

The UBS affair

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The affair that set off the end of banking secrecy began with the revelations of a former UBS manager, Bradley Birkenfeld. He pleaded guilty in the United States and gave the American authorities extensive information on the practices of the bank, which had helped American clients to conceal their assets. He was sentenced to a term of imprisonment, before receiving a reward of USD 104 million under the American programme for the protection of tax whistleblowers.¹

The American authorities brought proceedings against UBS. In February 2009, FINMA authorised the handover to the American tax authorities of information concerning 255 UBS clients suspected of tax fraud, while the bank agreed to pay the United States a fine of USD 780 million.² According to a chronology published by swissinfo, the bank admitted guilt and paid this fine in order to avoid prosecution, after which the United States asked, on 21 February, to be given data concerning 52,000 accounts, which Bern refused.³

The transfer of data by FINMA, decided as a matter of urgency in order to avoid an indictment of the bank, provoked a lively controversy in Switzerland. The chairman of the Swiss Bankers Association, the Geneva banker Pierre Mirabaud, asserted at the time that only UBS's honour had been lost, while the Minister of Finance gave assurances that banking secrecy was not under threat.⁴ The Zurich business daily *Neue Zürcher Zeitung* observed, however, that banking secrecy was no longer non-negotiable.⁵

On 19 August 2009, Switzerland and the American tax administration concluded an agreement under which Switzerland undertook to provide information on 4,450 accounts of American UBS clients. Approved by Parliament in June 2010 in the form of a treaty with the United States, the agreement led the American tax administration to withdraw its complaint

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against UBS after receiving most of the data, while the American justice authorities opened proceedings against other Swiss banks.⁶

The UBS affair had immediate consequences for the whole financial centre. According to *Le Temps*, Swiss banks managed in 2007, on the figures of the Swiss National Bank, CHF 170 billion for American clients, a sum that halved within two years. In the months following the fine of February 2009, UBS sorted through its American clients, who had become too cumbersome, and a large part of the financial centre followed its example.⁷

Date	Stage of the UBS affair
2008	revelations by Bradley Birkenfeld and American prosecution
18 February 2009	FINMA authorises the handover of data concerning 255 clients
February 2009	fine of USD 780 million
21 February 2009	American request concerning 52,000 accounts, refused by Bern
19 August 2009	agreement on the transfer of information concerning 4,450 accounts
June 2010	approval of the agreement by Parliament in the form of a treaty

Caution. The transfer of client data by the supervisory authority in 2009 was decided in haste in order to avoid an indictment of the bank. It showed that the protection of banking secrecy could yield to a systemic risk, and thereby opened the way to the transfers that followed.

1 Notes

1. “Dix ans sans secret bancaire”, *Le Temps*, long-form feature, 2019. ↩
2. “L’agonie du secret bancaire suisse”, *L’Économie politique*, 2010/2, consulted on Cairn.info (September 2026), which dates FINMA’s decision to 18 February 2009. ↩
3. “UBS versus USA, une longue histoire”, *swissinfo.ch* (accessed September 2026). ↩
4. “L’agonie du secret bancaire suisse”, cited above. ↩
5. “L’agonie du secret bancaire suisse”, cited above. ↩
6. *swissinfo.ch*, “UBS versus USA, une longue histoire”, cited above. ↩

7. Le Temps, “Dix ans sans secret bancaire”, cited above. ↩

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