Press release

FINMA proceedings:
Banque Audi (Suisse) SA violated money laundering regulations

Banque Audi (Suisse) SA breached its obligations in the prevention of money laundering and thereby seriously violated financial market law. This was established by the Swiss Financial Market Supervisory Authority FINMA in the context of enforcement proceedings. In the course of the proceedings, the bank has co-operated with FINMA and took measures to restore compliance with the law. In addition, FINMA has ordered the disgorgement of profits totalling CHF 3.9 million and a capital surcharge of CHF 19 million.

Banque Audi (Suisse) SA belongs to a large Lebanese banking group. During an on-site inspection in 2021, FINMA reviewed the client relationships with politically exposed persons from several countries. In doing so, it discovered serious shortcomings in the prevention of money laundering. This prompted FINMA to open enforcement proceedings in 2022, which it has now concluded.

Bank did not meet its duty to provide information

As part of the on-site inspection, FINMA by default obtained all internal audit reports. In a specific report, the bank's internal auditors had pointed out shortcomings in the prevention of money laundering with regard to certain relationships and demanded that measures be taken. However, this specific report was initially not mentioned to FINMA and was not submitted to it.

Serious violation of supervisory law

In addition to this serious breach of the duty to provide information, FINMA found that the bank had inadequately clarified the origin of assets in high-risk client relationships. For example, a payment from a politically exposed person was made into the account of a high-ranked Lebanese official. This amount was subsequently forwarded. Although the bank was unable to clarify the purpose of these transactions, it refrained from reporting them to the Money Laundering Reporting Office. In other cases of client relationships with politically exposed persons from other countries, there were press articles referring to the possibly unlawfully acquired assets of these persons.

The bank did not sufficiently investigate these suspicions and was unable to dispel them. In doing so, the bank was in serious violation of anti-money laundering regulations.

Bank implements its own measures

Banque Audi (Suisse) SA has co-operated with FINMA in the enforcement proceedings. The bank also took corrective measures. In particular, it replaced people in several key positions and significantly increased resources in compliance. In addition, the bank investigated certain client relationships in greater depth and submitted several MROS reports. The bank has also parted ways with various clients. However, it has decided to continue certain high-risk client relationships.

FINMA orders disgorgement of profits and Pillar 2 surcharge

Besides the measures taken by the bank, FINMA has imposed further measures. It has ordered the disgorgement of illegally generated profits totalling CHF 3.9 million. Due to the remaining client relationships with a high risk profile, FINMA also requires a risk surcharge of CHF 19 million on the minimum capital to be held. Moreover, FINMA has ordered additional corrections to the anti-money laundering defence mechanisms. For two years or until these measures have been fully implemented, the bank may not enter into any new relationships with politically exposed persons or high-risk corporate clients. FINMA will appoint an audit mandatary to monitor implementation of the above-mentioned measures.

The individuals who were allegedly primarily responsible for the violations of supervisory law have left the bank and the Swiss financial centre. FINMA has therefore refrained from initiating proceedings against individuals that could result in an industry ban from the Swiss financial centre.