



"SFBC – Strategy for International Activities" (status: October 2007)

1. Credible supervision and attractive conditions are the goals

The goal of the SFBC in its international activities is to maintain and enhance the credibility of its supervision and thereby improve the conditions under which the Swiss financial services industry and investors operate. In doing so it strengthens its reputation as a trustworthy home country supervisor for globally active Swiss financial groups and a trustworthy host country for international financial groups present in Switzerland. This makes it easier for Swiss financial groups to gain access to foreign markets, while also fostering understanding among foreign partners for our financial market regulation and supervisory policies and boosting Switzerland's reputation as a financial centre. The SFBC also monitors international developments with a view to anticipating and reacting swiftly to major international trends and crises and thus sustaining the favourable conditions for Swiss financial groups and investors.

2. Awareness of basic conditions in the Swiss financial centre

Switzerland occupies an important international position in cross-border private banking and trade finance. In addition, the standing, image and influence of the SFBC at the international level are largely determined by the role it plays as the home country regulator for a substantial number of globally active financial groups. It also plays the important role of the host country regulator for international financial groups, although this function is not so crucial to the international profile of the SFBC since Switzerland is just one host country among many. However, the SFBC has to make sure its home country and host country regulator functions are co-ordinated in a credible manner. Since the home market is small by global standards, foreign regulators show relatively little interest in how the Swiss financial market is regulated. On the other hand, Switzerland's prominence in cross-border private banking results in frequent contact with foreign financial markets and their regulators. Major Swiss financial institutions are expanding globally and with increasing focus on the world's fast-growing regions. This inevitably reflects back on the Swiss financial centre and on the thrust of the SFBC's international activities.

3. Effective internal and external co-ordination

The SFBC's international activities need to be effectively co-ordinated with its work in the fields of policy, supervision and enforcement. Only if this is the case the SFBC can make itself heard in international discussions. At the same time, the SFBC must ensure that its international activities are closely co-ordinated with the other private and public stakeholders in the Swiss financial centre. Accordingly, the SFBC aims at the inclusion



of its own voice and that of the financial centre in Swiss working groups, forums and discussions that could have an impact on the SFBC's supervisory tasks and on the financial centre.

4. Constant monitoring and regular review

The SFBC regularly defines the international activities, organisations and partners that are of strategic importance to it, one important criterion being the interests of financial institutions and the industry as a whole. The SFBC constantly cultivates and observes the relationships defined in this way. Given the resource-intensive nature of such work, the SFBC has a predefined procedure for the regular review of these relationships and for refocusing its activities wherever necessary.

5. Systematic cultivation of strategic and operational relationships at bilateral level

With its major counterparts, the SFBC strives for the establishment of high-level channels for a regular, strategic dialogue on important bilateral and multi-lateral issues and to maintain such dialogue in the long term. Regular bilateral meetings with supervisory authorities at an operational level add depth to supervisory topics of mutual relevance. With its regular trilateral contacts with the supervisory authorities of the USA and the UK concerning the supervision of the two big Swiss banking groups, the SFBC has set new standards in international supervision. In concert with the relevant Federal bodies, the SFBC is also open to establish contacts with other foreign authorities interested in the Swiss financial centre.

6. Active involvement in international forums to promote international financial stability and Switzerland's interests as a financial centre

The SFBC is actively involved in international forums of which it is a member. At present, these include most notably the Basel Committee on Banking Supervision (BCBS), the International Organization of Securities Commissions (IOSCO) and the Joint Forum, in which the international umbrella organisations of the three supervisory fields of banking, securities and insurance are represented. The SFBC is also heavily involved in the preparations of the Swiss delegation to the Financial Stability Forum concentrating on the issues that are important for the Swiss financial services industry and its players and investors. On such issues the SFBC is also prepared to assume specific responsibilities, such as leadership of specific taskforces. Where resources permit, it also accepts mandates to provide technical assistance or expertise in country assessments by the IMF.

7. International minimum standards geared to market reality

International minimum standards are vital to the future development of national financial market regulation. When international standards are devised, therefore, the SFBC supports a flexible, consistent approach geared to market reality and which takes due



supports a flexible, consistent approach geared to market reality and which takes due account of the risks involved. When international minimum standards are drawn up, it is especially important to consider the effectiveness as well as the costs and benefits of the new regulation. It therefore makes sense to find appropriate means of including the financial industry at the international level as well.

8. Clear emphasis on international activities

Since they are so resource-intensive, our international activities have to be clearly focused. Given that the Swiss financial centre is so closely interconnected with events elsewhere in the world, the SFBC regards all areas of international co-operation and issues of providing for and overcoming international financial crises as paramount. It therefore supports efforts to improve the rules on liquidity management by global financial groups and the basic conditions for issues relating to the resolution of internationally active banks. On the Swiss financial market, the conditions for market access by foreign financial institutions are extremely liberal. Accordingly, the SFBC lobbies for easier access to foreign markets for Swiss financial institutions and for the recognition of the Swiss supervisory framework as equivalent regulation.