



# ANNUAL REPORT

October 2021 - September 2022

**STSA** 





# Swiss Trading & Shipping Association

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## Foreword of The President

Last year's keyword has been once again 'disruption'. With many economies still recovering from the 2008 financial crisis there was hope for a return to stability with a waning pandemic. This hope was rapidly dimmed when on February 24, a misguided President decided to conduct a special military operation to invade a democratic country. This has created new tensions in an already very divided world, as countries aligned with one side or the other, leading to new challenges for our industry. We will adapt as we did with the health crisis, but this will not be without much hardship for many, not just for the belligerents.

Sanctions, export restrictions, new regulations are making our environment more complex; logistics and manufacturing are still heavily impacted not just by the fallout from COVID but also by the new phenomenon of re-on-shoring or near-shoring. Supply chains are changing rapidly drawing public attention to the key role of traders in assuring a needed flow of goods.

One bright light on the horizon is that the unpredictability of the energy supply has been accelerating the energy transition, many of our economies are diversifying towards a cleaner or more renewable energy mix, less reliant on any particular source. A large amount of investment is still needed but traders have been anticipating this necessary shift and doing their fair share, both as producers and consumers of renewable energies.

Current events have put STSA and trading companies more in the forefront and we have been able to engage even more frequently with a large number of stakeholders, including politicians, international organizations and the media.

The work we initiated with the Parliamentary dinner on sustainability and decarbonisation in shipping industry and the publication of the white paper contributed to the commissioning, by the Swiss Federal Council, of a Swiss maritime strategy. This continued effort was again rewarded by a broad attendance to our evening reception in the House of Parliament in Bern in September 2022, where we could meet with members of Parliament and discuss different topics in a transparent way.

**Ramon Esteve**  
STSA President

Meetings at the highest institutional level have also been held with the visit of the Federal Councillor Guy Parmelin and his staff to STSA premises to discuss the impact of the war on commodity supply chains and twice with Geneva Minister of Finance Nathalie Fontanet on fiscal policy and taxes. But we are also active with international organisations, as we regularly discuss with the WTO leadership: this year we had the chance to organise two meetings with WTO Director General Ngozi Iweala Okonjo on disruptions in the supply of grains.

On the media side, we strengthened our communication efforts with the Swiss press, with an increased presence of the Secretary General in national and local media as well as with exceptional testimonies from our members in newspapers and television. We believe that these efforts have helped to raise awareness about our role to the general public and deterred potential NGOs attacks regarding Russian oil and Russian cereals.

On STSA side, we continuously involve all our members in discussion by organising two advisory boards: one on education, with the decision to launch a sustainability training course certificate, called "Commodities Sustainability Fundamentals (ESG)", which will start in 2023, and the second on carbon calculation and reporting in commodity trading for the banks.

We also conducted several workshops on sustainability reporting, human rights due diligence, sanctions compliance, inventory finance and private security providers. All these initiatives have been successful both in terms of participation and impact. We must build on these efforts.

Finally, I would like to thank and welcome our new members: Element Alpha, Maddox, AgFlow, Faircot, Glander International Bunkering (Geneva), Max Energy Marketing UK, Miller Europe and Oilmar Shipping and Chartering. With the contribution of their new inputs and with the continued support of all our loyal existing members, we will continue to shine a light on our industry to make the Swiss proud of their trading companies; we have so many good stories to tell.



## Interview of The Secretary General

**The beginning of the year has been marked by the persistence of the pandemic. What were the challenges that STSA had to face in that context?**

My entire mandate has been marked by increasingly challenging events: three weeks after starting my appointment in March 2020, the government announced the first lockdown. In fall 2020, the campaign for the Responsible Business Initiative began. Throughout 2021, uncertainties about COVID measures have forced us to cancel meetings and events on a very short notice. Finally, the war in Ukraine added an extra layer of complexity. This could demotivate even the most resilient minds, but we are still here more motivated than ever to make the industry as a whole shine.



Florence Schurch,  
STSA Secretary General

**What has been the impact of the war in Ukraine on the daily activities of the association?**

Since the beginning of the war, the population has suddenly discovered that much of the world's oil and grains were traded from Switzerland. Thus, we started to receive an enormous amount of media request and we had to be very reactive: journalists tend to keep contact with the sources who respond very quickly and who provide them with interesting and surprising information. We have been able to accept the majority of those requests and we are sure that if we had not replied, we would have faced a risk of reputational damage.

**What were STSA most successful lobbying activities?**

One of the things our members value the most about STSA is the ability to build close relationships with decision-makers and to work with them on key issues. Last year, the most important discussions from this perspective regarded sanctions against Russia following the war in Ukraine. We had the occasion to discuss directly with Federal Council and other International organizations' directors and ambassadors. At our little level, we are honoured to believe that we contributed to the opening of the safety corridor in the Black Sea.

**“We are more motivated than ever to make the industry as a whole shine”**

The Secretary General,  
Florence Schurch

**Education & training has been expanding during the last two years, what are last year's main achievements?**

The percentage of women in our courses is constantly increasing. We have 36% women in the Master of Science in Commodity Trading at the University of Geneva, with comparable figures for our in-house courses. The Fundamentals of Commodity Trading course witnessed, for the first time this year, of a number of female students exceeding men. We are also very proud of the recognition of our programmes, which received once more the Eduqa certification in 2022 and which are more and more sought after by worldwide companies asking us to provide them with bespoke training. Finally, thanks to technological development they are becoming increasingly inclusive, by welcoming for example a student with a hearing disability.

**What are the most exciting projects you will focus on in 2023?**

We have so many exciting projects!

One of my key objectives is to bring more women to work for the industry. For reaching this goal we have many projects to put in place.

Another focus will be the launch of the new education in sustainability, which is strongly demanded both by members and prospective students. We will start with a 2 days intensive training and the goal is to build a full fledge Certificate with at least 50 hours of teaching.

This coming year we will launch the internal consultation among the members on changing name. STSA has evolved since its creation as GTSA in 2008. First it was a gentlemen club meeting to talk about their concern on the industry. Then, it became a professional association defending the interest of the branch to the politicians and training the talents needed for the industry. Now, I would like to bring STSA closer to the public with the objective of making the public realize how much they need merchants to bring their goods. My ultimate goal is that the population likes and respects their trading companies and for that we shall work on our identity, our values and our name and logo



## Mission, Core Values & Organisational Structure

As a national umbrella association, STSA's mission is to provide an inclusive platform of exchange for all companies active in the commodity trading with the aim to support their activities, to represent its members' interests in Switzerland, to train young graduates and professionals, and to promote the understanding of the activity within the general public.

