

Second scenario: the eroded financial centre

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

In the second scenario, several variables move in an unfavourable direction at the same time. The 2026 package is rejected by the people, relations with the Union deteriorate, free movement is called into question by a new popular initiative, accepted this time after the rejection of that of 14 June 2026, and the recruitment of European staff becomes more difficult. Institutions move functions to Luxembourg, Frankfurt and Madrid. The bill on the capital requirements of the large bank is adopted without compromise, and the bank reduces its Swiss presence or transfers its head office, with consequences that the Fondation Genève Place Financière had described in advance as catastrophic.¹ A major compliance scandal, in commodity trading or in wealth management, revives international criticism and leads to a further tightening of regulation. Dubai and Singapore attract a growing share of commodity trading, helped by sanctions which Switzerland applies and they do not, and by a tax regime that Geneva cannot match.

In this scenario, the financial centre loses a quarter of its jobs and a substantial share of its assets within ten years, and its historic houses are bought up by foreign groups which reduce Geneva to a branch office. The canton, 23 per cent of whose tax revenue comes from the financial centre, has to overhaul its finances.² The history of the financial centre, recounted in Parts A to D, shows that this scenario is anything but imaginary. Geneva lost its fairs to Lyon in the fifteenth century, the Protestant banking community shifted towards Paris and London in the eighteenth century, and the French annexation of 1798 ruined the financial centre for fifteen years. A financial centre can erode quickly, whereas its assets, namely human capital, reputation and networks, cannot be rebuilt within a generation.

Caution. The erosion scenario presupposes no catastrophe. It presupposes only the coincidence of several unfavourable developments, each of which

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is possible and none of which lies entirely within the financial centre's control: a popular vote, a parliamentary decision, a scandal, a foreign tax policy. The financial centre cannot prevent these developments, but it can reduce its vulnerability to their coincidence.

1 Notes

1. “La place financière genevoise ‘se porte bien’” [The Geneva financial centre “is doing well”], *Léman Bleu*, 16 October 2025, quoting Édouard Cuendet. ↩
2. *Léman Bleu*, 16 October 2025, cited above: the financial centre accounts for 23 per cent of cantonal tax revenue. ↩

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