

EMBASSY OF SWITZERLAND

ADDIS ABABA

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ETHIOPIA AND THE SWISS BANKING SECRECY

An interview with the Ambassador of Switzerland,
Mr. Heinz LANGENBACHER

Mr. Ambassador, do you have any concrete information about the money the deposed Emperor of Ethiopia has deposited in Swiss Banks?

No, for the moment, I do not have any concrete information whatsoever about Imperial money supposedly invested in Switzerland. The Swiss Embassy and the Swiss Government were as surprised as the Ethiopian People to learn that the ex-Emperor has allegedly invested large amounts of money abroad. New to me are information that the ex-Emperor has allegedly transferred money not only to Switzerland but also to banks of other countries.

Inasmuch as the invested money has not been aquired rightously, I fully understand the bitter feelings and the deception of the Ethiopian People. If the money has really been brought to Switzerland, it must have been transferred through others than Swiss channels to private banks. The Swiss Embassy and the Swiss Government have never been involved in such transfers of money.

Can the Ethiopian Government expect any help from the Swiss Authorities?

I can assure our Ethiopian friends that the Swiss Embassy and our Authorities in Switzerland will in the framework of our legislation do the utmost and lend their good offices in helping to solve this urgent problem.

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As you know, an Ethiopian delegation of specialists will leave Addis Ababa soon to discuss the situation with representatives of my Government in Switzerland.

During the last weeks, severe criticism has been levelled in Ethiopia against Swiss Banks and the Swiss Banking Secret?

One should never forget that Banking Secrecy is not at all a Swiss invention. This secrecy is observed by banking institutions throughout the world. It is only natural that a banker should keep in strict confidence the details of his clients' financial and personal affairs.

The Swiss Banking Secret corresponds to our Swiss conviction that each individual has a right to privacy and this privacy also includes man's property, his money.

Is the Swiss Banking Secret protected by law?

Yes, individual liberty and private property are in Switzerland indivisible and are, therefore, given equal protection by law. This is a democratic concept, a cornerstone of personal liberty in a free society - free, if I may recall that, since 683 years. The Banking Secret is placed under the protection of general law. Violations of professional secrecy by a banker or his employee are punishable.

And what about the often criticised mysterious numbered accounts of Swiss Banks?

These numbered accounts too are not exclusively a Swiss concept. Numbered accounts are merely a bank internal technical measure to protect the privacy of a client. The name of anyone holding a numbered account is known to one or more bank officials. Under the law it is impossible to open an account in Switzerland unless the identity of the holder of the account is known. Similar technical procedures are also applied in many other countries.

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Is the Swiss Banking Secret absolute?

No, it is quite wrong to believe that the Swiss Banking Secret is absolute. The Secret is on the contrary restricted in several ways by definite legal limitations. Under certain conditions, bankers must furnish pertinent information about customers' accounts whenever the public interest is at stake. This is specially true where criminal proceedings are involved. On the other hand, the client himself - in our case the deposed Emperor - can authorize the banker to lift the secrecy.

What action do the Ethiopian Authorities have to take to lift the Swiss Banking Secret?

As I have told you, in criminal or civil cases, a banker may be called to give information or to testify before a Swiss Court.

In criminal cases, this obligation to give information may apply also to foreign countries, within the framework of judiciary assistance.

As Ethiopia has never concluded an Agreement regarding judiciary assistance with Switzerland, the Ethiopian Authorities have, by Swiss law, to request assistance from the Canton (or Governate) where the bank has its headquarters.

In other words, the Ethiopian Government has to start a court action with the competent Swiss Court. As you see, our legal system does not prevent us from collaborating effectively with other Governments, in the interest of public law and safety.

Are the Swiss administrative Authorities, i.e. your Foreign Ministry, in a position to intervene with Swiss Banks?

No, political Authorities in Switzerland are legally not in a position to intervene in such matters, which are ./.

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exclusively of the competence of Courts. The Banking Secret is, as I told you, also effective towards the administrative Authorities and can only be lifted by Court order.

However, the Swiss administrative Authorities may lend their good offices, i.e. in helping to clear the legal situation, in transmitting communications to the Swiss Banks concerned, to the Swiss Bankers' Association and to interested Foreign Governments.

Many Ethiopians wonder, why Swiss bankers would accept such - as they call it - "blood money"?

As all other institutions, the Swiss Banking Secret can be misused by undesirable people, but these few exceptions are no valid reason to give up a banking system for which Swiss banking is world renowned and respected.

And speaking of undesirable people: may I ask you whether the ex-Emperor was, at the time of the alleged investment of money abroad, known as an undesirable person? Did his own country regard him at this time as owner of "blood money"? And should a Swiss banker refuse investments of an Emperor who, at this time, was backed, since over 50 years, by his People?

Could this affair affect Ethio-Swiss bilateral relations?

I hope not. But my personal concern in this matter are indeed our bilateral Ethio-Swiss relations which were - as you know - up to now always excellent. Hostile feelings towards my country could harm or even destroy the fruits of our co-operation, our development projects such as the Duke of Harrar Memorial Hospital, our efforts for Swiss investments, our humanitarian actions for the drought affected areas or our cultural exchanges. Experiences in the field of bilateral relations show clearly that once all has broken down, it certainly needs a very long time to repair it again.

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But I am confident that we can prevent such a situation, if Ethiopians and Swiss are working closely and in all fairness together to solve the problem with which we are actually confronted.

If Swiss bankers have been over nearly one century amongst the world's most successful bankers, isn't this due to the Swiss Banking Secret?

I could not agree with that. The reputation of Switzerland as a financial center is in the first place founded on the bankers' integrity, their reliability, and their efficiency, but also on the political and economical stability of neutral Switzerland. That is the main reason why Switzerland has become a financial center.

And my I add a last remark: Some may still oppose Banking Secrecy, because their social and legal traditions differ from Swiss traditions. We respect the right of others to dissent, as long as their knowledge of the facts is accurate and complete and as long as the debate does not take place on the basis of myths and emotionalism. On this basis, we both have the mutual right to dissent.