

Making the case for Switzerland and Singapore



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Geneva to Singapore is 6,511 miles on the map. Zurich to Singapore is a bit less: 6,396 miles. As soon as you enter the world of wealth management, however, distances inexorably diminish. Year by year, Singapore has been getting closer as it picks up market share.

Since the outbreak of the subprime crisis, Swiss private banking has been operating in an increasingly competitive environment. Competition is currently being made livelier still by a number of issues affecting the Swiss financial centre. The environment has changed noticeably as a result of increasing regulatory pressure, the breakthrough of emerging markets, the debt crisis in the eurozone and the resulting economic contraction. The erosion of banking secrecy in fiscal matters has made the task of Switzerland's bankers and asset managers particularly complicated, compelling them to react quickly, and redraft both their business model and their marketing strategy.

However these contrary winds have not weakened the Swiss financial centre to the extent of threatening its preeminence. Its supremacy in the distinct area of wealth management is not just due to its banking secrecy. While it is true that Switzerland has taken advantage of banking secrecy on fiscal matters, this does not represent its unique selling

proposition as marketing experts say in business schools.

From Geneva to Zurich to Lugano the Swiss financial centre has no problem providing other arguments to highlight its added-value and justify its position. In this respect, it is interesting to bear in mind the strong capital inflows recorded in 2011 by a large number of Swiss private banks as banking secrecy on fiscal matters was wending its way to oblivion.

In practice, the attraction and success of the Swiss financial centre rests on two guiding principles. The first features the decisive advantages provided by the Swiss Confederation in political, economic and social terms. The second covers the professional qualities and extensive services of Swiss bankers, managers and of their close partners.

A few words on Switzerland to start with. The permanence of its institutions, the strength of its currency and its healthy economy offer clients of its banking sector excellent guarantees, particularly with regards to security and risk control. Yet Switzerland also boasts a multilingual culture, which facilitates its international renown, and a persuasive corporate tax system.

For more than a decade Switzerland has been one of the most competitive economies in the world. This is due, among other factors, to the quality of its infrastructure, its higher education system, and its prowess in the areas of innovation and company financing. Contrary to certain accepted ideas, Switzerland is not falling over itself touting for business from tax renegades. The country prefers to attract a much more significant crowd of investors and

entrepreneurs looking to generate value in optimal conditions.

The banking and finance sector has also flourished thanks to this environment. Bankers and asset managers, the Swiss players in wealth management, have acquired know-how over time, mastering their art and providing unmatched service quality. Today they can offer clients from all backgrounds sophisticated advisory services in every aspect of wealth management. The Swiss financial market also brings together the best of the legal and fiscal professions. Their proximity and complementarity of skills have, for example, enabled bankers and asset managers to develop considerable expertise in cross-border tax planning and wealth structuring issues.

This manifold variety of talent and depth of skills provide the Swiss financial centre with its legitimacy and authority. The Swiss market clearly has sufficient resources to face with equanimity the competition it is now encountering, be it from Singapore, New York, London or Hong Kong. As is the case for its luxury goods, superior engineering and healthcare sectors, Switzerland's banking sector has the capacity to both strengthen its position in its domestic market and its exports of products and services. ●

