

Legacy and outlook

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The history described in this chapter has left Zurich with an asset management industry that is large, domestically anchored and internationally constrained. Several lines connect the present with the past. The contractual fund of 1966, administered by a fund management company and a custodian bank, still dominates Swiss fund practice. The first Zurich funds of 1938 invested in North America, and the international diversification of Swiss portfolios remains a distinctive feature today. The cantonal banks' decision of the 1950s to enter the fund business led, through Swisscanto, to the second-largest asset manager in the country, owned by the canton of Zurich. The pension system of 1985 created a captive pool of capital that has sustained the domestic fund market ever since.

The constraints are equally persistent. The lack of European market access, which the EEA vote of 1992 made permanent and which the unfulfilled promise of an AIFMD passport has confirmed, forces Zurich managers to use foreign vehicles for their international business. The withholding tax, confirmed by the voters in 2022, has the same effect. The result is a division of labour in which Zurich provides investment expertise, client relationships and portfolio management, while Luxembourg and Dublin provide the legal wrappers. The division works, but it leaves value creation in fund administration, custody and legal services abroad and makes the Swiss industry dependent on European supervisory decisions.

Several developments will shape the next decade. The first is the further concentration of the industry, which the AMAS study documents and which the disappearance of Credit Suisse accelerated. The second is the growth of private markets and of evergreen structures, which bring Zurich and Zug closer to the investment cultures of London and New York. The third is technology. Artificial intelligence, digitalisation and tokenisation are named by the industry association as forces that will transform asset

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management.¹ Switzerland's legislation on distributed ledger technology, in force since 2021, allows fund units to be issued in tokenised form.² The fourth is sustainability, where the Federal Council's reassessment of the self-regulatory model, due at the latest by the end of 2027, will decide whether Switzerland follows the European Union towards binding product rules.

The fifth development is the relationship with Europe. The Berne Financial Services Agreement with the United Kingdom has shown that mutual recognition between trusted jurisdictions is possible. Whether the European Union will ever offer similar access to Swiss asset managers is uncertain, since the bilateral package negotiated in 2024 excludes financial services. For the foreseeable future, the Zurich industry will therefore continue to depend on the delegation model and on the goodwill of European supervisors. Its competitive advantages lie elsewhere: in the stability of the Swiss franc and of Swiss institutions, in the size of the domestic pension market, in the density of expertise in the Zurich region and in the reputation for careful, conservative portfolio management that the industry has built since the 1930s.

1 Notes

1. Allnews, "Le secteur suisse de l'asset management reste solide" (10 June 2026), on the Swiss Asset Management Study 2026, the importance of private markets, technology including artificial intelligence, digitalisation and tokenisation, and international market access for the competitiveness of the Swiss industry, <https://www.allnews.ch/content/news/le-secteur-suisse-de-l%E2%80%99asset-management-reste-solide>. ↩

2. Federal Council, “Federal Council brings DLT Act fully into force and issues ordinance”, media release, 18 June 2021, <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-84035.html>. SIF, “DLT / blockchain / tokenisation”, on the introduction of ledger-based securities in February 2021, <https://www.sif.admin.ch/en/dlt-blockchain-en>. MME, “Tokenization of investment fund units” (25 May 2023), stating that tokenised investment fund units generally qualify as ledger-based securities if the ledger meets the requirements of Article 973d(2) CO, <https://www.mme.ch/en/magazine/articles/tokenization-of-investment-fund-units>. ↩

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