



Bundesamt für Polizei
Eidg. Justiz- und Polizeidepartement

Office fédéral de la police
Département fédéral de justice et police

Ufficio federale di polizia
Dipartimento federale di giustizia e polizia

Federal Office of Police
Federal Department of Justice and Police

Money Laundering Reporting Office Switzerland

MROS

7th Annual Report

2004

Federal Department of Justice and Police
Federal Office of Police (fedpol)

MROS

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April 2005

2004

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1. Introduction

Slight decline in the number of suspicious activity reports

For the first time since the Money Laundering Reporting Office Switzerland (MROS) was set up in April 1998, there was no increase in the number of suspicious activity reports filed in 2004. The number of reports fell by 42, from 863 in 2003 to 821 in 2004. Although the figures are slightly lower, it would be wrong to say that there has been an effective decline in the number of reports. It would be more accurate to say that the number of suspicious activity reports has stabilised, especially if one considers that in one particular area, namely in the field of international financial transactions, the number of reports has decreased considerably with 69 fewer reports than in the previous year. In 2002 and 2003, it was especially the number of reports from this area, the money transmitters that led to an overall increase in the number of reports: in 2002 around 43%, in 2003 around 53% and in 2004 around 48% of the total number of reports came from the field of international financial transactions. This largely explains why the number of suspicious activity reports has fallen and thus stabilised in 2004. The reason for the decrease in the number of reports from the money-transmitters is mainly due to the more restrictive practice and the stricter conditions imposed by the financial intermediaries on business dealings.

The number of reports from fiduciaries also decreased by 11 and from asset managers/investment advisors by 5 over the previous year. This decline must not be misconstrued and should especially be viewed on a more long-term basis, taking into consideration that financial intermediaries have now been implementing mandatory due diligence according to the Money Laundering Act for six years and this has resulted in them becoming more careful when selecting clients. Financial intermediaries can put their reputation at considerable risk by becoming involved with illegitimate money, which is why they have become very selective of their clients and even often decline business right from the beginning. Thus, the financial intermediary's conduct has helped in accomplishing a key objective of the Money Laundering Act, namely its preventive effect. The aim of every financial centre should be to have efficient regulations that stop illegal money from being laundered by preventing it from being deposited there in the first place.

It is difficult to predict future developments in terms of the number of suspicious activity reports, and trends will certainly have to be observed more long-term. In view of the fact that under the revised FATF¹ recommendations² the field of financial interme-

¹ Groupe d'action financière sur le blanchiment de capitaux (GAFI) / Financial Action Task Force on Money Laundering (FATF); www.fatf-gafi.org

² www.finweb.admin.ch/pdf_neue_Version/PDF-d/FS-IDAFATF_EFV_d.pdf

diaries will be extended to include a special system for trading activities, the number of reports is likely to increase again.

Ratio of reports between the banking and the non-banking sector evens out: The number of reports from banks has increased again.

The proportion of reports from the banking sector and from financial intermediaries from the non-banking sector appears to be evening out; approximately 40% of the reports in 2004 came from banks and around 60% from the non-banking sector. As in the previous year, the absolute number of reports from banks increased once again in 2004 (+12.6%). It is too early to say to what extent this increase is due to the new regulations on special due diligence for high-risk groups in the Federal Banking Commission's Money Laundering Ordinance³, which came into force on 1 July 2003⁴. What was evident was that banks increasingly reported *attempts* at money laundering, that is before a business relationship was established, as provided by Art. 24 GwV EBK. The Money Laundering Ordinance appropriates the FATF recommendations in advance; according to the FATF Recommendation No. 13 and No. 5, a business deal has to be reported if suspicion arises preceding the establishment of a business relationship. These provisions are supposed to ensure that MROS and, if necessary, the criminal examining authorities are informed about such activities and can take appropriate measures. These revised FATF recommendations were integrated into the work carried out by the interdepartmental working group (IDA GAFI), which was set up by the Federal Council on 22 October 2003 under the supervision of the Federal Finance Department. There are plans to make the reporting of attempted money laundering for all financial intermediaries mandatory under Article 9 of the Federal Act on Combating Money Laundering in the Financial Sector⁵. On 28 December 2004 the Federal Council decided to open consultations on the draft legislation regarding the implementation of the revised FATF recommendations.

Terrorist funding

The number of reports of suspected terrorist funding increased by 6 in 2004 to a total of 11 reported cases. As in the past the reports were mainly based on published lists, which again shows the difficulty in identifying the methods involved in terrorist funding, especially because the money does not necessarily originate from criminal activities.

³ Ordinance of the Federal Banking Commission of 18 December 2002 on the Prevention of Money Laundering (Swiss Federal Banking Commission Money Laundering Ordinance, GwV EBK; SR 955.022)

⁴ Art. 32 GwV EBK provides for a transition period of one year for implementing the new regulations on special due diligence provisions according to high-risk groups, which is why the regulations effectively only came into force on 1.7.2004

⁵ Federal Act on Combating Money Laundering in the Financial Sector (Money Laundering Act, GwG; SR 955.0)

New annual statistics for 2004

MROS endeavours to make its annual report as informative as possible, which is why some new statistics have been included this year:

Comparison of the years 1998-2004

After more than six years of MROS, we have decided to include for the first time in this annual report a comparison of all the statistics until now. This provides an overview of the developments over several years (from 1 April 1998 to 31 December 2004).

Status of reports forwarded to the law enforcement agencies

This new chapter has been included due to requests for information on the status of reports forwarded to the law enforcement authorities.

Money laundering verdicts in Switzerland

This year MROS has published for the first time a list of verdicts in connection with money laundering offences. This list is based on the report by fedpol's Service for Analysis and Prevention (SAP) entitled "Geldwäscherei-Lagebild Schweiz" (Money Laundering Situation Report Switzerland). In this report SAP analyses all the money laundering verdicts which MROS received between April 1988 and July 2003.

From the MROS Office

This new chapter allows MROS to discuss issues regarding legal interpretation and practical questions in connection with reports, or to communicate important information or any changes.

Revised Ordinance on the Money Laundering Reporting Office (MGwV)⁶

The old Ordinance on the Money Laundering Reporting Office dated 16 March 1998, which was due to expire at the end of 2006, has been totally revised and came into force on 1 October 2004⁷.

Judith Voney

Head of the Money Laundering Reporting Office Switzerland (MROS)

Bern, April 2005

⁶ Ordinance on the Money Laundering Reporting Office (MGwV; SR 955.23)

⁷ Further details can be found under Chapter 5.3 of the MROS Annual Report 2004

2. Annual MROS statistics

2.1. General remarks

Three key figures stand out in the 2004 reporting year:

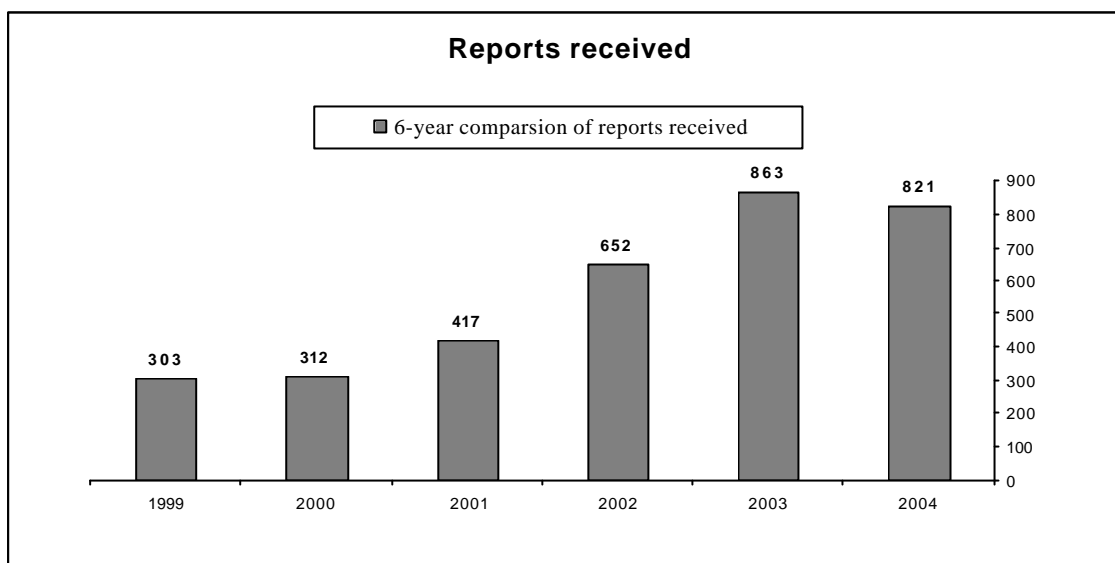
1. For the first time there was **no increase** in the number of reports.
2. For the third consecutive year there were more reports from the **non-banking sector**. However, in comparison to the previous year the proportion of reports from this sector was lower with **59%** in comparison to 41% from the banking sector.
3. The total **assets** involved **increased** over the previous year by **more than 25%**.

Despite an increase in the number of reports from the banking sector, MROS received for the first time ever fewer reports in 2004; a total of 821, or 42 less (-4.9%) than the previous year. This decrease is mainly due to the fall in the number of reports from the largest section in terms of volume, the area of international financial transactions, which reported 69 fewer cases (-15%) in 2004, after recording a considerable increase especially in the years 2002 and 2003. Even the considerable increase in the number of reports from the second largest area, the banking sector (+12.6%), did not stop the slight decrease in the overall number of reports. If the statistics from 2004 are compared with 2003, other categories such as fiduciaries (-23.4%), asset managers/investment advisors (-27.8%) and casinos (-75%) all showed a decline, albeit an insignificant one, in absolute terms. The other categories of financial intermediaries from the non-banking sector, however, recorded an increase in the number of reports to MROS.

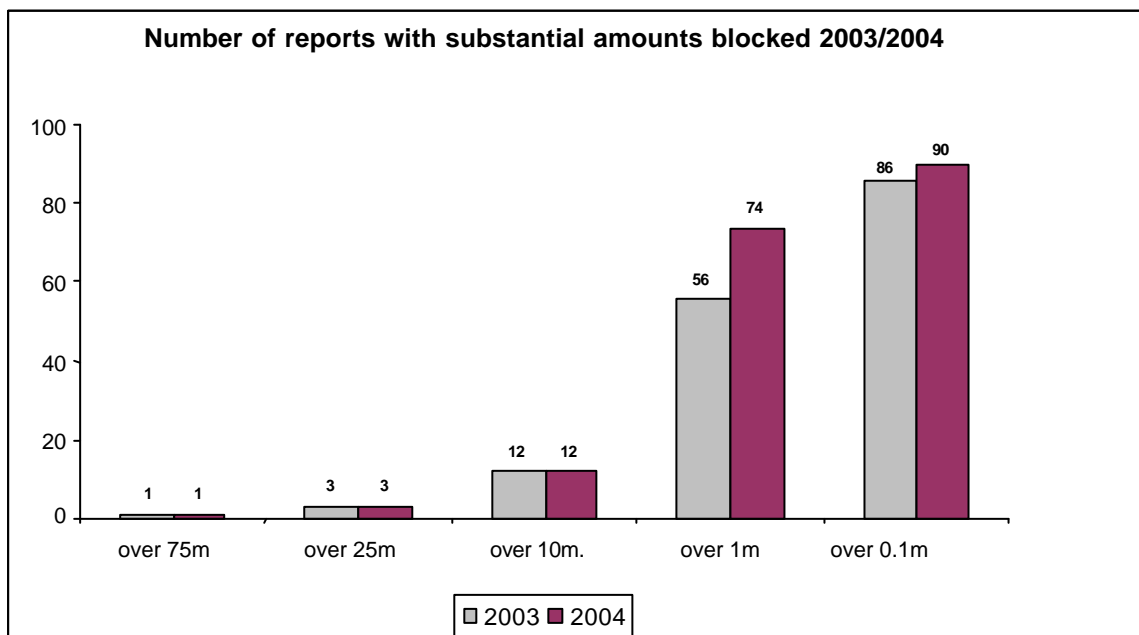
Out of the 821 reports submitted to MROS in 2004, 617 (status 31.12.2004) were forwarded to the appropriate law enforcement agencies. This represents a ratio of 75.2%. The assumption made in last year's annual report, that the proportion of reports passed on to the law enforcement agencies would stabilise at around this level, would appear to be confirmed. However, it must be remembered that the respective ratios can vary according to the different categories of financial intermediaries and the type of business or client relationship. One example of this are the reports from the banking sector and international financial transactions, which show a forwarding ratio of 91% and 57% respectively.

