AFBS News SEP 2017 EN

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Legislation and Regulation – Domestic

FINMA and FinTechs

The revision of the Circular on **Public Deposits** with Non-Banks replicates the amendments in the Bank Ordinance and allows public deposits of up to CHF 1 Mio provided there is no investment nor interest being paid. The admissible duration of deposit is extended from seven to 60 working days to allow crowd-funding. **Info**: DE FR IT EN

The FINMA adopts enforcement against an issuer of fake **cryptocurrencies**. The firm offered coins against payment. The currency was not circulating on a blockchain but stored by the issuer. The FINMA assimilated the activity to public collection of deposits without appropriate licence. **Info**: DE FR IT EN and DE FR IT EN

The Basel Committee for Banking Supervision publishes a consultative document on the implications of **FinTechs** for banks and banking supervisors. **Info:** EN

Sovereign Money Initiative

According to the Sovereign Money (Vollgeld / monnaie pleine / moneta intera) the Swiss National Bank monopoly should not apply merely to the issuance of banknotes but extend to the entire monetary mass, including book money. The SNB would manage the monetary mass through public debt or loans to commercial banks. Loans to private persons and corporations would remain with the commercial banks. The Icelandic government commissioned a KPMG study on alternative monetary systems, which also refers to the sovereign money initiative. **Info**: AFBS Memo: link and KPMG report: link

Anti-Money Laundering

Following up on the FATF country examination the FINMA proposes amendments to the Anti-Money Laundering Ordinance: * verification and to regular updates of beneficial ownership of all clients; * monitoring of legal and reputational risk at global level; * definition of procedures to mitigate risks in case of legal structures and domiciliary companies; * compulsory beneficial owner identification in case of cash transactions beyond 15,000 instead of 25,000. **Info**: DE FR IT EN

In the same context the Convention on Due Diligence CDB will be updated. Most notable change expected regards the frequency of revision of the KYC information for customer accounts.

Labour Law / Work Time

The National Council requests two reports on labour law from the Federal Council: to assess modernisation of the

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regulation and to include offers easing access to jobs in the realm of MINT (mathematics, IT, natural sciences and technology). The association Employees Switzerland welcomes the initiative: it does not want to change annual work time but grant the individual more flexibility in managing his worktime. **Info**: Parliament: DE Employees Switzerland: DE FR

Old bank notes will not expire

Old Swiss bank notes should not lose their value. The Federal Council proposes to eliminate the exchange period (20 years) for old bank notes. The consultation period expires on 16.11.2017. **Info:** DE FR IT

Legislation and Regulation – International

RCAP – US and EU

The Regulatory Consistency Assessment Program of the Basel Committee for Banking Supervision concludes that the US is compliant with the Liqudity Coverage Ratio (LCR). There are divergencies deemed not material, and in some aspects the US regulation is more stringent. The EU rules are only largely compliant. **Info**: EN (3.7.2017)

The FINMA informs the AFBS that, based upon the RCAP, branches of UE and US banks can apply for exemption from the LCR.

Tax Matters

The US Internal Revenue Service postpones entry into force of parts of the 871(m) regulation; new deadlines expire end of 2018: **Info**: IRS: doc – PWC: link

France announces the closure per year end of the "Service de Traitement des Déclarations Rectificatives" which was set up in 2013 to process voluntary regularisations. Declarations filed before 31.12.2017 will be processed according to the ancient regime. **Info**: link

The Federal Council estimates that after introduction of the automatic information exchange voluntary tax regularisation will no longer be possible for Swiss citizens. **Info**: DE FR IT

The OECD Global Forum presents a new way of performing peer-reviews for assessing compliance with international standards on tax transparency. **Info**: link

Upon the OECD standard for collection of VAT on cross-border sales the EU is preparing legislation for introduction of the scheme among member states. This is expected to impact third countries also. The cross-border sale of goods and services shall be subject to the VAT rate at the place of consumption, obliging the seller to calculate the applicable rate, withhold it and pay it to the competent national tax authorities. **Info**: OECD: EN FR EU: DE FR EN

The EU also reflects on the way of adapting taxation to the digital economy. It wishes to establish a link between the place of value creation and taxation. It suggests to promote the initiative through the OECD at global level or alternatively at EU level only. **Info**: EN FR

Payment Services

The EU Payment Services Directive PSD2 will apply from January 2018. It aims at modernising the payments environment and opening it for new entrants. Switzerland is impacted as it is part of the Euro Single Euro Payments

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Area SEPA. **Info**: European Banking Federation: link PWC: link

Financial Dialogue

Switzerland and **Israel** signed a memorandum of understanding in view of deepening cooperation in the financial sector. Beyond discussions on market access, cooperation is expected in the realms of investment funds and fintech. **Info**: DE FR IT EN

The dialogue between Switzerland and **Hong Kong** includes endeavours to contribute to the internationalisation of the RMB. **Info**: DE FR IT EN

Agenda

Events

EU Regulation on Data Protection: What Does This Mean for a Bank in Switzerland? N.Vernaz, PricewaterhouseCoopers: Geneva 30.10.2017; Zürich 31.10.2017.

FINTECH: Suitability as a Service: G.Dubray, Fusion: Geneva 30.10.2017.

RegTech – more than just a term: D.Witz, L.Donati, swisscom: Zürich 26.10.2017; Lugano 27.10.2017; Geneva 6.11.2017.

The perspectives for international banking – is there a case for open financial markets? various speakers: Geneva 8.11.2017.

Last Minute

SBA presents the updated edition of the Banking Barometer 2017 in DE, FR, EN: link // SFAMA Compacts: simple information on investment funds: DE EN FR IT // Annual Report 2017 of the Luxembourg Financial Market Supervisory Authority CSSF: link // President of the EU Commission JC Juncker's "State of the Union" address: DE FR IT EN // UK Investment Association's Asset Management Survey 2017: link // The Federal Supreme Court confirms that personal data cannot be transmitted abroad wtihout consent of the concerned person: link and UniGE: link // SIF Newsletter: DE FR IT EN // World Economic Forum on disruption in finance: doc // The Federal Council increases contingents for 2018 for workers from third countries: DE FR IT // SIF publication on the Swiss financial centre: DE FR IT EN

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