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TOPICS

Statistics

Typologies

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Internet Links

MROS

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2010

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1. Introduction

The number of Suspicious Activity Reports (SARs) increased in 2010 for the fourth consecutive year. Indeed, the dramatic increase of nearly one-third more SARs than in the previous reporting year calls for an explanation. The increase can be attributed to two extremely complex cases that resulted in 144 SARs or 12 percent of the total volume of SARs for the 2010 reporting period. Also, the 2009 amendment of the Anti-Money Laundering Act (AMLA) relating to financial intermediaries' exclusion from criminal and civil liability may have influenced reporting practices: under the amendment financial intermediaries no longer have to act "with the diligence required in the circumstances", but only "in good faith". This is in keeping with the international standards of the Financial Action Task Force (FATF)¹ and may have led to an increase in SARs.

Once again, the category *fraud* was at the forefront of suspected offences reported to MROS in 2010. In fact, there was an unprecedented increase in this category of 46 percent over the previous year. This may be due to the fact that investors who suffered losses from serious investments during the financial crisis recklessly attempted to recoup their losses with enticing but dubious offers that later turned out to be fraudulent. There are numerous such offers (also on the Internet): for example, online auctions, investment swindles, "phishing attacks", etc. These cases are especially challenging for the prosecution authorities, who have to investigate the fraudster's intent to deceive and the victim's shared responsibility. In this context, the judgement by the Federal Supreme Court of 9 July 2009² is worth reviewing. The court holds that criminal protection with regard to fraud is only inapplicable by way of exception if the victim does not take the most basic precautionary measures. At the same time, the court holds that it is negligent if bidders at an online auction do not verify the integrity of a professional seller that has no ratings and demands direct payment in advance. It is also important to note that it is not the financial intermediary's job to investigate a victim's shared responsibility; this is down to the prosecuting authorities (comparable to checking procedural requirements and impediments to proceedings; see Chapter 4.1.).

There was also a noticeable increase in SARs relating to suspected *computer fraud* under Article 147 of the Swiss Criminal Code (SCC). Nearly all these SARs were submitted by a so-called financial agent (also financial manager or "money mule") who had been recruited by a ictitious employer of unknown origin via e-mail to carry

¹ Financial Action Task Force on Money Laundering; www.fatf-gafi.org

² Federal Supreme Court, Criminal Law Department, judgement of 9 July 2009 in the Chief Public Prosecutor of the Canton of Bern versus X and Y (6B_147/2009)

out financial transactions (see Chapter 4.4.2. Order for withdrawal of proceedings / Abuse of a data-processing system).

The current report once again lists the two types of reporting (duty to report and right to report) separately in the statistics (see Chapter 2.1.3.). What is apparent here is that nearly all financial intermediaries who submitted SARs under Article 305^{ter} paragraph 2 SCC (right to report) froze assets internally, although the law does not provide for this. Financial intermediaries who do this act at their own risk, since under Article 11 paragraph 1 AMLA exclusion from liability only applies to SARs submitted under Article 9 AMLA (duty to report).

One of the new features of the revised Swiss Criminal Procedure Code (CrimPC: SR 312.0), which came into force on 1 January 2011, is that it now provides for covert surveillance of bank accounts. The influence of this surveillance measure on the duty to report is discussed at length in Chapter 4.3. The revised piece of legislation has otherwise no further consequences either for the duty to report or for the right to report.

Bern, April 2011

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

Federal Department of Justice and Police FDJP
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MROS Section

2. Annual MROS statistics

2.1 General remarks

The 2010 reporting period proved, once again, to be an intensive year for MROS and was characterised by the following developments:

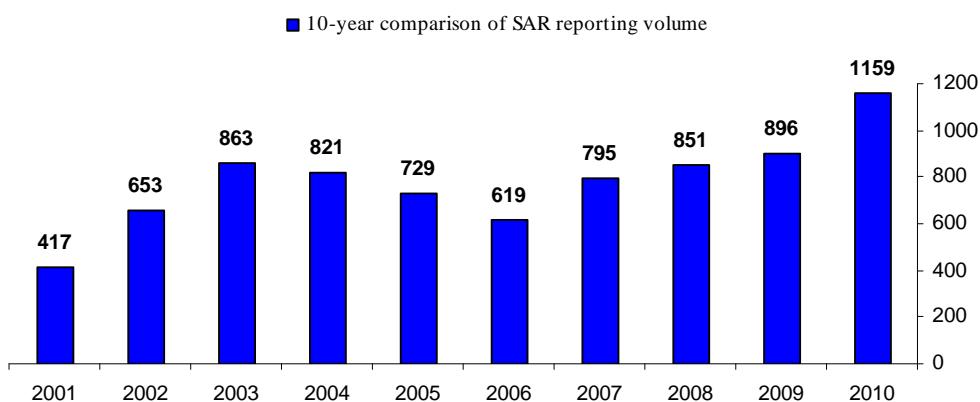
1. Over **1,000 SARs** for the first time ever;
2. Marked **increase** again in SARs from the **banking sector**;
3. **Turnaround** in the number of SARs from the **payment services sector**;
4. **Total asset value** of SARs back to a **normal level**.

2.1.1 Record number of SARs

In the 2010 reporting period, MROS received a total of 1,159 reports (2009: 896). This is the first time since the Anti-Money Laundering Act came into force that over 1,000 SARs have been submitted and it represents an unexpected increase of more than 29 percent. The increase can be mainly attributed to two complex cases from the banking sector that resulted in a large number of SARs due to the numerous business connections reported. This fact puts the dramatic increase, at least in part, into perspective. As in the previous years, the majority of SARs were submitted by the banking sector: with a total of 822 (71 percent), this sector submitted more SARs over the previous reporting period (due to the above-mentioned cases) both in absolute and relative terms (2009: 603 or 67 percent). There was also a noticeable increase in the categories *payment services sector, fiduciaries and asset managers*. In absolute figures, the remaining categories hardly influence the total volume because of the small number of SARs. However, any fluctuation – however small - in the number of SARs from these categories can have a dramatic effect in relative terms.

The average length of time required to process both mandatory and voluntary SARs in 2010 was 2 working days.

SAR reporting volume



2.1.2 SARs from the payment services sector

With a share of nearly 16 percent of the total reporting volume, the payment services sector was again the second largest contributor of SARs behind the banking sector. The sub-categories *providers* and *money transmitters* have again been listed separately. The total of 61 SARs from the money transmitters remains virtually unchanged in absolute terms over 2009 (62 SARs). Therefore, the 10 percent increase in SARs from the payment services sector arises solely from the increase in SARs from the providers (+17 SARs).

Worth mentioning is the 4 percent increase in SARs from the money transmitters that were forwarded to the prosecution authorities, an indication of the improved quality of the reports. This is particularly gratifying because in the money transmitting business, a business field consisting of over-the-counter transactions, it is especially difficult to identify criminal assets. Conversely, the percentage of SARs from providers forwarded to the prosecution authorities declined in the 2010 reporting period. Thus, this sub-category had a determining influence on the overall percentage of forwarded SARs from the payment services sector. The reasons for this are likely to be the same as for other categories (see Chapter 2.1.5. Proportion of forwarded SARs). In absolute figures, however, only slightly more SARs from the providers were forwarded to the prosecution authorities in 2010 (109 SARs) than in 2009 (103 SARs).

Year	2003	2004	2005	2006	2007	2008	2009	2010
Total / in %	863	100%	821	100%	729	100%	619	100%
of which payment services sector	460	53%	391	48%	348	48%	164	26%
a) providers	130	28%	97	25%	57	16%	61	37%
b) money transmitters	330	72%	294	75%	291	84%	103	63%
					100	43%	78	42%
						106	63%	123
							61	33%

2.1.3 Mandatory SARs (Art. 9 AMLA) and voluntary SARs (Art. 305^{ter} para. 2 SCC)

Out of the 1,159 SARs submitted in 2010, 688 (over 59 percent) were submitted under Article 9 AMLA (duty to report or mandatory SARs) and 471 (nearly 41 percent) were submitted under Article 305^{ter} paragraph 2 SCC (right to report or voluntary SARs). Thus, both categories appear to becoming balanced in relative terms. In previous years, SARs under Article 9 AMLA have tended to outweigh the balance with around 75 percent of the total. A detailed look at the statistics shows that the two complex cases from the banking sector, mentioned at the beginning of this report and which resulted in 68 and 76 related SARs, play a decisive role in the marked increase in the number of voluntary SARs. All of the 144 SARs from both cases were submitted under Article 305^{ter} paragraph 2 SCC. If this fact is taken into consideration, then the ratio of mandatory to voluntary SARs in 2010 is approximately the same as in the previous reporting years. The statistics of the last eight years reveal that individual financial sectors follow different practices with regard to what type of SAR they submit: voluntary reporting is chosen by the banking sector (approximately one-third of all SARs) and payment services sector (approximately one-fifth of SARs) more frequently than by other financial intermediaries (significantly under 10 percent). The number of voluntary SARs has risen, especially since 2005. This is probably due to MROS's call to submit voluntary SARs (under Art. 305^{ter} para. 2 SCC) not to prosecution authorities but directly to MROS. Since the revision of the Anti-Money Laundering Act in 2009, financial intermediaries, who once had the choice to whom they could submit voluntary SARs, may now only submit their reports under Article 305^{ter} paragraph 2 SCC to MROS.

Financial intermediary	Type of SAR	2003	2004	2005	2006	2007	2008	2009	2010	Total
Banks	Total	302	342	294	359	492	573	603	822	3787
	9 AMLA	275	313	258	271	307	392	401	426	2643
	305ter SCC	27	29	36	88	185	181	202	396	1144
Supervisory Authorities	Total	2		2	5	1	1	4	0	15
Casinos	Total	8	2	7	8	3	1	5	8	42
	9 AMLA	8	2	7	8	2	1	5	4	37
	305ter SCC					1			4	5
Foreign exchange trader	Total	2	1	1	1			5	6	16
	9 AMLA			1	1			5	6	13
	305ter SCC	2	1						0	3
Securities trader	Total			2	2		2	5	2	18
	9 AMLA			2	2		2	5	2	15
	305ter SCC								3	3
Currency exchange	Total			3	3	2	1	1		11
	9 AMLA			2	3	2	1	1		10
	305ter SCC			1						1
Loan, leasing, factoring and non-recourse financing	Total	2	1	1	7	4	1	11	1	28
	9 AMLA	2	1	1	3	4	1	10	1	23
	305ter SCC				4			1		5
Credit card company	Total	1	2			2	2	10	9	26
	9 AMLA	1	2			2	2	3	6	16
	305ter SCC							7	3	10
Attorney	Total	9	10	8	1	7	10	11	13	69

	9 AMLA	9	9	8	1	7	10	11	12	67
	305ter SCC		1							1 2
Commodity and precious metal trader	Total	1				1	5	1	1	9
	9 AMLA	1				1	5	1	1	9
	305ter SCC									
Fiduciary	Total	47	36	31	45	23	37	36	58	313
	9 AMLA	44	36	31	43	20	35	34	58	301
	305ter SCC	3			2	3	2	2		12
Other FI	Total	1	7		1	2		1	4	16
	9 AMLA	1	7		1	2		1	4	16
	305ter SCC									
Asset manager / investment advisor	Total	18	13	18	6	8	19	30	40	152
	9 AMLA	17	13	17	6	5	16	29	38	141
	305ter SCC	1		1		3	3	1	2	11
Insurance	Total	8	8	9	18	13	15	9	9	89
	9 AMLA	8	7	7	15	12	12	9	9	79
	305ter SCC		1	2	3	1	3	0		10
Distributor of investment funds	Total	3	3	5		1	1			12
	9 AMLA	2	3	4			1			10
	305ter SCC	1	0	1						2
Payment services, divided into	Total	459	391	348	164	231	185	168	184	2130
a) providers	9 AMLA	127	87	32	22	27	46	86	65	492
	305 ^{ter} SCC	2	10	25	39	73	32	20	58	259
b) money transmitters	9 AMLA	268	255	257	102	129	104	61	57	1233
	305ter SCC	62	39	34	1	2	3	1	4	146

2.1.4 Reporting cases of attempted money laundering under Article 9 paragraph 1 letter b Anti-Money Laundering Act

Since the revision of the Anti-Money Laundering Act in 2009, a financial intermediary must report situations in which negotiations to establish a business relationship have been broken off due to a reasonable suspicion that the assets involved are connected to an offence in terms of Article 305^{bis} SCC (money laundering) or Article 260^{ter} paragraph 1 SCC (criminal organisation), that the assets are the proceeds of a felony, or that the assets are subject to the power of disposal of a criminal organisation. In practice, little use is made of this type of mandatory reporting: of the 13 SARs submitted in 2010 (3 less than 2009), only 4 were forwarded to the prosecution authorities, one of which was dismissed by them. The percentage of forwarded SARs in connection with attempted money laundering is, at just under 31 percent, low in comparison with the general percentage of forwarded SARs (87 percent). The reason for this is that when negotiations are terminated, business relations have not yet been established, assets have not yet been transferred and it is usually difficult to prove related predicate offences. Thus, there is generally insufficient basis for initiating criminal proceedings. The question, therefore, whether it is pointless in submitting such SARs, is understandable. Basically, the Anti-Money Laundering Act is a piece of preventive legislation: its aim is primarily to prevent the financial market from being used for criminal purposes (i.e. money laundering). The regulation of due diligence is a first step in this direction. The financial intermediary is subject to strict rules with regard to identifying the contracting party, the beneficial owner, the origin and legality of assets. If he suspects money laundering or terrorist financing, he must discontinue negotiations and report to MROS. Even if MROS does not forward the SAR, the client will not have succeeded in introducing criminal assets into legal circulation or in financing terrorism, and the aim of prevention will thus have been achieved. Moreover, MROS can voluntarily inform national and international prosecution authorities or its international partner agencies on individuals' suspected criminal activities, thus providing investigative authorities with new clues on suspects. It is important, therefore, that the reporting financial intermediary does not draw the wrong conclusions from a SAR that has not been forwarded by MROS to the prosecuting authorities and subsequently assume the client's integrity or re-enter into negotiations with the client.

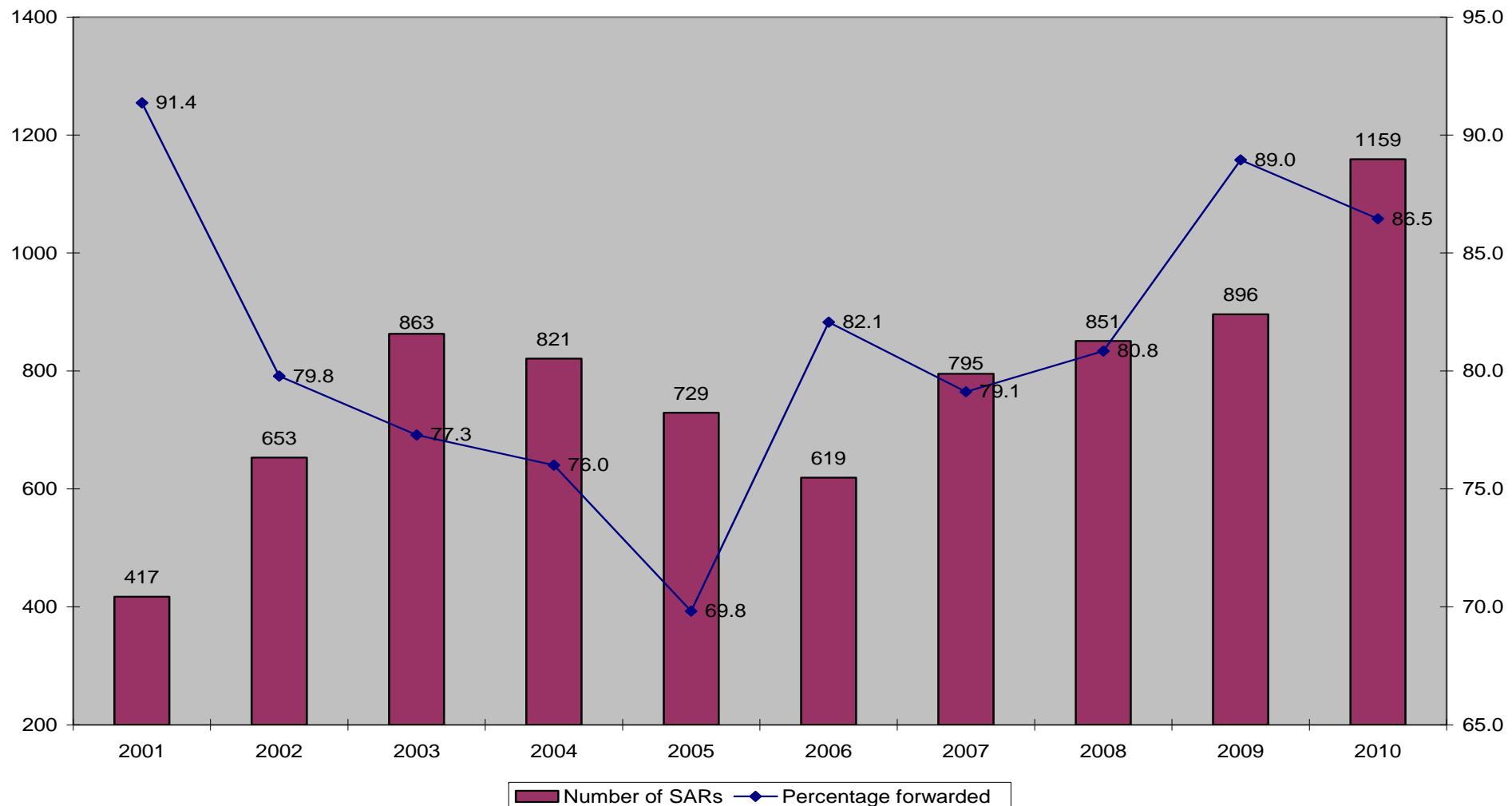
Financial intermediary	Type of SAR	2003	2004	2005	2006	2007	2008	2009	2010	Total
Banks	Total	302	342	294	359	492	573	603	822	3787
	of which Art. 9(1)b AMLA	2	4	10	9	16	6	15	9	71
Supervisory Authority	Total	2		2	5	1	1	4	0	15
Casinos	Total	8	2	7	8	3	1	5	8	42
	of which Art. 9(1)b AMLA									0
Foreign exchange trader	Total	2	1	1	1			5	6	16
	of which Art. 9(1)b AMLA									0
Securities trader	Total		2	2		2	5	2	4	17
	of which Art. 9(1)b AMLA									0
Currency exchange	Total		3	3	2	1	1	1		11
	of which Art. 9(1)b AMLA									0
Loan, leasing, factoring and non-recourse financing	Total	2	1	1	8	4	1	11	1	29
	of which Art. 9(1)b AMLA									0
Credit card company	Total	1	2			2	2	10	9	26
	of which Art. 9(1)b AMLA								1	1
Attorney	Total	9	10	8	1	7	10	11	13	69
	of which Art. 9(1)b AMLA									0
Commodity and precious metal trader	Total	1			1	5	1	0	1	9

	of which Art. 9(1)b AMLA										0
Fiduciary	Total	47	36	31	45	23	37	36	58	313	
	of which Art. 9(1)b AMLA								1	1	2
Other FI	Total	1	7		1	2		1	4	16	
	of which Art. 9(1)b AMLA										0
Asset manager / investment advisor	Total	18	13	18	6	8	19	30	40	152	
	of which Art. 9(1)b AMLA								2	2	
Insurance	Total	8	8	9	18	13	15	9	9	89	
	of which Art. 9(1)b AMLA										0
Distributor of investment funds	Total	3	3	5		1				12	
	of which Art. 9(1)b AMLA										0
Payment services	Total	459	391	348	164	231	185	168	184	2130	
	of which Art. 9(1)b AMLA										0

2.1.5 Proportion of SARs forwarded to the prosecuting authorities

The proportion of forwarded SARs fell slightly from 89 percent in 2009 to 86.5 percent in 2010. This figure, which is still very high, continues to reflect the excellent quality of the SARs submitted to MROS. In contrast to most foreign reporting systems, which are based on a “suspicious transaction report STR” (i.e. an unqualified suspicion), or even merely on a “currency transaction report CTR” (i.e. a transaction exceeding a certain monetary threshold), the Swiss reporting system is based on a well-founded suspicion of money laundering – as the name SAR or “suspicious activity report” suggests. Foreign systems result in a much higher number of reports whose content does not compare with the high quality of the Swiss reports, however. The efficiency and effectiveness of money laundering legislation should not only be measured against the number of reports or statistics, but – more relevantly – by comparing the proportion of forwarded reports. Compared with foreign reporting systems, the Swiss reporting system boasts a high proportion of SARs forwarded to prosecution authorities.

The percentage of forwarded SARs from all sectors is high. As to be expected, the banking sector is top of the list once again, with nearly the same figure as the previous reporting period: 90.5 percent in 2010 as opposed to 90.7 percent in 2009. Looking at the proportion of forwarded SARs from the payment services sector, it is noticeable that the category *providers* declined in 2010 (88.6 percent) over 2009 (97.2 percent). The *money transmitters* have succeeded in enhancing the quality of their reports, which is reflected in the increase in forwarded SARs from this category: from 62.9 percent in 2009 to 67.2 percent in 2010. A further point worth mentioning is the lower proportion of forwarded SARs from *fiduciaries* and *asset managers* compared to 2009, although the total number of SARs from both these categories was higher in 2010 than in the previous reporting year. The reason for the increase may lie in the revision of the Anti-Money Laundering Act: as mentioned, financial intermediaries no longer have to act “with the diligence required in the circumstances”, but only “in good faith” (Art. 11 para. 1 AMLA). This provides the financial intermediary with better protection and may well have resulted in lower reservations in submitting a SAR.

