

MROS

Money Laundering Reporting Office Switzerland
Federal Office for Police



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*Time shall unfold what plighted cunning hides.
Who covers faults, at last with shame derides.*

Shakespeare, King Lear, 1st act, 1st scene

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1 Foreword

There was a marked increase in 1999-2000 in both the number of reports and the volume of assets to which they referred. During the year under review, 370 reports were filed on the basis of business relationships where it was suspected that the assets either originated from criminal activities, were connected to money laundering or were under the control of a criminal organization (previous year: 160 reports; + 231%). These reports concerned assets amounting to CHF 1,543,773,872 (+ 448%)¹. However, the surge in reports should not be seen as a sign of an increase in money laundering in Switzerland. Instead, it means that money launderers can no longer expect to remain anonymous.

This significant rise in the number of reports and especially in the amounts of money involved (an expression of the quality of the reports) is therefore an encouraging sign. It is proof that the laws and regulations are actually being put into effect by a large number of players in the Swiss financial world. In our second year of reporting, banks once again filed the vast majority of reports, up from 80% in 1998-99 to 85%. The participation of the non-banking sector is therefore still below expectations, even though we cannot apply the same standards to all financial intermediaries across the board.

Once again, around two-thirds of reports were forwarded to prosecution authorities, mainly in the financial centres of Geneva and Zurich. The most frequently cited grounds for reports were activities associated with financial crime.

These figures should be observed with two special factors in mind. First, there was a sharp increase in the number of reports in autumn 1999 in connection with the press reports on investigations in the USA concerning events at the Bank of New York. We forwarded these 26 reports to the Geneva prosecution authorities, even though some of the business relationships concerned financial institutions in other parts of Switzerland. The procedure was therefore concentrated in Geneva. The second factor was the large number of reports that followed the press release by the Federal Office for Police, which confirmed that Nigerian authorities had made a request for judicial assistance concerning individuals close to Nigeria's former president General Abacha. These reports were also forwarded to the Geneva prosecution authorities in charge. The 'Abacha' affair produced reports concerning a total of CHF 800,000,000. In both cases, many banks initiated extensive internal investigations, resulting in the high number of reports.

¹ Total sum in CHF of the assets entrusted to the financial intermediaries at the time the report was filed

In our analysis of customers (from a legal point of view) and beneficial owners (from an economic point of view), we have now also shown them on the basis of nationality and domicile. While offshore companies (British Virgin Islands, Cayman Islands, Isle of Man, Bahamas, etc.) rank high among actual customers, there has been a marked increase in Russian nationals as beneficial owners. Many of these are in connection with the aforementioned 'Bank of New York' investigations.

63² % of the reports forwarded to the prosecuting authorities the previous year actually resulted in criminal proceedings, which are still underway. This is a very gratifying figure, even in international comparison. Given the nature of these cases, it is quite understandable that no final sentences or confiscation orders have yet been passed. Most cases have to be processed in collaboration with foreign judicial authorities, and this has proven to take quite some time. Our reports were also used in support of a large number of requests for judicial assistance from abroad. Moreover, the number of suspension orders should not be seen as a sign of inefficiency. The mere opening of criminal proceedings has a deterrent effect and thus helps uphold Switzerland's good name as a financial centre.

International cooperation is of particular importance in our work. Our participation in the committees of the FATF (Financial Action Task Force on Money Laundering) and the Egmont Group of FIUs (financial intelligence units – worldwide association of money laundering reporting offices) is producing successful results. On 16 July 1999 we signed a declaration of intent with the Belgian reporting office (CTIF-CFI), laying down the details of our cooperation. Negotiations with the reporting offices of France, Finland and the Czech Republic are now well underway, and we expect to sign more such agreements in the near future.

I would like to thank my colleagues, Mark van Thiel – my deputy, Alexander Hartmann and Delphine Tuetey. We could never have achieved such results without their tireless commitment. Thanks to them we managed to pass on information and answer questions posed by financial intermediaries at dozens of events organized throughout the year.

Daniel Thelesklaf
Head of the Money Laundering Reporting Office Switzerland (MROS)

27th June 2000

² Total reports passed on 1998/1999: 107

2 Report of activities in the period under review

2.1 Selected typologies

Once again, we present here a selection of cases that are typical of those notified to the Money Laundering Reporting Office (MROS) as well as an case study published by the Financial Action Taskforce on Money Laundering (FATF). This anonymous selection of suspicious transaction reports shows some of the different forms that money laundering can take, but it should not by any means be construed as constituting a complete list. Money is laundered using every conceivable method and variant. The following examples of cases may be used for training purposes if the source is cited.

Case 1 A hasty withdrawal

A medium-sized bank provides account facilities for a foreign customer over a number of years. This account has been run without any problems for quite some time. One day the customer comes to the bank and requests that all her accounts be closed immediately. When asked by the bank why she wishes to close her accounts so hastily, the customer replies that she has learnt that an acquaintance of hers – the person she says introduced her to the bank – has been arrested on suspicion of money laundering in a southern European country. She is now worried that her accounts could be frozen too, and so she asks for all her assets to be paid out in cash. She does not wish to transfer the funds to another bank account.

Further investigations carried out by the bank reveal that a number of arrests on suspicion of drug trafficking were indeed made in that particular southern European country. The customer's documents were found in a safe belonging to one of those arrested.

The bank then decides to notify the Money Laundering Reporting Office (MROS), which forwards its report to the relevant prosecution authority.

The competent prosecution authority subsequently instigates criminal proceedings and issues a request for judicial assistance. The customer's assets are partially frozen.

Case 2 Unhealthy side effects

A medium-sized company that claims to sell healthcare products and foods opens an account with a bank. The customer states that the corporate account will be used for payments from customers in Europe. The information submitted by the customer (brochures, corporate documentation) gives a professional impression.

Within the first six days of opening the account, 11 payments are made for sums ranging between GBP 15,000 and 50,000. Practically the entire assets are then paid over straight away to the beneficial owner. Three months later, another payment for USD 500,000 is made.

Due to the unusual and irregular flow of payments and the immediate transfer of assets to the beneficial owner, the account manager at the bank becomes suspicious and decides to make further enquiries with the customer. The bank contacts the customer and asks for a background report. In the ensuing discussion, the customer makes some contradictory and vague comments. The documents and receipts requested by the bank are not furnished, i.e. the customer refuses to submit them. On this basis, the bank files a suspicious transaction report with the MROS in application of Article 9 of the Money Laundering Act and freezes the customer's assets.

Following its own investigations, the MROS establishes that the persons in question are involved in a case of fraud in the United Kingdom. After a newspaper article on this case appears in the UK, the persons responsible immediately try to withdraw their assets. The MROS finds out from the British reporting office for money laundering that those responsible for the company are under investigation for fraud in the UK. The report is then referred to the cantonal prosecution authority for further processing.

The United Kingdom subsequently issues a request for judicial assistance from Switzerland. Criminal proceedings are instigated in Switzerland and the ongoing proceedings in the UK are supported by the report. The offence is contrary to Article 146 of the Penal Code.

Case 3 Las Estancias of Argentina

A Spanish national opens an account at a bank. On opening the account, he deposits a sum of PTS 10,000,000 in cash. In reply to the bank's question as to the source of these funds, the customer states that the money is the proceeds from the sale of properties in Argentina.

Two months later the customer again pays PTS 6,000,000 in cash into his account. Again he declares that the money is the proceeds from the sale of properties in Argentina. He says he is planning to retire and withdraw from business life.

Three months later his wife shows up seeking to pay PTS 16,000,000 in cash into a new account to be held in the joint names of herself and her husband. She too states that the money is the proceeds from the sale of properties. She explains that her husband could not deposit the money himself as he has suffered an accident. The bank does not open the joint account because the husband does not return the signed application forms for opening the account.

A few months later the woman in question again visits the bank and tries this time to deposit PTS 15,000,000 in cash into her husband's account. Again she states that the money is the proceeds from property sales in Argentina. The account managers tell the woman that the joint account was not opened because her husband had not yet signed and returned the application. The account managers suggest calling the husband directly in hospital.

The woman then breaks down and admits in tears that her husband has been arrested for possession of drugs and is now in prison in South America.

The bank immediately contacts the Money Laundering Reporting Office. The suspicious transaction report is forwarded to the competent cantonal prosecution authority.

Case 4 Internal affairs

A branch of a Swiss financial intermediary was raided abroad. The hold-up was of particular note because of its high level of professionalism and the extremely high sum of money stolen.

The foreign police authority formed a special commission that dealt with the hold-up over a number of months. Their intensive investigations finally led to the arrest of the bank robbers. Some of those caught admitted the hidden location of the money.

After the initial success of the investigation and after finding some of the stolen money, the investigation began to grind to a halt. Some members of the special commission uncovered irregularities in the investigatory work. The bank robbers' statements were obviously inconsistent with the money actually found, in terms of both location and quantity.

The officials informed the department for internal affairs, which started up its own investigation. Soon afterwards, the incredible suspicion that one of the investigating officials could have appropriated some of the stolen money was indeed substantiated. Frank soon became the focal point of the investigation.

Frank was a member of the special commission placed in charge of this case. He was often abroad in this connection to safeguard the stolen money and ultimately return it to its rightful owner.

Frank's office and apartment were searched. Brochures and publicity material for investment funds were found at his home. However, there was no proof that Frank had opened an account with a Swiss bank.

By means of a request for judicial assistance, the investigating magistrate asked Switzerland for information on a number of the Swiss banks advertising in the brochures.

The competent prosecution authority in Switzerland rejected the foreign request for judicial assistance on the basis that that it contained no specific details on Frank's possible assets in Switzerland.

A few months later the Money Laundering Reporting Office received a suspicious transaction report from a bank. Based on the evidence, the analyses performed led to the above-mentioned request for judicial assistance. The MROS immediately contacted the corresponding reporting office abroad and, with their help, soon found out that the bank customer in question had to be Frank K. The account statements confirmed that Frank K. has deposited the stolen money to this account, just at the time the initial investigation began to lose pace.

The Money Laundering Reporting Office then forwarded the suspicious transaction report to the competent prosecution authority in Switzerland. With such precise details now at his disposal, the Swiss investigating magistrate was finally in a position to comply with the foreign request for judicial assistance. As a consequence, the assets in Switzerland were frozen for the time being.

Case 5 The wrong business sector

In the processing centre of a payments provider, an account manager notices the unusual behaviour of a customer (legal entity). The persons responsible are withdrawing increasingly large sums of cash directly at the counter. According to the certificate of registration, the company's purpose is 'corporate consulting in all operational sectors'.

However, most of the payments received by the company are from private clients.

The bulk of the cash withdrawals are made in Canton A, while the company's headquarters are in Canton B. In each case, the amount of payments made is such that no in-house forms need to be filled out.

The internal department for combating money laundering decides to file a suspicious transaction report with the MROS under Article 9 of the Money Laundering Act. After completing its own investigations, the MROS forwards the report to the competent prosecution authority.

The prosecution authority commences criminal proceedings on suspicion of commercial fraud and disloyal business management.

Case 6 The press report

In November 1999 Swiss newspapers reported the case of a non-profit organization that was cheated out of USD 20,000,000. The fraud was based on a cleverly devised plan offering the possibility of investing some USD 90,000,000 in a major construction project. But this was more than just an investment. The non-profit organization community chose to invest in this construction project to help it out of a difficult financial predicament and thus prevent large-scale redundancies.

Of this USD 90,000,000, the two perpetrators shared USD 20,000,000 between them and deposited it with Swiss banks. When the investors became aware of the fraud, the perpetrators fled to Central America to a country with no extradition treaty with the country in question. However, one of them returned to his native country to take care of one final business matter. He was arrested by the investigating authorities there as soon as he arrived at the airport.

This press report was also read by an account manager at one of the banks in question in Switzerland. After consultation with the legal department, an internal freezing of the assets is ordered and a report is filed with the Money Laundering Reporting Office in accordance with Article 9 of the Money Laundering Act.

