

A conciliatory and lightly restrictive law

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

The study of the history of Swiss banking regulation characterises the law of 8 November 1934 as a “conciliatory and lightly restrictive law”.¹ This assessment underlines that the legislature sought to respond to the concerns raised by the bank failures without hampering the room for manoeuvre of a sector regarded as essential to national prosperity.

The same study quotes an Aargau agrarian parliamentarian, Roman Abt, who asserted before the National Council that the banks were the collection points of the national wealth and that their growth was one and the same as the prosperity of the national economy, so that it would be disproportionate to legislate against them because of the animosity aroused by banking losses.² This position sums up the dilemma facing the legislators: satisfying the advocates of vigorous control, whose demands rested on the recent failures, without compromising a sector deemed vital.

A commentary in the *Financial Times*, published in March 1935 and quoted by the same study, observed that it would be wrong to claim that the new law allowed the National Bank and the commission to supervise the business of the banks in every respect, since that was not the aim pursued, and that the banks could carry on their activities as usual.³ The law of 1934 thus established a moderate supervisory framework that left the institutions a broad measure of autonomy.

This moderation can be explained by several factors: the influence of banking circles on the legislative process, a Swiss political culture attached to federalism and economic freedom, and the conviction that the reputation of the financial centre rested on its discretion and on the trust of foreign clients. It would have lasting consequences, for Swiss banking supervision long remained lighter than in other countries, until the reforms that followed the crises of the twenty-first century.

1 Notes

1. Histoire de la régulation des banques en Suisse, Geneva, Droz, conclusion of Part One, consulted on Cairn.info (September 2026). ↩
2. Histoire de la régulation des banques en Suisse, cited above. ↩
3. Histoire de la régulation des banques en Suisse, cited above, quoting the Financial Times of 2 March 1935. ↩

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/geneva-a-conciliatory-and-lightly-restrictive-law