

From discretion to due diligence

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

For most of the twentieth century, the Swiss financial centre regarded the origin of its clients' assets as their private affair. Banks verified the identity of their clients in a general way without asking where the money came from, while the culture of discretion that Part C described discouraged curiosity. This attitude made Switzerland attractive to clients with legitimate needs for privacy and to clients who wished to hide assets from their governments, their creditors, their families or the law. It also exposed the financial centre to scandals that damaged its reputation. Step by step, these scandals led to the construction of one of the most elaborate anti-money laundering regimes in the world.

This chapter traces the development of this regime. It begins with the self-regulation of the banks after the Chiasso scandal of 1977 and follows the Anti-Money Laundering Act of 1997 and its revisions, the criminal offence of money laundering, the identification of beneficial owners, the reporting of suspicious transactions and the cooperation with foreign authorities. The regime is examined from the perspective of a practitioner who advises financial intermediaries on compliance and defends clients and institutions in proceedings: two sides of the same field, both of which the author knows from his practice.

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-from-discretion-to-due-diligence