



Federal Council defines thrust of follow-up work on FATF mutual evaluation report on Switzerland

Bern, 28.06.2017 - During its meeting on 28 June 2017, the Federal Council defined the thrust of the follow-up work on the fourth FATF mutual evaluation report. The Federal Department of Finance (FDF) was instructed to prepare a consultation draft.

The Financial Action Task Force (FATF) published the fourth mutual evaluation report on Switzerland on 7 December 2016. It acknowledged the generally good quality of the Swiss system for combating money laundering and terrorist financing. At the same time, the FATF identified weaknesses in certain areas with regard to legislation and its effectiveness, and issued corresponding recommendations. Consequently, Switzerland is currently in a follow-up process and has to present its first follow-up report to the FATF in February 2018. The shortcomings found in the area of legislation are to be eliminated within three years. In addition, Switzerland will be subject to a follow-up review with respect to improving effectiveness after five years.

The FDF analysed the FATF recommendations within the framework of the interdepartmental coordinating group on combating money laundering and the financing of terrorism (CGMF). On that basis, the Federal Council instructed the FDF to prepare a consultation draft by the end of the year. This should serve to implement some of the most important recommendations. In particular, the Federal Council is proposing due diligence duties in accordance with the Anti-Money Laundering Act for specific non-financial intermediary activities, as well as measures in the area of associations to increase transparency. Amendments are also planned in connection with precious metal and precious stone traders, the purchase of old precious metals and the reporting system.

Further measures should be implemented particularly within the scope of the legislative project of the Federal Department of Justice and Police (FDJP) to prevent terrorism and organised crime. The consultation on this proposal commenced on 21 June 2017.

Moreover, certain recommendations in the FATF mutual evaluation report overlap with Global Forum recommendations in the phase 2 peer review report on Switzerland. The Federal Council will address the implementation of these recommendations in a separate proposal after the summer break. It will also be necessary to amend the FINMA Anti-Money Laundering Ordinance (AMLO-FINMA), the Agreement on the Swiss Banks' Code of Conduct with regard to the Exercise of Due Diligence (CDB) and the regulations of self-regulatory organisations in order to eliminate the significant weaknesses identified. In concrete terms, the verification of beneficial owners and the regular updating of client information are concerned.

The Federal Council additionally took note of the CGMF report on the risks in the area of non-profit organisations. The report proposes measures to enhance the transparency of foundations and associations with a heightened risk regarding terrorist financing.

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Documents

 [Bericht über die Risiken im Bereich der Non-Profit Organisationen](#) (PDF, 856 kB)

Publisher

The Federal Council

<https://www.admin.ch/gov/en/start.html>

Federal Department of Finance

<https://www.efd.admin.ch/efd/en/home.html>

<https://www.admin.ch/content/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id-67338.html>