

The First World War and the seizure of the company

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The First World War brought a crisis for the Basel Mission and its trading company. Although the mission and the company were based in neutral Switzerland, a large part of their missionaries and staff were German, so that the British authorities regarded them as enemy concerns. In 1917 and 1918, the British authorities in the Gold Coast and in India expelled the German missionaries, placed the property of the mission and the trading company under control and eventually seized it.¹

The seizure raised a question that would recur in the Second World War and in the modern sanctions regimes: how to treat the assets of an entity located in a neutral country but controlled or staffed by nationals of an enemy state. The British authorities looked through the Swiss corporate form to the German nationality of the persons involved and treated the company as an enemy concern. The Basel Mission and the Swiss government protested, arguing that the mission and the company were Swiss institutions, but the protests had limited effect during the war.

After the war, the mission and the company negotiated with the British authorities for the return of their property. In India, the mission's industrial enterprises were transferred to a new entity, the Commonwealth Trust, established in 1919, which continued to operate the tile factories and weaving establishments. In the Gold Coast, the trading business was eventually resumed by a reorganised company, the Union Trading Company, formed in 1921, while the mission's religious work was taken over in part by the Scottish Presbyterian mission until the Basel missionaries were allowed to return.² The trading company in Basel was reorganised as the *Basler Handelsgesellschaft*, the Basel Trading Company, which continued its activities in Africa and later in other regions.

The seizure of the Basel Mission's property during the First World War is a precedent for the modern question of the ownership and control test in

sanctions law. Modern sanctions regimes, including those that Switzerland applies, extend the freezing of assets to entities owned or controlled by designated persons, regardless of their place of incorporation. The determination of ownership and control, which the British authorities made in 1917 by looking at the nationality of the staff, is today made by looking at shareholdings, voting rights, board composition and other indicators. It remains one of the most difficult tasks of sanctions compliance.³

1 Notes

1. On the seizure of the property of the Basel Mission and its trading company by the British authorities in the Gold Coast and India during the First World War (1917/1918) and the expulsion of German missionaries, see Wanner, 1959; the literature on the Basel Mission. To be verified. ↩
2. On the Commonwealth Trust (India, 1919) and the Union Trading Company (Gold Coast, 1921) as successors to the business of the Basel Mission Trading Company, and on the temporary role of the Scottish mission in the Gold Coast, see Wanner, 1959. Dates to be verified. ↩
3. On the ownership and control test in Swiss sanctions law (e.g. Art. 15 of the Ordinance of 4 March 2022 on measures in connection with the situation in Ukraine, SR 946.231.176.72) and in EU sanctions law, see Part E and Part H. To be verified. ↩

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