

The implications for the Geneva financial centre

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

Resource-backed loans place particular responsibilities on Geneva's traders, banks and advisers.

For traders, structuring these loans requires a thorough analysis of the country's governance, of the national company's capacity to deliver, of the conditions under which the contract was awarded and of the risks of corruption. It also requires reflection on the sustainability of the commitment for the country, whose default would harm the trader itself, as the Chadian and Congolese restructurings have shown. Transparency commitments, such as those undertaken by Glencore and Trafigura within the framework of the Transparency Initiative, reduce reputational risks.

For the banks that take part in these financings, the same requirements apply, to which are added anti-money laundering obligations and vigilance towards the politically exposed persons who run the national companies. A bank that finances a resource-backed loan whose terms were obtained through corruption exposes itself to the same risks as the trader.

For lawyers and advisers, drafting the contracts, structuring the security and advising the parties — traders, banks and sometimes borrowing states — engages their professional liability. The revision of the Anti-Money Laundering Act adopted in 2025, described in Part E, extends their due diligence obligations to some of these activities.

The Geneva financial centre, which brings together the traders, banks, lawyers and international institutions concerned, is uniquely placed to promote standards for responsible resource-backed lending: transparency of terms, sustainability analysis, adjustment clauses in the event of a fall in prices, allocation of funds to investment. Such standards would set the Geneva players apart from their competitors and would answer the criticisms that the Natural Resource Governance Institute and others level at the sector.

The implications for the Geneva financial centre

Caution. Resource-backed loans make Geneva traders creditors of fragile African states for amounts that run into billions. Structuring them requires an analysis of governance, of the conditions of award, of sustainability for the country and of the risks of corruption. It engages the liability of traders, banks and advisers.

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-implications-for-the-geneva-financial-centre