The MROS forwards the report in question to the competent prosecution authority. Meanwhile, a request for judicial assistance is made to Switzerland. The assets are frozen in Switzerland and criminal proceedings are instigated.

Case 7 The 'depositor'

A cashier at a payments institution notices that a customer is coming in to deposit ever increasing sums of cash (between CHF 20,000 and 80,000). The money is presented in very small denominations. The same beneficiary is always written by hand. Only by applying considerable pressure can the cashier bring the customer to fill out the "beneficial owner" form and furnish an official ID to be copied.

A decision is made to file a suspicious transaction report with the Money Laundering Reporting Office.

Following additional investigations, the case is forwarded to the competent prosecution authority. The investigating magistrate decides to commence a preliminary investigation on the basis of suspected money laundering and an offence contrary to the Anti-Drug Law.

Case 8 Hidden investigation

A trust company receives funds for asset management on its custody account at a bank in a country bordering Switzerland. The funds come from a customer in Southeast Asia with whom the trust company has entered into a fiduciary agreement. The documents required for meeting the obligation to exercise due diligence have been furnished by the customer. Proof of capital has been verified together with a reputable bank. Additional checks were made and the relevant customer service provided abroad by an authorized employee. This employee was arrested and released after 14 days with no indication of the reason.

Following an examination of records by the trust company's lawyers in the neighbouring country, it transpired that the payment transfers were already being secretly supervised for some time. The customer did not respond to the trust company's request for exculpatory evidence.

The trust company files a report in pursuance of Article 9 of the Money Laundering Act. The report was subsequently forwarded to the competent prosecution authority, which commenced criminal proceedings and instigated a request for judicial assistance.

Case 9 Suspicious funds transfers

Max worked at a Swiss bank. He frequently used one of the major 'money transmitters' to send funds to a West African country. He generally used the same branch of this 'money transmitter' each time.

After a while, the employees at the 'money transmitter' noticed that their customer Max was coming to the branch accompanied by other people. Max's 'friends', one of whom was called Philippe, transferred funds to the same beneficiary in the same West African country.

Max became quite agitated when the cashier asked him about the economic background of the transactions. The cashier found this strange. To make matters even more confusing, it transpired that Max's 'friends' were transferring money in their own names in each case to the same beneficiary. But all the money belonged to Max.

The cashier became suspicious and decided to send a suspicious transaction report to the Money Laundering Reporting Office in pursuance of Article 9 of the Money Laundering Act. The checks subsequently performed by the Reporting Office produced no basis for suspecting Max of a crime. In fact, the MROS became increasingly suspicious that it was Max himself who was being cheated, a victim of the well known '419 scam'.

Max's friends proved to be of much greater interest. These obviously had close ties with red-light district activities. However, as there was insufficient evidence to substantiate the suspicion that the assets came from a crime, the MROS decided to shelve the case for the time being.

Several months later, a foreign reporting office sent the MROS a request for information. One of the individuals mentioned in the request was Philippe, one of Max's companions. Apparently, Philippe had transferred large sums of money to Switzerland from abroad, where his activities had not gone unnoticed.

In the meantime, the Money Laundering Reporting Office also learnt that investigations were underway against Philippe in another Swiss canton on suspicion of fraud.

The MROS provided the foreign reporting office with the information they needed. They then forwarded their suspicious transaction report to their own prosecution authority.

Case 10 *A case study of the FATF (Financial Action Task Force on Money Laundering)*

Money launderers recruiting individuals to misuse their bank accounts

A foreign FIU (financial intelligence unit) receives suspicious transaction reports on unusual financial transactions from three financial intermediaries. A subsequent investigation by the police reveals that a number of individuals have been hired as 'money collectors' for an organization dealing in cocaine. In turn, these people had turned to other individuals who, because of their professional activities, have access to a well developed financial infrastructure and are interested in allowing their accounts to be used for money laundering purposes in exchange for a handsome commission. They are supposed to deposit cash to their accounts and then make it available to the 'money collectors' through payment orders.

The individuals recruited worked in a variety of sectors. The main targets were travel agents, import/export companies and computer dealers. The payment orders were made more convincing with forged invoices corresponding to the core business.

The subsequent criminal investigation revealed an organization that had laundered some USD 30,000,000 from cocaine dealing. The perpetrators were identified and have been charged in several countries.

2.2 Articles 9 and 10 of the MLA in practice

The Money Laundering Act (MLA) is formulated as a framework law, thereby allowing the authorities a certain amount of leeway in practice. Beyond this, the concept of self-regulation should be noted. Once again, the year under review produced a number of questions on the application of Articles 9 and 10 of the Money Laundering Act.

In principle, Articles 9 and 10 of the Money Laundering Act – reporting obligation and freezing of assets – are interpreted on the basis of not just the wording itself but also the actual purpose of the law. The objective is to elicit not a maximum of reports but rather the information that can be used by the prosecution authorities to efficiently combat money laundering. In matters concerning the application of Articles 9 and 10 of the Money Laundering Act, the MROS is therefore in close contact with the prosecution authorities and the supervisory bodies and authorities.

2.2.1 Notes on Article 9 of the MLA (reporting obligation)

We are not in favour of providing a fixed definition of the term 'substantiated suspicion' in accordance with Article 9 of the Money Laundering Act. This would only give potential money launderers a chance to work out in advance which information must be sent to the authorities and which business activities can still be carried out in secret. However, the examples given here of cases that resulted in suspicious transaction reports should help to produce a more precise definition of the term.

2.2.1.1 Most frequent reasons for reporting

2.2.1.1.1 Media reports

Media reports play a major role in substantiating a suspicion. In this case, the financial intermediary becomes aware through the media of criminal proceedings in Switzerland or abroad in which a customer is accused of having committed an offence contrary to Swiss criminal law. The financial intermediary is obliged to file a report unless it has concrete proof that the assets entrusted to it are the proceeds of a legal activity.

2.2.1.1.2 Actions of the prosecution authorities

Given that the purpose of the obligation to report is to provide the prosecution authorities with information to help them combat money laundering, there is no obligation to report information that is already known to the prosecution authorities (cf. first Annual Report, page 13). Hence, any information already ascertained by the prosecution authorities should not be forwarded again to the Reporting Office on the basis of Article 9 of the Money Laundering Act. In pursuance of Article 29 of the Money Laundering Act, the prosecution authorities are in any case obliged to notify the Reporting Office of pending proceedings so as to keep it informed of the relevant data.

It is a different matter if the action performed by the prosecution authorities provides the financial intermediary with a substantiated suspicion concerning individuals not directly affected by the actions of the prosecution authorities.

2.2.1.1.3 Unsuccessful clarification by the financial intermediary

Before filing a report, the financial intermediary must attempt to clarify the situation in accordance with Article 6 of the Money Laundering Act. The grounds for suspicion may be, for example, a customer's refusal to cooperate in such clarification attempts³. Statements that are contradictory or obviously false should be classified as a refusal. Moreover, such refusal need not be explicit, but may also be assumed from the overall context or the conclusive attitude of the customer.

2.2.1.1.4 Third-party information

Apart from the media and the Swiss prosecution authorities, there are other third parties that provide the financial intermediaries with information arousing suspicion. For example, these may be:

- group companies (e.g. parent company)
- supervisory authorities
- foreign authorities
- business partners

In some cases, it was even the customers themselves or their relatives who provided the financial intermediary with the information that elicited the substantiated suspicion.

Not all third-party information automatically substantiates a suspicion. While the information that a customer has allegedly committed a crime may bring a financial intermediary to seek additional clarification, this alone does not oblige a financial intermediary to file a report. Even the knowledge that an offence has been reported is not sufficient for a report, as this may well occur without any basis. The threshold is, as mentioned above, the knowledge of criminal proceedings in Switzerland or abroad.

2.2.1.2 Obligation to report in the case of three-party relationships

Every financial intermediary is obliged to file a report if the preconditions for such exist. This obligation may not be delegated to another party. In the case of three-party relationships (e.g. customer / bank / external asset manager), however, we recommend that the financial intermediaries involved and the Reporting Office come to an agreement before submitting the report, so as to ensure coordination of the matter. Ideally, the reports should be filed at the same time.

³ as expressed in item 26 of the FBC circular 98/1.

2.2.2 Notes on Article 10 of the MLA

2.2.2.1 Relationship between the freezing of assets and an information embargo

The freezing of assets and the information embargo may conflict with each other, for instance if a bank customer wishes to make a cash withdrawal during the freezing of assets in accordance with Article 10 paragraph 2 of the Money Laundering Act. In this case, the financial intermediary can neither release the funds nor inform the customer of the report filed. As a possible solution, the bill points out that the prosecution authority can solve the conflict by lifting either the freeze or the information embargo, at least partially. However, this does not solve the conflict if no prosecution authority has yet become involved during the 5-day freezing of assets in accordance with Article 10 of the Money Laundering Act. In our opinion, for the entire duration of the freezing in accordance with Article 10 paragraph 2 of the Money Laundering Act, financial intermediaries in such a situation should apply the recommendation issued by the Committee for Organized Crime and Economic Crime of the KKJPD (Conference of Cantonal Justice and Police Directors) to the cantonal prosecution authorities in relation to the management of frozen accounts.

2.2.2.2 Decision by the Reporting Office not to forward a report

If the Reporting Office decides before expiry of the 5-day freezing of assets not to forward a suspicious transaction report, it may inform the financial intermediary of its decision. This terminates the deadline in accordance with Article 10 paragraph 2 of the Money Laundering Act. This action may prevent the customer or third parties being warned off by the report, which is precisely what the legislature tried to rule out in Article 10 paragraph 3 of the Money Laundering Act.

2.3 Conferences and seminars

During the period under review MROS officials played an active part in the following external events (whether as speakers, moderating seminars, chairing workshops, etc.):

Date	Place	Organization
06.05.99	Zürich	Forum Sorgfaltspflicht und Geldwäscherei
07.05.99	Zürich	SACO – Swiss Association of Compliance Officers
18.05.99	Stuttgart	Landeskriminalamt Baden-Württemberg
27.05.99	Zürich	Weiterbildungsstufe HSG St. Gallen
01.06.99	Bern	Richterdelegation aus der Ukraine
02.06.99	Bern	Vereinigung dipl. Bankfachleute, Bern & Umgebung
15.06.99	Zürich	IFE – International Faculty for Executives
16.06.99	Genève	Etude d'avocat
18.06.99	Zürich	IPC – International Professional Conferences
23.06.99	Genève	Etude d'avocat
27.07.99	Villingen	Hochschule für Polizei / LKA Baden-Württemberg
20.08.99	Bürgenstock	Credit Suisse Private Banking
15.09.99	Zürich	Verband der Auslandbanken in der Schweiz
16.09.99	Genève	Association des Banques Etrangères en Suisse
21.09.99	Zürich	CREDIMPEX Schweiz
24.09.99	Bern	VSV – Verband Schweiz. Vermögensverwalter
29.09.99	Zürich	FORUM – Institut für Management
01.10.99	Zürich	POLYREG
07.10.99	Bern	Kantonsschule Zürich Oberland
15.10.99	Interlaken	Finter Bank Zürich
16.10.99	Interlaken	Finter Bank Zürich
22.10.99	St. Gallen	KSBS
28.10.99	Lausanne	Vaudoise Assurances

Date	Place	Organization
02.11.99	Bern	Richterdelegation aus der Ukraine
04.11.99	Zürich	SFUSA
04.11.99	Aarau	Vaudoise Assurances
09.11.99	Zürich	Treuhandkammer
12.11.99	Bern	Justiz- und Polizeidirektion des Kantons Graubünden
24.11.99	Genève	IIR – Institute for International Research
30.11.99	Genève	Chambre fiduciaire
03.12.99	St. Gallen	Regionale Info-Meeting Strafverfolgungsbehörden
07.12.99	Genève	IFE – International Faculty for Executives
08.12.99	Zürich	IFE – International Faculty for Executives
08.12.99	Bern	Jahresschlusskonferenz der Staatsanwälte des Kantons Bern
09.12.99	Bern	Schweiz. Falschgeldtagung
10.12.99	Basel	Regionale Info-Meeting Strafverfolgungsbehörden
14.12.99	Bern	Regionale Info-Meeting Strafverfolgungsbehörden
17.12.99	Luzern	Regionale Info-Meeting Strafverfolgungsbehörden
20.01.00	Morat	Chambre de commerce
17.01.00	Lugano	Chambre fiduciaire
27.01.00	Genève	Chambre de commerce
02.02.00	Lausanne	Banque Cantonale Vaudoise
02.02.00	Genève	ABN-AMRO
03.02.00	Genève	MGI
03.02.00	Lausanne	Chambre de commerce
09.02.00	Bern	Die Post - Postfinance
01.03.00	Genève	IIR – Institute for International Research
11.03.00	Muri	Kolloquium Slowakei - Schweiz

3 International

3.1 Financial Action Task Force on Money Laundering (FATF)

The twenty six member countries and governments of the FATF, whose Secretariat is based at the OECD, are: Australia; Austria; Belgium; Canada; Denmark; Finland; France; Germany; Greece; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; Singapore; Spain; Sweden; Switzerland; Turkey; United Kingdom; and the United States. Two international organisations are also members of the FATF: the European Commission and the Gulf Co-operation Council. Observer members are: Argentina, Brazil and Mexico.

