

Drivers V: geopolitics, sanctions and neutrality

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Geopolitics has become a direct driver of Swiss banking. When Switzerland adopted the sanctions of the European Union against Russia in February 2022, it departed from its earlier practice of avoiding the circumvention of foreign sanctions without adopting them in full. The decision had immediate consequences for Swiss banks, which had served many Russian clients and had to freeze substantial assets.¹ It also changed the perception of Switzerland among clients from countries that might one day find themselves in conflict with the West. Some wealth from the Gulf, Asia and Latin America became more cautious about Switzerland, while other clients valued the alignment with Western legal standards.

The debate on Swiss neutrality, which the sanctions revived, continues. A popular initiative to anchor a strict conception of neutrality in the Federal Constitution, including a prohibition on adopting non-military coercive measures against belligerent states, was submitted in 2024.² Its fate, and the broader positioning of Switzerland between the United States, the European Union and China, will influence how wealthy families from different regions perceive the safety of their assets in Switzerland. This chapter does not anticipate any vote on the matter.

Pressure from the United States is a further factor. American authorities criticised Switzerland in 2023 for its enforcement of Russia sanctions, and the trade and tariff disputes of 2025 showed how quickly economic relations with the United States can become strained.³ For Swiss banks, access to the dollar clearing system and to the American market is indispensable. A conflict with Washington could therefore affect them more severely than almost any other external event. The UBS case of 2008 and 2009, described in Part E, Chapter IV, remains the reference point for how such conflicts unfold.

1 Notes

1. On the Federal Council's decision of 28 February 2022 to adopt the EU sanctions against Russia, the Ordinance on Measures in connection with the Situation in Ukraine (SR 946.231.176.72) and the volume of frozen assets reported by SECO, see Part E, Chapter III, and Part H, Chapter III, as well as the publications of SECO. Figures to be verified. ↩
2. On the federal popular initiative "Safeguarding Swiss neutrality (Neutrality Initiative)", submitted in April 2024, the Federal Council's dispatch and the parliamentary treatment, see the publications of the Federal Chancellery and the Federal Council. Status to be verified. ↩
3. On criticism by US officials of Swiss sanctions enforcement in 2023 (including through the US Helsinki Commission and the ambassador) and the US tariff measures affecting Switzerland in 2025, see Part G, Chapter III, Part H, Chapter III, and Part K, Chapter II, as well as the press. Status to be verified. ↩

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