

Legacy and outlook

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The relationships described in this chapter have left a distinct imprint on the Zurich financial centre. The first legacy is structural. Zurich's private banks, trust companies and law firms are organised to serve clients whose lives and assets span several German-speaking jurisdictions. Their documentation, their compliance processes and the qualifications of their staff reflect this orientation, as does the presence in Zurich of the subsidiaries of Liechtenstein banks. Much of this infrastructure was built in an era of banking secrecy, yet it has proved adaptable to an era of transparency because the underlying needs of the clients, namely stability, diversification and competent cross-border advice, have not disappeared with the end of secrecy.

The second legacy is legal. Zurich practitioners have acquired a working knowledge of Austrian foundation law, of the Liechtenstein PGR, of the German and Austrian rules on cross-border banking and of the tax treaties among the four states. This knowledge is embedded in standard structures that have been refined over decades: the Liechtenstein foundation with a Zurich custodian bank, the Liechtenstein life insurance policy with a Zurich asset manager, the Austrian Privatstiftung with a Swiss portfolio mandate. Each of these structures has been reshaped by transparency rules, beneficial ownership registers and the automatic exchange of information. None has disappeared, because each answers a legitimate need for succession planning, asset protection or investment management when it is properly declared.

The third legacy concerns reputation. The LGT affair of 2008, the German purchases of data carriers and the long German campaign against Swiss banking secrecy associated Zurich and Vaduz in the public mind with tax evasion. Both financial centres have since invested heavily in demonstrating compliance with international standards. The Austrian and Liechtenstein agreements of 2012 and 2013 showed that a negotiated

Legacy and outlook

settlement of the past was possible within the DACH area, even if it failed in the German case. In 2026, a German or Austrian client who opens an account in Zurich or Vaduz does so in the knowledge that his home tax authority will receive an annual report.

Looking forward, three developments will shape the relationship in the coming years. The first is the European third-country branch regime under Article 21c CRD VI, which applies from 11 January 2027 and will require Zurich banks to review how they provide lending and deposit services to clients in Germany, Austria and the rest of the EU. The regime is likely to strengthen the position of Liechtenstein banks with EEA access and of Swiss groups with EU subsidiaries, while pure cross-border lending from Zurich will become more difficult. The second is the future of the relationship between Switzerland and the European Union. The package of agreements negotiated between the two sides in 2024 does not include a financial services agreement, so that the market access of Swiss banks will continue to depend on national regimes and equivalence decisions.¹ Liechtenstein's dual position will therefore remain valuable for the Zurich financial centre.

The third development concerns the clients themselves. The generation of German and Austrian entrepreneurs who built their businesses after the Second World War is handing over to its heirs, many of whom live in several countries and expect digital, transparent and multilingual services. For Zurich, this generational change opens opportunities in succession planning, family governance and philanthropy, which require exactly the combination of legal and financial expertise across the DACH jurisdictions that the city has developed. The developments in crypto-assets and Digital Assets, where Liechtenstein's TVTG and the Swiss DLT framework offer two complementary regimes within a few kilometres of each other, add a further dimension to the regional market.

The DACH market is therefore likely to remain Zurich's most important regional market in private wealth, even as its relative weight in the Swiss financial centre declines against the growth of Asian and Middle Eastern business. Its advantages are durable: a shared written language, compatible legal traditions, geographical proximity and a dense network of institutions and personal relationships. Its constraints are regulatory and will be shaped more by decisions taken in Brussels, Berlin and Vienna than by those taken in Bern or Zurich.

1 Notes

1. Federal Department of Foreign Affairs, “Package Switzerland–EU (Bilaterals III)”, <https://www.europa.eda.admin.ch/en/package-switzerland-eu>: substantive conclusion of the negotiations in December 2024, signature on 2 March 2026 and submission of the dispatch to Parliament in March 2026. The areas listed are transport, free movement of persons, technical barriers to trade, agriculture, electricity, food safety and health, with no reference to financial services. ↩

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