Proportion of SARs forwarded to the prosecution authorities in comparison to the total number submitted 2001 – 2010

Financial intermediary category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Bank	94.3%	97.0%	96.0%	91.8%	92.2%	94.4%	92.1%	87.4%	90.7%	90.5%	91.9%
Supervisory authority		100.0%			100.0%	100.0%		100.0%			100.0%
Casino	12.5%	50.0%	62.5%	50.0%	85.7%	75.0%	66.7%	100.0%	80.0%	50.0%	59.3%
Foreign exchange trader		100.0%	100.0%	0.0%	100.0%	100.0%			100.0%	83.3%	88.9%
Securities trader	75.0%			100.0%	100.0%		100.0%	83.3%	50.0%	25.0%	71.4%
Currency exchange	100.0%	0.0%		100.0%	100.0%	50.0%	100.0%	100.0%	100.0%		84.6%
Loan, leasing, factoring and non-recourse financing	100.0%	100.0%	100.0%	100.0%	100.0%	75.0%	50.0%	100.0%	90.9%	100.0%	83.3%
Credit card company			100.0%	100.0%			100.0%	100.0%	100.0%	66.7%	83.9%
Attorney	66.7%	83.3%	100.0%	100.0%	75.0%	0.0%	85.7%	80.0%	100.0%	69.2%	83.3%
Commodity and precious metal trader	0.0%	100.0%	100.0%			100.0%	100.0%	0.0%		0.00%	72.7%
Self-regulating organisation		100.0%			100.0%	100.0%	100.0%		100.0%		100.0%
Fiduciary	82.1%	89.4%	95.7%	91.7%	100.0%	88.9%	82.6%	91.9%	86.1%	79.3%	88.7%
Other FI	100.0%	100.0%	100.0%	100.0%		0.0%	100.0%		0.0%	25.0%	89.1%
Asset manager / investment advisor	93.3%	92.9%	94.4%	92.3%	83.3%	33.3%	75.0%	52.6%	83.3%	77.5%	80.1%
Assurance	83.3%	88.9%	87.5%	87.5%	88.9%	72.2%	61.5%	86.6%	66.7%	44.4%	76.0%
Distributor of investment funds		100.0%	66.7%	100.0%	60.0%			0.0%			71.4%
Payment services	96.5%	60.1%	61.7%	58.6%	45.7%	57.3%	51.9%	60.0%	84.5%	81.5%	61.4%
a) of which providers	96.4%	71.4%	76.9%	79.4%	59.6%	83.6%	66.0%	87.2%	97.2%	88.6%	80.6%
b) of which money transmitters	100.0%	53.8%	54.5%	51.7%	41.2%	40.8%	38.2%	40.2%	62.9%	67.2%	55.1%
Total	91.4%	79.8%	77.3%	76.0%	69.7%	82.1%	79.1%	80.7%	89.0%	86.5%	81.1%

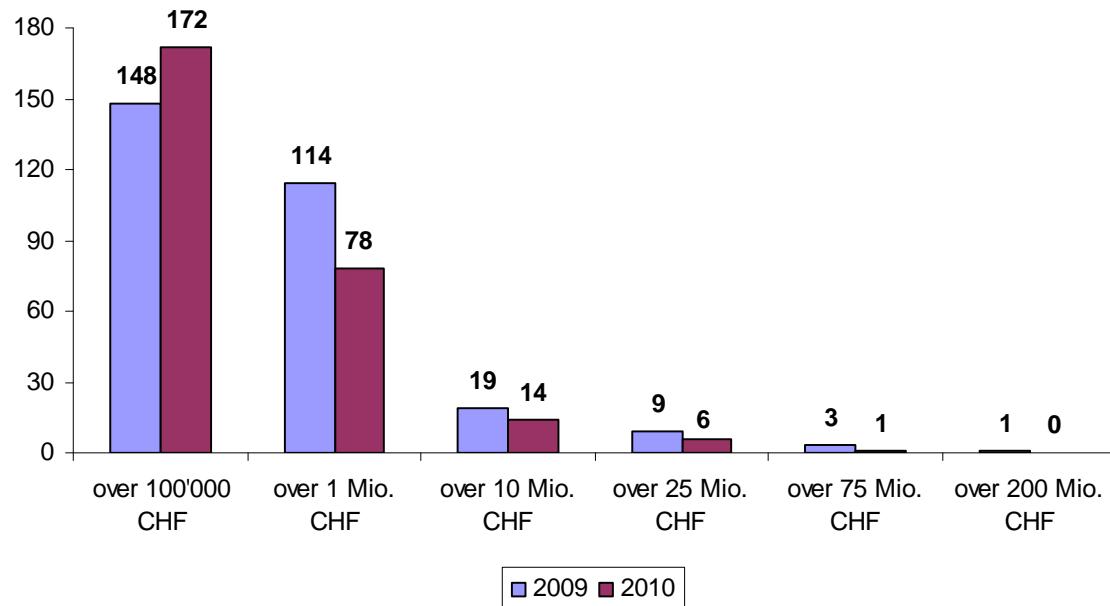
2.1.6 SARs involving substantial levels of assets

Despite the dramatic increase in reporting volume in 2010, total asset value reached only about CHF 850 million. This contrasts sharply with 2009, where total asset value reached a record level of CHF 2.2 billion. To explain the decrease in 2010, we must look at the SARs from 2009 involving a substantial level of assets: two SARs, in particular, involving a total asset value of CHF 725 million, are evident. These SARs involved suspected investment fraud and market rigging (see Chapter 3.2. of the 2009 Annual Report: *Securities swindle via the open market*). The 13 SARs in 2009 involving a substantial level of assets totalled approximately CHF 1.455 billion. In 2010, however, MROS received only seven SARs involving substantial levels of assets, whereby none of the reports involved a total asset value of over CHF 100 million.

Top of the table in 2010 were, out of the total seven SARs involving a substantial level of assets, two SARs from a *major bank* and a *foreign controlled bank* involving total assets of over CHF 150 million: the cases involve suspected criminal mismanagement and bribery and were based on outside information sent to the respective financial intermediaries. Both SARs were forwarded by MROS to the appropriate prosecution authorities. Of the remaining five SARs involving substantial assets of up to CHF 50 million, three were forwarded to the prosecution authorities. One of these SARs is related to suspected bribery, and the two others involve suspected property offences in connection with fraud and are based on outside information such as media reports and information from prosecuting authorities. If one looks at the figures for 2010 (CHF 850 million), a similar picture to the years between 2002 and 2007 emerges. The 2008 and 2009 reporting years must, therefore, be considered exceptional, whereas 2010 may be considered usual. This is especially the case when one considers the numerous interrelated SARs in 2010 that partially involved business relationships that had already been discontinued without reported assets.

For the above-mentioned reasons and because of the large increase in the total number of SARs, the average asset value of each incoming SAR in 2010 was only approximately CHF 731,000 (2009: approximately CHF 2.5 million).

**Number of SARs involving substantial assets
2009/2010**



2.2. The search for terrorist funds

Compared to 2009, the number of SARs in 2010 involving suspected terrorist financing has, at first glance, risen considerably: from seven SARs in 2009 to 13 in 2010. This increase is put into perspective by the fact that three cases generated eight SARs on account of the multiple business relationships involved. Taking this into account, the situation in 2010 remained pretty much the same as in the previous year (MROS received SARs involving eight cases of terrorist funding in 2010 as opposed to seven cases in 2009).

The assets involved in the current reporting year were noticeably higher than in previous reporting year: whilst the volume of assets involved in the 2009 SARs amounted to around CHF 9,500, this figure soared to CHF 23 million in 2010. The main reason for this difference is that one single SAR from the banking sector involved assets of over CHF 18.6 million (the SAR was forwarded to the prosecution authorities and the case is pending). Nine further SARs with a total asset value of approximately CHF 4.5 million were also forwarded to the prosecution authorities: in four cases (involving total assets of CHF 4.4 million) proceedings were suspended, in two cases (involving total assets of approximately CHF 70,000) the prosecution did not enter into the substance of the cases and they were dismissed, and three cases (involving total assets of approximately CHF 9,000) are still being investigated by the public prosecutor's office. Three SARs from three different financial intermediaries were not forwarded to the prosecution authorities following MROS's evaluation of the facts of the case and the people involved. The total asset value of these cases was a mere CHF 40.

In conclusion, 10 of the 13 SARs were forwarded to the Office of the Attorney General of Switzerland (OAG). In six of these cases there was no hard evidence of terrorist financing. Only four SARs relating to two cases are still being investigated, one of which includes the case involving CHF 18.6 million in assets. This latter case is connected to the food trade and involves alleged support for an Islamic organisation.

None of the SAR's submitted to MROS in 2010 revealed any connection to one of the official terrorist lists. This shows that financial intermediaries have checked and cleaned up their client base in view of such lists. SARs these days are generated mainly on a "risk-based approach" and on the principle of "know your customer". The trigger for SARs in 2010 in connection with terrorist financing was mainly third-party information such as press articles, from prosecuting authorities or data from commercial compliance databases (see Chapter 3.1).

Status of forwarded SARs in connection with terrorist financing

Status	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Dismissal	13	4	4	7	13	1	3	4	3	2	55
Pending	3	7		2				2	1	4	19
Suspension	78	2		1	2					4	87
Temp. sus-pension	1	2	1	1	3	3		1			12
Total	95	15	5	11	18	5	3	7	4	10	173

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%
2009	896	7	0.8%	0	1	1	5	9,458.84	0.00%
2010	1,159	13	1.1%	0	1	0	12	23,098,233.85	2.73%
TOTAL	7,802	189	2.4%	56	10	18	105	221,023,208.06	1.81%

The following table shows the 13 suspected terrorist funding SARs submitted in 2010 in detail:

a) Location of reporting financial intermediary

	No. of SARs	%
Bern	6	46.1%
Geneva	5	38.5%
Zug	1	7.7%
Vaud	1	7.7%
Total	13	100.0%

b) Type of financial intermediary

	No. of SARs	%
Bank	7	53.9%
Money transmitter	6	46.1%
Total	13	100.0%

c) Type of reporting bank

	No. of SARs	%
Major bank	3	42.8%
Foreign-controlled bank	2	28.6%
Cantonal bank	2	28.6%
Total	7	100.0%

d) Nationality and domicile of client

Country		Nationality		Domicile
Somalia	3	23.1%	0	0.%
Germany	3	23.1%	4	30.8%
Switzerland	3	23.0%	8	61.5%
Brazil	0	0.0%	1	7.7%
Paraguay	1	7.7%	0	0.0%
Azerbaijan	1	7.7%	0	0.0%
Tunisia	1	7.7%	0	0.0%
Turkey	1	7.7%	0	0.0%
Total	13	100.0%	13	100.0%

e) Nationality and domicile of beneficial owner

Country		Nationality		Domicile
Somalia	3	23.1%	0	0.0%
Germany	3	23.1%	4	30.8%
Switzerland	3	23.0%	8	61.5%
Brazil	0	0.0%	1	7.7%
Paraguay	1	7.7%	0	0.0%
Azerbaijan	1	7.7%	0	0.0%
Tunisia	1	7.7%	0	0.0%
Turkey	1	7.7%	0	0.0%
Total	13	100.0%	13	100.0%

2.3. Detailed statistics

2.3.1 Overview of MROS statistics 2010

Summary of reporting year (1 January 2010 – 31 December 2010)

	2010		2010		2009		2009	
	Absolute	Relative	+/-	Absolute	Relative			
SAR reporting volume								
Total number of SARs received	1159	100.0%	29.4%	896	100.0%			
Forwarded SARs	1002	86.5%	25.7%	797	89.0%			
Non-forwarded SARs	157	13.5%	58.6%	99	11.0%			
Pending SARs	0	0.0%	N/A	0	0.0%			
Type of financial intermediary								
Bank	822	70.9%	36.3%	603	67.3%			
Payment services sector	184	15.9%	9.5%	168	18.8%			
Fiduciary	58	5.0%	61.1%	36	4.0%			
Asset manager / Investment advisor	40	3.5%	33.3%	30	3.3%			
Attorney	13	1.1%	18.2%	11	1.2%			
Insurance	9	0.8%	0.0%	9	1.0%			
Credit card company	9	0.8%	-10.0%	10	1.1%			
Casino	8	0.7%	60.0%	5	0.6%			
Foreign exchange trader	6	0.5%	20.0%	5	0.6%			
Securities trader	4	0.3%	100.0%	2	0.2%			
Other	4	0.3%	-20.0%	5	0.6%			
Loan, leasing and factoring business	1	0.1%	-90.9%	11	1.2%			
Commodity and precious metal trader	1	0.1%	N/A	0	0.0%			
Currency exchange	0	0.0%	-100.0%	1	0.1%			
Amounts involved in CHF								
(Total effective assets at time of report)								
Total asset value of all SARs received	847'378'467	100.0%	-62.0%	2'229'175'035	100.0%			
Total asset value of forwarded SARs	715'269'220	84.4%	-66.9%	2'164'088'484	97.1%			
Total asset value of pending SARs	0	0.0%	N/A	0	0.0%			
Total asset value of non-forwarded SARs	132'109'247	15.6%	103.0%	65'086'551	2.9%			
Average asset value of SARs (total)	731'129			2'487'919				
Average asset value of forwarded SARs	713'842			2'715'293				
Average asset value of pending SARs	0			0				
Average asset value non-forwarded SARs	841'460			657'440				

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 this chart with the “Prosecuting authorities” chart (Chart 2.3.12), which indicates the cantons where the prosecuting authorities receiving forwarded SARs are based.

Chart analysis

As in the previous reporting period, more than 94 percent of all SARs in 2010 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 2010 came either from those cantons with a highly-developed financial services sector or with centralised regional or national compliance centres. Thus, 1,092 (more than 94 percent) of the 1,159 SARs were submitted by financial intermediaries from the cantons of Zurich, Geneva, Bern, Ticino, Basel-Stadt and St. Gallen.

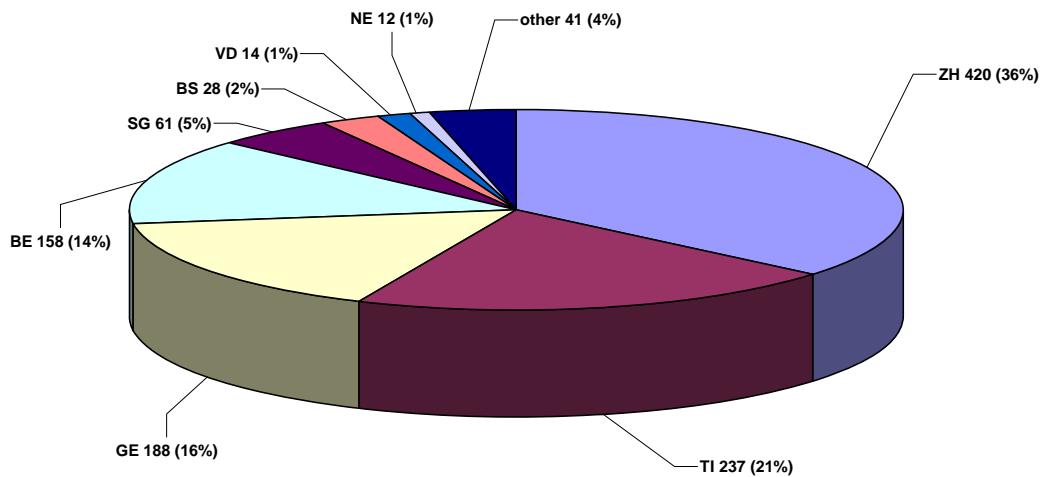
In 2010, MROS did not receive a single SAR from financial intermediaries from the cantons of Thurgau, Solothurn, Glarus, Nidwalden, Valais, Appenzell Ausser Rhoden and Uri. This may be due, in part, to the centralisation of compliance centres (see Chapter 2.3.3), but also to the orientation of the financial sector in these cantons according to individual local or regional needs.

There was an approximately two-and-a-half-times increase in SARs from financial intermediaries from the canton of Ticino in 2010 than in the previous reporting year. Aside from the general overall increase in SARs in 2010, this increase is a result of one large-scale case that generated multiple SARs citing numerous business connections.

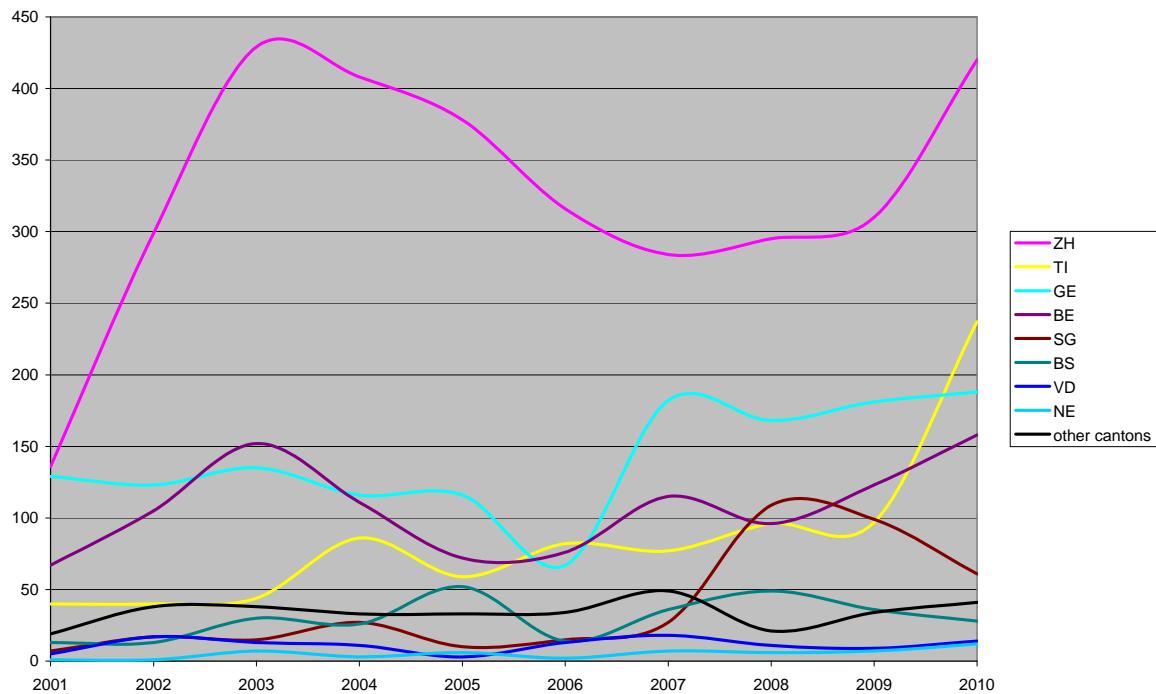
Legend

AG	Aargau	GR	Graubünden	SZ	Schwyz
AI	Appenzell Inner Rhoden	JU	Jura	TG	Thurgau
AR	Appenzell Ausser Rhoden	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		

2010



2001 to 2010



For comparison 2000 – 2009

Canton	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
ZH	136	299	429	408	378	316	284	295	310	420	3275
GE	129	123	135	116	116	67	182	168	181	188	1405
BE	67	105	152	111	72	76	115	96	123	158	1075
TI	40	40	44	86	59	82	77	96	97	237	858
SG	7	17	15	27	10	15	27	109	99	61	387
BS	13	13	30	26	52	14	36	49	36	28	297
VD	5	17	13	11	3	13	18	11	9	14	114
ZG	3	4	11	8	12	18	31	7	8	6	108
NE	1	1	7	3	6	2	7	6	7	12	52
GR	7	8	3	5	1	2	4	3		7	40
AG	4	12	3	2	1	3	1	3	6	3	38
LU	3		1	1	3	5	5	1	5	7	31
FR		2	3	9	8	2	1			2	27
SZ		2			3	1	2	1	3	7	19
TG		4	6	3		2	1	1	2		19
SO	1	1	5		1			1	1		10
BL				2	2		1		1	2	8
OW			1	1			1		1	2	6
SH			1		1		1		2	1	6
GL		2	1	1				1	1		6
NW		1	1		1			1	2		6
VS	1	2	1	1		1					6
AI							1		1	3	5
JU				1				2	1	1	5
Total	417	653	863	821	729	619	795	851	896	1159	7803

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 at the time the SAR was submitted.

It is mainly the major banks and major payment services providers that have established regional compliance centres. The financial intermediaries based in the various cantons send their reports to the appropriate regional compliance 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 the prosecuting authorities, and partly because under Article 337 of the Swiss Criminal Code (from 1.1.2011 Art. 24 CrimPC³) 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 over 94 percent of all SARs in 2010 (similar to the previous year) came from financial intermediaries domiciled in the cantons of Zurich, Ticino, Geneva, Bern, St. Gallen and Basel-Stadt, only around 81 percent of the reported suspicious business connections actually took place in these six cantons.

In 2010, MROS did not receive any SARs from financial intermediaries based in the cantons of Appenzell Ausser Rhoden, Nidwalden and Uri.

The renewed increase of business connections in the canton of Ticino (and reported by financial intermediaries from that canton) can be explained by one complex case that involved numerous business connections and generated multiple SARs. In addition, Italian nationals often belong to the customer base of financial intermediaries domiciled in that canton and the Italian media tends to unceremoniously publish the

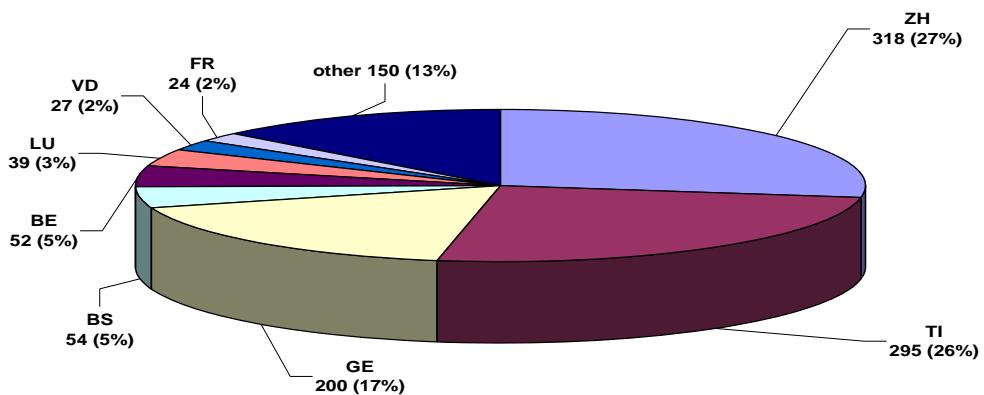
³ Swiss Criminal Procedure Code dated 5 October 2007 (CrimPC; SR 312.0)

names of those involved in criminal proceedings. This makes it easier to verify names and this, in turn, shows up in the statistics (see Chapter 2.3.6.).

