

# Privacy and Confidentiality

In every conversation with a new foreign client, the subject of Swiss privacy and confidentiality arises. Naturally, we Swiss pride ourselves on our ability to keep our financial affairs, and the affairs of others private.

What is interesting is that we don't give this a lot of thought, and it is not that we don't value privacy -- on the contrary, it is part of our national patrimony -- it is precisely because confidentiality in our personal lives, in our business and finances is completely woven into the fabric of our very being. Privacy and confidentiality became a part of our culture long before it gained legal protection.

For many years a good friend of mine handled Swiss cultural orientation for a multi-national company headquartered nearby. His job was to meet with the transferred executives and their families to explain the "ins and outs" of life in Switzerland. One of the first things he would tell the family is, "Here in Switzerland, money is not mentioned. We like money, we work hard to make it, but we never speak of it"

How much did you earn? What did your apartment cost? How much did you pay for your car? How expensive was the cruise you just took? Just how big was your bonus? What salary increase did you get with your last promotion? All of these questions are simply not asked, not spoken of, and not discussed.

As young boy, I remember a neighboring family who purchased a new set of living room furniture. They organized the delivery at a time they believed no one nearby would be home. The reason? The fact that they could afford new furniture might allow others to draw the conclusion that they were doing well financially. Even as a young boy, I learned to understand what understatement meant.

Why do I tell you these stories? It is to let you know that privacy and confidentiality are part of our genetic code, imbedded in our chromosomes, and an important component of our national character.

Laws similar to those which provide banking secrecy apply to insurance transactions as well. The laws are designed to protect the individual, not the institution. Our privacy laws recognize that each and every one of us has a sphere of privacy around our lives that deserves legal protection. If an employee of an insurance company was to even disclose that you were it's client, this would be considered a severe violation of the privacy laws. Violations of Swiss banking and insurance confidentiality laws result in imprisonment and fines. What is most interesting is that these laws are so rarely violated. Again, even deeper and stronger than the power of our laws is our culture.

Seeing what a substantial financial center Switzerland has become, several countries where the palm trees sway and the sugarcane grows have adopted similar privacy laws. Interestingly, in some instances, their laws carry harsher penalties than ours, but what I see more often than not is an attempt to graft onto their culture, a respect for privacy that had never before existed.

Personally, I never feel my affairs are more private than when they are conducted in Switzerland or nearby Liechtenstein.

As important as privacy and confidentiality are, it is equally important to be able to protect what we have spent so much effort to earn. It is for this reason that in the next section we turn to asset protection.

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