### Core Values



**Diversity:** advocating within the industry and beyond



**Transparency:** developing honest and fact-based communications on the industry



**Knowledge:** ensuring a constant pool of cutting edge talents



**Sustainability:** contributing to more sustainable value chains by driving best practices

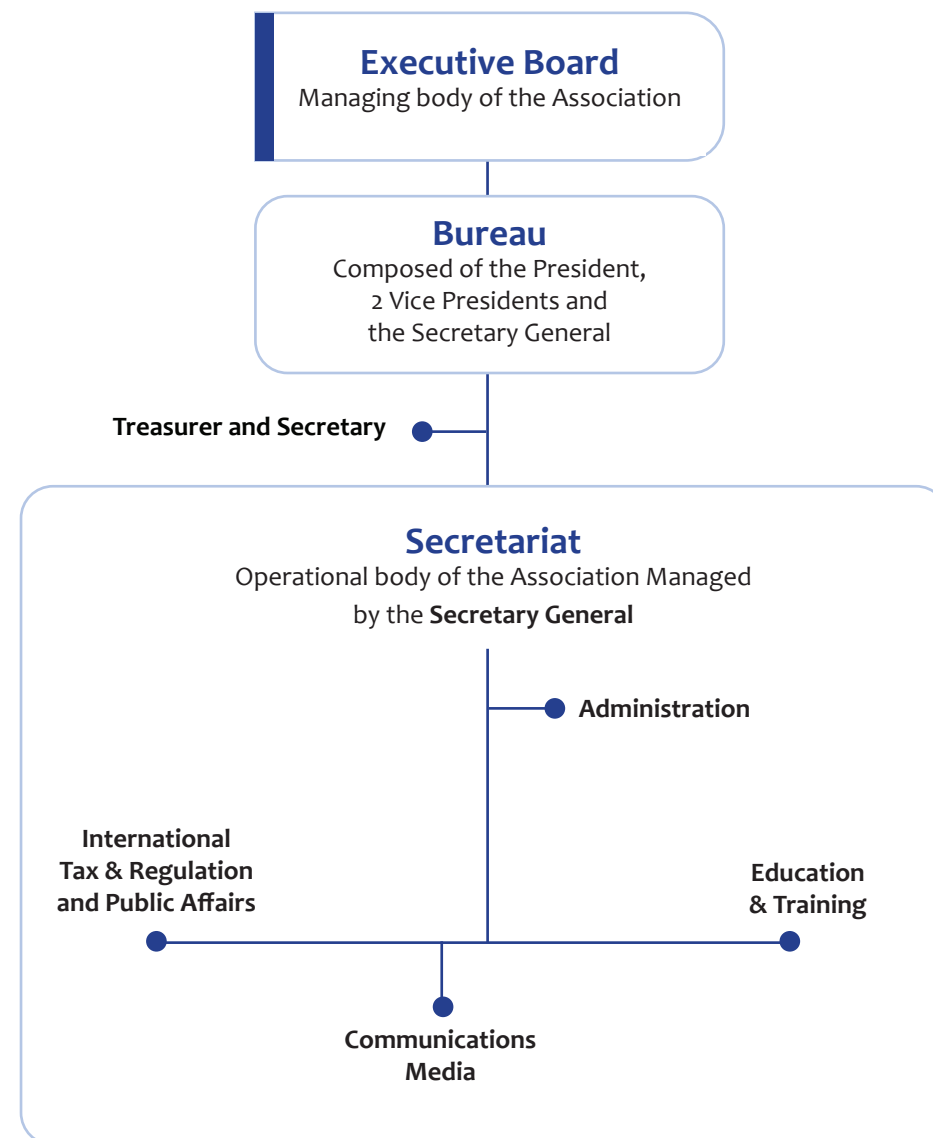


**Engagement:** engaging with all stakeholders to shape the future of the industry



**Representation:** bringing together all commodity classes and actors along the value chain

### ORGANISATIONAL STRUCTURE



## Executive Board & Bureau

### MEMBERS OF THE BUREAU

The Bureau represents the Executive Board as a support to the daily operations of the Secretariat.