In comparison to the previous years, the sum of frozen assets linked with a report rose by 25.3% in 2004 over 2003 to a remarkable CHF 772 million. This increase may be related to the rise in the number of reports from the banking sector, considering that 89% of the assets frozen under the Money Laundering Act came from this field. Of the

large number of reports from the biggest area of international financial transactions, on the other hand, many did not result in the blocking of assets.



With regard to the number of reports involving a substantial amount of assets, there has been little change over the last reporting period. The only categories that indicate an increase in the number of reports are those involving assets between CHF 1 million and CHF 10 million (+18 cases) and between CHF 100 000 and CHF 1 million (+4 cases).



2.2. *The search for terrorist funds*

In the 2004 reporting year MROS only received 11 reports in connection with suspected terrorist funding. The total amount of money involved came to approximately CHF 900 000. In comparison to the previous year when five cases involving around CHF 154 000 were reported, this is a considerable increase and borders on the figures for 2002 when 15 reports involving CHF 1.6 million were submitted. The terrorist attacks in 2004 did not affect the number of reports as did the September 11 attacks, which in 2001 resulted in the highest number of reports ever in connection with suspected terrorist funding; a total of 95 reports involving approximately CHF 131 million in blocked assets.

Of the 11 reports in 2004, four people involved were named on the lists published by the Bush Administration, three were based on the "Taliban Regulations" of Switzerland's State Secretariat for Economic Affairs (seco) and the remainder originated from other sources. MROS forwarded all 11 reports to the law enforcement agencies.

Year	Number of reports			Factor for suspicion				Amounts involved	
	Total	Terrorist Funding (TF) reports	TF in % of total no. of reports	Bush	OFAC	Taliban (seco)	other	In connection with TF	TF in % of total amounts of reports
2001	417	95	22.8 %	33	1	4	57	131,379,332.45	4.82 %
2002	652	15	2.3 %	13			2	1,613,819.00	0.24 %
2003	863	5	0.6 %	3	1	1		153,922.90	0.02 %
2004	821	11	1.3 %		4	3	4	895,488.95	0.12 %
TOTAL	2753	126	4.6 %	49	6	8	63	134,042,563.60	2.80 %

The following shows the 11 reports in connection with suspected terrorist funding for 2004 in detail:

a) Home canton of reporting financial intermediaries

	No. of reports	%
Bern	7	64%
Zurich	3	27%
Geneva	1	9%
Total	11	100%

b) Type of financial intermediary

	No. of reports	%
Money transmitters	7	64%
Banks	3	27%
Insurance companies	1	9%
Total	11	100%

c) Type of bank filing the report

	No. of reports	%
Foreign controlled bank	2	67%
Asset management bank	1	33%
Total	3	100%

d) Nationality and domicile of client

Country	Nationality		Domicile	
	No.	%	No.	%
Switzerland	3	28%	9	82%
U.A.E.	1	9%	1	9%
Saudi Arabia	1	9%	1	9%
Afghanistan	2	18%	0	0%
Tunisia	2	18%	0	0%
Serbia / Montenegro	1	9%	0	0%
Israel	1	9%	0	0%
Total	11	100%	11	100%

e) Nationality and domicile of beneficial owner

Country	Nationality		Domicile	
Switzerland	3	28%	9	82%
U.A.E.	1	9%	1	9%
Saudi Arabia	1	9%	1	9%
Afghanistan	2	18%	0	0%
Tunisia	2	18%	0	0%
Serbia / Montenegro	1	9%	0	0%
Israel	1	9%	0	0%
Total	11	100%	11	100%

2.3. Detailed statistics

2.3.1 Overview of MROS statistics 2004

Business year summary (1.1.2004 - 31.12.2004)

Number of reports	2004		+/-	2003	
	Absolute	Relative		Absolute	Relative
Total received	821	100.0%	-4.9%	863	100.0%
Passed on to law enforcement agencies	617	75.2%	-7.4%	666	77.2%
Not passed on	204	24.8%	3.6%	197	22.8%
Pending	0	0.0%	0.0%	0	0.0%
Type of financial intermediary					
Money transmitter	391	47.6%	-15.0%	460	53.3%
Bank	340	41.4%	12.6%	302	35.0%
Fiduciary	36	4.4%	-23.4%	47	5.5%
Asset manager / Investment advisor	13	1.6%	-27.8%	18	2.1%
Attorney	10	1.2%	11.1%	9	1.0%
Insurance	8	1.0%	0.0%	8	0.9%
Other	12	1.5%	20.0%	10	1.2%
Casino	2	0.2%	-75.0%	8	0.9%
Currency exchange	3	0.4%	N/A	0	0.0%
Credit card	2	0.2%	100.0%	1	0.1%
Securities trader	4	0.5%	N/A	0	0.0%
Amounts involved in CHF					
(Total effective assets at time of report)					
Overall total	772'163'769	100.0%	25.3%	616'263'639	100.0%
Total involved in reports passed on	760'870'408	98.5%	23.6%	615'474'208	99.9%
Total involved in reports not passed on	11'293'361	1.5%	1330.6%	789'431	0.1%
Average report value (total)	940'516			714'095	
Average report value (passed on)	1'233'177			924'135	
Average report value (not passed on)	55'360			4'007	

2.3.2 Home canton of reporting financial intermediaries

What the graph represents

This graph shows in which cantons the reporting financial intermediaries who filed reports to MROS are based, as opposed to the graph „Law enforcement agencies involved“ (Graph 2.3.12), which indicates to which law enforcement agencies the reports were passed on.

Graph analysis

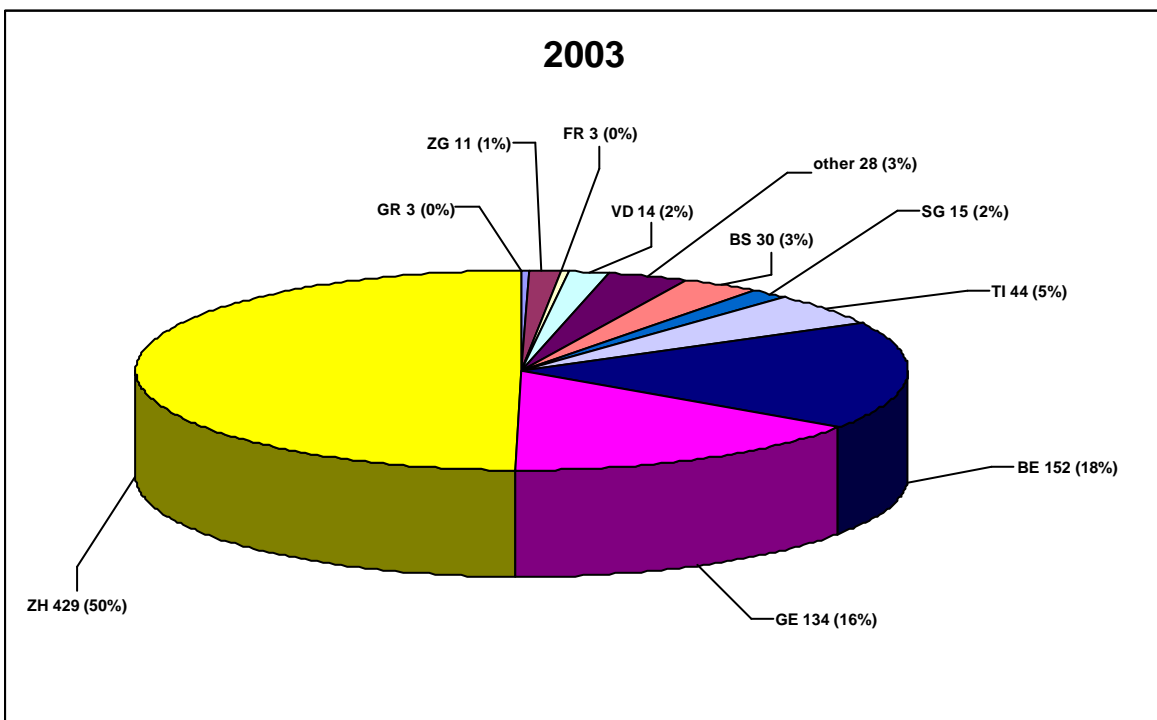
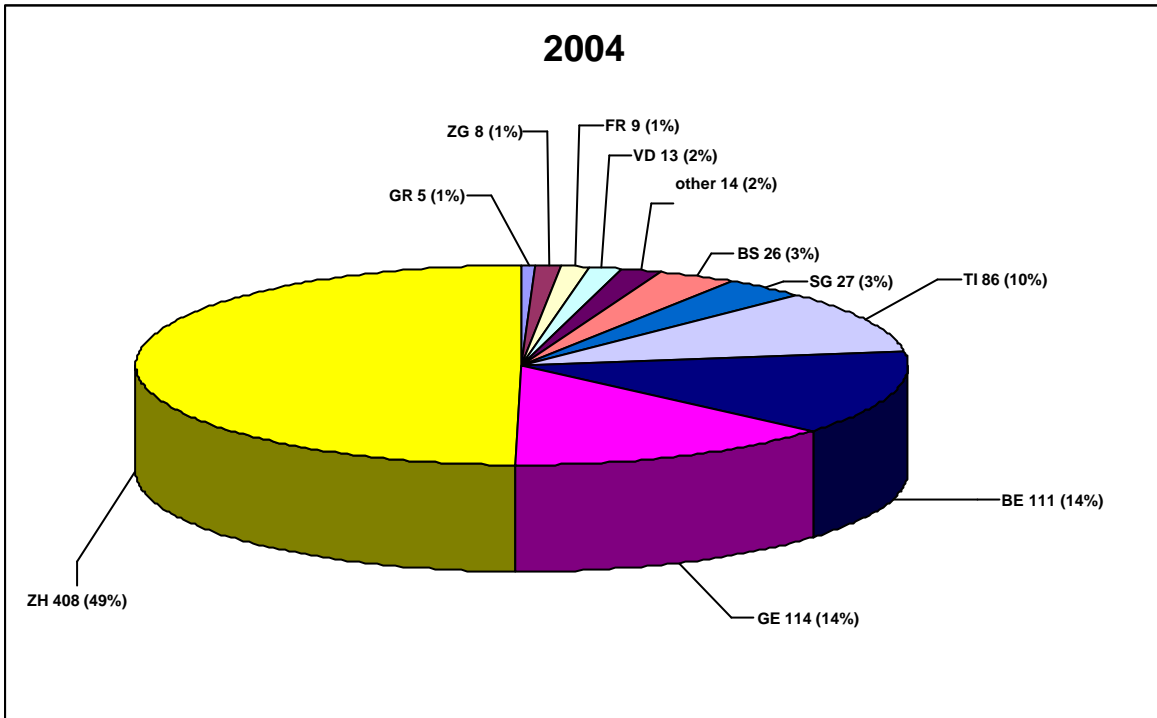
Stagnation in the number of reports from Zurich: Double the number of reports from Ticino.

