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TOPICS

MROS

11th Annual Report

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2008

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Table of contents

1. Introduction

The number of Suspicious Activity Reports (SARs) increased once again in the 2008 reporting period (+7%) and reached with a total of 851 SARs the second highest level of reports since MROS began its work in 1998. Again, most SARs were submitted by the banking sector; with 572 reports (67% of the total volume) this represents an all-time high. The overall increase was therefore a direct result of more SARs from the banking sector. Also, the 2008 reporting period was a good year from a qualitative standpoint. Positive is the average SAR processing time of two-and-a-half days and the average response time to FIU inquiries of four-and-a-half days – which is very quick on international comparison and even faster than the six days required in 2007 – are exemplary.

The report contains a review of the last ten years, from 1 January 1999 to 31 December 2008. For the first time, the figures from 1998 – the founding year of MROS – have been omitted, the main reason being that data protection regulations require MROS to delete all data older than ten years[1]. For practical reasons MROS only compares records that are electronically available.

The year 2008 also saw various organisational and legislative reforms. One such piece of legislation, which came into force on 5 December 2008 and already had an impact on the 2008 reporting period, was the Federal Act on the Federal Police Information Systems[2]. This Act now formally regulates MROS's existing access to databases in the Anti-Money Laundering Act AMLA (see Chapter 5.2). Also, MROS was granted limited access to another datasource, the national security information system called ISIS. Furthermore, the Federal Parliament passed the Federal Act on the Implementation of the Revised Recommendations of the Financial Action Task Force (FATF) on 3 October 2008. However, this new piece of legislation and the consequential reform of the Anti-Money Laundering Act will not begin to have an impact until it comes into force in 2009[3] (see Chapter 5.1 for details on some of the changes). An extremely important development for MROS is that the measures for combating terrorist financing in the Anti-Money Laundering Act came into force on 1st February 2009, thus ensuring MROS's continuing membership in the Egmont Group (see Chapter 6.1).

With regard to organisational change, MROS was moved from the Services Division and incorporated into fedpol's Directorate Staff Office with effect from 1 January

[1] Article 28 Anti-Money Laundering Act AMLA; SR 955.23

[2] Federal Act on the Federal Police Information Systems PISA; SR 361

[3] The Anti-Money Laundering Act AMLA came into effect on 1st February 2009

2009. This move was a direct consequence of the Federal Council's decision of 21 May 2008 to move fedpol's intelligence sections within the Service for Analysis and Prevention from the Federal Department of Justice and Police to the Federal Department for Defence, Civil Protection and Sport as from 1 January 2009. This organizational measure led to a restructuring at fedpol and to MROS's subsequent incorporation into the Directorate Staff Office. This transfer is likely to be beneficial in that its proximity to fedpol's Directorate will underline its continuing independence.

Bern, April 2009

Judith Voney, Attorney
Head of the Money Laundering Reporting Office Switzerland MROS

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Federal Office of Police, Directorate Staff
MROS Section

2. Annual MROS statistics

2.1 General remarks

As in previous reporting years, 2008 was once again an intensive year for MROS. To summarise, it was characterised by the following developments:

1. Renewed **increase in the number of SARs** and the second highest reporting volume ever;
2. **New peak** in the number of SARs from the **banking sector** since the Anti-Money Laundering Act came into effect on 1st April 1998;
3. **Continuing decrease** in the number of SARs from the **payment services sector**;
4. **All-time high** in the **total asset value** of SARs.

2.1.1. SAR reporting volume

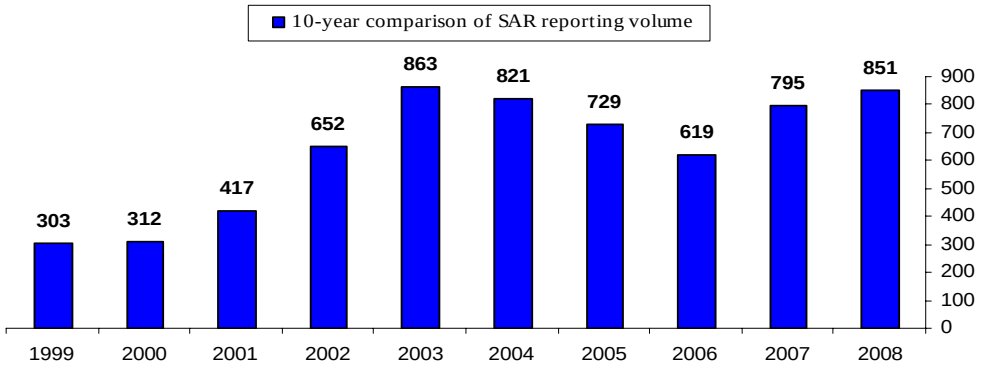
MROS received a total of 851 SARs in 2008 from financial intermediaries domiciled in Switzerland and subject to the Anti-Money Laundering Act. This represents the second highest reporting volume since the recording of statistics started in 1998 and an increase over the previous reporting period (2007) of 7%. The only other year that saw a slightly higher volume was the record year 2003 (863 SARs), which was purely a result of a tightening in the reporting practice by financial intermediaries who provide international transfer services (i.e. money transmitters). Since the number of SARs submitted by money transmitters had a strong impact on the total number of incoming SARs in 2003, it is worth taking a comparative look at the figures from the banking sector and the payment services sector for the years 2003, 2004 and 2008:

Year	2003		2004		2008	
Total number of incoming SARs, in %	863	100%	821	100%	851	100%
SARs received from the banking sector	302	35%	340	41%	572	67%
SARs received from the payment services sector	461	53%	391	48%	185	22%
Of which: SARs from money transmitters	330	38%	294	36%	120	14%

What is striking is that in 2008 the number of SARs from the banking sector rose once again both in terms of absolute figures and percentage (also compared to the previous record year of 2007 when the banking sector submitted a total of 492 SARs). In fact, the proportion of SARs from the banking sector was nearly double that of the record year of 2003, and made up over two-thirds of the total reporting volume in 2008. With regard to the payment services sector, the money transmitters were mainly responsible for the peaks in reporting volumes in 2003 and 2004. If we compare the figures for the peak year 2003 with the current reporting year 2008, we find that the proportion of SARs received from money transmitters during this period and in comparison to 2007 has fallen again to nearly one third. This decrease in the money transmitter reporting volume is not a random development but rather the result of a concerted effort to improve the quality of SARs through training the financial intermediaries. The improved quality of SARs not only enabled MROS to forward a higher proportion of SARs to prosecuting authorities, it also resulted in the prosecuting authorities acting on more of these SARs. Another factor that contributed to the decrease in SARs from money transmitters was the fall in the number of reports concerning "victims" of "Nigerian scams" as a result of training the financial intermediaries (see the 2006 Annual MROS Report for more details).

In terms of the quality of incoming SARs, 2008 may be considered as one of the strongest years since the Anti-Money Laundering Act came into force. There are two main factors for this: the continuing increase of more complex SARs from the banking sector (+16% / +80 SARs over 2007); and (for the reasons mentioned above) the remarkable and in comparison to the peak years dramatic 20% fall in reporting volume from the payment services sector, especially from the money transmitters, from 157 SARs in 2007 to 120 SARs in 2008. Due to its transitory nature and the limited picture one can gain of this sector, it is not easy to draw any conclusions about money transmitters' walk-in customers, however. The impact of the remaining categories of financial intermediaries on the total reporting volume has been - with just under 13% - relatively minor in the last ten reporting years. Therefore we may conclude that the changes in reporting volume within the last ten years basically correlate to figures from the banking and payment services sectors.

SAR reporting volume



2.1.2. SARs from the banking sector

In the 2008 reporting year, MROS received a total of 572 SARs from the banking sector. This represents a further increase by more than 16% over the peak year 2007 and the highest reporting volume from this sector since the Anti-Money Laundering Act came into force. This remarkable increase over 2007 is mainly a result of the dramatic increase in SARs from the Raiffeisen banks and the less dramatic increase in SARs from foreign-controlled banks, cantonal banks and other banks (see Chapter 2.3.5 for further information). The increase in SARs from the Raiffeisen banks may be explained in short by the continual monitoring of their regular clients by means of a new implementad electronic system, which not only registers suspicious transactions but also suspect client relations based on the information gained on existing clients from monitoring their transactions. This resulted in an increase over the 2007 reporting period in the number of SARs submitted under Article 9 AMLA (mandatory SARs). In comparison, the number of SARs submitted under Article 305ter paragraph 2 Swiss Criminal Code SCC (voluntary SARs) fell slightly by 2% (-4 SARs). The decrease of 63% in the number of SARs submitted under Article 24 FBC AMLO (attempted money laundering) may be explained simply by the fact that Article 24 was removed from the ordinance as from 1 July 2008 (see Chapter 5.1.2).

SARs from the banking sector	2007	2008	Difference
SARs submitted by virtue of Art. 9 AMLA (mandatory SARs)	291	385	+ 94 (+32%)
SARs submitted by virtue of Art. 24 FBC AMLO (attempted money laundering SARs) in conjunction with Art. 9 AMLA	16	6	-10 (-63%)
SARs submitted by virtue of Art. 305ter SCC (voluntary SARs)	185	181	- 4 (-2%)
Total	**492**	**572**	**+ 80 (+16%)**

A direct result of the increase in SARs from the banking sector and three major SARs involving substantial assets (see Chapter 2.1.5) was the increase of more than 103% in the total asset value of SARs at the time of submitting the report, from CHF 921 million in 2007 to CHF 1,872 million in 2008.

2.1.3. SARs from the payment services sector

Among the various financial intermediary categories, the payment services sector was the second largest contributor of SARs in 2008, albeit with 20% fewer reports than in 2007. With the exception of 2007, which saw an increase in SARs from this sector, the decrease in 2008 confirms the trend of the last few years. Whereas financial intermediaries from this sector submitted 231 SARs in 2007, this figure fell by 20% to 185 SARs in 2008, 65% (120 SARs) of which came from money transmitters (2007: just under 68% or 157 SARs). The quality of the reports from this sector remained virtually the same over 2007, with 59% (2007: 60%) being forwarded to prosecuting authorities (see Chapter 2.1.4).

2.1.4. Quality of SARs

The percentage of incoming SARs that MROS forwarded to prosecuting authorities rose slightly from 79% in 2007 to just below 81% in 2008. From this increase we can conclude that the quality of incoming SARs was, on the whole, higher in 2008 than in 2007. However, the quality of SARs still varied considerably among the various financial intermediary categories. If we analyse the proportion of SARs from the two largest categories of financial intermediaries that MROS forwarded to prosecuting authorities in 2008, we find that the proportion of forwarded SARs fell slightly for the banking sector (just over 87% in 2008 compared to over 91% in 2007) whereas it rose for the payment services sector (60% in 2008 compared to just under 52% in 2007). The slight fall in forwarded SARs from the banking sector (despite an increase in the total reporting volume) can be clearly explained by the fact that the information MROS gained from its analyses led MROS to conclude that there was not sufficient evidence of a predicate offence according to federal law and MROS did not, therefore, forward the report to prosecuting authorities. If we look at the 185 SARs from the payment services sector, we find that 120 or 65% (2007: just under 68%) of these reports were submitted by money transmitters. The proportion of SARs forwarded to prosecuting authorities from this sector - which because of the nature of its business has limited information on its walk-in clientele - was with 41% around the same level in 2008 as in 2007. There is still potential here for improvement in quality, since the financial intermediaries often have information and documents at their disposal that should make them realise that no SAR need be submitted.

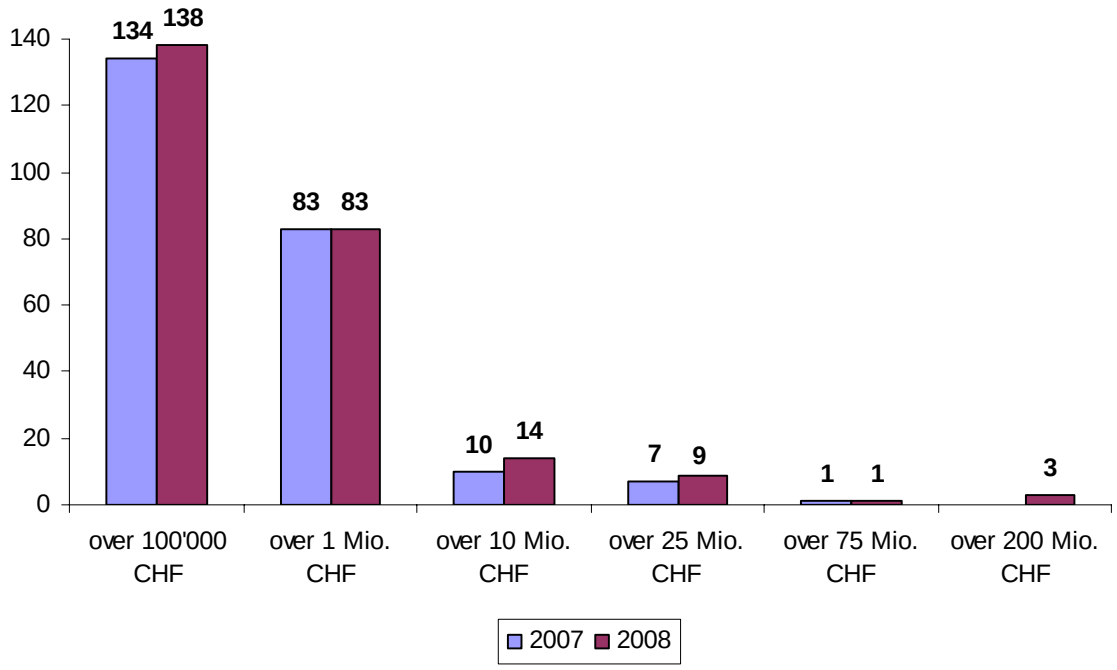
Financial intermediary category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Bank	65.7%	79.6%	94.3%	97.0%	96.0%	91.8%	92.2%	94.4%	92.1%	87.4%	**89.5%**
Supervisory authority		100.0%		100.0%			100.0%	100.0%		100.0%	**100.0%**
Casino		50.0%	12.5%	50.0%	62.5%	50.0%	85.7%	75.0%	66.7%	100.0%	**58.1%**
Foreign exchange trader				100.0%	100.0%	0.0%	100.0%	100.0%			**85.7%**
Securities trader	100.0%	100.0%	75.0%			100.0%	100.0%		100.0%	83.3%	**90.5%**
Currency exchange		0.0%	100.0%	0.0%		100.0%	100.0%	50.0%	100.0%	100.0%	**76.9%**
Loan, leasing, factoring and non-recourse financing			100.0%	100.0%	100.0%	100.0%	100.0%	75.0%	50.0%	100.0%	**78.9%**
Credit card company	0.0%				100.0%	100.0%			100.0%	100.0%	**87.5%**
Attorney	57.1%	85.7%	66.7%	83.3%	100.0%	100.0%	75.0%	0.0%	85.7%	80.0%	**81.3%**
Commodity and precious metal trader			0.0%	100.0%	100.0%			100.0%	100.0%	0.0%	**80.0%**
Self-regulating organization				100.0%			100.0%	100.0%	100.0%		**100.0%**
Fiduciary	83.3%	88.9%	82.1%	89.4%	95.7%	91.7%	100.0%	88.9%	82.6%	91.9%	**90.6%**
Other FI	100.0%		100.0%	100.0%	100.0%	100.0%		0.0%	100.0%		**97.6%**
Asset manager / investment advisor	100.0%	92.3%	93.3%	92.9%	94.4%	92.3%	83.3%	33.3%	75.0%	52.6%	**82.6%**
Assurance	20.0%	50.0%	83.3%	88.9%	87.5%	87.5%	88.9%	72.2%	61.5%	86.6%	**76.3%**
Distributor of investment funds	100.0%	100.0%		100.0%	66.7%	100.0%	60.0%			0.0%	**77.8%**
Payment services	57.1%	54.3%	96.5%	60.1%	61.7%	58.6%	45.7%	57.3%	51.9%	60.0%	**57.6%**
Total	**66.1%**	**77.6%**	**91.4%**	**79.8%**	**77.3%**	**76.0%**	**69.7%**	**82.1%**	**79.1%**	**80.7%**	**78.1%**

2.1.5. SARs involving substantial levels of assets

The 2008 reporting period included three SARs submitted to MROS under Article 9 AMLA from two foreign-controlled banks and one cantonal bank. Each report involved substantial assets of over CHF 200 million. One SAR involving assets of over CHF 300 million was connected to a significant case of corruption that found widespread media coverage in the country concerned. The other two SARs each involved assets of over CHF 200 million and were connected to fraud cases (stock market manipulation or investment fraud). As in the previous year, there was only one SAR in 2008 involving assets of over CHF 75 million, which was submitted once again by a foreign-controlled bank and based on a press report about a suspected bribery case. The remaining nine SARs involving assets of over CHF 25 million all came from various banks. If we look at the three largest categories, we find that these 13 SARs involved assets of around CHF 1.3 billion or 69% of the total assets involved in 2008. Of these 13 SARs, 11 were based on information from the press (9) or from prosecuting authorities (2). Of the remaining two cases, the SAR was prompted by the murky economic background or suspicious securities transactions. Nine SARs were submitted in connection with bribery (six of which involved the same case), three SARs involved fraud as the predicate offence (two of which involved the same case) and one SAR involved money laundering. MROS forwarded all SARs involving substantial levels of assets to prosecuting authorities. In two cases the authorities suspended proceedings, and all the remaining cases are still being dealt with by the appropriate prosecuting authorities.

The number of SARs involving assets of over CHF 10 million increased with respect to the previous reporting year, whilst those involving over CHF 1 million decreased. The average asset value of each incoming SAR was approximately CHF 2.2 million in 2008 (2007: approximately CHF 1.16 million). This increase of nearly twofold is a result of the three SARs each involving assets of over CHF 200 million mentioned at the beginning of the chapter.

Number of SARs involving substantial assets 2007/2008



2.2. The search for terrorist funds

In comparison to the last few reporting periods in which the number of SARs submitted to MROS in connection with suspected terrorist financing continually fell, the 2008 reporting period shows an increase of three reports making a total of nine SARs. This is not a spectacular increase against the backdrop of the overall increase in reporting volume, and these SARs still only constituted 1.1% of the total reporting volume and 0.05% of the total asset value for 2008. Of the nine SARs in question, seven were submitted by banks, and one each from a fiduciary and a credit card company mainly from the German-speaking part of Switzerland. The total asset value of just over CHF 1 million was due mainly to one SAR from a foreign-controlled bank involving CHF 942,000. This case, having been forwarded to prosecuting authorities, has now been dismissed. Two SARs from trade banks involving a negligible sum of assets in connection with a contracting partner suspected of being a terrorist were not forwarded by MROS to prosecuting authorities because our analysis revealed that the natural person in question, in the opinion of the Swiss judicial authorities, was wanted as a terrorist by the authorities of his country of origin for political reasons. The other suspected terrorist financing-related SARs involved unrelated natural persons, legal entities and circumstances. Due to the nature of the transaction in three of the cases, there was no freezing of assets.

Of the nine suspected terrorist financing SARs submitted in 2008, only one person could not be entirely ruled out as having their name on one of the US Administration's blacklists. None of the SARs were based on the "Taliban Regulations" issued by the State Secretariat for Economic Affairs (SECO). All other SARs except for one with an unclear economic background were based on third-party information, either from newspaper articles or information from a third person or prosecuting authority hinting at possible terrorist involvement. After careful scrutiny, MROS forwarded seven of the nine SARs to the Office of the Attorney General of Switzerland (OAG). As it turned out, the OAG dismissed or suspended three of the cases. Four cases are still pending to date.

Year	Number of SARs			Factor arousing suspicion				Asset value	
	Total	Terrorist funding (TF) SARs	TF in% of total no. of SARs	Bush	OFAC	Taliban (seco)	Other	In connection with TF	TF in% of total amounts of SARs
2001	417	95	22.8%	33	1	4	57	131,379,332.45	4.82%
2002	652	15	2.3%	13	0	0	2	1,613,819.00	0.22%
2003	863	5	0,6%	3	1	1	0	153,922.90	0.02%
2004	821	11	1.3%	0	4	3	4	895,488.95	0.12%
2005	729	20	2.7%	5	0	3	12	45,650,766.70	6.71%
2006	619	8	1.3%	1	1	3	3	16,931,361.63	2.08%
2007	795	6	0.8%	1	0	3	2	232,815.04	0.03%
2008	851	9	1.1%	0	1	0	8	1,058,008.40	0.05%
TOTAL	5,747	169	2,9%	56	8	17	88	197,915,515.07	2.17%

The following table shows the nine suspected terrorist funding SARs submitted in 2008 in detail.

a) Location of reporting financial intermediary

	No. of SARs	%
Zurich	4	44.5%
Basel	1	11.1%
Geneva	1	11.1%
Solothurn	1	11.1%
St. Gallen	1	11.1%
Ticino	1	11.1%
Total	**9**	**100.0%**

b) Type of financial intermediary

	No. of SARs	%
Bank	7	77.8%
Fiduciary	1	11.1%
Credit card	1	11.1%
Total	**9**	**100.0%**

c) Type of reporting bank

	No. of SARs	%
Foreign-controlled bank	2	28.55%
Trade bank	2	28.55%
Major bank	1	14.3%
Regional and savings bank	1	14.3%
Raiffeisen bank	1	14.3%
Total	**7**	**100.0%**

d) Nationality and domicile of client

Country	Nationality		Domicile	
British Virgin Islands	2	22.3%	2	22.3%
Algeria	2	22.3%	0	0.0%
Switzerland	1	11.1%	7	77.7%
Iran	1	11.1%	0	0.0%
Iraq	1	11.1%	0	0.0%
Serbia	1	11.1%	0	0.0%
Tunisia	1	11.1%	0	0.0%
Total	**9**	**100.0%**	**9**	**100.0%**

e) Nationality and domicile of beneficial owner

Country	Nationality		Domicile	
Algeria	2	22.3%	0	0.0%
Switzerland	1	11.1%	7	77.8%
Iran	1	11.1%	1	11.1%
Iraq	1	11.1%	0	0.0%
France	1	11.1%	0	0.0%
Serbia	1	11.1%	0	0.0%
Tunisia	1	11.1%	0	0.0%
Sri Lanka	1	11.1%	0	0.0%
Great Britain	0	0.0%	1	11.1%
Total	**9**	**100.0%**	**9**	**100.0%**

2.3. Detailed statistics

2.3.1 Overview of MROS statistics 2008

Summary of reporting year (1 January 2008 – 31 December 2008)

SAR reporting volume	2008 Absolute	2008 Relative	+/-	2007 Absolute	2007 Relative
Total number of SARs received	**851**	100.0%	7.0%	795	100.0%
Forwarded SARs	687	80.7%	9.2%	629	79.1%
Non-forwarded SARs	164	19.3%	-1.2%	166	20.9%
Pending SARs	0	0.0%	N/A	0	0.0%
Type of financial intermediary					
Bank	572	67.2%	16.3%	492	61.9%
Payment services sector	185	21.8%	-19.9%	231	29.0%
Fiduciary	37	4.4%	60.9%	23	2.9%
Asset manager / Investment advisor	19	2.2%	137.5%	8	1.0%
Attorney	10	1.2%	42.9%	7	0.9%
Insurance	15	1.8%	15.4%	13	1.6%
Other	1	0.1%	-66.7%	3	0.4%
Casino	1	0.1%	-66.7%	3	0.4%
Currency exchange	1	0.1%	0.0%	1	0.1%
Distributor of investment funds	0	0.0%	-100.0%	1	0.1%
Loan, leasing and factoring business	1	0.1%	-75.0%	4	0.5%
Securities trader	6	0.7%	200.0%	2	0.3%
Credit card company	2	0.2%	0.0%	2	0.3%
Commodity and precious metal trader	1	0.1%	-80.0%	5	0.6%
Amounts involved in CHF					
(Total effective assets at time of report)					
Total asset value of all SARs received	1,871,837,481	100.0%	103.2%	921,248,716	100.0%
Total asset value of forwarded SARs	1,803,675,262	96.4%	100.8%	898,467,653	97.5%
Total asset value of pending SARs	,,0	0.0%	N/A	0	0.0%
Total asset value of non-forwarded SARs	68,162,219	3.6%	199.2%	22,781,063	2.5%
Average asset value of SARs (total)	2,199,574			1,158,803	
Average asset value of forwarded SARs	2,625,437			1,428,406	
Average asset value of pending SARs	0			0	
Average asset value non-forwarded SARs	415,623			137,235	

2.3.2 Home canton of reporting financial intermediary

What the chart represents

This chart shows the cantons where the reporting financial intermediaries who filed SARs are based. Compare with the “Prosecuting authorities” chart (Chart 2.3.12), which indicates the cantons where the prosecuting authorities receiving forwarded SARs are based.