**Ramon Esteve**  
ECOM Agroindustrial  
Corp. Ltd - President



**Hans Christian Jensen**  
ADM International Sàrl  
Vice President



**Jean-Pierre Carles**  
Augusta Energy SA  
Vice President



**Florence Schurch**  
Secretary General

### OTHER EXECUTIVE BOARD MEMBERS



**Mariam Almaszade**  
Socar Trading SA



**Hamdi Arman**  
Credit Suisse SA



**Gérard Delsad**  
Vitol SA



**Martin Fasser**  
Zug Commodity Association



**Derick Govender**  
SGS SA



**Daniel Jaeggi**  
Mercuria Energy Trading SA



**Sebastien Landerretche**  
Louis Dreyfus Company Suisse SA



**Dominique Le Doeul**  
Cargill International SA



**Marcelo Martins**  
COFCO Resources SA



**Nicolas Matter**  
Walter Matter SA



**Jean-Jacques Poublet**  
UBS SA



**Muriel Schwab**  
Gunvor Group Ltd



**Matteo Somaini**  
Duferco SA



**Nicolas Tamari**  
Sucafina SA



**Alexandre Vassiltchikov**  
ING Belgium Brussels, Geneva Branch

### SUPPORTED BY



**Caroline Clemetson**  
Secretary to the Board



**Christophe Bellino**  
Treasurer

## The Secretariat at the Members' Service

### MEMBERS OF THE SECRETARIAT



**Florence Schurch**  
Secretary General



**Guillaume Cassaigneau**  
Public Affairs & Education  
Manager



**Lisa Weihser**  
Legal & Regulatory Affairs



**Barbara Fabrizio**  
Executive Assistant



**Léa Dupraz**  
Communication Officer

### THE SECRETARIAT ACTIVITIES



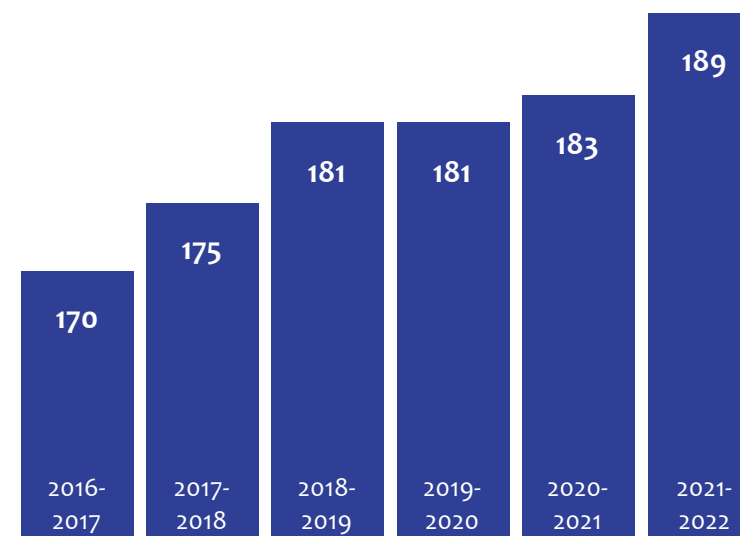


## STSA Members across Switzerland

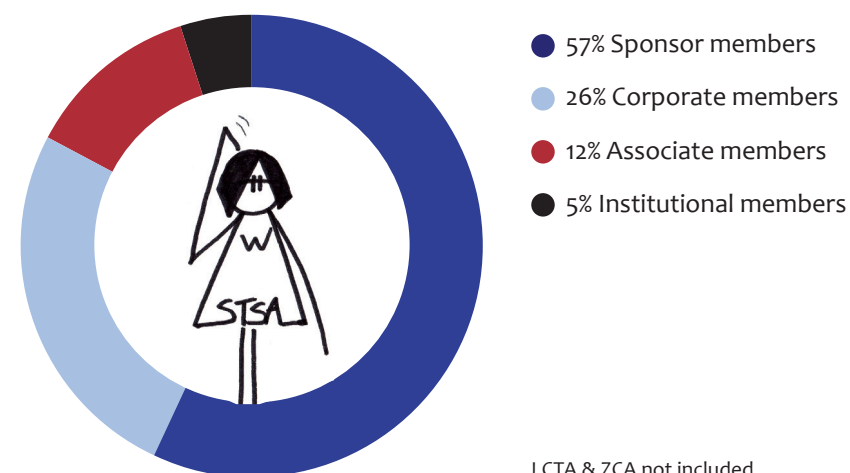
ABC Maritime - ADM International - AET - AgFlow - Agro Companies International - Agrocean - Allied Services - Allseeds Switzerland - Alvean Sugar SI, Bilbao, Geneva Branch - AMAGGI - Arab Bank (Switzerland) - Armator Shipping - Arrow Metals and Trading - Attijariwafa Bank Europe - Augusta Energy - AXA Assicurazioni - Banca dello Stato del Cantone Ticino - Banca Zarattini & Co. - Bank GPB International - Bank of China, Geneva Branch - Banque Cantonale de Genève - Banque Cantonale Vaudoise - Banque de Commerce et de Placements - BASF Intertrade - BDO - Beringfield - Berry Palmer & Lyle, Paris, Geneva Branch - BGN BIC-BRED (Suisse) - Bulk Trading - Bunge - CA Indosuez (Suisse) - Caravel Trading - Cargill International - Castleton Commodities Merchant Europe - Cc-Ti - Cereal Investments Company - CHABRIER Avocats - Chambre de Commerce et d'Industrie et des Services de Genève - CHS Europe - Coeclerici Commodities - COFCO Resources - Commodity Club Switzerland - Core Synergy, Geneva Branch - Corner Bank - Credit Europe Bank (Suisse) - Credit Suisse (Schweiz) - Cutrale Trading - Degussa Goldhandel - Deloitte - Deltasteel - Département du développement économique - DK Trade - DP Trade - DSS International - Duferco - DXT Commodities - East Metals - Easteel - ECOM Agroindustrial Corp. - Element Alpha - Enet Energy - EP Resources - Ernst & Young - Euler Hermes - Euromet - Eversheds Sutherland - Ezpada - Faircot - Ferrexpo - FIDINAM GROUP HOLDING - Filhet Allard Maritime - First Abu Dhabi Bank PJSC, Swiss Representative Office - Flame - Freight Force - Gazprom Marketing & Trading Switzerland - Gazprombank (Switzerland) - Gerald Metals - Glander International Bunkering (Geneva) - Gtrade System Suisse - GTY SWITZERLAND - Gunvor International, Amsterdam, Geneva Branch - Hempel Intermetaux - Hershey Trading - Holman Fenwick Willan Switzerland - HSBC Bank, London, Zürich Branch - IBC Insurance Broking and Consulting Lugano - Ifchor (Switzerland) - IMR Metallurgical Resources - Indagro - Inerco Trade - ING Bank, Amsterdam, Lancy/Geneva Branch - Integral Commodities - Integral Petroleum - Intercommodities - Intertek (Suisse) - IvanCore - IXM - K2 - KazMunayGas Trading - Koch Supply & Trading - Kolmar Group - Komgo - KPMG - LAD Trade - LCTA (Lugano Commodity Trade Association) - LH Trading - Litasco - Lloyd's Register - Louis Dreyfus Company Suisse - Lyra Commodities - Macquarie Commodities Trading - Maddox - Max Energy Marketing UK (Geneva) - MAXWER GROUP - Mazars - Mekatrade Asia, Singapore, Geneva Branch - Mercuria Energy Trading - MET International - Metafrax Trading - Metinvest International - Metrading International - Miller Europe - MKS (Switzerland) - MME - MMK Steel Trade - Mocoh - MRI Trading - NLMK Trading - Nova Marine Carriers - Nützi Christmann & Partner - Oasis Trading - Oil e Bio Trade - Oilmar Shipping and Chartering - Oryx Energies - Paul Reinhart - Petraco Oil Company - PriceWaterhouseCoopers - Quadra Commodities - REFINITIV Switzerland - Rusal Marketing - Sahara Energy International - Saras Trading - Schellenberg Wittmer - SCTA (Swiss Coffee Trade Association) - SGS - Siderfer - Sierentz Global Merchants - Socar Trading - Société Générale Corporate & Investment Banking - Sogesco FR - Solway Investment Group - SSY Simpson Spence Young (Zug) - Sucafina - Sucden Geneva - Swisslinx - Telf - Titan Bulklers - TMT Metals - Traderoad - Transamine - Trasteel International - UBS Switzerland - UMP Trading - UniCredit Bank (Munich), Zurich Branch - Université de Genève - Valcambi - VARO Energy Marketing - Vitol - VTB Commodities Trading, Dublin, Zug Branch - Walter Matter - Webcor - WISTA Switzerland - ZCA (Zug Commodity Association) - Zuger Wirtschaftskammer - Zürcher Kantonalbank

