

Sanctions as a factor in location decisions

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The sanctions against Russia have introduced a new factor in location decisions. Since Switzerland adopted the European Union's sanctions, the activities linked to Russian oil, part of which the Geneva houses had handled, had to cease in Geneva. The Emirates, which do not apply these sanctions, took in the traders who continued those activities, some of them set up by former employees of Geneva houses.¹ Part H describes this movement and the circumvention cases it has produced.

This factor can be read in two ways. The first sees it as a loss for Geneva, part of whose trading has left, whereas the second sees it as a clarification, the centre having shed activities whose reputation, compliance and financing would have become untenable. The second reading seems the more accurate in the medium term: trading in Russian oil under sanctions is a high-risk activity, whose participants face secondary sanctions, investigations and refusals by banks. A centre that hosts it pays the reputational price. Geneva, as a centre of compliance, has every interest in ensuring that the activities it shelters can be financed by its banks and defended before its authorities.

1 Notes

1. Public Eye, “Russian oil trade in Switzerland: a fake farewell?”, 20 March 2023: traders that appeared in Dubai (Paramount Energy & Commodities DMCC, Tejarinaft, Fossil Trading FZCO, created in April 2022) and in Hong Kong (Sunrise X Trading, June 2022; Nord Axis Limited, which took over Trafigura’s stake in Vostok Oil); swissinfo.ch, 16 June 2023: Russian business of Paramount SA (Geneva) transferred to Paramount DMCC (Dubai) in June 2022, directors of Swiss nationality in both companies; swissinfo.ch, 11 August 2025: “The sanctions against Russia have above all prompted a relocation of employees, mostly to Dubai” (Sébastien Landerretche, Suissénégoce).



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