Chart analysis

96% of all incoming SARs came from six cantons with a highly-developed financial services sector or with centralised compliance centres.

As to be expected, the majority of SARs in 2008 came from those cantons with a highly-developed financial services sector or with centralised national or international compliance centres. Thus, 813 (nearly 96%) of the 851 SARs in 2008 were submitted by financial intermediaries from the cantons of Zurich, Geneva, Bern, Ticino, Basel-Stadt and St. Gallen. As in 2007, Zurich and Geneva – as the leading financial centres in Switzerland – are top of the table. The huge increase in SARs from St. Gallen is initially surprising. However, this is explained by the fact that the increase comes from one category of banks that has centralised its national compliance centre in St. Gallen. For further information see our remarks in Chapters 2.1.2 and 2.3.5.

In 2008, MROS did not receive a single SAR from financial intermediaries based in the cantons of Appenzell Innerrhoden, Appenzell Ausserrhoden, Obwalden, Basel-Landschaft, Fribourg, Schaffhausen, Uri and Valais. This may be partly due to the centralisation of compliance centres, which is why it is necessary to look at the statistics in the following chapter "Location of suspicious business connection" (Chapter 2.3.3).

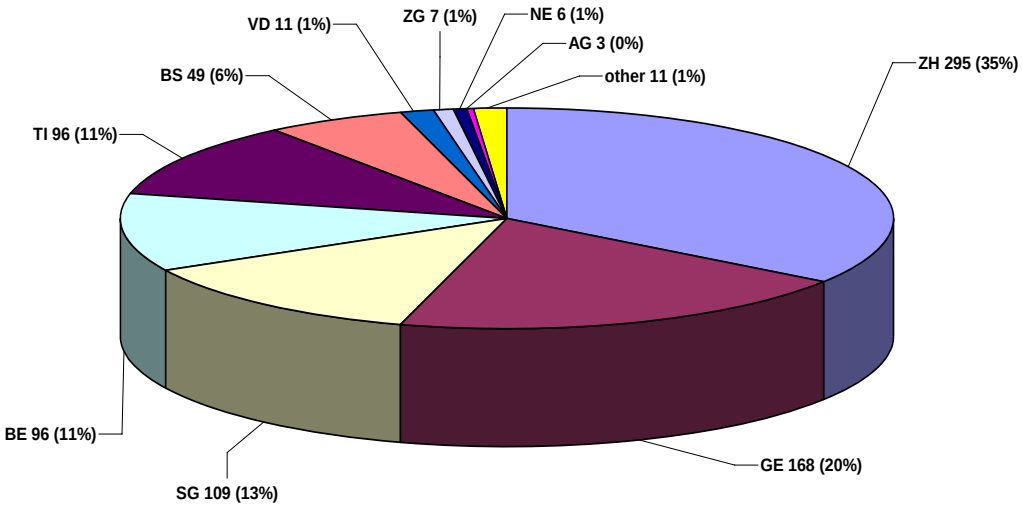
Comparison of the years 1999 to 2008

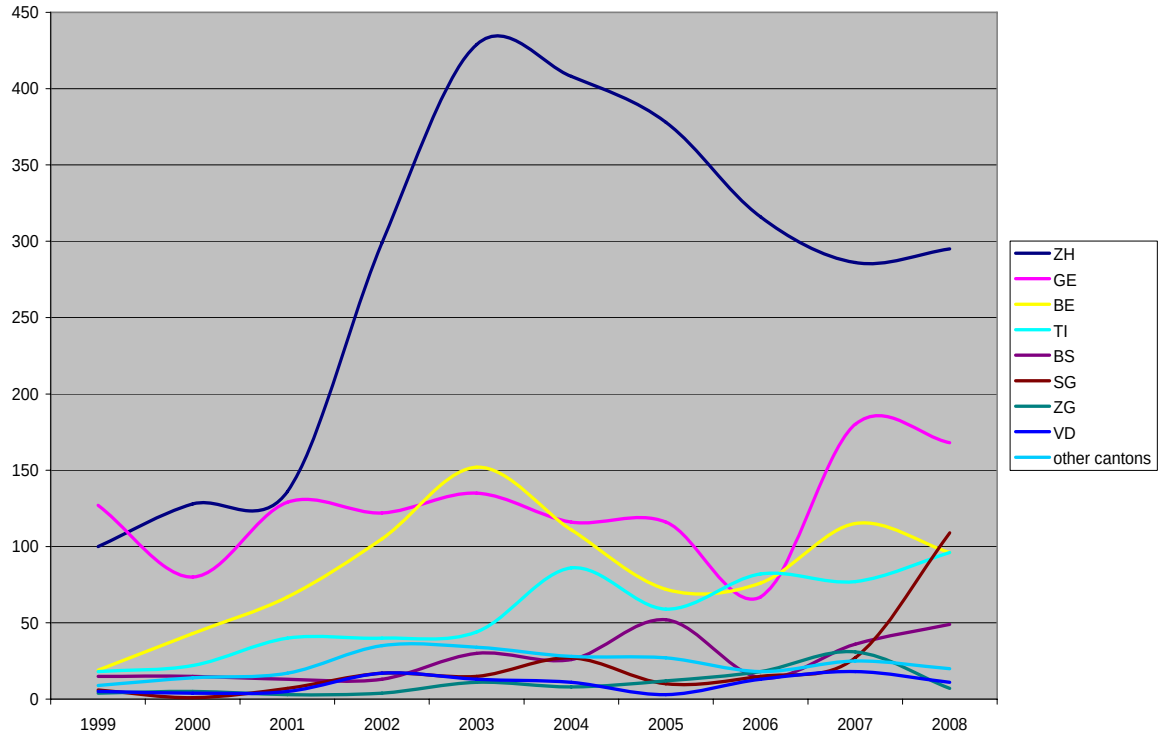
A comparison of the statistics from the last ten reporting years shows that MROS has never once received an SAR from the cantons of Appenzell Ausserrhoden and Uri. The high level of SARs from Zurich in 2003, 2004 and 2005 can be explained by the large number of SARs from the payment services sector as a result of one important money transmitter concentrating his national compliance centre in Zurich.

Legend

AG	Aargau	GR	Graubünden	SZ	Schwyz
AI	Appenzell Innerrhoden	JU	Jura	TG	Thurgau
AR	Appenzell Ausserrhoden	LU	Lucerne	TI	Ticino
BE	Bern	NE	Neuchâtel	UR	Uri
BL	Basel-Landschaft	NW	Nidwalden	VD	Vaud
BS	Basel-Stadt	OW	Obwalden	VS	Valais
FR	Fribourg	SG	St. Gallen	ZG	Zug
GE	Geneva	SH	Schaffhausen	ZH	Zurich
GL	Glarus	SO	Solothurn		

2008





For comparison 1999 - 2008

Canton	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
ZH	100	128	136	299	429	408	378	316	286	295	**2775**
GE	127	80	129	122	135	116	116	67	180	168	**1240**
BE	19	43	67	105	152	111	72	76	115	96	**856**
TI	18	22	40	40	44	86	59	82	77	96	**564**
BS	15	15	13	13	30	26	52	14	36	49	**263**
SG	6	1	7	17	15	27	10	15	27	109	**234**
ZG	4	5	3	4	11	8	12	18	31	7	**103**
VD	5	4	5	17	13	11	3	13	18	11	**100**
NE	1	1	1	1	7	3	6	2	7	6	**35**
GR		2	7	8	3	5	1	2	4	3	**35**
AG	1	2	4	12	3	2	1	3	1	3	**32**
LU	3	5	3		1	1	3	5	5	1	**27**
FR		1		2	3	9	8	2	1		**26**
TG		2		4	6	3		2	1	1	**19**
SO			1	1	5		1			1	**9**
SZ				2			3	1	2	1	**9**
VS	1	1	1	2	1	1		1			**8**
BL	1					2	2		1		**6**
GL				2	1	1				1	**5**
SH	2				1		1		1		**5**
NW				1	1		1			1	**4**
JU					1					2	**3**
OW					1	1			1		**3**
AI									1		**1**
Total	**303**	**312**	**417**	**652**	**863**	**821**	**729**	**619**	**795**	**851**	**6362**

2.3.3 Location of suspicious business connection

What the chart represents

The chart shows the cantons where the reporting financial intermediary managed accounts or business connections mentioned in an incoming SAR. This chart is intended to complement the previous chart 2.3.2 *Home canton of reporting financial intermediary.*

Chart analysis

The headquarters of a reporting financial intermediary is not a definite indication of the actual location of the account or business connection.

It is mainly the major banks and major payment services providers that have set up centralised compliance centres. The financial intermediaries based in the various cantons send their reports to the appropriate regional competence centre, which then drafts the SAR to MROS. However, these SARs do not necessarily concern the home canton of the reporting financial intermediary. This can lead to a distorted picture of the geographical distribution of money laundering cases in Switzerland. Moreover, a direct comparison with the statistics on the prosecuting authorities involved (see Chapter *2.3.12)* is not possible. This is partly because MROS does not forward all incoming SARs to prosecuting authorities and partly because, under Article 337 SCC, certain cases are subject to federal jurisdiction, and the location of the account or business connection alone therefore no longer determines which judicial authority is responsible. This fact is illustrated by the previous chart on *Home canton of reporting financial intermediaries* (Chapter *2.3.2)*. While nearly 96% of all SARs in 2008 came from financial intermediaries domiciled in the cantons of Zurich, Geneva, Bern, Ticino, Basel-Stadt and St.Gallen, only about 73% of the reported suspicious business connections actually took place in these six cantons.

In 2008, MROS did not receive any SARs from financial intermediaries based in the cantons of Appenzell Ausserrhoden, Appenzell Innerrhoden, Obwalden, Basel-Landschaft, Fribourg, Schaffhausen, Uri and Valais. In addition, the cantons of Appenzell Ausserrhoden and Appenzell Innerrhoden were the only locations where no suspicious business connections were reported.

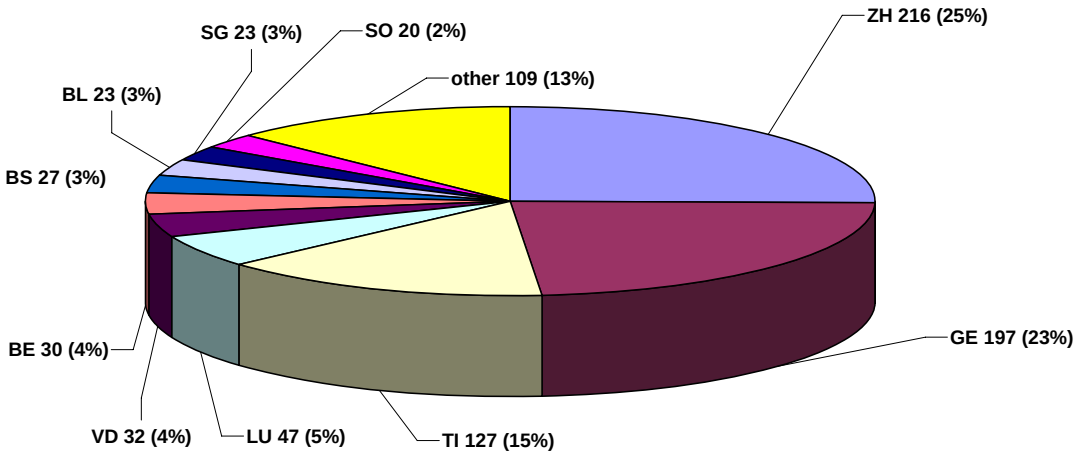
Comparison of the years 1999 to 2008

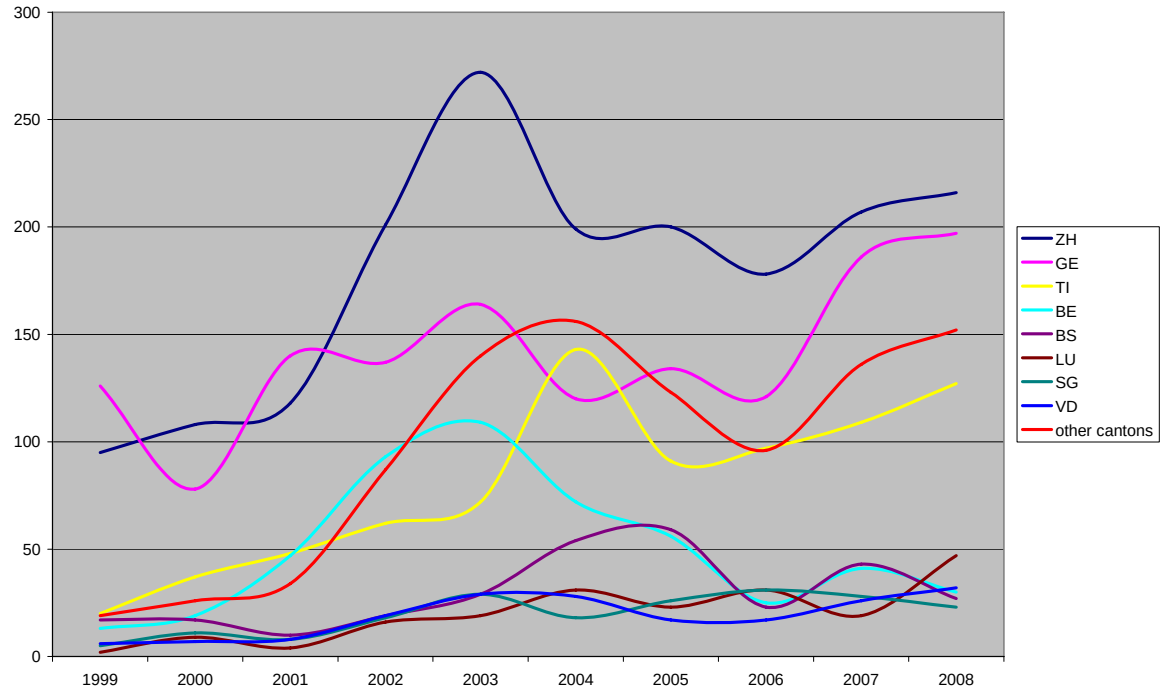
A comparison of the statistics from the last ten reporting years shows that half of the total number of reported business connections is located in the financial centres of Canton Zurich and Canton Geneva. In addition, every canton has been the subject of a suspicious business location.

Legend

AG	Aargau	GR	Graubünden	SZ	Schwyz
AI	Appenzell Innerrhoden	JU	Jura	TG	Thurgau
AR	Appenzell Ausserrhoden	LU	Lucerne	TI	Ticino
BE	Bern	NE	Neuchâtel	UR	Uri
BL	Basel-Landschaft	NW	Nidwalden	VD	Vaud
BS	Basel-Stadt	OW	Obwalden	VS	Valais
FR	Fribourg	SG	St. Gallen	ZG	Zug
GE	Geneva	SH	Schaffhausen	ZH	Zurich
GL	Glarus	SO	Solothurn		

2008





For comparison: 1999 - 2008

Canton	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
ZH	95	108	118	201	272	199	200	178	207	216	**1794**
GE	126	78	140	137	164	120	134	121	186	197	**1403**
TI	20	37	48	62	72	143	91	97	109	127	**806**
BE	13	19	47	93	109	72	56	25	41	30	**505**
BS	17	17	10	19	29	54	59	23	43	27	**298**
LU	2	9	4	16	19	31	23	31	19	47	**201**
SG	5	11	8	18	29	18	26	31	28	23	**197**
VD	6	7	8	19	29	28	17	17	26	32	**189**
ZG	6	9	3	8	16	15	22	40	40	19	**178**
AG	3	3	4	17	17	30	12	11	8	16	**121**
NE	3	1	1	12	23	11	22	12	12	10	**107**
FR		4	4	7	4	29	15	5	16	19	**103**
SO		1	4	7	20	12	10		6	20	**80**
VS		1	1	5	15	9	11	10	10	6	**68**
TG	1	2	2	7	14	6	7	7	7	7	**60**
GR	1	2	8	8	10	14	2	3	5	5	**58**
BL	1	1	1	4	3	4	5	1	7	23	**50**
GL			3	4	5	8	4	2	9	6	**41**
SZ		2	1	4	2	5	5	2	6	4	**31**
JU				1	6	10	4	3	1	5	**30**
SH	3		2		3	1	2		3	1	**15**

OW					1	1			1	6	**9**
NW	1			1	1	1	1			3	**8**
UR				1					1	2	**4**
AI									4		**4**
AR				1			1				**2**
Total	**303**	**312**	**417**	**652**	**863**	**821**	**729**	**619**	**795**	**851**	**6362**

2.3.4 Type of financial intermediary

What the chart represents

This chart shows the various types of financial intermediary that submitted SARs to MROS.

Chart analysis

- *Record number of SARs from the banking sector since the Anti-Money Laundering Act came into effect.*
- *Two-thirds of incoming SARs from banks.*
- *Fall in the number of SARs from payment services sector.*

A direct comparison of the 2007 and 2008 reporting years shows that the number of SARs from the banking sector once again increased sharply. However, the dramatic increase in the number of SARs submitted by the payment services sector in the 2007 reporting period – in comparison to the previous three reporting years - was not repeated in 2008. Indeed, the reporting volume from this sector fell in 2008 by a considerable 20%. Nevertheless, 89% of the total reporting volume (757 SARs) in 2008 was submitted by these two sectors alone. Besides the banking sector, the following categories of financial intermediaries also submitted more SARs in 2008: fiduciary; asset manager/investment advisor; attorneys; insurance companies; securities traders. The increase in SARs from these categories did not have a significant effect on the overall reporting numbers, however. With the exception of the decline in the number of SARs from the payment services sector, the same applies to the decrease in the number of SARs from the categories of: others; casinos; distributors of loan/leasing/factoring and non-recourse financing; commodities and precious metals traders.

As in 1999, 2000, 2001, 2006 and 2007, it was the financial intermediaries from the banking sector who submitted by far the most SARs in 2008; two-thirds of the total number of incoming SARs (as opposed to 62% in 2007). This volume was far more than from the payment services sector. In absolute figures, the banking sector submitted 80 more SARs in 2008 than in 2007, which despite representing an increase of 16% is considerably less than the 37%-increase from this sector in 2007. Among the SARs that were submitted from the banking sector in 2008, voluntary SARs submitted by virtue of Article 305ter paragraph 2 SCC remained steady with a total of 181 over 185 in 2007. In comparison, there was a significant increase (over and above the increase in total reporting volume from the banking sector) in the number of mandatory SARs submitted by virtue of Article 9 AMLA, from 291 in 2007 to 385 in 2008. The reasons for this increase can be found in the comments made in Chapter 2.1.2, al-

though it must be said in general that, despite the difficulty of defining the threshold of suspicion, certain categories of banks that contributed significantly to the increase in reporting volume submitted most of their SARs by virtue of Article 9 AMLA on account of their business practices. The decline in the number of SARs submitted by virtue of Article 24 FBC AMLO (attempted money laundering), which goes beyond the scope of mandatory reporting imposed on the banks under Article 9 AMLA, can be explained by the abolition of this paragraph as from 1 July 2008 (see Chapter 2.1.2).

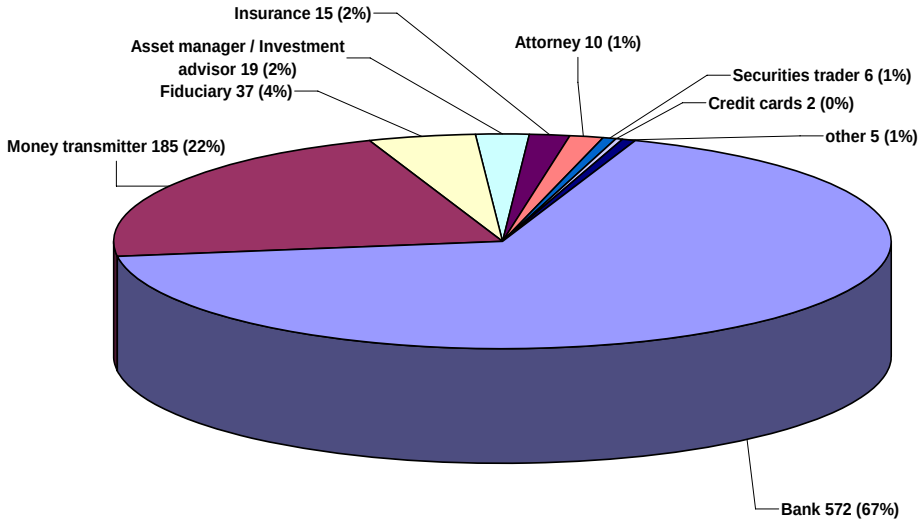
In contrast to the 2007 reporting period (but confirming the trends of 2005 and 2006), the number of SARs from the payment services sector declined once again, from 231 in 2007 to 185 in 2008. Considering the overall increase in the number of SARs in 2008, this represents a significant decrease. At the same time, however, MROS forwarded more SARs to prosecuting authorities (2008: 60% as opposed to 2007: 52%), which indicates that the quality of SARs has improved. This development shows that the financial intermediaries from this sector are using better judgement when assessing whether a SAR should be submitted to MROS.

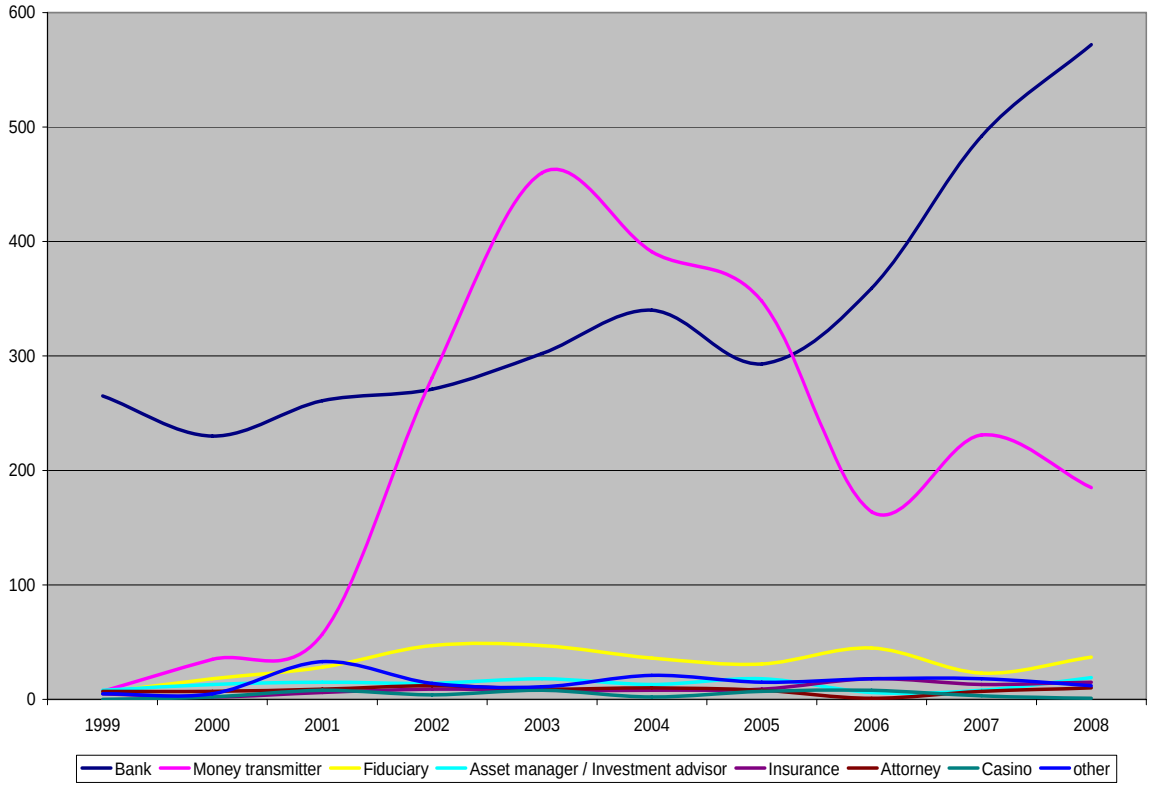
The other non-banking sector categories (excluding the payment services sector described above) accounted for 11% of the total reporting volume in 2008 compared to 9% in 2007. This slightly higher percentage can be explained by the decrease in the reporting volume from the payment services sector. An influential factor here was almost certainly the increase in 2008 compared to 2007 in reporting volume from fiduciaries, asset managers/investment advisors, attorneys, insurance companies and securities traders.

