

Exchange: from the table to the account

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

The Geneva fairs took place in a fragmented monetary universe. Gold and silver coins of every origin circulated there: Florentine florins, Venetian ducats, French écus, Savoyard coins, German coins, episcopal coins. Their relative value varied according to their weight, their fineness and the state of the market. To keep their books, merchants and authorities used money of account, that is to say abstract units making it possible to express values in a common measure. In the Savoyard and Genevan area, the florin of small weight thus served as the unit of account, without corresponding to any coin actually struck.¹

The money changers were the specialists of this universe. Seated at their tables during the fairs, they weighed coins, verified their alloy, exchanged them for other coins in return for a commission and supplied merchants with the currencies they needed for their payments. Their trade required precise technical knowledge, a substantial reserve of coin and an irreproachable reputation. The authorities supervised their activity to prevent the circulation of counterfeit money and manipulation.

Gradually, some money changers broadened their activity. They accepted deposits, kept accounts for their clients, made payments by book transfer and granted credit. This passage from the table to the account marks the birth of deposit banking. A merchant who held an account with a money changer could pay a supplier by giving an oral or written order, without handling coin. The money changer debited the account of the one and credited the account of the other. If both parties kept their accounts with the same money changer, the operation required no movement of coin at all.

This system carried a risk found throughout the history of banking: the money changer might be tempted to lend out part of the deposits. As long as the depositors did not all demand their money at the same time, the practice was profitable. A crisis of confidence, however, could provoke a

run on deposits and lead to failure. The regulation of banking, from the medieval ordinances on money changers to the capital and liquidity requirements of Basel III, seeks to control this risk.

Flows of precious metals also raised political problems. Sovereigns wanted to keep gold and silver within their kingdom, because these metals served to strike coinage and to finance wars. The fairs, however, led to outflows of precious metal in payment for purchases of foreign products. The article devoted to the fairs of Lyon notes that their success caused a heavy export of precious metals, even though preventing gold and silver from leaving the kingdom was a priority objective of Louis XI and his council.² This tension between the commercial interest and the monetary interest of the state runs through the whole history of financial centres. It reappears in the exchange controls of the twentieth century and in the contemporary debates on capital flight.

Caution. One should not project the image of the modern banker onto the medieval money changers. Their activity was closely tied to the physical handling of coins, their capital remained modest and their failures were frequent. Deposit and credit banking emerged gradually, under uncertain legal and moral conditions, owing in particular to the canonical prohibition of lending at interest.

1 Notes

1. Dictionnaire historique de la Suisse (DHS), art. “Monnaie”: in the second half of the sixteenth century, “the florin of Savoy or florin of small weight” replaced the livre as money of account in Geneva and in the Pays de Vaud, unlike the Rhenish florin in use elsewhere in Switzerland; Archives d’État de Genève, page “La monnaie”: one florin was worth 12 sols or 144 deniers, one écu 4 florins and 8 to 10 sols. ↩
2. Article “Foire de Lyon”, Wikipédia (fr), cited above. ↩

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-exchange-from-the-table-to-the-account](https://www.helveticaregister.com/geneva-exchange-from-the-table-to-the-account)