Japan chaired the tenth round of the Financial Action Task Force on Money Laundering (FATF). Major achievements of the 1998-1999 round included the completion of the second set of mutual evaluations of the anti-money laundering measures taken by its members, and launching the enlargement of the FATF membership. All FATF members have now been subject to two in-depth examinations of their anti-money laundering regimes. Three countries (Argentina, Brazil and Mexico) will be invited to join the FATF as observers in September 1999.

The FATF also continued its task of refining anti-money laundering measures in several areas (accounting professions and associated rules, strengthening international co-operation, consideration of how anti-money laundering systems can contribute to dealing effectively with tax related crimes). In this respect, an Interpretative Note to Recommendation 15 was adopted in order to close the "fiscal excuse" in the reporting of suspicious transactions. Important work on the problems raised by non-cooperative countries or territories in the combat of money laundering was also launched during the year. In addition, the Task Force conducted its annual broad-ranging review of money laundering trends and techniques.

As in previous rounds, the Task Force devoted a considerable part of its work to the monitoring of members' implementation of the forty Recommendations on the basis of the self-assessment and mutual evaluation procedures. The 1998-1999 self-assessment exercise showed that members had continued to make progress in implementing the forty Recommendations. Furthermore, the mutual evaluation procedure, which provides for a thorough examination of the counter-measures in place and their effectiveness, continues to be an irreplaceable monitoring mechanism. All FATF members have now been examined in the second round of mutual evaluations. Summaries of the twelve mutual evaluation examinations (Spain; Finland; Luxembourg; Ireland; Hong Kong, China; New Zealand; Iceland; Singapore; Portugal; Turkey; Aruba and the Netherlands Antilles) which were conducted during FATF-X are contained in Part I of the report. In January 1999, the FATF carried out a mission to the Gulf Cooperation Council's headquarters in Riyadh to discuss how to improve the implementation of effective anti-money laundering systems among the GCC members.

The assessment of current and future money laundering threats is an essential part of the FATF's work. The annual survey of money laundering typologies focused on a number of major issues: the Euro currency unit and large denomination banknotes; problems associated with offshore financial centres of non-cooperative jurisdictions, including the identification of the beneficial owners of foreign legal entities; challenges posed by new payment technologies; and the potential use of the gold market in money laundering operations. During the round, experts from FATF members and several international organisations continued the work commenced in 1997 on estimating the magnitude of money laundering.

The FATF supported the various activities of other regional and international bodies involved in the fight against money laundering. In this regard, it should be noted that the Caribbean FATF and the Select Committee of the Council of Europe (PC-R-EV) continued to carry out mutual evaluation programmes of the anti-money laundering measures taken by their members. The Asia/Pacific Group on Money Laundering pursued its anti-money laundering activities, notably through two typologies exercises, held in October 1998 and March 1999. In October 1998, the FATF organised an international money laundering Seminar in Athens for the countries of the Black Sea Economic Cooperation.

According to the objectives agreed upon in April 1998 by FATF's Ministers, the issue of enlarging FATF membership and the strengthening of the work of FATF-style regional bodies will be pursued in 1999-2000. These essential tasks will be carried out under the Presidency of Portugal, which will commence on 3 July 1999.

In February 2000 the Financial Action Task Force (FATF), published a report describing a process designed to identify non-cooperative jurisdictions in the fight against money laundering and to encourage them to implement international standards in this area. The year-old initiative began with the development of twenty-five criteria to identify detrimental rules and practices that impede international cooperation in the fight against money laundering. The criteria address the following issues:

- Loopholes in financial regulations that allow no, or inadequate supervision of the financial sector, weak licensing or customer identification requirements, excessive financial secrecy provisions, or lack of suspicious transaction reporting systems.
- Weaknesses in commercial requirements including the identification of beneficial ownership and the registration procedures of business entities.
- Obstacles to international co-operation, regarding both administrative and judicial levels.
- Inadequate resources for preventing, detecting and repressing money laundering activities.

The criteria are consistent with the international anti-money laundering standards set out in the forty Recommendations of the FATF, the intergovernmental body set up in 1989 to combat money laundering.

The FATF has set up four regional review groups to begin reviews of a number of jurisdictions, both within and outside the FATF membership. Jurisdictions to be reviewed are being informed of the work to be carried out by the FATF. The reviews will involve the gathering of all relevant information, including laws and regulations as well as any mutual evaluation reports, self-assessment surveys or progress reports, if available. The factual information on each jurisdiction's regime will then be analysed with respect to the twenty-five criteria and a draft report will be prepared and sent to the jurisdictions concerned for comment. Once the reports are completed, the FATF will address further steps to encourage constructive anti-money laundering action as well as the issue of publication of lists of non-cooperative jurisdictions.

In today's financial industry money laundering is not just a global phenomenon, it is on the increase too. The organized crime is constantly developing new methods to launder its proceeds of illicit activities, in order to evade the countermeasures. On 3rd february 2000 the FATF published the latest report on money laundering typologies. It highlighted the current trends as well as new threats and listed effective countermeasures. The report specially focuses on:

- dangers in on-line banking;
- the increasing market of alternative remittance systems;
- the role of company formation agents;
- trade related money laundering activities;
- money laundering trends in different regions of the world.

3.2 The Egmont Group

The Egmont Group is a meeting forum now comprising 48 financial intelligence units (FIUs). The MROS was accepted into the group in 1998 (cf. detailed lists in the first Annual Report, p. 24 ff.). In addition to the plenary meeting held in Bratislava in May 1999, working group meetings were held in Rome and Athens during the period under review. The MROS is active in the Legal and the Outreach working groups.

The goal of the Egmont Group is to create the prerequisites for a secure, rapid and legally reliable exchange of information serving to combat money laundering. It forms the central network in the international cooperation of the MROS.

Without this network, our work would be much more difficult if not impossible, because most of the persons cited in the suspicious transaction reports submitted in Switzerland are domiciled/resident abroad. Without knowledge of any prior offences that may exist, the fight against money laundering is practically impossible from the outset.

3.3 Bilateral collaboration

A Memorandum of Understanding with the Belgian supervisory body CTIF-CFI was signed on 16 July 1999 in Berne. This governs the details of the exchange of information between the two countries.

We are currently negotiating similar documents with a range of other countries, including France, Finland and the Czech Republic.

In August/September 1999 we organized a study visit by eight delegates from Singapore. The result of this meeting will enable us to intensify our bilateral cooperation with Singapore, a financial centre of significance for the entire Asian region.

The Australian Minister for Justice, Amanda Vanstone, visited us on 12 January 2000. This meeting was taken as an opportunity to work out the various possibilities for bilateral cooperation. We also expect to sign a Memorandum of Understanding with Australia.

Finally, within the framework of staff exchange programmes with other FIUs abroad, we received visits from representatives of the French, Belgian and Dutch reporting offices.

During the year under review, we dealt with a total of 122 enquiries from foreign FIUs.

4 Data protection and GEWA

4.1 Data protection

Detailed provisions for data protection are laid down in Article 33 et seq. of the Money Laundering Act and in the Ordinance governing the Money Laundering Reporting Office. Data protection is a major consideration in our work because the reports we receive contain personal data in relation to suspicions that may well prove to be unfounded.

To assist it in the accomplishment of its duties, the Money Laundering Reporting Office maintains its own data processing system (GEWA) in which all the suspicious transaction reports received from financial intermediaries are stored. The system is also used to keep track of deadlines. The GEWA database is not a general-purpose police database and is used solely by the Money Laundering Reporting Office for the purpose of performing its statutory duties.

Personal data stored on GEWA may be disclosed only to a limited number of parties and subject to certain conditions. Only officials of the Money Laundering Reporting Office have access to the GEWA database.

In addition, all data stored on GEWA must be deleted after a certain length of time, which is specified in the Ordinance governing the Money Laundering Reporting Office.

At present there are GEWA entries in respect of 2,255 persons (individuals and legal entities).

4.2 GEWA

The legal basis for GEWA is laid down in Article 1 (b) of the Ordinance governing the Money Laundering Reporting Office.

GEWA is developed in accordance with the HERMES project plan, used in the Swiss Confederation's IT projects.

The requirements of GEWA are defined on the basis of a combination of legal precepts and practical experience. In accordance with HERMES, GEWA is currently still a prototype. The project is scheduled for completion in 2001, when the GEWA prototype will be implemented as the GEWA application.

5 Annual statistics of the Money Laundering Reporting Office Switzerland

5.1 Overview at 31st March 2000

<i>No. of cases reported</i>	1998/1999			1999/2000	
	Absolut	Relativ	+/-	Absolut	Relativ
Total received	160	100%	231%	370	100%
passed on to the PA	107	67%		256	69%
not passed on	53	33%		114	31%
Type of reporting institution					
Banks	128	80.0%		313	84.6%
Investment advisors	5	3.1%		19	5.1%
Companies providing payment services	1	0.6%		14	3.8%
Fiduciaries	17	10.6%		9	2.4%
Lawyers	3	1.9%		6	1.6%
Insurance companies	2	1.3%		4	1.1%
Credit card companies	2	1.3%		3	0.8%
Securities traders	1	0.6%		2	0.6%
Others	1	0.6%		0	0.0%
Value reported in CHF					
(Total effective assets at the time when the case was reported)					
Grand total	333'693'528	100%	448%	1'543'773'872	100%
Reports passed on	236'077'151	71%		1'454'711'980	94%
Reports not passed on	97'616'377	29%		89'061'892	6%
Average (total)	2'085'585		200%	4'172'362	
Average (passed on)	2'206'329			5'682'469	
Average (not passed on)	1'841'818			781'245	

Caption

PA = Prosecuting authority

5.2 Prosecution authorities involved

What the chart represents

This chart shows the prosecution authorities to which MROS forwarded suspicious transaction reports.