Comparison of the years 1999 to 2008

Whilst most SARs were submitted in the years following the entry-into-force of the Anti-Money Laundering Act (1999, 2000 and 2001) from the banking sector, there was a change in trend from 2002 to 2005 when more SARs were submitted by the payment services sector. This was a result of heightened due diligence on the part of financial intermediaries from this sector who, it must be said, also reported many cases that were not subject to mandatory reporting. Since 2006, most SARs have been submitted by the banking sector again, which indicates that financial intermediaries from the payment services sector have undergone a successful learning process resulting in the improved quality of SARs they submit. This is reflected in the slight increase in the percentage of SARs from this sector that are forwarded to prosecuting authorities.

2008


Insurance 15 (2%)
Asset manager / Investment advisor 19 (2%)
Fiduciary 37 (4%)
Attorney 10 (1%)
Securities trader 6 (1%)
Credit cards 2 (0%)
other 5 (1%)
Money transmitter 185 (22%)
Bank 572 (67%)


600
500
400
300
200
100
0
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Bank
Money transmitter
Fiduciary
Asset manager / Investment advisor
Insurance
Attorney
Casino
other

Proportion of SARs forwarded to the prosecuting authorities in 2008 by category

Financial intermediary category	% forwarded	% not forwarded
Bank	87.4%	12.6%
Payment services	60.0%	40.0%
Fiduciary	91.9%	8.1%
Asset manager/Investment advisor	52.6%	47.4%
Insurance	86.7%	13.3%
Attorney	80.0%	20.0%
Securities trader	83.3%	16.7%
Credit card company	100.0%	0.0%
Supervisory authorities	100.0%	0.0%
Casino	100.0%	0.0%
Currency exchange	100.0%	0.0%
Loan, leasing, factoring and non-recourse financing	100.0%	0.0%
Commodity and precious metal trader	0.0%	100.0%
Total	**80.7%**	**19.3%**

For comparison: 1999 - 2008

Sector	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Bank	265	230	261	271	302	340	293	359	492	572	**3385**
Payment services	7	35	57	281	460	391	348	164	231	185	**2159**
Fiduciary	6	18	28	47	47	36	31	45	23	37	**318**
Asset manager/Investment advisor	8	13	15	14	18	13	18	6	8	19	**132**
Insurance	5	2	6	9	8	8	9	18	13	15	**93**
Attorney	7	7	9	12	9	10	8	1	7	10	**80**
Casino		2	8	4	8	2	7	8	3	1	**43**
Other FI	1		26	4	1	7		1	2		**42**
Securities trader	1	1	4			4	3		2	6	**21**
Loan, leasing, factoring and non-recourse financing			1	1	2	1	1	8	4	1	**19**
Distributor of investment funds	2	2		2	3	3	5		1		**18**
Currency exchange		1	1	1		3	3	2	1	1	**13**
Commodity and precious metal trader			1	1	1			1	5	1	**10**
Credit card company	1				1	2			2	2	**8**
Authorities		1		2			1	2		1	**7**
Foreign exchange trader				2	2	1	1	1			**7**
Self-regulating organization				1	1		1	3	1		**7**
Total	**303**	**312**	**417**	**652**	**863**	**821**	**729**	**619**	**795**	**851**	**6362**

2.3.5 SARs from the banking sector

What the chart represents

This chart shows the types of banks that submitted SARs to MROS.

Chart analysis

- *Renewed increase and record high in the number of SARs from the banking sector.*
- *Decrease in the number of SARs from major banks.*
- *Dramatic increase in the number of SARs from the Raiffeisen banks.*

In absolute figures, MROS received more SARs from the banking sector in 2008 than it has since the Anti-Money Laundering Act came into effect on 1 April 1998.

Year	Total number of SARs	SARs from the banking sector	Percentage of SARs from the banking sector
1999	303	265	87%
2000	312	230	74%
2001	417	261	63%
2002	652	271	42%
2003	863	302	35%
2004	821	340	41%
2005	729	293	40%
2006	619	359	58%
2007	795	492	62%
2008	851	572	67%

As in 2006 and 2007, but unlike the years 2002, 2003, 2004 and 2005, most of the SARs submitted to MROS in 2008 came from the banking sector. Indeed, the proportion of SARs from this sector increased yet again, from 62% in 2007 to 67% in 2008. This increase can be partly explained by the fact that a number of cases with an intricate web of business connections generated a large number of SARs relating to the same context. Another reason is that banks now preventively monitor customer activity through efficient electronic means and screen customers using external compliance databases. This also explains why there has been a dramatic increase in the number of SARs from the category of Raiffeisen banks.

Despite a slight fall in the number of SARs submitted by major banks (213 in 2007, 196 in 2008), most SARs in 2008 - as in 2006 and 2007 - were submitted by the major banks and foreign-controlled banks (119 in 2007, 138 in 2008). However, the dramatic

increase in reporting volume from the Raiffeisen banks (19 in 2007, 107 in 2008) means that this category of bank was the third largest contributor of SARs in 2008. As we mentioned earlier, this increase – which was also responsible for the general increase in the total number of SARs in 2008 – can be explained by the preventive and systematic screening both of new and regular customers by means of an external compliance database. Apart from the massive surge in reporting volume from the Raiffeisen banks, the fluctuation between 2007 and 2008 in reporting volume from the other categories of banks was typical.

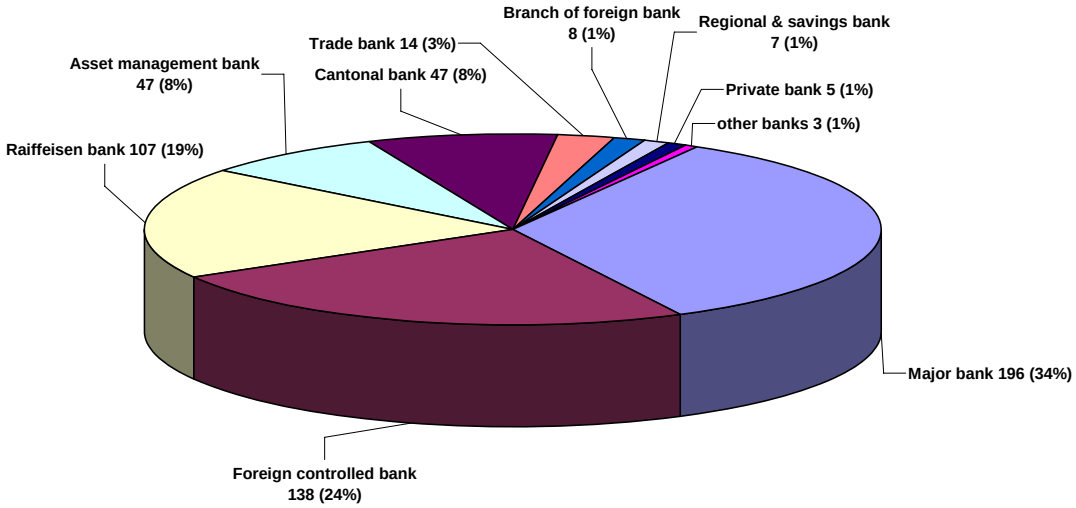
Despite a slight decrease in reporting volume from the major banks, the proportion of mandatory SARs submitted by virtue of Article 9 AMLA rose considerably to over 57% (2007: 30%), whilst the proportion of voluntary SARs fell correspondingly to 43% (2007: 70%). It would therefore appear that the criticism voiced by MROS last year in its 2007 Annual Report – namely that business practices vary considerably among major banks as far as submission of SARs is concerned – has led to a change in practice by this category of banks. If we look at the two other major categories of banks (foreign-controlled banks and Raiffeisen banks), we find that they submitted an even larger proportion of mandatory SARs: more than 81% of SARs (2007: 89%) from foreign-controlled banks and 74% of SARs (2007: 100%) from Raiffeisen banks were submitted by virtue of Article 9 AMLA.

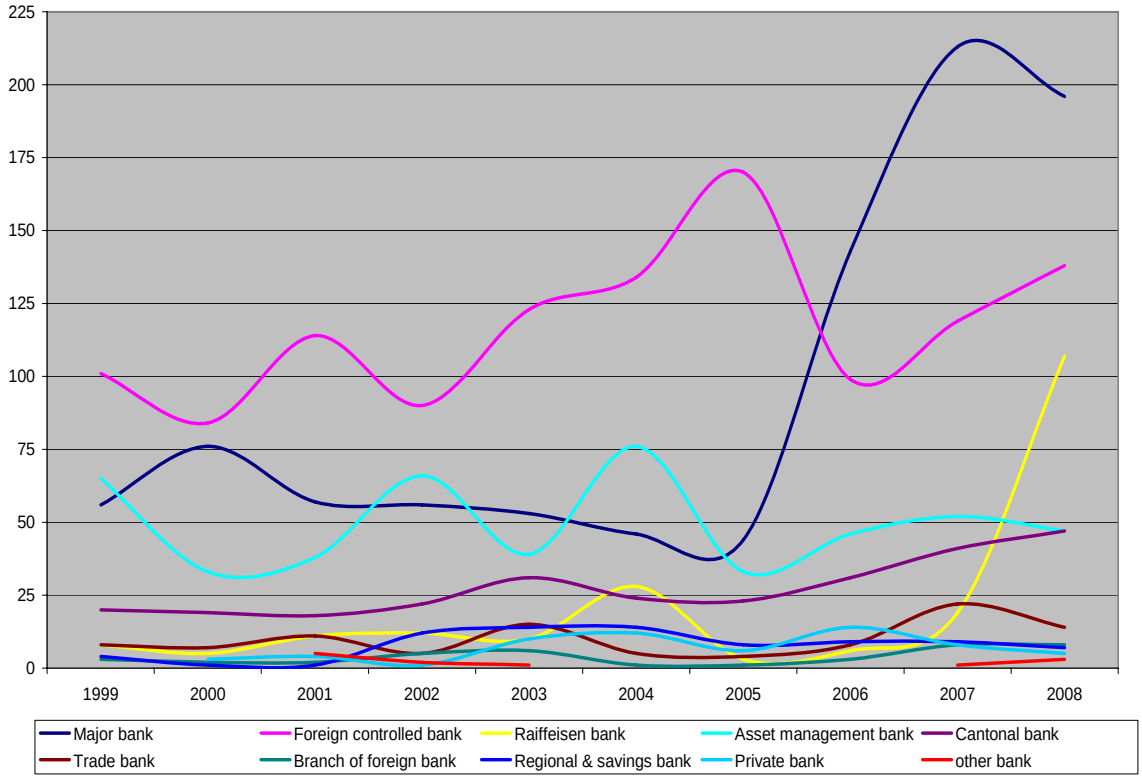
If we take an overall look at all categories of banks, we find that despite the increase in 2008 in SARs from this sector, only the number of mandatory SARs according to Article 9 AMLA showed an increase (291 in 2007, 385 in 2008). The number of voluntary SARs submitted by virtue of Article 305ter SCC, on the other hand, fell slightly from 185 in 2007 to 181 in 2008. We refrain from commenting on attempted money laundering SARs under Article 24 FBC AMLO since – as already mentioned – this article was abolished from the Anti-Money Laundering Ordinance in the 2008 reporting period.

Comparison of the years 1999 to 2008

A comparison of the last ten years reveals that between 1999 and 2005 foreign-controlled banks submitted more SARs annually than major banks. In 2006, the number of SARs from major banks rose dramatically, and this category remained the main contributor of SARs in the following years. With regard to the massive increase in SARs from the Raiffeisen banks in 2008, we refer to our comments above. The number of SARs from the other categories has remained steady in the last ten years.

2008


Branch of foreign bank
8 (1%)
Regional & savings bank
7 (1%)
Trade bank 14 (3%)
Asset management bank
47 (8%)
Cantonal bank 47 (8%)
Private bank 5 (1%)
other banks 3 (1%)
Raiffeisen bank 107 (19%)
Major bank 196 (34%)
Foreign controlled bank
138 (24%)


225
200
175
150
125
100
75
50
25
0
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
Major bank
Foreign controlled bank
Raiffeisen bank
Asset management bank
Cantonal bank
Trade bank
Branch of foreign bank
Regional & savings bank
Private bank
other bank

For comparison: 1999 - 2008

Type of bank	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Major bank	56	76	57	56	53	46	44	143	213	196	**940**
Foreign-controlled bank	101	84	114	90	123	134	170	99	119	138	**1172**
Raiffeisen bank	8	5	11	12	10	28	3	6	19	107	**209**
Asset management bank	65	33	38	66	39	76	33	46	52	47	**495**
Cantonal bank	20	19	18	22	31	24	23	31	41	47	**276**
Trade bank	8	7	11	5	15	5	4	8	22	14	**99**
Branch of foreign bank	3	2	2	5	6	1	1	3	8	8	**39**
Regional & savings bank	4	1	1	12	14	14	8	9	9	7	**79**
Private bank		3	4	1	10	12	6	14	8	5	**63**
Other bank			5	2	1		1		1	3	**13**
Total	**265**	**230**	**261**	**271**	**302**	**340**	**293**	**359**	**492**	**572**	**3385**

2.3.6 Factors arousing suspicion

What the chart represents

This chart shows what suspicions prompted financial intermediaries to submit SARs to MROS.

Chart analysis

- *Nearly two-thirds of all SARs were triggered by external indications and information.*
- *Decrease in the number of SARs from the payment services sector led to a corresponding fall in the number of cases where cash transactions were cited as the factor arousing suspicion.*

In 2008, information gleaned from *newspaper reports* was no longer the main factor arousing suspicion as it was in 2006 and 2007. Instead, the main factor arousing suspicion in 2008 was derived from *third-party information*. The reason for this is quite clearly the continual and systematic screening of regular customers by means of an external compliance database by the Raiffeisen banks.

In third place – a new development - was the category *information from prosecuting authorities.* This information was based on disclosure or confiscation orders by prosecuting authorities or other information from the authorities, which was brought to the attention of the financial intermediary and gave rise to a SAR.

The significance of external information in triggering SARs becomes apparent if we consider the three main categories – *media reports, third-party information and information from prosecuting authorities*. Together, these categories triggered nearly two-thirds (63%) of all SARs submitted to MROS in 2008 (2007: 51%).

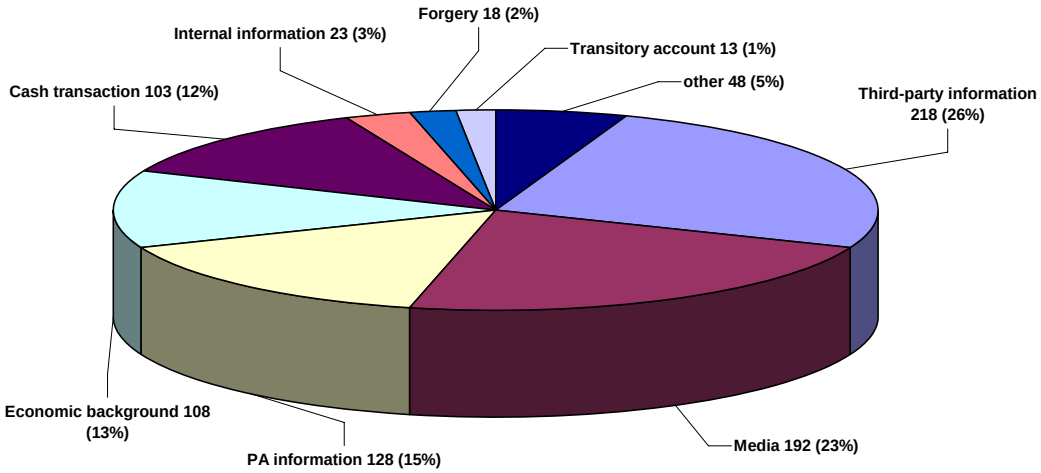
Comparison of the years 1999 to 2008

If we compare the figures from the last ten years, we find that *cash transactions* were a fairly prominent factor arousing suspicion. This can be explained by the large number of SARs from the payment services sector – particularly from the money transmitters - in the years from 2002 to 2005.

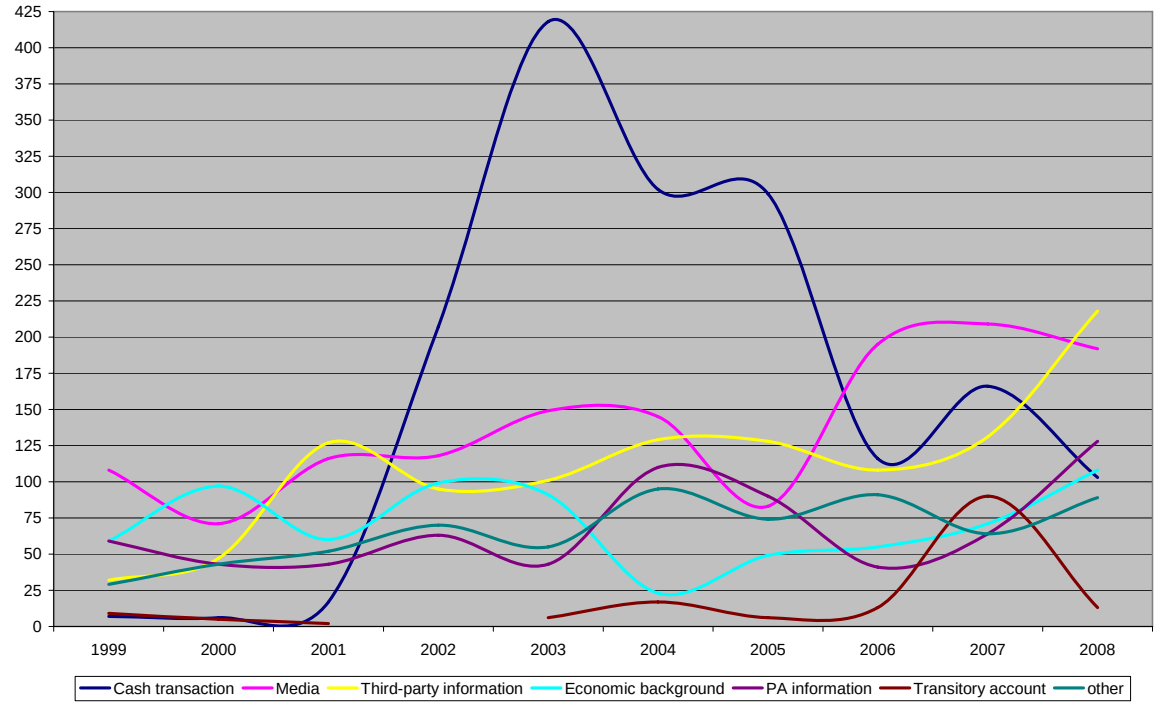
Legend

Unclear economic background	The economic background of a transaction is either unclear or cannot be satisfactorily explained by the customer.
Information from prosecuting authorities	Prosecuting authorities initiate proceedings against an individual connected with the financial intermediary's client.
Media	The financial intermediary finds out from media reports that one of the people involved in the financial transaction is connected with illegal activities.
Third-party information	Financial intermediaries receive information from outside sources or from within a business about clients who could pose problems.
Other	Included in this category are topics which were listed separately in previous MROS statistics such as cheque transaction, forgery, high-risk countries, currency exchange, securities, smurfing, life insurance, non-cash cashier transactions, fiduciary transactions, loan transactions, precious metals and various.

2008



For comparison: 1999 - 2008



For comparison: 1999 - 2008

Factors	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Cash transaction	7	6	17	207	418	302	299	116	166	103	**1641**
Media	108	71	116	118	149	145	83	195	209	192	**1386**
Third-party information	32	47	127	95	101	129	128	108	131	218	**1116**
Economic background	59	97	60	99	91	23	49	55	71	108	**712**
PA information	59	43	43	63	43	110	90	41	64	128	**684**
Transitory account	9	5	2		6	17	6	13	90	13	**161**
Forgery	8	8	9	11	7	11	15	19	10	18	**116**
Various	8	3	12	13	15	32	7	5	5	8	**108**
Opening of account		1	1			18	9	13	21	13	**76**
Securities		14	6	7	3	5	12	10	3	13	**73**
Check transaction	5	11	7	13	8	8	8	4	4	1	**69**
Internal information	5	1	3		5	6	10	8	7	23	**68**
Currency exchange	1	3	4	7	8	3	6	12	11	9	**64**
Difficult countries	1	1	1	10	2	3	3	1	1	2	**25**
Loan transaction		1	3		2	3		7		1	**17**
Smurfing			4	6		1	3				**14**
Life insurance	1		1	1	2	1	1	2			**9**
Audit/supervisory board								7	1		**8**
Trust activity			1	1	1			2		1	**6**
Precious metals					1	3		1	1		**6**
Non-cash cashier transaction				1	1	1					**3**
Total	**303**	**312**	**417**	**652**	**863**	**821**	**729**	**619**	**795**	**851**	**6362**

2.3.7 Suspected predicate offences

What the chart represents

This chart shows the predicate offences that were *suspected* in the SARs that MROS forwarded to prosecuting authorities.

It should be noted that usage of the term “predicate offence” is not entirely accurate as it is based solely on the financial intermediary’s assumption as well as on MROS’s appreciation of the facts and information accompanying the financial intermediary’s SAR. An act is only officially considered a “predicate offence” after a prosecuting authority receives the SAR and initiates criminal proceedings.

The *“Not classifiable”* category includes cases where a variety of possible predicate offences are suspected. The *“No plausibility”* category includes those cases that do not fall into any visible predicate offence category, although the analysis of the transaction or of the economic background cannot exclude the criminal origin of the money.

Chart analysis

- *Increase in the number of SARs with "fraud" as the suspected predicate offence.*
- *Massive rise in the predicate offence category "embezzlement" and "criminal organisations".*

For the third consecutive time, "fraud" was the most frequently suspected predicate offence. This category accounted for nearly 39% of all SARs submitted in 2008 (2007: 33%). This high proportion can be explained partly by the fact that this category includes many kinds of fraud, from big-time investment fraud down to numerous instances of petty fraud. Another reason was the record number of SARs from the banking sector.

Specific details were lacking in many of the SARs received from the payment services sector. This prevented MROS from sorting these SARs into suspected predicate offence categories. Despite a decline of 20% in SARs from this sector, the *"not classifiable"* category remained the second largest predicate offence category after *"fraud",* as was the case in 2007.

As in 2007, the predicate offence category *"bribery"* remained in third place with a total of 81 SARs in 2008 (20 less than in 2007). Despite the decline in this category, the figure is still high and can be explained by several corruption cases that drew considerable media attention and triggered multiple SARs on account of the very intricate business connections associated with these cases. In all these corruption cases, the

actual bribery took place outside of Switzerland, and the illicitly-obtained funds were deposited in a Swiss bank account. On this subject, it is worth mentioning that legally-obtained funds used for bribery purposes may be reported only after the funds have been deposited in the bribery recipient's account and only by the financial intermediary managing the account. Until then, the funds do not meet the "criminal origin of funds" criteria laid down in Article 9 AMLA (see Chapter 5.4 for further information).

