

SECO and the institutional architecture

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The State Secretariat for Economic Affairs, part of the Federal Department of Economic Affairs, Education and Research, administers the sanctions ordinances. It prepares the Federal Council's decisions on the adoption of new measures, publishes the lists, receives the reports of frozen assets, grants exceptions and licences, supervises compliance and prosecutes violations. SECO describes its own role as the implementation of export and import bans, asset freezes, travel bans and reporting obligations.¹ The combination of rule-making assistant, licensing authority, supervisor and prosecutor in one office is unusual by international standards. The United Kingdom separates the Office of Financial Sanctions Implementation from the export control and prosecuting authorities. In the United States, the Office of Foreign Assets Control works alongside the Department of Justice.

For years SECO's sanctions unit was small. The Control Committee of the Council of States (GPK-S) examined the Confederation's participation in economic sanctions in 2018 on the basis of an evaluation by the Parliamentary Control of the Administration. In a follow-up report of 14 November 2023 it recorded that the staff dedicated to sanctions had grown from 0.7 full-time equivalents to about 7.9 by mid-2022, that five further positions had been approved in May 2022 and that the sanctions division employed 25 persons by the end of 2022.² The committee praised the speed with which the Federal Council had adopted the EU measures in February 2022. It also noted that joint inspections of banks by SECO and the Swiss Financial Market Supervisory Authority (FINMA) had begun in the autumn of 2022. Its four new recommendations concerned the relationship between reporting duties and the professional secrecy of lawyers, the role of the cantons in enforcement, procedures in the land registers and the requirement of SECO approval for real estate transactions involving sanctioned persons. Each of these points reflects a practical difficulty that the Russia sanctions exposed. The land registers are cantonal.

Lawyers who hold or manage assets are subject to the reporting duty, while their professional secrecy may prevent them from disclosing information obtained in their core legal work.

In February 2024 SECO announced a specialist unit for the investigation of sanctions violations. Simon Plüss, head of export controls at SECO, explained that the complexity of the cases was very high because companies were often hidden behind other companies and the authority had to establish the beneficial owner.³ The same article records the estimate, widely repeated since 2022, that some CHF 150 billion of Russian money was held in Swiss banks. That figure goes back to the Swiss Bankers Association, whose president Marcel Rohner estimated in March 2022 that Russian clients held between CHF 150 and 200 billion with Swiss banks.⁴

FINMA does not administer sanctions, although sanctions compliance is part of the organisational requirements it enforces. A bank that fails to identify sanctioned clients or allows frozen assets to move violates both the Embargo Act and the requirement of proper business conduct under banking law. FINMA publishes a “Sanktionsmeldung” on its website whenever the lists change, so that supervised institutions can adjust their screening.⁵ The most dramatic use of its powers in a sanctions context came in February 2026, when FINMA withdrew the licence of a small Zurich private bank, discussed in Section VIII. The Federal Office for Customs and Border Security controls the physical flow of goods and reports suspected violations to SECO. The Federal Department of Foreign Affairs contributes the foreign-policy assessment when the Federal Council decides whether to adopt new EU measures. The Money Laundering Reporting Office (MROS) at fedpol receives suspicious activity reports that often overlap with sanctions matters, which the chapter on anti-money-laundering compliance describes.

The cantons have a smaller role than in money-laundering matters. Their land registers must block transactions involving real estate of listed persons, their commercial registers must recognise the freezes of company shares, and their prosecutors pursue related offences under the Criminal Code where federal jurisdiction does not apply. Zurich’s importance for sanctions law derives from its concentration of the institutions that hold assets and process payments. The large banks, most of the foreign private banks, the leading law and audit firms and the main trust and fiduciary companies of German-speaking Switzerland are located in the city. When SECO issues an interpretative note, the compliance departments on the Paradeplatz and in Zurich West are its first readers.

1 Notes

1. SECO, “Die Schweiz und internationale Sanktionen” (cited above). ↩
2. Geschäftsprüfungskommission des Ständerates, “Nachkontrolle: Beteiligung des Bundes an Wirtschaftssanktionen”, report of 14 November 2023, <https://www.parlament.ch/centers/documents/de/Bericht%20der%20GPK-S%20vom%2014-11-2023%20D.pdf>. ↩
3. swissinfo.ch, “Swiss to crack down on Russian sanctions’ evaders”, 22 February 2024, <https://www.swissinfo.ch/eng/multinational-companies/swiss-to-crack-down-on-russian-sanctions-evaders/72883013>. The article also reports that the more complex cases are transferred to the Office of the Attorney General. ↩
4. swissinfo.ch, “Russian clients have up to CHF200 billion in Swiss banks”, 15 March 2022, <https://www.swissinfo.ch/eng/business/russian-clients-have-up-chf200-billion-in-swiss-banks/47433244>. ↩
5. FINMA, “Sanktionen: Die Schweiz weitert ihre Sanktionslisten betreffend Russland und Belarus aus”, 12 December 2025, <https://www.finma.ch/en/news/2025/12/20251212-sanktionsmeldung-russland-belarus/>; FINMA, “Sanktionen: Russland und Belarus”, 26 February 2026, <https://www.finma.ch/en/news/2026/02/20260226-sanktionsmeldung-russland-belarus/>. ↩

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