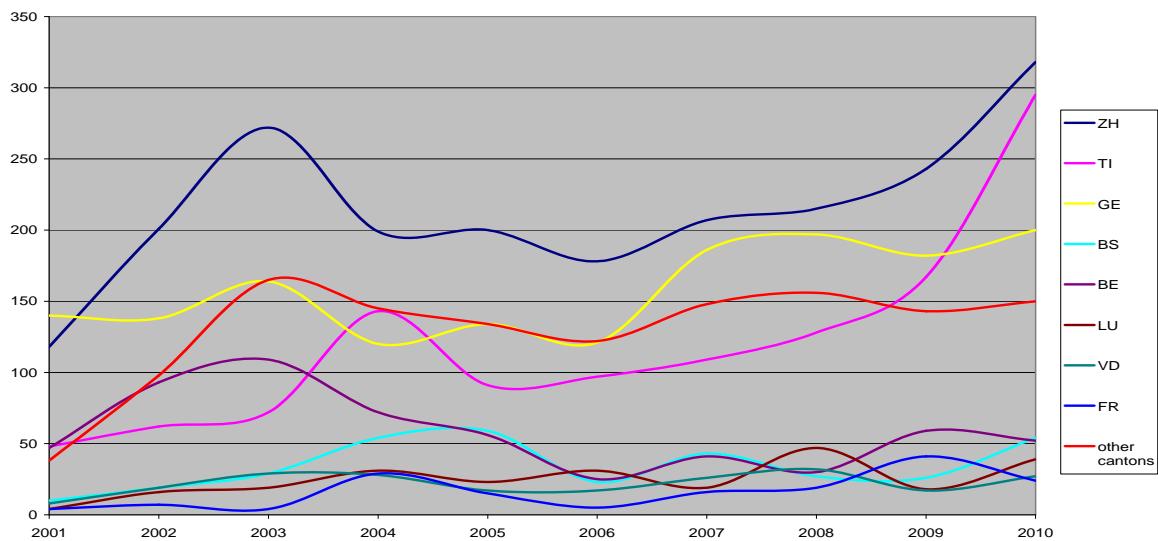
Legend

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		

2010



2001 - 2010



For comparison: 2001 - 2010

Canton	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
ZH	118	201	272	199	200	178	207	215	243	318	2151
GE	140	138	164	120	134	121	186	197	182	200	1582
TI	48	62	72	143	91	97	109	128	167	295	1212
BE	47	93	109	72	56	25	41	30	59	52	584
BS	10	19	29	54	59	23	43	27	26	54	344
LU	4	16	19	31	23	31	19	47	18	39	247
SG	8	18	29	18	26	31	28	23	27	23	231
VD	8	19	29	28	17	17	26	32	17	27	220
ZG	3	8	16	15	22	40	40	19	10	22	195
FR	4	7	4	29	15	5	16	19	41	24	164
AG	4	17	17	30	12	11	8	16	19	13	147
NE	1	12	23	11	22	12	12	10	8	13	124
SO	4	7	20	12	10		6	20	12	9	100
BL	1	4	3	4	5	1	7	23	21	24	93
VS	1	5	15	9	11	10	10	6	3	10	80
TG	2	7	14	6	7	7	7	7	18	3	78
GR	8	8	10	14	2	3	5	5	5	9	69
GL	3	4	5	8	4	2	9	6	6	6	53
SZ	1	4	2	5	5	2	6	4	4	9	42
JU		1	6	10	4	3	1	5	2	3	35
SH	2		3	1	2		3	1	2	1	15
OW			1	1			1	6	2	2	13
NW		1	1	1	1			3	2		9
AI							4		1	3	8
UR		1					1	2	1		5
AR		1			1						2
Total	417	653	863	821	729	619	795	851	896	1159	7803

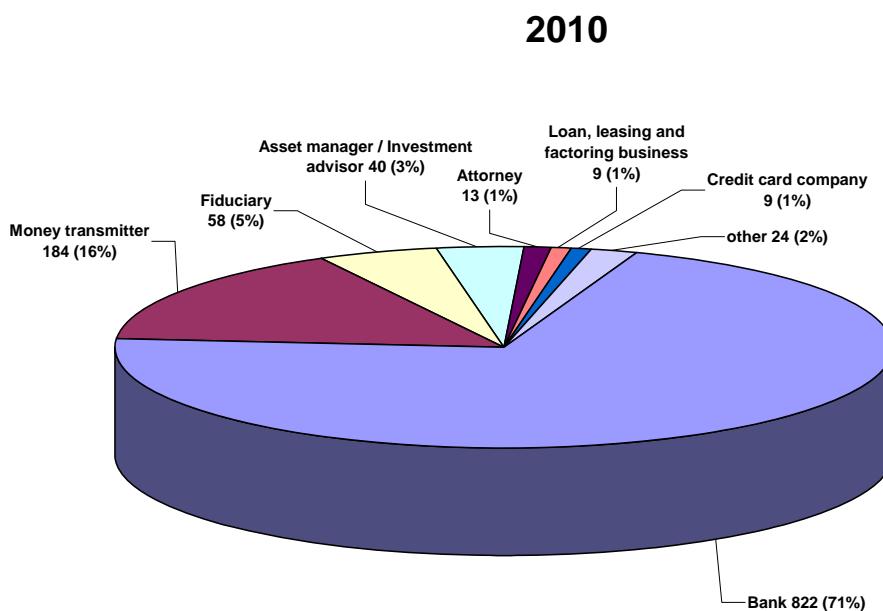
2.3.4 Type of financial intermediary

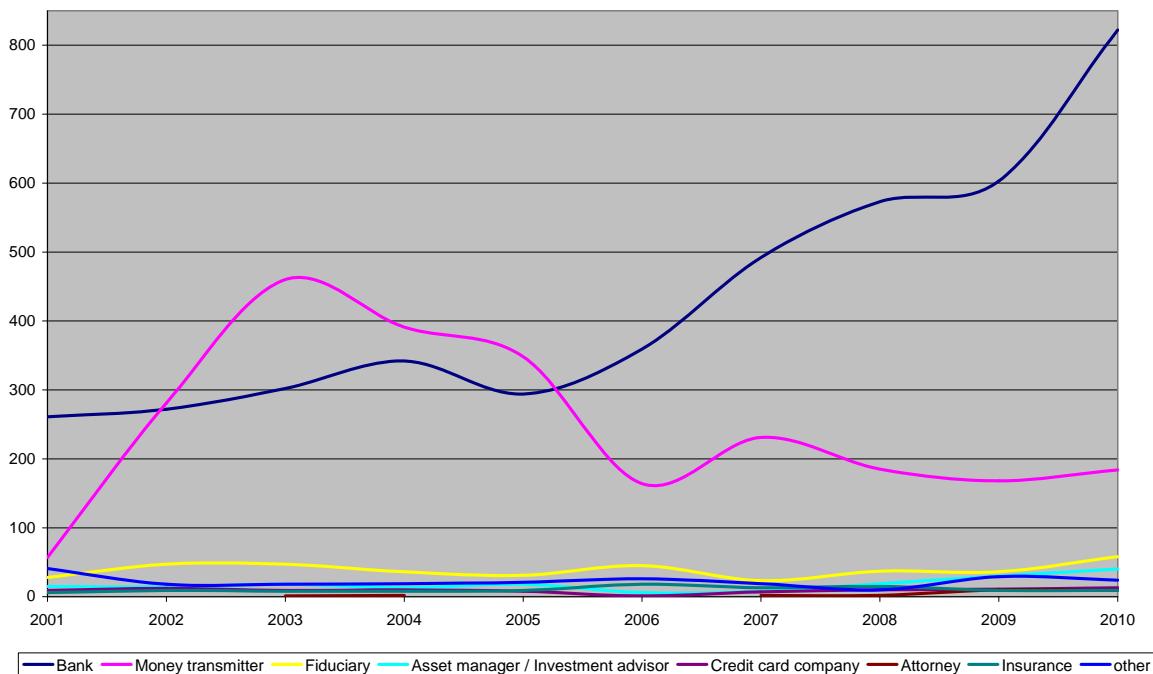
What the chart represents

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

Chart analysis

- Record number of SARs (in absolute figures) from the banking sector since the Anti-Money Laundering Act came into effect.
- 71% of incoming SARs from the banking sector.
- Slight increase in absolute terms of SARs from payment services sector, smaller increase in relative terms compared to total reporting volume, however.
- Absolute and relative increase in SARs from fiduciaries and asset managers/investment advisors.



2001 - 2010**Proportion of SARs forwarded to the prosecuting authorities in 2010 by category**

Financial intermediary category	% forwarded	% not forwarded
Bank	90.5%	9.5%
Casino	50.0%	50.0%
Foreign exchange trader	83.3%	16.7%
Securities trader	25.0%	75.0%
Loan, leasing and factoring business	100.0%	0.0%
Credit card company	66.7%	33.3%
Attorney	69.2%	30.8%
Commodity and precious metal trader	0.0%	100.0%
Fiduciary	79.3%	20.7%
Other FI	25.0%	75.0%
Asset manager/Investment advisor	77.5%	22.5%
Insurance	44.4%	55.6%
Payment services	81.5%	18.5%
Total	86.5%	13.5%

For comparison: 2001 - 2010

Sector	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Bank	261	272	302	342	294	359	492	573	603	822	4320
Payment services	57	281	460	391	348	164	231	185	168	184	2469
Fiduciary	28	47	47	36	31	45	23	37	36	58	388
Asset manager/Investment advisor	15	14	18	13	18	6	8	19	30	40	181
Insurance	6	9	8	8	9	18	13	15	9	9	104
Attorney	9	12	9	10	8	1	7	10	11	13	90
Casino	8	4	8	2	7	8	3	1	5	8	54
Other FI	26	4	1	7		1	2		1	4	46
Loan, leasing, factoring business	1	1	2	1	1	8	4	1	11	1	31
Credit card company			1	2			2	2	10	9	26
Foreign exchange trader	4			2	2		2	5	2	4	21
Securities trader		2	2	1	1	1			5	6	18
Distributor of investment funds		2	3	3	5		1				14
Currency exchange	1	1		3	3	2	1	1	1		13
Commodity and precious metal trader	1	1	1			1	5	1		1	11
Self-regulating organisation		1	1		1	3	1		4		11
Supervisory authorities		2			1	2		1			6
Total	417	653	863	821	729	619	795	851	896	1159	7803

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

- Record high in the number of SARs from the banking sector (both in absolute and relative terms).
- Proportion of SARs from the banking sector rises to 71% of overall reporting volume.
- First-time increase in SARs from major banks.
- Decrease in SARs from Raiffeisen banks.

MROS receive more SARs from the banking sector in 2010 than during any other reporting period since the Anti-Money Laundering Act came into force on 1 April 1998.

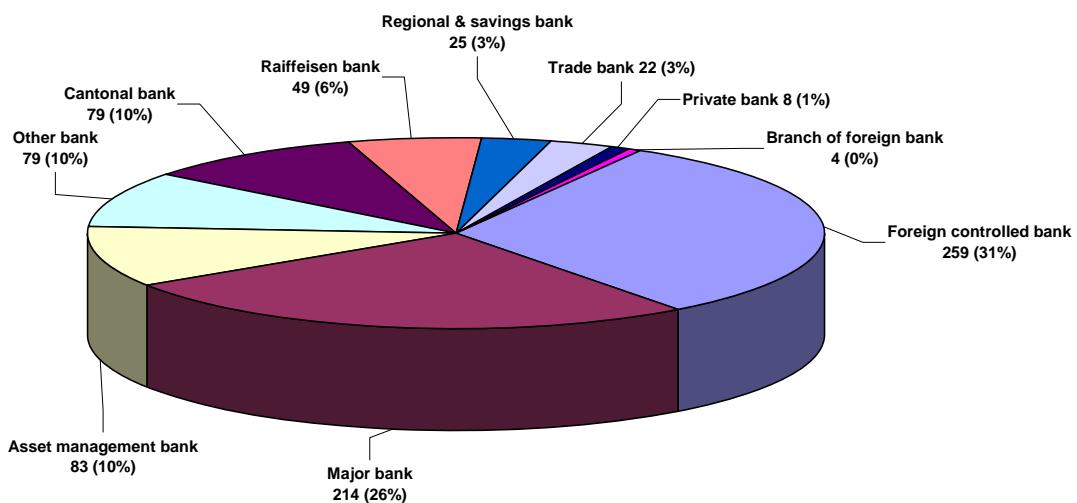
The proportion of SARs from this sector also reached a record high, rising to 71 percent of overall reporting volume.

Year	Total number of SARs	SARs from the banking sector	Percentage of SARs from the banking sector
2001	417	261	63%
2002	653	272	42%
2003	863	302	35%
2004	821	342	42%
2005	729	294	40%
2006	619	359	58%
2007	795	492	62%
2008	851	573	67%
2009	896	603	67%
2010	1159	822	71%

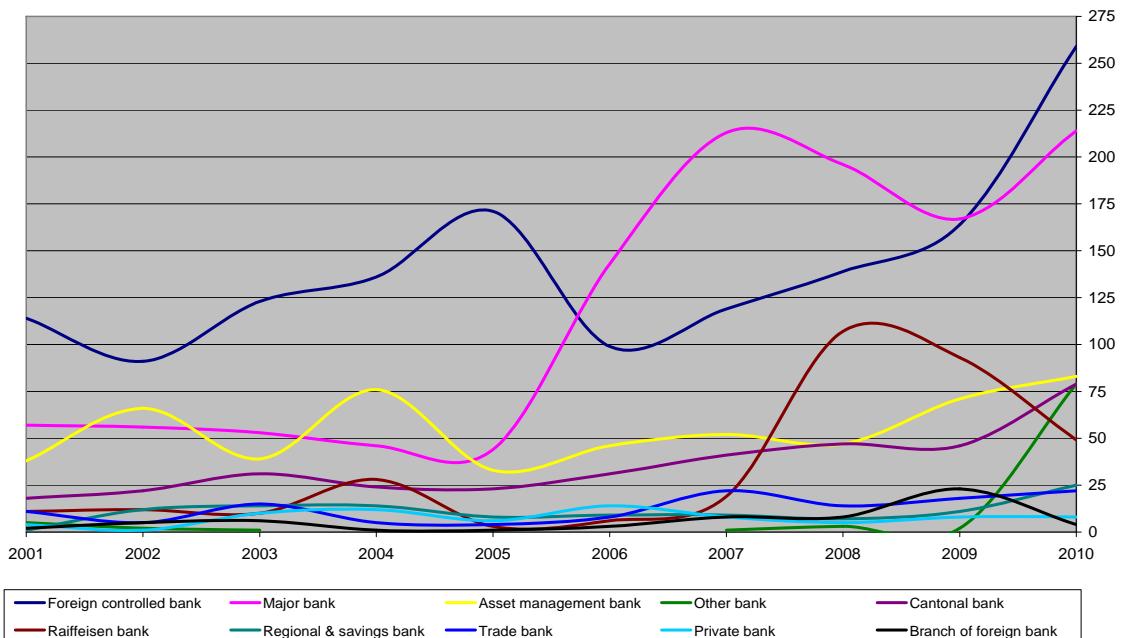
As in 2002 to 2005, but unlike the years 2006 to 2009, most of the SARs submitted to MROS in 2010 from the banking sector came from *foreign-controlled banks* (32 percent). In second place were the *major banks* in Switzerland with a share of 26 percent of total reporting volume. The *Raiffeisen banks*, which came in third place in 2009, fell behind the *asset management banks* and *cantonal banks* in 2010. This can be explained by the fact that in 2008 the Raiffeisen banks preventively monitored customer activities by means of an external compliance database; the monitoring phase is now more or less over and the client base has been cleaned up. The dramatic increase in

the category *other banks* is a result of one complex case involving numerous business connections that generated multiple SARs. Otherwise the fluctuations in reporting volume with regard to other categories of banks lie within the normal range.

2010



2001 - 2010



For comparison: 2001 - 2010

Type of bank	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Foreign-controlled bank	114	91	123	136	171	99	119	139	164	259	1415
Major bank	57	56	53	46	44	143	213	196	167	214	1189
Asset management bank	38	66	39	76	33	46	52	47	71	83	551
Cantonal bank	18	22	31	24	23	31	41	47	46	79	362
Raiffeisen bank	11	12	10	28	3	6	19	107	93	49	338
Trade bank	11	5	15	5	4	8	22	14	18	22	124
Regional & savings bank	1	12	14	14	8	9	9	7	11	25	110
Other bank	5	2	1		1		1	3	2	79	94
Private bank	4	1	10	12	6	14	8	5	8	8	76
Branch of foreign bank	2	5	6	1	1	3	8	8	23	4	61
Total	261	272	302	342	294	359	492	573	603	822	4320

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

- Around 71% of all SARs were triggered by external indications and information (2009: 65%).
- More SARs based on the unclear economic background of transactions.

The situation in 2010 presented itself as expected: around 71 percent of all SARs were triggered by external indications and information. The main factor arousing suspicion in 2010 was not, as in the previous year, *information gleaned from third parties* (which came in second place in 2010), however, but rather *media reports*. In third place again was *information from prosecuting authorities*, which was based on disclosure or confiscation orders by prosecuting authorities or other information from the authorities. The significance for financial intermediaries of the category *information gleaned from third parties* becomes apparent if we consider all three main categories – *media reports*, *third-party information* and *information from prosecuting authorities*. Together these categories triggered 71 percent of all SARs submitted to MROS in 2010 (2009: 65%). These figures show that financial intermediaries use modern resources and consult external sources in order to gather information for their inquiries, which is then evaluated and condensed into a considerable number of SARs sent to MROS.

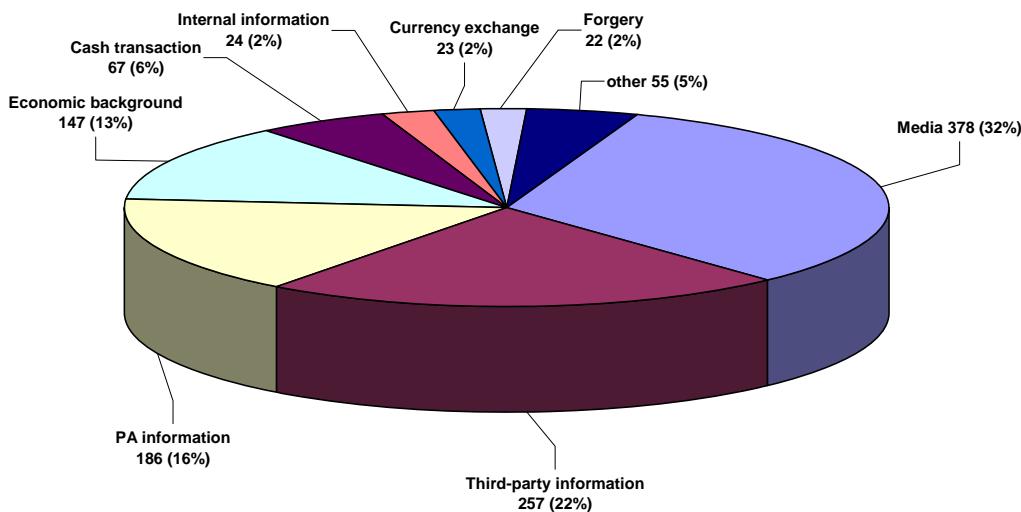
The figures from the other important category *unclear economic background* show that financial intermediaries carry out their duty to clarify the economic background and the purpose of a transaction or business relationship diligently under Article 6 Anti-Money Laundering Act and report to MROS if the information they request from clients does not seem plausible.

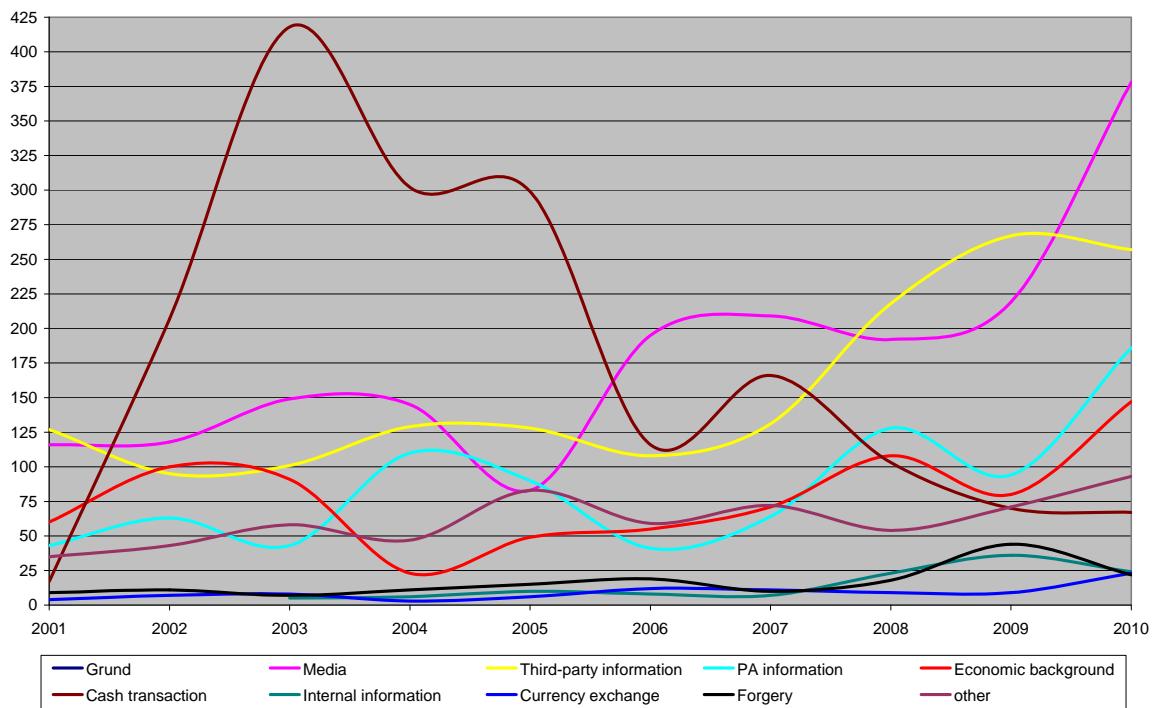
Legend

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.