## Membership & Finances

### EVOLUTION IN THE NUMBER OF MEMBERS 2015-2022

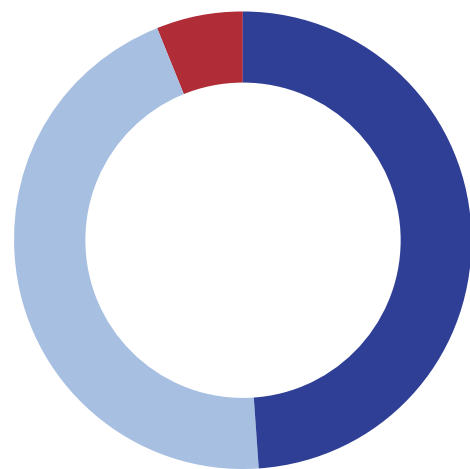


### INCOME BY MEMBER CATEGORY 2021-2022



## The Association in Numbers

### INCOME BY TYPE OF ACTIVITY

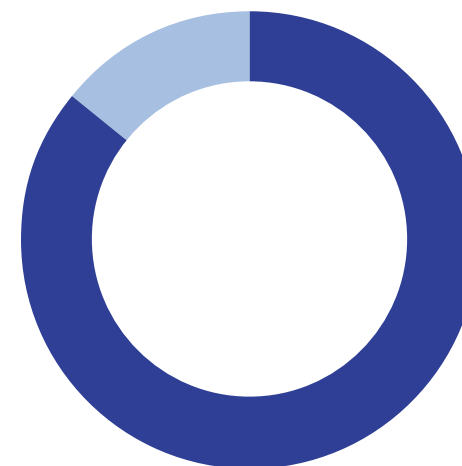


- 49% Membership fees
- 45% Education and training
- 6% Events



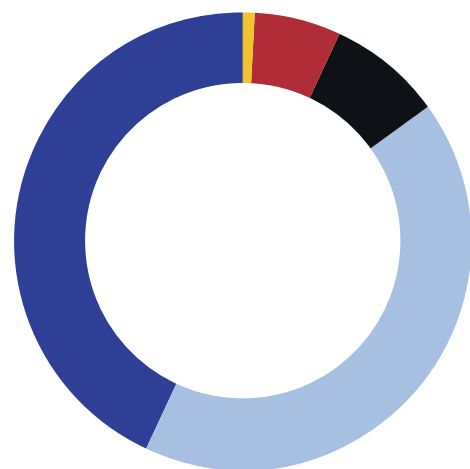
### WEBSITE HIGHLIGHTS

OCTOBER 2021 – SEPTEMBER 2022



- 86% New Visitor
- 14% Returning Visitor

### EXPENDITURE BY TYPE



- 43% Personnel
- 42% Education, Training and events
- 8% Office rent and expenses
- 6% Professional fees
- 1% Marketing and communications

**Website visitors  
by country**  
 Switzerland 33.3%  
 United States 12.6%  
 Indonesia 8.3%  
 France 5.8%  
 United Kingdom 5%

**Device used**  
 Desktop 61%  
 Mobile 39%

**Gender distribution**  
 Female 35.8%  
 Male 64.2%

**35,141**  
 Users  
 +16.2%

**34,737**  
 New Users  
 +18.1%

**100,440**  
 Page views  
 -0.1%

**81,549**  
 Unique  
 page views  
 +3.8%



## LINKEDIN HIGHLIGHTS

OCTOBER 2021 – SEPTEMBER 2022



## Follower demographics – location

- Geneva 2,610 (32.2%)
- Lausanne 492 (6.1%)
- Zurich 417 (5.2%)
- London 330 (4.1%)
- Paris 263 (3.2%)
- Lucerne 186 (2.3%)
- Lugano 122 (1.5%)
- The Randstad (Netherlands) 100 (1.2%)
- Bern 70 (< 1%)
- New York City 64 (< 1%)

## Follower demographics – industry

- Oil and Gas 801 (9.9%)
- Banking 445 (5.5%)
- Maritime Transportation 440 (5.4%)
- International Trade and Development 383 (4.7%)
- Financial Services 377 (4.7%)
- Wholesale Raw Farm Products 289 (3.6%)
- Investment Management 194 (2.4%)
- Transportation, Logistics, Supply Chain and Storage 183 (2.3%)
- Business Consulting and Services 179 (2.2%)
- Wholesale Import and Export 169 (2.1%)

