

The question of confiscation

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The question whether frozen Russian assets can be confiscated and used for the reconstruction of Ukraine has been debated in Switzerland as elsewhere. The Federal Council examined it in 2022 and 2023 and concluded that the confiscation of private assets without a criminal conviction would violate the Federal Constitution, which protects property, and the international obligations of Switzerland.¹ The assets of the Russian central bank, which are immune from enforcement under international law, raised different questions. While the European Union decided to use the windfall profits of the frozen central bank assets for Ukraine, the G7 agreed a loan backed by those profits.² Switzerland has not followed these steps.

For the canton of Zug, the question has little direct relevance, since the frozen assets are held mainly by banks in Zurich and Geneva. The debate nevertheless affects the reputation of Switzerland as a location for foreign wealth, which Part F discussed. Wealthy foreigners from many countries watch whether Switzerland protects the property of persons who are not convicted of any crime, while Western governments watch whether Switzerland takes its share of responsibility for the consequences of the war.

1 Notes

1. SECO, press release "Bundesrat hat Rechtsfragen zu gesperrten russischen Vermögenswerten geklärt", 2023 (msg-id-93089), seco.admin.ch, with the working group's analysis "Sperrung und Konfiskation von Vermögenswerten"; Moneycab, "Konfiszierung von Russen-Geldern wäre laut Bund verfassungswidrig", moneycab.com: the Federal Council concluded that expropriating private property of lawful origin without compensation is not permissible under Swiss law

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and would violate the Federal Constitution and Switzerland's international obligations. ↩

2. Council of the EU, press release "Extraordinary revenues generated by immobilised Russian assets: Council greenlights the use of net windfall profits to support Ukraine's self-defence and reconstruction", 21 May 2024, and press release "Immobilised assets: Council greenlights up to €35 billion in macro-financial assistance to Ukraine and new loan mechanism implementing G7 commitment", 23 October 2024, consilium.europa.eu; G7 leaders' agreement of 14 June 2024 (press document "G7 leaders agree to lend Ukraine \$50 billion from revenues of frozen Russian assets", politicalscience.yale.edu) to lend Ukraine USD 50 billion from the revenues of frozen Russian assets. Swiss figures: 20 Minuten, 23 April 2024 (CHF 7.24 billion of Russian central bank assets immobilised) and SRF, 2025 (about CHF 7.45 billion), both citing SECO. ↩

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