2010



2001 - 2010

For comparison: 2001 – 2010

Factors	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Media	116	118	149	145	83	195	209	192	219	378	1804
Cash transaction	17	207	418	302	299	116	166	103	70	67	1765
Third-party information	127	95	101	129	128	108	131	218	267	257	1561
PA information	43	63	43	110	90	41	64	128	94	186	862
Economic background	60	100	91	23	49	55	71	108	80	147	784
Transitory account	2		6	17	6	13	90	13	29	16	192
Forgery	9	11	7	11	15	19	10	18	44	22	166
Internal information	3		5	6	10	8	7	23	36	24	122
Various	12	13	15	32	7	5	5	8	3	9	109
Opening of account	1			18	9	13	21	13	9	13	97
Currency exchange	4	7	8	3	6	12	11	9	9	23	92
Securities	6	7	3	5	12	10	3	13	12	4	75
Check transaction	7	13	8	8	8	4	4	1	7	4	64
Difficult countries	1	10	2	3	3	1	1	2	2	3	28
Loan transaction	3		2	3		7		1	4	1	21
Audit/supervisory board						7	1		10	2	20
Smurfing	4	6		1	3					1	15
Life insurance	1	1	2	1	1	2				1	9
Precious metals			1	3		1	1		1	1	8
Trust activity	1	1	1			2		1			6
Non-cash cashier transaction			1	1	1						3
Total	417	653	863	821	729	619	795	851	896	1159	7803

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. With 450 SARs (just under 39% of total volume) new record level both in absolute and relative terms.*
- *Decrease of nearly 50% in category "criminal organisation".*
- *Dramatic increase in predicate offence category "drugs".*
- *Almost double the amount of SARs with "dishonest business management" and "fraudulent misuse of a computer" as the suspected predicate offence.*

In 638 of the 1,159 SARs submitted in 2010, or 55 percent (2009: nearly 54 percent), the predicate offence was *crimes against property*.

Since 2006, *fraud* has been the most frequently suspected predicate offence; this category accounted for nearly 39 percent of all SARs submitted in 2010 (2009: nearly 37 percent). This figure 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, petty Internet crime as well as organised cybercrime.

For the first time in 2010 the category *fraudulent misuse of a computer*, which includes especially “phishing” cases, appears (retroactively for the years 2007, 2008 and 2009) in the statistics. Up to 2010, this category had been classified under *fraud*. The increase in this category in 2010 over the previous reporting period shows that “phishing” remains a topical subject and that financial intermediaries consistently report the account details of financial agents or “money mules” to MROS.

The category *money laundering* comes in second place with a total of 129 SARs (2009: 81). These SARs were not actually considered by MROS as definite predicate offences, despite the fact that the modus operandi suggested acts of money laundering.

In third place, showing a dramatic increase in 2010 over the previous reporting period, is the category *drugs*. This category frequently includes SARs in connection with the street sale of drugs by nationals of sub-Saharan African states.

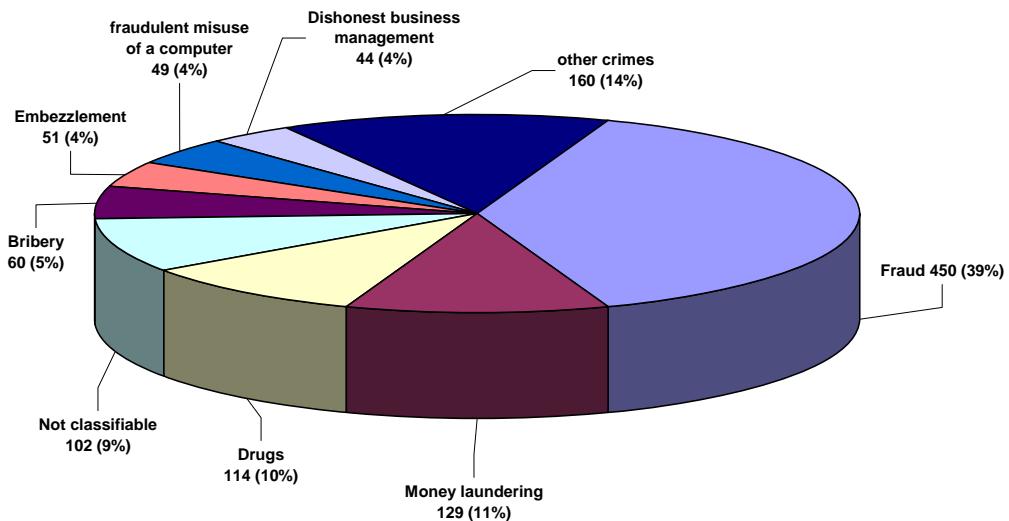
The category *not classifiable* rose again over the previous reporting year. This category comprises acts that cannot be classified under a specific predicate offence, such as reports from money transmitters on suspicious counter transactions.

With regard to the other predicate offence categories, there was a nearly 50 percent drop in the number of SARs from the category *criminal organisation*: from 83 SARs in 2009 to 42 in 2010. It must be pointed out at this stage that the classification of SARs under this offence is usually a result of newspaper articles in the foreign press which generated a SAR but did not explicitly mention any other predicate offence to money laundering besides organised crime. In this sense, therefore, this category can be considered an omnibus clause.

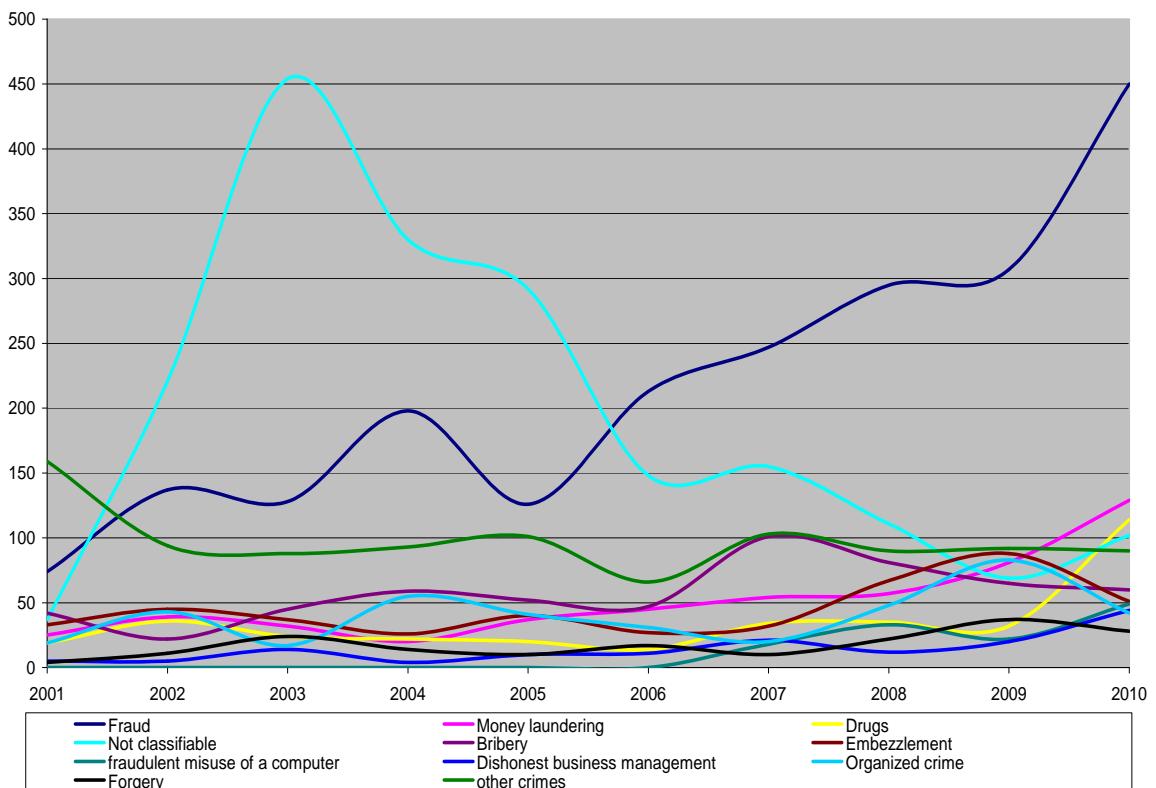
Although of no consequence for the statistics, the number of SARs from the category *dishonest business management* has more than doubled to 44 in 2010 (2009: 20).

With regard to the category *document forgery*, it should be pointed out that this offence alone does not generate criminal assets according to Article 9 AMLA; it is considered as a predicate offence that may potentially yield illicitly-gained assets (e.g. forged cheques or bank guarantees).

2010



2001 - 2010



For comparison: 2001 - 2010

Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Fraud	74	137	128	198	126	213	247	295	307	450	2175
Not classifiable	37	221	454	330	292	148	155	111	69	102	1919
Bribery	42	22	45	59	52	47	101	81	65	60	574
Money laundering	25	39	32	20	37	45	54	57	81	129	519
Embezzlement	33	45	37	26	40	27	32	67	88	51	446
Organised crime	19	43	17	55	41	31	20	48	83	42	399
Drugs	19	36	24	22	20	14	34	35	32	114	350
No plausibility	6	32	34	37	54	25	50	27	21	13	299
Terrorism	95	15	5	11	20	8	6	9	7	13	189
Forgery	4	11	24	14	10	17	10	22	37	28	177
Other crimes against property	25	7	7	14	12	13	22	22	36	10	168
Dishonest business management	5	5	14	4	10	11	21	12	20	44	146
fraudulent misuse of a computer							18	33	22	49	122
Theft	4	8	17	6	9	8	4	3	4	12	75
Other crimes	11	18	5	9	2	9	3	3	5	5	70
Arms dealings	8	4	9	6		1	12	8	3	4	55
Blackmail	2	1	2	3	1	1		4	2	20	36
Sexual crimes	2	2	2	3	1		3	4	3	3	23
Violent crimes	2	5	2	2	1		1	9		1	23
Organised smuggling									5	7	12
Robbery	3		2	2			1	1		2	11
Counterfeiting	1	2	3		1				4		11
Lack of due diligence in handling assets						1	1				2
Counterfeit consumer goods									2		2
Total	417	653	863	821	729	619	795	851	896	1159	7803

2.3.8 Domicile of clients

What the chart represents

This chart shows the physical or corporate domicile of the clients mentioned SARs from financial intermediaries.

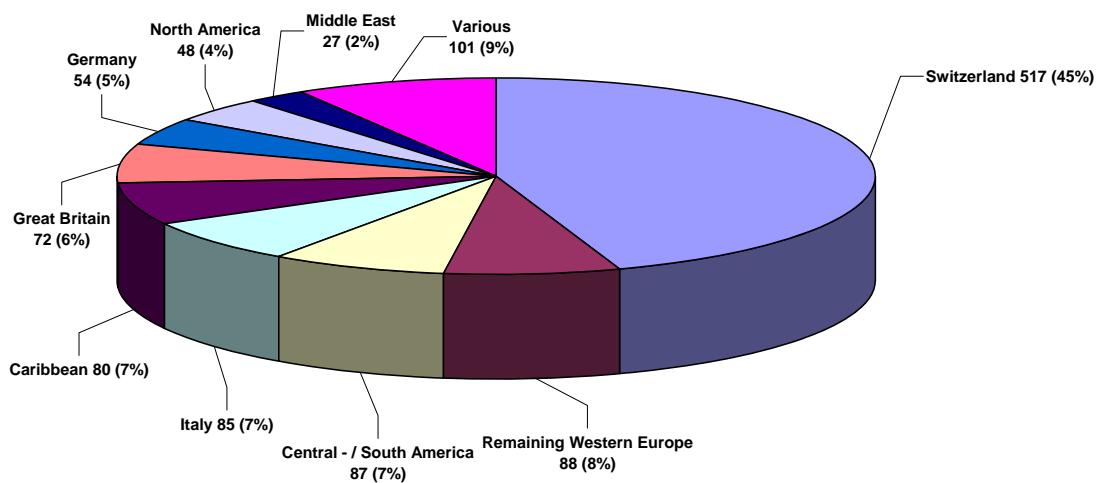
Chart analysis

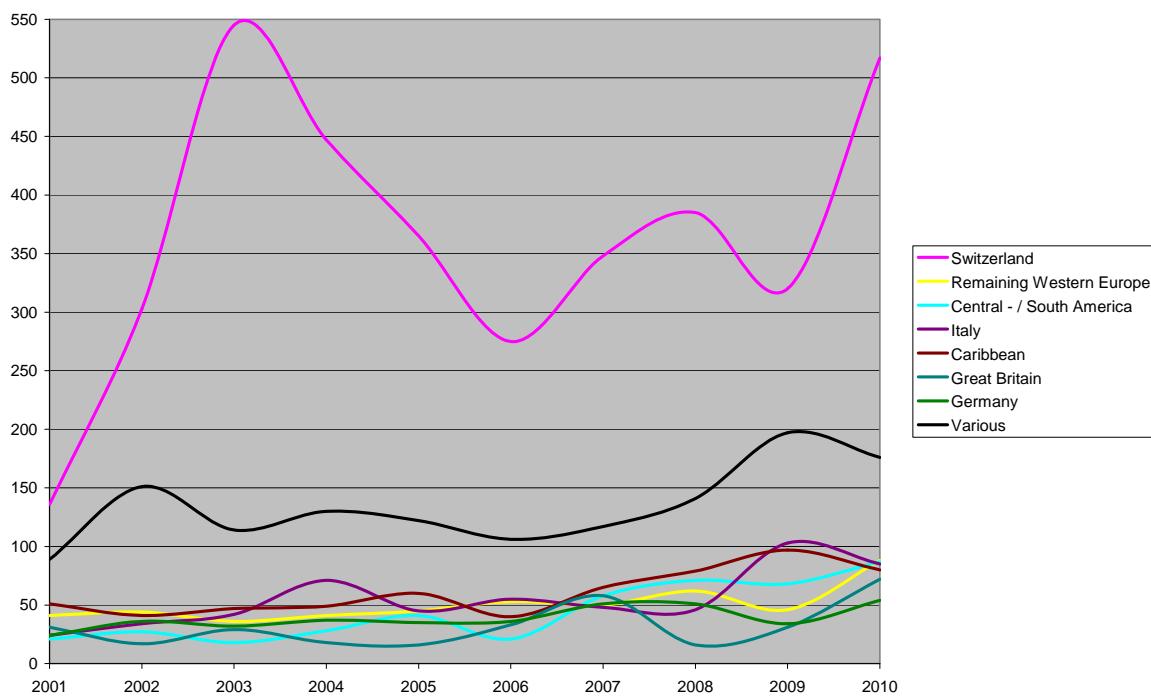
- Significantly smaller increase in the number of clients domiciled in Switzerland due to one large case generating multiple SARs.*
- Decrease in the number of clients domiciled in Italy.*
- Increase in the number of clients domiciled in Great Britain, Germany and the rest of Europe, including Scandinavia.*

Legend

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

2010



2001 bis 2010

for comparison: 2001 – 2010

Domicile of client	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Switzerland	136	303	545	447	365	275	348	385	320	517	3124
Remaining Western Europe	41	44	36	41	45	53	50	62	46	88	529
Central / South America	21	27	18	28	41	21	58	71	68	87	468
Italy	24	34	42	71	45	55	48	46	103	85	418
Caribbean	51	41	47	49	60	40	65	79	97	80	353
Great Britain	31	17	29	18	16	33	58	16	31	72	336
Germany	24	36	32	37	35	36	51	51	34	54	249
North Amerika	18	21	11	19	25	25	20	23	23	48	190
Middle East	33	31	19	16	17	9	20	19	22	27	186
France	10	21	14	18	17	12	18	22	58	26	185
Africa	8	31	24	18	13	8	12	11	16	22	157
Asia	6	17	11	12	15	26	19	22	29	16	141
Eastern Europe	6	12	11	17	13	14	9	10	10	11	102
Scandinavia	3	2	4	5	6	3	8	5	6	10	73
C.I.S.	2	7	9	15	2	7	3	13	15	9	62
Australia/Oceania	1	3	5	9	6	1	7	13	17	5	42
unknown	2	6	6	1	8	1	1	3	1	2	29
Total	417	653	863	821	729	619	795	851	896	1159	7803

2.3.9 Nationality of clients

What the chart represents

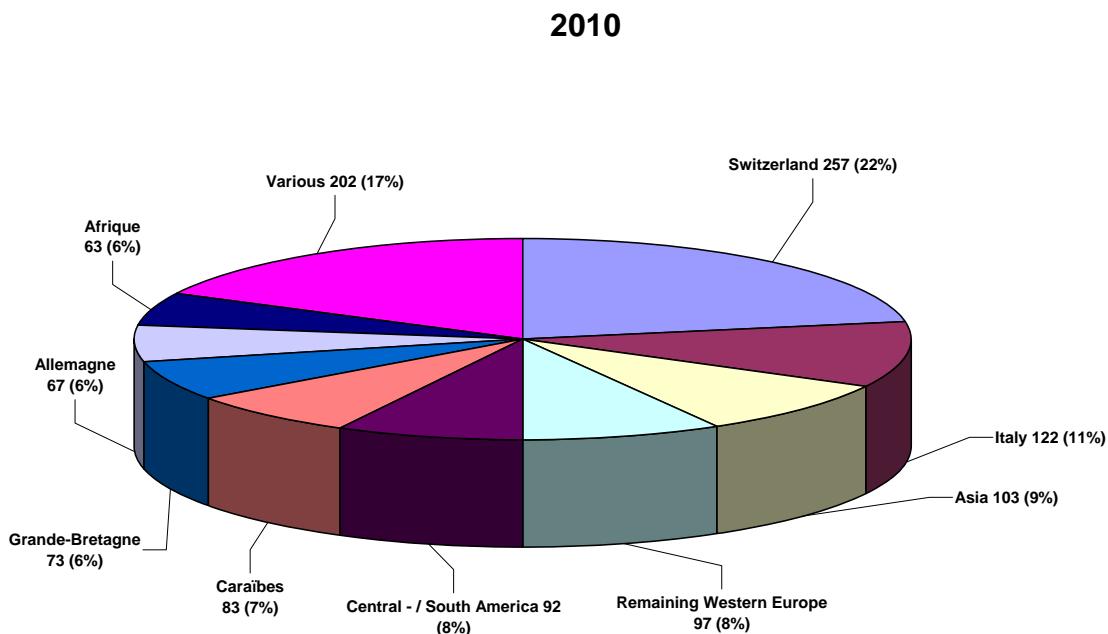
This chart shows the nationality of financial intermediaries' clients. While it is possible for a natural person's nationality to differ from his/her domicile, no such distinction exists between the nationality and domicile of a legal entity.

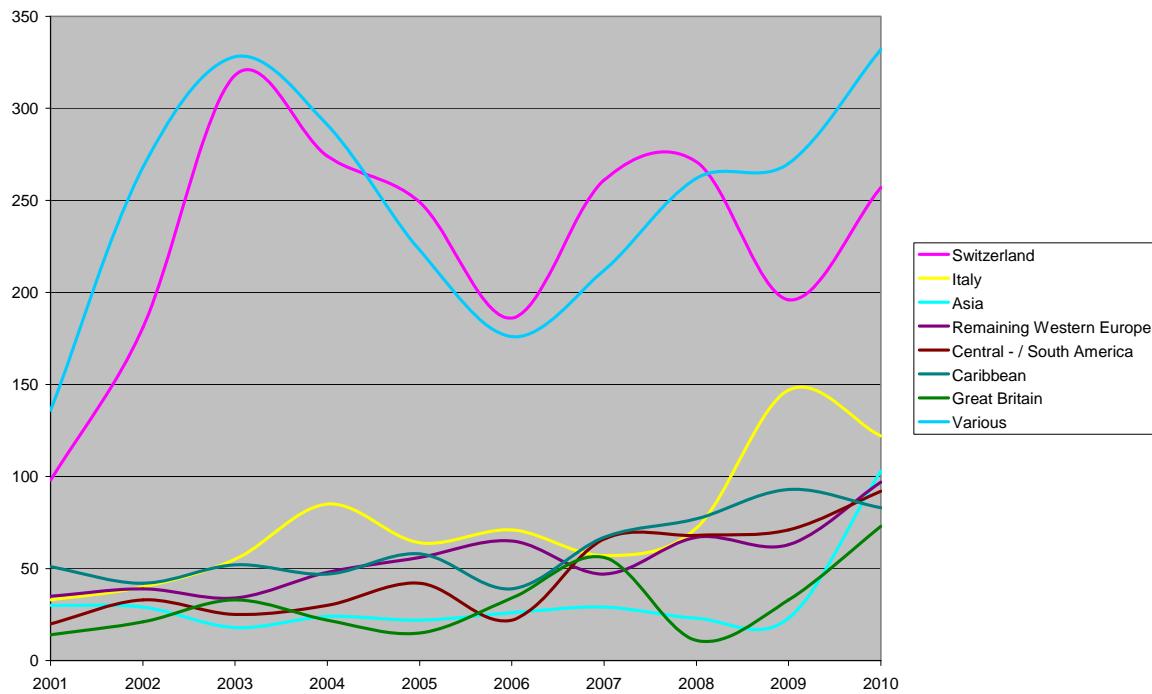
Chart analysis

- Increase in the number of SARs involving clients who were Swiss nationals or Swiss-based natural persons /legal entities.*
- Increase in the number of SARs involving Asian clients or Asian-based natural persons/legal entities.*
- Increase in the number of SARs involving clients who were British, German, or French nationals or nationals of a Scandinavian country or other state in Western Europe, or who were natural persons/legal entities based in these countries or regions.*

Legend

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



2001 - 2010**For comparison: 2001 – 2010**

Nationality of client	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Switzerland	98	181	318	274	249	186	261	271	196	257	2034
Italy	33	40	55	85	64	71	57	72	147	122	624
Asia	30	29	18	24	22	26	29	23	23	103	526
Remaining Western Europe	35	39	34	48	56	65	47	67	63	97	456
Central / South America	20	33	25	30	42	22	66	68	71	92	454
Caribbean	51	42	52	47	58	39	67	77	93	83	448
Great Britain	14	21	33	22	15	34	56	11	33	73	377
Germany	26	42	43	44	48	48	61	78	58	67	318
Africa	15	71	116	72	40	30	40	37	35	63	256
North America	15	25	21	23	28	24	23	24	29	48	239
France	19	22	15	19	18	19	19	28	42	45	224
Middle East	40	49	57	49	33	16	22	21	31	38	212
Eastern Europe	12	30	38	40	35	25	24	25	27	36	201
C.I.S.	4	17	20	23	8	8	8	24	18	15	130
Scandinavia	3	2	9	8	3	4	9	10	11	12	62
Australia/Oceania		4	6	11	5	1	6	12	17	6	59
unknown	2	6	3	2	5	1		3	2	2	24
Total	417	653	863	821	729	619	795	851	896	1159	7803

2.3.10 Domicile of beneficial owners

What the chart represents

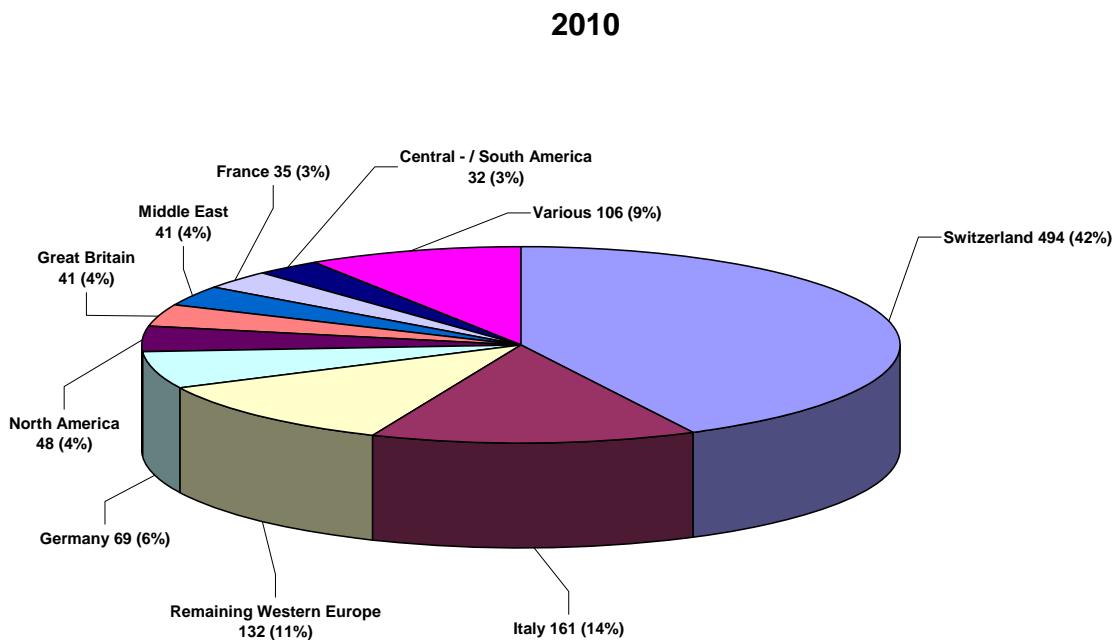
This chart shows the domicile of the natural persons or legal entities that were identified as beneficial owners of assets at the time the SARs were submitted to MROS.

