

BANK OF CREDIT AND COMMERCE INTERNATIONAL



SWITZERLAND AS LOCATION OF
THIRD WORLD BANK

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by Third World Division

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The following report highlights Zurich and Geneva as potential locations of the "Third World Bank". In some cases, comments on the individual locations are different for Zurich and Geneva, and have had to be separated.

1) Legal framework and practices

In principle, a foreign bank will be permitted to found a branch or another independent bank in Switzerland only if the founding bank's home country grants reciprocity to Swiss banks wishing to establish branches in that home country (Federal Law on Banks and Savings Associations of November 8, 1934, and the pertinent Regulations to this Law decreed on May 17, 1972). In case no reciprocity has yet been arranged, the application for a bank foundation in Switzerland has to proceed by diplomatic lobbying which may take anything up to one year. The Eidgenoessische Bankenkommis- sion (Marktgasse 17, CH-3001 Berne) is in charge of foreign banks' applications. This Commission opines that, without any precedent as yet, a supranational bank such as that which the "Third World Bank" would be, has more chances of obtaining a foundation approval, for two reasons:

- a) reciprocity with all the home countries of the founding members can hardly be anticipated or demanded, and
- b) the supranational feature of the "Third World Bank" might be attractive to the Swiss banking community.

The minimum capital of joint stock companies to be registered in Switzerland is Sfr 50,000, of which Sfr 20,000 has to be paid up.

2) Tax advantages

According to the Federal Information Bureau of Taxation, Berne, the following annual taxes are levied on joint stock companies operating in Switzerland:

a) Federal taxes:

- + tax on the net profits (balance of the profit and loss account, with the taxes paid regarded as deductible overheads) is calculated in three tiers:
 - basic tax of 3.63%,
 - surtax of 3.63% on the part of the net profit exceeding a yield of 4% on the taxable capital (= paid-up capital

and taxable open and latent reserves), additional surtax of 4.84% on the part of the net profit exceeding a yield of 8% on the taxable capital. The maximum rate of 9.8% is reached as soon as the net yield represents 23.1478% of the taxable capital.

+ capital tax 0,825% on the taxable capital;

+ withholding tax 35% on disbursed profit (dividends, bonus shares, surpluses from liquidation, interest on deposits with Swiss banks, some bond interest and insurance benefits) but nil on nondisbursed (reinvested) profit. Payees resident abroad in countries with which Switzerland has concluded double-taxation agreements may, in certain conditions, obtain total or partial relief from the Swiss withholding tax.

b) Cantonal (regional), communal and defense taxes:

+ 37,54% in Zurich, 31,86% in Geneva, each for net (pre-taxation) profits exceeding Sfr 500,000. Taxes paid during the taxation period can be deducted from the current year's taxation in Geneva but not in Zurich. Companies with their registered office in Geneva may enjoy cantonal and communal fiscal privileges but not at federal level. Depending on the individual case, these advantages range from reduced taxation on the profit to total exemption. This does apparently not apply to Zurich.

In addition, the following one-shot fees must be borne upon registration of a joint stock company:

+ stamp duty of 3% on the paid-in capital of a newly formed company and on the amount of subsequent capital increases;

+ notary fee of 0.1% of the capital stock, at least Sfr 100 and not more than Sfr 10,000;

+ commercial register entry fee of Sfr 440 for capital stock up to Sfr 200,000. If the capital is higher, this fee increases by 0.02% of the amount exceeding Sfr 200,000 but can never be more than Sfr 10,000;

+ fee for a designated person engaged for the consultation, coordination and execution of the company foundation.

The Federal Information Bureau of Taxation has underlined that the Swiss federal taxes cannot be negotiated: "We do not make our taxes the subject of a bargain, this is income secured by legislation!"

3) Currency controls

The Swiss foreign exchange regulations are among the most liberal in Europe. This is particularly true for transactions in foreign currency which are mediated and entered by a bank registered in Switzerland. Recent regulations on accounts maintained in Switzerland for foreigners, and on treasury transactions in Swiss Francs have slightly curbed the Swiss banks' freedom and have led to severe complaints by the Swiss banking community. Among these stringent regulations there is a legislative demand of liquid funds which have to be held to a volume of some 8% of the total of the balance sheet.

The exchange rate quotations at the Zurich Exchange are floating. The following currencies are currently quoted at the Zurich Exchange: US\$, Can\$, Pounds Sterling, BF, FF, Hfl, DM, Lit, Dkr, Nkr, Skr, Fmk, Esc, Pts, ¥.

4) Availability of work permits for foreign employees

Permits are usually granted by the cantons under the federal legislation. Temporary residence permits are issued for one year and may be renewed. After an extended stay of usually ten years (five for certain countries with which Switzerland has concluded reciprocal agreements), the foreigner may obtain a permit of permanent residence.

Temporary residence permits are subject to a rigorous quota. They are issued only if the applicant firm can show that the employment of the foreigner is essential, that it has been unable to find a candidate in the local market and that the arrival of the foreigner clearly benefits the canton. The application is filed with the Population Register of the given canton and subjected to an in-depth examination.

The Geneva authorities have given to understand that temporary work permits in the magnitude required by the Third World Bank would not be granted within one single year. The Zurich authorities would be more lenient in this respect.

