



## Media release

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### 8th Liechtenstein Bank Day

## Banks are ready for AIA - political sphere faces challenges

**The 8th Liechtenstein Bank Day was held in Vaduz on Wednesday. OECD tax chief Pascal Saint-Amans was the keynote speaker. He spoke about the introduction of the automatic exchange of information (AEI) and highlighted future trends. Beforehand, Saint-Amans and the Association's chiefs answered questions posed by the media.**

This first-class event has been held in Vaduz since the year 2000. LBA chairman Adolf Real was delighted that many representatives from business, politics and the media accepted the Bankers Association's invitation to the 8th Liechtenstein Bank Day, and additionally that this year again saw a captivating speaker delivering the keynote address on highly topical issues. Chairman Real thanked Pascal Saint-Amans, Director of the OECD Centre for Tax Policy, for taking part in the Bank Day and paid tribute to his work as the "mastermind of OECD tax policy", even if this policy did not always meet with unanimous approval among market participants in recent years. He added that, in the meantime, the OECD had nevertheless come to see that it was essential to take into account the various needs, particularly of smaller states, within the international community. "In all modesty, I can now say with some certainty that we have also been instrumental in raising awareness in this way", said Real, referring to the numerous constructive talks between the Bankers Association, the government and the OECD. "A new foreseeability has emerged on both sides, which is an indispensable requirement for a functioning cooperation."

### Banking centre on right path

"We are cautiously optimistic as far as the future development of our banking centre is concerned", said Real to the media. Although the banks' half-year figures present an inconsistent picture, he commented, new cash inflows were encouraging. "It shows that we are on the right path", said Real. The transformation process is still in full swing, he noted. For example, assets under management were at last year's level. The cost-saving and efficiency programmes that have been introduced are having an impact on the banks' income statements, bearing in mind that the market environment remains difficult.

The banks benefit from their stable foundations and capitalisation averaging 20%, an outstanding level when compared worldwide. Their realignment strategies are bearing more and more fruit. A sustained internationalisation of the banks is underway - they are currently



represented in more than 20 countries at some 60 locations. Not least, concluded Real, the flood of regulatory requirements remains high and makes a lot of demands on banking resources. The introduction of the automatic exchange of information is also a factor in this respect.

### **Administration and political arena also face challenges**

LBA Director Simon Tribelhorn then discussed the many challenges still facing the banks. Over the next few months, for example, the banks will be working intensively on the technical implementation of introducing the automatic exchange of information (AEI). They must also implement requirements resulting from a number of EU regulations, e.g. relating to combating money laundering, investor protection and regulatory matters. The challenges facing society, such as climate change or demographic shifts, also affected the banks, he commented. Tribelhorn referred to the increasingly stiff competition. "Other global financial centres are not standing still. There are a number of initiatives to strengthen the respective market position", he stated to the media. "We are in a highly competitive situation for innovation and cost efficiency. On top of that, we are competing for the best talent on a global marketplace".

Tribelhorn pointed out that the banks make enormous efforts and face up to the competition. They meet the challenges with flexibility, innovation, expertise and quality, he asserted. He also noted that politicians and the administration were also facing challenges. For example, the legislation implementing AEI must enter into force with effect from 1 January 2016. The relevant guidelines from the tax authorities would also need to be in place in their final form within the specified period. In this respect the banks need clear instructions very soon, since they also depend on third-party providers such as software developers for technical implementation in good time. The Director of the LBA also highlighted another important point: "For us, it is extremely important that ultimately there is only one consistent standard". As a result, the OECD standard on AEI must also be compatible with EU regulations on savings interest taxation, for example. "The devil is in the detail", reminded Tribelhorn.

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Caption from left to right  
Simon Tribelhorn (LBA Director), Dr. Mauro Pedrazzini (member of government), Pascal Saint-Amans (Director of the OECD Centre for Tax Policy), His Highness Hereditary Prince Alois of Liechtenstein, Adolf E. Real (LBA Chairman)