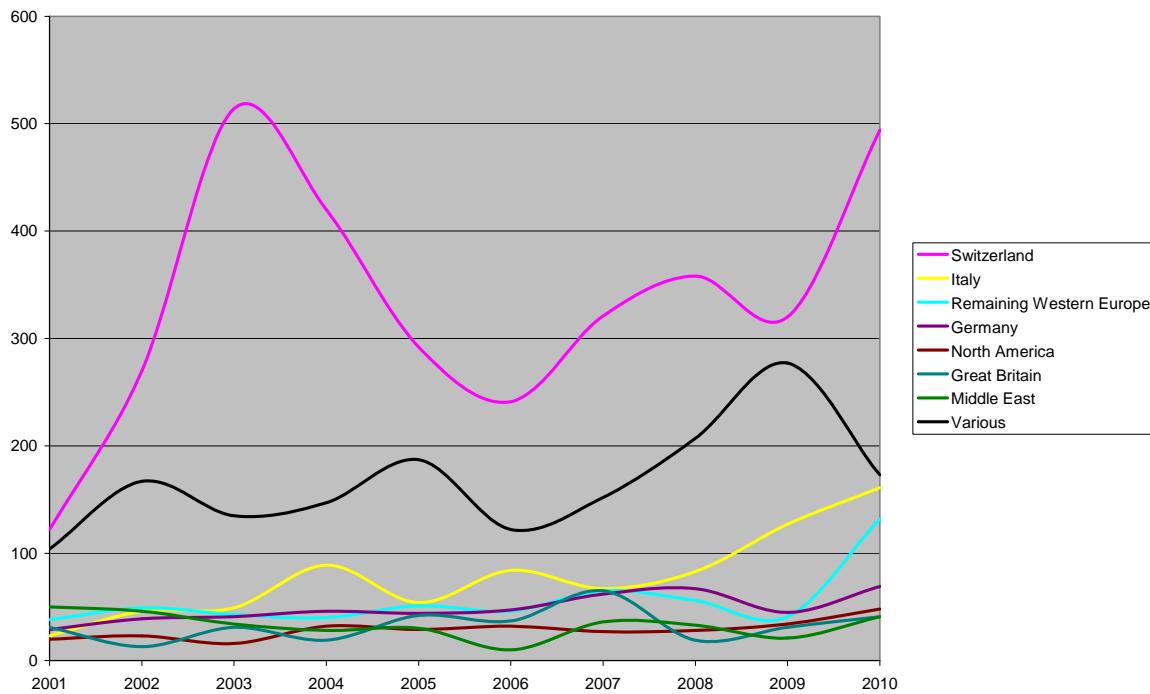
Chart analysis

- Increase in the number of Swiss-based beneficial owners due, in part, to one large case generating multiple SARs.*
- Noticeable increase in the number of beneficial owners based in Western Europe (with the exception of France).*
- Proportion of SARs involving European-based beneficial owners higher at 83% than 2009 (nearly 74%).*

Legend

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



2001 - 2010**For comparison: 2001 – 2010**

Domicile of beneficial owner	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Switzerland	122	270	514	420	292	241	321	358	320	494	2858
Italy	23	46	49	89	54	84	67	83	127	161	622
Remaining Western Europe	38	49	43	40	51	46	65	56	41	132	429
Germany	29	39	41	46	44	47	62	67	45	69	420
North America	20	23	16	32	29	32	27	28	34	48	288
Great Britain	31	13	31	19	42	37	65	19	31	41	288
Middle East	50	46	34	28	30	10	36	33	21	41	278
France	15	39	18	20	29	18	23	26	63	35	251
Central / South America	33	20	14	27	32	14	35	64	39	32	241
Africa	14	36	38	26	35	17	21	22	19	24	228
Asia	7	21	14	14	24	29	27	24	49	23	209
C.I.S.	11	15	13	18	8	15	7	31	52	21	170
Eastern Europe	8	17	15	20	33	22	13	18	24	21	170
Scandinavia	3	2	5	5	11	4	21	5	7	12	63
Caribbean	3	2	4	7	4	1	2	6	21	3	50
unknown	9	13	8	1	7	1	1	3	2	2	45
Australia/Oceania	1	2	6	9	4	1	2	8	1		34
Total	417	653	863	821	729	619	795	851	896	1159	7803

2.3.11 Nationality of beneficial owners

What the chart represents

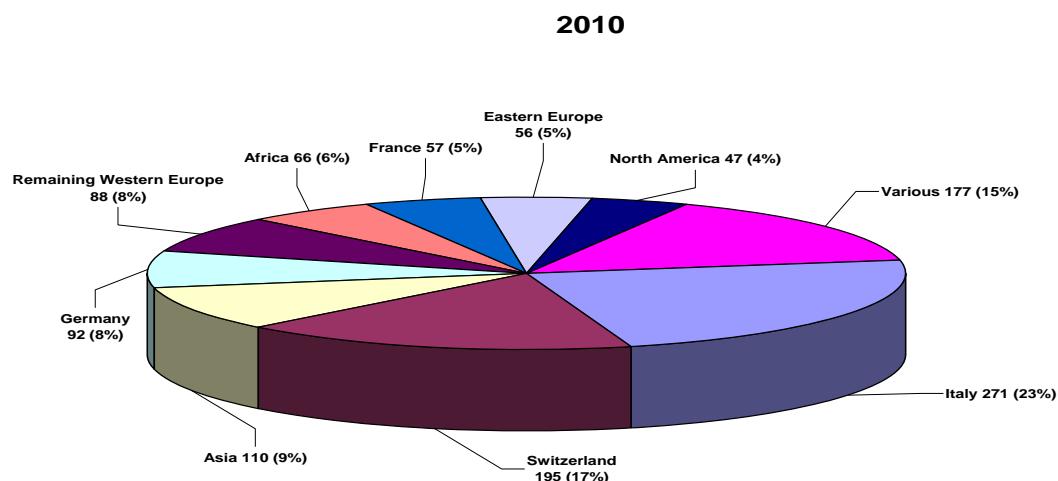
This chart shows the nationality of those individuals who were identified as the beneficial owners of assets at the time the SARs were submitted to MROS. While no distinction is drawn between the nationality and domicile of legal entities, often the identity and nationality of the actual beneficial owners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

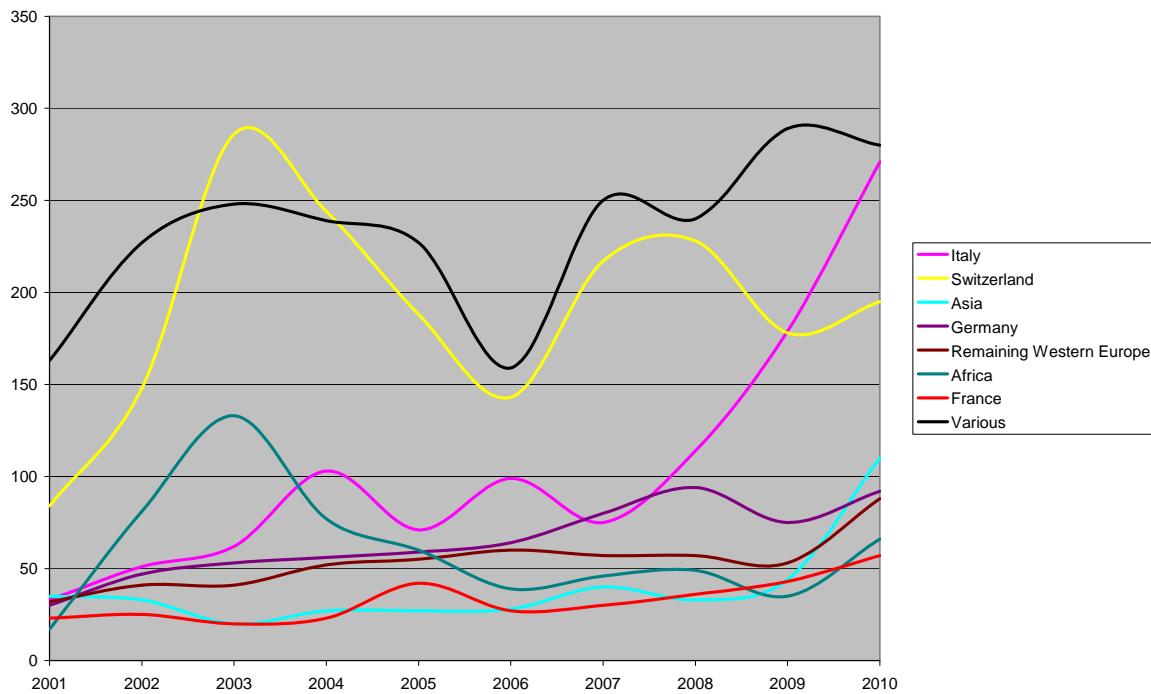
Chart analysis

- Only slight increase in the number of SARs mentioning Swiss nationals as beneficial owners despite a dramatic increase in the overall number of incoming SARs.*
- Renewed increase and top ranking of SARs involving Italian nationals as beneficial owners.*
- Considerable increase in the number of SARs naming African and Asian nationals as beneficial owners.*
- The proportion of SARs mentioning European nationals as beneficial owners remains stable over the previous year at 70% (not including C.I.S. nations considered part of Europe).*

Legend

Rest of Western Europe	Austria, Belgium, Spain, Liechtenstein, Greece, Luxembourg, Netherlands, Malta and Portugal
Various	Eastern Europe, North America, Middle East, Central- / South America, Great Britain, C.I.S., Scandinavia, Caribbean, Unknown and Australia/Oceania



2001 - 2010**For comparison: 2001 – 2010**

Nationality of beneficial owner	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Italy	33	51	62	103	71	99	75	114	179	271	1716
Switzerland	84	148	286	244	188	143	217	228	178	195	787
Asia	35	33	20	27	27	28	40	33	44	110	558
Germany	30	47	53	56	59	64	80	94	75	92	537
Remaining Western Europe	32	41	41	52	55	60	57	57	53	88	448
Africa	17	81	133	77	60	39	46	49	35	66	417
France	23	25	20	23	42	27	30	36	43	57	319
Eastern Europe	14	31	44	42	48	35	28	35	42	56	298
North America	18	24	28	34	42	35	31	31	55	47	291
Middle East	60	79	71	57	50	16	27	28	29	46	287
Central / South America	32	25	21	31	31	11	37	60	43	39	269
Great Britain	9	18	32	17	23	38	83	16	33	39	269
C.I.S.	13	29	23	30	17	16	17	43	60	30	248
Scandinavia	4	2	10	8	6	5	21	12	12	14	80
Caribbean	3	3	9	3	3		4	5	9	6	43
unknown	9	13	3	2	4	1		3	3	2	39
Australia/Oceania	1	3	7	15	3	2	2	7	3	1	38
Total	417	653	863	821	729	619	795	851	896	1159	7803

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 24 et seq. (federal jurisdiction) and Article 27 et seq. (cantonal jurisdiction) CrimPO serve as the frame of reference.

Chart analysis

- *Slight decrease in proportion of forwarded SARs.*
- *Twofold increase in the number of SARs forwarded to the Office of the Attorney General.*
- *More SARs to the cantonal prosecuting authorities.*

MROS received a total of 1,159 SARs (2009: 896) in 2010. Following careful analysis, it forwarded 1,002 of these reports (2009: 797) to prosecuting authorities. This represents a slight decrease in the proportion of forwarded SARs to 87 percent (2009: approx. 89%). For further information relating to forwarded SARs see Chapter 2.1.5.

In 2010, MROS forwarded 360 SARs (2009: 182) to the Office of the Attorney General of Switzerland (OAG). In absolute figures this represents nearly a twofold increase over the previous reporting period, whilst in relative figures the proportion of SARs forwarded to the OAG increased from 23 percent in 2009 to 36 percent in 2010.

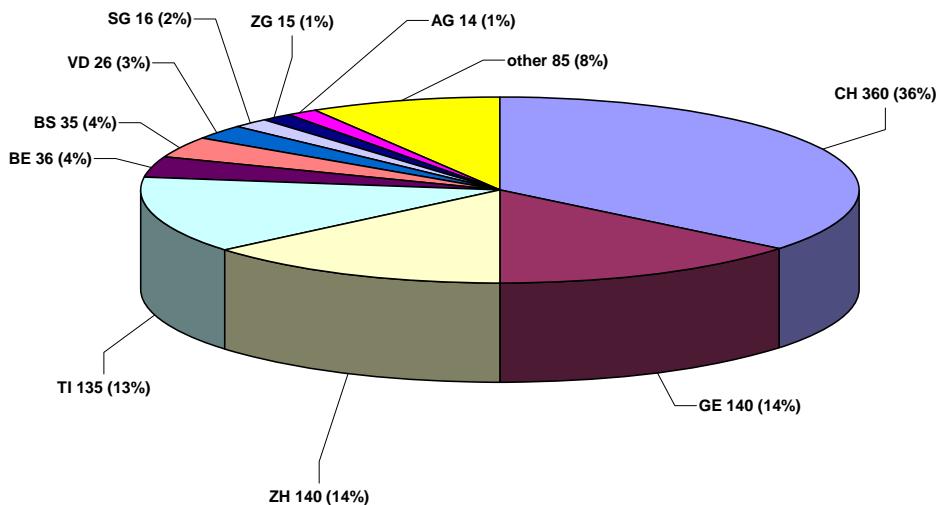
The remaining 642 SARs were forwarded to 23 cantonal prosecuting authorities. Despite a noticeable decrease in the number of SARs forwarded to the prosecuting authorities in the cantons of Geneva and Zurich, 41 percent of the 1002 SARs (i.e. 415 SARs) were, nevertheless, forwarded to the prosecuting authorities of Zurich, Geneva and Ticino together (2009: nearly 54%). This noticeable decrease in relative terms can be explained by the fact that many SARs were subject to federal rather than cantonal jurisdiction and were, therefore, forwarded to the OAG as opposed to the cantonal prosecuting authorities.

Legend

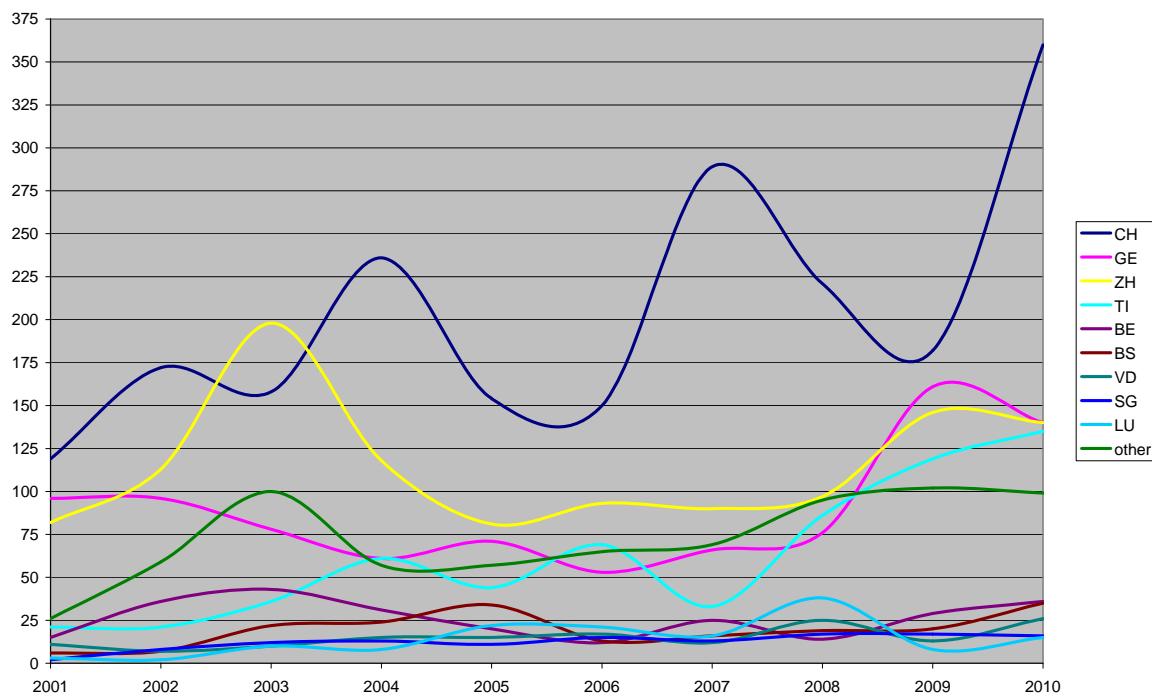
AG	Aargau	GL	Glarus	SO	Solothurn
AI	Appenzell Innerrhoden	GR	Graubünden	SZ	Schwyz
AR	Appenzell Ausserrhoden	JU	Jura	TG	Thurgau
BE	Bern	LU	Lucerne	TI	Ticino
BL	Basel-Landschaft	NE	Neuchâtel	UR	Uri

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

2010



2001 - 2010



For comparison 2001 – 2010

Canton	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
CH	119	172	158	236	154	150	289	221	182	360	2041
ZH	82	113	198	118	81	93	90	97	146	140	1158
GE	96	96	78	61	71	53	66	76	161	140	898
TI	21	21	36	61	44	69	33	86	119	135	625
BE	15	36	43	31	20	12	25	14	29	36	261
BS	6	7	22	24	34	13	16	19	20	35	196
VD	11	7	10	15	15	17	12	25	13	26	151
ZG	3	2	10	8	22	21	16	38	8	15	143
SG	2	8	12	13	11	15	13	17	17	16	124
LU	2	8	8	10	11	17	14	23	11	13	117
AG	4	2	10	12	5	13	10	9	9	14	88
NE	1	7	19	8	16	4	5	8	9	7	84
SO	4	7	19	8	4	4	3	13	12	6	80
BL		5	4	2	4	4	10	18	13	13	73
TG	5	5	4	1	3	4	3	3	22	8	58
SZ	3	6	3	6	2	7	4	2	5	8	46
VS	1	3	13	3	1	5	5	1	3	9	44
GR	3	7	6	2	4	3	2	2	5	9	43
FR		4	2	2	4	3	4	2	5	5	31
OW			2	1			1	8	3		15
JU		1	4	1	1	1		2	2	1	13
SH	2		2		1		1	1	1	2	10
GL		3	1		1		3		1		9
NW			2	1				2	1	1	7
AI							3			2	5
UR	1	1					1	1			4
AR			1							1	2
Total	381	521	667	624	509	508	629	688	797	1002	6326

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. The chart distinguishes between the Office of the Attorney General of Switzerland (OAG) and the 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 337 SCC (from 1.1.2011 Art. 24 CrimPC⁴).

Chart analysis

Nearly 32% of all SARs forwarded to federal and cantonal prosecuting authorities since 2000 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 current statistics only cover the last ten years because the information regarding SARs from before this time has been deleted for reasons of data protection. For practical reasons, therefore, only electronically available data is used for drawing comparisons.

