

The 1980s: scandals and debates

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The Due Diligence Agreement did not prevent new scandals from arising. During the 1980s, several affairs implicated the Swiss financial centre: the use of Swiss accounts by drug-trafficking networks, the assets of deposed foreign leaders, the laundering of funds of criminal origin. According to Public Eye, three further scandals were needed before the government acknowledged the need for legislation against money laundering.¹

Among the landmark cases was the freezing, in 1986, of the assets of the former Philippine president Ferdinand Marcos, ordered by the Federal Council shortly after his fall.² This case, which opened a long restitution procedure, inaugurated a practice that Switzerland would develop in the following decades, and which Part I will examine in relation to the assets of African leaders. The drug-trafficking cases, uncovered by international investigations, showed for their part that Swiss accounts were being used to launder criminal funds.³

The political debate on the financial centre intensified. A popular initiative launched at the end of the 1970s, which targeted the abuses of banking secrecy and the power of the banks, was put to the people and rejected.⁴ Advocates of reform denounced the acceptance of capital of criminal or fiscal origin; defenders of the financial centre emphasised the importance of secrecy for the protection of privacy and for the Swiss economy.

At the end of the decade, a political affair reached the summit of the state, when a Federal Councillor resigned after having informed her husband of an investigation into a company of which he was a director, in a case connected with money laundering.⁵ This episode accelerated political awareness and contributed to the adoption of criminal provisions against money laundering.

1 Notes

1. Public Eye, cited above. ↩
2. swissinfo.ch, “Comment la Suisse a gelé les avoirs de Ferdinand Marcos” (2026): freeze ordered by the Federal Council on 24 March 1986 on the basis of its constitutional emergency powers, on the very day Credit Suisse reported an imminent withdrawal; first banking documents handed over to the Philippines in 1991, transfer ordered in August 1995 to a blocked account, “early restitution of the funds” approved by the Federal Supreme Court at the end of 1997, CHF 683 million transferred to Manila in June 1998, final tranche of around 10 million at the beginning of 2009. ↩
3. La Vie économique 3/2023: the Chiasso affair (14 April 1977, Texon, CHF 1.4 billion), followed by the “Pizza Connection” and “Lebanon Connection” cases and the Marcos case, served as catalysts for the introduction of Art. 305bis and 305ter of the Swiss Criminal Code (March 1990) and of the Anti-Money Laundering Act (October 1997). Année politique suisse (politchronik): Hans W. Kopp, husband of Federal Councillor Elisabeth Kopp, was vice-chairman of the board of directors of Shakarchi Trading AG, a company targeted in the “Lebanon Connection”, described as the largest money-laundering case of the time; the accusations became public on 27 August 1988, the Federal Councillor’s resignation was announced on 12 December 1988 and took effect with immediate effect on 12 January 1989. ↩
4. Popular initiative “contre l’abus du secret bancaire et de la puissance des banques” (against the abuse of banking secrecy and the power of the banks), rejected on 20 May 1984 by 1,258,964 votes to 464,637, or around 73%, and by all the cantons; decree recording the result, swissvotes.ch (accessed September 2026). ↩

5. Dictionnaire historique de la Suisse (DHS), art. “Kopp, Elisabeth”: first woman elected to the Federal Council (2 October 1984), head of the Federal Department of Justice and Police; on 27 October 1988, a telephone call from her department “prompted her husband to withdraw from the vice-chairmanship of a firm suspected of money laundering”; “On 12 December 1988, a few days after her election as Vice-President of the Federal Council, Elisabeth Kopp announced her resignation”, effective 12 January 1989; acquitted by the Federal Supreme Court on 23 February 1990 of the charge of breach of official secrecy. ↩

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