If we look at the assets involved in the first and third-ranking predicate offence categories *"fraud"* and *"bribery",* we find that *"bribery"* lies ahead of *"fraud"* with a total of more than CHF 870 million in assets as opposed to over CHF 650 million. This may be explained by the fact that the latter category includes everything from minor to big-time fraud, whereas the category *"bribery"* usually involves major international corporations.

Of the total 851 SARs submitted to MROS in 2008, 437 (i.e. just over 51% compared to 43% in 2007) property offences were assumed to be the predicate offence. This is hardly surprising considering that this category includes the largest category *"fraud"* and the category *"embezzlement",* which increased more than twofold over 2007.

The 57 SARs (56 SARs in 2007) classified under the category *"money laundering"* were not actually considered by MROS as definite predicate offences, despite the fact that the modus operandi suggested acts of money laundering.

The number of SARs in the category *"document forgery"* increased from 10 in 2007 to 22 in 2008. It should be pointed out, however, that this offence alone does generate criminal assets and therefore does not justify the submission of a mandatory SAR by virtue of Article 9 AMLA. This category is considered as a predicate offence that may potentially yield illicitly-gained assets (e.g. forged cheques or bank guarantees).

There was a considerable increase in the number of SARs submitted under the category *"criminal organisation",* from 20 in 2007 to 48 in 2008. It should be pointed out that these SARs were classified under this category mainly on account of newspaper reports which did not explicitly mention any other predicate offence to money laundering other than this.

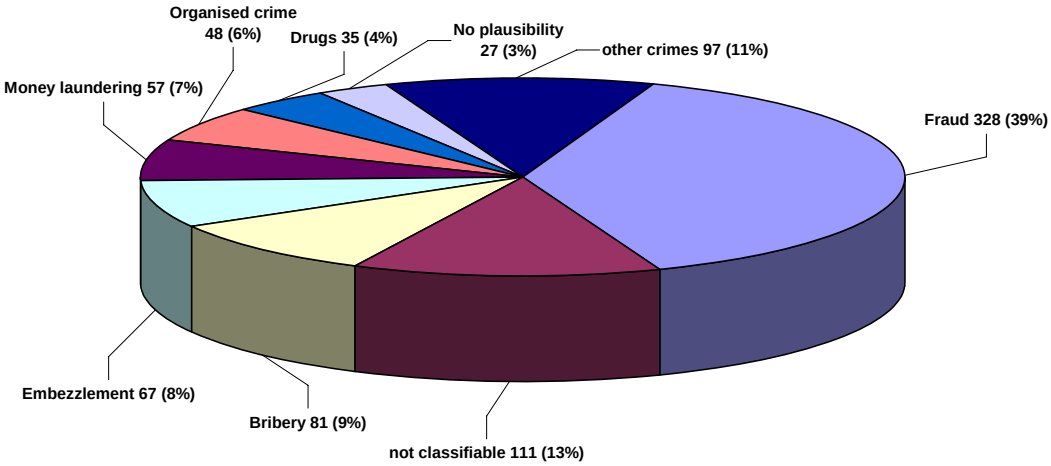
Considering the number of incoming SARs, the remaining categories did not show any notable shifts.

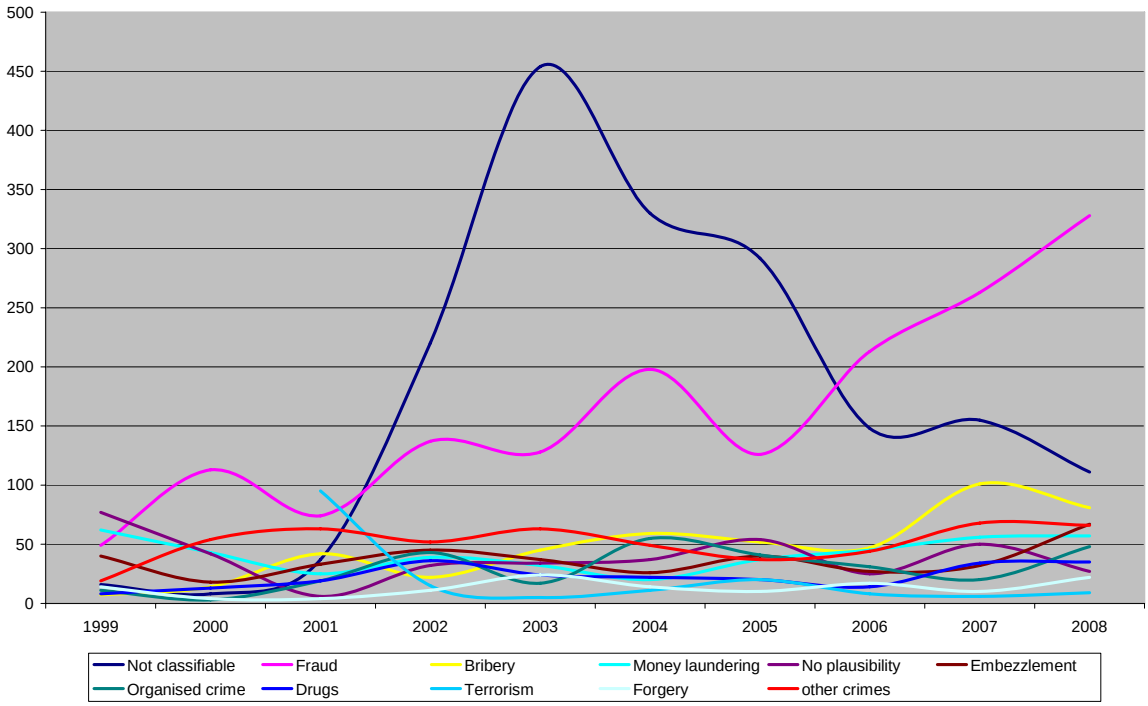
Comparison of the years 1999 to 2008

If we compare the predicate offences in the last ten years, we find that the categories *"not classifiable"* and *"fraud"* are especially worth mention. The category *"not classifi-*

able" dominated the tables from 2002 to 2005 and correlated to the large number of SARs from the payment services sector during this period. Since 2006, however, the predicate offence *"fraud"* has been at the top of the tables, which can be explained by the fact that this category includes everything from big-time investment fraud rife during the boom years of the stock market, down to advance-fee fraud and Internet platform trading.

2008





For comparison: 1999 - 2008

Category	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
Not classifiable	16	8	37	220	454	330	292	148	155	111	**1771**
Fraud	49	113	74	137	128	198	126	213	263	328	**1629**
Bribery	7	14	42	22	45	59	52	47	101	81	**470**
Money laundering	62	43	25	39	32	20	37	45	56	57	**416**
No plausibility	77	42	6	32	34	37	54	25	50	27	**384**
Embezzlement	40	18	33	45	37	26	40	27	32	67	**365**
Organised crime	11	3	19	43	17	55	41	31	20	48	**288**
Drugs	8	13	19	36	24	22	20	14	34	35	**225**
Terrorism			95	15	5	11	20	8	6	9	**169**
Other crimes against property	3	19	25	7	7	14	12	13	22	22	**144**
Forgery	14	4	4	11	24	14	10	17	10	22	**130**
Dishonest business management	1	1	5	5	14	4	10	11	21	12	**84**
Other crimes	6	18	11	18	5	9	2	9	3	3	**84**
Theft	6	1	4	8	17	6	9	8	4	3	**66**
Arms dealings		6	8	4	9	6		1	12	8	**54**
Violent crime	2	3	2	5	2	2	1		1	9	**27**
Sexual crimes		5	2	2	2	3	1		3	4	**22**
Blackmail	1		2	1	2	3	1	1		4	**15**
Robbery		1	3		2	2			1	1	**10**
Counterfeiting			1	2	3		1				**7**
Lack of due diligence in handling assets								1	1		**2**
Total	**303**	**312**	**417**	**652**	**863**	**821**	**729**	**619**	**795**	**851**	**6362**

2.3.8 Domicile of clients

What the chart represents

This chart shows the physical or corporate domicile of the clients mentioned in financial intermediary SARs.

Chart analysis

- *Very little change over the last two reporting years in the proportion of Swiss-based clients mentioned in incoming SARs.*
- *Increase in the number of clients based in the Caribbean.*

In 2008, around 45% of incoming SARs referred to financial intermediary clients whose physical or corporate domicile was located in Switzerland – a figure that has remained more or less unchanged since 2006. Despite the increase in the total number of SARs in 2008 - the second-highest reporting volume since the Anti-Money Laundering Act came into force – the number of SARs referring to natural and legal entities based in the rest of Western Europe (including Great Britain and Scandinavia) actually fell in absolute figures from 233 SARs in 2007 to 202 SARs in 2008. The second consecutive increase in SARs referring to clients domiciled in the Caribbean is directly linked to the legal entities domiciled in this region that are named as the contracting party or account holder.

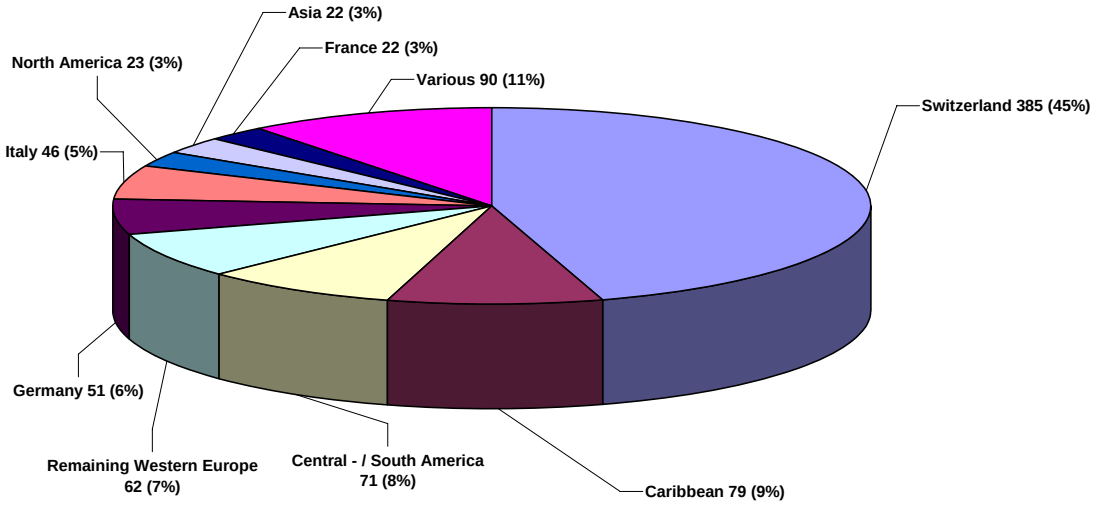
Comparison of the years 2001 to 2008

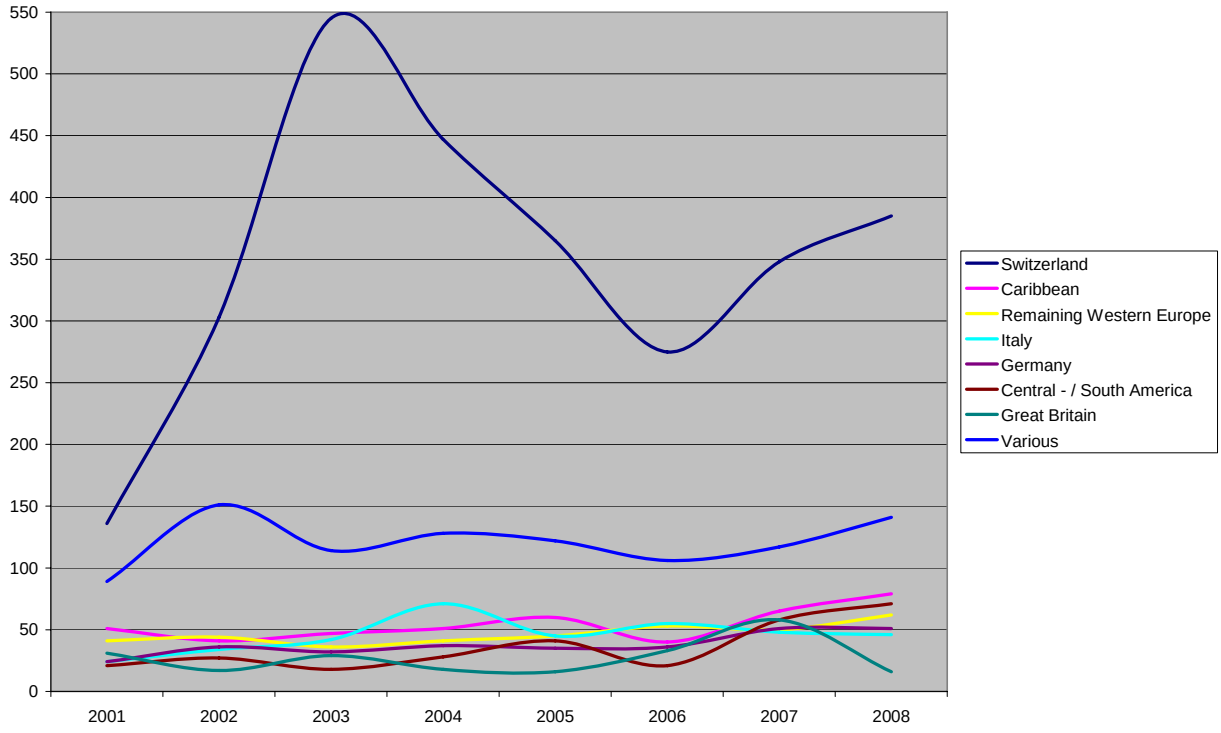
The record levels of Swiss-based clients in the years from 2002 to 2005 are inextricably linked to the large reporting volume from the payment services sector in this period. This is because this category of clients mostly used the services offered by money transmitters.

Legend

Rest of Western Europe	Austria, Belgium, Spain, Liechtenstein, Greece, Luxembourg, Malta, Monaco, Netherlands, Portugal and San Marino
Various	Middle East, Great Britain, Australia/Oceania, C.I.S., Africa, Eastern Europe, Scandinavia and Unknown

2008


Asia 22 (3%)
France 22 (3%)
North America 23 (3%)
Various 90 (11%)
Switzerland 385 (45%)
Italy 46 (5%)
Germany 51 (6%)
Remaining Western Europe 62 (7%)
Central - / South America 71 (8%)
Caribbean 79 (9%)


550
500
450
400
350
300
250
200
150
100
50
0
2001
2002
2003
2004
2005
2006
2007
2008
Switzerland
Caribbean
Remaining Western Europe
Italy
Germany
Central - / South America
Great Britain
Various

For comparison: 2001 - 2008

Domicile of client	2001	2002	2003	2004	2005	2006	2007	2008	Total
Switzerland	136	303	545	447	365	275	348	385	**2804**
Caribbean	51	41	47	51	60	40	65	79	**434**
Remaining Western Europe	41	44	36	41	45	53	50	62	**372**
Italy	24	34	42	71	45	55	48	46	**365**
Germany	24	36	32	37	35	36	51	51	**302**
Central / South America	21	27	18	28	41	21	58	71	**285**
Great Britain	31	17	29	18	16	33	58	16	**218**
Middle East	33	31	19	16	17	9	20	19	**164**
North America	18	21	11	19	25	25	20	23	**162**
France	10	21	14	18	17	12	18	22	**132**
Asia	6	17	11	12	15	26	19	22	**128**
Africa	8	31	24	18	13	8	12	11	**125**
Eastern Europe	6	12	11	17	13	14	9	10	**92**
C.I.S.	2	7	9	15	2	7	3	13	**58**
Australia/Oceania	1	3	5	7	6	1	7	13	**43**
Scandinavia	3	2	4	5	6	3	8	5	**36**
unknown	2	6	6	1	8	1	1	3	**28**
Total	**417**	**653**	**863**	**821**	**729**	**619**	**795**	**851**	**5748**

2.3.9 Nationality of clients

What the chart represents

This chart shows the nationality of financial intermediary clients. While it is possible for a natural person's nationality to differ from his/her domicile, no such distinction exists between the nationality and domicile of a legal entity.

Chart analysis

- *In 2008, the proportion of SARs mentioning clients who were Swiss nationals or Swiss-based natural persons/legal entities remained virtually unchanged over 2007.*
- *The proportion of SARs referring to clients who were European nationals or European-based natural persons/legal entities remained the same in 2008 over 2007.*

As to be expected, the category comprising financial intermediary clients who were Swiss nationals or Swiss-based natural persons/legal entities can be found at the top of the tables. This category accounts for nearly 32% of the total number of SARs submitted to MROS in 2008, a figure that remains virtually unchanged over 2007 (33%) despite the general increase in reporting volume and the record level of SARs from the banking sector. These figures reflect the international nature of Switzerland's financial centre.

In second place with a share of nearly 9% are clients of German nationality or German–based natural persons/legal entities. This category of SARs is followed by Caribbean clients – including Caribbean-based offshore companies with no distinction between domicile and nationality - with a slightly higher share of 9% (2007: 8%). This slight increase is explained by the record number, in absolute figures, of SARs from the banking sector, which often involve complicated cases with offshore business structures.

The proportion of SARs referring to European clients remained practically the same (67% in 2007, 66% in 2008). These figures do not take into account nationalities from C.I.S. countries that may be considered part of Europe.

All in all, these findings reflect the pattern described in Chapter 2.3.8. This implies that most of the financial intermediary clients referred to in the SARs had the same nationality and domicile. The comments made in Chapter 2.3.8 also apply in this case.

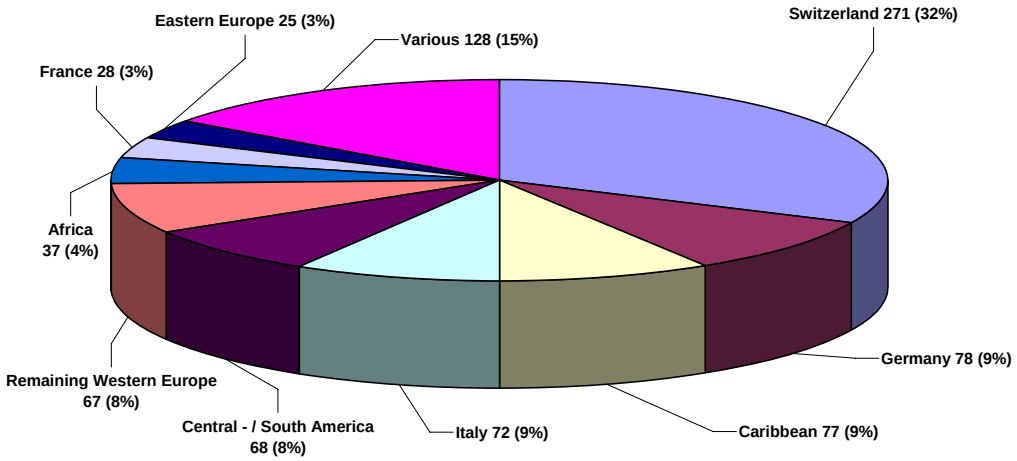
Comparison of the years 2001 to 2008

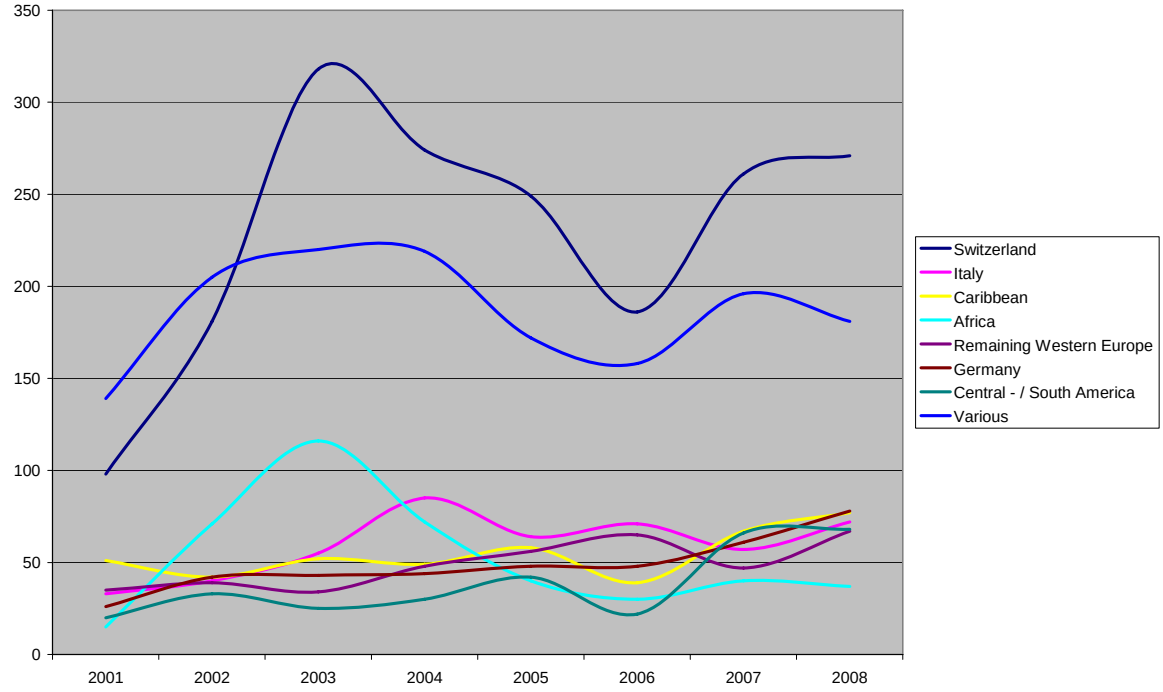
If we look at the diagram below, we find that in those years with a vast number of SARs from the payment services sector, this sector was used mainly by Swiss-based natural persons who were simultaneously Swiss nationals, and by nationals from African states.

Legend

Rest of Western Europe	Austria, Belgium, Spain, Liechtenstein, Greece, Luxembourg, Malta, Netherlands, Portugal and San Marino
Various	C.I.S., North America, Asia, Middle East, Australia/Oceania, Great Britain, Scandinavia and Unknown

2008





For comparison: 2001 - 2008

Nationality of client	2001	2002	2003	2004	2005	2006	2007	2008	Total
Switzerland	98	181	318	274	249	186	261	271	**1838**
Italy	33	40	55	85	64	71	57	72	**477**
Caribbean	51	42	52	49	58	39	67	77	**435**
Africa	15	71	116	72	40	30	40	37	**421**
Remaining Western Europe	35	39	34	48	56	65	47	67	**391**
Germany	26	42	43	44	48	48	61	78	**390**
Central / South America	20	33	25	30	42	22	66	68	**306**
Middle East	40	49	57	49	33	16	22	21	**287**
Eastern Europe	12	30	38	40	35	25	24	25	**229**
Great Britain	14	21	33	22	15	34	56	11	**206**
Asia	30	29	18	24	22	26	29	23	**201**
North America	15	25	21	23	28	24	23	24	**183**
France	19	22	15	19	18	19	19	28	**159**
C.I.S.	4	17	20	23	8	8	8	24	**112**
Scandinavia	3	2	9	8	3	4	9	10	**48**
Australia/Oceania	0	4	6	9	5	1	6	12	**43**
Unknown	2	6	3	2	5	1		3	**22**
Total	**417**	**653**	**863**	**821**	**729**	**619**	**795**	**851**	**5748**

2.3.10 Domicile of beneficial owners

What the chart represents

This chart shows the domicile of the natural persons or legal entities that were identified as beneficial owners of assets at the time the SARs were submitted to MROS.