**1,885**  
New followers  
in the last 365  
days

**8,094**  
Followers  
in total

**8,410**  
Page views  
+952.6%

**3,208**  
Unique visitors  
+821.8%

**2,577**  
Reactions  
+628%

## NEWSLETTERS HIGHLIGHTS

OCTOBER 2021 – SEPTEMBER 2022

## Public Newsletter

**4,795** Emails sent  
-4.6%

**43.1%** Open rate  
+48.4% (all industries average: 21.5%)

**5.5%** Click rate  
+67.2% (all industries average: 2.3%)

**0.3%** Unsubscribe rate  
-62%

## Members' Highlights

**61,154** Emails sent  
+369.2%

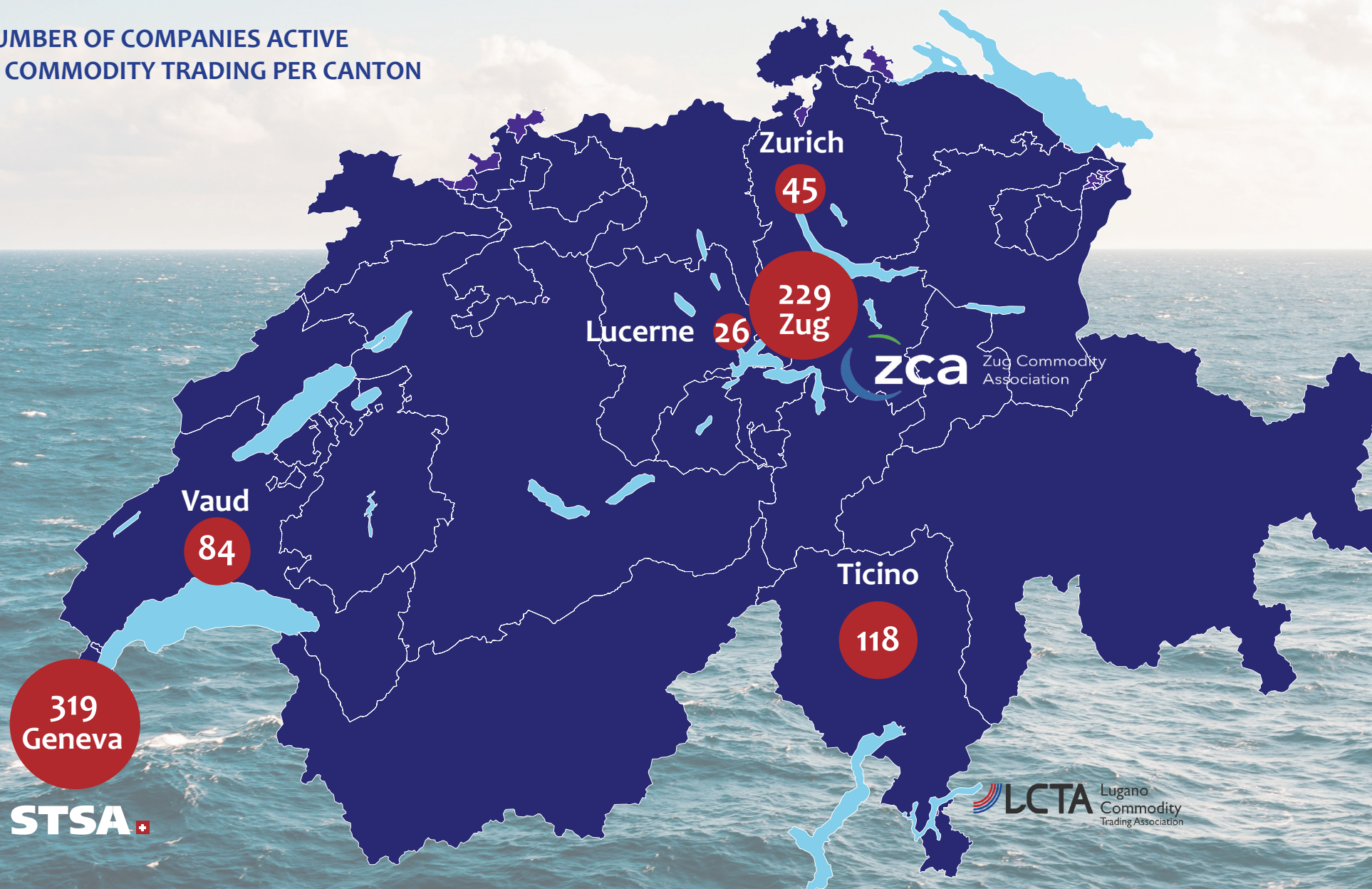
**30.8%** Open rate  
+18.6%

**4.1%** Click rate  
+31.1%

**0%** Unsubscribe rate  
- 4.3%



## NUMBER OF COMPANIES ACTIVE IN COMMODITY TRADING PER CANTON



Source: Swiss Federal Statistical Office – Statistics on commodity trading, reference year 2020



## Get to know us

### The Secretariat Team



## Our Committees

### Overview



#### SUSTAINABILITY COMMITTEE

- Sustainability Self-Assessment Tool
- Implementation of the United Nations Guiding Principles on Business & Human Rights (UNGPs)
- Implementation of the RBI Ordinance
- Workshops



#### REGULATION COMMITTEE

- Implementation of the counterproposal to the Responsible Business Initiative
- AML/CTF/Anti-Corruption Guidelines
- Illicit Financial Flows (IFF) OECD
- Workshops



#### SHIPPING COMMITTEE

- International Maritime Organization (IMO)
- Swiss Maritime Navigation Office (SMNO)
- Federal Tonnage Tax Consultation
- Federal Swiss Flag Consultation
- Participation in the working group for the drafting of the Swiss Maritime Strategy



#### HUMAN RESOURCES COMMITTEE

- Training offer
- COVID-19 measures
- Salary surveys
- Job advertisements to STSA alumni



#### TRADE FINANCE COMMITTEE

- Credit Risk - Basel III implementation
- Net Stable Funding Ratio (NSFR)
- Sustainable Trade Finance
- CTF Statements of Best Practices



#### COMMUNICATIONS COMMITTEE

- New Communication Strategy
- Media Relations
- Public Newsletter
- Communication with members
- Events & Seminars

Our committees **bring together experts** on diverse topics from member companies to discuss current affairs and **define the best way of acting for the industry**. Their role is **key to the unity of our sector**.



## Education & Training

### Professional & Academic

#### OUR PROFESSIONAL TRAININGS

In 2022, the learning offer of STSA has been evolving along with the needs of its member companies, the evolution of the EdTech ecosystem in Switzerland and the reality of the Swiss labor market in physical commodities trading.

The education landscape in Switzerland is rapidly evolving and STSA Learning is enriching it with its own hybrid programs, our renowned Operator Certificate, Risk Analyst Certificates, and the relaunch of the Documentary Credits Certificates (Beginner and Advanced levels). The EduQua Certification has been awarded again to STSA Learning in July 2022, which gives the highest quality label in adult learning, vetted by the Swiss Federation for Adult Learning. Moreover, thanks to a new partner in Zurich, who's developing our dedicated e-learning platform, STSA is more than ever at the cutting-edge using the EdTech services offered in our country. Furthermore, STSA Learning will keep its education programs in a hybrid format, allowing member companies not located in Geneva or the surrounding region, to benefit from our training offer for their staff.

Thanks to the great reputation of our trainings and the high demand for continuous education at our member companies, all our programs were fully booked:

- **Operator's Certificate:** 21 participants among which 24% are employees of STSA's member companies, 57% are paying out of their own pocket, and 33% are female, the highest level in 15 years.

- **Risk Analyst Certificate:** 22 participants among which 36% are employees of STSA's member companies, 59% are paying out of their own pocket, and 32% are female, the highest level compared to an average of 21% in the history of the Certificate.

- **Trade Finance – Documentary Credit Certificate:** 9 participants among which 56% are employees of STSA's member companies, 44% are paying out of their own pocket, and 67% are female.

- **Fundamentals of Commodity Trading:** given the high demand, the course frequency has been increased with 3 training taking place and 63 persons having been trained which 51% female and 49% male participants.



Looking forward, STSA is developing a sustainability training, focusing on environment, social and governance (ESG), will start end of January 2023. The training will be in a first stage a "fundamentals" course of 4 half-days, fully adapted to the reality of physical commodities trading. It will be based on case-studies from our member

companies representing the 3 main asset classes (energy, soft, metals & minerals), and built along the value chain of a typical physical transaction, including the perspective from national regulatory agencies and broader stakeholders (NGOs, International Organizations, etc.).

#### COOPERATION WITH THE UNIVERSITY OF GENEVA

Our longstanding cooperation with the School of Economics and Management GSEM of the University of Geneva for the Master in Commodities trading and the Diploma of advanced study DAS is another pillar of our education strategy for Switzerland.

