

Neutrality and sanctions: the Swiss debate

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The adoption of the European sanctions against Russia in February 2022 provoked a debate in Switzerland about the compatibility of sanctions with neutrality. The Federal Council took the position that the adoption of economic sanctions is compatible with neutrality, which under international law concerns the military conduct of the state in armed conflicts and does not prohibit economic measures. Critics argued that the alignment with the European Union compromised Switzerland's credibility as a neutral mediator and its traditional role as a place of business for all parties. A popular initiative on neutrality, launched in 2022, sought to restrict Switzerland's ability to adopt sanctions against belligerent states.¹

For the traders of Zug, the debate has practical significance. Even if Switzerland's ability to adopt sanctions were restricted, the European, British and American sanctions would still apply to them through their business connections and their banks. Such a restriction could, however, create a divergence between Swiss law and the law of Switzerland's partners that would complicate their compliance and expose Switzerland to the accusation of offering a platform for the circumvention of sanctions. The history of the Rich era shows what that accusation can cost. The voters settled the immediate question on 27 September 2026, when they clearly rejected the initiative.² The practitioner advising a trader in Zug should nonetheless follow the debate, since the relationship between neutrality and sanctions will return in future political disputes.

1 Notes

1. SRF, "Abstimmung vom 27. September – Neutralitätsinitiative verfehlt das Ständemehr deutlich", 27 September 2026, [srf.ch](https://www.srf.ch): the popular initiative "Wahrung der schweizerischen Neutralität" (Pro Schweiz, backed among others by Christoph Blocher) was launched in

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2022 after the Russian invasion of Ukraine; it would have allowed economic sanctions only where decided by the UN Security Council, with measures against circumvention still permitted; rejected on 27 September 2026 by more than 70 per cent (SRF headline: 70.2 per cent No) and by the majority of the cantons. ↩

2. swissinfo.ch, "Resultate der Abstimmung vom 27. September 2026 in der Schweiz", 27 September 2026: "Die Neutralitätsinitiative wird deutlich abgelehnt"; SRF reported 70.2 per cent No and no majority of the cantons. ↩

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