

Swiss Bankers Association Officials Visit IBA



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A delegation of Swiss Bankers Association (SBA), the leading professional organisation of the Swiss financial centre, headed by its chairman, Pierre G Mirabaud, visited India between 10th and 15th February 2008 to understand and establish a stronger relationship between the two countries. The delegation included chief executive officer, deputy chief executive officer, head-communication and member of the executive committee of the Board, accompanied by economic and commercial counsellor, Swiss Embassy, New Delhi.

SBA, like IBA, is the primary industry group representing the Swiss banks to the government of Switzerland and to the governments of other states. They have over 350 banks as members, including two 'big' banks - UBS AG and the Credit Suisse Group - together accounting for over 50 percent of the total balance sheet of all banks in Switzerland. 40 percent of SBA's member banks are foreign banks.

SBA is a self-regulating body having a long tradition of self-regulation. In collaboration with their regulatory authority, the Federal Banking Commission (FBC), Swiss banks draw up binding codes of conduct and good industry practices. Compliance with suggested guidelines is voluntary. However, the FBC can impose sanctions on members for any infringement of the code of conduct. The Swiss banking regulator follows regulation by 'principle' as against Indian banking regulator who regulates by 'rules'.

The SBA acts as an intermediary to the government, regulator and the banks and contributes to the decisions of

regulators and government. Internationally, they are active in Europe, America and Asia. In Asia, they have been active in Hong Kong, Singapore and China. With this visit to India, they look forward to extending their relationship with India.

A meeting was organised on February 11, 2008 between the officials of the IBA and SBA to exploit the ways and means of increasing interaction between the two associations. H N Sinor, chief executive, and other senior officials from IBA attended the meeting.

Sinor explained the main focus areas of the association and how the issues are addressed through standing committees. He informed them that as Indian banking system gets more and more deregulated, IBA may increasingly assume a self-regulating role. Sinor informed SBA about the two-phased roadmap of RBI for market access by foreign banks. Between 2005 and 2009, new banks could establish branches in line with the World Trade Organisation (WTO) commitment or wholly-owned subsidiaries following the one-mode presence criteria. Post 2009, limitations on operations would be removed and they would be treated at par with domestic banks after reviewing the experience.

The SBA congratulated IBA on its becoming the associate member of International Banking Federation (IBFed). The members exchanged views on the subprime crisis, the slowdown in the USA, implementation issues of Basel II and other matters. The SBA officials were keen for Indian banks to open their branches in Switzerland and in order to explore this angle, invited IBA and member banks to their country.