

The banker turned minister: conflicts of interest and legitimacy

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

Necker's career raises a question that remains topical: that of conflicts of interest between private finance and public office. A banker who directs the finances of a state knows the markets, the investors and the techniques of borrowing, which is an asset. But he retains ties with his former partners, his clients and his compatriots, whose interests may differ from those of the state. Necker's critics accused him of having favoured, through his life annuity loans, the Genevan investors he knew so well.

Necker sought to answer these suspicions with gestures of disinterestedness. He waived the salary attached to his office during his first ministry, and he is said to have left a substantial sum from his personal fortune on deposit with the Royal Treasury when he returned to office.¹ These gestures strengthened his reputation for integrity with the public, without dispelling every criticism.

Contemporary democracies have developed rules to govern such situations: declarations of interests, recusal obligations, cooling-off periods before joining the private sector or arriving from it, and rules on the management of the assets of public officials. The question of the movement of individuals between finance, the supervisory authorities and governments continues to fuel debate in Switzerland as elsewhere.² Necker's experience shows that recognised competence is not enough to found the legitimacy of a financial official: transparency about his interests and clarity of the rules are just as necessary.

1 Notes

1. Wikipedia (en), "Jacques Necker": Necker declined any salary and lent 2.4 million livres to the state on his appointment. ←

The banker turned minister

2. Federal Council, “Conditions requises pour exercer la fonction de membre du conseil d’administration de la FINMA” (requirements for membership of the FINMA Board of Directors; 20 October 2021, [efd.admin.ch](#)), based on Art. 9 para. 3 of the Financial Market Supervision Act (FINMASA): independence from supervised entities, prohibition on holding an operational function or sitting on the board of a supervised entity or a professional association, prohibition on holding securities of supervised entities, obligation to declare interests, six-month waiting period for the chair after leaving office; FINMA organisational regulations of 18 December 2008 (as at 7 December 2017), Art. 11: board members may not work for supervised entities, their interests are published and recusal is checked before each meeting; FINMA code of conduct ([finma.ch](#)): prohibition on staff holding securities of supervised entities, rules on recusal, gifts, secondary activities and moving to a supervised entity. ↩

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-the-banker-turned-minister-conflicts-of-interest-and-legitimacy