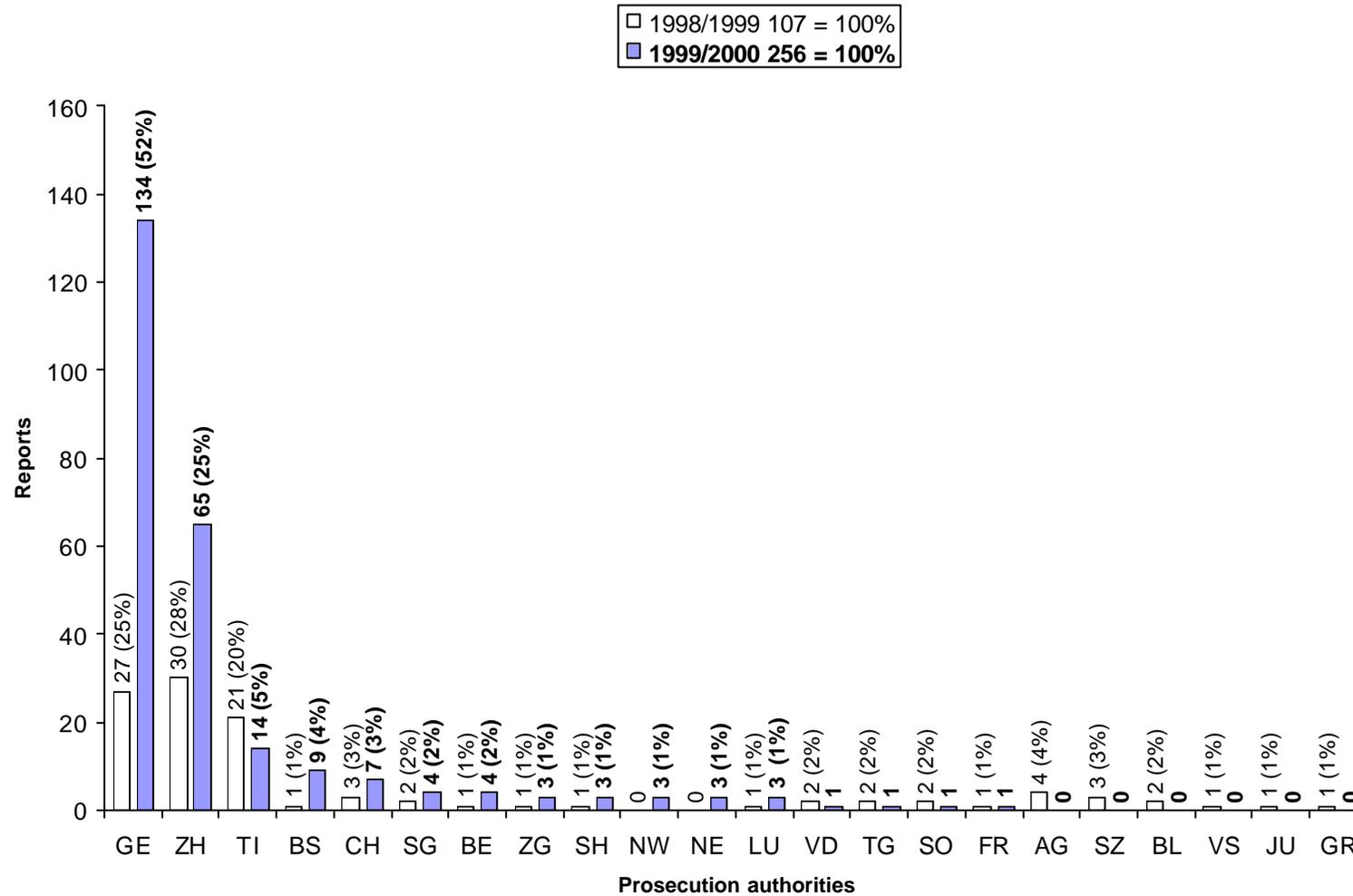
What the chart indicates

As in the previous year, the majority of suspicious transaction reports were forwarded to the cantons of Geneva, Zurich and Ticino. These are the leading financial centres of Switzerland. The canton of Geneva received the most suspicious transaction reports because it was designated by the Federal Office for Police, among others, as the leading canton in the 'Bank of New York' and 'Abacha' affairs.

Key

GE	Geneva	ZG	Zug	FR	Fribourg
ZH	Zurich	SH	Schaffhausen	AG	Aargau
TI	Ticino	NW	Nidwalden	SZ	Schwyz
BS	Basel-Stadt	NE	Neuchâtel	BL	Basel-Landschaft
CH	Swiss Confederation	LU	Lucerne	VS	Valais
SG	St. Gallen	VD	Vaud	JU	Jura
BE	Berne	TG	Thurgau	GR	Grisons
		SO	Solothurn		

Prosecution authorities involved



5.3 Home cantons of reporting financial intermediaries

What the chart represents

This chart gives a breakdown by canton of the financial intermediaries from which suspicious transaction reports were received by the MROS. This contrasts with the chart on 'Prosecution authorities involved', which shows the prosecution authorities to which suspicious transaction reports were subsequently forwarded.

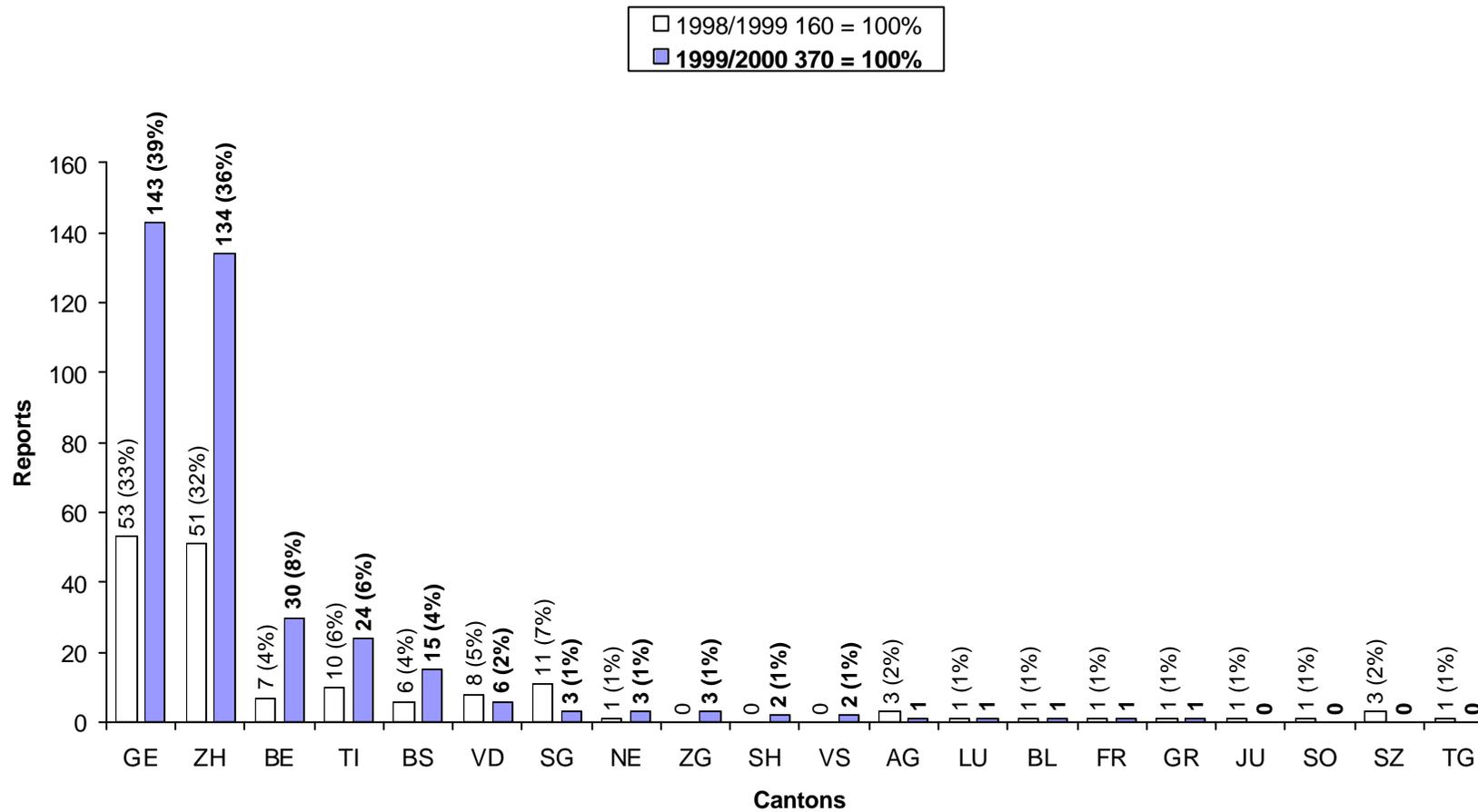
What the chart indicates

As was the case in the previous chart, the leaders again include the cantons of Geneva and Zurich. The canton of Berne has moved closer to the fore since the previous year. This is explained by the fact that many financial intermediaries require their subsidiaries to channel any suspicious transaction reports through their head office or regional headquarters. The subsidiaries themselves may be located in another canton.

Key

GE	Geneva	VS	Valais
ZH	Zurich	AG	Aargau
BE	Berne	LU	Lucerne
TI	Ticino	BL	Basel-Landschaft
BS	Basel-Stadt	FR	Fribourg
VD	Vaud	GR	Grisons
SG	St. Gallen	JU	Jura
NE	Neuchâtel	SO	Solothurn
ZG	Zug	SZ	Schwyz
SH	Schaffhausen	TG	Thurgau

Home cantons of reporting financial intermediaries



5.4 Domicile of customers

What the chart represents

This new chart shows the country of domicile, in the case of corporate bodies, or the country of residence, in the case of individuals, of customers of the financial intermediaries that have submitted suspicious transaction reports.

What the chart indicates

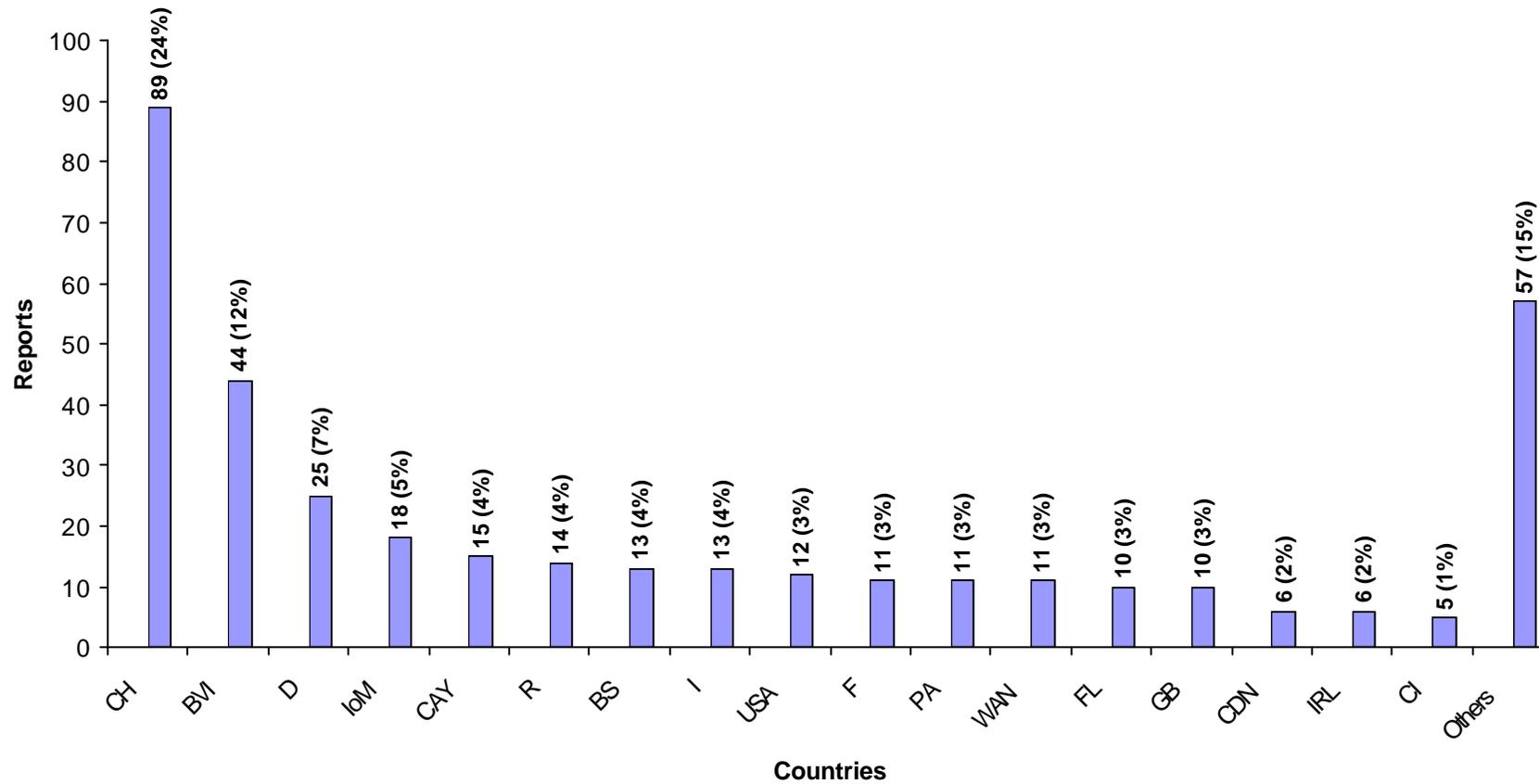
Once again, Switzerland is at the top of the list due to the fact that the majority of customers of Swiss financial intermediaries are based in Switzerland. Offshore financial centres and neighbouring countries such as Germany, Italy and France are also prominent. Unlike last year, Russia and Nigeria are now also on the list. This is in connection with the 'Bank of New York' and 'Abacha' affairs.

