

Taking stock of the golden age

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

The golden age of wealth management made Geneva one of the world's leading financial centres for private clients. The financial centre developed recognised expertise, attracted institutions from many countries and created thousands of skilled jobs. It contributed to the prosperity of the canton and to the international standing of the city.

This success rested in part on fragile foundations. The acceptance of undeclared assets exposed the financial centre to pressure from the countries whose taxpayers were fleeing taxation. The acceptance of assets belonging to corrupt leaders or criminals exposed its reputation. The culture of secrecy, inherited from history and enshrined in law, made it difficult to distinguish between the legitimate protection of privacy and passive complicity in questionable practices.

The reforms undertaken from 1977 onwards, and then the criminalisation of money laundering in 1990, began to correct these weaknesses. They were not enough to avert the crisis that would break out at the end of the 2000s, when the United States, and then all the OECD countries, would secure the end of banking secrecy vis-à-vis their tax authorities. Chapter III will trace that crisis.

Taking stock of the golden age

Worked example. In 1970 a Geneva bank manages assets of CHF 5 billion for its foreign clients. If these assets grow by 8 per cent a year, thanks to new inflows and investment returns, they reach around CHF 23 billion in 1990, since 1.08 raised to the power of 20 is approximately 4.66. With fees of 1 per cent a year, the bank's revenues rise from CHF 50 million to more than CHF 230 million. If a significant share of these assets is undeclared in the clients' countries of residence, this growth carries a latent risk, which will materialise when international pressure imposes tax transparency. The figures are fictitious.

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-taking-stock-of-the-golden-age