

ASIP admits best practice code ignored

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SWITZERLAND – Only 10% of Switzerland’s 3,000 pension funds, known as Pensionskassen, have bothered to adopt a best-practice code developed six years ago by ASIP, the association for the schemes.

This was disclosed at a press conference in Zurich today by ASIP’s president, Hans Ender.

Despite the Swissfirst affair, which has touched some of Switzerland’s biggest Pensionskassen, ASIP has urged the government to refrain from new laws aimed at improving regulation of the schemes. Instead, ASIP insists that current laws and internal controls, including its best practice code, are sufficient.

Yet Ender told the news conference: “I’m sorry to say this, but my impression is that so far, our members have not really taken the our best practice code seriously.”

Asked by IPE how vigorously ASIP had been persuading its members to adopt the code, Ender said his association had been doing everything in its power.

“I would say, however, that the Swissfirst affair will probably give our efforts [to promote the code] a boost. In our view, more vigilant implementation of the code means better corporate governance at our members,” Ender added.

Top government officials, including Ulrich Grete, president of the Social Security Fund and Swiss National Bank president Jean-Pierre Roth, believe fewer Pensionskassen and centralisation of regulation could improve supervision of the schemes.

But Ender doubted whether consolidation of Pensionskassen were part of the answer. “I can’t see how merging Pensionskassen to create bigger ones would be part of the solution. Right now, the bigger Pensionskassen do serve as the model for how to do things better,” he said.

On more centralised regulation, Ender said he “did not see it” happening in Switzerland. Switzerland is a highly de-centralised nation with its cantons having considerable say in political decision-making.

The Swissfirst affair has, so far, produced only one arrest, namely of Roland Rummeli, head of portfolio management at Siemens Pensionskasse.

Rummeli is being detained by the public prosecutor in Zurich on suspicion of taking a kickback from Swissfirst in exchange for selling his fund’s shareholding in the bank. Rummeli has not formally been charged.

Author: Jan Wagner