There is also a so-called frontier worker's card for people living in the border area, for instance in France close to Geneva, and wishing to work in Geneva. Frontier workers' cards are not subject to limitations but granted only if the local labour market permits it, ie if the arrival of a frontier worker does not disadvantage a local employee.

In this context, it must be borne in mind that the Federal Law on Banks and Savings Associations requires that the majority of the management staff must reside in Switzerland.

- 5) Does considerable volume of North/South trade flow through proposed country of location?

North/South trade flow arranged by volume - mostly for non-Swiss parties - is Asia - Africa - Latin America. Major turnover points of such trade are Geneva and Lausanne in the francophone part of Switzerland, and Zurich.

Switzerland's Foreign Trade (1983, in Billion Swiss Francs)

	<u>Imports</u>	<u>Exports</u>	<u>Balance</u>
Europe	47.4 (77.6%)	34.8 (64.7%)	- 12.6
North America	5.3 (8.7%)	5.4 (10.0%)	+ 0.1
South America	1.1 (1.8%)	1.7 (3.1%)	+ 0.6
Asia	4.9 (8.0%)	9.0 (16.8%)	+ 4.1
Oceania	0.1 (0.2%)	0.5 (0.9%)	+ 0.4
Africa	2.3 (3.7%)	2.4 (4.5%)	+ 0.1
Total	61.1 (100.0%)	53.8 (100.0%)	- 7.3

- 6) Is it a politically stable country with liberal free enterprise traditions?

Switzerland is a federal union by long tradition and without political upheavals. Its foreign policy features neutralism which has been laid down at the Congress of Vienna in 1815. Affairs are well settled and provide for a high degree of tolerance and individual independence. A decade-long social peace has secured the above-average increase of prosperity. Economic affairs are mainly based on freedom of trade and commerce, with few federal and communal restrictions. At the end of 1982, there were 116,231 joint stock companies registered in Switzerland.

- 7) Is the location an international financial centre?

Zurich definitely is one of the leading financial centres of the world. Geneva's role as a financial centre is especially in the management of portfolios where it occupies the top rank in Switzerland. Overall, the country has greatly strengthened its financial potential in widely varying fields of international capital transfer, especially following World War II. This development is clearly reflected also by its international investment and trustee position. Swiss liabilities to foreigners were estimated at Sfr 279 billion at the end of 1982. At the same point of time, the Swiss banking system included 572 banks and investment companies subject to the Federal Law on Banks and Savings Associations, with total assets of Sfr 611 billion, fiduciary deposits of Sfr 166 billion, and a domestic network of 5,069 banking offices

which means that on the average there is one such office for every 1,276 inhabitants - a density matched by few other nations. In 1982, the three major Swiss banks - Swiss Bank Corporation, Union Bank of Switzerland, Swiss Credit Bank (Credit Suisse) - alone accounted for foreign assets of almost Sfr 142.8 billion which represents almost two thirds of all the Swiss banks' - except the Swiss National Bank's - assets abroad.

8) Availability and quality of communication facilities

Direct long-distance telephone and telex lines are in operation to practically all countries of the world where similar systems have been established.

The following international airlines have regular flight schedules for Zurich: Air Canada, Air France, Air Algerie, Air India, Aerolineas Argentinas, Royal Air Maroc, Finnair, Alitalia, British Airways, British Midland Airways, British Caledonian Airways, CAAC (P. R. of China), Cyprus Airways, Delta Air, Delta Airlines, Danair, Aer Lingus, Garuda Indonesian Airways, Gulf Air, Directair, Air Gabon, Iraqi Airways, Iberia, Interflug, Alisarda, Iran Air, Air Inter, Japan Air Lines, JAT, Korean Air, KLM, Air Malta, Kenya Airways, Kuwait Airways, Luxair, Lufthansa, Jamahiriya Libyan Arab Airlines, LOT, Crossair, El Al, Balkanair, Malev, MEA, Air Mauritius, Egyptair, Olympic Airways, CSA, Austrian Airlines, Pan American World Airways, Philippine Airlines, Alia, Varig, Air Afrique, Tarom, South African Airways, SAS, Sabena, Austrian Air Services, Singapore Airlines, Swissair, Aeroflot, Saudi Arabian Airlines, Thai Airways International, THY, TAP Air Portugal, Transbrasil, Tunis Air, TWA, United Airlines, Air UK, Air Lanka, Birmingham Executive Airways, Tyrolean Airways, Nigeria Airways.

Only few of these airlines have direct and regular schedules to and from Geneva.