Chart analysis

- *Slight absolute and relative increase in the number of SARs referring to Swiss-based beneficial owners.*
- *Decrease in SARs referring to beneficial owners based in Great Britain.*
- *Decline in the proportion of SARs referring to European-based beneficial owners.*

In the 2008 reporting year, the proportion of SARs referring to European-based beneficial owners (excluding C.I.S. states considered part of Europe) fell to 74% (2007: 80%) despite the higher reporting volume. If we exclude Swiss-based beneficial owners from the category of beneficial owners whose physical or corporate domicile is located in Europe, we find that the proportion of European-based beneficial owners fell significantly from 40% in 2007 to 32% in 2008.

As was observed for the statistics on *"Domicile of clients"* (Chapter 2.3.8), the proportion of incoming SARs referring to Swiss-based beneficial owners increased slightly, from 40% in 2007 to 42% in 2008, making it the largest category reported to MROS. As in previous years, the second largest category comprised beneficial owners whose physical or corporate domicile was in Italy and who were the subject of a SAR on account of information from a third party, especially from the Italian press. The disproportionate decline (compared to the overall increase in reporting volume) in the number of SARs referring to British-based beneficial owners from 65 in 2007 to 19 in 2008 can mainly be explained by the fact that several interrelated SARs came from a single financial intermediary, making this category especially high in 2007. This fact also contributed to the decrease in the number of European-based beneficial owners.

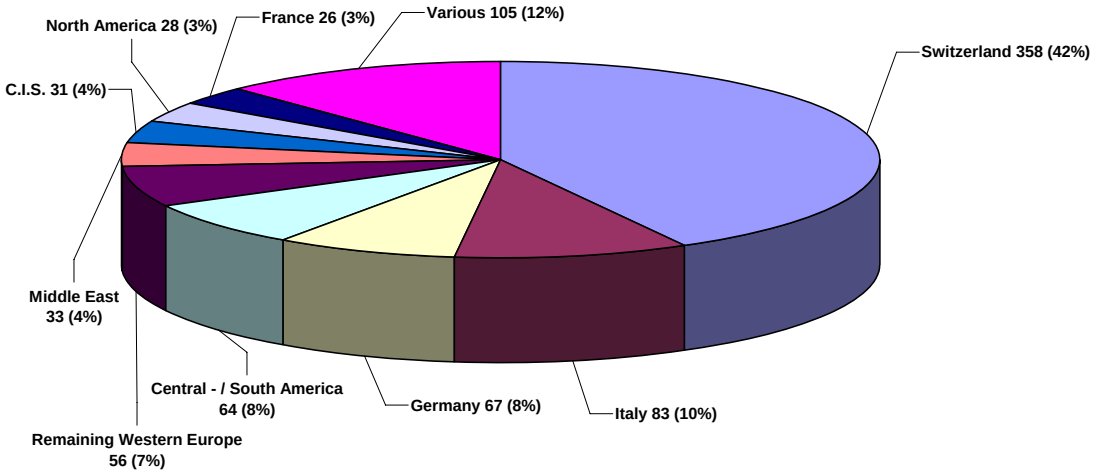
Comparison of the years 2001 to 2008

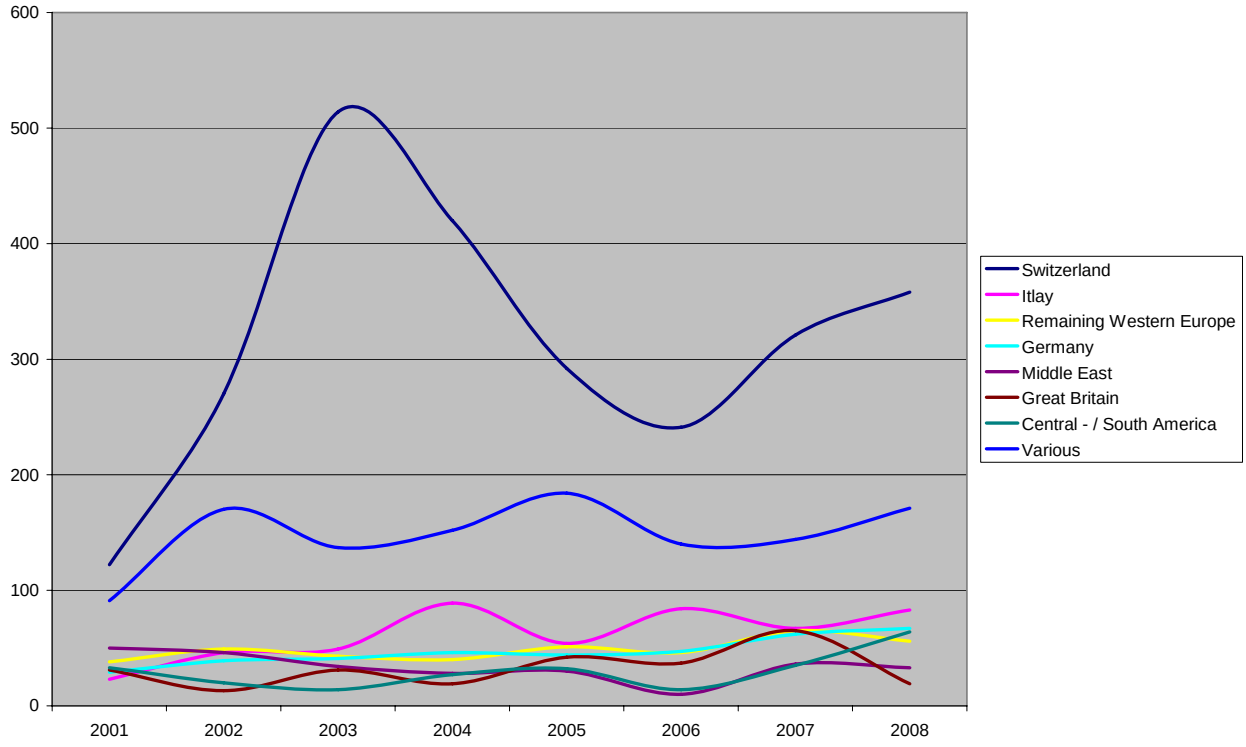
If we look at the diagram below, we find that in those years with a high number of SARs from the payment services sector, this sector was used mainly by Swiss-based natural persons who, at the same time, were the beneficial owners of the assets.

Legend

Rest of Western Europe	Austria, Belgium, Spain, Liechtenstein, Greece, Luxembourg, Netherlands, Portugal and San Marino
Various	Asia, Africa, Great Britain, Eastern Europe, Australia/Oceania, Caribbean, Scandinavia and Unknown

2008





For comparison: 2001 - 2008

Domicile of beneficial owner	2001	2002	2003	2004	2005	2006	2007	2008	Total
Switzerland	122	270	514	420	292	241	321	358	**2538**
Italy	23	46	49	89	54	84	67	83	**495**
Remaining Western Europe	38	49	43	40	51	46	65	56	**388**
Germany	29	39	41	46	44	47	62	67	**375**
Middle East	50	46	34	28	30	10	36	33	**267**
Great Britain	31	13	31	19	42	37	65	19	**257**
Central / South America	33	20	14	27	32	14	35	64	**239**
Africa	14	36	38	26	35	17	21	22	**209**
North America	20	23	16	32	29	32	27	28	**207**
France	15	39	18	20	29	18	23	26	**188**
Asia	7	21	14	14	24	29	27	24	**160**
Eastern Europe	8	17	15	20	33	22	13	18	**146**
C.I.S.	11	15	13	18	8	15	7	31	**118**
Scandinavia	3	2	5	5	11	4	21	5	**56**
Unknown	9	13	8	1	7	1	1	3	**43**
Australia/Oceania	1	2	6	9	4	1	2	8	**33**
Caribbean	3	2	4	7	4	1	2	6	**29**
Total	**417**	**653**	**863**	**821**	**729**	**619**	**795**	**851**	**5748**

2.3.11 Nationality of beneficial owners

What the chart represents

This chart shows the nationality of those individuals who were identified as beneficial owners of assets at the time the SARs were submitted to MROS. While no distinction is drawn between the nationality and domicile of legal entities, often the identity and nationality of the actual beneficial owners of these legal entities can only be determined by prosecuting authorities.

Chart analysis

- *Number of SARs mentioning Swiss nationals as beneficial owners steady.*
- *Fall in the number of SARs mentioning European nationals as beneficial owners.*

As in the 2007 reporting year, European nationals (excluding C.I.S. states considered part of Europe) constituted the largest category of beneficial owners also in 2008. Despite the significant increase in SARs, the proportion that this category represents in the total reporting volume actually fell from 74% in 2007 to around 70% in 2008. As to be expected, Swiss nationals can be found at the top of the table with the same proportion of SARs (27%) in 2008 as in 2007. Again in second place (with the exception of 2007) were Italian nationals with a share of 13% (2007: 9%). In third place were German nationals, constituting 11% of all incoming SARs (2007: 10%). Because the country of domicile and nationality of the beneficial owners match in most of the SARs, the reason for the significant decrease in the number of beneficial owners from Great Britain can be explained by the comments made in Chapter 2.3.10.

If we compare the nationalities of beneficial owners referred to in the SARs sent to MROS in 2007 and 2008, there have not been any major inexplicable differences.

Comparison of the years 2001 to 2008

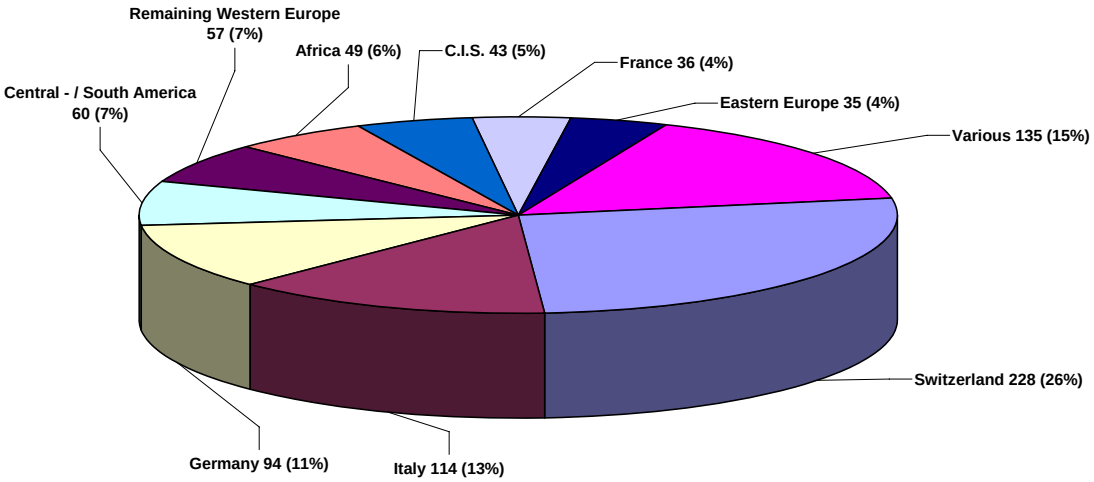
If we look at the diagram below, we find that in those years with a high number of SARs from the payment services sector, this sector was used mainly by Swiss nationals based in Switzerland who were also the beneficial owners of the assets.

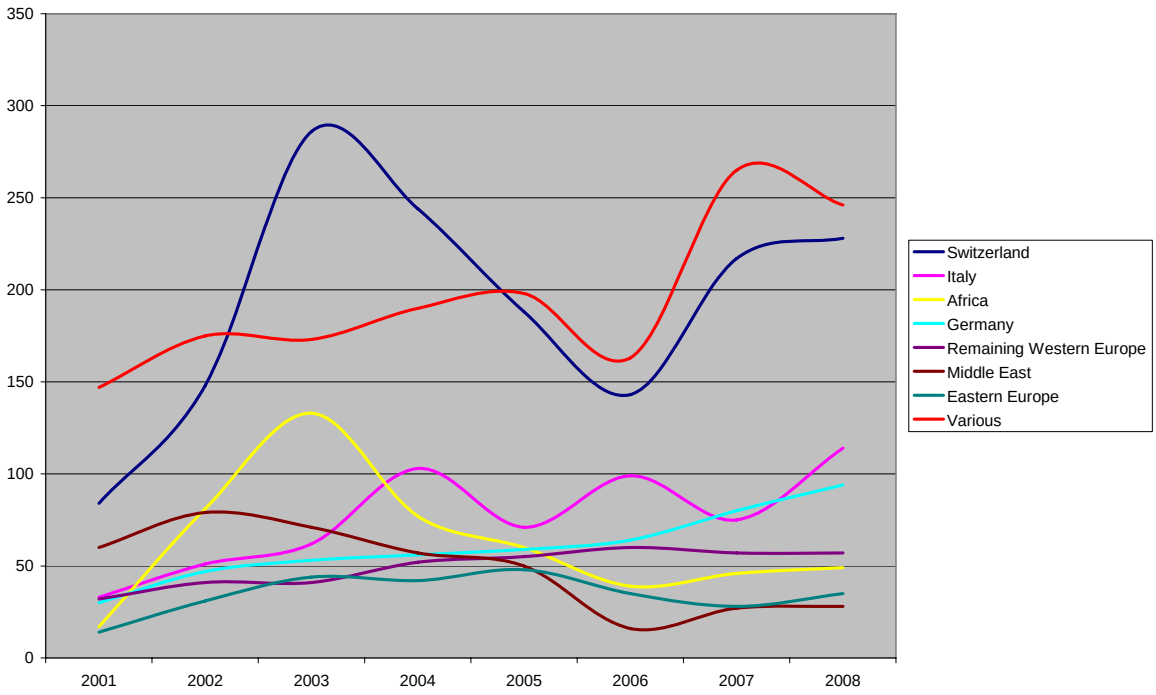
Legend

Rest of Western Europe	Austria, Belgium, Spain, Liechtenstein, Greece, Luxembourg, Netherlands, Malta and Portugal

Various	Asia, North America, Middle East, Great Britain, Australia/Oceania, Caribbean, Scandinavia and Unknown

2008





For comparison: 2001 - 2008

Nationality of beneficial owner	2001	2002	2003	2004	2005	2006	2007	2008	Total
Switzerland	84	148	286	244	188	143	217	228	**1538**
Italy	33	51	62	103	71	99	75	114	**608**
Africa	17	81	133	77	60	39	46	49	**502**
Germany	30	47	53	56	59	64	80	94	**483**
Remaining Western Europe	32	41	41	52	55	60	57	57	**395**
Middle East	60	79	71	57	50	16	27	28	**388**
Eastern Europe	14	31	44	42	48	35	28	35	**277**
Central / South America	32	25	21	31	31	11	37	60	**248**
Asia	35	33	20	27	27	28	40	33	**243**
North America	18	24	28	34	42	35	31	31	**243**
Great Britain	9	18	32	17	23	38	83	16	**236**
France	23	25	20	23	42	27	30	36	**226**
C.I.S.	13	29	23	30	17	16	17	43	**188**
Scandinavia	4	2	10	8	6	5	21	12	**68**
Australia/Oceania	1	3	7	15	3	2	2	7	**40**
Unknown	9	13	3	2	4	1		3	**35**
Caribbean	3	3	9	3	3		4	5	**30**
Total	**417**	**653**	**863**	**821**	**729**	**619**	**795**	**851**	**5748**

2.3.12 Prosecuting authorities

What the chart represents

This chart shows where MROS forwarded the SARs it received from financial intermediaries. The choice of prosecuting authority depends on the nature of the offence. Article 336 et seq. (federal jurisdiction) and Article 339 et seq. (cantonal jurisdiction) SCC serve as the frame of reference.

Chart analysis

- *Slightly higher proportion of forwarded SARs.*
- *Fewer SARs forwarded to the Office of the Attorney General.*
- *More cases forwarded to the cantonal prosecuting authorities.*

MROS received a total of 851 SARs (795 in 2007) in 2008. Following careful analysis, MROS forwarded 687 of these reports (629 in 2007) to prosecuting authorities. This represents a slight increase in the proportion of forwarded SARs (81% in 2008, 79% in 2007). This increase was a direct consequence of the record number of SARs from financial intermediaries from the banking sector. A higher proportion of SARs was forwarded to prosecuting authorities from this sector (87%) because banks have a closer relationship with their clients than payment services providers. The nature of banking activities also enables the banking sector to provide a greater degree of precision in the SARs than the payment services sector is able to provide. This is reflected in the lower proportion of SARs from the payment services sector (60%) that were forwarded to prosecuting authorities. For the money transmitters, this proportion was even lower (41%). Generally speaking, it can be said that the proportion of forwarded SARs exceeded the average proportion from past years, which reflects the high quality of SARs submitted to MROS.

In 2008, MROS forwarded 237 SARs to the Office of the Attorney General of Switzerland (OAG). This represents more than 34% of all SARs forwarded to prosecuting authorities (just below 49% in 2007). Article 337 of the Swiss Criminal Code SCC gives the OAG jurisdiction over all matters relating to terrorist financing, money laundering, corruption and international organised crime where offences have a connection abroad or where the offences were committed in several cantons but no canton in particular. Although around one-third of all forwarded SARs were sent to the OAG, the competent federal prosecuting authority, this is not representative of the actual number of cases involved since, depending on the complexity, one case can generate several SARs.

MROS forward the remaining 450 SARs to 23 cantonal prosecuting authorities. The most noteworthy development was the rise in the number of SARs forwarded to prosecuting authorities in the canton of Ticino, in comparison to the significant decrease in 2007. As a result, Ticino lay in second place behind the canton of Zurich, with Geneva in third place. In all, 37% of all forwarded SARs in 2008 (255 in absolute figures) were forwarded to the prosecuting authorities of these three financial centres.

In 2008, no SARs were forwarded to the prosecuting authorities of the cantons of Appenzell Innerrhoden, Appenzell Ausserrhoden and Glarus. This is explained by the fact that almost no SARs were submitted to MROS by financial intermediaries from these locations (see Chapter *2.3.2* and *2.3.3* above).

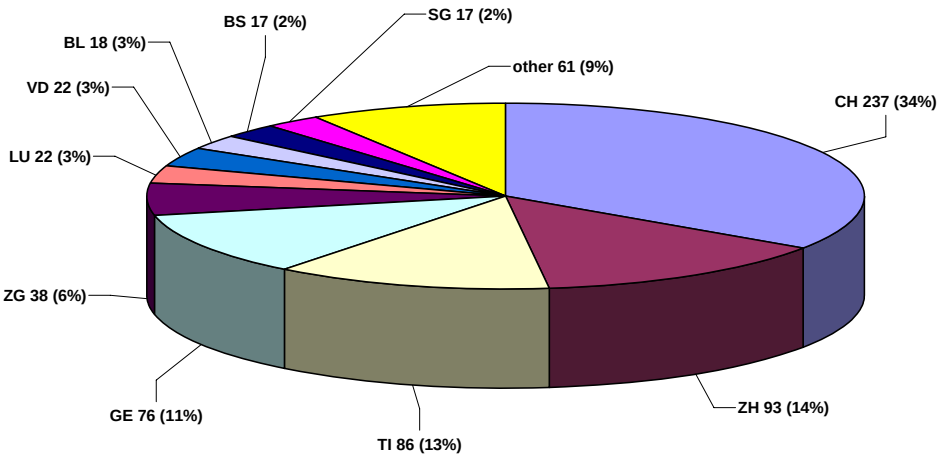
Comparison of the years 1999 to 2008

If we compare the last ten years, we find that of the total number of SARs that MROS forwarded to prosecuting authorities, just under 32% were forwarded to the OAG as federal prosecuting authority, and over two-thirds to cantonal prosecuting authorities. The record years of 2004 and 2007, when a large number of SARs was forwarded to the OAG, can be explained by the fact that many of these reports involved fraud and bribery, and the same case often generated several SARs. In the last ten years, the cantonal prosecuting authorities that received the most SARs from MROS were: Zurich (20%), Geneva (15%) and Ticino (8%).

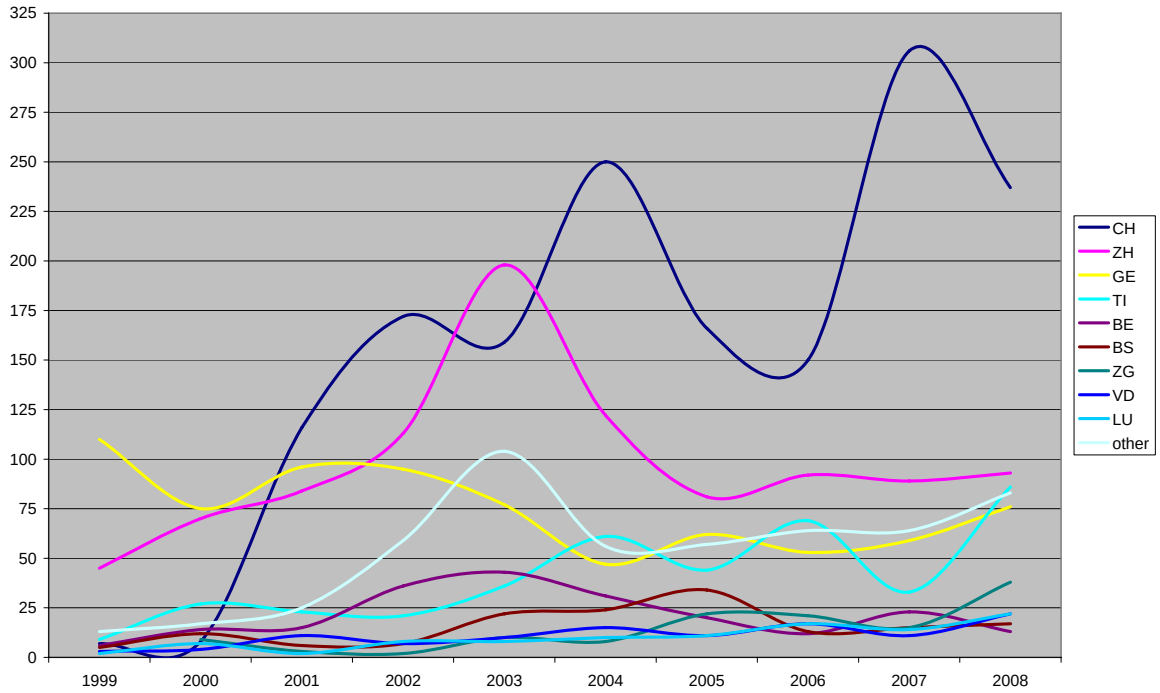
Legend

AG	Aargau	GL	Glarus	SO	Solothurn
AI	Appenzell Innerrhoden	GR	Graubünden	SZ	Schwyz
AR	Appenzell Ausserrhoden	JU	Jura	TG	Thurgau
BE	Bern	LU	Lucerne	TI	Ticino
BL	Basel-Landschaft	NE	Neuchâtel	UR	Uri
BS	Basel-Stadt	NW	Nidwalden	VD	Vaud
CH	Switzerland	OW	Obwalden	VS	Valais
FR	Fribourg	SG	St. Gallen	ZG	Zug
GE	Geneva	SH	Schaffhausen	ZH	Zurich

2008



For comparison 1999 - 2008



For comparison 1999 - 2008

Canton	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
CH	7	8	116	172	159	250	166	150	306	237	**1571**
ZH	45	70	84	113	198	122	81	92	89	93	**987**
GE	110	75	96	95	77	47	62	53	59	76	**750**
TI	9	27	23	21	36	61	44	69	33	86	**409**
BE	6	14	15	36	43	31	20	12	23	13	**213**
BS	5	12	6	7	22	24	34	13	15	17	**155**
ZG		9	3	2	10	8	22	21	15	38	**128**
VD	3	4	11	7	10	15	11	17	11	22	**111**
LU	2	7	2	8	8	10	11	17	14	22	**101**
SG	5	6	2	8	12	9	11	15	13	17	**98**
NE		1	1	7	19	8	15	4	3	8	**66**
SO	1		4	7	19	8	4	4	2	13	**62**
AG		1	3	2	10	12	5	13	9	6	**61**
BL	1			5	4	2	5	4	10	18	**49**
SZ		2	3	6	3	6	2	7	4	2	**35**
TG	1	3	5	5	4	1	3	4	3	3	**32**
VS			1	3	13	3	1	5	5	1	**32**
GR			3	7	6	2	4	3	2	2	**29**
FR	1	1		4	2	2	4	4	4	2	**24**
SH	4		2		2		1		1	1	**11**
OW					2	1			1	6	**10**
JU				1	4	1	1	1		1	**9**
NW		3			2	1				2	**8**
GL				3	1		1		3		**8**
UR			1	1					1	1	**4**
AI									3		**3**
AR					1						**1**
Total	**200**	**243**	**381**	**520**	**667**	**624**	**508**	**508**	**629**	**687**	**4967**

2.3.13 Status of forwarded SARs

What the chart represents

This chart shows the current status of the SARs that were forwarded to federal and cantonal prosecuting authorities. It is important to note that MROS only began gathering statistics on SARs forwarded to the OAG in January 2002, when federal prosecuting authorities were given jurisdiction over organised and economic crime by virtue of Article 336 et seq. SCC (i.e. following enactment of the Efficiency Bill).