Caption

CH	Switzerland	PA	Panama
BVI	British Virgin Islands	WAN	Nigeria
D	Germany	FL	Liechtenstein
IoM	Isle of Man	GB	Great Britain
CAY	Cayman Islands	CDN	Canada
R	Russia	IRL	Ireland
BS	Bahamas	CI	Ivory Coast
I	Italy	Others	Rest of the world combined, without geographical differentiation
USA	USA		
F	France		

Domicile of customers

1999/2000 370 = 100%



5.5 Nationality of customers

What the chart represents

This chart shows the country of domicile, in the case of corporate bodies, or the nationality, in the case of individuals, of customers of the financial intermediaries that have submitted suspicious transaction reports.

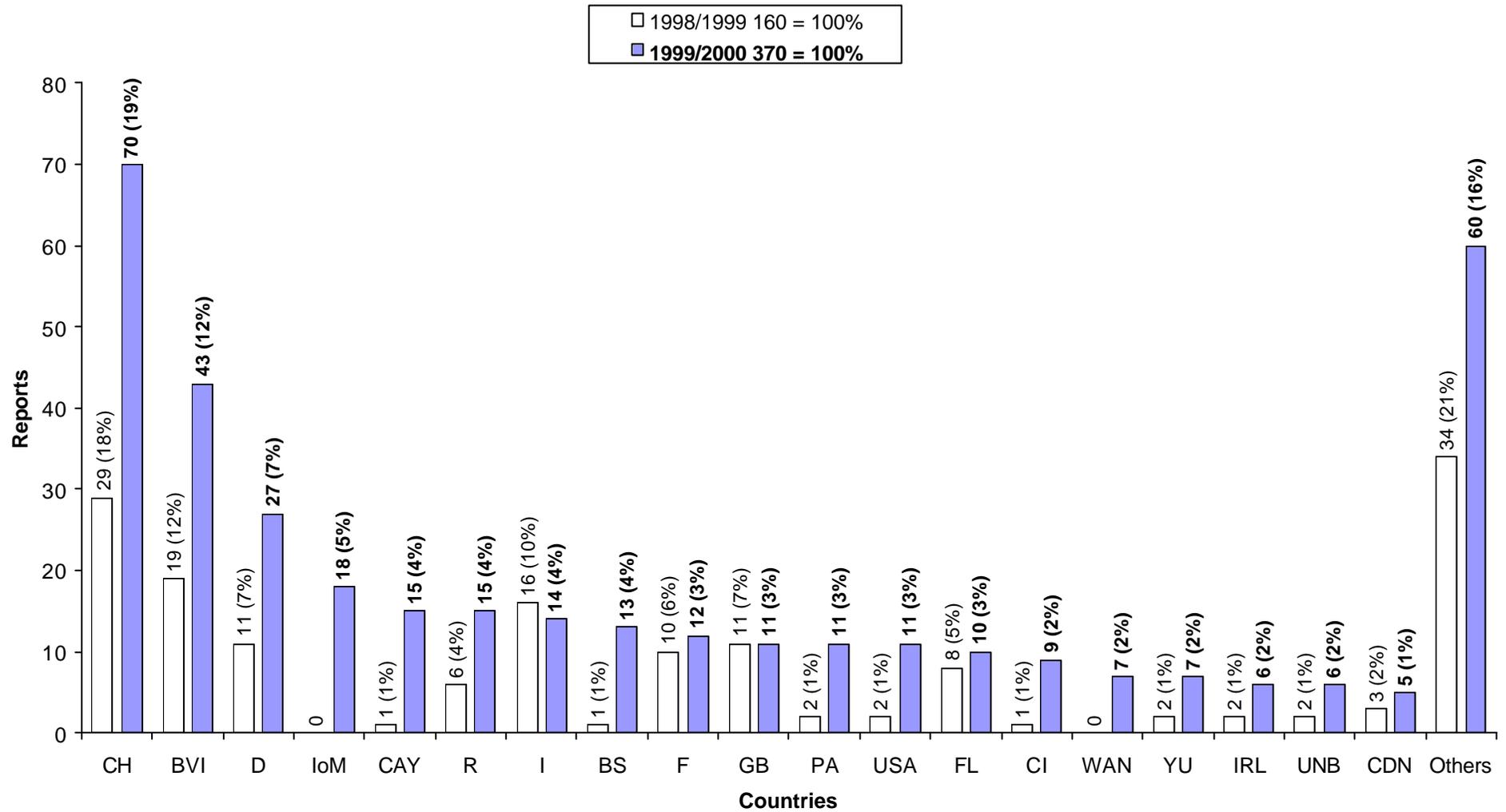
What the chart indicates

Once again, Switzerland is at the top of the list due to the fact that the majority of customers of Swiss financial intermediaries come from Switzerland. Offshore financial centres and neighbouring countries such as Germany, Italy and France are also prominent. Unlike last year, Russia and Nigeria are now also on the list. This is in connection with the 'Bank of New York' and 'Abacha' affairs.

Caption

CH	Switzerland	F	France	IRL	Ireland
BVI	British Virgin Islands	GB	Great Britain	UNB	unknown
D	Germany	PA	Panama	CDN	Canada
IoM	Isle of Man	USA	USA	Others	Rest of the world combined, without geographical differentiation
CAY	Cayman Islands	FL	Liechtenstein		
R	Russia	CI	Ivory Coast		
I	Italy	WAN	Nigeria		
BS	Bahamas	YU	Yugoslavia		

Nationality of customers



5.6 Domicile of beneficial owners

What the chart represents

This new chart shows the country of residence of the individuals designated as the beneficial owners of assets giving rise to suspicious transaction reports.

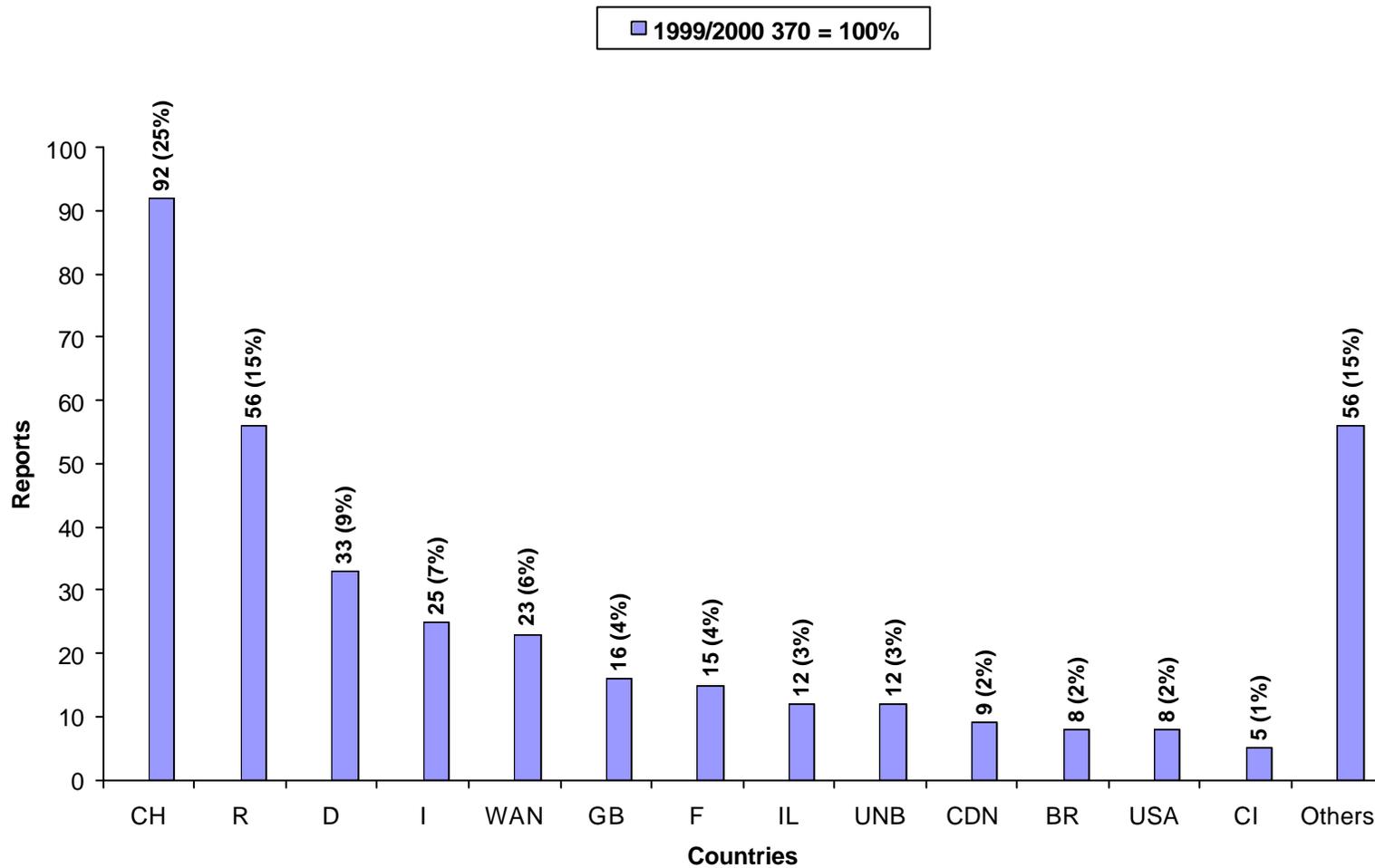
What the chart indicates

Unlike the charts representing customers, this chart does not include the offshore financial centres. This is due to the fact that domiciliary companies may not be classified as beneficial owners. Almost all of the companies registered in the offshore financial centres, however, are domiciliary companies.

Caption

CH	Switzerland	UNB	unknown
R	Russia	CDN	Canada
D	Germany	BR	Brazil
I	Italy	USA	USA
WAN	Nigeria	CI	Ivory Coast
GB	Great Britain	Others	Rest of the world combined, without geographical differentiation
F	France		
IL	Israel		

Domicile of beneficial owners



5.7 Nationality of beneficial owners

What the chart represents

This chart shows the nationality of the individuals designated as the beneficial owners of assets giving rise to suspicious transaction reports.