From Zurich, there are regular Swissair schedules to the following destinations: Aberdeen, Abidjan, Abu Dhabi, Accra, Alger, Amman, Amsterdam, Ankara, Athens, Baghdad, Bangkok, Barcelona, Basle, Beijing, Beirut, Belfast, Belgrade, Berlin (West), Birmingham, Bombay, Boston, Brussels, Bucharest, Budapest, Buenos Aires, Cairo, Casablanca, Chicago, Cologne, Colombo, Copenhagen, Cork, Dakar, Damascus, Dar es Salaam, Dhahran, Douala, Dubai, Dublin, Dusseldorf, East Midlands, Edinburgh, Frankfurt, Geneva, Genova, Glasgow, Graz, Guernsey, Hamburg, Hanover, Helsinki, Hong Kong, Humberside, Innsbruck, Inverness, Isle of Man, Istanbul, Jakarta, Jeddah, Jersey, Johannesburg, Karachi, Khartoum, Kinshasa, Klagenfurt, Kuwait, Lagos, Larnaca, Leeds, Leipzig, Libreville,

Linz, Lisbon, Liverpool, Ljubljana, London, Lugano, Luxembourg, Lyon, Madrid, Malaga, Manchester, Manila, Milan, Monrovia, Montreal, Moscow, Munich, Nairobi, Newcastle, New York, Nice, Norwich, Nuremberg, Oran, Oslo, Palma de Mallorca, Paris, Plymouth, Porto, Prague, Rio de Janeiro, Riyadh, Rome, Salonica, Salzburg, Santiago de Chile, Sao Paulo, Shannon, Singapore, Sofia, Stockholm, Strasbourg, Stuttgart, Teesside, Tehran, Tel Aviv, Tokyo, Toronto, Tripoli, Tunis, Vienna, Warsaw, Zagreb.

Geneva's Swissair departure schedule includes all of the aforementioned destinations, in most cases of flights to non-European destinations with a link to the respective Zurich schedule. There are, however, no direct links to the following Zurich departures: Amman, Belgrade, Berlin (West), Boston, Bucharest, Budapest, Chicago, Cologne, Genova, Graz, Hamburg, Hanover, Helsinki, Innsbruck, Klagenfurt, Larnaca, Leipzig, Linz, Ljubljana, Lyon, Manila, Nuremberg, Salonica, Salzburg, Stockholm, Stuttgart, Tehran, Tel Aviv, Tripoli, Zagreb. Direct flights from Geneva but not from Zurich are scheduled for Bordeaux, Marseille, and Toulouse.

9) Usage of English

The usage of English is widespread in Switzerland which by nature is a multilingual country. Predominant language is German which, in its Swiss dialect, is mother tongue to roughly half of the Swiss population. Around one quarter of the population, in the Western regions of Switzerland, are of French mother tongue, while each one eighth use Italian and Rhaeto-Romanic. Some Arabic may be used in the Arab colonies both in Zurich and Geneva.

10) Will presence of the bank as a lobby for developing countries promote their interests?

It cannot be foreseen whether the Third World Bank would or should undertake lobbying services for developing countries. Should funding or trade promotion on behalf of developing countries be performed, it is to be considered as an inter-bank/intertrade function rather than as lobbying.

11) Probable attitude of national government toward private initiative forming such a bank

The government's attitude is expected to be very neutral toward the establishment of the Third World Bank on Swiss territory. It is needless to say that such an initiative may be welcomed but substantial support cannot be foreseen.

12) Possibility of:

a) Permission for incorporation of the Third World Bank

As mentioned before, approval for the establishment of a bank in Switzerland must be obtained from the Federal Committee of Banks (Eidgenössische Bankenkommision). The approval procedure analyses thoroughly the purpose and range of a new bank's activity, its capital and its management. Swiss law allows freedom in the choice of the bank's title. It must, however, clearly reflect the legal structure (such as joint stock equity). With regard to the bank's title, three fundamental principles must be observed:

+ the principle of authenticity demands that everything contained in the title must correspond with the facts;

+ the principle of discernibility implies that the title must be clearly distinguishable from those of already existing corporations in any part of Switzerland;

+ the principle of restricted transferability requires that any transfer of a company name containing the name of one person to another person be made public by way of an appropriate addition to such a company name.

Company names referring to national, regional or territorial designations must be especially authorized by the Commercial Register Office. Entries in the Commercial Register are made where the company's head office is located.

Joint stock companies - in Swiss legal terminology: corporations - are governed by the Code of Obligations, Articles 620 to 763. They are the usual legal form of incorporation for holding and investment companies. The legal minimum of the capital stock is fixed at Sfr 50,000 of which at least Sfr 20,000 must be paid in cash at the time of incorporation, or provided in subscription other than in cash. The corporation's shares can be issued in registered or bearer form. The par value of a share must be at least Sfr 100. Bearer shares may be transferred by the simple delivery of the share certificates. The corporation need not be aware of the identity of the holders of such stock. If the capital stock is not fully paid up, no bearer shares may be issued.

At least three prospective shareholders are required for the formation of a corporation. In case an investor does not want to disclose his identity, he may appoint a third party under certain conditions as his trustee.

The articles of association of a corporation must contain provisions as to the company name, the domicile of its head

office, the nature of its business, the capital stock (number and par value of registered and/or bearer shares), the shareholders' meetings, the board of directors, the auditors, and the forms of notification. The organization of the corporation comprises the general meeting of shareholders, the board of directors, and the auditors.

The supreme governing body of the corporation is the general meeting. An ordinary general meeting of shareholders takes place every year within six months after the close of the financial year. The general meeting has the following powers: approval of the profit and loss account, the balance sheets and the annual report; resolution of the use to be made of net profits, in particular the declaration of dividends; election of directors and auditors; approval of board actions; amendment of articles of association; and liquidation of the corporation.

The board of directors is composed of one or several members who must be shareholders. In a case where there is only one director, this person must be a Swiss national residing in Switzerland. If the board consists of several persons, a majority of the members must reside in Switzerland and be of Swiss nationality. The board is responsible for the proper handling of the company's affairs, in accordance with the articles of association and the provisions of the law.