Chart analysis

- *More than 40% of all SARs forwarded to federal and cantonal prosecuting authorities since 1998 are still pending.*

By virtue of Article 23 paragraph 4 AMLA, MROS determines which SARs should be forwarded to which prosecuting authorities (i.e. cantonal or federal). The 2008 reporting year is the fifth time that MROS presents an overview of the decisions reached by federal and cantonal prosecuting authorities as well as an update on the number of pending SARs. This overview only covers the last ten years because the information regarding SARs from before this time has been deleted for reasons of data protection. For this reason the relevant data has not been available for comparison. The figures for 1998 therefore do no longer appear in the overview.

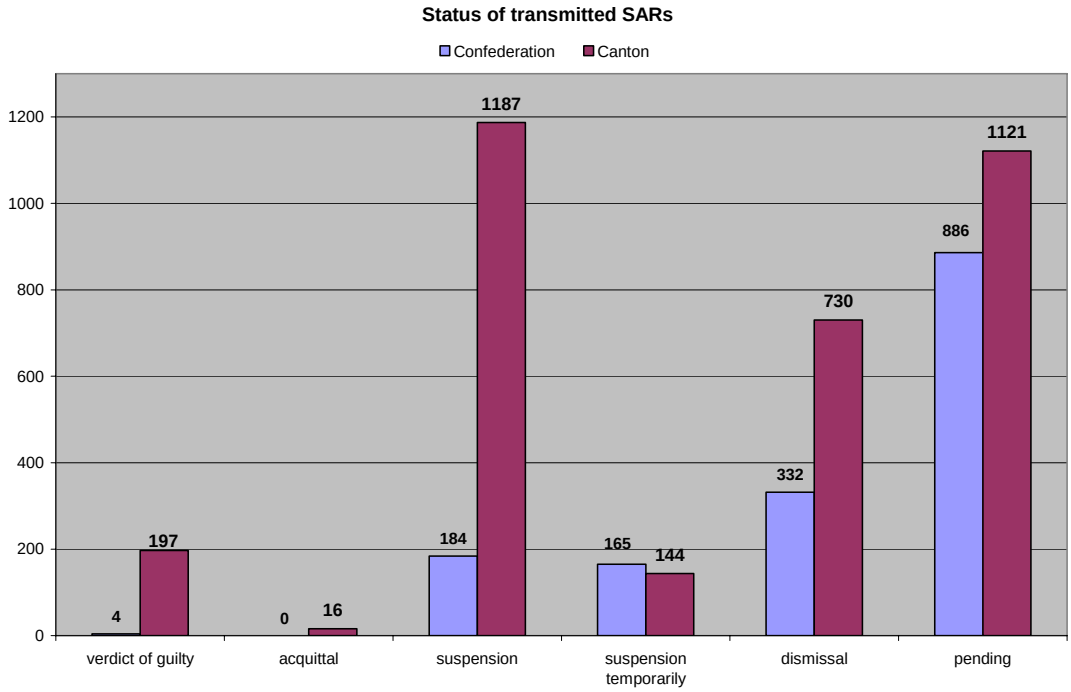
From 1 January 1999 to 31 December 2008, MROS forwarded a total of 4,966 SARs to prosecuting authorities. By the end of 2008, decisions had been reached in 2,959 cases (60%). These decisions are described below:

- In 217 cases (at the end of 2007: 183 cases), the courts delivered the following judgement: 13 acquittals from the charge of money laundering; 1 acquittal from all charges (no charge of money laundering); 116 convictions, including of money laundering; 87 convictions for offences other than money laundering.
- 1’371 SARs (at the end of 2007: 1'250) led to the initiation of criminal proceedings that were later suspended after criminal investigations revealed insufficient evidence of wrongdoing.
- 1'062 SARs (at the end of 2007: 879) led to the procedure being dismissed after preliminary investigations revealed insufficient evidence of wrongdoing. These dismissals related mainly to SARs from the payment services sector (money transmitters). However, the cantonal judicial authorities have different practices with regard to decisions on dismissals. Thus, some judicial authorities do not actually initiate proceedings, but under the provisions of Article 67a

IMAC[4] voluntarily pass on information to foreign judicial authorities to enable them to submit a request to Switzerland for international mutual assistance.
- 309 SARs (at the end of 2007: 261) led to the initiation of criminal proceedings that were later stayed after it was ascertained that criminal proceedings had already been initiated outside of Switzerland for the same case.

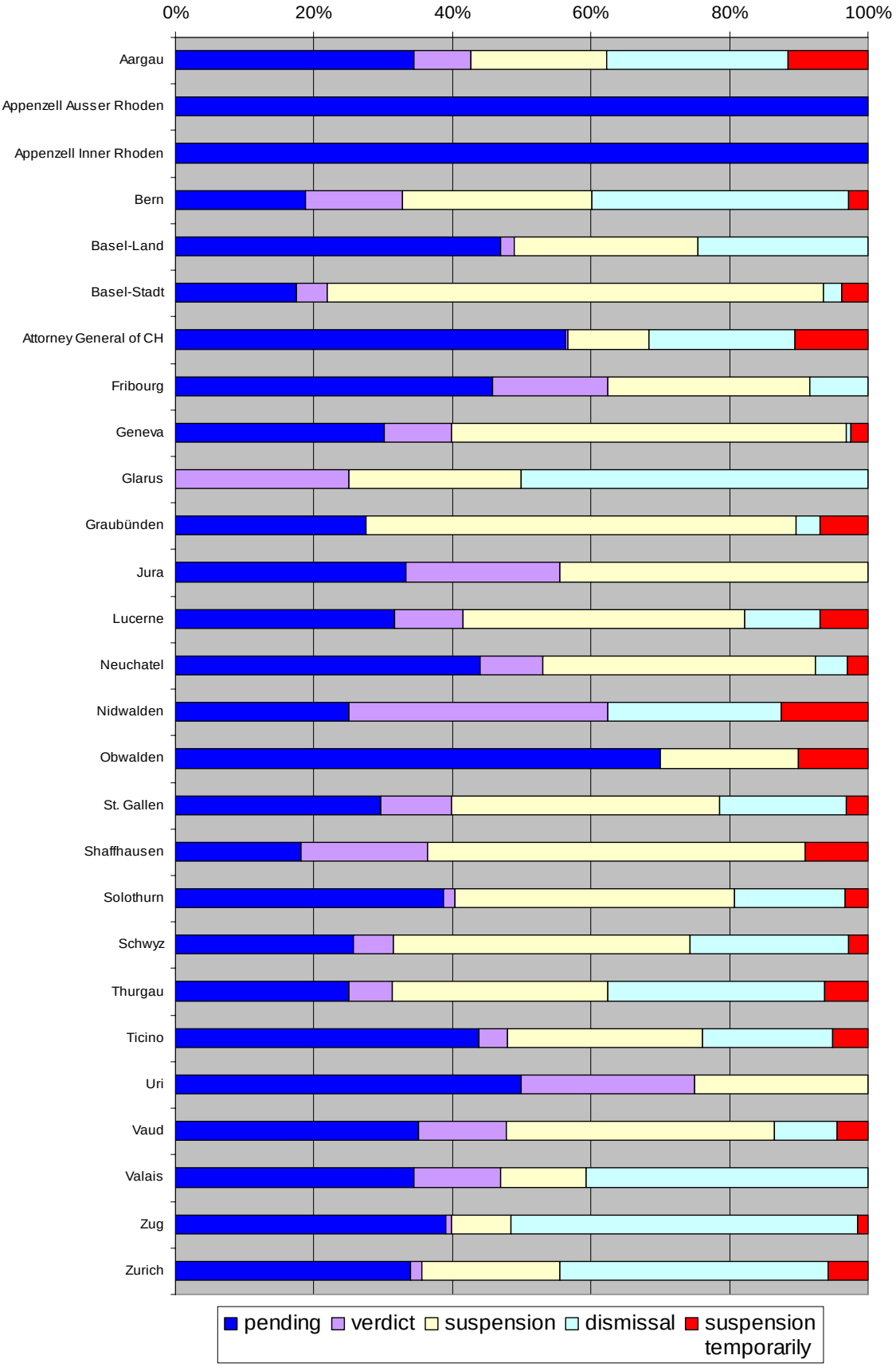
Although the number of forwarded SARs that are still pending has decreased since 2007 (41%), 2,007 cases (40%) are still pending. It is difficult to draw quick conclusions due to multifold factors:

- Money laundering and terrorist financing cases often have international connections and the resulting international investigations tend to be tediously protracted and difficult.
- Experience has shown that mutual legal assistance tends to be a very laborious and time-consuming affair.
- Some of the pending SARs have already led to a conviction but MROS has not yet been notified of this fact because Article 29 paragraph 2 AMLA only requires cantonal authorities to provide MROS with updates on pending SARs that relate specifically to Article 260ter paragraph 1 (criminal organisation), 305bis (money laundering) or 305ter (lack of due diligence) SCC;
- In addition, we still assume that cantonal prosecuting authorities do not always fulfil their obligation to inform MROS under Article 29 paragraph 2 AMLA.



[4] Federal Act of 20 March 1981 on International Mutual Assistance in Criminal Matters IMAC (SR 351.1)

Status of forwarded SARs by canton 1999-2008



Status of forwarded SARs by canton 1999 - 2008

Canton	pending	verdict	suspension	dismissal	suspension temporarily	Total
Aargau	21	5	12	16	7	61
Appenzell Ausserrhoden	3	0	0	0	0	3
Appenzell Innerrhoden	1	0	0	0	0	1
Bern	40	30	58	79	6	213
Basel-Land	23	1	13	12		49
Basel-Stadt	27	7	111	4	6	155
Attorney General of CH	886	4	184	332	165	1571
Fribourg	11	4	7	2		24
Geneva	226	73	428	5	18	750
Glarus	0	2	2	4		8
Graubünden	8	0	18	1	2	29
Jura	3	2	4	0	0	9
Lucerne	32	10	41	11	7	101
Neuchatel	29	6	26	3	2	66
Nidwalden	2	3	0	2	1	8
Obwalden	7	0	2	0	1	10
St. Gallen	29	10	38	18	3	98
Schaffhausen	2	2	6	0	1	11
Solothurn	24	1	25	10	2	62
Schwyz	9	2	15	8	1	35
Thurgau	8	2	10	10	2	32
Ticino	179	17	115	77	21	409
Uri	2	1	1	0	0	4
Vaud	39	14	43	10	5	111
Valais	11	4	4	13	0	32
Zug	50	1	11	64	2	128
Zurich	335	16	197	381	57	986
Total	**2007**	**217**	**1371**	**1062**	**309**	**4966**

2.3.14 Inquiries from foreign FIUs

Financial intelligence units (FIUs) are MROS-equivalent agencies in other countries with which MROS formally exchanges information by virtue of Article 32 AMLA and Article 13 MROS Ordinance. This exchange of information mainly takes place between the member states of the Egmont Group[5] and is an important instrument in the fight against money laundering.

When MROS receives an inquiry from a foreign FIU, it runs a computer check on the natural person or legal entity to see whether their name is already listed in existing databases. The natural person's or legal entity's details are then entered into MROS's own money laundering database (GEWA database). MROS checks the names of all natural persons or legal entities mentioned in the SARs it receives from Swiss financial intermediaries. If a name is found in the GEWA database, then MROS knows that the natural person or legal entity in question is already suspected of possible criminal activity abroad.

What the chart represents

This chart shows which FIUs submitted inquiries to MROS. It also indicates how many natural persons and legal entities were mentioned in these inquiries.

Chart analysis

- *Slight increase in the number of inquiries from foreign FIUs relating to natural persons and legal entities.*

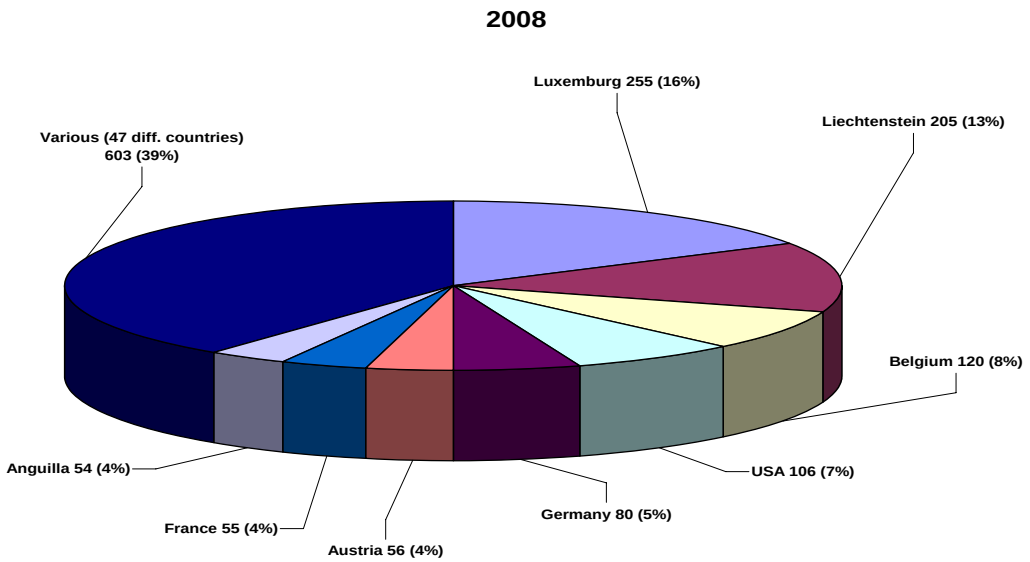
In the 2008 reporting year, MROS replied to 434 inquiries from FIUs in 69 countries. This is considerable more than in 2007 (368). There was also a corresponding increase in the number of natural persons and legal entities mentioned: 1,534 compared to 1,510 in 2007.

There was also a slight increase in the number of FIU inquiries that MROS had to turn down on formal grounds (104 in 2008, 96 in 2007). Most of these inquiries either had no direct relation to Switzerland (so-called fishing expeditions), or had no relevance to a money laundering offence or a predicate offence to money laundering according to the provisions of the Swiss Criminal Code, or the financial information requested could only be provided by virtue of a mutual legal assistance request but not through MROS. Whenever sufficient legal grounds are lacking in an FIU inquiry, MROS policy is not to disclose the requested information.

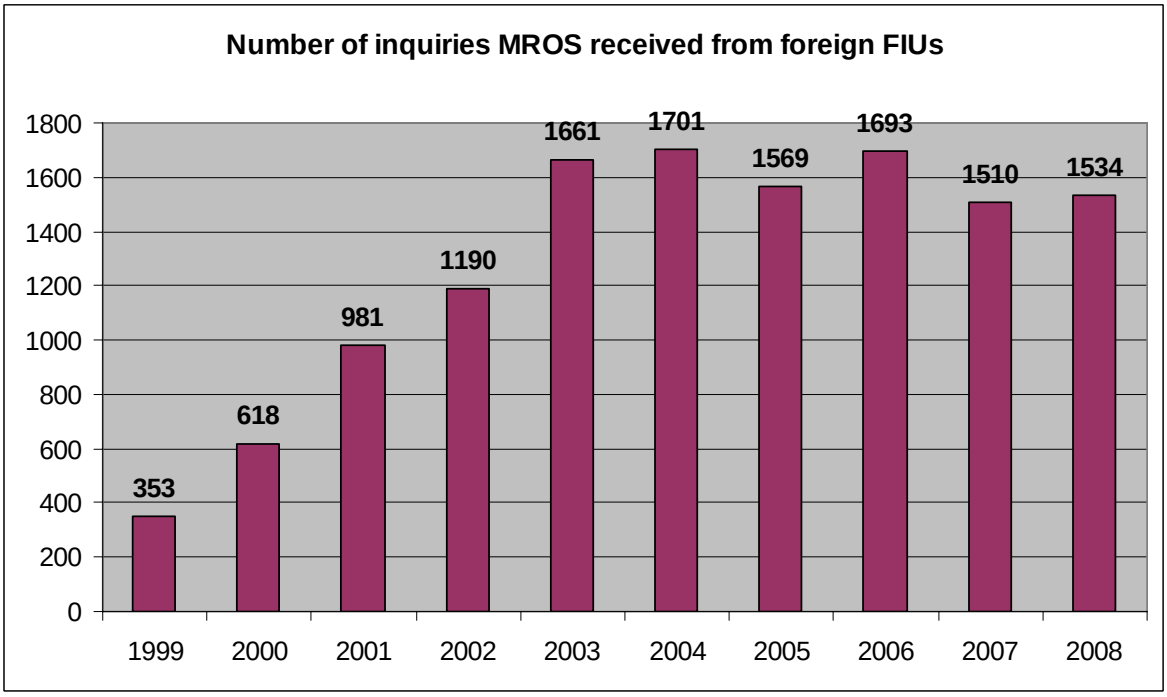
In 2008, MROS responded to FIU inquiries within an average of 4.6 working days following receipt. The response time was remarkable faster than in 2007 (6 working days).

In response to incoming FIU inquiries, MROS ran computer checks on an average of 128 natural persons or legal entities each month compared to 125 in 2007.

2008: 1,534 natural persons/legal entities



For comparison 1999 - 2008



[5] www.egmontgroup.org

2.3.15 MROS inquiries to foreign FIUs

Financial intelligence units (FIUs) are MROS-equivalent agencies in other countries. MROS formally exchanges information with these FIUs by virtue of Article 32 AMLA and Article 13 MROS Ordinance. This exchange of information mainly takes place between the member states of the Egmont Group and is an important instrument in the fight against money laundering.

Whenever a financial intermediary in Switzerland submits an SAR mentioning a natural person or legal entity domiciled outside of Switzerland, MROS may send an inquiry to a foreign FIU to obtain information about that natural person or legal entity. MROS uses the information it receives to analyse the SAR in order to determine what action needs to be taken. Since many incoming SARs have an international connection, the information that MROS receives from foreign FIUs is important.

What the chart represents

This chart shows the foreign FIUs to which MROS sent inquiries to obtain information about natural persons and legal entities. The chart also indicates the number of natural persons and legal entities mentioned in these inquiries.

Chart analysis

- *Slight increase in the number of MROS inquiries to foreign FIUs.*

In the 2008 reporting year, MROS sent 294 (281 inquiries in 2007) on 1,075 natural persons or legal entities (890 in 2007) to 59 foreign FIUs. It took the foreign FIUs an average of just under 26 working days to reply. The Egmont Group's "Best Practice Guidelines" recommend a response time of no more than 30 days. The FIUs in some countries failed to adhere to these guidelines, which meant that MROS often had to wait several months or even longer for a reply. In comparison, the MROS response time to inquiries from foreign FIUs was very fast (see Chapter 2.3.14).

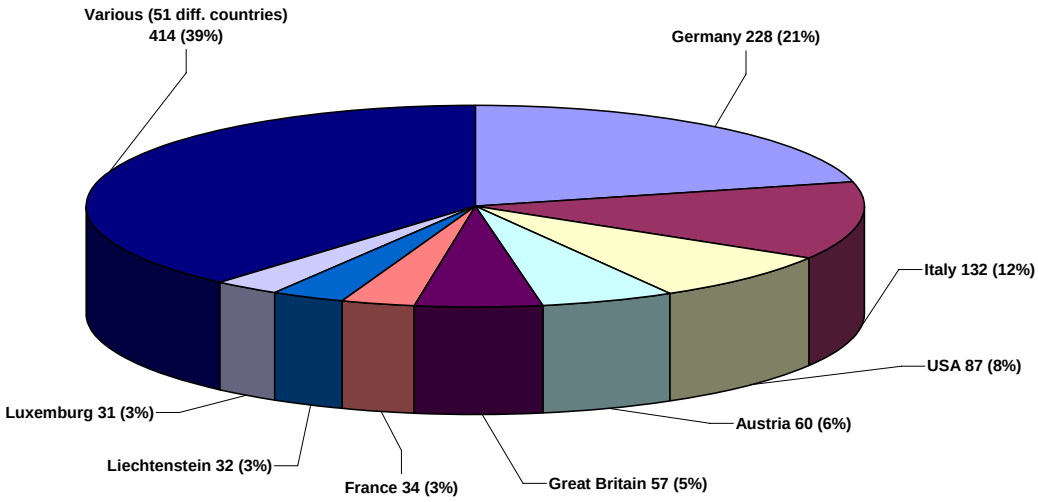
MROS's key partners in this respect are the FIUs in neighbouring countries (Germany, Italy, Austria and France) as well as Great Britain and the United States of America.

MROS sent inquiries to foreign FIUs to obtain information regarding an average of 90 natural persons and legal entities each month in 2008 compared to 74 in 2007.

MROS sent inquiries to foreign FIUs in relation to 294 of the 851 SARs it received in 2008 (approximately 35% of all incoming SARs).

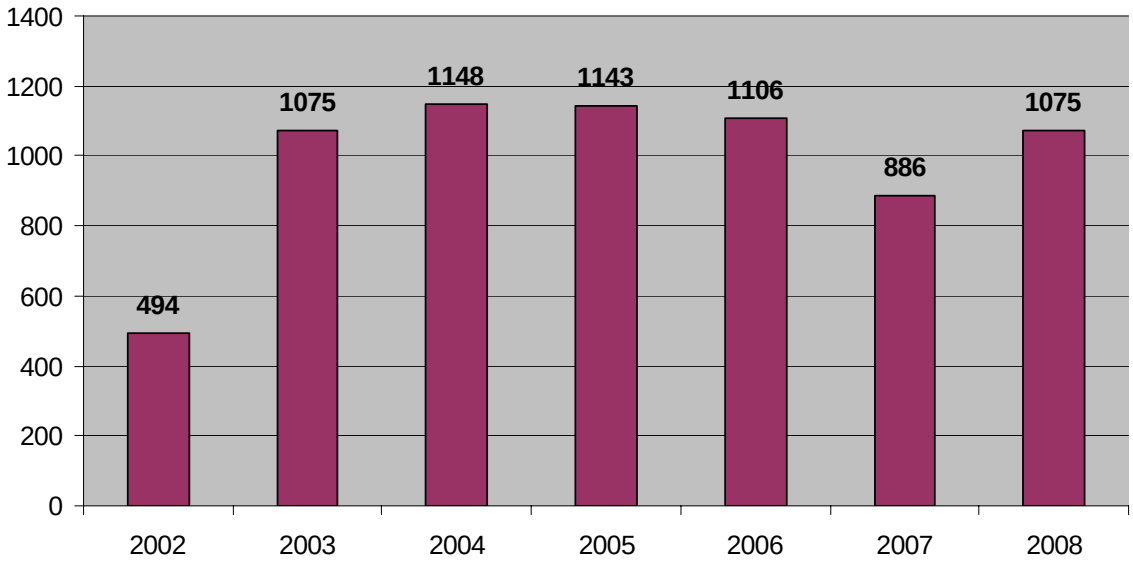
2008: 1075 natural persons/legal entities

2008



For comparison: 2002 - 2008

Number of MROS inquiries to foreign FIUs



3. Typologies

3.1. Online trader

A bank specialised in trading in securities opened an account for a client working for another financial intermediary in Switzerland. Using the bank's own trading platform, the client made numerous online transactions, chiefly with highly speculative futures.