As in the previous years, most reports (87.5%) in 2004 came from financial intermediaries from the cantons of Zurich, Bern, Geneva and Ticino. In comparison to other years, however, there was a slight fall in the number of reports from Zurich, which, nevertheless, accounted for nearly half (49.7%) of all the reports received by MROS. Canton Bern with a total of 111 reports or 13.5% fell back into third place in 2004 behind Geneva with 114 reports or 13.9%. With a total of 86 cases (10.5%) the number of reports from canton Ticino more than doubled in 2004 over the previous year (42 reports). The dominance in the statistics for Zurich, Geneva and Ticino can be explained by the fact that they are all important financial centres. Bern's strong position is due to the centralisation within companies of compliance centres in the city of Bern.

The half cantons of Appenzell Inner Rhoden and Ausser Rhoden and Nidwalden and the cantons of Jura, Schaffhausen, Solothurn, Schwyz and Uri did not file any reports in 2004.

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	Neuchatel	UR	Uri
BL	Basel-Land	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		



For comparison: 1998 - 2004

Canton	1998	1999	2000	2001	2002	2003	2004	Total
AG	3	1	2	4	12	3	2	27
AI								0
AR								0
BE	5	19	43	67	105	152	111	502
BL	1	1					2	4
BS	7	15	15	13	13	30	26	119
FR	1		1		2	3	9	16
GE	45	125	80	129	121	134	114	748
GL					2	1	1	4
GR	1		2	7	8	3	5	26
JU	1					1		2
LU		4	5	3		1	1	14
NE		1	1	1	1	7	3	14
NW					1	1		2
OW						1	1	2
SG	8	6	1	7	17	15	27	81
SH		2				1		3
SO	1			1	1	5		8
SZ	3				2			5
TG	1		2		4	6	3	16
TI	5	18	22	40	40	44	86	255
UR								0
VD	4	7	4	5	18	14	13	65
VS		1	1	1	2	1	1	7
ZG		3	5	3	4	11	8	34
ZH	39	100	128	136	299	429	408	1539
Total	125	303	312	417	652	863	821	3493

If one compares the home canton of reporting financial intermediaries since the Money Laundering Act came into force on 1 April 1998, the same order is apparent in total as in 2004: canton Zurich is in first place with 1,539 reports, canton Geneva in second place with 748 reports, canton Bern in third place with 502 reports and canton Ticino in fourth place with 255 reports.

2.3.3 Location of suspicious business connection

What the graph represents

The graph shows in which cantons the financial intermediary managed accounts or had business connections that were reported to MROS in 2004. This is meant to be a complement to the previous graph 2.3.2 showing *the home canton of the reporting financial intermediary*.

Graph analysis

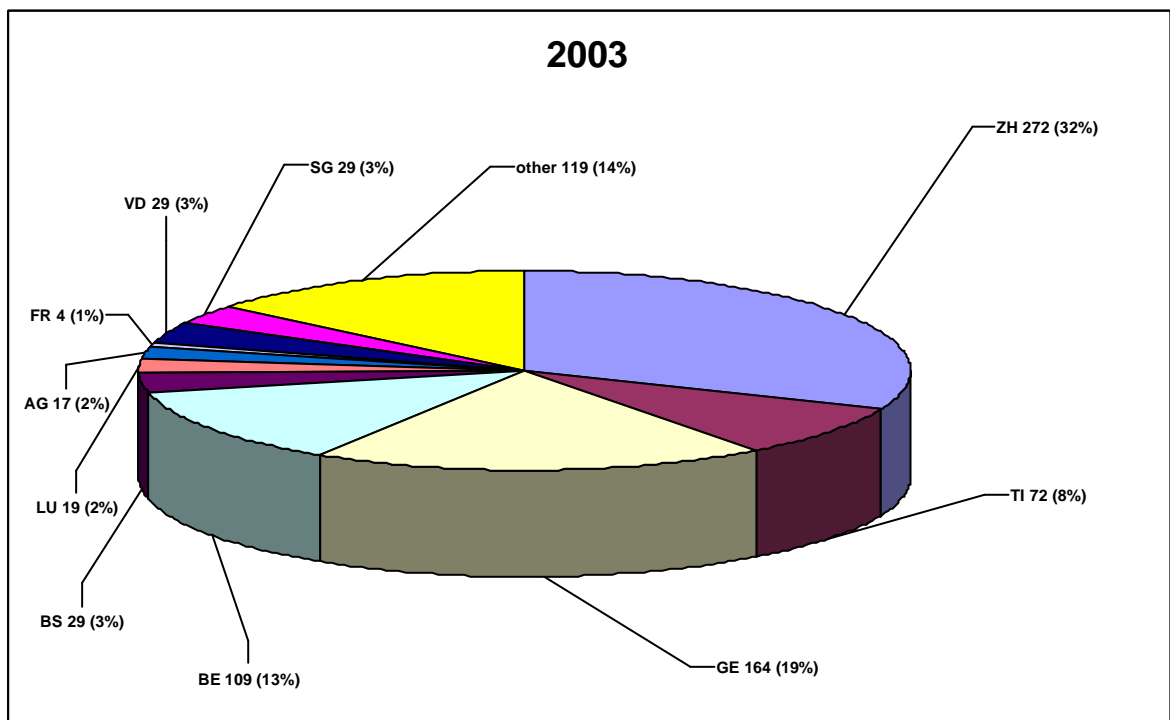
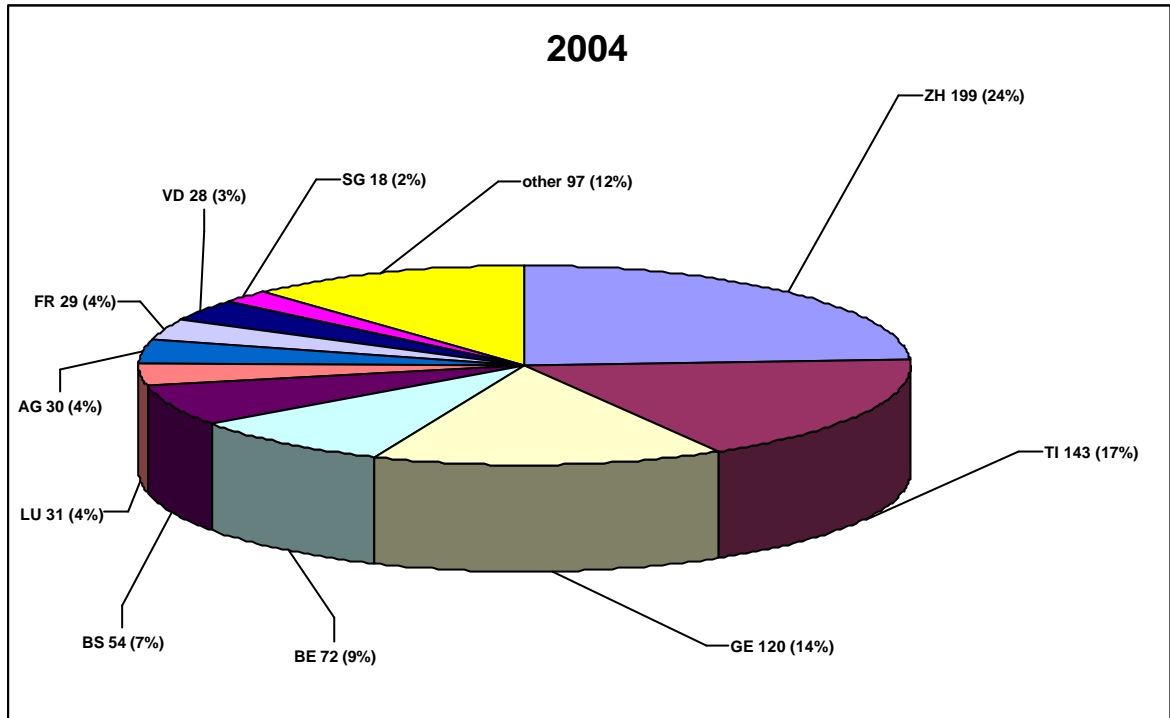
The place where a reporting financial intermediary has its headquarters is not a definite indication of the location of the account or business mentioned in the report.

It is mainly the major banks and so-called money transmitters that have established regional competence centres to submit reports of suspicious activities, although these reports do not involve only the home canton of the financial intermediary. This can lead to a distorted picture of the geographical distribution of money laundering cases in Switzerland. A direct comparison with the statistics of the *law enforcement agencies* involved (2.3.12) is not possible because, for one thing, not all cases are passed on and, for another, as a result of federal jurisdiction in certain cases the location of the account or business alone no longer determines which judicial authority is responsible.

This fact is illustrated by the cantons of Zurich and Bern. Although nearly 50% and 14% respectively of all the reports sent to MROS in 2004 came from these cantons, only in 24% and just under 9% of the cases did the reported business connection take place in the canton itself. This was also the case in the reporting years 2002 and 2003.

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	Neuchatel	UR	Uri
BL	Basel-Land	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		



For comparison: 1998 - 2004

Canton	1998	1999	2000	2001	2002	2003	2004	Total
AG	4	3	3	4	17	17	30	78
AI								0
AR					1			1
BE		13	19	47	93	109	72	353
BL	2	1	1	1	4	3	4	16
BS	3	17	17	10	19	29	54	149
FR	2		4	4	7	4	29	50
GE	39	126	78	140	137	164	120	804
GL				3	4	5	8	20
GR	1	1	2	8	8	10	14	44
JU	1				1	6	10	18
LU	2	2	9	4	16	19	31	83
NE		3	1	1	12	23	11	51
NW		1			1	1	1	4
OW						1	1	2
SG	7	5	11	8	18	29	18	96
SH		3		2		3	1	9
SO	2		1	4	7	20	12	46
SZ	3		2	1	4	2	5	17
TG	2	1	2	2	7	14	6	34
TI	11	20	37	48	62	72	143	393
UR					1			1
VD	7	6	7	8	19	29	28	104
VS	1		1	1	5	15	9	32
ZG	2	6	9	3	8	16	15	59
ZH	36	95	108	118	201	272	199	1029
Total	125	303	312	417	652	863	821	3493

If one compares the geographical location of the suspicious business activity since the Money Laundering Act came into force on 1 April 1998, the cantons with the most important financial centres are at the top of the list. Geneva, however, was ahead of Zurich in 1998, 1999 and 2001, although the latter's financial centre is larger than that of Geneva. If one considers the initial 81 months, more than half the reported business connections at the time of reporting took place in these two cantons.

