



# Opening an account at a Swiss bank

The Swiss Bankers Association answers some frequently-asked questions

## Opening an account at a Swiss bank

### The Swiss Bankers Association answers some frequently-asked questions

Over the past several hundred years Swiss banks have acquired an excellent reputation for stability, competence, efficiency, and discretion and these qualities have attracted a loyal domestic and international clientele. Every day the Swiss Bankers Association receives inquiries from all over the world from members of the public asking how to open a Swiss bank account. Here we give answers to some of the more common questions:

#### **1. Can anybody open a Swiss bank account?**

In principle, any private individual or a company or corporation can open an account at a bank in Switzerland. However, banks reserve the right not to enter into a banking relationship in some circumstances. For example, a bank might refuse to offer banking services to a so-called "politically exposed person" who the bank believes would pose too great a reputational risk if he or she were to become a client. A bank might also refuse to start a banking relationship if it has doubts about the origins of the potential client's funds because Swiss banks are forbidden by law to accept money which they know or must assume stem from crime.

#### **2. Do I physically have to come to Switzerland to open a bank account, or can I open it from my home country?**

You do not physically have to come to Switzerland to open an account with a Swiss bank. You can open an account by contacting the bank's representative office in your country (if there is one) or by writing to the bank in Switzerland which will then advise you what to do next.

#### **3. How can I open an account from my home country?**

First of all it must be understood that Swiss banks have very strict procedures concerning the opening of accounts, no matter whether the potential client is Swiss or foreign. The bank must comply with strict Swiss legal requirements concerning what is known as "due diligence". Amongst other things, the bank must verify the identity of the customer on the basis of a conclusive document. If the Swiss bank you are interested in has a subsidiary, branch or representative office in your country you should make contact with this office and the staff will advise you on the correct procedure. If the bank is not represented in your country, please write directly to the bank in Switzerland stating what sort of account you wish to open and what other banking services you require. Some banks will send an official to meet and identify you and provide you with the necessary forms to fill in. Other banks will send the necessary forms by post along with instructions on how to certify your signature. Again, please check with the bank.

#### **4. Can I open an account via the Internet?**

Yes, but at the present time the bank must follow the identification procedures laid down for opening an account by correspondence. In accordance with the Due Diligence Agreement (CDB 03), the bank verifies the identity of the contracting partner by obtaining a certified copy of an official identification document (passport, identity card, driving licence, etc.). The certified copy may be provided by a branch, representative office or group company of the bank; by a correspondent bank; by a financial intermediary specifically appointed by the bank; or by a public notary or public office that customarily issues such authentications. The bank also checks the address of the new customer through an exchange of correspondence.

For technical and legal reasons it is not yet possible to carry out the identification procedure "online". For more information on this subject please consult the "Frequently Asked Questions" on the website of the Swiss banking regulator [www.cfb.admin.ch](http://www.cfb.admin.ch)

#### **5. What questions will the bank ask me?**

The bank will ask for proof of your identity. The bank may also ask you to sign what is known as a "Form A" declaring that you are the beneficial owner of the assets or identifying the beneficial owner if you are depositing funds on behalf of someone else. The bank's staff may also want to know about the origin of the funds and the nature of your professional business and they will also want to get an idea of your usual financial transactions. In order to offer you the best advice, the bank will also ask about your future plans, for example whether you intend to buy a house, start a business, send children to school, retire, etc. If you are asking the bank to manage an investment portfolio they will also want to know how much risk you are willing to accept. In short, the more the bank knows about you, the more suitable will be the advice and service they can give you.

#### **6. What documentation will the bank want to see?**

As mentioned above, Swiss banks are obliged to verify the identity of a client. For this reason a bank would very much prefer to meet you face-to-face for an initial discussion. The bank will certainly want to see official identification papers such as a valid passport or an equivalent official identification document containing a photograph. The bank may also ask for documentation that can prove the origin of your funds, such as the contract for a house sale, a statement from a foreign bank, a receipt from the sale of securities, etc. In the course of the banking relationship the bank may also ask to see documentation connected with specific transactions.

#### **7. Can I open an "anonymous" account?**

No. There is no such thing as an "anonymous" account in Switzerland. By Swiss law, the bank must know who you are. Anonymous accounts at Swiss banks exist only in the imagination of thriller writers!

#### **8. What about "numbered" accounts?**

The procedure for opening a "numbered" account is exactly the same as for any other type of account. The bank must verify your identity and establish the identity of the beneficial owner. With a "numbered" account your business at the bank is carried out not under your name but under a number or code. This is simply an internal security measure to restrict knowledge of the customer's identity to a small group of employees and apart from this a "numbered" account enjoys no additional privileges in terms of confidentiality.

#### **9. Is there a minimum opening deposit?**

Most Swiss high-street banks do not require a minimum deposit for an ordinary current or savings account. However, some of the private bankers and other banks offering private banking services (such as portfolio management) do require a minimum deposit. The bank itself will tell you about this.

#### **10. Does the account have to be in Swiss francs?**

Many banks offer accounts in US dollars, euros and other currencies besides the Swiss franc, but please check with the bank first.

#### **11. How much interest will the bank pay on my money?**

The amount of interest you receive will depend on market conditions governing interest rates in general and the type of account you have at the bank. Please do not forget that any Swiss-domiciled entity paying interest or dividends is legally obliged to deduct withholding tax at 35%. This can be claimed back if your country has a double taxation agreement with Switzerland.

#### **12. What fees will the bank charge?**

Fees will vary according to the bank, the account and the type of banking relationship you establish. Please check with the bank.

#### **13. Can the Swiss Bankers Association recommend any particular bank?**

The Swiss Bankers Association is the professional body representing the interests of the Swiss banking industry as a whole. We have several hundred member banks and it is not our policy to recommend any particular bank nor to act as intermediary for any potential client or business transaction. A full list of our Association's members can be consulted on our website [www.swissbanking.org](http://www.swissbanking.org) under "About Us".

#### **14. How "secret" are Swiss banks?**

In Switzerland we have traditionally had great respect for an individual's privacy, and this has always included financial privacy. Surveys consistently show that the vast majority of the Swiss people want to maintain this privacy. However, the high level of confidentiality Swiss banks offer both their domestic and foreign customers is not absolute and certainly does not shield criminals. The rights to privacy can be suspended when a criminal investigation is underway, and Switzerland extends international legal assistance in cases where the crime in question is punishable under

Swiss law. Our aim is to protect the privacy of the honest bank customer while exposing criminals to the full force of the law.

Thank you for your interest in Swiss banking!

**N.B.: This information is given for general guidance only. Your chosen bank will be able to give you more specific and detailed information.**

**SWISS BANKERS ASSOCIATION**

October 2002