The shareholders' meeting elects one or several auditors to act as auditing body. They need not be shareholders. Apart from individuals, a corporate entity (fiduciary company, auditing association) may be appointed as auditors.

b) Good relationship with regulatory authorities

This is a postulate per se, and it must not be expected that the Swiss authorities' mentality will permit any company having better or worse relationship to them. Strict neutrality governs the relationship between authorities and supervised entities.

c) Influence of BCCI and other promoter banks at proposed locations

Despite the presence of a BCCI affiliate in Geneva, and possibly of branches of potential shareholders' banks elsewhere in Switzerland, no influence whatsoever on Swiss authorities should be anticipated.

d) Does BCCI local office enjoy recognized bank status?

Yes, it does.

- 13) Does special or regular flow of funds occur on an institutional basis from proposed location for aid, trade with South, project finance, balance of payments support, investments?

I can only contribute that the Swiss export credit and export risk guarantee system (GERG - Geschaeftsstelle fuer die Export-Risiko-Garantie) covers, with different amount limits, Swiss exports to developing and centrally planned economies; and that the Zurich office of the United Nations' Investment Promotion Service is putting together (mainly Swiss) suppliers and financiers of investment projects in developing countries. Perhaps BCCI's Geneva affiliate can add a more comprehensive comment to this item.

- 14) Personnel

The basic texts for labour legislation are the Federal Labour Act and the part of the Code of Obligations concerning the contract of employment. There is also a uniform collective agreements for bank personnel (revised on January 1, 1984). The usual working week consists of 43 hours. Trial periods must not exceed 3 months of employment. Salaries are paid twelve times a year toward the end of each month. Half a salary is paid additionally each in June and December of each year. In case of sickness or accident, salaries have to be paid for one full month during the first year of employment, for three months between the second and fourth year of employment, for six months between the fifth and tenth year of employment, and for eight months for employment of more than eight years.

Social insurance

There is no overall social security system in Switzerland, but there are various forms of social insurance, with some compulsory and some voluntary.

Old age and survivors insurance, disability insurance, compensation to people on military service for loss of earnings: these insurances are compulsory for any person employed or resident in Switzerland. For employees, the contributions amount to 10% of the salary, payable at the rate of 5% each by the employee and the employer who also bears the administrative costs.

Accident insurance: this is compulsory for all employees and covers occupational and non-occupational accidents. It includes the cost of treatment, an allowance for loss of earnings and benefits of the old age and survivors, and the disability insurance. Contributions vary depending on the

inherent risks in the company and the benefits provided. The premium is divided between the employer and the employee in varying ways, too, depending on the company, with the employer paying at least the part of the premium relating to occupational accidents.

Health insurance: this is compulsory only in certain special cases covered by the law or collective agreements. The premiums depend upon the benefits provided. The employer pays some part of the premium in some instances.

Unemployment insurance: it is compulsory for all employees. The contribution is 0.6% of the salary and is payable in equal shares by the employer and the employee. The maximum insured salary is Sfr 5,800 per month.

Provident schemes (retirement, disability, death): in addition to the benefits of the old age and survivors, and the disability insurance there is an occupational provident scheme insuring the staff of companies against the economic consequences of old age, disability and death. This system is compulsory. The contributions, usually shared between employer and employee, depend upon the benefits provided.

Family allowances: employees resident in Switzerland may be granted family allowances for their children. These allowances are financed exclusively by the employer.

a) Availability of trained bankers, economists and other professionals: Swiss people are generally highly qualified owing to widespread and thorough schooling and occupational training. Switzerland has long been renowned beyond its frontiers for its professional conscientiousness, its great availability and flexibility, its linguistic abilities and its facility in business relations abroad. This is particularly true for bankers and traders. The reason why it may be fairly difficult to find staff is not a lack of ability among candidates for jobs but because for many years there has been a great deal of activity in Switzerland in almost every sector, unemployment is extremely low (usually below 1%), and people are reluctant to change arbitrarily or frequently their job.

b) Availability of pool of bankers and professionals familiar with third world economic and trade financing business problems: the comments given in paragraph (a) refer likewise.

c) Availability of English speaking staff: due to the Swiss people's multilingual attainments, there should be few problems in getting qualified English speaking staff.

d) Availability of multilingual staff: see above.

Independently working executive assistants with three languages (usually German, English, French or Italian) cost around Sfr 60-75,000 per year. Top executive bankers and traders range at the Sfr 200,000 plus level per year.

15) Is the country a major trading nation?

Switzerland's exports and imports total \$ 40.28 billion, that is around 2% of world trade. However, there is a great deal of outside trading, ie turnover in goods and services which are not included in the Swiss statistics since the flow of the involved goods and services does not cross Swiss borders. No estimates of the volume of outside trading are known to me.

16) Availability of BCCI Group bank, directly or indirectly affiliated bank at proposed location to facilitate execution of routine trade financing and banking business via intermediary

The affiliate Banque de Commerce et de Placements SA has two offices in Switzerland:

+ 12 Place Cornavin, CH-1211 Geneva 1, Tel. 322.200, 324.442, telex 23.134;

+ Talacker 50, CH-8039 Zurich, Tel. 221.0844, telex 813.760.

