practice includes private company share sales and purchases, management buyouts and finance matters. She has extensive experience in corporate restructuring, mergers and demergers. Her clients range from UK subsidiaries of overseas companies to partnerships, LLPs and owner managed businesses. She is acknowledged as a leader in her field in Corporate/M&A in leading independent guide to the legal profession, Chambers UK. Joanne became a partner 2006 and is based at the Thames Gateway office.

This is the second year Super Lawyers has conducted its survey of legal professionals in the London market, and the second year Joanne has been selected. The Super Lawyers awards identify solicitors achieving excellence in their practice. The selection process involves peer nominations and evaluations alongside independent research. Less than 3% of solicitors in London make the Super Lawyers list.

James Partridge, senior partner at Thomson Snell & Passmore, said: “I would like to congratulate Joanne for once again being selected. This is a testament to her hard work, dedication and commitment. The Super Lawyers rankings are hugely competitive and this is a fantastic achievement. She is a brilliant lawyer and a great mentor for her team”.

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Decision by the Swiss National Bank is an unmistakeable vote
“Swissexit” - a clear message

By Prof Dr Teodoro D. Cocca
19 January 2015

The decision by the Swiss National Bank is an unmistakeable vote of no confidence against the euro. However, the eurozone does not want to hear the message.

In effect, Switzerland’s defence of a minimum exchange rate against the euro equated to quasi monetary-policy membership of the eurozone. The decision to allow the franc to float freely once again means that Switzerland has now left the eurozone. This “Swissexit” will cost Switzerland dear. Firstly in the form of a loss of confidence in the Swiss National Bank (SNB) since it has now “broken its word” about defending the exchange rate with unlimited currency purchases under any circumstances. In the immediate future, the markets are hardly likely to be swayed any longer by any verbal assurances - a tried and tested tool of central banks lately.

Secondly, there will be the cost to Switzerland’s economy, although this is difficult to quantify. Moreover, the SNB had to assume that its decision would trigger major chaos in the financial markets. If we sum up the extent of the cost roughly and assume that the SNB was acting rationally, then, on the other side of the equation, the benefits of last week’s decision by the SNB must be even more colossal.

If we are to believe the words of the President of the SNB, then the benefits of the measure must be avoiding the risk of even greater damage. Even greater damage would ensue if the euro were dragged further into the maelstrom of monetary-policy-induced depreciation and the inability to carry out reforms in real politics. This would lead to a fresh testing of the euro’s resilience. The SNB evidently rated this scenario as more likely than ever before and therefore lost confidence in the self-healing powers of the eurozone just at a time when faltering periphery states can hardly wait for promising and supposedly all-solving sovereign bond purchases.

Sober common sense prevails

There is only one way to interpret the SNB’s actions: based on current developments, it was decided with sober common sense that a further break was on the horizon which would make the euro’s performance riskier and more unpredictable than in the past. For each and every citizen in the eurozone, this decision by a major outsider institution, and hence implicitly an institution which is explicitly independent of European policy-making,
must be cause for serious concern and for critical reflection. This is indeed the key message to the central bank representatives in Frankfurt who will meet this week in Frankfurt and who will have to take a fateful decision, even though SNB President Thomas Jordan has stressed, no doubt merely with diplomatic correctness, that the timing of the SNB’s measure so close to the ECB meeting was purely coincidental.

Should it turn out that the euro does one day actually break up, it is likely that the start of sovereign bond purchases will be seen in hindsight as the “beginning of the end”. In its assessment of a situation which could affect the welfare of an economy and therefore of many human beings for generations to come, the SNB has probably shown in exemplary fashion what aspects are ultimately the only important ones: firstly, a sober assessment of the economic reality; secondly, a preference for sustainable against short-term solutions, and thirdly, the courage to implement decisions, irrespective of market upheavals and criticism.

Admittedly, the whole thing is part of a series of highly unusual signals from the eurozone which have helped bring about a further marked weakening of the euro against the franc: these began with Italy’s six-month stint holding the EU Presidency which led to a softening of the Stability Pact, going all the way to a very likely renegotiation of the rescue package for Greece, something for which the public has been prepared since the beginning of the year. In a currency union based on solidarity as regards long-term interests, all members should factor in the consequences of their actions and the expectations which they implicitly generate. Once rules or the results of negotiations are called into question a first time, there is bound to be a second or third time. This leads to a crisis which cannot be brought under control because the state of permanent uncertainty and the paralyzing doubt about the next agreement which could be broken can never be overcome.