##### Master of Science M.Sc. in commodity trading

Continuing a 14-years long cooperation, STSA has worked closely with the GSEM and the member companies to recruit the new cohort for the M.Sc. in Commodities trading for the academic year 2021-2022. Out of 128 applicants from all over the world, 28 students could secure a 80% position at a trading company or a service provider (audit firms, certification companies and trade finance banks) and therefore have been finally accepted to the Master. Among these 28 students, 10 are Swiss, 15 are from an EU country and 3 are extra-European. STSA has worked on two streams, firstly organizing its "speedrecruiting", connecting more than 17 companies with around 100 applicants, secondly working closely with the Cantonal authorities of Geneva, Vaud and the relevant Swiss Consulates to enable the delivery of work permits for the extra-european students. Finally STSA delivered an

introductory lecture to all 28 students explaining the history of the trading sector in Switzerland, as well as the political influence work executed by STSA at cantonal and federal level, on behalf of its member companies.

##### Diploma of advanced study DAS and Certificate of advanced study CAS in commodity trading

Additionally, to the Master of Science, the GSEM has deployed in more than a decade two shorter applied academic programs for more experienced participants, the DAS and the CAS. STSA is collaborating with the GSEM as member of the scientific committee and of the selection committee of these two programs, as well as performing an introductory lecture on the history of the commodities trading sector in Switzerland the political work done by STSA. For the academic year 2021-2022, the GSEM admitted 22 participants to the DAS and 14 participants to the CAS.

## STSA LEARNING

September-October 2021	Certificate of Trade Finance - Documentary Credit Beginners
September-December 2021	Operator's Certificate
November 2021	Fundamentals training
January-April 2022	Operator's Certificate Crude & Oil Products for Aramco Trading Company
March 2022	Fundamentals training
March-June 2022	Commodities Risk Analyst Certificate
9 June 2022	STSA Learning obtains the EduQua Certification for the second time
30 June 2022	Graduation Ceremony for the Operator, Documentary Credit and Risk Analyst certificates
September 2022	Fundamentals training

## IN COLLABORATION WITH THE UNIVERSITY OF GENEVA

### Masters

**25 November 2021** Masters Day: STSA presented the commodity trading industry to prospective students

**3-5 May 2022** Speed recruiting with member companies and students, organised by STSA

**14 September 2022** Introduction for the Masters' 2022-2023 cohort: presentation of STSA about the industry and the Swiss political system

### Diploma of advanced Studies (DAS)

**26 August 2022** Introduction for the DAS 2022-2023 cohort: presentation of STSA about the industry and the Swiss political system





## Commodity Trade Finance

### Best Practice & Credit Risk

#### UPDATE OF THE CTF STATEMENTS OF BEST PRACTICE

As a result of the significant losses experienced in a number of fraud or insolvency events that impacted the sector globally in the course of 2020, ten banks, members of STSA, active in the field of Commodity Trade Finance (“CTF”) in Switzerland have published a summary of recommended best practices for their CTF activity in October 2021. It has been agreed that the good implementation of best practices by the relevant sectorial teams of each bank, and an on-going

initiative to exchange views on these subjects of common interest are seen as useful tools to reduce the potential for future losses and deemed important to ensure the sustainability of CTF activities. Therefore, the STSA Commodity Trade Finance Committee has set up different working groups to continue discussions concerning definitions of Payment Undertakings, Notice of Assignments, Borrowing Bases and Warehouse Questionnaires.



#### CREDIT RISK – BASEL III IMPLEMENTATION NET STABLE FUNDING RATIO (NSFR)

Following the lack of liquidity of banks during the financial crisis of 2007-2008, the Basel Committee introduced two new standards to be implemented with the introduction of the Basel III reform. The first standard is the LCR (Liquidity Coverage Ratio) and the second is the NSFR (Net Stable Funding Ratio). The NSFR poses a challenge to banks based in Switzerland that finance commodity trading activities and that have no or very limited wealth management activities. In order to implement the Basel III reform in Switzerland and to be compliant, the Federal Department of Finance and the FINMA had to modify the Ordinance on the liquidity of banks and securities firms on 1 July 2021. The modifications penalize banks specialized in CTF without wealth management activities vis-à-vis their European competitors. STSA has

continued to raise this topic with the Swiss parliamentarians and responded to the consultation procedure on the amendment of the Liquidity Ordinance (Special Provisions for Systemically Important Banks – Too-big-to-fail) in January 2022. The improvement in the treatment of off-balance sheet contingent liabilities (reduction of the weighting from 5% to 0%) incorporated in the amended Liquidity Ordinance on 1 July 2022, cannot compensate for the current distortion, given the smaller volume of off-balance sheet liabilities and the relatively small impact of the proposed modification on the overall ratio. Therefore, STSA is continuing its efforts to lobby for the modification of the Ordinance and submitted its position to the amendment of the Capital Requirements Ordinance (OFR) in September 2022.





## Shipping

### STSA AT THE INTERNATIONAL MARITIME ORGANISATION (IMO)

The STSA is in regular contact with the Swiss Maritime Navigation Office (SMNO) to assure the Association's participation as part of the Swiss delegation at the IMO meetings. The Swiss shipping community, together with STSA member companies is spearheading a global decarbonisation coalition, urging the IMO to adopt an effective global mid-term measure as soon as possible. During 2021/2022,

STSA attended the Marine Environment Protection Committee (MEPC) 77 and 78 meetings at the IMO and encouraged the Swiss delegation to adopt a more ambitious position to meet the climate targets it set itself.



### INCLUSION OF SHIPPING IN THE EUROPEAN EMISSIONS TRADING SYSTEM (ETS)

STSA also monitored the EU developments and updated members about the shipping inclusion in the European Emissions Trading System (EU ETS) voted by the European Parliament in June 2022. The next step will be negotiations with the other EU institutions involved in the legislative process (Parliament, the Council and the Commission) during the "Trilogue" phase.



### TONNAGE TAX CONSULTATION

On 4 May 2022, the Swiss Federal Council adopted the draft Federal Law on Tonnage Tax on Sea-going Vessels. The consultation on the draft law was carried out in spring 2021 and STSA responded to it. The next step will be the parliamentary phase during which both chambers (National Council and Council of States) can discuss and reconcile any differences. The introduction of the tonnage tax in Switzerland is to be an instrument for promoting maritime shipping in Switzerland, the assessment basis of which is not to be the profit generated,

but the freight volume of the ocean-going vessel per operating day calculated on a flat-rate basis using the net tonnage. The Federal Council formulates the goal of creating a level playing field with other countries, so that the competitiveness of Switzerland as a business location is secured. The STSA has been welcoming the objectives of the Federal Council to promote a competitive Swiss location in the field of maritime shipping and to create the necessary framework conditions for this. The introduction of the tonnage tax, which is widely accepted internationally and particularly widespread in the European Union, can represent a further element in the promotion of the Swiss maritime shipping industry. However, the draft law presented for the introduction of the tonnage tax in Switzerland still leaves some questions unanswered - especially regarding the practical feasibility and the administrative burden. Due to the complexity of the business of chartering, the calculation of the tonnage tax for STSA members using the currently available indications remains subject to great uncertainty. This includes the proposed calculation of tonnage tax based on the individual vessel, which results in significant additional administrative work compared to a global (i.e., cumulative) assessment basis.