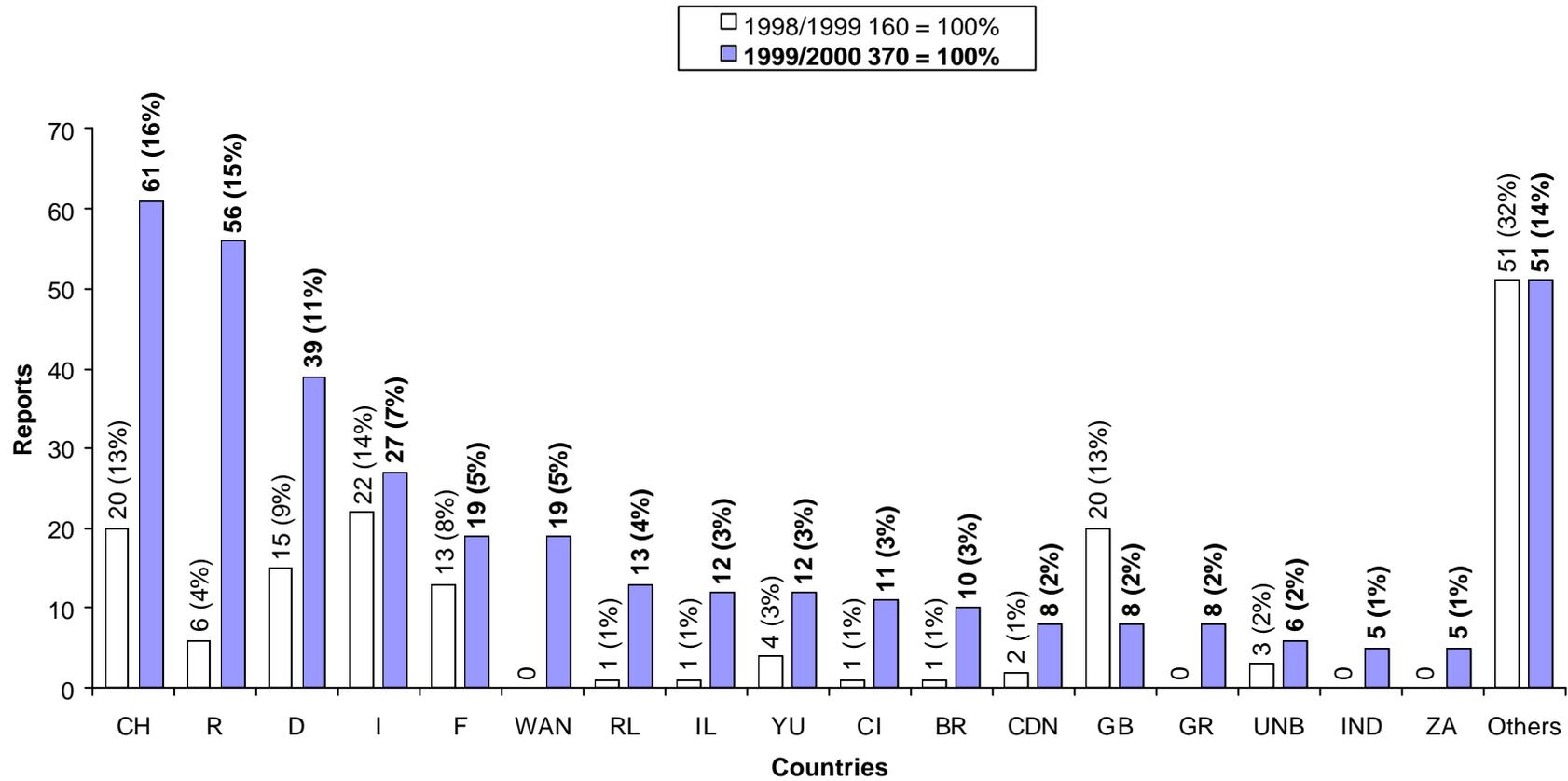
What the chart indicates

This year saw a large increase in the number of suspicious transaction reports submitted on persons of Russian and Nigerian nationality ('Bank of New York' and 'Abacha' affairs). In addition, substantially more reports were filed on citizens of Lebanon, Israel, Yugoslavia, the Ivory Coast and Brazil. The number of suspicious transaction reports concerning citizens of Switzerland's neighbouring countries grew at the same rate as the previous year.

Caption

CH	Switzerland	BR	Brazil
R	Russia	CDN	Canada
D	Germany	GB	Great Britain
I	Italy	GR	Greece
F	France	UNB	unknown
WAN	Nigeria	IND	India
RL	Lebanon	ZA	South Africa
IL	Israel	Others	Rest of the world combined, without geographical differentiation
YU	Yugoslavia		
CI	Ivory Coast		

Nationality of beneficial owners



5.8 Categories of financial intermediaries submitting reports

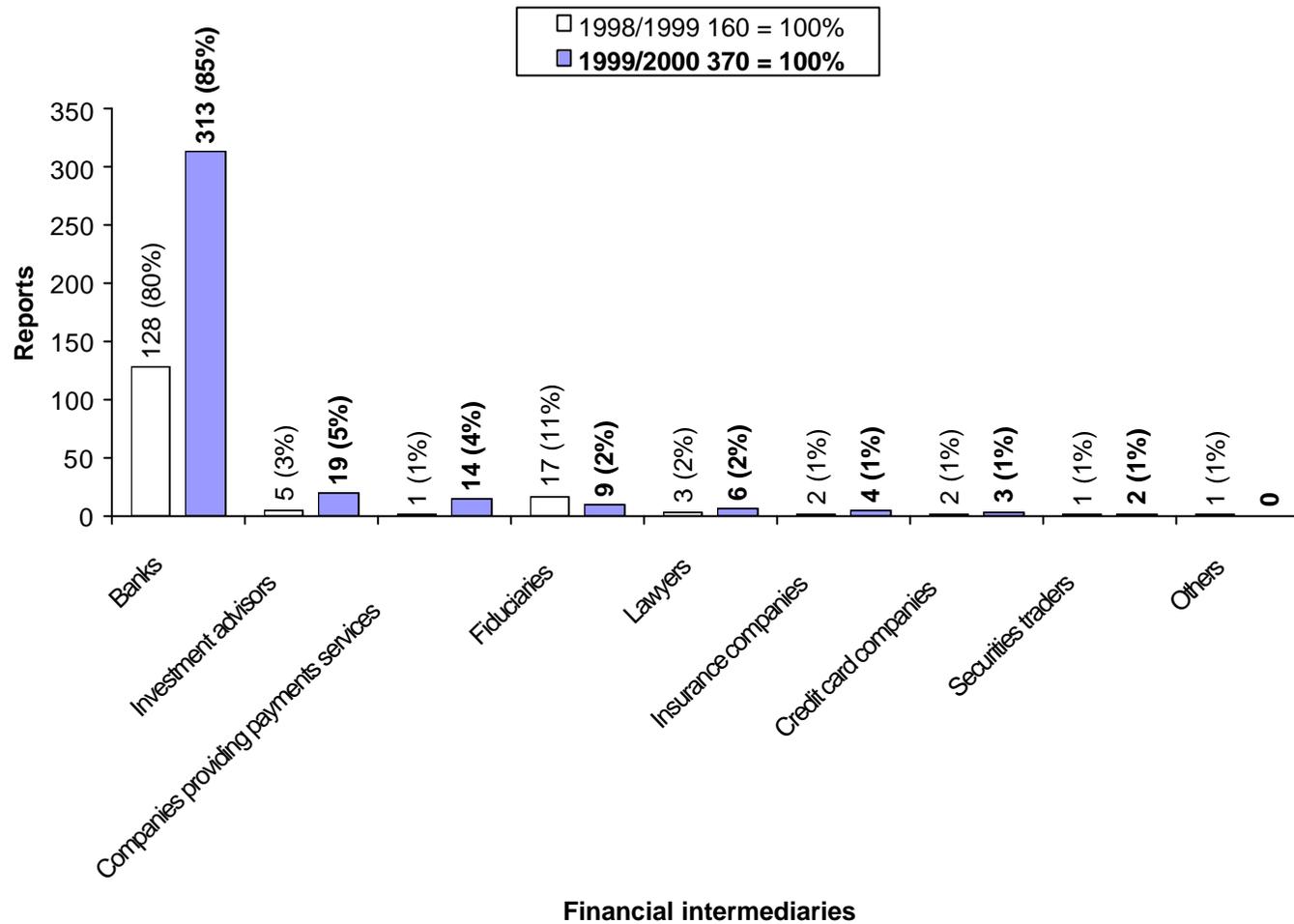
What the chart represents

This chart gives a breakdown of the various categories of financial intermediaries that filed suspicious transaction reports.

What the chart indicates

As in the previous year, most reports were filed by the banks, which saw their share increase from approximately 80% to 85%. This can be put down to the high profile given to money laundering issues in the banking sector in recent years.

Categories of financial intermediaries submitting reports



5.9 Nature of offences

What the chart represents

This chart shows the offences that the MROS suspects of having been committed at the time it passes on reports to prosecution authorities.

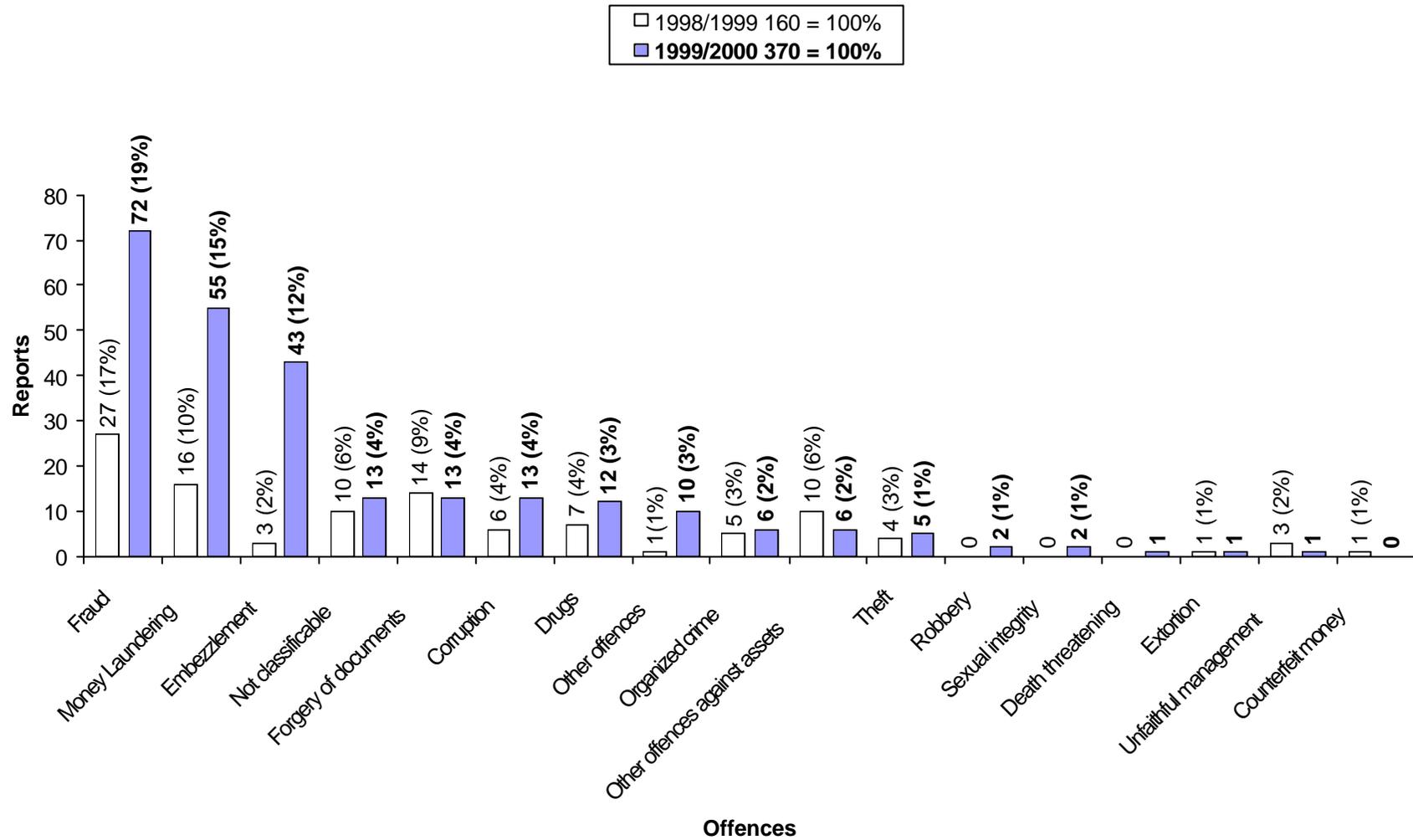
What the chart indicates

As in the previous year, commercial delinquency such as fraud and embezzlement are the most common offences. The bulk of the fraud cases concern investors cheated by dubious individuals or companies. In those cases in which the offence is stated to be 'undetermined', the nature of the suspected offence has not yet been ascertained.

