Wealthy individuals from emerging market nations are increasingly using Swiss banks at a time when those from America and Europe are moving away because of a crackdown on tax evasion.

Banks in the United States and Europe are increasingly scrutinising clients with accounts in Switzerland which has long had a reputation for guarding the details of bank accounts.

But under a demand for more transparency and a backlash against non payments of taxes, the country has been yielding to pressure to be more open.

Figures from the Boston Consulting Group shows that clients from developing economies deposited a record 52% of the 1.96 trillion francs ($2.3 trillion) held in offshore Swiss bank accounts last year. It predicts that their share may increase to 63% by 2015 from 37% as recently as 2007.

Last year's handover of UBS to the US Internal Revenue Service has tarnished Switzerland's reputation for protecting the secrets of millionaires. 'For most banks, business with American clients is incredibly complicated and will cause more trouble than it's worth. There will be a big shift from mature markets toward emerging markets,' said Peter Damisch, a partner at Boston Consulting in Zurich.

North American assets will fall to less than 30 billion francs in 2015 from a peak of about 150 billion francs in 2007 and 60 billion francs last year, Boston Consulting estimates.

Swiss offshore assets will grow at an annual rate of 2.5% during the next five years as money from the Middle East, Africa and Latin America outweighs redemptions from European clients, Damisch said.

While bank secrecy has helped Switzerland attract some 27% of the world's offshore wealth, most undeclared assets are in the country for 'stability reasons', according to the International Monetary Fund. It says that these safe- haven attributes are drawing investors amid political upheaval in the Middle East and growing speculation that Greece may be the first country in the 17 member euro region to default.

Switzerland has been a financial refuge for fugitives from unrest since Geneva's Pictet & Cie. and Lombard Odier Darier Hentsch & Cie. were established more than 200 years ago to safeguard the riches of aristocrats fleeing the French Revolution.

UBS, Switzerland's biggest bank, attracted 11.1 billion francs to its wealth management unit in the first quarter after customers withdrew 198.7 billion francs in the nine quarters through June 2010. Funds from emerging market investors and net new money at its Swiss division countered withdrawals by Europeans from cross-border accounts, the Zurich based bank said.

But demand for a commitment to regulatory and tax compliance is putting tremendous pressure on Switzerland as western European clients repatriate their wealth or transfer it to other investments such as real estate, Boston Consulting added in its report.

As Swiss wealth managers lose lucrative cross border clients, they must spend to build onshore networks in Germany, Italy and other European countries.

UBS's wealth business, the world's second biggest, earned 88 cents for every $100 of international assets it managed last year, compared with $1.12 for those booked in Switzerland.

The Swiss government hopes the country's commitment to attracting only taxed assets will boost its appeal. 'That increases the legal security and the competitiveness of Switzerland as one of the world's top financial centres,' said Michael Ambuehl, state secretary to the finance ministry.

The country's staid image offers stability that lures clients, according to Lawrence Howell, chief executive officer of Zurich based EFG International, the private bank controlled by Greek billionaire Spiro Latsis and his family.

'The cultural reality is it isn't a particularly revolutionary society. That supports the idea that Switzerland will continue to be a sovereign risk haven as opposed to a tax evasion haven,' he said.