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## Private Banking in Switzerland

**Switzerland has been home to private banking for centuries. Whereas the Swiss financial centre has been known in the last eight decades primarily because of the extremely solid Swiss banking privacy (secrecy), nowadays clients choose the Swiss financial centre primarily for its stability, the abundance of expertise and experience, the quality of its services and its security. Avoiding geographical risk or so-called country risk is yet another important reason to use a Swiss private bank.**

### Switzerland's history and political system

Switzerland, located in the centre of Europe, has been organised as an independent federation since 1848 (until then a confederation) and its roots date back over 700 years. Since 1848 Switzerland has not been involved in any war and Switzerland has been a neutral country for almost two centuries now. The Swiss political system is a direct democracy, which shortly explained means that the Swiss people can vote on almost all the political decisions directly, making it the ultimate democracy. Switzerland also has a solid and trustworthy legal system.

### Switzerland's economy

Switzerland is equal to high quality. Not only in private banking, but also in the services it provides and in everything it produces, ranging from world-class watches, to best in class pharmaceutical products, precision technology, tasty chocolate and renowned skiing resorts. The Swiss economy is one of the most stable in the world and has, especially after the financial crisis of 2008, proven to be able to withstand the negative effects of a worldwide financial crisis. This has been most evident in recent years when the Swiss government was always able to close the year with a considerable budget surplus. As a result Switzerland's government debt is (one of) the lowest in the world and the Swiss currency, the Swiss Franc, is, and has always been in the past, extremely stable and strong compared to other international currencies (Switzerland is not part of the European Union or the Euro area). Switzerland furthermore retained its number one position, for the fourth time in a row, as most competitive country in the world, according to The Global Competitiveness Report 2013 - 2014.

### Safe haven location

The above-mentioned facts are among the main reasons why Switzerland is, and always has been, considered as a very stable and secure safe haven location (Key figures Swiss Financial Centre). If you want to safeguard your assets while investing them, diversifying your assets over more than one jurisdiction in order to avoid geographical risk and/or political risk is one of the key issues to take into consideration. Not only with respect to the asset allocation within your investment portfolio, but especially with respect to the location of your private bank (Standard & Poor's Global Banking Industry Country Risk Assessment).

Imagine what might happen to your private bank when the next financial crisis hits and the government of the jurisdiction in which the bank is located does not have the financial means to support it? Or what if something like the Arab Spring blows over to your country of residency or the jurisdiction in which your private bank is located? You should seriously consider all these kinds of issues in order to safeguard your assets in the long run.

**Your private bank should thus be located in a politically, economic and financially stable country. Switzerland is this country, has been this country for centuries, and even more important, will be a safe haven to you for decades to come.**