## A SWISS MARITIME STRATEGY

On 16 February 2022, the Federal Council mandated the Federal Department of Foreign Affairs to draw up a comprehensive maritime strategy in consultation with the business community. This is an important achievement, recognising that Switzerland has a significant maritime economic sector. The strategy will encompass international law, the economy, the environment, social policy, science and the Swiss flag.

Since 2021, STSA has been actively lobbying for the adoption of such a strategy in the Swiss government and Parliament. STSA's Parliamentary dinner, which took place in September 2021 and the White Paper on Shipping made sure this issue gained the attention it deserves.

STSA took the opportunity and got involved as part of a Working Group to contribute to the adoption of clear

benchmarks, goals and measures. The maritime strategy is to be presented by autumn 2022 and the draft amendments to the legislation on the Swiss flag are to be submitted to the Federal Council in spring 2023. The following essential aspects will be covered in the strategy:

1. Rule-based international maritime framework
2. Swiss Maritime Economy
3. Sustainable Marine and Social Environment
4. Marine Science and Research
5. Reform of the Swiss Maritime Legislation Framework

STSA participated in several stakeholder meetings in Spring 2022 that focused on the 5th central aspect of the strategy- the reform of the Swiss Maritime Legislation Framework, namely the reform of the Maritime Navigation Act, the Ship Registration Act and related Regulations.

## ALTERNATIVE MARINE FUELS

Several STSA members expressed the wish to receive a detailed overview of the various alternative marine fuels and their advantages and disadvantages. To satisfy this demand, STSA collaborated with the Sustainable Shipping Initiative as well as the GREENFUELHUB. The meeting focused on Ammonia, Batteries, Biofuels, Hydrogen, LNG/BioLNG, LPG and Methanol and compared their characteristics and their potential use in the short- medium and long term.



## Regulation

### GUIDELINES ON COMBATting MONEY LAUNDERING, TERRORIST FINANCING AND CORRUPTION IN THE COMMODITY TRADING SECTOR

The commodity trading industry recognized the need to harmonize due diligence practices with regard to risk-based controls, and therefore developed these sector-specific Guidelines on due diligence against money laundering and terrorist financing (particularly in connection with corruption) that would strengthen the competitiveness and integrity of the sector, while validating the

already existing practice. These Guidelines were published in June 2022. Ultimately, these Guidelines aim to facilitate transactions in commodity trading (rather than hinder them) by encouraging responsible practices by all actors along the commodity value chain. For members to commit to their adherence, the STSA Code of Conduct was amended accordingly.

## SANCTIONS

In today's rapidly globalising economy, Swiss based commodity traders and banks are well advised to monitor potential impacts of sanctions prohibitions. Navigating through Swiss, EU and US sanctions is difficult, especially when there is no readily apparent link to these jurisdictions. Together with Eversheds Sutherland, STSA has successfully organised its Sanctions seminar in Geneva and Zurich, which aims to train participants on the applicable Swiss, EU, UK and US sanction regimes. Furthermore, at the beginning of the conflict in Ukraine in March 2022, STSA, together with EY and law firm Lalive, organised a webinar on sanctions, which hosted more than 180 industry participants.

The webinar offered an update on relevant sanctions in the context of the Ukraine crisis; presented related sector risks & practical solutions; gave an overview of frequently encountered contractual claims and allowed participants to engage with the speakers on more specific questions during the Q&A.



## SERAFE (Radio & TV Fee)

In 2019, a change from a device-based reception fee to a general levy has been introduced by the Federal Administration (based on a popular vote) with major consequences for corporations generating high turnovers by design – especially commodity traders. According to the corporate radio & TV fees published in 2021, companies with a turnover exceeding CHF 1 billion, the fee amount up to CHF 49,925 per year. Companies with a turnover of less than CHF 500,000 are exempted from any contributions. Since the actual levy system is arguably more of a tax, or a levy of equivalent effect, it violates several constitutional principles, notably the principle of

legality as well as the principles of universality, equal treatment, and economic capacity. STSA members companies, legally represented by the attorneys-at-law of WalderWyss, have therefore decided to file a complaint against the competent agency, the Federal Tax Administration. Since April 2021, more than 35 STSA members have joined this effort by submitting a complaint while requesting the suspension of any further payments until a final decision is rendered. The whole legal procedure is expected to last between one to two years involving most likely both the Federal Administrative Court as well as the Supreme Court.



## Sustainability

### IHEID GENEVA APPLIED RESEARCH PROJECT (ARP)

Applied Research Projects bring together small groups of students from the Graduate Institute with partners from diverse sectors of International Geneva to conduct innovative research that addresses real-world challenges. STSA is the institutional partner to one of the Graduate Institute's ARP projects. This year's topic concerned the analysis of the implications of

the implementation of the Swiss counterproposal to the Responsible Business Initiative on cotton and coffee trading companies and the identification of industry best practices. The project involved interviews with multiple stakeholders, including STSA members, professionals from other companies and associations and NGOs.

### COUNTER PROJECT TO THE RESPONSIBLE BUSINESS INITIATIVE

The indirect counterproposal to the Responsible Business Initiative entered into force as amendments to the Swiss Code of Obligations and the publication of a specific RBI Federal Ordinance "ODiTr" on January 1st, 2022. STSA organized in Spring 2022 two committee meetings, joining the forces of the sustainability and the regulation committees to analyze the impact for its member companies.

The new articles of the Swiss Code of Obligations require from Swiss companies which fall into the scope of application the following obligations:

- Due Diligence and Transparency Obligations with respect to minerals and metals from conflict areas or where child labor is suspected (found in the new articles of the Swiss Code of Obligations and in the Ordinance on Due Diligence Obligations and Transparency Regarding Minerals

and Metals From Conflict Areas and Child Labor). Swiss companies falling within the scope of the Due Diligence and Transparency Obligations are required to implement a management system, a risk management plan and issue supply chain policies addressing these issues and to introduce a supply chain tracing system. Further, a supply chain risk management plan to adequately identify supply chain risks and to manage and mitigate them is required. Regarding the area of minerals and metals from conflict areas, compliance with the Due Diligence and Transparency Obligations will be audited by an external expert. In addition, an annual report on the enterprise's compliance with minerals and metals from conflict areas and child labour due diligence obligations (in a national language or in English) must be issued and must remain publicly available for 10 years.



