

Press release

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Contact:
Tobias Lux, Media Spokesperson
Phone +41 (0)31 327 91 71
tobias.lux@finma.ch

FINMA reprimands Bank SYZ for breaches of anti-money laundering regulations

The Swiss Financial Market Supervisory Authority FINMA has determined in enforcement proceedings that Bank SYZ SA breached anti-money laundering regulations. The breaches occurred in the course of a very important business relationship with a client from Angola.

FINMA opened enforcement proceedings against Bank SYZ SA in February 2020 to investigate information it had received regarding possible violations of money-laundering rules. The information related to a very important business relationship with a client from Angola.

In the course of these proceedings FINMA found that the bank did not make sufficient efforts to investigate the substantial growth in the client's assets. The bank did not adequately resolve issues that should have raised suspicions, even though the client was identified as having links with politically exposed persons (PEP) and the relationship was classified in this category. In addition the bank failed to fulfil, or did not adequately fulfil, its obligations to clarify high-risk transactions by the client, which were in some cases in the tens of millions.

Due to these failures, FINMA has reprimanded the bank for a breach of its duty of due diligence in relation to anti-money laundering. Its money-laundering processes were inadequate with a view to this client relationship.

At the same time FINMA recognises, however, that the bank met its statutory reporting obligation. This enabled the criminal prosecution authorities to investigate this case. Furthermore, the bank has taken a number of steps in response to the case with the aim of restoring full compliance with the regulations. FINMA will appoint an independent auditor to review the implementation of these measures in the course of its ongoing supervision.

The importance of reporting for money laundering prevention

This case underlines the importance of reporting for money laundering prevention. Clients with funds of doubtful origin should expect to be reported to the authorities in Switzerland. FINMA welcomes the fact that compliance

with reporting obligations has improved in recent years. As a result of these reports, the number of decisions to prosecute by the criminal prosecution authorities has also increased.

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