

Geneva and Africa: commodities, elites and the return of illicit assets

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Few relationships of the Geneva financial centre are as old, as dense and as contested as the one with Africa. It runs through three channels — commodity trading, private wealth management and international cooperation — and all three have acquired a legal order that did not exist thirty years ago. This article describes each channel, the figures behind it, and the practical consequences for anyone advising on an African connection today.

1 The trade channel

Geneva traders buy a substantial share of the state oil of African producing countries. For 2011 to 2013 it was established that Swiss traders acquired about a quarter of the state oil of sub-Saharan Africa. The commercial logic is straightforward: producing states need cash before the oil is lifted, and traders supply it against future cargoes.

That logic produces resource-backed lending. Between 2004 and 2018, 52 such loans worth more than 164 billion dollars were recorded, of which 30 worth 66 billion dollars in sub-Saharan Africa. Glencore's pre-financing to Chad reached 600 million dollars and then 1.45 billion in 2013 and 2014. The debt of the Republic of Congo to Glencore and Trafigura stood at 1.7 billion dollars.

These structures are economically explicable and legally delicate. They commit future production, they frequently escape parliamentary scrutiny in the producing country, and they shift bargaining power to the creditor when prices fall. Where they are renegotiated, the renegotiation takes place between a state and a private counterparty with better information and better lawyers.

2 The wealth channel

Politically exposed persons from African states held accounts in Geneva, and in several well-documented cases the origin of the funds was not legitimate. The Abacha case sets the benchmark: from 1999 more than 700 million dollars were frozen in Switzerland; in 2005, following a decision of the Federal Supreme Court, funds were returned to Nigeria; over the years more than a billion dollars was restituted. Switzerland has returned more than two billion dollars of such assets in total, more than any other financial centre.

Out of that practice came the Federal Act on the Freezing and Restitution of Illicitly Acquired Assets of Foreign Politically Exposed Persons of 2015. It addresses the situation in which ordinary mutual legal assistance fails because the state structures of the country of origin have broken down, and it provides for freezing, administrative confiscation before the Federal Administrative Court with a rebuttable presumption of illicit origin, and earmarked restitution for the benefit of the population.

3 The cooperation channel

Geneva is also where the institutions sit that negotiate, monitor and finance development — and where the standards that govern the other two channels are written. The proximity is uncomfortable and productive at once: the same city hosts the trading houses buying African oil and the organisations publishing the statistics on what that oil earns for the producing states.

4 The counter-movement since 2015

Since the end of banking secrecy towards foreign tax authorities and the tightening of anti-money laundering supervision, the relationship has shifted in a direction that few intended.

Banks reduced correspondent relationships with African institutions. Worldwide the number of active correspondent banks fell by around 22 per cent between 2011 and 2019, with regional declines of 13 to 34 per cent; the decline continued at a slower pace, falling about 3 per cent in 2019 alone. The effect falls not on elites, who have alternatives, but on the trade finance of small and medium-sized enterprises, which do not.

Physical presence of Swiss private banks on the continent has remained rare. Pictet opened its first African office only in February 2026, in Johannesburg, after regulatory approval on 16 February. The market data

explains the choice: South Africa counts 41,100 millionaires, 34 per cent of all African millionaires, and the five largest markets — South Africa, Egypt, Morocco, Nigeria and Kenya — account for 63 per cent of the continent's millionaires, with a projected increase of 65 per cent over the decade.

5 The investment protection layer

Switzerland has signed or ratified 130 bilateral investment treaties, of which about a hundred are in force — the second largest network in the world after Germany's. It signed the ICSID Convention on 22 September 1967 and the convention entered into force for Switzerland on 14 June 1968. More than fifty arbitrations have been brought by Swiss investors under treaties; Switzerland itself has been respondent in a single case, discontinued on 18 January 2022.

African states are frequent respondents at ICSID. By the end of 2017, 45 African states were parties to the convention and African respondents accounted for about 22 per cent of the 650 cases registered, or 144 proceedings, with Egypt at 30 and the Democratic Republic of Congo at 9. Oil, gas and mining account for a third of African cases, construction for 10 per cent, and contract-based claims for 39 per cent against 16 per cent worldwide.

6 What this means for an adviser

A business relationship with an African connection now sits inside a dense set of requirements. The work divides into four blocks.

Counterparty and beneficial ownership. Identify the contracting party and the beneficial owners; establish whether any of them is politically exposed, including through family and close associates; document the source of wealth and the source of funds separately, because they answer different questions.

Payment chain. Map every intermediary between the payer and the ultimate recipient, and obtain a commercial rationale for each. Where an agent's remuneration is a percentage of a contract value, the file should show what service justifies it.

Sanctions and export control. Screen against the Swiss lists, which do not fully coincide with the European or American ones, and address control relationships as well as listed persons.

Contract architecture. Choose a governing law and a forum that can be enforced against assets that actually exist. An award against a state entity is

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worth what it can be executed against, which is why the location of the counterparty's bank accounts and cargoes matters more than the elegance of the clause.

The burden is considerable. It is also the condition on which the relationship can continue at all — and for a client with a legitimate business in the region, a file that satisfies these requirements is the asset that keeps the banking relationship open.

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