

The techniques of the trade

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

The Protestant bankers of the eighteenth century practise a set of trades that would be distinguished today, but which were then combined within the same houses.

The first is commission business. The banker acts on behalf of his clients: he buys and sells goods, bills and securities, collects debts and makes payments. He receives a commission proportional to the amount of the transactions. Commission business constitutes a regular and relatively low-risk source of income, provided that the banker does not himself guarantee the successful completion of the transactions.

The second is foreign exchange. The banker deals in bills of exchange, buying and selling them, accepting them and paying them. He earns on the differences in rates and on commissions. He bears the risk of default by drawers and acceptors, as well as the risk of fluctuations in rates.

The third is the taking of deposits and the management of funds. The banker receives funds from his clients, keeps them, invests them on their behalf or uses them in his own operations, against payment of interest. He manages portfolios of annuities and public securities for wealthy families. This activity foreshadows modern wealth management.

The fourth is credit. The banker grants advances to merchants, manufacturers, private individuals and the state. He finances international trade, manufacturing and public expenditure. This trade is the most lucrative and the most risky.

The fifth, finally, is the placement of loans. The banker helps a state or a large institution to place a loan with investors. He collects subscriptions, sometimes guarantees part of the issue and distributes the securities to his clientele. He receives a commission and often benefits from advantageous terms. This trade foreshadows investment banking.

The techniques of the trade

Key points. The houses of Protestant banking combined commission business, foreign exchange, deposits and the management of funds, credit and the placement of loans. Wealth management, investment banking and commercial banking, distinct today, find common ancestors in these houses.

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-techniques-of-the-trade