

Philipp Hildebrand: Key factors for the Swiss economy – financial market regulation in Switzerland

Speech by Mr Philipp Hildebrand, Chairman of the Governing Board of the Swiss National Bank, Swiss Economic Forum, Interlaken, 4 June 2010.

The complete speech can be found in German on the Swiss National Bank's website.

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The financial system is the life blood of our economy. Key measures to increase the resilience of the financial system have already been implemented in Switzerland. However, they have not addressed the fundamental problem, which is that systemically important banks cannot at present be allowed to fail.

The commission of experts set up by the government to examine ways of alleviating this problem published its interim report a few weeks ago. The report proposes measures in the areas of capital, liquidity and organisational structure. This approach is in line with the key points on the Financial Stability Board's agenda. The interim report is an important milestone in the efforts to address the "too big to fail" issue.

Naturally, we still face considerable challenges. Moreover, cross-border solutions are required for the "too big to fail" question. The commission's proposals represent a constructive step towards global cooperation.

If the key points on the Financial Stability Board's agenda are not implemented in the major financial centres, we will ultimately be left empty handed. One of the few positive aspects of the financial crisis has been the unprecedented international collaboration to combat the crisis and the endeavours to cooperate internationally on regulatory reform. Successful further cooperation along these lines is in the interests of us all.