One possible explanation as to why the 'drugs' category of offences does not feature more prominently may be that financial intermediaries are better able to detect signs of financial wrongdoing than of drug-related activities.

The 'Bank of New York' affair is included under 'money laundering'.

Nature of offences



5.10 Grounds on which reports are based

What the chart represents

This chart shows the reasons that prompted financial intermediaries to file suspicious transaction reports.

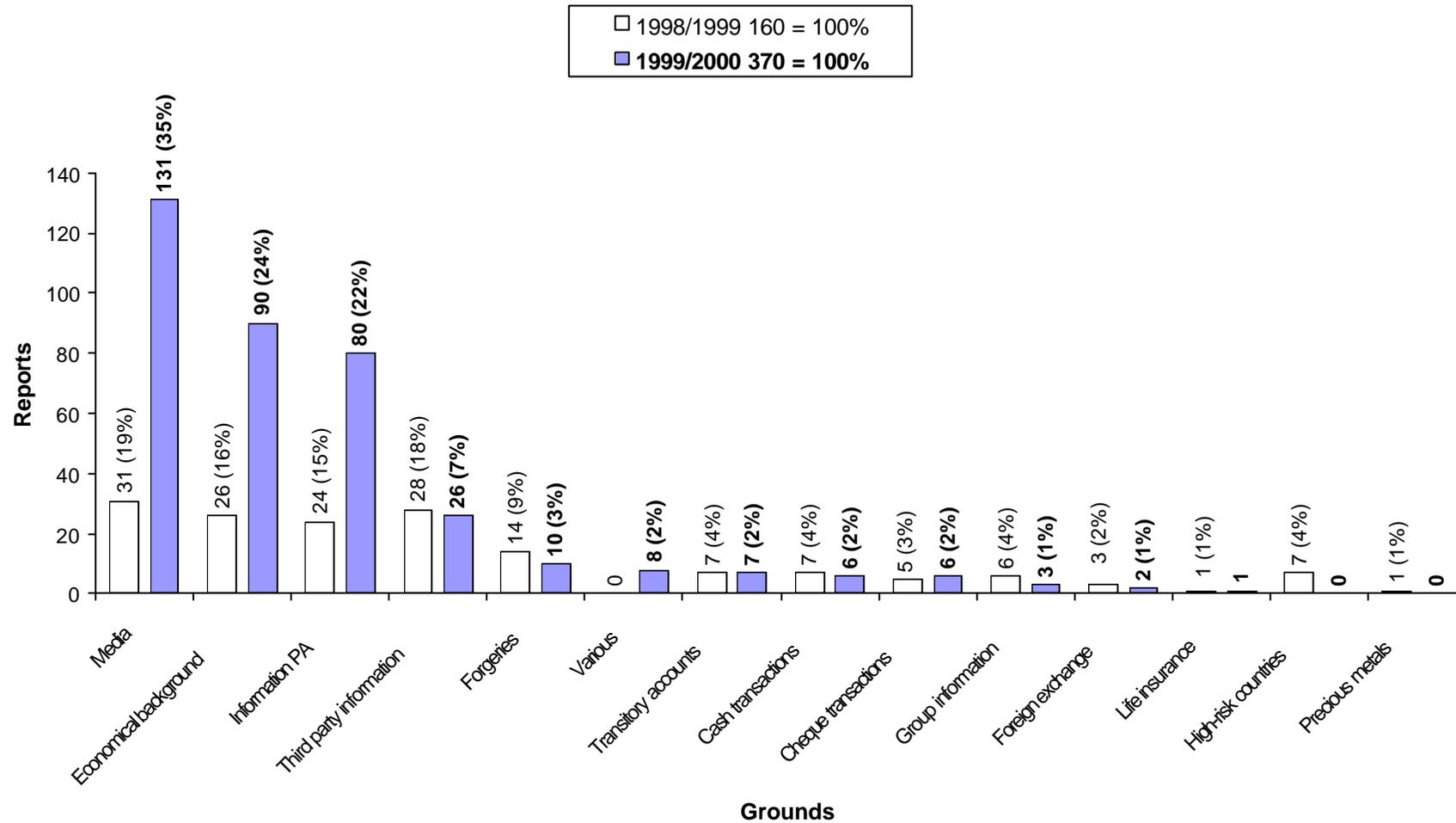
What the chart indicates

Once again, the most common reason given by financial intermediaries was learning from media reports that one of their customers might be involved in criminal activities. Due to the obligation to obtain clarification on suspicious transactions, in accordance with Article 6 of the Money Laundering Act, the lack of information on the economic background of transactions was the second most common reason. Another reason given in many cases was that the financial intermediaries reported additional facts on the basis of information from the prosecution authorities.

Caption

Third-party information	The financial intermediaries were informed by third-party sources of customers that may be suspect
Forgeries	Forged banknotes or forged documents were submitted to the bank in order to obtain a financial advantage
Various	Various reasons
Transitory accounts	Crediting and rapid withdrawal of assets to accounts
Cash transactions	Cash transactions, excluding foreign exchange
Cheque transactions	A large volume of cheque transactions is observed, attempts are made to cash cheques
Group information	Information on suspect customers was circulated within a group
Foreign exchange	Unusual foreign exchange transactions
Life insurance	Life insurance policy purchased in dubious circumstances
High-risk countries	The financial intermediaries regard the nationality or domicile of the customer as suspect
Precious metals	Transactions with precious metals and stones

Grounds on which reports are based



5.11 Distribution of reports

What the chart represents

This chart shows the monthly distribution of reports between April 1999 and March 2000.

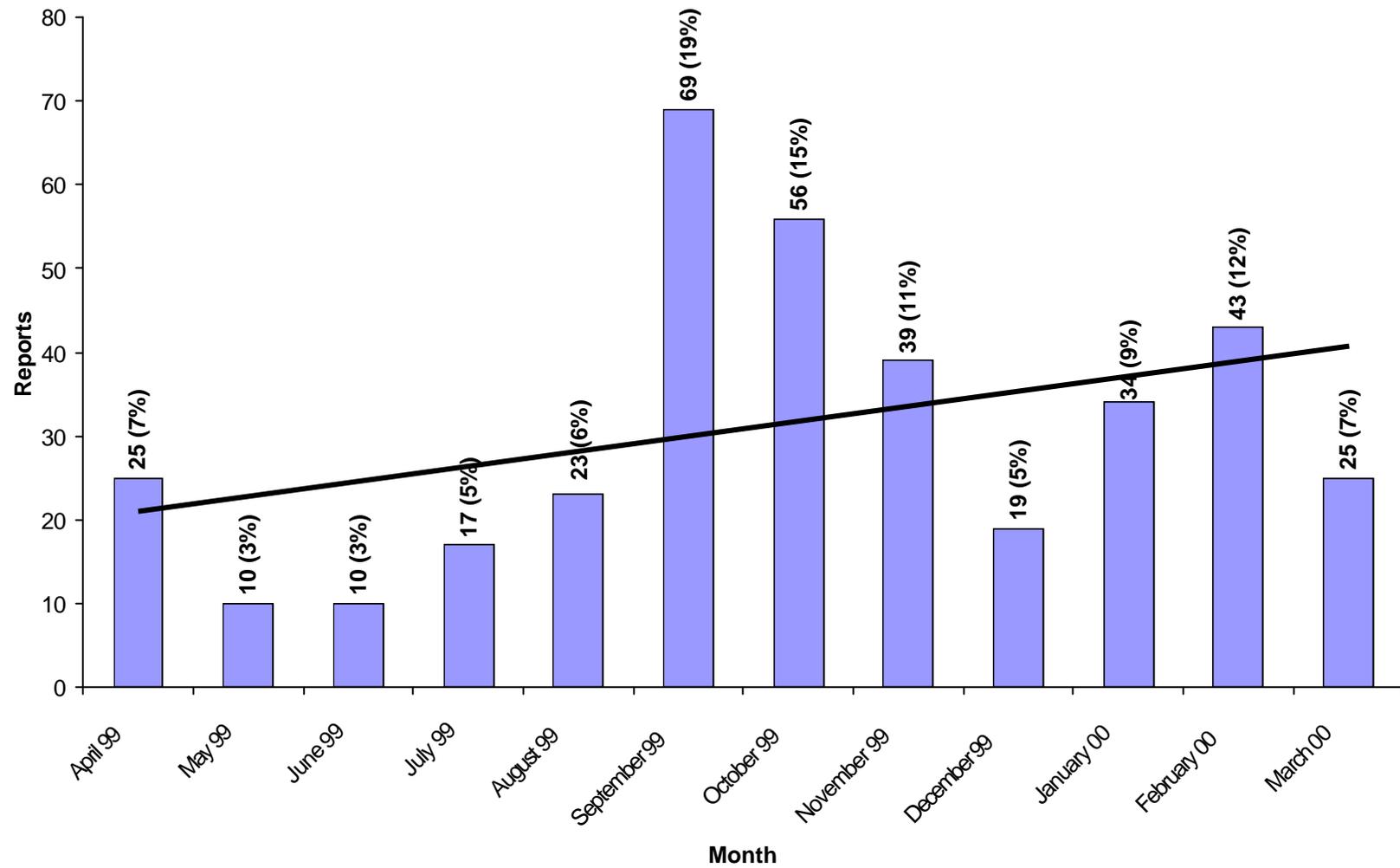
What the chart indicates

The chart clearly shows a surge in the number of reports in August (press stories on the 'Bank of New York' affair) and in October (order by the Federal Office for Police in the Abacha affair). The subsequent months also saw a clear increase in comparison with the previous year. We can assume that this trend will continue.

Caption

Rising line Trend in the number of reports filed

Distribution of reports



6 Outlook / Projects

6.1 MROS strategy

Now that the MROS has succeeded in creating the minimum requirements for the administration of incoming reports, the next objective is to become the sort of body expected by the legislature, i.e. 'a central authority capable of distinguishing between cases with a genuine suspicion of money laundering and those with less substance, so as to perform an efficient preliminary examination for the prosecution authorities' (opinion of the Federal Council on Article 9 of the Money Laundering Act):

Create added value for the prosecution and police authorities

The strategy must succeed in *procuring additional information* for the Swiss prosecution authorities, in particular, information that a Swiss prosecution authority or the police cannot obtain, e.g. financial information from foreign reporting offices. This requires further expansion of international cooperation. In addition, the GEWA must be expanded to become the central database in combating money laundering.

Moreover, it must be possible to *forward the report on time at all times*. This means that the decision to forward a suspicious transaction report must be taken no later than three days after the report is received, so as to allow the prosecution authorities sufficient time to take the appropriate measures.

Become a competence centre for money laundering

The Federal Office for Police (FOP) will be increasingly confronted with matters concerning money laundering (in connection with the project on efficiency). As we have amassed substantial volumes of specialized knowledge over more than two years, we must now provide this as a service to be used by FOP. Our aim is to answer all inquiries addressed to FOP in this respect in a competent and prompt manner and ensure participation in national and international committees.

Create the conditions for reports of high quality

Reports are not filed without the right conditions first being created. For reasons of credibility, the number of reports must be in keeping with the importance of the financial centre. Meanwhile, however, the quality of the reports must be upheld. This calls for constant contact with the supervisory authorities, self-regulatory organizations and financial intermediaries. The MROS maintains this contact by providing services such as training products, by publishing special reports, collecting typologies, etc.