From 1 January 2001 to 31 December 2010, MROS forwarded a total of 6,326 SARs to prosecuting authorities. By the end of 2010, decisions had been reached in 4,271 cases (68%). These decisions are described below:

- in 6.6 percent (283 cases) of all forwarded SARs, the courts delivered the following judgement: 18 acquittals from the charge of money laundering, 11 acquittals from all charges (no charge of money laundering), 121 convictions including of money laundering, and 133 convictions for offences other than money laundering;
- in 44.4 percent (1,896 cases) of all forwarded SARs, criminal proceedings were initiated but later suspended, after criminal investigations revealed insufficient evidence of wrongdoing;
- in 39.6 percent (1,690 cases) of all forwarded SARs, the procedure was 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 authorities have different practices with regard to decisions on dismissals. Thus, some judicial authorities do not actually initiate proceedings, but under the provisions of Art. 67a

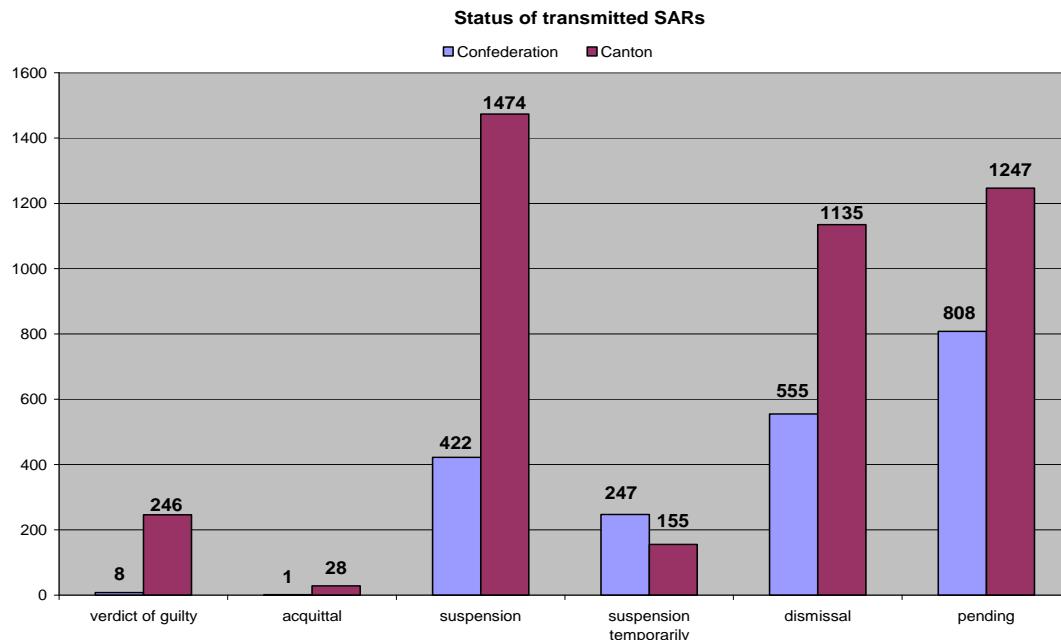
⁴ Swiss Criminal Procedure Code dated 5 October 2007 (CrimPC; SR 312.0)

IMAC⁵ voluntarily pass on information to foreign judicial authorities enabling the latter to submit a request to Switzerland for international mutual assistance.

- in 9.4% (402 Fällen) wurde das Strafverfahren sistiert, weil bereits im Ausland in derselben Angelegenheit ein Strafverfahren eröffnet worden ist.

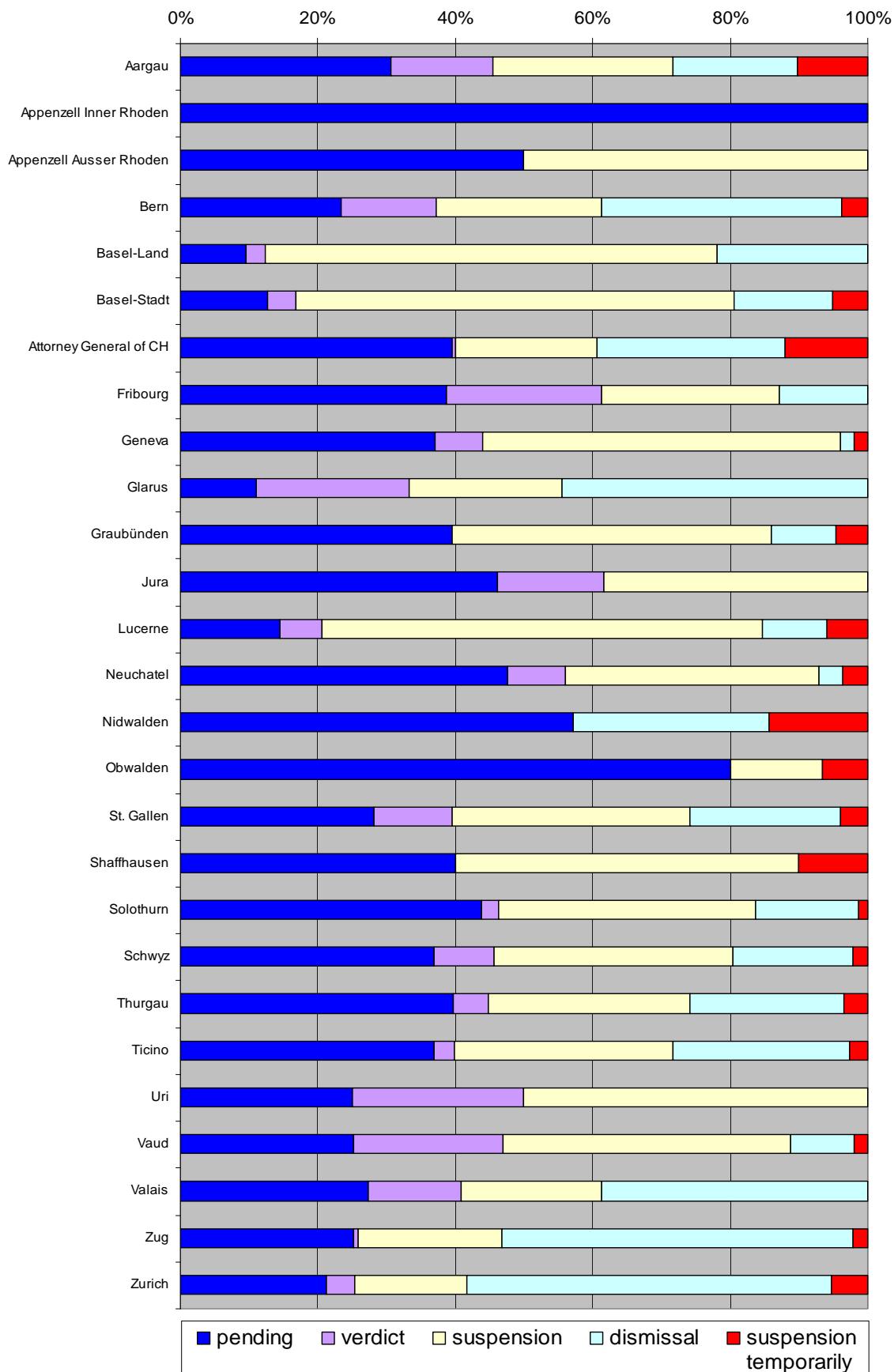
Although the prosecution authorities have continuously processed the number of pending cases, 32 percent of forwarded SARs (2,055 cases) are still pending (2009: 33%). It is difficult to draw conclusions as to the reasons due to a multifold of factors:

- 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 labourious 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 260^{ter} paragraph 1 (criminal organisation), Article 305^{bis} (money laundering) or Article 305^{ter} (lack of due diligence) Swiss Criminal Code (see Art. 29 para. 2 AMLA);
- In addition we still assume that cantonal prosecuting authorities do not always fulfil their obligation to inform MROS under Article 29a paragraph 2 AMLA (see Chapter 5.6).



⁵ Federal Act on International Mutual Assistance in Criminal Matters (International Mutual Assistance Act, IMAC; SR 351.1)

Status of forwarded SARs by canton 2001-2010



Status of forwarded SARs by canton 2001 - 2010

Canton	Pending	Verdict	Suspension	Dismissal	Suspension temporary	Total						
AG	27	30.68%	13	14.77%	23	26.14%	16	18.18%	9	10.23%	88	100.0%
AI	5	100.00%		0.00%		0.00%	0	0.00%		0.00%	5	100.0%
AR	1	50.00%		0.00%	1	50.00%	0	0.00%		0.00%	2	100.0%
BE	61	23.37%	36	13.79%	63	24.14%	91	34.87%	10	3.83%	261	100.0%
BL	7	9.59%	2	2.74%	48	65.75%	16	21.92%		0.00%	73	100.0%
BS	25	12.76%	8	4.08%	125	63.78%	28	14.29%	10	5.10%	196	100.0%
CH	808	39.59%	9	0.44%	422	20.68%	555	27.19%	247	12.10%	2041	100.0%
FR	12	38.71%	7	22.58%	8	25.81%	4	12.90%		0.00%	31	100.0%
GE	333	37.08%	62	6.90%	468	52.12%	17	1.89%	18	2.00%	898	100.0%
GL	1	11.11%	2	22.22%	2	22.22%	4	44.44%		0.00%	9	100.0%
GR	17	39.53%		0.00%	20	46.51%	4	9.30%	2	4.65%	43	100.0%
JU	6	46.15%	2	15.38%	5	38.46%	0	0.00%		0.00%	13	100.0%
LU	17	14.53%	7	5.98%	75	64.10%	11	9.40%	7	5.98%	117	100.0%
NE	40	47.62%	7	8.33%	31	36.90%	3	3.57%	3	3.57%	84	100.0%
NW	4	57.14%		0.00%		0.00%	2	28.57%	1	14.29%	7	100.0%
OW	12	80.00%		0.00%	2	13.33%	0	0.00%	1	6.67%	15	100.0%
SG	35	28.23%	14	11.29%	43	34.68%	27	21.77%	5	4.03%	124	100.0%
SH	4	40.00%		0.00%	5	50.00%	0	0.00%	1	10.00%	10	100.0%
SO	35	43.75%	2	2.50%	30	37.50%	12	15.00%	1	1.25%	80	100.0%
SZ	17	36.96%	4	8.70%	16	34.78%	8	17.39%	1	2.17%	46	100.0%
TG	23	39.66%	3	5.17%	17	29.31%	13	22.41%	2	3.45%	58	100.0%
TI	231	36.96%	18	2.88%	199	31.84%	161	25.76%	16	2.56%	625	100.0%
UR	1	25.00%	1	25.00%	2	50.00%	0	0.00%		0.00%	4	100.0%
VD	38	25.17%	33	21.85%	63	41.72%	14	9.27%	3	1.99%	151	100.0%
VS	12	27.27%	6	13.64%	9	20.45%	17	38.64%		0.00%	44	100.0%
ZG	36	25.17%	1	0.70%	30	20.98%	73	51.05%	3	2.10%	143	100.0%
ZH	247	21.33%	46	3.97%	189	16.32%	614	53.02%	62	5.35%	1158	100.0%
Total	2055	32.48%	283	4.47%	1896	29.97%	1690	26.72%	402	6.35%	6326	100.0%

2.3.14 Inquiries from foreign FIUs

Financial intelligence units (FIUs) are MROS's counterpart agencies in other countries with which a formal exchange of information by virtue of Article 32 AMLA and Article 13 MROS Ordinance takes place. This exchange of information mainly occurs between the member states of the Egmont Group⁶ 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, 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

- The number of natural persons and legal entities who were the subject of inquiries from foreign FIUs remains high but stable.*

In the 2010 reporting year, MROS replied to 577 inquiries from FIUs in 80 countries. This is considerably more than in 2009 (524 inquiries). There was only a slight increase in the number of natural persons and legal entities mentioned, however: 1,937 compared to 1,930 in 2009.

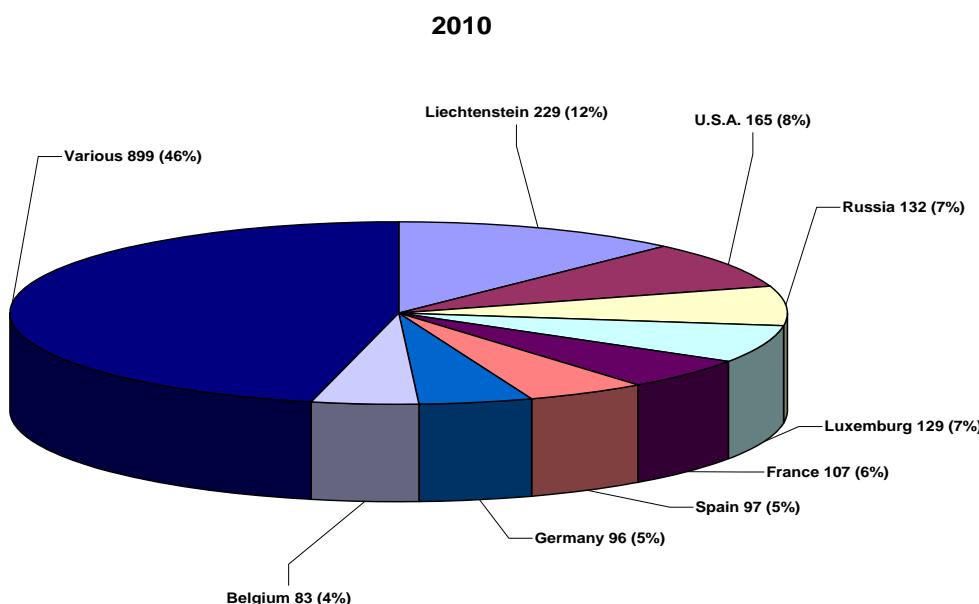
There was little change in the number of foreign FIU inquiries that MROS had to turn down on formal grounds (2010: 77, 2009: 70). Most of these inquiries either had no direct connection to Switzerland (so-called fishing expeditions), or had no relevance to a money laundering offence or a predicate offence 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. Whenever sufficient legal grounds are lacking in an FIU inquiry, MROS policy is not to disclose the requested information.

⁶ www.egmontgroup.org

In 2010, MROS responded to FIU inquiries within an average of four working days following receipt. This was faster than in 2009 (six working days).

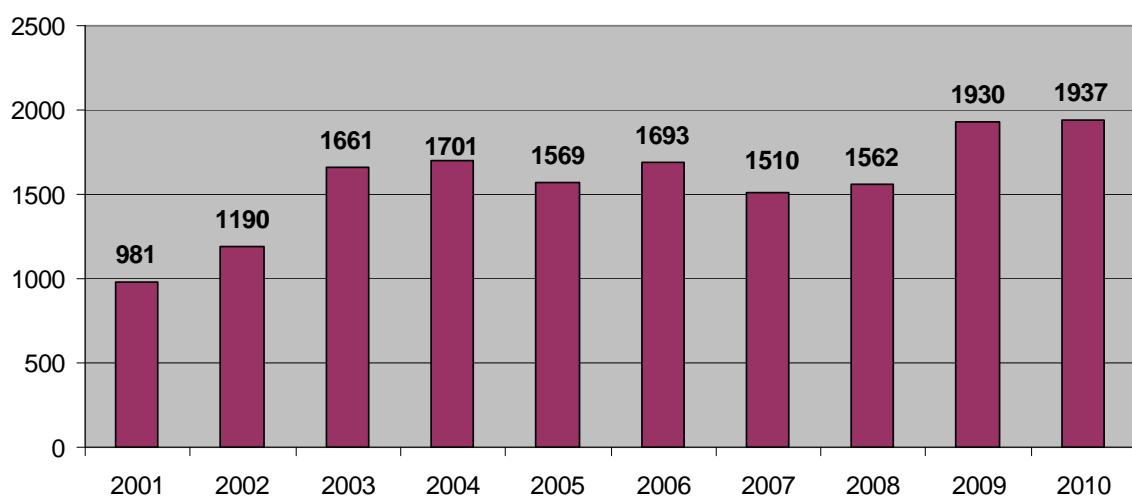
In response to incoming FIU inquiries, MROS ran computer checks on an average of 161 natural persons or legal entities each month compared to 156 in 2009.

2010: 1,937 natural persons/legal entities



For comparison 2001 - 2010

Number of natural persons/legal entities mentioned in foreign FIU inquiries to MROS



2.3.15 MROS inquiries to foreign FIUs

Financial intelligence units (FIUs) are MROS's counterpart agencies in other countries with which a formal exchange of information by virtue of Article 32 AMLA and Article 13 MROS Ordinance takes place. This exchange of information mainly occurs 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

36% decrease in the number of natural persons/legal entities mentioned in MROS inquiries to foreign FIUs

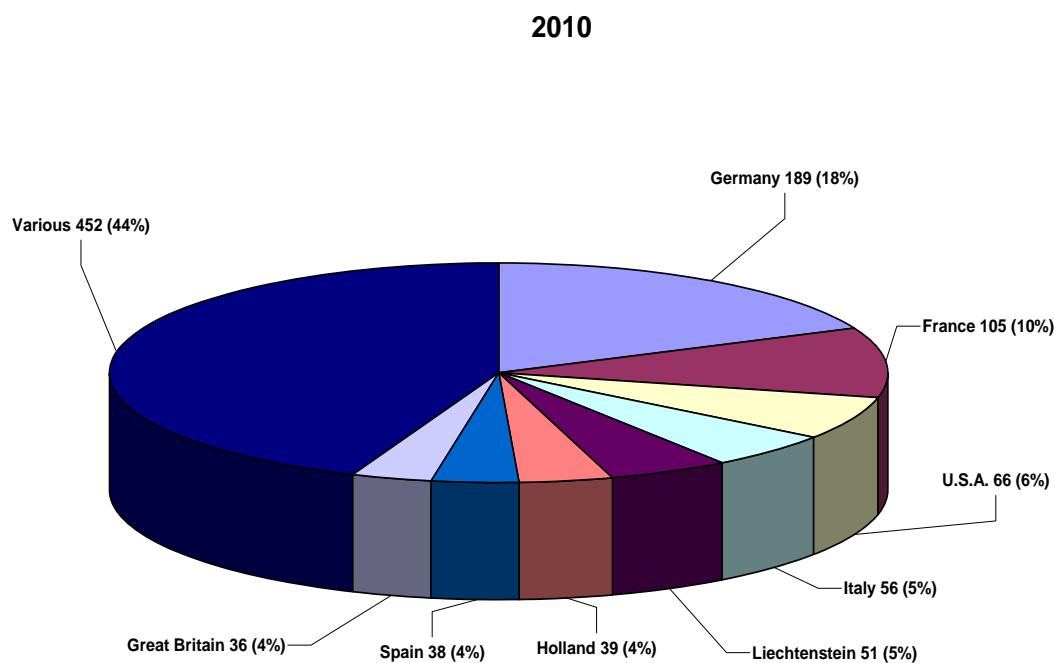
In the 2010 reporting year, MROS sent 157 (2009: 206) inquiries on 1,032 natural persons or legal entities (2009: 1,614) to 56 foreign FIUs. The foreign FIUs took an average of around 22 working days to reply; that is four days less than in 2009. The Egmont Group's "Best Practice Guidelines" recommend a response time of no more than 30 working days. The FIUs in some countries fail to adhere to these guidelines; this means that MROS often has to wait several months or even longer for a reply. In comparison, MROS response time to inquiries from foreign FIUs is very fast (see Chapter 2.3.14).

MROS's key partners in this respect are the FIUs in the following countries: Germany, France, United States of America, Italy and Liechtenstein.

MROS sent inquiries to foreign FIUs to obtain information regarding an average of 86 natural persons or legal entities each month compared to 134 in 2009.

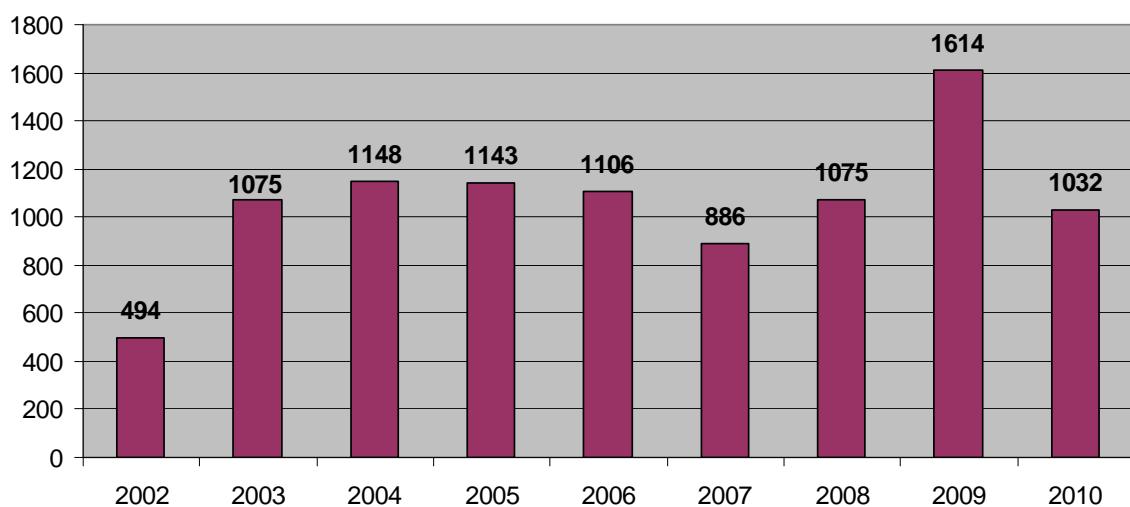
MROS sent inquiries to foreign FIUs in relation to 157 of the 1,159 SARs it received in 2009 (nearly 14% of all incoming SARs).

2010: 1,032 natural persons/legal entities



For comparison: 2002 - 2010

Number of natural persons/legal entities mentioned in MROS inquiries to foreign FIUs



3. Typologies

3.1 *First impressions may be misleading*

Routine auditing of a client's account using an external compliance database showed a hit in the terrorism category for a foreign client living in Switzerland. According to the database, the client has been involved in terrorist attacks in his native country. Further investigations carried out by the financial intermediary, moreover, revealed that his client was suspected of having violated the anti-terror laws of his native country as a newspaper publisher. Although the analysis of transactions did not show any irregularities, the financial intermediary felt it advisable to file a report to MROS. On the basis of the information gathered, it could not be ruled out that the client and his assets might be connected with terrorist activities. A closer investigation by MROS established that the client in question had been granted refugee status. He had been sentenced *in absentia* to a relatively long period of imprisonment in his native country. In addition, there was a threat in pending proceedings of further convictions resulting in long terms of imprisonment. In a newspaper article he had criticised the relations between his Islamic native country and a third country with a different state religion. Furthermore, owing to his membership of a terrorist organisation, his native country had filed a request to Switzerland for his extradition. The request had been rejected by the Federal Office of Justice in application of the non-refoulement principle. As, on the basis of MROS investigations, it may be assumed that legal proceedings regarding violations of the prevailing anti-terror laws could be politically motivated and as there was no evidence pointing to a possible case of terrorist financing, this report was not forwarded to the prosecution authorities.

3.2 *Dubious credit-card transactions*

Based on alerts in the internal monitoring system, a financial intermediary filed a report concerning a female client whose credit cards had, from a certain date, recorded disproportionately high and incomprehensible transactions. Moreover, the volumes in question in no way coincided with the client's profile. In total, the client had paid several hundred thousand francs into her credit-card accounts. The major part of these assets was subsequently withdrawn by the client herself or by her son, using supplementary cards at cash dispensers. Enquiries made by the financial intermediary did not provide a satisfactory or plausible explanation for the credit-card transactions, which were financially pointless. As grounds for the deposits, for example, the client claimed implausible holiday plans, large purchases to be made; the assets were purported to be savings. However, neither the income declared on the credit-card appli-

cation nor the family situation could explain this accumulation of assets. Although the checks on her person conducted by MROS did not reveal any new relevant findings, on the basis of the facts described by the financial intermediary the SAR was forwarded to the competent prosecution authority for further processing.

