



Press release

Date 18 February 2011
Released immediately
Note for enquiries, please call +423 230 13 23
Pages -4-

Future-oriented strategy for the financial center Quality, stability and sustainability

Liechtenstein has managed the financial crisis well and proven itself to be a stable partner. Nevertheless, the global efforts at regulation and ongoing internationalization continue to put pressure on financial centers. Competition is great, and worldwide banking and financial center initiatives are the consequence. To preserve the strengths of the Liechtenstein financial center in this challenging environment and to generate growth with new business segments, the Liechtenstein Bankers Association has developed a future-oriented strategy for the Liechtenstein financial center.

On Friday, 18 February 2011, the Liechtenstein Bankers Association presented the new strategy for the Liechtenstein financial center in Vaduz. This strategy, the "Roadmap 2015", builds on the Futuro report of the Government from the year 2008. Its goal is to generate growth opportunities for the key business sectors and to establish the framework for political guidance. With 30% of GDP, the Liechtenstein financial center contributes a substantial share to the prosperity of the country. The financial services sector is made up of several significant business sectors: international asset management (banks, fiduciaries, independent asset managers and insurance companies), retail and corporate business in Liechtenstein and the neighboring internal market, and investment funds. The strategy takes account of the financial center's importance. The strategy was harmonized with the business associations in the financial center, as part of a joint approach, and was presented to all the important players. The very positive echo confirms the Bankers Association's conviction that it has embarked on the right path.

Positioning: Quality, stability, sustainability

The Liechtenstein financial center wants to reposition itself in the heart of Europe and be measured by the criteria of quality, stability, and sustainability. "Our vision is to be perceived as a respected, sustainably acting, and stable financial center," explained Adolf E. Real, President of the Liechtenstein Bankers Association, at the presentation of the strategy. The vision also means: "The Liechtenstein financial center is known for its high level of innovation and efficiency as well as its demonstrated competence in wealth management. This puts the financial center in a position to offer tailored products and top-quality services to a demanding, internationally oriented clientele." The strategy is based on this vision. The pillars of the financial center's claim to quality include decades of experience in private wealth management for an international clientele, the great know-how of financial intermediaries, as well as tailored services and products.

The stability factor as a distinguishing characteristic in the global financial world is underscored by Liechtenstein's AAA rating, a stable political environment, a debt-free national budget, and the high equity ratio of banks. Additionally, Liechtenstein has a broadly diversified business location.



LIECHTENSTEINISCHER BANKENVERBAND

With the banks' enhanced and in-depth engagement in the fields of sustainability and philanthropy at the level of services and products, the Liechtenstein financial center is developing into a veritable competence center for comprehensive – i.e., both economic as well as social and ecological – sustainability.

Differentiation

Already today, Liechtenstein has opportunities to distinguish itself from its competitors. It has a company law that offers a wide variety of company forms and a high level of liberalism compared with other countries. With access to two economic areas – Switzerland and the EU – Liechtenstein enjoys an exclusive position. Using this as a basis, the goal is to develop integrated services and solutions in the fields of banking, insurance, funds, company structures, and asset management into a one-stop financial center.

Five strategic pillars

Over the course of a process lasting several months, the strategy was developed in three phases by a working group composed of the Liechtenstein Bankers Association and the banks themselves. In a first phase, the strategy group took stock of the financial center at a fundamental level, examined comparable financial centers, and analyzed the development of the framework conditions. In a second phase, the driving factors influencing the future of the financial center were identified, and various scenarios were developed. Finally, the third phase developed clear goals and derived areas of action that encompass more than 30 individual measures. The strategy is built on five pillars, on the basis of which the areas of action were developed: innovation, coordinated approach, international participation, attractiveness of the location, and reputation.

Innovation: Sustainable niches

Simon Tribelhorn, Director of the Liechtenstein Bankers Association, explained the different areas of action. In addition to existing products and services, the banks and financial intermediaries are called upon to open up their business model to new and innovative ideas. International regulations are to be used as an opportunity to make existing laws more attractive and to improve products. This includes rapid implementation of international directives in the fund segment, the positioning of common-benefit foundations, and securing an optimal tax environment and the international recognition of Liechtenstein company forms and trusts. Liechtenstein has also not taken full advantage of its potential as a fund center so far. The need for cross-border pension funds is growing, and Liechtenstein can offer know-how and services in this field. "Beyond this, the Liechtenstein banking and financial center wants to establish itself as a competence center for sustainable investments and as a pioneer in social and ecological sustainability," Tribelhorn explained. This also means that Liechtenstein commits itself to a zero-tolerance policy with respect to abuse. Areas such as socially responsible investments, microfinance, and philanthropy already offer an enormous potential for innovation, which the banks are putting to use.



Coordinated approach: Financial Center Group

The coordinated approach of the financial center includes an effective and efficient FMA as well as the development of a think tank. Tribelhorn said that the planned establishment of a Financial Center Group is intended to institutionalize the process of finding ideas and identifying business opportunities at an early stage. "We must take advantage of arising opportunities for our liberal and business-friendly financial centre and ensure quality control." For purposes of better regulation, the associations should also be included early on in the regulatory process, and overregulation should be avoided. The banks attach great importance to stronger international participation. The international network of relationship should be expanded, membership in international bodies at all levels ensured, and international standards implemented.

Attractiveness of the location: Transparency and know-how

The precondition for building up a sustainable financial center is its attractiveness as a location and its positive reputation. The Bankers Association is committed to implementing the OECD standards, but it rejects automatic information exchange. The future belongs to declared assets. For this purpose, a network of double taxation agreements closely coordinated with market participants should be established. At the same time, the Bankers Association continues to stand for the protection of justified demands for privacy by the worldwide clients of the Liechtenstein financial center. Stronger tax cooperation does not contradict the protection of privacy, which must be ensured vis-à-vis unjustified access by third parties.

Talents and know-how must be built up and expanded. The importance of the availability of experts as well as basic and continuing training cannot be overstated. In this connection, banks call for a loosening of immigration policy, including for top talents. Adolf E. Real mentioned the recent announcement by the Government that it would increase the quota by 15%, which is an important first step.

Reputation: Communication and marketing

The Liechtenstein financial center is only attractive if it is perceived as such. To improve Liechtenstein's image as an attractive financial center, what is needed first and foremost is improved visibility as well as targeted and professional marketing of the Liechtenstein financial center. The banks plan to further expand location communication for the financial center using proactive marketing.

Resolute path

"With this strategy, we are building on the strengths of the financial center and are setting the course toward the future," Real said in conclusion. Liechtenstein is committed to a zero-tolerance policy with respect to abuse. The banks have always pursued a prudent and rather conservative business strategy and avoid risky investments, in line with the long-term and sustainable orientation according to the needs of their clients. With the banks' engagement in the field of sustainable investments and philanthropy, the Liechtenstein financial center is already today developing into a true competence center for comprehensive, both economic and also social and ecological, sustainability. "We need not hide, and we are facing the new challenges with backbone, energy, and know-how. If we resolutely implement this strategy, we will soon be able to harvest the first fruits of our labor. The path is not easy, but it is manageable."



LIECHTENSTEINISCHER
BANKENVERBAND

Additional Information:

Simon Tribelhorn, Director

Liechtenstein Bankers Association

Austrasse 46

FL-9490 Vaduz

Tel: +423 230 13 23

Fax: +423 230 13 24

info@bankenverband.li, medien@bankenverband.li, www.bankenverband.li