17) Are companies in the country of location interested in East/West, North/South countertrade?

There is a great number of companies in Switzerland not only interested in countertrade, but making it - together with a range of other services - their main business purpose. Switzerland is considered to have the second-largest number of trading specialists per capita, outdone only by Austria.

18) Existence of capital markets/international financial centre in country of location

Zurich has a highly developed domestic capital market and is an international financial centre, but Geneva has only marginal functions in this respect. Geneva's strength is the portfolio management.

19) Are many international public institutions located in the country of location?

By all means, but a complete list is not available to me. Among the best known international public institutions in Geneva are:

- + United Nations with a variety of offices,
- + International Labour Organization (ILO),
- + World Health Organization (WHO),
- + International Telecommunications Union (ITU),
- + World Meteorological Organization (WMO),
- + General Agreement on Tariffs and Trade (GATT),
- + Intergovernmental Committee for Migration (ICM),
- + World Intellectual Property Organization (WIPO),
- + International Union for the Protection of New Varieties of Plants (UPOV),
- + International Education Bureau,
- + European Organization for Nuclear Research (CERN),
- + European Free Trade Association (EFTA),
- + World Trade Center,
- + Economic Council of Europe,
- + International Red Cross (ICRC).

In Zurich, the United Nations Industrial Development Organization has set up one of its seven Investment Promotion Service offices.

A more comprehensive list of international public institutions located in Geneva and Zurich could possibly be provided by BCCI's Geneva affiliate.

20) Location of foreign financial institutions

a) Banks and financial institutions

al) Banks with foreign equity or voting majority

Bank CIAL (Schweiz) - Credit Industriel d'Alsace et de Lorraine AG, Basle
Banque Nationale de Paris (Suisse) SA, Basle
Internationale Genossenschaftsbank AG, Basle
Bank von Ernst & Cie AG, Berne
American Fletcher Bank (Suisse) SA, Geneva
Anker Bank, Geneva
Banque Compafina, Geneva
Banque d'Investissements Privés, Geneva
Banque de Commerce et de Placements SA, Geneva
Banque de l'Industrie et du Travail (Suisse) SA, Geneva
Banque de l'Union Européenne en Suisse SA, Geneva

Banque de Rive SA, affiliée a Cayzer, Gartmore Ltd, Geneva
Banque Diamantaire Anversoise (Suisse) SA, Geneva
Banque Keyser Ullmann SA, Geneva
Banque Kleinwort, Benson SA, Geneva
Banque Libanaise pour le Commerce (Suisse) SA, Geneva
Banque Morgan Grenfell en Suisse SA, Geneva
Banque Paribas (Suisse) SA, Geneva
Banque Pasche SA, Geneva
Banque Scandinave en Suisse, Geneva
Banque Unie pour l'Orient Arabe Banorient, Geneva
Banque Worms & Cie (Suisse) SA, Geneva
Barclays Bank (Suisse) SA, Geneva
Chase Manhattan Bank (Switzerland), Geneva
Credit Commercial de France (Suisse) SA, Geneva
Deutsche Bank (Suisse) SA, Geneva
Discount Bank (Overseas) Limited, Geneva
Franck & Cie SA, Geneva
Handelsfinanz Midland Bank, Geneva
J. P. Morgan (Suisse) SA, Geneva
Kredietbank (Suisse) SA, Geneva
Ralli Brothers (Bankers) SA, Geneva
The Royal Bank of Canada (Suisse), Geneva
Trade Development Bank TDB, Geneva
UB Universal Bank (Suisse) SA, Geneva
United Overseas Bank, Geneva
Banque Bruxelles Lambert (Suisse) SA, Lausanne
Banque Indiana (Suisse) SA, Lausanne
Banque Intercommerciale de Gestion, Lausanne
Banca Commerciale Lugano SA, Lugano
Banca del Gottardo, Lugano
Banca del Sempione, Lugano
Banca di Credito Commerciale e Mobiliare SA, Lugano
Banca di Partecipazioni ed Investimenti SA, Lugano
Banco di Roma per la Svizzera, Lugano
Banca di Credito e Commercio SA, Lugano-Paradiso
Banca Unione di Credito, Lugano
Bank Thorbecke AG, St. Gallen
Phibrobank AG, Zug
Algemene Bank Nederland (Schweiz), Zurich
American Express Bank (Switzerland) AG, Zurich
AMRO Bank und Finanz, Zurich
Arab Bank (Switzerland) Ltd, Zurich
Badische Kommunale Landesbank (Schweiz) AG BAKOLA, Zurich
Banca Commerciale Italiana (Suisse), Zurich
Banco Exterior (Suiza) SA, Zurich
Bank Audi (Schweiz) AG, Zurich
Bank Europaeischer Genossenschaftsbanken, Zurich
Bank fuer Kredit und Aussenhandel AG, Zurich
Bank Hapoalim (Switzerland) Ltd, Zurich
Bank Kuenzler AG, Zurich
Bank Leumi le-Israel (Schweiz), Zurich

