

Discretion as a habit

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It is tempting to trace a direct line from the confessional to the numbered account. The temptation should be resisted. The rules on banking secrecy in Switzerland have welldocumented secular origins: the duty of confidentiality in contract law, the protection of personality, the interests of the banks and of their foreign clients and the political circumstances of the 1930s. The development of Lugano as a banking centre after the Second World War resulted from Italian capital flight, Italian taxation and currency controls and the geography of the border, as Part D explains. None of this requires a religious explanation.¹

What can be said is more modest. The Catholic culture of the Italian-speaking south developed, over three centuries, a set of habits that later proved compatible with the business of private banking. Confession accustomed every member of society to the idea that one disclosed one's affairs completely to a trusted confidant who was bound to absolute silence. The parish and the confraternity accustomed families to entrust their capital to institutions administered by others under supervision. The *censo* and the notarial deed accustomed them to long-term, secured, documented financial relationships. The emigrant economy, described in Chapter A.III, accustomed them to managing family wealth across borders through trusted intermediaries. A relationship manager in a Lugano bank who serves an Italian family whose members have known him for decades, who knows their affairs in detail and who is bound by professional and banking secrecy, occupies a social position that the inhabitants of the valleys would have recognized.²

1 The limits of secrecy in Catholic teaching

Catholic teaching has never treated secrecy as an absolute value outside the sacrament of penance. The Catechism's own formulation contains the exception for grave harm to third parties, which corresponds to the

modern exceptions for the prevention of crime, the duty to report suspicions of money laundering and the cooperation with tax and criminal authorities. The professional secret protects the confidant and the client in their legitimate interests. It does not protect a crime against third parties or against the community.³ The Church's teaching on taxation reinforces this point. Catholic moral theology has long regarded the payment of just taxes as a duty of justice and tax fraud as a sin against the common good. The Catechism lists "tax evasion" among the offences against the seventh commandment, together with fraud, the payment of unjust wages, the forcing up of prices and the forgery of cheques and invoices.⁴ This teaching acquired direct relevance for the Swiss financial centres when the Holy See took a position on offshore finance. In 2018 the Congregation for the Doctrine of the Faith and the Dicastery for Promoting Integral Human Development published the document *Oeconomicae et pecuniariae quaestiones*, approved by Pope Francis on 6 January 2018 and published on 17 May 2018.⁵ Its section on offshore centres states that "today, more than the half of the commercial world is orchestrated by noteworthy persons that cut down their tax burden by moving the revenues from one site to another" and describes offshore places as having "become usual places of recycling dirty money". It qualifies tax avoidance by large financial intermediaries as "an unjust removal of resources from the actual economy" and concludes that such structures, "where they unjustly subtract vital nourishment from the real economy, can hardly find justification".⁶ The document does not mention Switzerland or banking secrecy by name. Its criticism is directed at a model of finance that the Swiss centres themselves have abandoned since the introduction of the automatic exchange of information. It nevertheless shows that the Church today judges the moral legitimacy of a financial centre by its contribution to the real economy and to the common good, and that discretion as such enjoys no protection in its teaching.

2 Notes

1. Wikipedia (consulted as a last resort), "Schweizer Bankgeheimnis", https://de.wikipedia.org/wiki/Schweizer_Bankgeheimnis (protection of financial circumstances as part of privacy under Arts. 27–28 CC; Art. 47 of the Banking Act of 8 November 1934, in force since 1 March 1935, after the rescue of the Schweizerische Volksbank in 1933; the French affair of 1932 and German capital flight as context; Robert Vogler's refutation, in 2005, of the legend that secrecy was created to protect Jewish assets). Robert U. Vogler, *Das Schweizer Bankgeheimnis*:

Entstehung, Bedeutung, Mythos (Zurich 2005). See Chapters D.I and D.II. ↩

2. The argument is the author's interpretation of cultural continuity. ↩
3. Catechism of the Catholic Church, no. 2491 (as above). The comparison with modern exceptions to secrecy is the author's. ↩
4. Catechism of the Catholic Church, no. 2409, which lists among morally illicit acts "fraud; paying unjust wages; forcing up prices" and "tax evasion; forgery of checks and invoices", as shown by the concordance of the official English text on the Vatican website, https://www.vatican.va/archive/ENG0015/_H8.HTM. ↩
5. Holy See Press Office, Bulletin of 17 May 2018, "'Oeconomicae et pecuniariae quaestiones'. Considerations for an ethical discernment regarding some aspects of the present economic-financial system", <https://press.vatican.va/content/salastampa/en/bollettino/pubblico/2018/05/17/180517a.html>. ↩
6. Oeconomicae et pecuniariae quaestiones (as above), nos. 30–31. ↩

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