unaware. The services rendered are produced in Switzerland and provided to clients, two thirds of whom live abroad – mainly in other European countries. This is why, in his welcome speech, ASPB Chairman Yves Mirabaud stressed the importance of good Swiss-EU relations and, in particular, the need to have active, unfettered access to the European market: *“Without it, banks cannot export their services while keeping jobs and tax revenues in Switzerland”*, he said. He described several scenarios for how this might be achieved, from bilateral agreements with certain countries to an agreement – still hypothetical at this stage – on financial services with the EU as well as through equivalence procedures insofar as these are provided for under European law.

Next, Jeroen Dijsselbloem, President of the Eurogroup and Dutch Minister of Finance until end of 2017, presented his views on how the European financial market will evolve in the future. This market is caught in a tug of war between several political forces: those looking to centralise powers and even erect new barriers against non-EU countries, those campaigning for powers to be returned to EU member states and those championing a competitiveness policy built on markets that are open to the world. He also discussed the impact these forces are having on third countries such as Switzerland. And Mr Dijsselbloem warned Switzerland: *“Regardless of the outcome and in light of the wake-up call prompted by the Brexit vote, the EU’s financial policy will have a certain impact on third countries like Switzerland that are looking to interact more closely with the Union.”*

He was followed by Ignazio Cassis, a member of the Swiss Federal Council and head of the Federal Department of Foreign Affairs FDFA, who outlined the Federal Council’s European policy. He explained that the question about financial services will not be resolved directly with the EU, but bilaterally with its members *“The Federal Council is fully aware that the wealth management industry represents a key export sector for Switzerland and works towards achieving the best possible solutions, especially regarding cross-border financial services,”* Mr Cassis underlined.

The debate then continued with a panel discussion involving Christian Vitta, Cantonal Councillor and head of the Department of Finance and Economy of the canton of Ticino; Yves Nidegger, Swiss People's Party member of the National Council for Geneva; Alberto Petruzzella, President of the Ticino Banking Association; and John Williamson, Chair of the Board of EFG International AG and member of the VAV Committee. The participants in this debate attempted to devise the best possible integration model for Switzerland in the financial services sector.

Summing up, the VAV's new Chairman Marcel Rohner revisited the various speeches and stressed that, in enacting a whole raft of new laws over the past few years, Switzerland had done its job and brought itself in line with international and European standards. On the subject of financial services, he said: *"Our country is entitled to expect the EU to take a pragmatic approach that allows a balanced solution to be found for the sector, one that takes account of the unique features of each side and breaks down protectionist barriers. It's up to all of us to show our creative side in order to come up with such a solution."*

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