



**University of
Zurich** ^{UZH}

Institute of Law

Conference on Climate change and financial risk

Sustainable Finance Panel

16 January 2020, University of Zurich

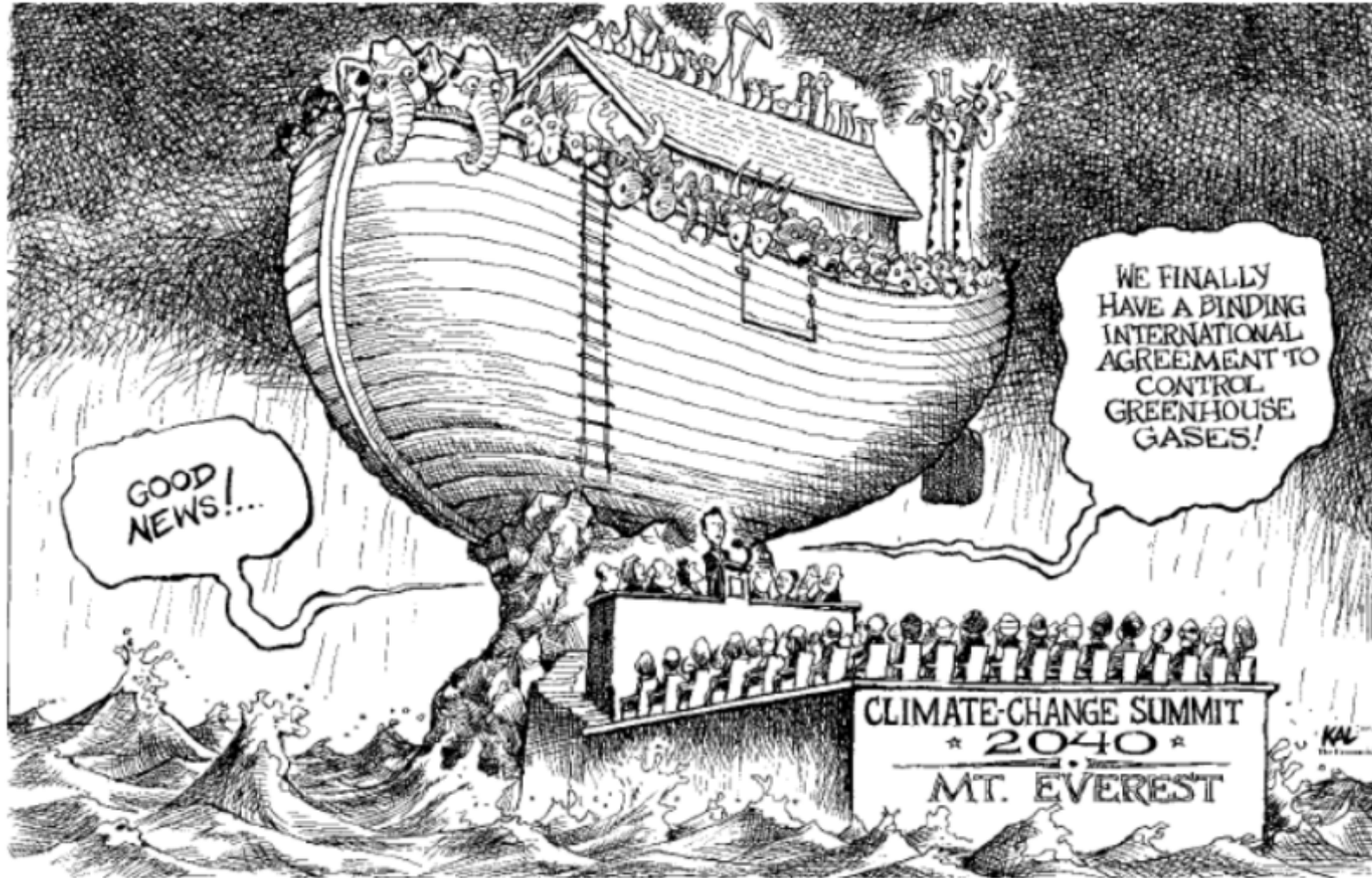
Professor Kern Alexander

Chair for Law & Finance and Professor of Banking Regulation

Faculty of Law, University of Zurich

www.rnsfin.com

Delayed action with irreversible consequences





Main areas of research

1. Green banking: Reshaping Business or Redesigning Regulation
2. Investment regulation, fiduciary duties and transition to low carbon economy
3. Financial inclusion through digital finance
4. Implementing taxonomies in banking and investment regulation
5. Research Network for Sustainable Finance – www.rnsfin.com



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STABILITY AND SUSTAINABILITY IN BANKING REFORM

Are environmental risks missing in Basel III?