2.3.4 Financial intermediaries according to category

What the graph represents

This graph illustrates which category of financial intermediary filed how many reports.

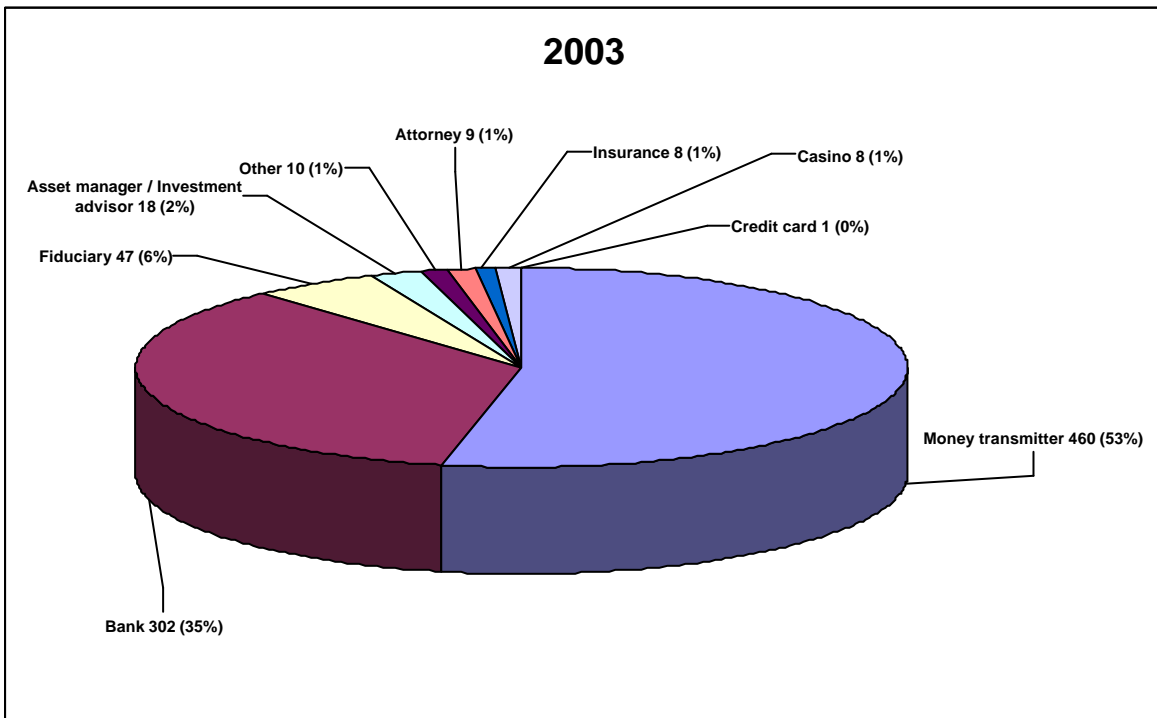
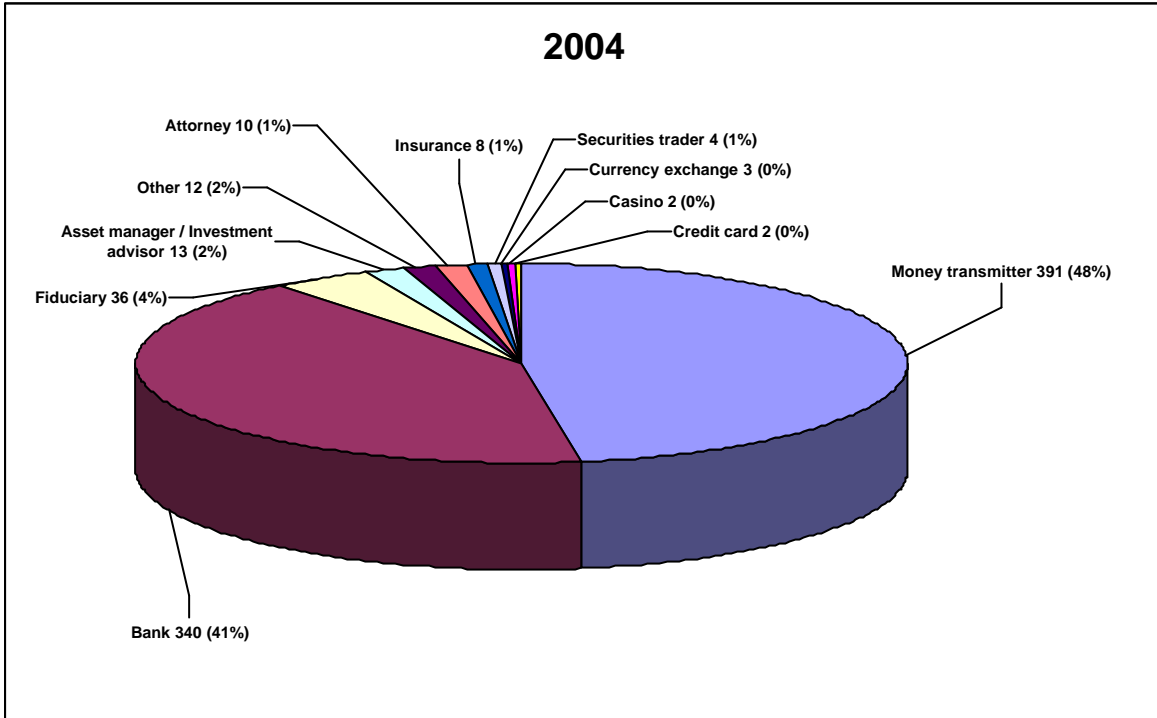
Graph analysis

On the one hand the number of reports from the *banking sector* has risen sharply, on the other hand there has been a decrease in reporting by the *money transmitter sector*.

Since the Money Laundering Act came into force, it has been the financial intermediaries from the money transmitter sector and not the banking sector that for the third consecutive year have submitted the most reports in any one reporting year, albeit the proportion was considerably less in 2004 with just less than 48% as opposed to over 53% in 2003. The decrease of 69 reports in this category can mainly be explained by the tighter criteria that clients have to fulfil in order to be able to use the money transmitting services offered by financial intermediaries. These tighter regulations were introduced by the financial intermediaries themselves in summer 2003, and certain requirements such as the existence of an established client relationship prior to offering money-transmitter services are basically positive because they improve the reputation of Switzerland as a financial centre. However, since not all financial intermediaries can or wish to apply the same restrictive practice, the question arises as to how effective such measures are.

As opposed to the category of international financial transactions, the number of reports from the banking sector increased in 2004 over the previous year both in relative and absolute terms. Expressed in absolute terms this means an increase of 38 reports to a total of 340. In relative terms somewhat more than 41% of the incoming reports came from this sector as opposed to 35% in 2003.

In the rest of the non-banking sector, excluding the important area of the money transmitters, the total number of reports only accounted for 11% compared with 23.7%, 15.2% and 11.7% respectively in the 2001, 2002 and 2003 reporting years. In view of their significance to Switzerland's financial centre, it is surprising that the percentage of reports submitted to MROS from the other financial intermediaries has continually declined in the last few years. One reason could be that these financial intermediaries have an agreement with the financial institutions that manage the account, that the latter be responsible for submitting reports to MROS concerning suspicious business activity.



For comparison: 1998 - 2004

Branch	1998	1999	2000	2001	2002	2003	2004	Total
Money transmitter	1	7	34	57	281	460	391	1231
Bank	104	265	230	261	272	302	340	1774
Fiduciary	5	6	18	28	47	47	36	187
Asset manager / Investment advisor	8	8	13	15	14	18	13	89
Other	1	3	3	28	12	10	12	69
Attorney	3	7	7	9	12	9	10	57
Insurance	1	5	2	6	9	8	8	39
Securities trader	1	1	1	4			4	11
Currency exchange			1	1	1		3	6
Casino			2	8	4	8	2	24
Credit card	1	1	1			1	2	6
Total	125	303	312	417	652	863	821	3493

If one compares the years 1998 to 2004 it is striking that, although the money transmitter sector has been dominant in the last three years in terms of volume, MROS still receives most reports – over 50% - from the banking sector. Eighty-six percent of the reports submitted to MROS in the last seven years have either come from the banking sector or the money transmitter sector. In third position are the fiduciaries with a total of 187 reports or 5.4% and in fourth place the asset managers/investment advisors with 89 reports or 2.5%.

2.3.5 Type of bank reporting

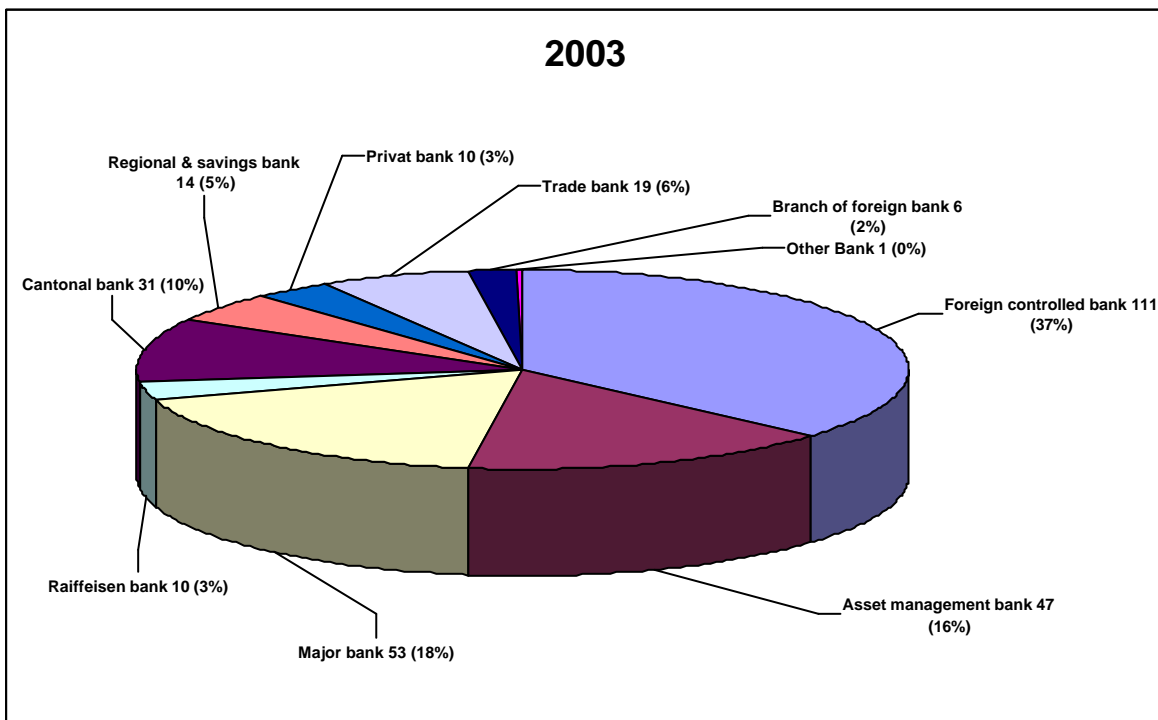
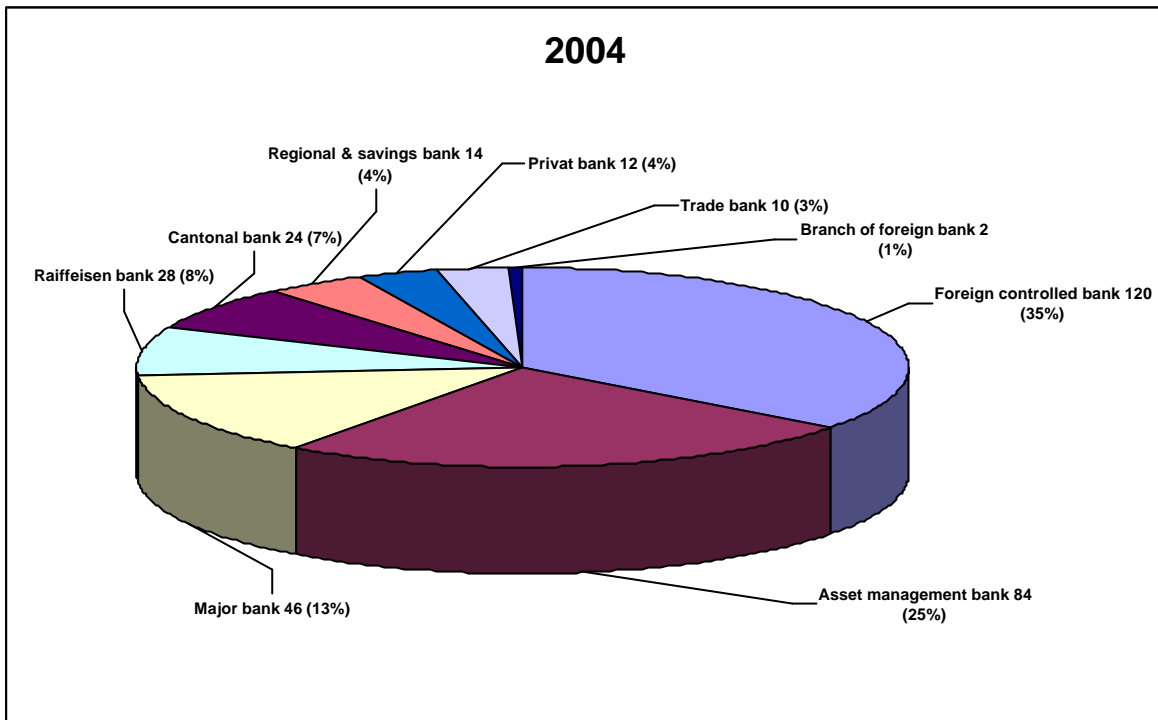
What the graph represents