Bank Louis Dreyfus in der Schweiz AG, Zurich
Bank of Tokyo (Schweiz) AG, Zurich
Bank Oppenheim Pierson (Schweiz) AG, Zurich
Bankers Trust AG, Zurich
Bankinstitut Zurich, Zurich
Bankinvest, Zurich
Banque Algerienne du Commerce Exterieur SA, Zurich
Banque Generale du Luxembourg (Suisse) SA, Zurich
BHF-Bank (Schweiz) AG, Zurich
Citicorp Bank (Switzerland) AG, Zurich
Dai-Ichi Kangyo Bank (Schweiz) AG, Zurich
Dow Banking Corporation, Zurich
Dresdner Bank (Schweiz) AG, Zurich
FIBI Bank (Schweiz) AG, Zurich
Finanz- und Investmentbank AG, Zurich
Finter Bank Zurich, Zurich
Foreign Commerce Bank Inc., Zurich
Fuji Bank (Schweiz) AG, Zurich
Guinness Mahon (Zurich) AG, Zurich
Guyerzeller Zurmont Bank AG, Zurich
Habib Bank AG Zurich, Zurich
Handelsbank N.W., Zurich
Handelskredit-Bank AG, Zurich
Interpopolare Bank, Zurich
J. Henry Schroder Bank AG, Zurich
Lavoro Bank AG, Zurich
Multi Commercial Bank, Zurich
Nederlandsche Middenstandsbank (Schweiz) AG, Zurich
Nordfinanz-Bank Zurich, Zurich
Privat Kredit Bank, Zurich
Rothschild Bank AG, Zurich
S. G. Warburg Bank AG, Zurich
Standard Chartered Bank AG, Zurich
The Industrial Bank of Japan (Schweiz) AG, Zurich
Trinkaus & Burkhardt (Schweiz) AG, Zurich
Ueberseebank AG, Zurich
United Bank AG (Zurich), Zurich
United Mizrahi Bank (Schweiz) AG, Zurich
Williams & Glyn's Bank AG, Zurich
Wirtschafts- & Privatbank, Zurich
Wozchod Handelsbank AG, Zurich

a2) Branch offices of foreign banks

Banque Indosuez, Geneva
Bank of America NT & SA, Geneva
Chemical Bank, Geneva
Citibank N.A., Geneva
Credit Lyonnais, Geneva
Grindlays Bank p.l.c., Geneva
Lloyds Bank International Limited, Geneva

Manufacturers Hanover Trust Company, Geneva
Societe Generale Alsacienne de Banque, Geneva
Standard Chartered Bank PLC, Geneva
The British Bank of the Middle East, Geneva
The Chase Manhattan Bank (N.A.), Geneva
The First National Bank of Chicago, Geneva
Banque Indosuez, Lausanne
Citibank N.A., Lausanne
Banque Indosuez, Lugano
Citibank N.A., Lugano
Allgemeine Elsaessische Bankgesellschaft, Zurich
Banque Indosuez, Zurich
Bank of America NT & SA, Zurich
Barclays Bank International Limited, Zurich
Chemical Bank, Zurich
Citibank N.A., Zurich
Credit Lyonnais, Zurich
Grindlays Bank p.l.c., Zurich
Lloyds Bank International Limited, Zurich
Manufacturers Hanover Trust Company of New York, Zurich
Morgan Guaranty Trust Company of New York, Zurich
The Chase Manhattan Bank (N.A.), Zurich
The Hongkong and Shanghai Banking Corporation, Zurich

a3) Representative offices of foreign banks

Banco do Brasil SA (Brasilia), Geneva
Robert Fleming & Co Ltd. (London), Geneva
Banco Central (Madrid), Geneva
Banco Espanol de Credito (Madrid), Geneva
Banca March SA (Palma de Mallorca), Geneva
Banco Pastor (La Coruna), Geneva
Caja Rural Nacional (Madrid), Geneva
Confederacion Espanola de Cajas de Ahorros (Madrid), Geneva
American Savings & Loan Association (Stockton), Geneva
Chase Manhattan Overseas Banking Corp. (New York), Geneva
European American Bank & Trust Company (New York), Geneva
European American Banking Corporation (New York), Geneva
Banco Pinto & Sotto Mayor (Lisbon), Lausanne
Banco Portugues do Atlantico (Porto), Neuchatel
Australia and New Zealand Banking Group Ltd. (Melbourne), Zurich
Banco do Brasil SA (Brasilia), Zurich
Standard Chartered Bank PLC (London), Zurich
Banque Nationale de Paris (Paris), Zurich
Bank Hapoalim B.M. (Tel Aviv), Zurich
Bank Leumi le-Israel B.M. (Tel Aviv), Zurich
United Mizrahi Bank Ltd. (Tel Aviv), Zurich
Banca d'Italia (Rome), Zurich
Banco di Napoli (Naples), Zurich
Banco di Sicilia (Palermo), Zurich

