

The BIS during the Second World War

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

When the Second World War broke out in September 1939, the BIS was in a delicate position. Its shareholders included the central banks of belligerent states on both sides. Its board included the governors of the German, Italian, British and French central banks. Its staff came from many countries. And its seat was in a neutral country surrounded by the war. The BIS adopted a declaration of neutrality, by which it committed itself to avoid operations that could benefit one belligerent against another, and suspended the meetings of its board for the duration of the war.¹

The president of the BIS during most of the war was the American lawyer and banker Thomas McKittrick, who took office in 1940 and remained until 1946. Under his leadership, the BIS continued to operate in Basel, with a reduced staff, and conducted business with central banks of both camps. It continued to receive interest payments from Germany on the Young Plan loans and to transfer them to the bondholders, while also conducting gold operations with the Reichsbank.²

The gold that the Reichsbank delivered to the BIS during the war included gold looted from the central banks of occupied countries, above all Belgium and the Netherlands, and gold taken from individuals, including victims of the Holocaust. The BIS accepted this gold without examining its origin. Part of it was still in its vaults at the end of the war. After the war, the BIS returned a quantity of gold to the Allies under an agreement concluded in 1948, in recognition of its looted origin.³

In July 1944, the Bretton Woods conference, which founded the International Monetary Fund and the World Bank, adopted a resolution, proposed by the Norwegian delegation and supported by the United States, that recommended the liquidation of the BIS at the earliest possible moment. The resolution reflected the suspicion that the BIS had collaborated with Germany and the view that the new institutions of Bretton Woods would make it superfluous.⁴ The resolution was never

The BIS during the Second World War

implemented. The European central banks, above all the Bank of England, defended the BIS as a useful institution for European monetary cooperation. After the war it became the agent of the European Payments Union, created in 1950 to restore the convertibility of European currencies. The survival of the BIS after Bretton Woods is a second example, after 1932, of the capacity of the institution to find new functions.

1 Notes

1. On the declaration of neutrality of the BIS of December 1939 and the suspension of board meetings during the Second World War, see Toniolo, 2005. To be verified. ↩
2. On Thomas H. McKittrick, president of the BIS from 1940 to 1946, and the operations of the BIS during the war, including gold transactions with the Reichsbank, see Toniolo, 2005; the reports of the Independent Commission of Experts. To be verified. ↩
3. On the looted gold received by the BIS from the Reichsbank during the war and its partial restitution under the agreement of 1948 with the Allies (Tripartite Gold Commission), see Toniolo, 2005; the reports of the Independent Commission of Experts and of the US government on Nazi gold (Eizenstat reports, 1997/98). Quantities to be verified. ↩
4. Resolution V of the United Nations Monetary and Financial Conference at Bretton Woods (July 1944), recommending the liquidation of the BIS "at the earliest possible moment". See Toniolo, 2005. To be verified. ↩

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-the-bis-during-the-second-world-war