This graph shows what type of bank submitted reports in 2003 and how many.

Graph analysis

Foreign controlled banks submit the most reports, asset management banks surpass the major banks.

In 2004 the financial institutions in the category *foreign controlled banks* submitted the most reports with a total of 120 or 35.3%, which is hardly surprising considering the size of this group. In second place were the asset management banks with 24.7%, followed by the major banks with 13.5%. Reports from the Raiffeisen banks accounted for 8.2% of all reports submitted by this category. In total the banks submitted 340 reports (41%) in 2004.



For comparison: 1998 - 2004

Type of bank	1998	1999	2000	2001	2002	2003	2004	Total
Foreign controlled bank	44	98	80	107	88	111	120	648
Asset management bank	14	65	33	39	68	47	84	350
Major bank	21	56	76	57	56	53	46	365
Raiffeisen bank	4	8	5	11	12	10	28	78
Cantonal bank	12	20	19	18	22	31	24	146
Regional & savings bank	4	4	1	1	13	14	14	51
Private bank			3	4	1	10	12	30
Trade bank	3	11	11	15	5	19	10	74
Branch of foreign bank	2	3	2	4	5	6	2	24
Other bank				5	2	1		8
Total	104	265	230	261	272	302	340	1774

If one compares the last seven years the picture remains virtually the same in the 2004 reporting year. The only difference is in the position of the major banks and the cantonal banks, which, as in 2003, come out ahead of the asset management banks in second place and the Raiffeisen banks in fourth place.

2.3.6 Factors arousing suspicion

What the graph represents

This graph shows what suspicions prompted a financial intermediary to file a report.

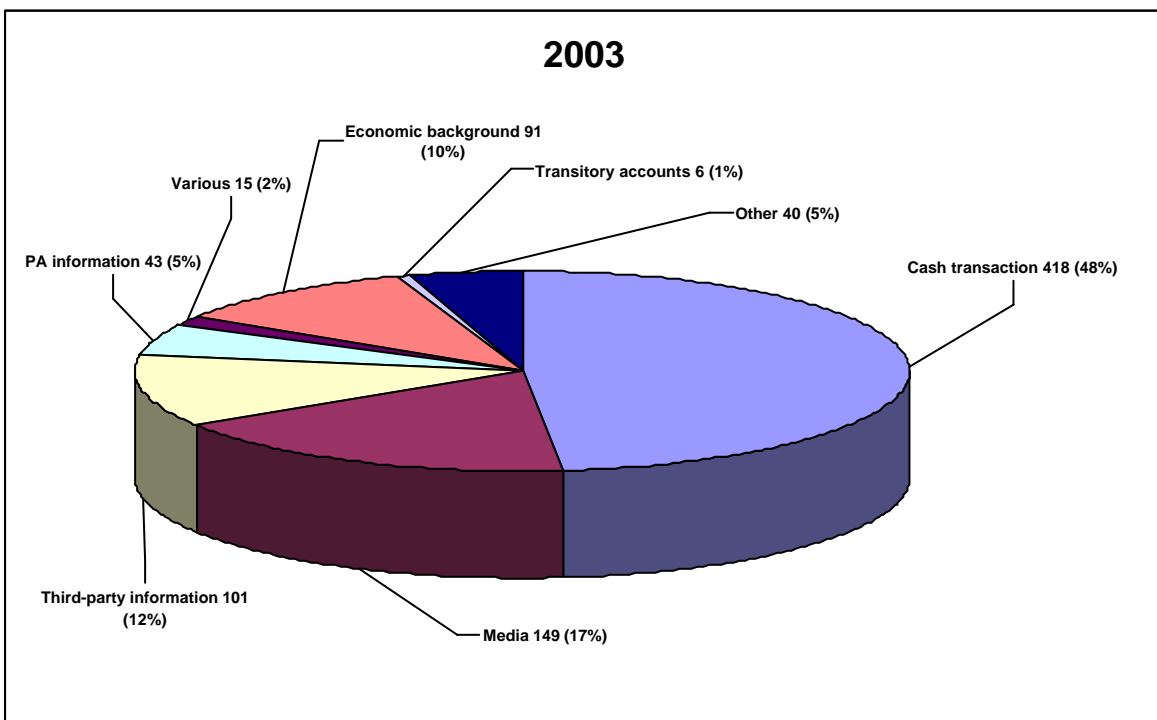
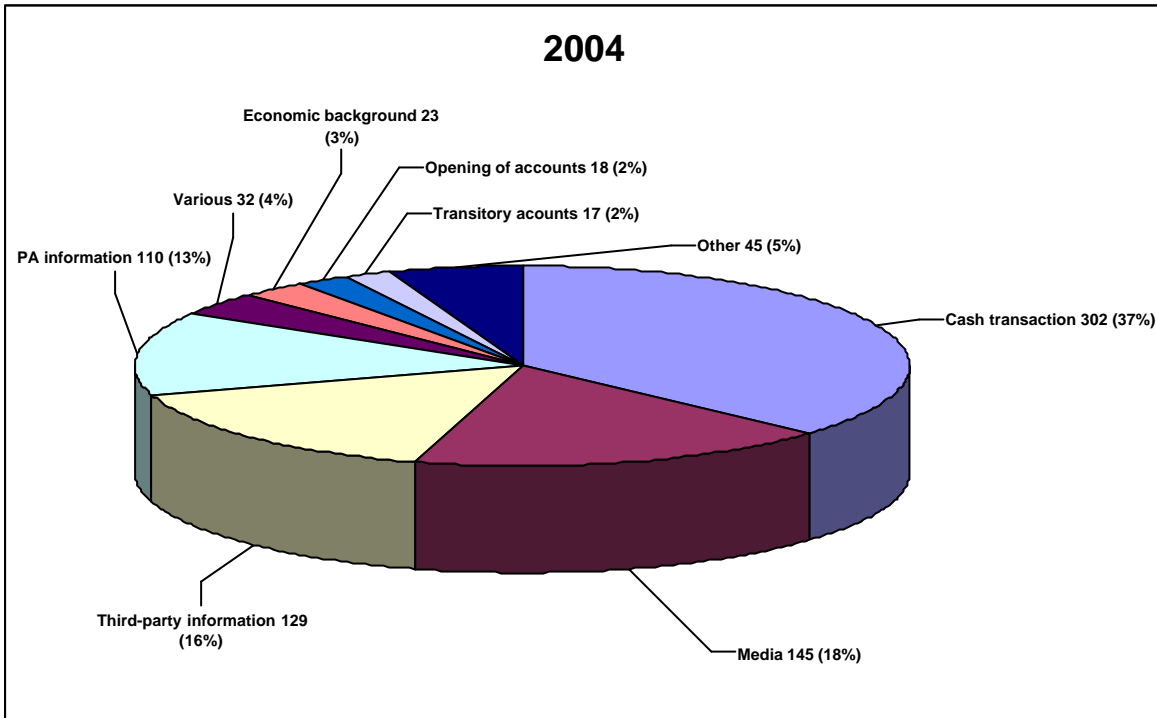
Graph analysis

Financial intermediaries are making a critical analysis of their business relations, often prompted by outside information.

Despite the fall in the number of reports from the money transmitter sector, suspicious cash transactions were once again at the top of the list in 2004, albeit with a smaller margin.

Legend

Economic background	The economic background of a transaction is either unclear or cannot be satisfactorily explained by the customer.
PA information	Law enforcement agencies 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 check transactions, forgery, high-risk countries, currency exchange, securities, smurfing, life insurance, non-cash cashier transactions, fiduciary transactions, loan transactions, precious metals and various.



If one compares 2004 with the previous year, there has basically been no major change in the first six categories although the individual quotas may have been subject to some fluctuation.

For comparison: 1998 - 2004

Factors	1998	1999	2000	2001	2002	2003	2004	Total
Cash transaction	5	7	6	17	207	418	302	962
Media	23	108	71	116	118	149	145	730
Third-party information	18	32	47	127	95	101	129	549
PA information	17	59	43	43	63	43	110	378
Various	2	8	3	12	13	15	32	85
Economic background	13	59	97	60	99	91	23	442
Opening of account	5		1	1			18	25
Transitory account	8	9	5	2		6	17	47
Forgery	13	8	8	9	11	7	11	67
Check transaction	4	5	11	7	13	8	8	56
Internal Information	5	5	1	3		5	6	25
Securities	2		14	6	7	3	5	37
Precious metals	1					1	3	5
Currency exchange	2	1	3	4	7	8	3	28
Loan transaction			1	3		2	3	9
Difficult countries	6	1	1	1	10	2	3	24
Life insurance	1	1		1	1	2	1	7
Smurfing				4	6		1	11
Non-cash cashier transaction					1	1	1	3
Fiduciary transaction				1	1	1		3
Total	125	303	312	417	652	863	821	3493

If one compares the total figures, it is particularly noticeable that the category *economic background* is in fourth place as opposed to the last two reporting years⁸.