Banca Nazionale dell'Agricoltura (Rome), Zurich
Banca Nazionale del Lavoro (Rome), Zurich
Banca Popolare di Sondrio (Sondrio), Zurich
Banca Popolare di Novara (Novara), Zurich
Credito Italiano (Milan), Zurich
Istituto Bancario San Paolo di Torino (Torino), Zurich
The Kyowa Bank Ltd. (Tokyo), Zurich
The Mitsui Trust & Banking Co Ltd. (Tokyo), Zurich
The Mitsubishi Bank Ltd. (Tokyo), Zurich
The Mitsubishi Trust and Banking Corp. (Tokyo), Zurich
The Saitama Bank Ltd. (Tokyo), Zurich
The Sumitomo Bank Ltd. (Tokyo), Zurich
The Tokai Bank Ltd. (Tokyo), Zurich
Jugobanka Udruzena Banka (Belgrade), Zurich
Ljubljanska Banka (Ljubljana), Zurich
Privredna Banka Sarajevo (Sarajevo), Zurich
Privredna Banka Zagreb (Zagreb), Zurich
Udruzena Beogradska Banka (Belgrade), Zurich
Canadian Imperial Bank of Commerce (Toronto), Zurich
Banco Nacional de Cuba (La Habana), Zurich
F. van Lanschot Bankiers NV (The Hague), Zurich
Pierson, Heldring & Pierson NV (Amsterdam), Zurich
Banque Roumaine de Commerce Extérieur (Bucharest), Zurich
Banco Central (Madrid), Zurich
Banco de Bilbao SA (Bilbao), Zurich
Banco de Santander (Madrid), Zurich
Banco de Vizcaya SA (Bilbao), Zurich
Banco Hispano Americano (Madrid), Zurich
Banco Popular Espanol (Madrid), Zurich
Banco Urquijo Union SA (Madrid), Zurich
Confederacion Espanola de Cajas de Ahorros (Madrid), Zurich
Barclays National Bank Limited (Johannesburg), Zurich
Nedbank Limited (Johannesburg), Zurich
Standard Bank Investment Corporation Ltd. (Johannesburg), Zurich
Korea Exchange Bank (Seoul), Zurich
The Korea Development Bank (Seoul), Zurich
Toebank Tuerkiye Oegretmenler Bankasi T.A.S. (Ankara), Zurich
Banque Centrale de la Republique de Turquie (Ankara), Zurich
Tuerkiye Garanti Bankasi A.S. (Istanbul), Zurich
Yapi Ve Kredi Bankasi A.S. (Istanbul), Zurich
Magyar Nemzeti Bank (Budapest), Zurich
American Savings & Loan Association (Stockton), Zurich
Bankers Trust Company (New York), Zurich
The First National Bank of Chicago (Chicago), Zurich
Wachovia Bank & Trust Company N.A. (Winston-Salem), Zurich

a4) Other financial institutions with foreign holdings

Golodetz Finance Company S.A., Fribourg
Balboa Finance S.A., Geneva

Baring Brothers SA, Geneva
Charterhouse Japhet (Suisse) SA, Geneva
Cloverhill Finance SA, Geneva
Compagnie Financiere Mediterranee Cofimed SA, Geneva
Daiwa (Switzerland) SA, Geneva
Financiere Indosuez Geneve, Geneva
First Chicago SA, Geneva
Great Pacific Capital SA, Geneva
Gulf and Occidental Investment Company SA, Geneva
Investors Trust Company SA, Geneva
Manufacturers Hanover (Suisse) SA, Geneva
Morgan Grenfell (Switzerland) SA, Geneva
Morgan Stanley S.A., Geneva
Nippon Kangyo Kakumaru (Switzerland) SA, Geneva
Nomura (Switzerland) Ltd., Geneva
PSA International S.A., Geneva
Samuel Montagu (Suisse) SA, Geneva
Saudi Finance Corporation SAUDIFIN S.A., Geneva
Soccom Societe de Finance Commerciale SA, Geneva
Societe de Financement International du Credit Commercial de France, Geneva
Societe Financiere Italo-Suisse, Geneva
Soditic SA, Geneva
Volvo Finance SA, Geneva
Cie Financiere Espirito Santo SA, Lausanne
Dorfina Compagnie Financiere SA, Lausanne
Renault Finance SA, Lausanne
Tradeconsult SA, Lugano
Trust Financier & Industriel SA, Montreux
Contraco Holding und Finanz AG, Zug
Greyhound Financial and Leasing Corporation AG, Zug
Mees & Hope Finanzgesellschaft AG, Zug
Schweizerisch-Amerikanische Elektrizitaets-Gesellschaft, Zug
Sumitomo International Finance AG, Zug
Themis-Finanz-Gesellschaft, Zug
Atlantic Finanz und Verwaltungs AG, Zurich
BA Finance (Switzerland) Ltd., Zurich
Balfour Williamson AG, Zurich
Barclays Finanz AG, Zurich
Bilfinanz und Verwaltung AG, Zurich
Credit Lyonnais Finanz AG Zurich, Zurich
Discont-Credit AG, Zurich
Dresdner Forfaitierungs AG, Zurich
Finanzierungsgesellschaft Viking, Zurich
Forfaitierung und Finanz AG, Zurich
Girard Zurich AG, Zurich
Goldman Sachs Finanz AG, Zurich
Grindlays Brandts AG, Zurich
HBZ Finanz AG, Zurich
INDELEC Finanz AG, Zurich
Interacor AG, Zurich

