

War, crises and the Banking Act (1914-1934) — overview and summary

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

Between the outbreak of the First World War and the adoption of the Federal Act on Banks, the Swiss financial centre lived through two decades of upheaval. The country's neutrality during the war attracted foreign capital. The monetary disorders of the post-war years made Switzerland a refuge for European fortunes. Tax tensions with France culminated in a resounding scandal in the early 1930s. The world economic crisis struck the Swiss banks, several of which disappeared. Against this background, the Confederation adopted in 1934 a law that established banking supervision and placed banking secrecy under the protection of the criminal law. This chapter traces that sequence and analyses the genesis of the Act and of its celebrated Article 47, drawing on sources that make it possible to correct several received ideas.

1 In five sentences

1. Swiss neutrality during the First World War and the monetary disorders of the post-war years made Switzerland a refuge for European capital, often removed from the reach of the tax authorities of its home countries.
2. The affair of the Banque commerciale de Bâle, uncovered in Paris in 1932, exposed the scale of French tax evasion through Switzerland and alarmed Swiss bankers.
3. The banking crisis of 1931, which wiped out one of the country's eight leading institutions, revived the debate on a law designed to protect small savers.
4. The Federal Act on Banks, adopted on 8 November 1934, established moderate supervision by auditors and a federal commission, and its Article 47 placed banking secrecy under the protection of the criminal law, without any particular parliamentary debate.

5. The story that banking secrecy was created to protect the victims of Nazism is a myth forged later, and Article 47, as revised, today protects banking data while yielding to numerous legal obligations.

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-war-crises-and-the-banking-act-1914-1934-overview-and-summary