

Switzerland fends off threats to wealth status

The country has weathered a prolonged drive for increased tax and wealth transparency. John Williamson of EFG International feels it will remain a leading wealth centre, but that not all organisations will survive the regulatory demands.

A torrent of regulatory acronyms have combined in recent years to wash away much of the client anonymity that the world's private banking industry had taken for granted.

The impact of new rules such as FATCA, KYC (know your customer) and CRS (Common Reporting Standards) is leaving the fate of some offshore wealth jurisdictions uncertain. Yet Switzerland has too rich a heritage to be side-lined.

"Today's cross border wealth business is all about geopolitical risk diversification," says John Williamson, vice chairman of EFG International. "People create wealth in various nations but for political or economic reasons don't want to keep it there. Switzerland is as good [a place to store it] as, if not better than, competing centres such as London."

NOT FOR EVERYONE

Williamson feels a combination of factors stand the country in good stead.

"In terms of combining a strong economy, a strong currency, a strong political system, excellent infrastructure, very efficient banks that really do work, and a workforce of people that understand what cross border private clients want, Switzerland is still at the top of the tree," he says.

Yet despite his optimism about Switzerland as a whole, Williamson notes that not all institutions are well-placed to survive rising regulatory scrutiny. "We still have a legacy of entitlement in certain quarters here, combined with a reluctance to adapt. Many banks received easy money for a long time but that unilateral advantage has changed, and institutions here need to adapt."

The consequences of these rules could leave some organisations struggling to display what value they truly offer.

"There are two types of private bankers: the people sufficiently driven, moti-



JOHN WILLIAMSON
EFG International

vated, entrepreneurial and adaptable to re-create themselves – and others, who are stuck in the previous model which no longer works." ■