In response to a request for a large transfer from the client's account, the financial intermediary at the bank investigated the account. Apparently, an exceptional number of positive transactions (the global volume generated by the client less the bank's commission amounted to several million francs for an initial capital of CHF 50,000). When questioned about the spectacular profits realised during the twenty-one months of business relations, the client explained that he used a special mathematical model. In the eyes of the bank, however, this could not explain such an exceptional rise in positive trading.

The bank suspected that its client had acted as vendor and purchaser in the same person in order to purchase and sell a certain block of shares. It was thought that, before the purchase and sale of bond futures, the client had made an arrangement with one or more colleagues from other banks with the intention of manipulating either the liquidity or the price, thus possibly placing those other banks at a disadvantage. Furthermore, the financial intermediary noticed the short lapse of time (two to five minutes) between the purchase and resale (or vice versa) of the bond futures.

Under Article 9 Anti-Money Laundering Act (AMLA), the bank filed a suspicious activity report (SAR) and took steps to freeze all withdrawals of funds.

The information at our disposal did not, however, suffice to confirm the possibility of criminal acts in the transactions carried out via this account. Nevertheless, the exceptional profits realised within this type of trading plus the very short time between the purchase and resale (or vice versa) of the bonds alarmed MROS. As this manner of doing business could constitute fraud or unfair management to the disadvantage of the corresponding bank, the case was submitted to the appropriate prosecuting authority.

3.2. Immunity

Following the payment of a sum of money to the account of a notary's office, a bank sent us a SAR under Article 9 AMLA.

The SAR referred to the payment of several tens of millions credited to the account of the notary. As the transaction appeared unusual, in particular because of the amount, the financial intermediary requested its client to clarify matters. The notary explained that the payment was a gift from a high-ranking government official or president of a country on the African continent to his children residing in Switzerland. The funds were destined for the purchase, via the intermediary of a public limited company yet to be established, of an apartment in the town in question.

As the funds originated from a politically exposed person (PEP), the degree of corruption in the African country in question was assessed as high and the Swiss Federal Banking Commission (SFBC) had issued warnings regarding this country, the financial intermediary reported the case.

Following investigations carried out by MROS, it became apparent that the extremely high price of the property in question was in no proportion to the normal price for this type of object. Furthermore, open sources revealed that a third country was already carrying out investigations into corruption and money laundering by the government official in question and members of his family.

These facts prompted MROS to submit the case to the Office of the Attorney General of Switzerland OAG, in accordance with Article 337 Swiss Criminal Code (SCC).

Following the OAG's request for international mutual assistance in criminal matters to the authorities of the country where the politically exposed person had his domicile, the Federal Office of Justice FOJ came to the conclusion that this request could not be granted because the person in question had total immunity under international law. This case was therefore closed.

3.3. How to lose at poker – and still win

A financial intermediary noticed that, at regular intervals since the issue of a credit card to a client, incoming payments had been registered on the client's credit card account from bets placed at various online casinos. A short time later, after the client had communicated in advance that he expected further payments from online casinos in the course of the next few days, the financial intermediary initiated extensive investigations.

A Scandinavian daily paper published an article stating that similar cases of fraud in online casinos had already been reported to the authorities. Under the term “carding”, cases are described in which a person intentionally loses to his fellow-players within the framework of (online) poker games. This “loser” then settles his lost stake with the online casino exclusively using stolen credit cards or credit card data. In turn, the supposed winner has the fraudulently gained winnings credited to his own credit card account.

On the basis of the transactions hitherto effected, the reporting bank assumed that this was such a case and reported this business relationship to MROS on a well-founded suspicion of fraud. Investigations initiated by MROS revealed that the client in question was already on police record in his native country. MROS forwarded the SAR to the competent prosecuting authority. The agency did not thereupon initiate a preliminary investigation of its own into this matter, but instead - by means of a spontaneous offer of mutual assistance under Article 67a Federal Act of 20 March 1981 on International Mutual Legal Assistance in Criminal Matters (IMAC)[6] – gave the competent authorities in the native country of the alleged fraudster the opportunity of filing a corresponding request for mutual assistance in Switzerland. The findings thus obtained in Switzerland can possibly be used within the framework of their investigations.

3.4. One branch does not know what the other is doing – or does it?

On taking a closer look at a client’s business relations as well as the domiciliary companies controlled by the latter, a financial institute became doubtful about his statements. As a result of internal investigations within the banking group, it became apparent that the client had opened various accounts on behalf of his domiciliary companies at several bank branches in different cantons. He probably (falsely) assumed that this procedure would prevent his allegedly dubious activities being noticed.

Since then regular considerable assets had been traded, in small tranches at a time, between the individual companies and the corresponding accounts within the reporting bank. These transactions were made without any plausible explanation on the part of the client or even relevant supporting documents on the business activities or the origin of payments. The client was often the sole member of the so-called shell company’s board of directors and if a further person was listed as a member of the board, he/she was almost always someone with an East European background. All the companies listed an auditing company in which only one person was named a member of

[6] Federal Act of 20 March 1981 on International Mutual Legal Assistance in Criminal Matters (Act on International Criminal Assistance, IMAC); SR 351.1

the board, who was assumed to be the client's girlfriend. He himself also had a general power of attorney over the accounts of the company which acted as the auditor of all the other companies. In practice, this calls into question the required independence of an auditing company.

The bank suspected that the client was selling these shell companies to third persons for the purpose of money laundering, charging a commission for supposed "auditing services" from the latter; the bank therefore reported these business relations to MROS on suspicion of fraud. The investigations initiated by MROS revealed that, inter alia, criminal proceedings had been instituted against the reported client and also his girlfriend on grounds of fraud as well as document counterfeiting. Based on the justified doubt regarding the financial background of the assets involved as well as the fact that a prosecuting authority is already conducting ongoing proceedings against the reported person, MROS passed the SAR on to the appropriate prosecuting authority.

3.5. Dealing in hope

During the periodic revision of high-risk business relations, a credit card institute discovered several Internet articles stating that a client resident in an African country was accused of involvement in fraudulent activities. These Internet researches revealed that there were ongoing investigations against the client and his partner in North America on grounds of fraud in connection with questionable healing methods using untested stem cells. Since 2002 the credit card holder and his partner claimed that, with their stem cell treatment, they had been able to heal serious and incurable illnesses such as multiple sclerosis, Parkinson's disease and HIV infection. These expensive therapies lacked any scientific basis and had never achieved the desired effect.

The authorities in North America already investigating this case considered this type of fraud as particularly despicable since fatally sick persons and their families were being given false hopes. Through further investigations abroad, MROS learnt that the credit card holder and his partner had been charged with several cases of fraud in North America alone. Since the client had also offered his "therapies" in various Asian and European countries, several European prosecuting authorities were also taking part in the investigations.

As it could not be ruled out that the assets with which the credit cards' debts were settled were the proceeds of a crime, the SAR was passed on to the appropriate prosecuting authority for further assessment. This agency did not institute formal criminal proceedings as so far no injured parties were known of, and investigations against the credit card holder were already being conducted abroad.

3.6. The secret nest egg

Based on the publication of bankruptcy proceedings against a client, a bank reviewed his business relations. In doing so the bank ascertained that, at the time of the imminent decision to suspend bankruptcy proceedings - nobody being willing to pay the corresponding advance on costs - the client disposed of savings amounting to over CHF 1 million. As the bank could not rule out the possibility that the client had intentionally stashed away assets in order to disadvantage his creditors, it sent a SAR to MROS.

Further enquiries at the competent bankruptcy office revealed that the account holder had triggered the bankruptcy himself by means of an insolvency declaration to that office. The account holder had explained to the bankruptcy administrators that he had only modest assets amounting to a few thousand francs in an account at a third bank. He substantiated this by means of bank statements and a tax declaration in which only the account at a third bank was listed. The business relationship at the reporting bank was, however, concealed in his dealings with the bankruptcy administrators.

This information led to the conclusion that, through concealment of assets in a fraudulent bankruptcy under Article 163 paragraph 1 SCC, the account holder was liable to prosecution. MROS sent the SAR to the competent prosecuting authority, which instituted preliminary investigations that are currently ongoing.

3.7. Commercial trading with forged branded articles

Alerted by frequent payments to an Asian country, a financial intermediary's attention was drawn to a business relationship. Besides the above-mentioned payments to companies in the said country, an analysis of the account movements also revealed frequent smaller payments made by private persons, indicating the name of the relevant product. Further investigations revealed that the financial intermediary's client had conducted a lively trade, mainly in satellite boxes, via auction platforms.

After the account had been frozen by these suppliers, the financial intermediary's client opened his own homepage and continued to sell the products in this way. It soon became clear that he was purchasing the products from various companies in the above-mentioned Asian country. Based on a further Internet search, the product on sale was found to be a branded article very popular among forgers (the official producer warns about these forgeries and has offered a reward of EUR10,000 for the apprehension and conviction of dealers selling the forged products). The client of the financial intermediary was offering the product at a distinctly lower price than the other suppliers. He was also offering further mainly electronic products at clearly reduced prices. There was thus a suspicion that the client was dealing commercially with

forged branded articles, possibly violating Article 62 paragraph 2 Federal Act on the Protection of Trademarks and Indications of Sources[7] (cf. also MROS Annual Report 2007, Chapter 5.7). The victim of these intrigues is not only the official supplier of the product, who suffers losses through product piracy, but also the purchaser of such goods. Although the product seems to be a bargain at first sight, the purchaser - at the latest in the event of a defect – is subject to a rude awakening.

The SAR was sent by MROS to the competent prosecuting authority.

3.8. Boiler room fraud (fraud with shares)

A fiduciary was informed by a Swiss bank that the shareholders of a Swiss company that he administered were the object of investigations in North America by the local stock exchange supervisory authority. The company in question was already in the process of being dissolved as a result of a decision taken by two shareholders. Further research of the stock exchange supervisory authority's homepage revealed that various persons had been accused of fraudulent share manipulations. The alleged fraudsters were suspected of having inflated the market rates of so-called Microcap companies by means of false information targeted at potential investors. Their aim was to sell the shares previously bought secretly via middlemen at far higher prices on the market. The fraudsters were reported to have behaved in an extremely clever manner, also opening websites that intentionally contained false information on the business movements of the companies involved, leaving the investors under the impression that business was going well. In technical jargon, this type of fraud is named "boiler room fraud", because the stockbrokers often sit in poky rooms with a mass of telephones in front of them, making calls to hundreds of possible investors or victims daily. In the above-mentioned case, profits of several million US dollars were generated by the fraudulent intrigues. At least part of this money was presumed to have been used to establish a new Swiss public limited company. The foundation of the Swiss public limited company fitted timewise exactly with the time of the crime. It could therefore not be ruled out that the money transferred to North America at that time originated from a crime. The report was passed on to the competent prosecuting authority, which instituted criminal proceedings on grounds of money laundering.

3.9. Buying a house in instalments

The client adviser at a bank checked the Internet for information about the business model of its client, a Swiss company in the real estate sector, founded a few years previously.

[7] Trademark Protection Act, TPA; SR 232.11

On its homepage, the company advertised a unique system which was supposed to enable practically everyone to fulfil their dream of owning their own home. The hire-purchase system on unbelievably cheap terms was especially aimed at allowing persons who would not normally be given credit by the bank or who did not have enough funds of their own to purchase their own home.

The real estate deal functioned as follows: together with his architect, the client devised a project and ascertained the total costs for the construction of the property. On the immediate payment of 10% of these costs, the client obtained a right to the object, which was, however, not transferred to him until he had paid 298 monthly instalments of 0.3525% of the total price. Until the final instalment had been paid, the vendor remained the owner of the object and was also entered as such in the land register. The client was given a purchase option on the property. This meant that the client would not fall into debt and would pay the same monthly amount, becoming the owner of his property after 25 years.

This business model seems to be customary in Germany and is very popular there. As the black sheep in this branch, the Swiss company had jumped on the bandwagon and soon received large deposits from numerous persons. However, the money was not used for expenditure related to the new building to be constructed, as could be expected, but to a considerable extent to cover the personal costs of the vendor. Investigations conducted by MROS in neighbouring countries revealed that the person responsible was already on police record on grounds of investment fraud, predicate acts to money laundering and other crimes, and that there were already ongoing proceedings against him. The report was sent to the competent prosecuting authority, which is examining whether the Swiss criminal proceedings can be surrendered to an authority elsewhere in Europe.

3.10. Executor on the wrong path

In the course of last year, following a long period when no movements had taken place in a savings account at a Swiss bank, the person holding the power of attorney over the account, an elderly lady, suddenly appeared at the bank. She requested the closure of the account and the transfer of the total assets to her own account. The account had been opened several years previously and now showed a handsome balance of several hundred thousand francs.
The bank's investigations revealed that the account holder had died a few years earlier but that so far, to the great surprise of bank staff, no heirs had contacted the bank. The deceased had written a will during his lifetime, listing exactly who was to inherit his estate after his death. Further investigations conducted at the bank's compliance centre revealed that the person who had visited the bank had been officially desig-

nated as the executor. It was consequently her task to compile an inheritance inventory and to submit this to the co-heirs and the authorities. However, the account in question was not listed and, as there were other assets, this apparently went unnoticed.

The executor had, however, certainly known about the account's existence as she was the only person to have been given the authority to make transactions. It was not until 3 years after the bank client's death, probably under the assumption that enough water had flowed under the bridge by then, that the executor risked visiting the bank and requesting the transfer of the assets to her name. MROS shared the opinion of the bank. They suspected that, with her action, the person reported to MROS had intentionally attempted to deceive the co-heirs and the authorities (Art. 138 para. 2 SCC / embezzlement), and on account of the false inheritance inventory had fraudulently misled the co-heirs under false pretences (Art. 146 para. 1 SCC / fraud) with a view to securing an unlawful gain. The prosecuting authority immediately instituted criminal proceedings.

3.11. Vigilance pays off

In a reception room at the bank where he had an account, a Swiss client of the bank held a meeting with foreign third persons. During this meeting, a very large number of banknotes were counted and then placed in a safe to be withdrawn a few days later. The bank employee who had observed part of these transactions suspected that the funds may originate from an illegal activity or were destined for the preparation of such an activity. Finding the client's behaviour suspicious, the bank sent a SAR to MROS under Article 305ter para. 2 SCC.

The investigations carried out on the client revealed a shady criminal past, in particular several convictions for financial crimes. On the basis of these facts, the SAR was sent to the prosecuting authority, which is now investigating the case.

3.12. Financial transactions with forged identity documents

A prosecuting authority was alerted by a foreign administrative authority responsible for issuing travel documents that forgeries of certain identity documents issued by the foreign country in question were in circulation. Thereupon the prosecuting authority asked a money transmitter to check the identity documents immediately. These documents had been used for various money transactions, carried out by persons against whom criminal proceedings had been instituted.

The money transmitter complied with the request and thoroughly checked the business relations of all the clients resident in a large European city. All these clients had used forged identity documents in the transactions. This far-reaching work enabled the money transmitter to identify several accounts opened under different identities by means of false documents. His report to MROS led to the discovery of an organised network used to open bank accounts destined for money laundering.

This case was forwarded to the prosecuting authority and is currently under investigation.

3.13. Investment fraud

A financial intermediary undertook a systematic review of all incoming payments to his clients' accounts, paying particular attention to the information provided by the person making the payment. This review was aimed at identifying transactions made by investors.

On evaluating the results of his efforts, the financial intermediary was struck by numerous payments coming from countries abroad which contained indications such as "investment", "loan" or "purchase of shares". When checking the movements in the account to which the payments had been credited, the financial intermediary only found one single transaction which could be related to an investment. All the other transactions (debits) referred to payments made by the client to his own account: rents, various purchases, vehicles, etc. Investigations carried out by the bank on the name of the client, domiciled abroad, led to the discovery of a website on which he promised investors returns of 10% monthly, which explained the large number of payments.

The financial intermediary froze approximately half a million Swiss francs and filed a SAR to MROS. This case has in the meantime been dealt with by the prosecuting authority on grounds of investment fraud.

Financial intermediaries and MROS encountered this type of case regularly in the course of 2008. The attraction represented by the Swiss financial market probably explains the success of such criminal activities to which over-credulous investors fall victim.

4. Judicial decisions

4.1. Link between the predicate offence and the provenance of assets (Article 305bis SCC)

A Swiss company specialised in the refining of precious metals filed a report to MROS regarding gold accounts held in the name of clients and amounting to several tens of thousands of Swiss francs. The beneficial owners of the accounts were the proprietors of gold mines in a Latin-American country and regularly supplied the Swiss company with metal to be refined. Within the regular risk-assessment process, the Swiss company had found negative information on these clients in the press; apparently they were accused, in particular, of laundering via deliveries of precious metals significant amounts of money originating from drug trafficking. Visits by the Swiss company in South America had not, however, revealed any negative aspects. The preliminary inquiry into this case by the Swiss prosecuting authority, in contrast, revealed ongoing criminal proceedings for drug trafficking against the clients of the Swiss company – mine owners - in their country of origin.

The main task with regard to the application of Article 305bis SCC was to establish a link between the provenance of the assets sequestered in Switzerland and the predicate offence committed abroad. In this case, proof was required that the assets originated from the predicate offence. According to doctrine, the concept of the "provenance" of assets refers both to the direct proceeds of crime (in this case the proceeds of the sale of drugs) and to the indirect or substitute proceeds (in this case the precious metals or the appliances required for the mining thereof). On the other hand, the replacement value (the extraction of gold or the profits gained from this exploitation, for example), no longer presents an adequate link of proximity with the predicate offence that would suffice to constitute an illegal act[8].

Thus the profits held by the clients at the metal-refining company in Switzerland only represented a substitute to the 2nd or 3rd degree of the money originating from drug trafficking. And because the link between provenance and the alleged criminal act could not be proven adequately under existing law, Article 305bis SCC was not applicable. The proceedings in Switzerland were therefore suspended.

[8] Bernard Corboz, *Les infractions en droit suisse,* volume II, Stämpfli Verlag Berne 2002, No. 15 p. 530 ; Ursula Cassani, *Commentaires du droit pénal suisse, V*olume IX, Stämpfli Verlag Berne 1996, Nos. 22-25 pp. 68-70 ; Christoph K. Graber, *Geldwäscherei,* Commentary, Berne 1990, pp. 118-120; cf. Also the Federal Council's Message relative to Art. 305bis SCC in BBl (Official Federal Gazette) 1989 II 1082ff.

5. From the MROS Office

5.1. Revision of the Anti-Money Laundering Act AMLA

On 15 June 2007, the Federal Council approved the draft message on the Federal Act on the Implementation of the Revised Recommendations of the Financial Action Task Force against Money Laundering (GAFI/FATF), subsequently submitting it to Parliament. The draft also contains inter alia the revision of the Federal Act of 10 October 1997 on Combating Money Laundering in the Financial Sector (Anti-Money Laundering Act AMLA). Parliament discussed the draft during the 2008 spring session in the first chamber (Council of States), in the 2008 summer session in the second chamber (National Council) and in the 2008 autumn session within the framework of the resolution of differences. The draft was approved in the final vote on 3 October 2008. On 22 January 2009, the deadline for a referendum on the Federal Act on the Implementation of the Revised Recommendations of FATF expired unused, whereby the draft and thus the revised Anti-Money Laundering Act entered into force on 1 February 2009.
Below a few aspects of the revised Anti-Money Laundering Act are explained from the standpoint of MROS and placed in relation to the duty to report. We have, however, decided not to give a complete list of all the revised points of the Anti-Money Laundering Act as these may be read in the relevant message[9].

5.1.1 Explicit mention of terrorist financing (Arts. 3, 6, 8, 9, 21, 23, 27 and 32 AMLA)

In connection with the events of 11 September 2001, the FATF has so far issued nine special recommendations aimed at combating the abuse of the financial system in order to channel money for terrorist purposes. To aid the discovery and combat of terrorism financing, the requirements regarding due diligence and mandatory reporting have been successively tightened up in Swiss legislation. Various ordinances have since been correspondingly amended. With the revision, current practice under the Anti-Money Laundering Act has now been extended to incorporate terrorist financing. Thus, the hitherto statutory duty to report in connection with the suspicion of terrorist financing is no longer based only on the interpretation of terrorist financing under the present Article 9, whereby assets belonging to a criminal organisation are subject to mandatory reporting, but is now explicitly mentioned in the Act. As combating money laundering and combating terrorist financing represent two separate objectives, combating terrorist financing is not subsumed under the combat of money laundering but is independently incorporated in the title of the act and in the article on subject matter.

[9] http://www.efd.admin.ch/dokumentation/gesetzgebung/00570/01140/index.html?lang=de

5.1.2 Mandatory reporting in cases of attempted money laundering (Art. 9 para. 1 letter b AMLA)

So far, one of the preconditions for mandatory reporting under Article 9 AMLA has been the establishment of a business relationship. The obligation to report on the part of all financial intermediaries has now been extended to situations in which negotiations for the establishment of a business relationship have broken down before the actual start of business relations. The provision is not all that new, at least not for the banking sector. Under the old Federal Banking Commission's Anti-Money Laundering Ordinance Ordinance of 18 December (FBC AMLO), which was valid from 1 July 2003 to 30 June 2008, the banks were already at that time under a duty, pursuant to Article 24, to file a report to MROS under Article 9 AMLA[10] if *"the financial intermediary breaks off negotiations for the establishment of a business relationship on grounds of a manifestly well-founded suspicion of money laundering or of a link to a terrorist or other criminal organisation"*. Constitutionally, this provision was not totally acceptable as it was only regulated at ordinance level and contradicted prevailing federal legislation.

The revised Anti-Money Laundering Act places all financial intermediaries under an obligation to report attempted acts of money laundering. This means that there is a duty to report any reasonable suspicion which arises in the period of the preparatory phase, i.e. before the actual establishment of the business relationship. The challenge to the financial intermediary lies in the fact that he must have enough information and details, i.e. for the identification of the client, before negotiations are broken off. Thus attention is on lengty negotiating phases leading up to the conclusion of the contract, not however before the first meeting, when the financial intermediary has not yet gathered enough information. In the latter case he could, however, avail himself of filing a voluntary report (Art. 305ter para. 2 SCC).

Future practice has to show the effects of this new duty to report. There are initial indications for the banking sector based on the statistics collected hitherto on reports from banks under Article 24 FBC AML0 in comparison with all the bank reports: 2.5% (2006); 3.3% (2007); 1.1% (only first half year 2008).

5.1.3 Reports under Article 305ter paragraph 2 SCC submitted exclusively to MROS

Under prevailing law, the financial intermediary may either submit voluntary SARs under Article 305ter paragraph 2 SCC directly to MROS or to a prosecuting authority. In future he will only be able to file voluntary SARs to MROS. It makes no difference to the material distinction whether the financial intermediary files a SAR in accordance with mandatory or voluntary reporting. This means that the lawmaker upholds the co-

[10] According to the interpretation of the SFBC: cf. SFBC Money Laundering Report March 2003, Commentary on the Ordinance, Art. 24, page 44

existence of the two possibilities. In the foreword to our 2007 Annual Report, we explained in detail that it is not always easy for the financial intermediary to interpret the vague legal concepts of "knowledge" and "a reasonable suspicion", which are decisive in the decision as to whether mandatory or voluntary reporting is given. The circumstance that, under the revised act, mandatory reporting is no longer to be orientated to the criteria of "due diligence required in the circumstances", but to that of "good faith", will presumably lead to an increase in reports sent under Article 9 AMLA instead of under Article 305ter paragraph 2 SCC, as the threshold of the exclusion from punishment and imprisonment is thus lowered, and the protection of the financial intermediary is improved (see also Chapter 5.1.5 below).