⁸ This statistic is based on an individual analysis by MROS of the facts reported by the financial intermediary.

2.3.7 Nature of predicate offence

What the graph represents

This graph shows what predicate offence was suspected when MROS passed on a report to law enforcement agencies.

It should be noted that the classification is based solely on the findings of the financial intermediary and MROS. Once a report is passed on to a law enforcement agency and proceedings are initiated, the predicate offence is then given a definite label.

The category *not classifiable* includes cases in which a variety of possible predicate offences are suspected. The heading *no suspicion* includes those cases to which no obvious predicate offence can be attributed, although the analysis of the transaction or of the economic background cannot exclude the criminal origin of the money.

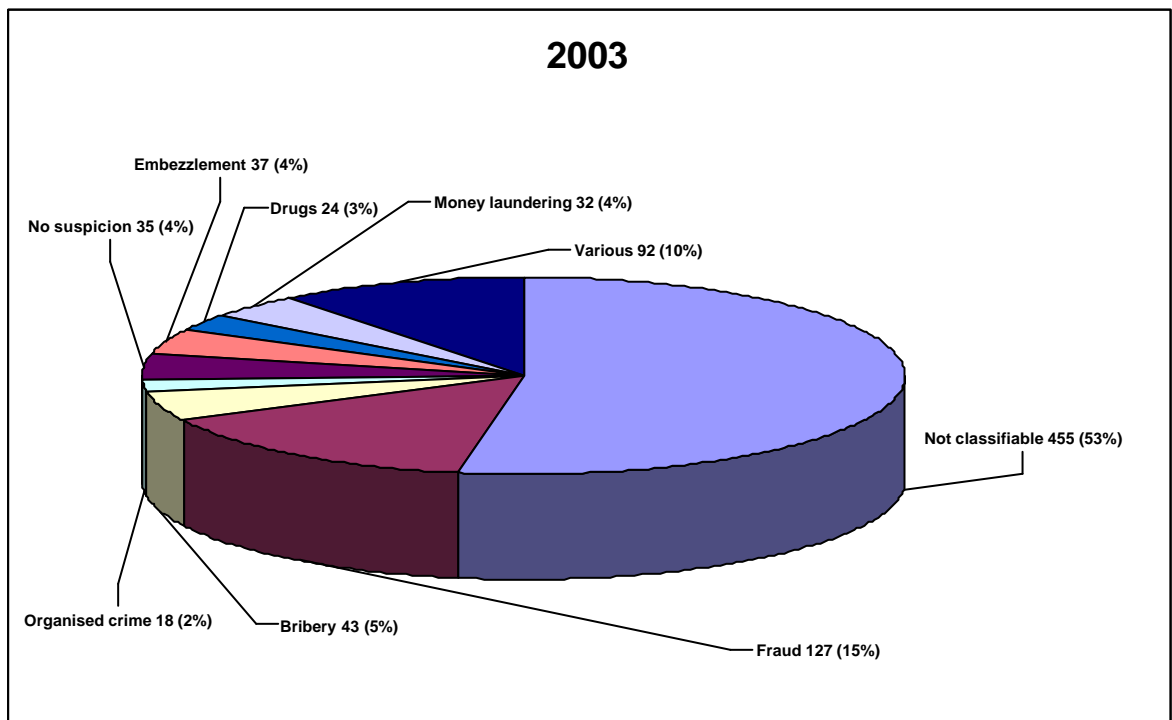
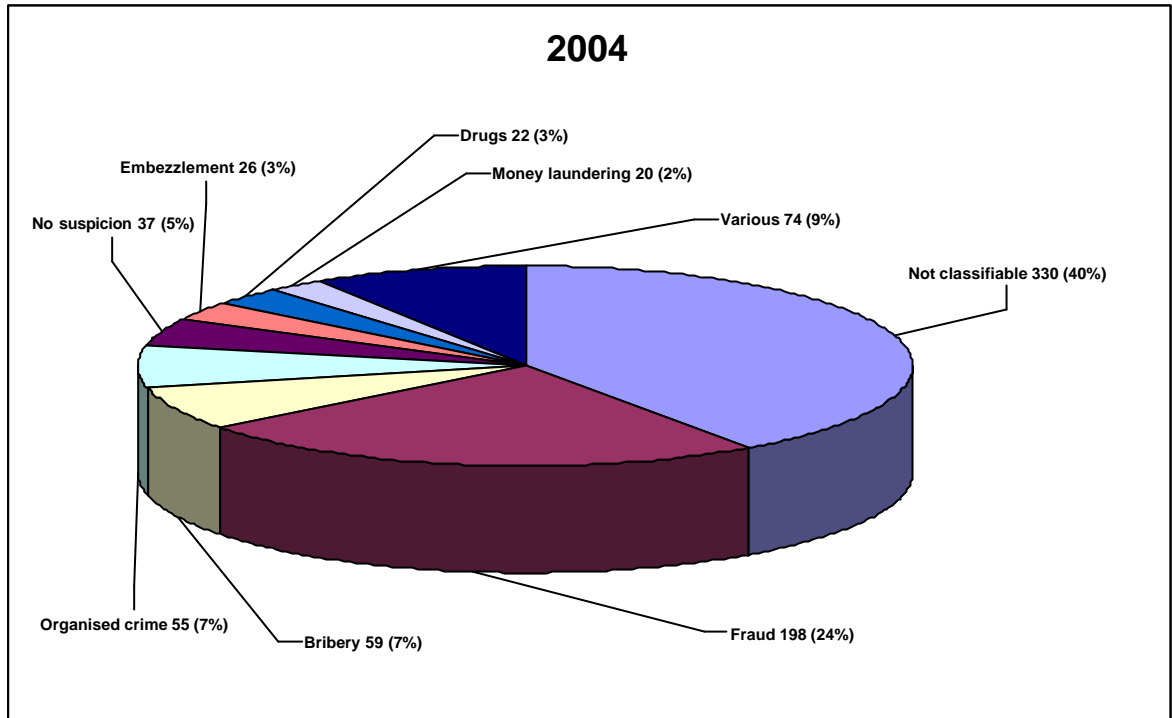
Graph analysis

Considerable increase in fraud; significantly more cases involving organised crime.

Of those cases reported to MROS in 2004 that could be classified under a predicate offence, there was a considerable increase over the previous year in cases involving *fraud* (from 127 to 198 cases) and *organised crime* (from 18 to 55 cases), as well as a significant decrease in the number of cases that could *not be classified* (from 455 to 330). The latter is a direct consequence of the fall in the number of reports from the money transmitter sector where, according to the client profile or the recipient country, transactions in themselves are classified as being suspicious even though a predicate offence can not clearly be identified. There was an increase from 43 to 59 cases in the category *bribery* and from 35 to 37 cases in the category *no suspicion*. There was a decrease in the number of reports in the categories *embezzlement* (from 37 to 26 cases), *drug offences* (from 24 to 22 cases) and in cases involving money laundering (from 32 to 20 cases).

Media reports or appropriate information from the law enforcement agencies to the financial intermediary were the main reasons for reports being submitted under the category *criminal organisation*.

In 11 of the 821 cases reported to MROS in 2004, terrorist funding is assumed to be the predicate offence; in other words, in one case out of every 74.



For comparison: 1998 - 2004

Category	1998	1999	2000	2001	2002	2003	2004	Total
Not classifiable	14	16	8	36	220	455	330	1079
Fraud	27	49	113	74	137	127	198	725
Bribery	3	7	14	42	22	43	59	190
Organised crime	1	11	3	19	43	18	55	150
No suspicion	26	77	42	6	32	35	37	255
Embezzlement	3	40	18	33	45	37	26	202
Drugs	11	8	13	19	36	24	22	133
Money laundering	12	62	43	26	39	32	20	234
Other crimes against property	10	3	19	25	7	7	14	85
Forgery	8	14	4	4	11	24	14	79
Terrorism				95	15	5	11	126
Other crimes	2	6	18	11	18	5	9	69
Theft	3	6	1	4	8	17	6	45
Arms dealings			6	8	4	9	6	33
Dishonest business management	3	1	1	5	5	14	4	33
Blackmail	1	1		2	1	2	3	10
Sexual crimes			5	2	2	2	3	14
Violent crime		2	3	2	5	2	2	16
Robbery			1	3		2	2	8
Counterfeiting	1			1	2	3		7
Total	125	303	312	417	652	863	821	3493

If one compares the various predicate offences from 1998 to 2004, the category *not classifiable* is at the top of the list, followed by *fraud* in second place and *no suspicion* in third place. It goes without saying that the category *money laundering* – in fourth place - should lie ahead of *embezzlement* and *organised crime*.

2.3.8 Domicile of clients

What the graph represents

This graph shows the domiciles of the corporations or individuals who were customers of the financial intermediary.

