

Trust, reputation and the private-client relationship

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

The emigrant economy of the lakes depended on trust between families and their intermediaries. The master in Rome trusted the Roman banker who issued a bill on Milan, and the family at home trusted the Milanese correspondent who paid it. The absent husband trusted the wife or brother who held his power of attorney, and the whole village trusted the notary who kept its records. These relationships were personal, long-term and often inherited. A family used the same banker, the same notary and the same agents for decades, and the reputation of each party was its most important asset.

The private-client relationship of modern Swiss banking has the same basic structure. The client entrusts assets to a bank or an independent asset manager, relies on the confidentiality of the relationship and expects continuity over generations. The relationship manager in Lugano who serves an Italian family is, in functional terms, the successor of the Milanese correspondent who paid the bills of the lake masters. The legal framework, however, has changed fundamentally. Confidentiality is protected by Art. 47 of the Banking Act of 8 November 1934 (BankA, SR 952.0), but it no longer protects undeclared assets against the tax authorities of the client's country of residence since the introduction of the automatic exchange of information, discussed in Chapter E.II.¹ Due diligence obligations, discussed in Chapters D.III and G.III, require the bank to establish the identity of the beneficial owner and the origin of the funds.

The question of the origin of funds brings the history full circle. Modern compliance officers ask how a client's wealth was created, and the answer for many families is that it was earned by skill and work abroad, transmitted within the family and invested in real estate and businesses in several countries. Documenting such a source of wealth requires the same kind of evidence that historians use to reconstruct the fortunes of the lake masters: contracts, accounts, letters, notarial acts and inheritance

documents. A family whose wealth goes back to a successful emigrant generation will often find that the documentary record is incomplete, and practitioners must reconstruct it from the available sources.

For the practitioner. Families with members and assets in several countries, including the many Ticinese and Italian families with a history of emigration, require a structured review of their position. The following points should be checked: - the nationality and place of origin of each family member, and any dual citizenship; - the domicile and tax residence of each member, and the applicable double taxation conventions, including the Switzerland–Italy DTA of 9 March 1976 (Chapter H.III); - the law applicable to succession under the PILA as revised with effect from 1 January 2025 and under Regulation (EU) No 650/2012, including any choice of law; - the reserved shares under the revised Swiss law of succession in force since 1 January 2023 (Art. 471 SCC) and the Italian *legittima* (Chapter E.V);² - the existence and validity of powers of attorney and precautionary mandates, and the need for apostilles; - the documentation of the source of wealth, especially where it goes back to earnings abroad or to earlier generations; - the structure through which family assets are held, and the governance rules for the family.

1 The tradition of Ticinese families abroad

The Ticinese tradition of emigration did not end with the nineteenth century. In the twentieth century Ticinese professionals, architects, engineers, hoteliers and bankers continued to work abroad, and the canton's architectural culture remained internationally prominent. The Accademia di architettura in Mendrisio, founded in 1996 as part of the Università della Svizzera italiana, stands in the tradition of the lake masters and trains architects for an international market.³ The Canton of Ticino's programme on emigration and the portal on Ticinese artists in Europe document this heritage and maintain contacts with families of Ticinese origin abroad.

For the financial centre the tradition has two consequences. It provides a stock of families with Ticinese roots and international assets, some of whom maintain relationships with banks and professionals in Lugano. It also provides a cultural model of cross-border family life that makes Ticinese practitioners familiar with the problems of dispersed families, multiple jurisdictions and the transmission of wealth across generations. Neither consequence should be overstated, since most of the clients of Lugano's banks today are Italian and international, but the emigrant

history forms part of the background against which the financial centre developed.

2 Notes

1. Federal Act on Banks and Savings Banks of 8 November 1934 (Banking Act, BankA), SR 952.0, Art. 47; see Wikipedia, "Federal Act on Banks and Savings Banks", https://en.wikipedia.org/wiki/Federal_Act_on_Banks_and_Savings_Banks (used as a last resort). ↩
2. Tobias Somary and Louise Lutz Sciamanna, "Startschuss für das revidierte Erbrecht: Nun gilt es, Klarheit zu schaffen und Rechtsunsicherheiten zu vermeiden", CMS legal update, 18 December 2020, <https://cms.law/de/che/legal-updates/startschuss-fuer-das-revidierte-erbrecht-nun-gilt-es-klarheit-zu-schaffen-und-rechtsunsicherheiten-zu-vermeiden> (entry into force on 1 January 2023; reserved share of descendants reduced to one half of the statutory share, reserved share of parents abolished). ↩
3. Wikipedia, "Università della Svizzera italiana", https://en.wikipedia.org/wiki/Universit%C3%A0_della_Svizzera_italiana (used as a last resort). ↩

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/lugano-trust-reputation-and-the-private-client-relationship