 **UNIVERSITY OF
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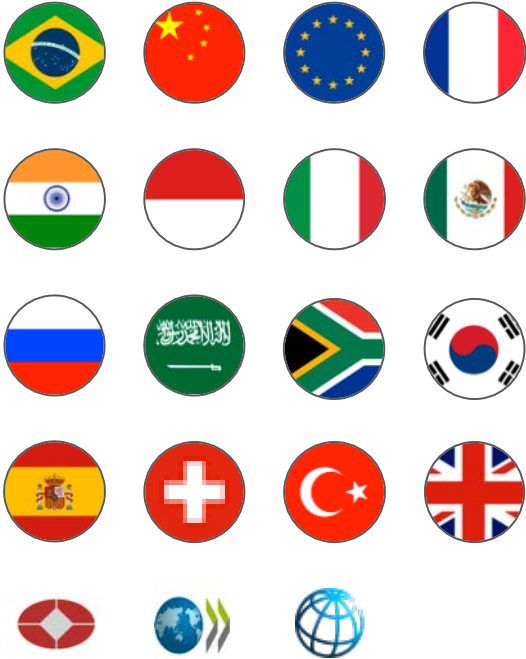
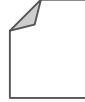


in association with

 **UNEP Finance Initiative**
Changing finance, financing change

**CAMBRIDGE-UNITED NATIONS REPORT:
STABILITY AND SUSTAINABILITY IN BANKING REFORM
(OCT 2014) KERN ALEXANDER**

- History demonstrates links between systemic environmental risks and banking instability
- The Basel Capital Accord does not adequately address environmental systemic risks
- Empirical review of regulatory practices outside the Basel Committee that do address systemic environmental risks
- Changing the focus of the Basel Accord through risk governance (pillar 2) and market disclosure (pillar 3) will more effectively mitigate systemic environmental risks in the banking sector

<https://www.cisl.cam.ac.uk/resources/sustainable-finance-publications/banking-regulation>

PARTICIPANTS	OBJECTIVE	INPUTS
 <p>Brazil, China, EU, France, India, Indonesia, Italy, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Spain, Switzerland, Turkey, UK, BIS, OECD and the WBG.</p>	<ol style="list-style-type: none"> REVIEW EXPERIENCE with green banking IDENTIFY INSTITUTIONAL & MARKET BARRIERS to mobilizing banking for green investment & mainstreaming environmental factors ANALYSE OPTIONS on how to enhance the ability of banking sector to support global economy in green transformation 	<p> Green banking practice: (UNEP Secretariat)</p> <p> Experiences from Sustainability Banking Network (IFC)</p> <p> Green Banking Policy (Kern Alexander, 2016)</p> <ul style="list-style-type: none"> ➤ Interview & survey of G20 banks ➤ Questionnaire & interviews with GFSG members & stakeholders



Financial inclusion through digital finance

- Dr Xenia Karametaxas and Professor Alexander will publish a paper in the *Journal of Law and Society* (Sept 2020)
- Paper aims at balancing innovation and risk to achieve financial inclusion and ultimately putting forward policy recommendations to ensure that new technologies create equal opportunities for all while minimizing unintended consequences.
- Special attention given to question of whether and how to involve central banks in this process, given their access to data, information, currencies and payment infrastructures.
- Explores potential global coordination in establishing partnerships between the public and private sectors.
- Dr Karametaxas presented draft paper at the Conference on ‘social justice, business and the pursuit of sustainability’ at the University of Oslo, on December 2 2019.
- <https://www.rnsfin.com/conferences-and-lectures>



Publications of Zurich law academics on the law and regulation of sustainable finance

- Dr Karametaxas paper ‘The Role of Pension Funds in the Low-carbon Transition’ in the “Liber amicorum for Prof. Henry Peter (Geneva, Schulthess, 2019). Paper analyses the duties of those who manage pension funds, as those duties relate to investment decision-making, and how investors can overcome legal/regulatory hurdles in selecting and integrating ESG measures to enhance returns.
- Dr Anne M Schneuwly (2016), ‘Corporate Social Responsibility at the Interface of Business, Law and Politics: Transnational CSR Soft Law in the Global Context’
- Professor Marco dell’Erba papers on the corporate and regulatory law aspects of digital finance

<https://www.rnsfin.com/papers-and-publications>



Research Network for Sustainable Finance - RNSFIN

- Research project to analyse the implementation of EU taxonomies into banking regulation and investment regulation (with Luxembourg/UCD/Edinburgh)
- Funding from the Swiss Association of Social Sciences and Humanities to organize the first annual conference of the Research Network in December 2020, with peer-reviewed papers on the theme: 'Climate Change and Sustainable Financial Markets: A Global Regulatory Imperative' <https://www.rnsfin.com/conferences-and-lectures>
- Funding from the Dutch Social Science Foundation for creating an International Working Group on Sustainable Finance (with Radboud/Nijmegen)
- See research projects, publications and policy initiatives – <https://www.rnsfin.com/papers-and-publications>