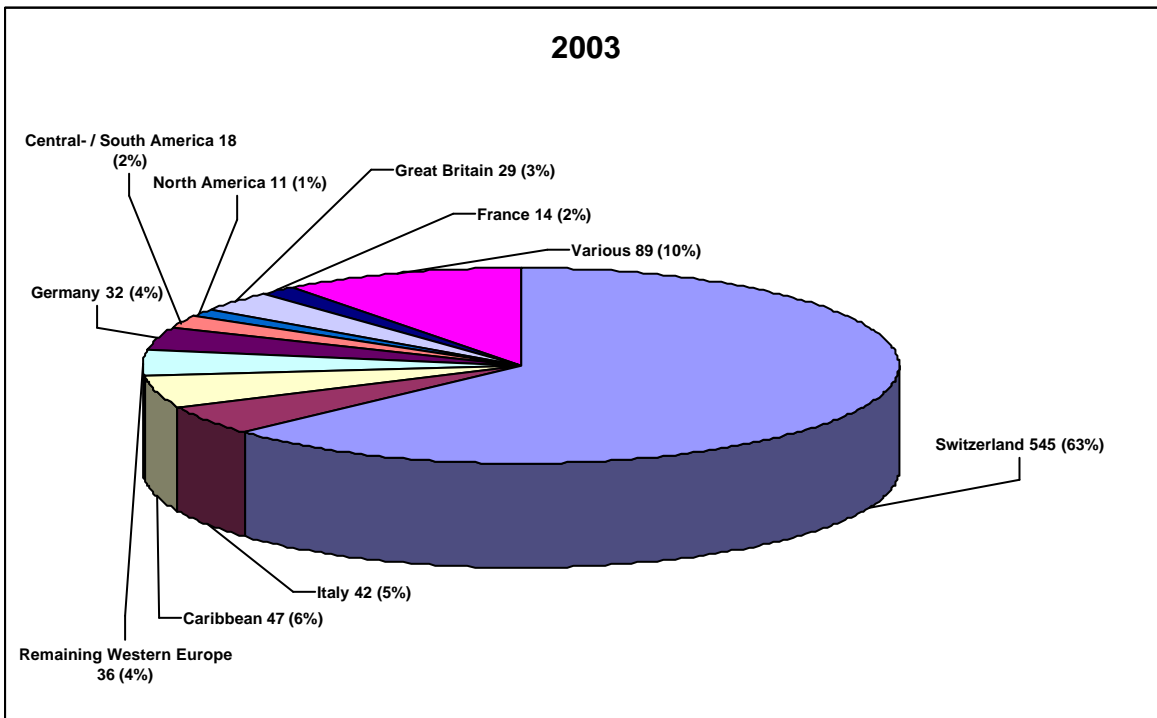
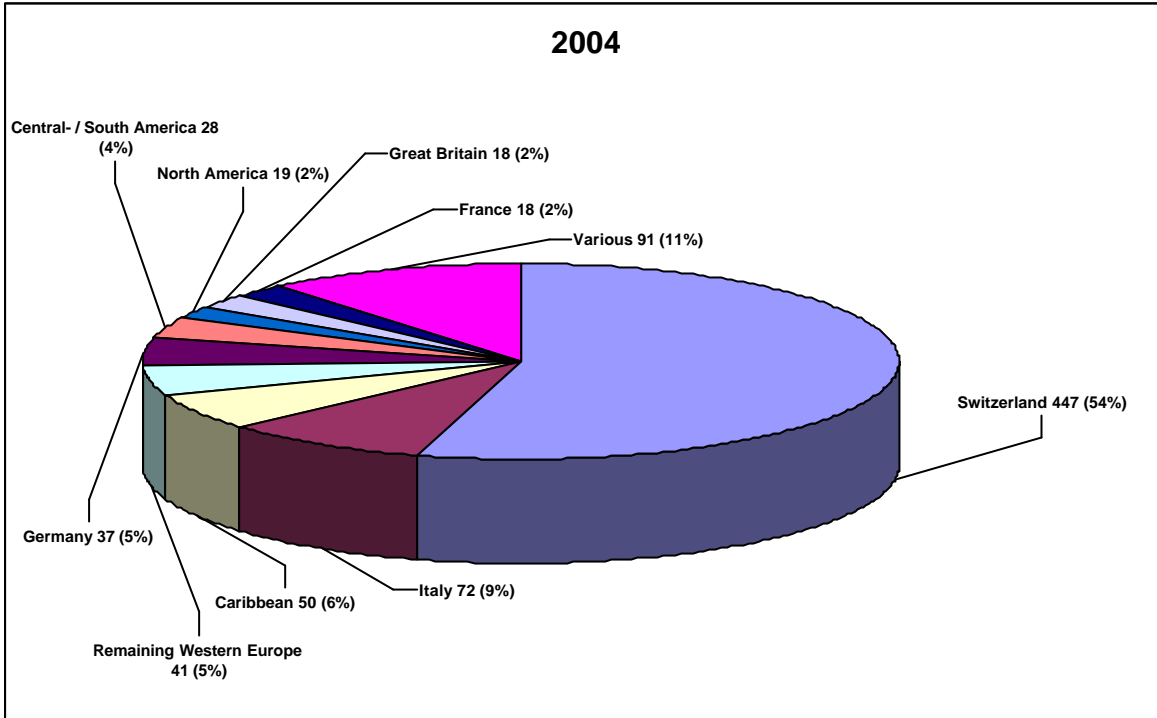
Graph analysis

Decrease in the number of clients domiciled in Switzerland: Increase in the number of clients domiciled in Italy.

In 2004, 447 or 54% of the reports filed involved clients who at the time of the report were domiciled in Switzerland. This represents a decrease of 98 over 2003. This is certainly not only attributable to the overall decline (-42) in the number of reports over the previous year. In connection with incidents reported in the media, there was also a marked increase from 42 to 72 (+71%) over 2003 in the number of reports involving clients domiciled in Italy, which puts this category in second place in the table. What is surprising is that clients domiciled in the Caribbean lie in third place, which can mainly be explained by the large number of companies in this small region that act as a contracting party to Swiss financial intermediaries.

Legend

Remaining Western Europe	Austria, Andorra, Belgium, Spain, Liechtenstein, Greece, Luxemburg, Malta, Monaco, Holland, Portugal, San Marino, Vatican, Gibraltar
Various	Africa, Eastern Europe, Middle East, C.I.S., Asia, Australia/Oceania, Scandinavia and unknown



For comparison: 2003 - 2004

Domicile of client	2003	2004	Total
Switzerland	545	447	992
Italy	42	72	114
Caribbean	47	50	97
Remaining Western Europe	36	41	77
Germany	32	37	69
Central and South America	18	28	46
North America	11	19	30
Great Britain	29	18	47
France	14	18	32
Africa	24	18	42
Eastern Europe	11	17	28
Middle East	19	16	35
C.I.S.	9	15	24
Asia	11	12	23
Australia/Oceania	5	7	12
Scandinavia	4	5	9
unknown	6	1	7
Total	863	821	1684

If one compares the overall figures, there has been no change in the first three positions in the current reporting period.

2.3.9 Nationality of clients

What the graph represents

This graph shows the nationality of individuals who were clients of the financial intermediary. In the case of corporations, domicile and nationality are the same.

Graph analysis

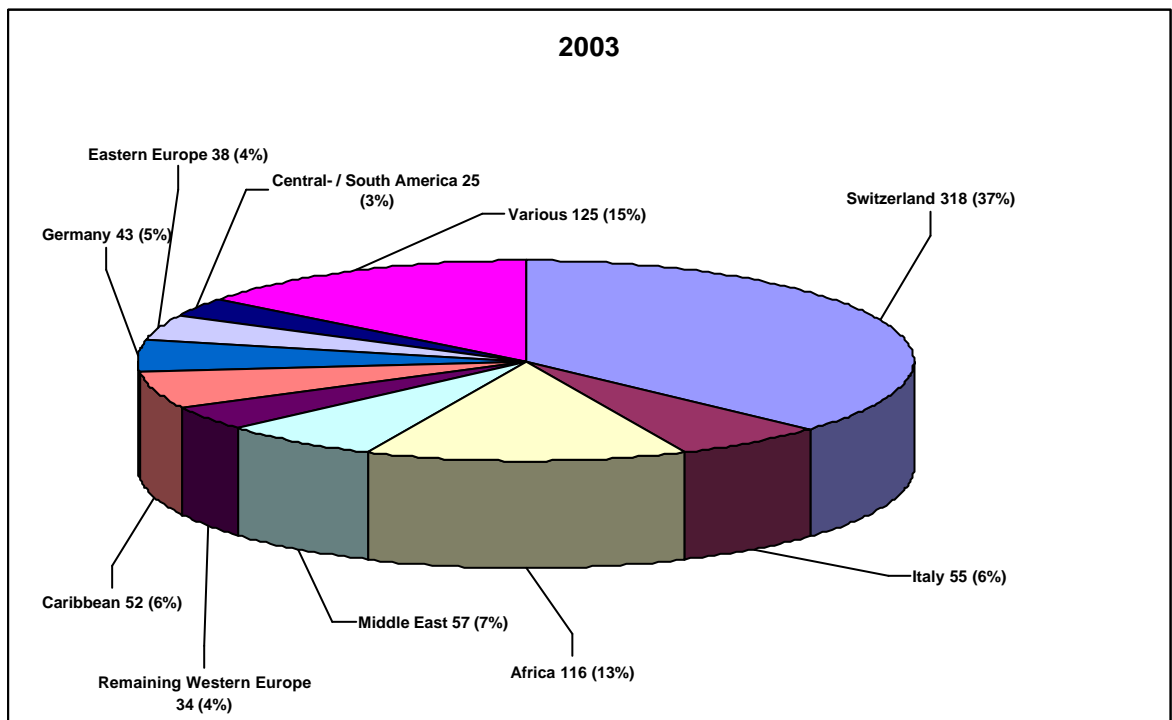
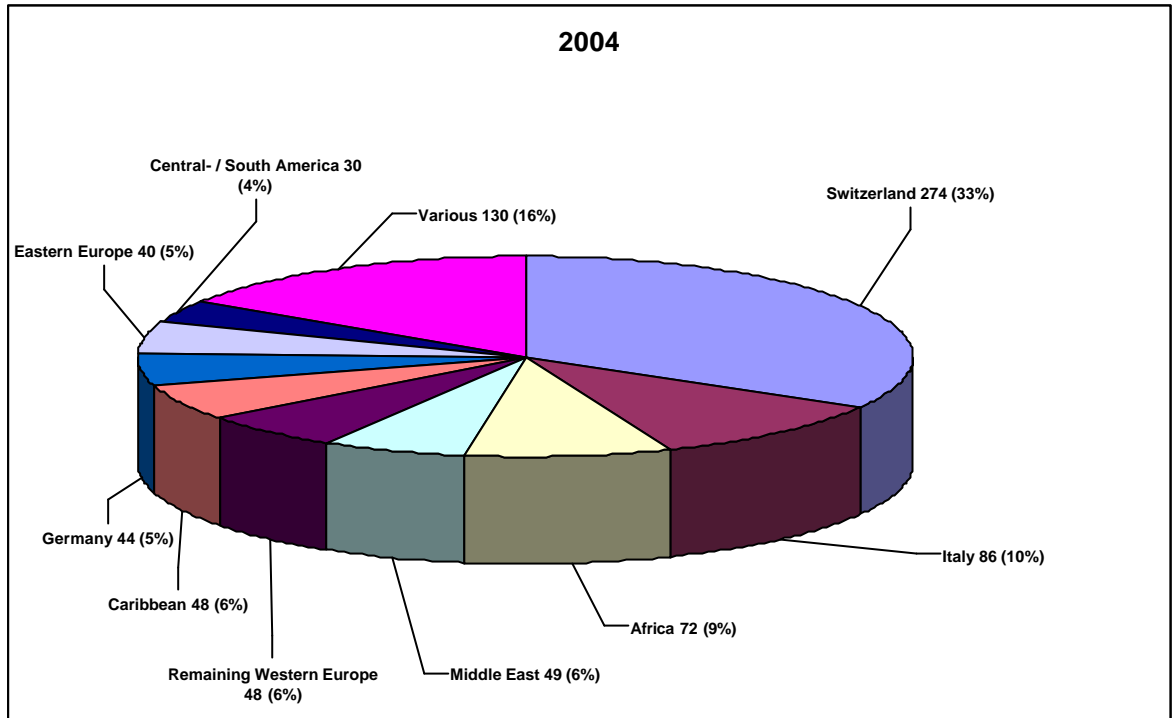
Increase in cases involving clients of foreign nationality.

Clients of Swiss nationality or companies with headquarters in Switzerland were once again at the top of the table in 2004, although in relative terms this category has become smaller with 33%. In second place with an increase to 10% are Italian nationals or companies domiciled in Italy. Despite a considerable decrease over 2003, it is striking that cases involving African nationals should be in third place. If one considers the overall figures for 2003 and 2004, this category even lies in second place with a share of 11% of the reports, behind the category involving Swiss nationals and ahead of those cases involving Italians.

Nearly two-thirds of the clients mentioned in the reports in 2004 are from Europe, although the nationality of clients from CIS countries considered to belong to Europe has not been taken into consideration.

