

## **SBA and China Banking Association: Successful First Chinese – Swiss Financial Round Table**

Basel, 27 June 2014 –The Swiss Bankers Association (SBA) and the China Banking Association (CBA) held their first Chinese-Swiss Financial Round Table. The event was attended by Eveline Widmer-Schlumpf, Swiss Federal Councillor, and Zhou Xiaochuan, Governor of the People’s Bank of China. Further participants included Boris F.J. Collardi, CEO Julius Baer, Patrick Odier, Chairman of the Board of Directors of the SBA, Thomas J. Jordan, Chairman of the Swiss National Bank (SNB), Urs Rohner, Chairman of the Board of Directors of Credit Suisse, Kaspar Villiger, former Swiss Federal Councillor and former Chairman of UBS, and Chen Yuannian, Secretary General of the CBA. The participants discussed possibilities for future collaboration and for a Swiss Renminbi hub. The two associations signed a memorandum of understanding that cements the mutual aims and intentions for further and strengthened collaboration.

Commercial relations between Switzerland and China date back several centuries. Today, the two countries enjoy very strong relationships that have been further strengthened by the free trade agreement signed by the two countries in 2013 and that will enter into force on 1 July 2014. In December 2013, Switzerland and China launched a financial dialogue which was followed by a second meeting on 26 June. The first Chinese-Swiss Financial Round Table marks an important step in the future collaboration between the financial sectors and business communities of the two countries.

In their welcome addresses, Eveline Widmer-Schlumpf, Swiss Federal Councillor, and Urs Rohner, Chairman of the Board of Directors of Credit Suisse, emphasised the importance of the collaboration between the two countries. Chen Yuannian, Secretary General of the CBA, complimented the work to date and discussions between the SBA and the CBA in his welcome address. Switzerland and China have taken important steps in preparing the ground for further collaboration. Patrick Odier, Chairman of the Board of Directors of the SBA, also spoke of the importance to both China and Switzerland to strengthen their long-term business relationships and learn from each other.

The plenary sessions were moderated by Kaspar Villiger, former Swiss Federal Councillor and former Chairman of UBS. Among others, the speakers included Zhou Xiaochuan, Governor of the People’s Bank of China, and Boris F.J. Collardi, Chief Executive Officer of Bank Julius Baer. Zhou Xiaochuan elaborated on financial sector liberalisation in China, the opportunities for financial institutions wanting to expand globally, and the possible partnership with the Swiss financial sector. Boris F.J. Collardi focussed on wealth and asset management in Switzerland and their role as catalysts for financial sector cooperation between China and Switzerland.

The SBA and CBA confirmed their interest in regularising and deepening the collaboration in banking research, education and training. Other areas of mutual interest

were the liberalisation of the financial sector in China and a possible partnership with the Swiss financial sector in that process.

**Ongoing discussions for a Swiss Renminbi-Hub**

A key issue at the first Chinese-Swiss Financial Round Table was the possibility of Switzerland becoming an international Renminbi hub. Both the Swiss government and the Swiss banks support this plan. Furthermore, Swiss banks are greatly in favour of a currency agreement (swap line) between the SNB (Swiss National Bank) and the People’s Bank of China, and thus for clearings through a Chinese bank based in Switzerland. Efforts are underway which might eventually lead to the establishment of a Renminbi-Swiss franc swap line. This would greatly facilitate Renminbi clearing by a bank located in Switzerland, lowering transaction costs and highlighting Switzerland’s position as a European hub for Chinese and Renminbi business.

The attendees made clear that Swiss banks would welcome Chinese banks to Switzerland and that the Swiss authorities would be open to considering possible applications made by Chinese banks. Patrick Odier said: “An international swap line for the Chinese and Swiss currencies would be very welcome: It would assure liquidity for a Swiss-based Chinese clearing bank and it would increase the trust of market participants. Corporations and SMEs in Switzerland would benefit from greater proximity and operations in their own time zone. In short, Switzerland as a Renminbi hub is a win-win situation for both China and Switzerland”. Likewise, the CBA signalled interest in the Swiss plans. Chen Yuannian said: “The Swiss Financial Center has expanded Renminbi business extensively, serving clients in China, Switzerland and elsewhere in the world. This is favourable for not only the development of Swiss enterprises but also for the internationalisation of the Renminbi”. To cement their aims and goals, the SBA and the CBA signed a memorandum of understanding as a sign of their mutual understanding and willingness to proceed on the chosen path.

**Media information**

This press release can also be found on our homepage [www.swissbanking.org](http://www.swissbanking.org).

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