Intersoge SA, Zurich
LTCB (Schweiz) AG, Zurich
Magestic Investment & Finance Corporation Ltd., Zurich
Maag Finanz AG, Zurich
Mitsubishi Finanz (Schweiz) AG, Zurich
Mitsui Finanz (Schweiz) AG, Zurich
Monaval Finanz AG, Zurich
Morgan Guaranty (Schweiz) AG, Zurich
Nedfinance AG, Zurich
New Japan Securities (Schweiz) AG, Zurich
Noreco Finanz AG, Zurich
Okasan (Schweiz) Finanz AG, Zurich
Robert Fleming AG, Zurich
Santander Finanz AG, Zurich
Sanwa Finanz (Schweiz) AG, Zurich
Singer & Friedlaender AG, Zurich
SITA Investment AG, Zurich
Skandifinanz AG, Zurich
Sumitomo Trust Finance (Schweiz) AG, Zurich
The Nikko (Schweiz) Finanz AG, Zurich
Taiyo Kobe Finanz (Schweiz) AG, Zurich
"Thesaurus" Continentale Effektengesellschaft, Zurich
Tokai Finanz (Schweiz) AG, Zurich
Turis AG Finanz- und Verwaltungsgesellschaft, Zurich
Ufitec SA Union Financiere, Zurich
Ultrafin AG, Zurich
Urquijo Finanz AG, Zurich
Vizcaya Finanz AG, Zurich
Yamaichi (Switzerland) Ltd, Zurich

b) The representation of developing countries in other
financial institutions at proposed location

No data available without research at local commercial registers.

c) Embassies, legations or consulates from foreign
countries

In Geneva: Algeria, Australia, Austria, Bangladesh, Belgium, Benin, Bolivia, Bulgaria, Burma, Canada, Costa Rica, Cyprus, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, Gabon, The Gambia, German Democratic Republic, Ghana, Greece, Guatemala, Guinea, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kuwait, Libanon, Liberia, Libya, Luxembourg, Madagascar, Malaysia, Malta, Mauretania, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Nicaragua, Nigeria, North Korea, North Yemen, Norway, Oman, Pakistan, Panama, Paraguay, People's Republic of China, Peru, Philippines, Portugal, Qatar, Rumania, San Marino, Saudi Arabia, Senegal, Sierra

Leone, Singapore, Somalia, South Africa, South Korea, Spain, Sri Lanka, Sudan, Sweden, Syria, Thailand, Togo, Trinidad & Tobago, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, Uruguay, USA, USSR, Venezuela, West Germany, Yugoslavia, Zaire.

In Zurich: Argentina, Austria, Belgium, Brazil, Chile, Colombia, Cyprus, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, The Gambia, Greece, Guatemala, Haiti, Honduras, Iceland, Israel, Italy, Ivory Coast, Japan, Kenya, Lesotho, Liberia, Luxembourg, Madagascar, Malaysia, Malta, Mexico, Monaco, Morocco, Nepal, Netherlands, Norway, Panama, Peru, Philippines, Senegal, Sierra Leone, South Africa, Spain, Swaziland, Sweden, Thailand, Turkey, United Kingdom, USA, West Germany, Yugoslavia.

It must be noted that most of the foreign main consulates and legations are in Berne, the capital of Switzerland. Travel visa, however, can be obtained from the Geneva and Zurich consulates in most cases.

21) Whether the location is a major governmental centre?

Both Geneva and Zurich are only the centres of the regional (cantonal) governments. Capital and governmental centre of Switzerland is Berne.

22) Availability of office space at reasonable cost

In general, representative office space is scarce both in Geneva and Zurich. From time to time, old residential buildings are modernized and equipped as office space. Rentals in Geneva range from Sfr 200 to Sfr 400 and in Zurich from Sfr 400 to Sfr 750 per square metre and per month, depending on the location and the extras included. It might be worthwhile considering the purchase of a complete house.

23) Whether the location has the presence of international press

In Geneva: Agefi, Aviation Week, Business Europe, Journee Internationale, Le Monde a Venir, Market Development Publications, Monde du Travail. Again, a completion might be provided by BCCI's Geneva affiliate.

In Zurich: Chemische Rundschau, Femina Pressedienst, Finanz-Revue, Frankfurter Allgemeine Zeitung, Sueddeutsche Zeitung, Svenska Dagbladet, Uebersee Post, International Argus der Presse AG.

24) Banking and management training facilities in country of location

I do not know of any but am pretty sure that such facilities do exist in Switzerland. BCCI's Geneva affiliate can probably fill this gap.

25) Availability of institutional support

a) National Bank: has mainly regulatory and supervisory functions. Its professional support to other banks is rather limited.

b) Chamber of Commerce: several foreign chambers of commerce maintain representative and consulting offices in Switzerland which may be helpful in establishing contacts in their home countries. The major advantages of Swiss chambers of commerce are the personal contacts one can gain there rather than the professional or published services.

c) Export promotion credit and export risk insurance: is provided by GERG (Geschaefsstelle fuer die Export-Risiko-Garantie). In principle, it is available only for Swiss exports, or for Swiss exports with low foreign content. International commercial transactions in goods or services, requiring insurance against political and/or commercial risk, can be insured by some private insurance companies.

d) International trade information: is obviously better and easier to obtain from the international agencies in Geneva than in Zurich.

26) Proximity to trading markets

Apart from some international commodity traders in Switzerland, there is no specific trading market for any commodity, neither in Geneva nor in Zurich. Geneva has become an important centre of international trade in grain, oil, diamonds and precious stones.