Additionally, two workshops for STSA member companies dedicated to the proper implementation of the Federal RBI Ordinance (focus on child and forced labor) as well as on sustainability reporting have been deployed in Spring 2022.

The first workshop on “sustainable reporting”, hosted by PwC Geneva and organized with Sustainerv and CorporatEngagement, two consultancies, was tailored to the shipping & trading industry, with special attention to SMEs. The goals of the workshop were following: (i) offering an outlook on what is yet to come in the context of sustainability regulations for Swiss-based companies; (ii) present two cases of sustainability reporting from STSA members (Reinhart AG and AgroCompanies) and lessons learnt from their first encounters; (iii) open the floor to an exchange amongst participants to jointly develop

an action plan on how to prepare for your next sustainability report.

The second workshop dedicated to “human right due diligence” was held in cooperation with the Federal Department of Foreign Affairs (FDFA), the State Secretary for Economic Affairs (SECO) and deployed by FocusRight, a consultancy mandated by SECO to inform Swiss companies about their future obligations related to the RBI Ordinance and the amended articles of the Swiss Code of Obligations. The focus was on abroad operations and a topical deep dive on child labour and forced labour. Additionally, it provided insights into the International Code of Conduct for Private Security Service Providers and its role in supply chains. The workshop was supported by the Federal Administration as part of measure 3 “Promotion of UN Guiding Principles” of the Swiss National Action Plan on Business and Human

## RBI ORDINANCE SELF-ASSESSMENT TOOL DEVELOPMENT AND DEPLOYMENT

To support member companies in their efforts to implement the RBI Federal Ordinance “ODiTr” on conflict minerals and child labor, STSA together with Intertek has developed a self-assessment tool focusing on the supply chain due diligence for its members. The aim of this tool is to provide for a self-assessment resulting in a gap analysis on the status of the implementation of respective obligations resulting from the “ODiTr”. The Intertek supply chain due diligence platform called “Inlight” enables an inherent risk analysis and profiling.

Based on risk profiles and severities, it supports performance assessments and creates corrective action plans to improve compliance and performance. It also includes learning and training opportunities where needed. After the testing phase in Q3/4 2022, the ultimate goal is to have a holistic Environment, Social and Governance (ESG) self-assessment tool covering all ESG dimensions to support STSA member companies in their ongoing efforts to comply with and implement necessary ESG obligations in their operations.

## FEDERAL ORDINANCE ON CLIMATE REPORTING BY LARGE COMPANIES

In March 2022, the Swiss Federal Council initiated the consultation on a new Ordinance on climate reporting by large companies. This Ordinance is part of the package of legal measures and obligations proposed as part of the indirect counterproposal to the Responsible Business Initiative (RBI). With this Ordinance, the Federal Council decided to flesh out these obligations and specify duties of disclosure on climate issues. This was an opportunity for Switzerland to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and make them binding for large Swiss companies. In July 2022, STSA published its response to the consultation.



## STSA's ADVISORY BOARD ON CARBON CALCULATION

On mandate from STSA's Executive Board, the members of the Sustainability Committee designed and animated the 2022 Advisory Board dedicated to “carbon calculation and reporting”. During the first part of the board meeting, STSA's members could extend their knowledge of carbon calculation and reporting and its challenges for the industry by listening to various expert presentations from KPMG, Société Générale Corporate and Investment Banking SGCIB and Vitol.

In the second part of the meeting, members worked collaboratively on how best to overcome carbon challenges in their own companies and exchanged best practices. Among the challenges within companies, the participants identified the complexity of data collection because of diverse geographical realities, the set-up of systems and controls, the subsequent consolidation of those data, and the education of the staff at all levels.

## Events

### Highlights 2021-2022

5 October 2021	Workshop on Human Rights Due Diligence (Geneva)
12 October 2021	Workshop on Sanctions (Geneva)
9 November 2021	Advisory Board on Education and Training
17 November 2021	Annual General Meeting
23 November 2021	Visit of the Port of Switzerland in Basel
3 December 2021	Lunch with State Councillor Nathalie Fontanet, Department of Finance Geneva
23 February 2022	Visit of the Ambassador of Mongolia, Permanent representative to the UN in Geneva
10 March 2022	Visit the port of Le Havre
15 March 2022	Lunch organised by Fondation pour Genève with WTO Director General Ngozi Okonjo-Iweala
7 March 2022	Workshop on Human Rights Due Diligence (Zurich)
15 March 2022	Workshop on Sanctions (Zurich)
21 March 2022	Visit to STSA of Federal Councillor Guy Parmelin, Swiss Minister of Economy and Education
22 March 2022	Publication of the Commodities Magazine
31 March 2022	Workshop on the future of Sustainability Reporting
27 April 2022	Advisory Board Meeting on Carbon Emissions
3 May 2022	STSA participates in the 5th Mare Forum Geneva 2022 – The Charterers-Shipowners Dialogue
11 May 2022	Meeting at STSA with WTO Director General Ngozi Okonjo-Iweala

11 May 2022	Workshop on Sanctions Compliance in International Commodity Trade
18 May 2022	Workshop on Sustainable Commodity Trade Finance
19 May 2022	Workshop on Golden Rules in Inventory Finance
30 May 2022	Panel discussion, invitation by British-Swiss Chamber of Commerce
20 June 2022	Summer Networking Event
23 June 2022	LCTA Global Commodities Conference 2022
28 June 2022	Invitation by CCIG to discuss the geopolitical situation and economic situation
5 July 2022	STSA participates at the Ukraine Recovery Conference in Lugano
27 July 2022	Meeting at STSA with the UNIDO Director General, Gerd Müller
29 August 2022	Visit to STSA of State Councillor Nathalie Fontanet, Department of Finance Geneva
29 August 2022	Back to Business Networking Event with State Councillor Nathalie Fontanet, Department of Finance Geneva
20 September 2022	Opening remarks at the GTR Commodities Geneva
21 September 2022	Welcoming speech at the Enlit Energy Trading Day Zurich
26 September 2022	Evening reception in the Swiss Federal Parliament in Bern







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We would like to thank all our members, partners, employees and board members for their commitment in this past year. Cheers to the year ahead!



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