

Managing frozen assets

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Freezing an asset does not make it disappear; it immobilises it. Its management raises questions that Geneva banks have had to resolve. A frozen account continues to generate interest and income, which are themselves frozen. Securities held reach maturity, pay dividends and are subject to corporate actions that the bank must process without breaching the freeze, while custody and management fees accumulate. Clients request releases for their day-to-day needs, their legal costs or humanitarian reasons, which the State Secretariat for Economic Affairs authorises under defined conditions.¹ The assets frozen in Switzerland, CHF 7.4 billion as at 1 April 2025, thus represent a permanent administrative burden for the institutions that hold them.

The debate on the use of frozen assets for the reconstruction of Ukraine has run through the European Union and the Group of Seven. Switzerland has taken a position by distinguishing the freeze, a protective measure, from confiscation, which requires a legal basis and a procedure. It has recalled that its Constitution protects property and that the confiscation of lawful private assets without a conviction is not permitted under Swiss law.² For the financial centre, this position is consistent with its role: a centre governed by the rule of law freezes on the order of the state and confiscates only on the decision of a judge.

1 Notes

1. Ordinance of 4 March 2022 instituting measures in connection with the situation in Ukraine (SR 946.231.176.72), Art. 15: freezing of assets and economic resources; SECO may, exceptionally, authorise payments from blocked accounts, transfers of frozen capital assets and the release of frozen economic resources in order to “prevent cases of hardship; honour existing contracts; honour claims pursuant to a judicial, administrative or arbitral decision; permit the exercise of the official

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activities of Russian diplomatic or consular representations, or safeguard Swiss interests”; Maria Ludwiczak Glassey, CDBF, 30 October 2025, on the Federal Supreme Court judgment 5A_802/2024 of 28 August 2025 (primacy of the freeze based on the ordinance, exception procedure under Art. 15 para. 5 falling within the competence of SECO); SECO, FAQ “Sanctions contre la Russie”: frozen assets of CHF 7.1 billion as at 13 August 2024, plus CHF 1.3 billion blocked provisionally. ↩

2. Federal Council, 15 February 2023: the confiscation of frozen private assets without a legal basis would be contrary to the guarantee of property; “La confiscation d’avoirs russes en Suisse n’est pas licite”, swissinfo.ch, 15 February 2023; as regards central bank assets, the Federal Council confined itself to following the international discussions. ↩

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