

BANKING/ FINANCE

Private Bankers Seeking Break From Swiss Crisis-Era Rules



MATTHEW LLOYD/BLOOMBERG NEWS

Regulations in Switzerland have become more stringent and complex since UBS Group's state bailout in 2008, drawing complaints from small banks that they are paying the price for a crisis they didn't cause.

by Patrick Winters

A David vs. Goliath battle is brewing in the world's biggest hub for offshore wealth.

Big banks are pushing back against Swiss plans to relax rules that are making it hard for small financial firms to compete against the likes of UBS Group AG and Credit Suisse Group AG. While Switzerland is home to about 300 banks and securities dealers, most — about 260 — have no more than a few billion francs in assets. Together they represent just 10 percent of total assets.

"There should be differentiation in regulation between different types of banks," said Yves Mirabaud, president of the Geneva Financial Center industry association and senior managing partner of family-owned Mirabaud & Cie. "This is contested by the large banks."

"The big banks prefer to have everyone treated the same way as they are, for obvious reasons," he said in an interview at his Geneva office.

Regulations in Switzerland have become more stringent and complex since UBS's state bailout in 2008, drawing complaints from small banks that they are paying the price for a crisis they didn't cause. Now the country's financial regulator says some rules introduced to control big banks may have given them a competitive edge because the regulations are more expensive for smaller rivals to apply.

Major banks could be hard-wired to influence regulation to keep barriers to entry "nice and high," Finma President Mark Branson said last week in a speech outlining plans to make it easier for small banks to report liquidity and capital adequacy. Other proposals include allowing them to perform audits every three years instead of annually.

SIZE MATTERS

Small banks are an advantage for the industry because they readily offer sophisticated services, have close contacts with customers and know the ins and outs of their localities. They are just the right size for "road-testing and driving innovation," said Branson, a former banker at UBS.

Yet smallness has drawbacks. Rural lenders and boutique wealth managers are generally less profitable than big banks because they don't benefit from cost-savings based on scale. UBS Chief Executive Officer Sergio Ermotti and Credit Suisse Chairman Urs Rohner

have said Swiss banks need to consolidate to boost profitability.

"It is important to Finma that small banks have a fair chance to grow, progress and continue to operate profitably in their various value propositions," Branson said. "That is why the unnecessary hurdles and costs faced by small banks should be identified and wherever possible eliminated."

COST SPIRAL

A fixture in Swiss banking for almost 200 years, Mirabaud manages about \$36 billion in client assets. That's 60 times smaller than UBS, the world's largest wealth manager. About 10 percent of its workforce is employed in making sure the bank follows laws, regulations and business standards, areas that barely existed 20 years ago.

"Our concern is the cost of doing business is more and more important," Mirabaud said. "It is proportionally more expensive for us to calculate ratios, do reporting, have yearly audits."

On a more positive note, Mirabaud said the bank's brokerage may break even this year after an overhaul prompted by several years of losses. The business has gone through "tremendous changes" to make it profitable again, he said.

Representatives for UBS and Credit Suisse declined to comment on whether they oppose the changes. Mirabaud declined to specify which large banks are against Finma's proposals. Swiss banks manage the largest share of the world's privately held offshore wealth, a position under pressure from Singapore, Hong Kong and the Channel Islands.

Finma plans to set up an expert panel and to test proposals on some banks next year. The new rules would concern only the two smallest categories. The regulator classes banks in five categories based on total assets, assets under management, deposits and required capital.

Credit Suisse and UBS are in the first group, meaning they have the potential to destabilize the financial system. Mirabaud is a category four bank with a broad international clientele, mainly in South America, Eastern Europe and the Gulf countries. It employs around 700 people, half of them in Switzerland.

"It seems like Finma is taking this issue into their hands. Whether in a good way or not — it's too soon to say," Mirabaud said.

Patrick Winters reports for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **Council Zoning Hearing** on **Wednesday, October 25, 2017, beginning at 6:00 PM**, to consider the following variance application. This meeting will be held at the **City of Doral, Government Center, Council Chambers** located at **8401 NW 53rd Terrace, Doral, Florida, 33166**. The proposed variance application applies to the property shown on the map below.

The City of Doral proposes to adopt the following Resolution:

RESOLUTION No. 17-

A RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING/DENYING A NON-USE VARIANCE APPLICATION TO INCREASE THE INDUSTRIAL ZONING DISTRICT FLOOR AREA RATIO (FAR) IN SECTION 68-824 OF THE LAND DEVELOPMENT CODE, FROM .25 TO .31 FOR A PROPERTY LOCATED AT 3050 NW 84 AVENUE; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 17-10-DOR-03

APPLICANT: FL 8455 LLC

PROJECT NAME: Urban Self-Storage

LOCATION: 3050 NW 84th Avenue, Doral, Florida 33166.

FOLIO NUMBERS: 35-3027-039-0040

SIZE OF PROPERTY: 1.94± Acres

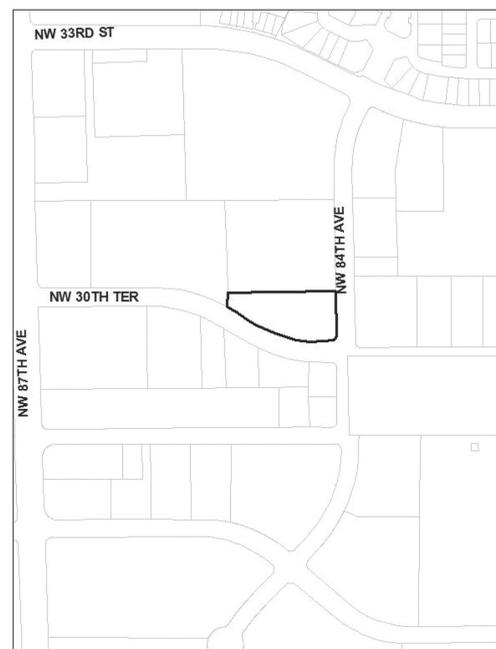
PRESENT LAND USE: Industrial

PRESENT ZONING: Industrial

REQUEST: FL 8455 LLC (the Applicant) is requesting a non-use variance from the Industrial zoning district FAR requirement in Section 68-824 of the Land Development Code. The purpose of this non-use variance is to cure a nonconformity to an existing industrial building created when the current Code of Ordinances of the City of Doral was approved.

LEGAL DESCRIPTION: GALLOWAY FINANCIAL CENTER NORTH PB 144-4 T-18332 LOT 4 BLK 1 LOT SIZE 1.94 AC FAU 30-3027-025-0010 THRU 0100 OR 16158-3754 1193 1 COC 24113-4060 07 2005 1.

Location Map



Information relating the subject application is on file and may be examined in the City of Doral, Planning and Zoning Department Located at **8401 NW 53rd Terrace, Doral, FL. 33166**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **8401 NW 53rd Terrace, Doral, FL. 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide interpretation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento durante el proceso de solicitudes de zonificación.

Connie Diaz, CMC
City Clerk
City of Doral

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