6.2 EURO

One of the main projects of the MROS this year was leading an interdisciplinary working party on: *'Criminogenic factors in connection with the introduction of the euro with respect to Switzerland'*.

At the invitation of the MROS, this working party studied from March-September 1999 the possible criminogenic factors for Switzerland in connection with the introduction of the euro. Our work was based on a study carried out by the Strategic Crime Analysis of the German Federal Office of Criminal Investigation in Wiesbaden.

The following is a summary of the results of the work performed by the interdisciplinary EURO working party.

The introduction of the euro is likely to result in an increase in crime. In principle, the defensive measures already in place in Switzerland are sufficient. However, they can only be applied successfully if the possible risks are known. This is the conclusion reached by a working party commissioned by the Money Laundering Reporting Office.

The replacement of eleven European currencies by the euro, to be performed in four stages, also affects Switzerland in a number of ways: apart from the consequences in terms of the economy and monetary policy, the effects in the area of crime should also be borne in mind. Thus, at the request of the Money Laundering Reporting Office of the Federal Office for Police (FOP), a group of experts have drawn up a list of the possible risks and worked out a range of recommendations for their prevention. Through this report, the working party aims to inform the public as well as the firms and institutions concerned and make them aware of the possible risks. The working party believes that the authorities and all those concerned must have the necessary technical means and human resources to work proactively rather than merely responding to criminal acts already carried out.

Preparations for criminal acts

The euro was introduced as book money on 1 January 1999. Apart from the fact that it has no banknotes or coins, the euro has all the characteristics of a standard currency. Crimes are likely to be prepared *in advance*, with criminals setting up the necessary infrastructure (e.g. through the exploitation of information technologies). Even during the *book money phase* until 31 December 2001, the main risk is in preparatory acts. The chief risk for banks and the post office is of criminals manipulating the software at automatic cash dispensers and currency exchange machines, so as to use these later in their own interest. The risk of manipulation in accounting must also be considered.

Moreover, customers of banks and other financial intermediaries may furnish 'disguised' reasons (e.g. tax purposes) so as to make large transactions involving illegally obtained funds seem more convincing. Despite the enormous volume of transactions, financial intermediaries must remain consistent in their supervision and should not accept such 'disguised' excuses without an explanation.

Increased crime in forged banknotes

From 1 January 2002, the euro will be legal currency alongside the national currencies. This *dual currency period*, to continue no later than 30 June 2002, poses a number of different risks. For a start, there is likely to be an increase in the number of forged banknotes of the national currencies in circulation. Criminals will have to bring their forged money into circulation before the end of the transition period so as to prevent being discovered when exchanging it at a central bank or losing out altogether. We can also expect forged euro banknotes to come into circulation already during this phase. It is therefore necessary to introduce specific staff training measures and to inform the public living in border regions and tourist centres. In addition, we can expect some of the less serious currency exchange offices to offer their services without authorization.

Inform the public

All of these risks will still exist after the *dual currency period*, when the euro will be the sole means of payment in all states of the European Monetary Union (EMU). After 1 July 2002, more of the former national banknotes will be exchanged in third countries, i.e. Switzerland. In particular, this will apply for the proceeds of criminal activities, as a potential money launderer will try to avoid any direct business with the central banks. Financial intermediaries must therefore be particularly wary of large exchange transactions and, if necessary, obtain detailed background information. Finally, during all phases, there is a risk of criminals exploiting the lack of knowledge among the general public about the currency transition. To prevent such a situation, the financial intermediaries and authorities must work to create a greater level of awareness.

6.3 New projects

- In May 2000 we are starting a widely supported working party on 'Cyberlaundering – New Communications Technologies and Money Laundering'. We hope to be able to publish a report towards the end of 2000 or the start of 2001.
- An Egmont workshop on the same subject, with participants from 20 countries, is scheduled so as to include international experience in the aforementioned report.

7 Internet-Links

7.1 Switzerland

Money Laundering Reporting Office Switzerland

www.admin.ch/bap Federal Office for Police / Money Laundering Reporting Office Switzerland

Supervisory authorities

www.admin.ch/ebk Federal Banking Commission

www.admin.ch/bpv Federal Office of Private Insurance

www.admin.ch/efv Federal Finance Administration / Money Laundering Control Authority

Other

www.admin.ch/ezv Federal Customs Administration

www.snb.ch Swiss National Bank

7.2 International

Foreign Reporting Offices

www.ustreas.gov/fincen Financial Crimes Enforcement Network / USA

www.ncis.co.uk National Criminal Intelligence Service / United Kingdom

www.austrac.gov.au Australian Transaction Reports and Analysis Centre

www.ctif-cfi.be Cellule de Traitement des Informations Financières /
Cel voor Financiële Informatieverwerking / Belgium

International Organisations

www.oecd.org/fatf Financial Action Task Force on Money Laundering

<https://www.imolin.org> International Anti-Money Laundering Network

www.undcp.org International Drug Control Programme – UNO

www.odccp.org Office for Drug Control & Crime Prevention – UNO

Other interesting links

www.bka.de Bundeskriminalamt Wiesbaden, Deutschland

www.fbi.gov Federal Bureau of Investigation / USA

www.europa.eu.int European Union

www.coe.fr Council of Europe

www.ecb.int European Central Bank

8 Basics

8.1 General checklist

Suspicious activity report (art. 9 MLA)

To be sent by FAX or - in absence of a FAX - by priority mail to:

Money Laundering Reporting Office Switzerland
Federal Office for Police
Bundesrain 20
3003 Bern
Fax 031-323 39 39
Telephone 031-323 40 40

General checklist

Sender (Data on the financial intermediary)

Company	:	
Street	:	
Zip code / City	:	
Contact person	:	
Telephone	:	
Fax	:	
Date of report	:	
Sender's reference	:	
Number of pages(incl.encl.)	:	

Data on business relation

Place of business relation	:	
(e.g. place where the account is managed or place of spot transaction)		
In case of divergence, place where the activity prompting the report took place	:	
Account or safekeeping	:	
account number(s) or "spot transaction"		

Statement of assets and liabilities to be provided in the annex

Data on contracting party
Individuals

Surname, first name	:	
Address of residence	:	
Date of birth	:	
Nationality	:	
Home town (if known)	:	
Telephone (if known)	:	
Fax (if known)	:	
Profession (if known)	:	

Legal entities/companies

Company	:	
Domicile	:	
Telephone (if known)	:	
Fax (if known)	:	
Type of business (if known)	:	

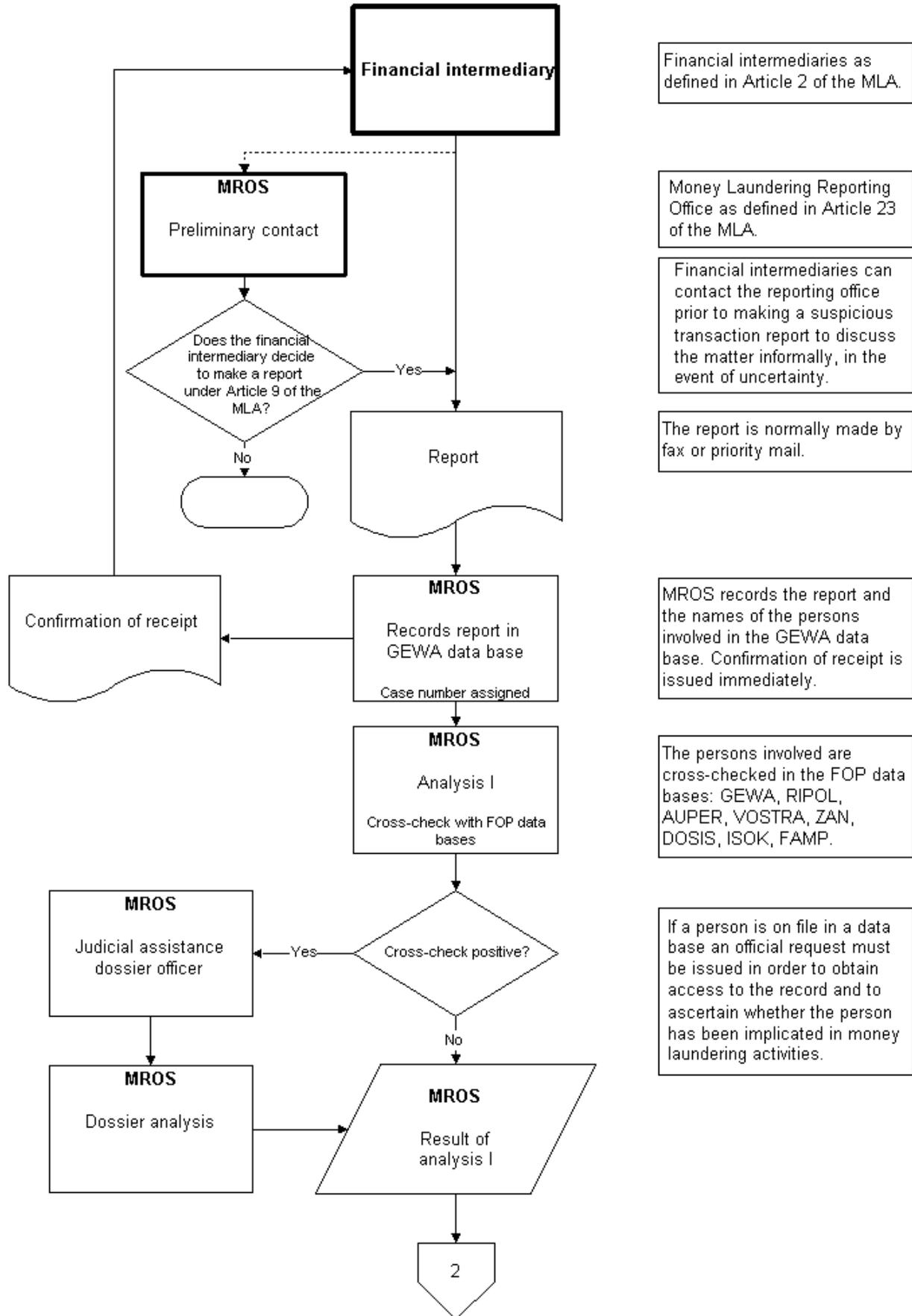
For all cases

Identification document and its number	:	
Please attach a copy to the annex		
Issuing agency	:	
Date	:	
Way mail is delivered		
to the contracting party	:	<input type="checkbox"/>
poste restante	:	<input type="checkbox"/>
to a third party, namely (name and address)	:	<input type="checkbox"/>
Data on third parties involved (e.g. payee, payer, deliverer of checks, stocks, guarantee beneficiary, guarantee surety, third-party security creditors)	:	
Type of account (e.g. individual/joint account, numbered/personal account, global account)	:	
Are there any other types of business relations? (e.g. additional accounts / safekeeping accounts)	:	

Why is this activity suspicious?***Which steps have you already taken (e.g. own investigations)?******Annex***

- Account opening documents
- Identification documents
- Form A or other documents proving the ultimate beneficial ownership (if existent)
- Data on persons having power of attorney or authorized signatory
- Statement of assets and liabilities as of the notification date

8.2 Procedures for suspicious transaction reports



Financial intermediaries as defined in Article 2 of the MLA.

Money Laundering Reporting Office as defined in Article 23 of the MLA.

Financial intermediaries can contact the reporting office prior to making a suspicious transaction report to discuss the matter informally, in the event of uncertainty.

The report is normally made by fax or priority mail.

MROS records the report and the names of the persons involved in the GEWA data base. Confirmation of receipt is issued immediately.

The persons involved are cross-checked in the FOP data bases: GEWA, RIPOL, AUPER, VOSTRA, ZAN, DOSIS, ISOK, FAMP.

If a person is on file in a data base an official request must be issued in order to obtain access to the record and to ascertain whether the person has been implicated in money laundering activities.

