

ROUND UP

Swiss Association of Trust Companies formed



The trust business is an industry witnessing rapid growth in Switzerland and is estimated to have more than doubled over the past five years. Switzerland this year ratified the Hague Convention on the Law Applicable to Trusts and their Recognition - some believe the anticipation of this important ratification played an important role in the recent growth of the trust industry on Swiss territory.

In light of this, a new professional association has been launched - The Swiss Association of Trust Companies (SATC).

The primary objective of this association is to encourage the growth of the trust industry while upholding a high standard of quality, integrity, and professionalism.

SATC has already enacted its bylaws and a code of ethics and conduct that members undertake to observe.

It also aims to encourage the federal bodies to develop a set of specific rules applicable to trust companies that

complements the existing regulations under the Swiss anti-money laundering regulations, drawing inspiration from SATC's professional qualification criteria for membership and from the principles contained in its code of ethics and conduct. SATC aims to also act as a partner for dialogue with the Swiss government.

The Swiss Association of Trust Companies comprises twelve founding members whose primary activity is trust administration and who illustrate the diversity of this industry in Switzerland: small and large, independent or bank-owned companies which are active in various regions of the country. They are: Barclaytrust (Suisse) SA, Bonhôte Trust SA, Cantrade Trustee Ltd, Close Trustees (Switzerland) SA, Experta AG, Investec Trust (Switzerland) SA, KENDRIS private AG, Paicolex Trust Management AG, Quiltrust Ltd, Rothschild Trust (Switzerland) AG, Settlements SA and VALUEworks.

In safe hands

The chancellor's plans to make changes to the banking system, in order to protect people's savings in the future, have been supported by UK banks.

Angela Knight, chief executive of the British Bankers' Association (BBA) welcomed Alistair Darling's suggestions which he made in the Times newspaper:

The changes would mean an increased guarantee for people's savings of up to £100,000 in the event of a bank crisis.

The current system, guaranteeing 100% of the first £2,000 and 90% of the next £31,000, contributed to this month's run on Northern Rock, says the Bank of England who called for more protection for customers' savings.

It was "logical" for savers with more than £33,000 to rush to take it out, its governor Mervyn King told MPs this week.

The chancellor will himself be called before the treasury select committee to explain why the Bank of England and financial authorities failed to foresee the recent crisis.

Last month the Bank of England was forced to give emergency financial support to the Northern Rock.

The Newcastle-based firm was the highest-profile UK victim of the global credit crunch, triggered by the sub-prime mortgage crisis in the US.

The crisis resulted in a rush of customers at Northern Rock branches across the country queuing to withdraw savings, fearful that the business could collapse.

Sainsbury opens books to Delta Two

Delta Two, the Qatari-backed investment company that's seeking to buy J Sainsbury and currently owns 25% of the shares, has begun confidential talks with the supermarket chain's pension fund.

'Following the exchange of confidential information, the two parties will be able to engage in detailed discussions regarding the impact of the proposed transaction on the Sainsbury's pension schemes and the appropriate terms of any agreement,' the companies said in a joint statement.

The statement will be seen as a sign that the 600p-a-share takeover bid for London-based, FTSE 100-listed Sainsbury (SBRY) has moved to a new level. Sorting out pension fund details with the fund's trustees has become one of the major hurdles on the road to ownership of today's large UK corporations.

The other hurdle Delta Two must face is the Sainsbury family, which still holds some 18% of the shares and which was instrumental in scuttling an £11.4 billion bid for the retail chain from CVC Capital, the private equity group.