3.3 Over the border

A request for mutual legal assistance received from a neighbouring country was processed by a cantonal prosecution authority. In this connection, a financial intermediary received a decree to enter into a case and interim ruling by the prosecution authority ordering the freezing of various accounts of two of his clients. According to the ruling and the enclosed documents, X maintained business relations with one of the above-mentioned clients. Furthermore, besides committing other offences against property, X and the client in question were alleged to have concealed assets under cover of bankruptcy proceedings and to have moved this money to a place unknown to the authorities of his native country. The client in question had also given X a limited power of attorney over an account that had meanwhile been closed. Two working days after receipt of the decree and interim ruling from the competent cantonal prosecution authority, X had announced his forthcoming visit to the bank. Having the power of attorney over his wife's account, which was not the subject of the request for mutual legal assistance or of the corresponding decree and interim ruling, he wished to effect a substantial cash transaction. Closer investigations by the financial intermediary finally revealed that the money in the wife's account originally came from an account in the name of X, meanwhile closed. The well-founded suspicion arising from the facts described revealed that the assets in the (closed) accounts of X and his wife were the proceeds of a crime; the financial intermediary then filed a report to MROS as neither the request for mutual legal assistance nor the corresponding decree and interim ruling from the cantonal prosecution authority covered the accounts reported to MROS (see also Chapter 4.3 on mandatory reporting in connection with a disclosure order). This report was forwarded by MROS to the cantonal prosecution authority charged with the execution of the mutual legal assistance request. Based on Article 67a IMAC, this authority in turn informed the prosecution authority in the neighbouring country about the facts of the case reported.

3.4 Heir does not reveal find

In the course of an internal transaction monitoring process, a bank became suspicious of a staff member (hereinafter named X), who had paid a six-digit amount into his personal account in 21 cash payments within the course of a few months. Asked about the origin of the assets, X first stated that they represented the repayment of a loan he had granted his wife. When the bank was not quite able to believe this version and requested the relevant loan agreement, X admitted that he had lied. He claimed that the

money came from his aunt, who had died at the end of the 90s. On the clearance of her apartment following his aunt's death, he had found the money in a bureau and in the refrigerator and had appropriated it. He did not, however, tell his co-heirs (his brother and a charitable organisation), each with a one-third share, but kept the money in a safe at home for over 10 years. The reason given for not having shared this part of the estate with his co-heirs was that his brother was anyway richer than he was and the charitable organisation had already received enough, the estate divided among the three heirs having amounted to several million Swiss francs. Accordingly, he had not unlawfully enriched himself. The bank reported the case to MROS, being of the opinion that X was possibly guilty of theft, potentially of embezzlement as well as money laundering. Through his actions, X had financially damaged both his brother and the charitable foundation. MROS forwarded the SAR to the prosecution authority, with the remark that, first of all, the statute of limitation regarding the predicate act of money laundering would have to be judged. In this respect it should be mentioned that the judgement of the statute of limitation is neither the task of the financial intermediary nor of MROS. Impediments to proceedings of this nature must be investigated by the prosecution authorities (see Chapter 4.1. on mandatory reporting in connection with impediments to proceedings).

3.5 Terrorist financing by means of entertainment electronics

A bank reported to MROS two individuals who had held an account for several years. These persons had been born in the Middle East, but had later emigrated to South America and been naturalised there. They claimed that the assets involved originated from their business activities as traders in entertainment electronics, which they sold in their shops near the border of the South American country. Above all in the years 2005 and 2006, relatively large amounts were paid into the account under report, mainly from what seemed, initially, to be an uninvolved third country. The money was subsequently invested in fixed deposits. By mid-2008, a fortune amounting to several million US dollars had accrued in the account. Several million were then credited to a third bank, domiciled in the Middle East.

Alerted by a newspaper article, the bank became suspicious about the formerly unsuspicious business account. The article mentioned that a person with a power of attorney for the account in question had been arrested together with two other persons, having been found guilty of smuggling in connection with the financing of terrorism, i.e. terrorist-related smuggling. According to the newspaper report, this person owned a company in North America which operated in the electronics branch. Via this company, the accused persons were alleged to have sold entertainment electronics to a shopping centre in the country in which the account-holders lived. According to US sources, the shopping centre, which is located in a notorious and poorly-controlled place where three countries meet in South America, is the financial centre of an or-

ganisation figuring on the OFAC list (“specially designated global terrorist entity”). The proprietor of the shopping centre regularly transferred parts of his profits directly to this organisation. Based on this information, it must be assumed that the assets flowing via the reported account are possibly being used for terrorist financing.

3.6 *Proceeds from the sale of yacht or membership of a criminal organisation?*

In the course of an internal audit, a bank’s compliance department ascertained that the person authorised to sign for an account in the name of an offshore company was listed in the WorldCheck database. According to this entry, Interpol had issued an arrest warrant against this individual on grounds of his involvement in organised crime. Further investigations on the Internet revealed that the same person was also wanted for smuggling and bribery. As the CEO of a company domiciled in the former CIS states, he was accused of belonging to a criminal organisation which smuggled cars, meat and other goods from Asian countries to Eastern Europe. A further article alleged that the town in which this company was domiciled was also the base of the smuggling business. Customs officials and prominent politicians were also said to be involved. Finally, it mentioned that the CEO of this company had gone underground at the beginning of criminal investigations. Since then, Interpol has been looking for him.

The authorised person claimed that the assets deposited in the Swiss account represented the proceeds from the sale of a yacht. A copy of the purchase contract was submitted without the buyer’s signature. The yacht had been sold, it was said, because the owner had moved inland and had no more use for the yacht. Further transactions were either not satisfactorily or not at all documented. Large sums were said to have flowed back into the East European country, allegedly as a loan for the construction of multi-family houses.

As the newspaper articles had already reported that the authorised person of the contracting party was responsible within the organisation for administering and distributing funds from the illegal business, it could not be ruled out that the money flowing via the Swiss account at least partly originated from criminal acts (including gang smuggling und Art. 14 para. 4 ACLA⁷).

3.7 *How a victim can become an offender*

A financial intermediary reported a business relationship with a private person who was the owner of various properties in Switzerland. For many years, the reporting fi-

⁷ Federal Act of 22 March 1974 on Administrative Criminal Law (ACLA; SR 313.0)

nancial intermediary administered a rental account for these properties. The account holder had granted a third person a power of attorney for this account. At a later date, the third person was moreover designated by the competent authorities as the legal representative of the property owner. The financial intermediary was struck by the fact that, in recent times, cash amounts had repeatedly been withdrawn from the said account. The money was subsequently transferred via a payment service provider to various natural persons in an African country. In this manner, assets amounting to a six-digit sum had been withdrawn from the rental account within a few months. The financial intermediary's attention was also attracted by the fact that a family member of the legal representative had made a one-time credit payment to the reported account with the remark that it was a reimbursement of the money sent to Africa. This credit payment, however, was not sufficient to cover the assets already withdrawn. The financial intermediary thereupon requested the legal representative in writing to provide further information on the financial background of these unusual money transfers.

Only after some time had passed and following several enquiries on the part of the financial intermediary did the legal representative respond. The reply was not, however, only signed by the legal representative himself, but also by the involved family member, although the latter bore no obvious relationship to the account holder and did not hold a power of attorney for the rental account. In the letter it was claimed that the family member of the legal representative was the owner of a company selling goods to various countries including Africa. The money transferred there was needed for the settlement of various charges, taxes and further expenses related to the sales of machines. In order to substantiate these statements, various documents such as certificates and copies of contracts were enclosed with the reply. They were allegedly signed by different ministers of the African countries involved. However, there was no plausible explanation as to why assets from the rental account of the property owner were used for this business and thus misappropriated.

MROS investigations showed that the family member of the legal representative had been reported in the past on grounds of suspicious cash transactions via a money transmitter. From the resulting investigations, it was shown that this person had already repeatedly been the "victim" of so-called prepayment fraud and as such had transferred several hundred thousand francs to exponents of the so-called Nigeria connection. The competent police authorities had questioned the person concerned in depth and moreover strongly advised him against transferring money to these unknown fraudsters. As it was now revealed, these warnings did not have the desired effect of discouraging him. On the contrary: the former victim, having evidently exhausted his own savings, sought access to new sources of money and also found these in the form of a rental account to which one of his family members had unlimited access.

3.8 An inheritance goes astray

A financial intermediary reported the domestic partner of a meanwhile deceased client, both foreign nationals. The said partner had always been in the picture with regard to the financial affairs of her deceased friend. She had also regularly accompanied him to consultations with the financial adviser of the reporting bank. However, she had never had a power of attorney for the account with the said financial intermediary. The latter had noticed that, on the reported death of the said client, several debits via e-banking were recorded on his account in favour of an account in the name of his life partner, which had been opened only a few days after his death. These transfers were substantiated by means of a certificate of debt on an alleged loan which the partner claimed to have granted the deceased some years previously. On comparison with the bank's opening documents, however, it was ascertained that the signature on the said certificate of debt was in all probability a forgery. The SAR was forwarded and the competent prosecution authority opened preliminary proceedings against the reported life partner on suspicion of money laundering and the commercial-scale fraudulent abuse of a data-processing system.

3.9 Illegal trading with medical products

Based on an anonymous report, a financial intermediary's attention was drawn to the fact that one of his clients was selling and distributing via a website forbidden medical products – namely home-testing kits - without the required certification for self-testing or the support of medical staff. An examination of the business transactions involved revealed that, over a period of several months, credit notes had been received from persons at home and abroad. According to the free text on the transfers, these persons must have been buyers of the home-testing kits concerned. The financial intermediary therefore suspected that the reported account was in fact being used for the purpose of the illegal trading in medical products and reported it to MROS. Based on MROS investigations abroad, the suspicion was confirmed that the home-testing kits were distributed via a meanwhile deleted Internet platform and dispatched from a European country to the corresponding clientele. The profits thus made were also paid via the accounts of front men abroad and then credited to the two suspected principal offenders. Based on these facts, MROS could not rule out a case of aggravated commercial gain under Article 86 paragraph 2 of the Federal Act on Therapeutic Products (Therapeutic Products Act; TPA, SR 812.21) and thus a predicate offence to money laundering. The SAR was therefore forwarded to the competent prosecution authority, which instituted criminal proceedings on grounds of violating the Therapeutic Products Act (Arts. 86 and 87 TPA), amongst other things.

3.10 Once a liar...

A client made repeated gold purchases, having previously made enquiries with his financial intermediary and then deposited a six-digit cash amount in Swiss francs at the reporting bank. In the following months, the client bought and sold physical gold several times, processing these transactions via the reported account. Some time later, without prior announcement, the client wanted to make two cash withdrawals of an identical amount at two different branches of the reporting institution on the same day. He was, however, only granted the first withdrawal; without further information regarding the financial background, the bank refused to undertake further cash transactions for this client. A subsequent interview with the client did not suffice to remove all doubts on the part of the bank that the involved assets might have been incriminating. The client made more and more contradictory and partly implausible statements, both regarding the financial background of the transactions and about his financial entitlement to the involved assets. At first he categorically refused to answer, later he claimed that the money belonged to him alone and originated from a sale of land in his native country in Asia. He was not, however, able to provide a relevant purchase contract or other documentation to substantiate these statements.

MROS investigations showed that the reported client was the recipient of a full disability pension and that he therefore did not pursue paid employment. Neither the behaviour nor the statements of the client seemed plausible, begging questions that could only be answered by a police investigation. MROS forwarded the SAR to the competent prosecution authority. Within the scope of police interviews, the suspect claimed that the money deposited in the said financial institution originated exclusively from his savings. He admitted that the statements he had made to his financial adviser were untrue. He had feared that the latter would inform the authorities, which could have led to a reduction of his supplementary benefits. The subsequent search of his house and the investigation of all disclosed accounts gave no indications of criminal activities. The preliminary investigation was thereupon closed without consequences.

3.11 Daughter as a front man

A financial intermediary reported to MROS his business relationship with a female student from a south European country and an offshore company. According to the account's opening documents, the student's father was a beneficial owner of the assets of the offshore company. In his report, the financial intermediary mentioned three further meanwhile inactive accounts in the name of the father and two other offshore companies which might also be interesting. In spring 2010, the student visited the financial intermediary under the pretext of wishing to discuss investment strategies and the structuring of her assets. At this meeting the financial intermediary became suspicious as the student asked suspicious questions about Swiss banking secrecy and the

Anti-Money Laundering Act. Finally, the student informed her financial adviser that her father had committed various crimes in her native country. Within the context of his duty to investigate under Article 6 AMLA, the financial intermediary ascertained that, in early 2010, the father had been found guilty by a court in his native country of money laundering on a commercial scale and sentenced to several years' imprisonment as well as to a hefty fine. An arrest warrant had been issued against him in his absence. According to various articles in the press, the father was also suspected of further offences. In 2000 he was alleged to have commissioned an employee to carry out two bomb attacks in order to eliminate a rival. On being accused of this, he bribed the competent judge so that the latter would not send him to prison on remand. In spring 2010, this judge was condemned to a sentence of several years' imprisonment on grounds of abusing his office and money laundering. MROS investigations at home and abroad confirmed the financial intermediary's information. It could therefore not be ruled out that the reported assets were connected with these criminal activities. The report was forwarded to the prosecution authorities. The subsequent criminal proceedings have meanwhile been suspended as the criminal origin of the assets could not be proven.

3.12 Expensive patrol boats

A financial intermediary's attention was attracted by the account of a company domiciled in the Middle East which, within a very short period, was credited with two payments amounting to a two-digit million US dollar sum. According to the account's opening documents, a businessman with Asian roots living in the Middle East was said to be a beneficial owner of the account-holder's assets. The party commissioning the suspicious transfer was a West African government, or rather an oil company under government control. The financial intermediary subsequently asked the beneficial owner to submit documentation substantiating the origin of the money. Allegedly, the beneficial owner had sold his patrol boats worth several million US dollars to the oil company. However, the financial intermediary was not satisfied with this answer as the total price of the boats constituted only two-thirds of the amount transferred to the account. The beneficial owner explained that the difference amounting to a two-digit million US dollar sum represented the import taxes charged by the West African government as well as commission. He further explained to the financial intermediary that his company had not manufactured the boats itself. On the premises of the West African oil company, he claimed to have accidentally met a business partner who had offered him the two patrol boats. These boats had allegedly been produced for another African country but were now no longer needed. The boats were then adapted to the requirements of the oil company and sold to the latter. The financial intermediary doubted the truth of this information. In particular, the exaggerated commission, the high import taxes charged by the West African government on goods destined for the government itself, the allegedly accidental meeting between the beneficial owner and his business partner as well as the equally accidental existence of the two patrol boats

all seemed extremely questionable. The financial intermediary suspected that this could possibly be a case of misconduct in public office under Article 314 SCC. MROS investigations revealed that the person who had signed the purchase contract for the African oil company had already been involved in an international case of corruption and was suspected of passive bribery. It cannot be ruled out that this boat sale might, in addition to the charge of misconduct in a public office suspected by the financial intermediary, also be a case of corruption. Possibly the difference between the purchase price of the patrol boats and the amount transferred was shared between the beneficial owner and the representative of the oil company, to the detriment of the West African state.

3.13 Value Added Tax carousel

The business relationship reported by a financial intermediary with a company domiciled in a neighbouring country was already closed again a few months after it had been opened. The client refused to answer questions on the alteration of the beneficial owner as well as the client's profile. The financial intermediary's investigations revealed that the transactions carried out via the account under suspicion were connected with trading in CO2 emissions certificates. This activity did not correspond to the purpose of the company as described in the trade register, according to which the company actually operated in the import and export of electrical goods, textiles and household goods. In addition, the assets credited to the account were promptly transferred elsewhere, which indicated that the account might only be a transitory one. A two-digit million sum in Euros was credited to the reported account within a few days. Furthermore, as the financial intermediary learnt from media reports, prosecution authorities in several European countries were investigating numerous persons and companies. The accused were suspected of having run a Value Added Tax (VAT) carousel. Apparently, CO2 emissions certificates were bought abroad tax-free. These were then shunted backwards and forwards between several companies in Switzerland without payment of the VAT due. Finally, the certificates were sold again abroad, where VAT was charged by the corresponding financial administration.

The financial intermediary suspected that the companies and persons mentioned in the SAR could be involved in this VAT fraud. MROS investigations corroborated this suspicion. Several persons mentioned in the report were the subject of investigations in neighbouring countries on suspicion of commercial-scale VAT fraud and money laundering combined with trading in emissions certificates for the purpose of VAT evasion. A corresponding request for mutual legal assistance has already been sent to Switzerland. The information indicates that the perpetrators were members of a gang

who had joined forces for the aggravated commitment of duty fraud, and having done business together had made a considerable profit (Art. 14 para. 4 ACLA⁸).

3.14 Humanitarian organisations

On the basis of press articles, a financial intermediary was struck by the fact that a humanitarian organisation among his clients had diverted certain funds in an unlawful manner. These facts were already the subject of legal proceedings elsewhere in Europe on grounds of fraud in an organised gang and aggravated breaches of trust. The preliminary investigations conducted by the financial intermediary revealed that the system used in the reported transactions corresponded to those described in the press: the account had been replenished by various parts of the foundation and the withdrawals were made, to a large extent, in favour of marketing companies: only a minority of the payments seemed to be destined for organs that were a priori humanitarian. In addition, ZEWO, a foundation which collects data and certifies organisations, had issued a warning concerning this foundation, which was affiliated to a group of North American foundations.

Investigations conducted by MROS revealed that the companies implicated had acted aggressively, sending a mass of advertising letters, calling on the generosity of donors. The head of these humanitarian organisations had set up several foundations in various countries. These associations were often just simple letter-boxes, which had chosen names similar to non-governmental organisations (NGOs) already familiar to the general public and had been lavish with telling moving stories (a practice banned by the NGOs) in order to attract donations from the public. According to the analysis of the documentation of IN/OUT movements, the communication office was able to confirm the claims made by the financial intermediary, whereby the withdrawals were made, for a large part, for the benefit of marketing companies. Additional information was forwarded to the competent prosecution authorities, who were informed that proceedings were taking place before the criminal authorities of a neighbouring country against several humanitarian organisations on grounds of aggravated fraud and aggravated breaches of trust.

3.15 Credit cards that were never delivered

A report was forwarded to MROS on the basis of possibly fraudulent actions in online data processing committed by a client of a financial intermediary. According to the financial intermediary, the client had promised via an Internet website the sale of credit cards which, following payment on the part of the interested persons, were never de-

⁸ Federal Act of 22 March 1974 on Administrative Criminal Law (SR 313.0; ACLA)

livered. In the financial intermediary's opinion, there were sufficient indications of fraudulent use of a computer. Investigations carried out by MROS were able to verify that other similar systems selling credit cards had been set up by developing websites copied from the Internet and linked to a foreign financial institution. According to the information in the possession of MROS, the client was already known on suspicion of fraud with regard to the delivery of electronic products which were not sent to persons who had paid the price demanded. When contacted by the financial intermediary before the report was sent, the client was co-operative and even asked to have the open account blocked in order not to damage people. The resources available to MROS did not allow them to clarify, notwithstanding the client's collaboration, whether the person in question could be considered a victim or a participant in an international organisation (probably originating from an east European country); its judicial antecedents, in any case, could be the basis of a new case of fraud aimed at credit cards. The report was forwarded to the competent prosecution authorities for further investigation.

3.16 One beneficial owner may be concealing another

The female client of a financial intermediary signed documents relating to the opening of an account. She also indicated on Form A that she was the beneficial owner of assets deposited in the account containing her savings (lawyer in South America). Various sizeable incoming transfers from offshore companies had been recorded on the account. Only a few months after the opening of the account, the amount totalled more than double the sum originally announced. This circumstance, as well as the fact that the amounts credited to the account were directly and frequently used for various investments, had attracted the attention of the financial intermediary. Furthermore, the account had recently recorded a substantial transfer from another financial intermediary. The client's financial intermediary in vain asked her to provide some justification as much as on the nature of this recent transaction as on the operations recorded since the opening of the account, the total amount of which by now exceeded that originally expected. A contact abroad with the business developer confirmed that the client was not the beneficial owner of the account as falsely indicated on Form A. Thus, together with the rather unclear financial background of the account and the unsuccessful attempts at clarification on the part of the financial intermediary vis-à-vis his client, he was prompted to report the case to MROS on grounds of money laundering. Moreover, it should be noted that whoever makes false declarations on Form A may be liable to punishment on grounds of document forgery under Article 251 SCC.

3.17 How money helps to cement relations

A financial intermediary reported to MROS an account that he suspected of being used for payments linked in particular to the corruption of foreign government officials.

His suspicions had been aroused by the status of certain recipients, the amount of the transactions and the lack of plausible explanations relative to the latter on the part of his client. He discovered that considerable sums of money had been credited to the account originating from companies operating in the sectors of cement and maritime freight in Africa. The frequency and volume of the movements recorded on the account as well as the request for a new opening of an account with a third company had prompted him to make enquiries regarding the plausibility of the cash flow and the financial activities of his client. According to the client's explanations, the account had been used for the payment of salaries and other high costs related to salaried top executives of a company operating in particular in the production of cement, as well as in maritime transport and operations in Africa. For this purpose, the funds were placed at the client's disposal by other companies and the salaries had been paid by the client for reasons of discretion. Furthermore, the account was also used for payments of the freight charges on the cargoes (of cement). Observing more closely the withdrawals of funds, the financial intermediary noticed that several payments had been made in favour of PEPs or persons of influence in Africa and also in favour of individuals wanted for corruption in the country concerned. After a thorough investigation of the account, the financial intermediary discovered several indications confirming money laundering: the effective activities for which the account was used neither corresponded to the financial background described on its opening nor to that of maritime transport (which the number of transactions recorded did not seem to reflect); the grounds mentioned on the opening of the account (doubts vis-à-vis the situation of another financial institution and transfer of the account to this financial intermediary) were unlikely, seeing that the client had maintained his business relations with this other financial institution; the grounds of discretion put forward to explain the payments of salaries by the client and not directly by the employer seemed implausible; the withdrawals without financial justification had been set up in favour of companies and physical persons (among them PEPs); the lack of formalisation and professionalism despite the volume of activity undertaken by the client; the lack of contracts; an activity not reflected by the social purpose recorded on the registration of the business; the lack of corroborating documentation (payment slips, contracts, etc.); the activities of the office were not reflected by the financial situation of the company; a commission had been received by the client on the amount of each incoming transfer without apparent links to the commercial service provided; the lack of plausibility or convincing nature of the documents submitted by the client to substantiate his justifications. The report was forwarded to the competent prosecution authority on suspicion of corruption.