5.1.4 Relaxation of the ban on information (Art. 10a AMLA)

The freezing of assets (Art. 10 AMLA) and the ban on information (Art. 10a AMLA) are now regulated in their own articles, which helps clarity. Newly incorporated in the article governing the ban on information is the current practice of the Anti-Money Laundering Control Authority[11]. Accordingly, the financial intermediary who is not himself in a position to freeze the assets in question may inform the financial intermediary who is authorised to freeze assets (Art. 10a para. 2 AMLA). This right to information, however, does not automatically place the authorised financial intermediary under an obligation to file a SAR himself. This information thus gives him an opportunity to carefully review the relationship with his client and, if he also comes to the conclusion that there is a reasonable suspicion, to file his own SAR to MROS. It is therefore easily possible that two reports on the same facts and the same client are received, one from the unauthorised and one from the authorised financial intermediary. In such a case it is important that the informed financial intermediary with the authority to freeze assets makes explicit reference in his report that he has been informed by the unauthorised financial intermediary under Article 10a paragraph 2 AMLA. Consequently, MROS can immediately recognise the connection.

A further relaxation of the ban on information is regulated in paragraph 3 and applies to situations in which both financial intermediaries undertake joint services for a client in connection with the management of his assets on the basis of contractually agreed cooperation or if they belong to the same company. The first situation affects the reverse case of paragraph 2, for example, under which the bank has to freeze a client's account that is managed by an external assets manager. Another possibility is the case of the credit card company where, on the basis of a SAR, a bank has to freeze an account for which there is a credit card. This information is essential as only the credit card company itself can freeze the credit cards which would remain at the client's disposal up to a certain credit limit. In connection with the relaxation of information under paragraph 3 (let. a. contractually agreed cooperation and let. b. employed

[11] Art. 46 Ordinance of 10 October 2003 of the Anti-Money Laundering Control Authority (AMLCA) on the duties of the directly subordinated financial intermediary; Control Authority Ordinance, AMLCAO, SR 955.16

in the same company), particular attention must be paid to the fact that this regulation applies to the communication of information only on the territory of the Swiss Confederation. This means, for example, that the information may be passed on to the financial intermediary only within companies domiciled in Switzerland and thus subject to Swiss law. This fact is derived from the formulation of paragraph 3, whereby a financial intermediary may inform another financial intermediary who is subject to this law.

5.1.5 Good faith as a requirement for the financial intermediary's exclusion from criminal and civil liability (Art. 11 AMLA)

In Article 11 paragraph 1 AMLA the requirement for the exclusion from criminal and civil liability has been amended so that when filing a report the financial intermediary no longer has to act "with the diligence required in the circumstances" but only "in good faith". The requirements for the exclusion from criminal and civil liability are thus less restrictive, and the financial intermediary is therefore afforded better protected. The number of incoming SARs and the efficacy of the reporting system should, on the whole, increase as a result. The trigger for this amendment was the FATF mutual evaluations report, which comes to the conclusion that the Swiss reporting system showed deterring elements which weakened its effect.

5.1.6 New anonymity clause for the reporting financial intermediary (Art. 9 para. 1bis AMLA)

During the resolution of differences in Parliament, a motion on the possibility of sending an anonymous SAR to MROS was filed in order to protect the reporting financial intermediary from possible threats on the part of the reported client. In Article 9 a new paragraph 1bis has been introduced, whereby the name of the financial intermediary must be visible from the SAR but the names of his staff involved in the case may be made anonymous, provided MROS and the competent prosecuting authority can still make immediate contact with the said persons. This is essential for MROS's swift analysis work within the short duration during which assets may be frozen.

5.1.7 Mutual assistance clause for MROS (Art. 32 para. 3 AMLA)

Likewise within the scope of the parliamentary resolution of differences, the wish was approved for an explicit regulation of the restrictive contents of what MROS may pass on to its foreign counterparts within the framework of international mutual assistance. The parliamentarians feared that MROS may illegally pass on to foreign countries sensitive data on reporting financial intermediaries as well as financial information. The current Article 32 AMLA regulates the exchange of information between MROS and its foreign counterparts. In this context, paragraph 1 regulates exchanges between MROS and the reporting offices abroad with a police or quasi state structure, whilst paragraph 2 regulates the exchange with foreign reporting offices that are of an administrative nature. Both articles involve the mutual assistance with which reporting

offices provide one another. In this context, only personal data on reported persons, thus never on the reporting financial intermediary or his staff, is passed on. Information on financial intermediaries and other financial information, for example, bank account numbers, information on money transactions, account balances, etc., are subject to bank clients confidentiality and may only be communicated via regular mutual assistance channels. Such information is never, as mentioned above, passed on by MROS via official channels. This is prevailing law, based on current special regulation; thus an explicit regulation would have been superfluous. Nevertheless, the lawmaker choose to incorporate current legal practice and regulations into section 3.

5.1.8 Control of cross-border cash transfers

The FATF's special recommendation IX regulates cross-border cash transfers (*via cash couriers*). The aim of this special recommendation is to combat the cross-border flow of cash, currency and other means of payment which are used to launder incriminated money or the financing of terrorist activities. Of the two possible systems which the FATF foresees for implementation, Switzerland decided on the so-called information system[12]. According to this system, a person has to provide information on cash amounts carried on him when requested to do so. In connection with inspections of goods, the customs authorities already report persons transporting cash amounts of considerable value to the prosecuting authorities should they suspect money laundering. With the creation of this new information system on cross-border cash transfers, the Federal Customs Administration (FCA) will take on a new task in the fight against money laundering and terrorist financing. This is newly regulated in the Customs Act of 18 March 2005[13] in Article 95 paragraph 1bis. The accompanying ordinance[14] will define the information system in more detail. The obligation to provide information is not only limited to travellers but also applies to commercial traffic. At the explicit request of the customs officials, persons crossing the border must provide information on imported, exported and transited cash amounts amounting to at least CHF 10,000, on the origin and use of the funds as well as on the financial beneficiary. In cases of suspected money laundering or terrorist financing, the customs post may, however, also request information even if the amount does not reach the threshold of CHF 10,000 or the corresponding equivalent value. The customs officials may provisionally confiscate the cash. The refusal to give information or the provision of false information is liable to punishment. On identifying a suspicion of money laundering or terrorist financing, the customs officials may contact the competent police headquarters. The customs officials are thus not subject to the obligation to report under the Anti-Money Laundering Act, i.e. they thus do not send a report to MROS but directly to the police headquarters.

[12] FATF calls this "reporting system".

[13] CA; SR 631.0; Amendment of 3.10.2008 in force 1.2.2009 AS (Official Compilation of Federal Laws and Decrees) 27 January 2009

[14] Ordinance on the Control of Cross-Border Cash Transfers; in force 1.3.2009 AS 24 February 2009

5.2. Money Laundering Reporting Office Ordinance (MROSO[15]) is now valid without restrictions (Art. 20 PISA, Annex 1, para. 9 in conjunction with Art. 35a AMLA)

Since its creation, the MROS Ordinance has always been valid for a limited period of two years. The reason for this was that the legal foundations for access to the MROS database were not regulated in a formal federal act but only in an ordinance, viz. the MROS Ordinance[16]. With the entry into effect of the Federal Act on the Federal Police Information Systems[17], a new Article 35a with the relevant legal basis was created[18]. The accompanying ordinance[19] consequently replaces in subparagraph 20 the limit of validity in Article 31 MROSO.

5.3. Adjustments to the Federal Banking Commission's Anti-Money Laundering Ordinance FBC AMLO

As mentioned above, the Swiss Federal Banking Commission has amended its Anti-Money Laundering Ordinance[20], which came into effect on 1 July 2008. On 1 January 2009 the FBC was integrated into the new Financial Market Control Authority FINMA[21]. By means of the Ordinance on the Amendment of Administrative Ordinances to the Federal Act of 20 November 2008 on the Swiss Financial Supervisory Authority, the original FBC AMLO changed into the Anti-Money Laundering Ordinance – FINMA 1[22]. In connection with the change to the ordinance, the two Articles 24 and 27 are worthy of discussion. With regard to the deletion of Article 24, we refer to our above-mentioned remarks under Chapter 5.2.1. Article 27 deals with dubious business relations and voluntary reporting under Article 305ter paragraph 2 SCC. Paragraph 1 states that the financial intermediary who has no reasonable suspicion of money laundering or terrorist financing, but has made observations which lead him to the assumption that the assets originate from a crime or that legal funds have been used for a criminal purpose, may, based on voluntary reporting under Article 305ter paragraph 2 SCC, report this to the appropriate prosecuting authority and MROS. Regarding legal funds misused for a criminal purpose, MROS holds that the regulations contained in the ordinance are not in agreement with the SCC. Because voluntary reporting under

[15] SR 955.23

[16] Art. 5 MROSO of 25 August 2004

[17] PISA; SR 361

[18] Art. 20 PISA in conjunction with Annex 1, subparagraph 9

[19] Ordinance on the Amendments due to the Federal Act of 15 October 2008 on the Federal Police Information Systems; AS 2008 4943

[20] AS 2008 2017

[21] www.finma.ch

[22] AS 2008 5613 ; MROSO-FINMA 1; SR 955.022

Article 305ter paragraph 2 SCC is actually limited to observations leading the financial intermediary to conclude that assets originate from a crime. In other words regulations regarding the reporting of legal funds which are used for a criminal purpose can not be subsumed under Article 305ter paragraph 2, therefore not even when they are used to finance terrorism[23]. Had the lawmaker wished the viewpoint of the appropriation of the funds, irrespective of the precondition of a criminal origin, this should have been expressed accordingly. The fact is that, also within the scope of the draft to the Federal Act on the Implementation of the FATF revised recommendations, there was no corresponding amendment of Article 305ter paragraph 2 SCC, which in turn supports the legal opinion of MROS that this passage in AMLO – FINMA 1 contravenes federal law.

A similar problem is described under Chapter 5.4.

5.4. "Black funds" and mandatory reporting

In connection with the statutory offence of bribery, so-called "black funds" frequently come under discussion. “Black funds” are accounts with mostly legally acquired money which are stocked by circumventing the regular bookkeeping and used for the purpose of bribery. In practice the question is posed as to whether such legal assets in black funds which are administered by a financial intermediary on behalf of his clientele are already subject to mandatory reporting under Article 9 AMLA before they reach their intended purpose. Even if the elements of bribery under the Swiss Criminal Code[24] are meanwhile considered to be a crime, this does not mean that in the broadest sense the associated assets are per se subject to an obligation to report. Mandatory reporting presupposes that the assets originate from a crime. Assets which derive from a legal activity are not yet liable to mandatory reporting merely on the basis of their later intended use as funds for bribery. Should the financial intermediary be able to identify that the funds stored in a black fund represent the proceeds of a crime, they are clearly liable to mandatory reporting, irrespective of their intended purpose. In cases where, however, they originate from legal sources, there is no obligation on the part of the financial intermediary to file a report, not even a voluntary report. As soon as the assets come under the power of disposal of the person bribed, however, i.e. when the legal funds have been transferred to the person bribed, there is a duty to report on the part of the financial intermediary who manages the funds of the person bribed.

Not to be underestimated is the difficult situation of the financial intermediary who manages the black funds for his clients, if he has knowledge of the intended use of

[23] This differs from mandatory reporting under Art. 9 AMLA, whereby also legal assets used for terrorist financing are to be reported compulsorily.

[24] Art. 322ter SCC Bribery of Swiss public officials; Art. 322quater SCC Acceptance of bribes; Art. 322septies SCC Bribery of foreign public officials

bribery. In such a case he may not allow the transfer, as he would be liable to punishment for the actual predicate offence, i.e. aiding and abetting bribery. However, this question is of a theoretical nature, as it is questionable whether a financial intermediary is able to judge whether black funds exist or not. Should this case nevertheless occur, Christiane Lentjes Meili[25] recommends that the financial intermediary report the facts of the case in anonymised form to the prosecuting authority and leaves it to them to take the relevant measures.

The matter is different if the assets are linked to private bribery[26], which is considered to represent the element of an offence[27]. Such assets are therefore never subject to mandatory reporting.

5.5. Contents of a suspicious activity report, use of the reporting form and later submission of records (Art. 3 MROSO)

More than ten years after the creation of the Anti-Money Laundering Act, MROS still sometimes receives inadequately formulated SARs. At this point we would like to mention once again that the MROS Ordinance[28] clearly refers in Article 3 to the required contents of a report and in particular in paragraph 2 indicates that the financial intermediary is to use the reporting form[29] provided by MROS. The enclosures listed in the reporting form are not to be seen as final, but rather as examples. The financial intermediary should enclose with the SAR all the required documents substantiating his suspicion and comply with any request by MROS to submit missing documents. Unfortunately, financial intermediaries are sometimes under the false impression that the subsequent submission of missing documents (e.g. missing statements of account related to suspicious transactions) may only be effected through a judicial order from a prosecuting authority. This would, however, only be the case if documents were requested on a business relationship other than the one reported. However, the documents subsequently requested by MROS are always linked to a SAR, and the financial intermediary who complies with such a request violates neither the protection of the bank client nor business confidentiality. The reason for this is that the submitted SAR and all documents linked thereto are based on federal law (the Anti-Money Laundering Act for mandatory reports and the Swiss Criminal Code for voluntary reports), so that

[25] Christiane Lentjes Meili, Zur Stellung der Bank in der Züricher Strafuntersuchung, in: Zobl Dieter et al. (ed.), Schweizer Schriften zum Bankrecht, Volume 41, Zurich 1996 = Commentary Zürich 1996

[26] Art. 4a Federal Act on Unfair Competition; UCA; SR 241.0

[27] Art. 23 para.1 UCA

[28] SR 955.23

[29] This may be downloaded from the Internet under:
http://www.fedpol.admin.ch/fedpol/de/home/themen/kriminalitaet/geldwaescherei.html

there is formal legal justification for doing so. Furthermore, under Article 3 paragraph 1 let. g MROSO the financial intermediary is under an obligation to include in the report *"as far as possible an exact description of the business relationship".* In addition, Article 3 paragraph 3 MROSO states that the relevant documentation on the financial transactions of the SAR must be enclosed.

6. International scene

6.1. Egmont Group

In 2008 the Egmont working groups convened in Santiago de Chile/Chile in March, Seoul/South Korea in May at the same time as the Plenary Session, and in Toronto/Canada in October. The reports on the individual working groups and the development of the Egmont Group in general may be seen on the relevant homepage under www.egmontgroup.org. We would like to draw your attention to the following points from the reporting year 2008:

- **New Chair of the Egmont Committee**
  At the Plenary Session of the Egmont Group in May 2008, William. F. Baity, FinCEN USA, stepped down after six years of service as Chair of the Egmont Committee. In his place Neil Jensen, AUTRAC Australia, took over.

- **New members**
  The following new members joined the Egmont Group: the reporting offices of the Turks & Caicos Islands and Moldavia. Thus the number of members has risen to 110 reporting offices. The vast majority are so-called "Administrative FIUs" (69 administrative authorities, among them also MROS), followed by "Law Enforcement FIUs" (29 police authorities), "Hybrid FIUs (8 mixed models) and "Judicial/Prosecutorial FIUs (4 public prosecutor reporting offices). The Money Laundering Reporting Office Switzerland MROS is in a position to work with all FIUs worldwide, irrespective of their structural character.

- **Fulfilment of conditions for membership of the Egmont Group**
  The membership of a reporting office in the Egmont Group requires that the member country has a formal and effective legal foundation which explicitly designates the reporting office as the competent national central office for the receipt and analysis of SARs on money laundering or terrorist financing. At present, Switzerland has only an inadequate legal "de facto" position as, although the financial intermediaries are under an obligation according to the Anti-Money Laundering Act to file reports to MROS on grounds of suspected terrorist financing, this obligation is derived solely from the interpretation of Article 9 paragraph 1 AMLA, whereby *"assets subject to the power of disposal of a criminal organisation*" are to be reported. As the Egmont Group requires an explicit legal regulation for membership, Switzerland was requested to revise its legislation. Within the framework of the FATF's revised recommendations (see also remarks under Chapter 5.1.1 above), this has now been taken into

account. Furthermore, the Anti-Money Laundering Act has been revised so that the obligation to report on grounds of suspected terrorist financing is explicitly mentioned. These developments thus ensure MROS's continuing membership in the Egmont Group.

6.2. GAFI/FATF

The Financial Action Task Force (FATF) or Groupe d'Action financière (GAFI) is an intergovernmental organisation. It was founded with the objective of analysing methods of money laundering and elaborating strategies against money laundering and terrorist financing at international level. MROS is represented within the FATF as part of the Swiss delegation.

6.2.1 Mutual evaluations

The third round of evaluations of FATF member countries has again made significant progress in the course of this past year. By the end of 2008, six new countries had been evaluated, viz. Singapore, Canada, Hong Kong, Russia, Japan and Mexico, in addition to the sixteen countries evaluated by the end of 2007.

Parallel to the continuation of evaluations, the member countries which had received a rating of non-conformity or partial conformity with the fundamental provisions of the recommendations must submit themselves to a follow-up procedure. The latter requires the countries to present, at defined intervals, the measures they have taken to eliminate the deficiencies recorded in the evaluation report.

6.2.2 Switzerland's follow-up

In accordance with the report on mutual evaluations approved by the FATF in October 2005, Switzerland presented its first follow-up report in October 2007. At that time the measures foreseen to improve conformity with FATF recommendations had not yet been approved by the competent instances in Switzerland. The FATF plenum had therefore requested Switzerland to give an account of its improvements by October 2008.

At the FATF meeting in October 2008, the revised laws had not yet been totally finalised. Switzerland therefore requested the postponement of discussions on its follow-up report until February 2009, with a view to its departure from the regular follow-up procedure and transition to the biennial follow-up procedure.

6.2.3 Typologies

In the course of the annual meeting of the Typologies Working Group, experts from member countries evaluate trends in the sectors of money laundering and terrorist financing. They submit proposals for new norms to the plenum and publish a report on activities for the attention of the public.

In the course of 2008, several specialised reports have been approved and may be consulted on the GAFI/FATF homepage.

A first *Terrorist Financing Typologies Report* has been published. This report basically presents examples taken from actual events (in particular terrorist attacks on the underground railways in Madrid and London). The authors show how the preparation and execution of the attacks were financed.

A report on *Money Laundering and Terrorist Financing Vulnerabilities of Commercial Websites and Internet Payment Systems* was approved. This report deals with a type of electronic trading identified as the most vulnerable relative to money laundering and terrorist financing: the relationship negotiated between clients. The report also provides numerous study cases illustrating the abuse of mediated client-client relationships (C2C) for the purpose of money laundering and terrorist financing.

The *Typologies Report on Proliferation Financing* dealing with financial aspects related to the non-proliferation of weapons of mass destruction was approved. It analyses the threats linked to proliferation and techniques used by the different actors, showing in addition options for the combat of this type of activity.

Finally, FATF published a further report on *Money Laundering and Terrorist Financing Risk Assessment Strategies.* A number of member countries demonstrated the risk to their country represented by money laundering and terrorist financing. The report shows the factors to be taken into account, in particular the source of the data and the type of analysis: risk, threat or vulnerability.

In October 2008, in order to combat money laundering and terrorist financing, the FATF moreover adopted guidelines on the introduction of risk-related controls in casinos. These guidelines are the basis for a common understanding of the implications of uniform risk-related controls, with whose help governments and casinos can implement these controls effectively.

An initiative on the topic of *strategic surveillance discussion* was launched in the course of 2008. This topic is aimed at gathering and evaluating statistical information on the combat of money laundering and terrorist financing. On the basis of these findings, a uniform action strategy is to be elaborated. This will ultimately result in a global

evaluation of risks. It was noted in particular that, despite the evolution of criminality towards fraud and embezzlement, money laundering linked to drug trafficking remains at the forefront as far as the proceeds of crimes are concerned.

The discussions at the last FATF meeting were in particular based on the role played by cash in money laundering and terrorist financing. A further topic was the use of third persons in the mechanism of money laundering and terrorist financing as well as money laundering linked to tax evasion and other fiscal offences committed abroad. A preliminary report should be published during the course of 2009.

A new group has been created on the topic of *money laundering and terrorist financing risks in the securities sector.* The task of this working group is in particular the assessment of risks according to the types of shares, methods of payment and the delivery of shares as well as deficiencies in the regulation of relations with the banking sector. In view of the importance of this sector in Switzerland, MROS intends to follow the activities of this working group with great interest.

Finally, MROS took part in a working group on *money laundering within sports clubs*, more particularly in the football sector. This working group not only examines direct investments made in sports clubs but all the risks related to financial aspects in the event of transfers. A first report should be finalised within the course of 2009.

7. Internet Links

7.1. Switzerland

7.1.1 Money Laundering Reporting Office

http://www.fedpol.admin.ch	Federal Office of Police / MROS
http://www.fedpol.admin.ch/fedpol/en/home/themen/kriminalitaet/geldwaescherei/meldeformular.html	SAR form MROS

7.1.2 Supervisory authorities

http://www.finma.ch	Swiss Financial Market Supervisory Authority FINMA
http://www.esbk.admin.ch/	Federal Gaming Commission

7.1.3 Self-regulating organisations

http://www.arif.ch/	Association Romande des Intermédiaires Financieres (ARIF)
http://www.oadfct.ch/	OAD-Fiduciari del Cantone Ticino (FCT)
http://www.oarg.ch/	Organisme d'Autorégulation du Groupement Suisse des Conseils en Gestion Indépendants ("GSCGI") et du Groupement Patronal Corporatif des Gérants de Fortune de Genève ("GPCGFG") (OAR-G)
http://www.polyreg.ch/	PolyReg
http://www.sro-sav-snv.ch/	Selfregulating Organization of the Swiss Bar Association and the Swiss Notaries Association
http://www.leasingverband.ch/	SRO- Schweizerischer Leasingverband (SLV)
http://www.stv-usf.ch/	SRO-Schweizerischer Treuhänder-Verband (STV)
http://www.vsv-asg.ch/	SRO-Verband Schweizerischer Vermögensverwalter (VSV)
http://www.vqf.ch/	Verein zur Qualitätssicherung im Bereich der Finanzdienstleistungen (VQF)

7.1.4 National associations and organisations

http://www.swissbanking.org	Swiss Bankers Association
http://www.swissprivatebankers.com	Swiss Private Bankers Association

http://www.svv.ch	Swiss Insurance Association

7.1.5 Others

http://www.ezv.admin.ch/	Federal Customs Administration
http://www.snb.ch	Swiss National Bank
http://www.ba.admin.ch	Office of the Attorney General of Switzerland OAG
http://www.seco.admin.ch/themen/00513/00620/00622/index.html	State Secretariat for Economic Affairs SECO / economic sanctions based on the Embargo Act
http://www.bstger.ch/	Federal Criminal Court

7.2. International

7.2.1 Foreign reporting offices

http://www.fincen.gov/	Financial Crimes Enforcement Network/USA
http://www.ncis.co.uk	National Criminal Intelligence Service/United Kingdom
http://www.austrac.gov.au	Australian Transaction Reports and Analysis Centre
http://www.ctif-cfi.be	Cel voor Financiele Informatieverwerking / Belgium
http://www.justitie.nl/mot	Meldpunt Ongebruikelijke Transacties Ministerie van Justitie (MOT) / Netherlands
http://www.fintrac-canafe.gc.ca/	Financial Transactions and Reports Analysis Centre of Canada

7.2.2 International organisations

http://www.fatf-gafi.org	Financial Action Task Force on Money Laundering
http://www.unodc.org/	United Nations Office for Drug Control and Crime Prevention
http://www.egmontgroup.org/	Egmont-Group
http://www.cfatf.org	Caribbean Financial Action Task Force

7.3. Other Links

http://europa.eu/	European Union
http://www.coe.int	European Council
http://www.ecb.int	European Central Bank
http://www.worldbank.org	World Bank
http://www.bka.de	Bundeskriminalamt Wiesbaden, Germany
http://www.fbi.gov	Federal Bureau of Investigation, USA
http://www.interpol.int	Interpol

http://www.europol.net	Europol
http://www.bis.org	Bank for International Settlements
http://www.wolfsberg-principles.com	Wolfsberg Group
http://www.swisspolice.ch	Conference of the Cantonal Police Commanders of Switzerland

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