A line should be drawn under this fluid state of affairs which changes with every situation if we do not wish to lose the last hope of a return to a modicum of budgetary discipline. The eurozone cannot settle down and will ultimately put itself in jeopardy so long as rules are not respected but repeatedly become a pure matter for negotiation.

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Swiss National Bank

Prof Dr Teodoro D. Cocca

Teodoro D. Cocca is Professor of Asset Management and member of the Research Institute for Banking and Finance at the Johannes Kepler University Linz. Prior to this, he worked at Citibank in investment and private banking, was a Research Fellow at the Stern School of Business in New York and lectured at the Swiss Banking Institute of the University of Zurich. As an adjunct lecturer for banking and finance at the University of Zurich, he is a coveted speaker at academic conventions and international conferences and is an adviser to a number of financial institutions. Since March 2010, the banking expert has been a member of the Board of Directors at GGI Geneva Group International, which is headquartered in Zurich, and since April 2011, he has been on the Board of Directors of the Verwaltungs- und Privat-Bank Aktiengesellschaft (VP Bank), which has its headquarters in Vaduz. In October 2011, he was selected as Dean of Faculty of Social and Economic Sciences at the Johannes Kepler University.

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If the Greeks do not agree with the conditions imposed by their creditors, then a “Grexit” must be a real option. Insisting on this being an essential condition would send out an unmistakable signal to countries which are much more important for the stability of the eurozone such as Italy that there are limits to a comfortable reliance on the solidarity of healthier EU countries and that there is no way around painful national reform.

An acceptance of economic realities and resulting unavoidable consequences are the key message in the Swiss National Bank’s address to the European Central Bank (ECB).

However, if anything, reactions in the European Union in the last few days suggest that neither the EU nor the ECB want to hear this message, and the ECB’s President Mario Draghi is indeed prepared to do anything to save the euro. Admittedly, this can also mean that the ECB wishes to defend a (political) idea, which in reality has long since died (economically).

“Mental bubble” collapses

The SNB’s decision also includes a clear message to the markets that the dominant way of thinking of the last two years, namely the belief that monetary policy measures can even solve non-monetary problems, could start to fall apart. This “mental bubble”, which finds its expression in the deceptive notion of boundless feasibility put forward by the central banks, could be in serious danger for the first time as a result of the SNB’s decision, and this in turn could lead to a new way of thinking.

The time may have come when market participants become aware that the European Central Bank is part of the problem and not part of the solution. In this case, the line between delusions about feasibility and a complete inability to take action could prove to be too small.

Central banks which work hard to iron out any market worry, be it ever so small, in order to avoid market turbulence at all costs, box themselves into a corner, especially when calming measures eliminate precisely the reform pressure which would be needed to bring about a radical modernisation in the periphery states.

By a self-critical admission that a central bank’s powers of control are limited, the Swiss National Bank has helped make the eurozone take another very hard look at its own fate. However, there is every chance that this opportunity will be missed. Whereas this Thursday the European Central Bank will most likely continue to move within the virtual reality of an, in principle, economically intact currency union, last Thursday, the Swiss National Bank ceased to deny reality. It deserves recognition for this.

Major changes in Dutch employment law

By Jeffrey L. Kenens

On 18 February 2014 the Dutch House of Representatives adopted the legislative bill for the Work and Security Act that was submitted on 29 November 2013. The Dutch Senate endorsed it on 10 June 2014. The Act leads to fairly drastic changes in Dutch employment law. It partly took effect as of 1 January 2015.

The remaining part of the Act will take effect on 1 July 2015. In this document, I briefly summarise the major changes in Dutch employment law without too much elaboration. Please note, that for the purpose of this brief news article no deviations possibly provided for in collective labour agreements have been taken into account.

Probation period

Parties to an employment contract may agree on an initial probation period. This must be put in writing. During the probation period either party may terminate the employment contract at any time with immediate effect, without any liability towards the other party, in principle.

As of 1 January 2015 it is no longer possible to agree on a probation period.