3.18 A fraudster who is a past master in the art of making his clients' assets disappear

A financial intermediary reported to MROS an account, regularly replenished with incoming funds originating from various third parties residing in the same European country, who claimed to be victims of fraud on the part of the financial intermediary's

client. These persons had transferred considerable amounts for investment by the client on the account of his company in Switzerland. However, the sums entrusted to him were never returned to them. As justification, the client had submitted a copy of contracts linking his company to these third parties. In addition to regular activities, the company's accounts had recorded, as credits but also as debits, transactions amounting to several million Euros. Various payments made by third parties to the account of the company were subsequently credited to the account of another unit of the beneficial owner before becoming the subject of immediate e-banking transfers to a lawyer's office abroad. For several years this account did not arouse any particular suspicion in the financial intermediary until 2010, when these third parties contacted the financial intermediary, requesting the restitution of their assets.

The lack of a tangible explanation on the part of his client regarding the facts reproached by these third parties prompted the financial intermediary to report some doubts regarding his credibility. After investigation, he discovered several indications leading him to suspect the criminal origin of the assets implicated in the account. Thus, the consenting statements of the third persons, the difficulty of contacting the beneficial owner and of obtaining his explanations, the equanimity of the latter on the announcement of the termination of the account, all prompted the financial intermediary to file a report to MROS and also to close this account. The report was forwarded to the competent prosecution authorities on suspicion of fraud.

4 From the MROS Office

4.1 *Must the financial intermediary check procedural requirements or impediments to proceedings in advance with a view to mandatory reporting?*

a) Procedural requirements

Under Swiss criminal law, the presence of a demand for prosecution in the case of offences which can only be prosecuted on demand is a so-called procedural requirement. This means that the punishable act is not prosecuted by prosecution authorities unless a demand for prosecution is filed by the damaged party. The facts of the offence are, as a general rule, seen as official offences (offences that are prosecuted officially), whereby in combination with money laundering (where there must always be the elements of a crime as a predicate offence) the question of a demand for prosecution is not posed. There are, however, exceptions. The following case may serve as an illustration from everyday practice:

A female client paid a cash amount into a newly-opened account, for which she alone had power of attorney. When asked by the financial intermediary about the origin of the money, she presented a letter from her lawyer, confirming that it mainly consisted of two-thirds of the money paid to her (still) husband by his pension fund on taking up self-employment. In view of the forthcoming divorce and in order to secure his wife's claims, this money had been withdrawn from the husband's account. A judicial judgement on the wife's entitlement to this money was not submitted. It must therefore be assumed that the money, which originally came from the husband's pension fund, had been withdrawn without his knowledge and paid into an account unknown to him (cash was therefore used to conceal the paper trail) in order to unlawfully deprive him of the money. The question of embezzlement of the husband's money by the wife is thus probable. The basic element of embezzlement under Article 138 SCC is an official offence. Should embezzlement, however, have been committed to the detriment of a relative or family member, it is only prosecuted on demand (Art. 138 lit. 1 para. 2). According to the legal definition (Art. 110 para. 1 SCC), spouses are to be regarded as relatives in the eyes of the law, whereby the embezzlement in the present case is to be seen as an offence requiring a demand for prosecution. The question to be asked here is whether the financial intermediary must beforehand examine if there is a demand for prosecution and if he is under a liability to report only if this is the case. In the opinion of MROS, the financial intermediary need only examine whether the requirements under Article 9 AMLA are given. In the concrete case this means whether the assets could basically originate from a crime or not. In other words, the obligation of the financial intermediary is limited to a purely material examination regarding the basic facts of the case (presence of embezzlement) and not an examination of the procedural requirements. Establishing the existence of procedural requirements, such

as whether there is a demand for prosecution in offences requiring this, involves a formal examination to be conducted exclusively by the prosecution authorities. This solution is also necessary on purely practical grounds, as it would not be possible for a financial intermediary to find out beforehand whether the damaged party with an entitlement to lay charges will later (on finding out the facts) file a demand for prosecution or not.

b) Impediments to proceedings

The question regarding limitation periods is similar (see Chapter 3.4). Limitation periods are regulated in the Swiss Criminal Code, whereby a distinction is made between the limitation period for prosecution (Arts. 97, 98 and 103 SCC) and the limitation period for the execution of a sentence (Arts. 99 to 101 SCC). The beginning of prosecution limitation blocks proceedings and thus represents an impediment to proceedings, i.e. an institution of procedural law. Here, too, it is not the task of the financial intermediary to examine whether there is an impediment to proceedings or not. In such a case, practical considerations also play a role, as the financial intermediary cannot elicit whether there are further related acts committed later and if the period of limitation has to be newly determined.

4.2 *Is mandatory reporting under Article 9 AMLA waived in the case of the right of refusal to give evidence on the basis of family connections?*

Under prevailing cantonal and federal⁹ criminal procedural law, persons who for family reasons may refuse to give evidence are also exempt from the obligation to lay criminal charges. The legislator is of the opinion that persons who may refuse to give evidence in proceedings should not be obliged to initiate proceedings by filing a demand for prosecution themselves beforehand. Within the context of an Administrative Court complaint filed by a self-regulatory organisation, the Federal Supreme Court¹⁰ was faced with the task of deciding whether the financial intermediary, who is entitled to refuse to give evidence under Article 75 paragraph 1 FJA¹¹, is generally exempt from mandatory reporting under Article 9 AMLA. The complainant reasoned that the SAR has the nature of a demand for prosecution or at least a similar function, and that the considerations described above could also be applied to mandatory reporting. In its decision, the Federal Supreme Court came to the conclusion that there was a strong public interest in the unlimited enforcement of mandatory reporting and that a corresponding restriction of mandatory reporting would have to be explicitly mentioned in the Anti-Money Laundering Act. Accordingly, a financial intermediary may not invoke

⁹ Likewise the new Swiss Criminal Procedure Code (Art. 168 ff), entry into force 1.1.2011

¹⁰ Federal Supreme Court, 5.4.2007, 2A.599/2006

¹¹ Federal Act of 15 June 1934 on the Organisation of Federal Justice (FJA; SR 312.0)

the right to refuse to give evidence on family grounds and thus remains under an obligation to report.

4.3 *Monitoring accounts and mandatory reporting*

In the 2007 Annual Report (Chapter 5.5), MROS already expressed an opinion in connection with a disclosure order issued by a prosecution authority. It ascertained that a disclosure order basically led to a special obligation to investigate under Article 6 paragraph 2 AMLA, whereas mandatory reporting only generates this in the event of suspicious facts that go beyond the findings already available in the disclosure order.

The new Swiss Code of Criminal Procedure, which entered into force on 1 January 2011, now provides besides bank disclosure¹², which gathers bank information with retroactive effect on the order of the public prosecutor within the context of criminal proceedings, also for the possibility of monitoring accounts¹³. On the order of the public prosecutor in charge of proceedings, the bank is instructed by the enforcement action court (*Zwangsmassnahmegericht*) to provide documentation on the future banking activities of the accused. The question raised here is whether a bank which is acting in "bad faith" owing to an order to monitor accounts is then liable to report to MROS under Article 9 AMLA. This question is also interesting, *inter alia*, because in the case of monitoring a bank account for investigative purposes, the account is not blocked (obviously in order to be able to study transaction movements). A report under Article 9 AMLA, however, requires the immediate freezing of the assets on legal grounds. MROS cannot itself suspend the statutory freezing period under Article 9 AMLA. Accordingly, a SAR under Article 9 AMLA always and exclusively prompts the statutory freezing of assets for a period of five working days.

In the present case, the same problem exists as in bank disclosure.

A banking relationship that is specifically affected by enforcement action does not need to be reported to MROS in every case. The order to monitor the account, however, always prompts the special duty to clarify the economic background and purpose of a transaction or business relationship under Article 6 paragraph 2 AMLA. This means that the financial intermediary has to analyse the account affected by enforcement action and examine whether further suspicious accounts (which are not affected by enforcement action) are involved. If this is the case, these other banking relationships must be reported to MROS provided there are well-founded suspicions and the account actually being monitored is not under threat of exposure.

¹² Art. 265 CrimPC (Swiss Code of Criminal Procedure of 5 October 2007)

¹³ Art. 284 and Art. 285 CrimPC.

4.4 Judicial and other decisions made by prosecution authorities

4.4.1 Judicial decisions / Passive money laundering

(Judgement of the Criminal Law Section of the Federal Supreme Court: 6B_908/2009 of 3.11.2010¹⁴)

In a leading case of 3 November 2010, the Federal Supreme Court (FSC) determined that passivity on the part of financial intermediaries may suffice to justify their conviction on grounds of money laundering.

The Federal Supreme Court thus confirmed the suspended sentence of 486 days in prison and a fixed pecuniary fine of CHF 21,600 of a banker convicted for laundering millions of dollars.

The tax auditing officials working for large companies established in the State of Rio de Janeiro had set up a system to obtain from the inspected companies payments of bottles of wine in exchange for arrangements regarding reminders and demands for arrears to be collected by the administration. The money was placed in open accounts in a Geneva bank by corrupt officials from the Brazilian tax administration. The irregularities had been discovered after the repurchase of this bank by another financial institution in 2001.

Convicted by the Federal Criminal Court (FCC), the banker filed an appeal at the Federal Supreme Court. He claimed that he had had no idea of the unlawful origin of the funds deposited in Switzerland and that he himself had been cheated by employees in the branch of the bank in Rio.

The Federal Supreme Court revealed that, already in 2001, several elements indicated that the funds of the Brazilian officials could be the proceeds of a crime. In view of the very high amounts deposited in the accounts of several agents working for the Brazilian tax administration, the important and regular payments of their assets, the contradictory information related to the diverse activities of these persons and their status as officials, it could be assumed that the ensemble of these indications formed sufficient suspicions for the existence of a money-laundering operation and therefore called for immediate investigation. The banker should have had some doubts regarding the origin of these funds and should not have been satisfied by the explanations given by his client. In fact, these did not lend themselves to a valid opinion on the origin and the financial background of these unusual transactions, or to dissipate any doubts regarding the accounts. However, the appellant should have taken measures to clarify, in the shortest time possible, the situation of the Brazilian officials, to determine whether the funds were of unlawful origin and, if not or in the absence of a satisfactory answer, to submit the case to his financial management for a decision. However, this step had not been taken, which prevented the reporting of the accounts and the freezing of assets. Having omitted to carry out the actions which he was legally

¹⁴ Four other bankers were convicted within the context of the same case (see leading cases: 6B_901/2009 ; 6B_907/2009 ; 6B_916/2009 ; 6B_919/2009), as well as a Brazilian official (see leading case 6B_914/2009).

bound to do, the banker had violated, by omission, the obligations incumbent on him. He was therefore found guilty of money laundering.

The Federal judges reminded the court that "financial intermediaries are under an obligation to clarify the financial background and the purpose of a transaction when indications point to the fact that assets are the proceeds of a crime". This obligation of clarification is fulfilled when financial intermediaries administer open accounts for persons exercising official functions.

The court also reminded that financial intermediaries may not simply accept any explanations given by their co-contractors. In spite of the ties of confidence which they share with their clients, financial intermediaries must proceed "with a critical mind" to an examination of the truth of the declarations made to them.

The Federal Supreme Court underlined the fact that, since the entry into force of the Anti-Money Laundering Act, banks have been placed in a special legal position and that the obligations imposed on them by the Anti-Money Laundering Act (Arts. 3 to 10 AMLA), as well as the obligation to inform and co-operate with MROS, places them in the position of a guarantor.

4.4.2 Order for withdrawal of proceedings / Abuse of a data-processing system Art. 147 SCC (Phishing attacks)

The phenomenon of phishing involves, above all, a form of deception via the Internet. An unknown perpetrator sends spam mails using a bank-specific Trojan virus, thus acquiring the access data to the e-banking account of the later injured party. Subsequently, money transactions are generated to the victim's debit and against their will in favour of a so-called financial agent (also financial manager or "money mule"). These financial agents are recruited by fictional "employers" of unknown origin via e-mails and the Internet. Within the framework of an allegedly worldwide money system, the financial agents undertake to withdraw the payments made to their accounts in cash and then to transfer the money via a money transmitter to persons abroad to be identified later.

In the present case, which was to be judged by a cantonal prosecution authority, the suspect was accused of having acted as a financial agent in a phishing attack. In a police interview, the accused claimed he had been looking for employment and had come across this job offer on the Internet. He had downloaded the employment contract, signed and returned it without even entering into personal contact with his employer. Later he had been informed by mobile phone of an incoming payment by an unknown person. He was then instructed, again by phone, to withdraw the money in cash and to transfer it via a money transmitter in a neighbouring country and on no account via a money transmitter in Switzerland. Although surprised by this approach, the accused claimed that he had not questioned the commissioner and had acted as instructed. He had assumed that it was in order to transfer the money. He had not thought that there could be any irregularities connected with the money. The prosecution authority found that the statements made by the accused financial agent were

not particularly plausible, also in view of the strange-sounding business methods used by the employer. On the other hand, it was not necessary to prove with the certainty required for a judgement that the accused had been initiated into the intrigues of the unknown perpetrator and that he had not been aware of this at the time of the transaction undertaken by him or that he could have expected that the money represented the proceeds of a crime. The negligent perpetration of the crime was not punishable. The accused could thus not be legally proven to have had a corresponding intention. The subjective element of aiding and abetting the fraudulent abuse of a data-processing system was therefore not fulfilled and the proceedings were to be suspended. If there is no proof of intention, the offence of money laundering under Article 305^{bis} SCC may be disregarded.

MROS ascertains that criminal judgements made by cantonal prosecution authorities in similar cases in the sphere of phishing attacks and financial agents are dealt with very differently. In a similar case, a financial agent claimed that he had not imagined that the financial transaction effected at the time could be connected to money laundering. He explained that he had been deceived by the actual perpetrators and exploited by them. The criminal court, however, found that the accused had at least accepted the possibility (contingent intent) that the withdrawal and transfer of the money on behalf of a completely unknown person could be an illegal financial transaction, i.e. money laundering, for which reason he could not be believed on the basis of the whole set of dubious circumstances. He was convicted on grounds of money laundering.

5 International scene

5.1 *Egmont Group*

In 2010, the working group of the Egmont Group met in Port Luis (Mauritius) in March, in Cartagena (Colombia) in June at the same time as the Plenary Session, and in Chisinau (Moldavia) in October. The reports on the individual working groups and the development of the Egmont Group may be seen online under <http://www.egmontgroup.org>. We would like to draw your attention to the following points from the 2010 reporting year:

New members

The Egmont Group admitted four new members in 2010. They are the reporting offices of the following jurisdictions:

-Afghanistan

FinTRACA (Financial Transactions and Reports Analysis Center of Afghanistan); administrative FIU, which is affiliated to the "Central Bank" (www.fintraca.gov.af);

-Cameroon

ANIF (Agence Nationale d'Investigation Financière), administrative FIU, affiliated to the Ministry of Finance (www.anif.cm);

-Ivory Coast

CENTIF-CI (Cellule Nationale de Traitement des Informations Financières de Côte d'Ivoire); administrative FIU, affiliated to the Ministry of Economy and Finance (www.centif.ci);

-Uruguay

UIAF (Unidad de Información y Análisis Financiero); administrative FIU, which is affiliated to the "Central Bank" (www.bcu.gub.uy);

Today the Egmont Group thus comprises 120 FIUs from all continents (52 from Europe, 32 from North/South America, 21 from Asia, 8 from Africa and 7 from Oceania). Both FATF Recommendation 26 and the Egmont Group Charter allow the countries to decide themselves which type of FIU is to be formed. Most reporting offices, i.e. two-thirds of all FIUs (80), are so-called administrative reporting offices. Then come the reporting offices with a police-based (28), with a mixed (8 hybrid FIUs) or a judicial (4) structure.

Dissolution of the FIU in the Netherlands Antilles

On 10 October 2010, the Netherlands Antilles were dissolved and now form two independent states, Curaçao and Sint Maarten, within the Kingdom of the Netherlands. The former Netherlands Antilles FIU was subsequently taken over and headed, both operationally and from a staff point of view, by the Curaçao FIU. Sint Marten, on the other hand, will create a new FIU and will have to file a relevant application for membership in the Egmont Group.

Joint Experts Meeting, JEM of the Financial Action Task Force (FATF) and of the Egmont Group

From 15 to 19 November 2010, a joint meeting of experts from the FATF Typologies Working Group and the Egmont Group took place for the first time in Cape Town, South Africa. The meeting united representatives from reporting offices (FIUs), police administrations, supervisory authorities and so-called standard setters. Discussions were held primarily on themes such as national and international co-operation, in particular among FIUs, in the combat of money laundering and terrorism financing, and the influence on money laundering and terrorism financing of the economic crisis, maritime piracy and human trafficking.

The JEM in South Africa sent a signal to the African continent, which still shows development potential in combating money laundering and terrorist financing. Specific themes tailored to South Africa were also discussed, such as the creation of FIUs, and corresponding experiences were exchanged. The aim of the Egmont Group is to promote the development of FIUs on the African continent.

Egmont Group Meeting

From 2011 onwards, the Egmont Group will only meet twice and no longer three times annually. This decision was influenced, amongst other things, by the possibility for working groups to collaborate virtually, using new technical aids via the Egmont Secure Web, by means of so-called "communities". In this way, working group meetings in situ can be reduced.

Involvement of the Egmont Group within the framework of the 4th FATF Evaluation Cycle

Two working groups (Legal und Operational Working Groups) looked closely at FATF Recommendation 40, which is to be monitored within the scope of the FATF 4th Evaluation Cycle. On this occasion, the interest of the Egmont Group was mainly directed at the exchange of information among reporting offices. In the foreground were both contextual (which information is to be exchanged) and operational (how the exchange is to function from a practical point of view). The Egmont Group submitted corresponding proposals by the responsible FATF working group, the Working Group of Evaluations and Implementation, for Recommendation 40.

5.2 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 makes up part of the Swiss delegation to FATF headed by the State Secretariat for International Financial Matters (SIF).

Revision of FATF standards

In view of the fourth FATF member evaluation, the most important FATF standards (the FATF standards contain forty recommendations for the combat of money laundering and terrorist financing and nine special recommendations for the fight against terrorist financing) are currently being revised in various working groups. MROS is participating in several working groups and is actively involved in the revision of standards. The revised standards will be dealt with as a total package at the Plenary Session in October 2011.

The third FATF evaluation

In 2010, Argentina, Brazil, Germany, India, Luxemburg and Saudi Arabia were subjected to an FATF evaluation. The results can be seen under www.fatf-gafi.org.

Unco-operative and high-risk countries

At the end of 2010, FATF published a list of 31 countries whose legal norms regarding measures for combating money laundering were considered insufficient, or at least lacking detail, and intransparent; the countries had also agreed to implement an action plan. FATF will continue to subject to an evaluation further countries which represent a risk for the international financial system and will publish the results in 2011. The current list can be seen on the FATF website¹⁵.

New FATF members

In 2010 India was admitted as the 36th FATF member (34th member country).

Published typology studies

All the studies listed below, compiled by FATF in the reporting year, have been published on the FATF website and may be accessed there¹⁶.

- Study on Money Laundering Using Trusts and Company Service Providers, in which Switzerland participated, evaluates the use of the FATF Recommendations in connection with trust and company service providers and the role

¹⁵ http://www.fatf-gafi.org/pages/0,3417,en_32250379_32236992_1_1_1_1,1,00.html

¹⁶ http://www.fatf-gafi.org/pages/0,3417,en_32250379_32237202_1_1_1_1,1,00.html

played by the latter in the recognition and prosecution of money laundering and terrorist financing.

- Study on the new payment methods, in which Switzerland participated, is investigating the risk of money laundering in connection with prepaid cards, mobile phones and the providers of Internet payments.
- Study on the Money Laundering Vulnerabilities of Free Trade Zones: the report states that the approximately 3000 free trade zones in 135 countries are an important element of the global economy. Their more relaxed regulations and the lighter supervision regime, however, also make these zones very susceptible to money laundering and terrorist financing.
- Study on Global Money Laundering and Terrorist Financing Threat Assessment offers an overview of the characteristics of money laundering and terrorist financing. It highlights the most frequent similarities and illuminates the negative consequences for the financial system, individuals and society. The report should facilitate the ability of FATF members to carry out their own national risk analyses.
- Study on Money Laundering through Money Remittance and Currency Exchange Providers, which was compiled by a working group headed by Moneyval (Committee of Experts of the Council of Europe on the Evaluation of Anti-money Laundering Measures), demonstrates that the biggest risk factors of money transfers and currency exchange are the lack of durable banking relationships and the absence of a data track.

Ongoing surveys on the typology of money laundering

The following typology studies are planned for next year:

- *Money Laundering Risks Arising from the Trafficking of Human Beings*: this study is to clarify the money laundering risk in connection with human smuggling. The study deals with the extent of human trafficking, the way the resulting profits are generated and the identification of the money laundering arising therefrom.
- *Maritime Piracy and Related Kidnapping for Ransom*: this study examines the flow of money in connection with the financing of piracy as well as the resulting profits.
- *Impact of the Financial Crisis on Money Laundering*: this project, headed by the Egmont Group and the Wolfsberg Group, is aimed at examining the influence of the economic crisis on money laundering.

6. Internet Links

6.1. Switzerland

6.1.1 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

6.1.2 Supervisory authorities

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

6.1.3 Self-regulating organisations

http://www.arif.ch/	Association Romande des Intermédiaires Financières (ARIF)
http://www.oadfct.ch/	OAD-Fiduciari del Cantone Ticino (FCT)
http://www.oarg.ch/	Organisme d'Autorégulation du Groupe-ment 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/46/SRO.html	SRO- Schweizerischer Leasingverband (SLV)
http://www.treuhandsuisse.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)

6.1.4 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

6.1.5 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

6.2. International

6.2.1 Foreign reporting offices

http://www.egmontgroup.org/about/list-of-members	List of all Egmont members, partially with link to the homepage of the corresponding country
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6.2.2 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

6.3. 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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