Legend

Remaining Western Europe	Austria, Andorra, Belgium, Spain, Liechtenstein, Greece, Luxemburg, Malta, Monaco, Holland, Portugal, San Marino, Vatican, Gibraltar
Various	Africa, Eastern Europe, Middle East, C.I.S., Asia, Australia/Oceania, Scandinavia and unknown



For comparison: 2003 - 2004

Nationality	2003	2004	Total
Switzerland	318	274	592
Italy	55	86	141
Africa	116	72	188
Middle East	57	49	106
Remaining Western Europe	34	48	82
Caribbean	52	48	100
Germany	43	44	87
Eastern Europe	38	40	78
Central and South America	25	30	55
Asia	18	24	42
North America	21	23	44
C.I.S.	20	23	43
Great Britain	33	22	55
France	15	19	34
Australia/Oceania	6	9	15
Scandinavia	9	8	17
unknown	3	2	5
Total	863	821	1684

If one compares 2003 and 2004, the decline from 116 to 72 in the number of reports involving African clients is striking. This decrease is probably due primarily to the fall in the number of reports from the money transmitter sector. It is exactly this group of persons that use the services of the money transmitter sector proportionally more often than other groups of nationals, which is why they are registered as clients and reported more often.

2.3.10 Domicile of beneficial owners

What the graph represents

This graph shows the domicile of the individuals or corporations that were identified as beneficial owners of assets when the report was filed.

Graph analysis

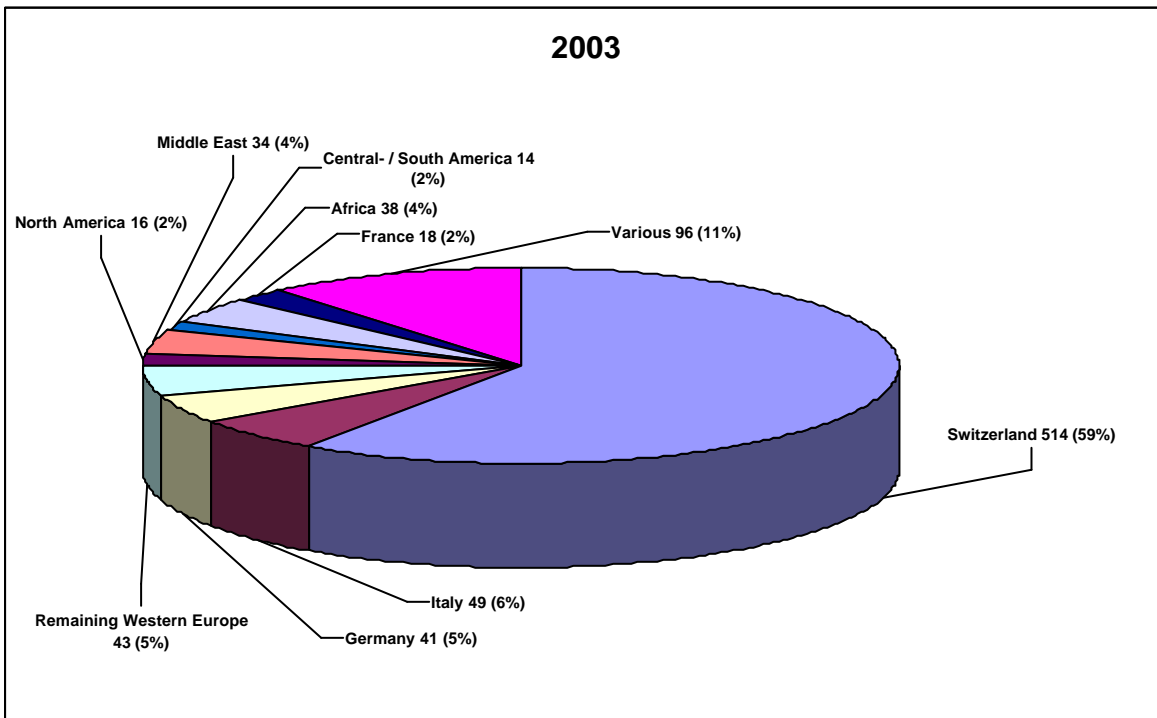
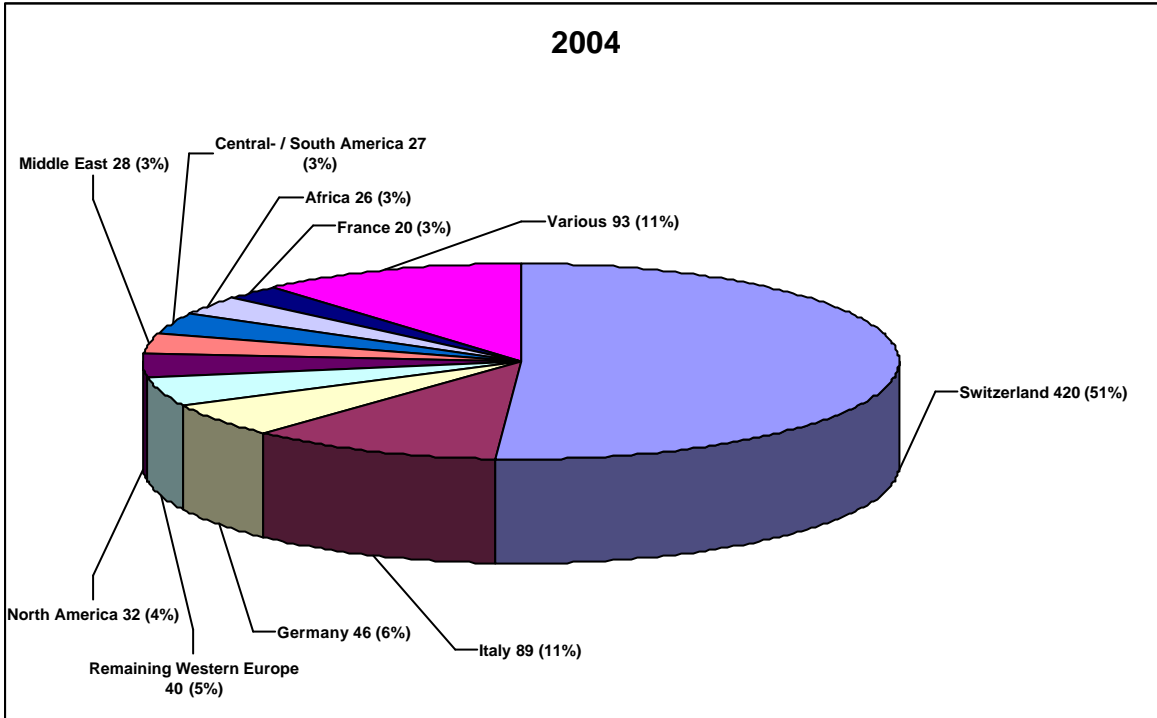
Decrease in the number of cases involving beneficial owners domiciled in Switzerland:
Increase in reports involving beneficial owners from Italy.

Just over 80% of the reports submitted to MROS in 2004 involved beneficial owners domiciled in Europe (not taking into account some of the CIS countries that belong to Europe). This represents a slight decrease over 2003 when 83% of the reports involved individuals in this category.

As in the previous statistics concerning *Domicile of clients (2.3.8)*, Swiss nationals once again constituted the biggest category of beneficial owners with a share of just over 51%. This is a considerable decrease over 2003, when just less than 60% of the reports involved beneficial owners from Switzerland. This can be explained again by the decline in the number of reports from the money transmitter sector, whose services are mostly used by persons domiciled in Switzerland who it may be assumed are the beneficial owners of the assets that are transferred.

Legend

Remaining Western Europe	Austria, Andorra, Belgium, Spain, Liechtenstein, Greece, Luxemburg, Malta, Monaco, Holland, Portugal, San Marino, Vatican, Gibraltar
Various	Africa, Eastern Europe, Middle East, C.I.S., Asia, Australia/Oceania, Scandinavia and unknown



For comparison: 2003 - 2004

Domicile beneficial owner	2003	2004	Total
Switzerland	514	420	934
Italy	49	89	138
Germany	41	46	87
Remaining Western Europe	43	40	83
North America	16	32	48
Middle East	34	28	62
Central and South America	14	27	41
Africa	38	26	64
France	18	20	38
Eastern Europe	15	20	35
Great Britain	31	19	50
C.I.S.	13	18	31
Asia	14	14	28
Australia/Oceania	6	9	15
Caribbean	4	7	11
Scandinavia	5	5	10
unknown	8	1	9
Total	863	821	1684

If one compares the last two reporting periods it is evident that the number of reports involving beneficial owners domiciled in Italy has increase from 49 in 2003 to 89 in 2004. This may be due to the numerous media reports recently on economic scandals in Italy, which have prompted financial intermediaries to investigate their business relationship with the people involved and in some cases submit a report to MROS based on their findings.

2.3.11 Nationality of beneficial owners

What the graph represents

This graph shows the nationality of those individuals who were identified as beneficial owners of assets when the report was submitted. With corporations, nationality is the same as domicile. Frequently, however, it is only during the investigations by the law enforcement agencies that the actual beneficial owners and their nationality are identified.

Graph analysis

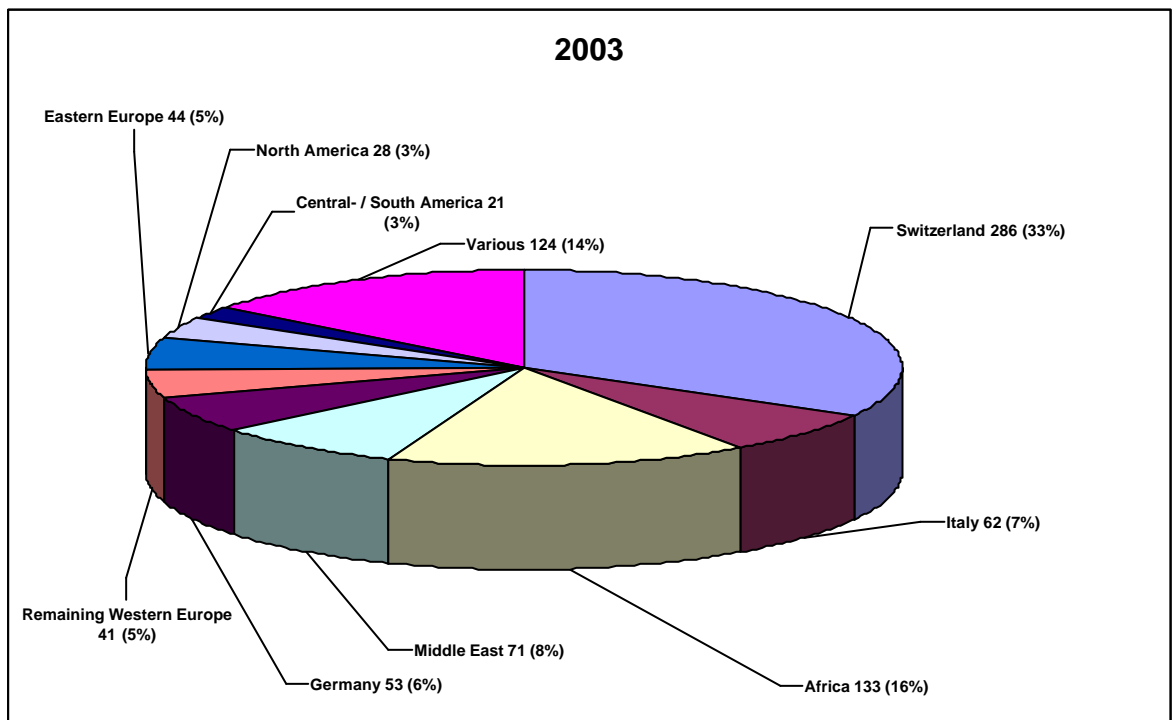
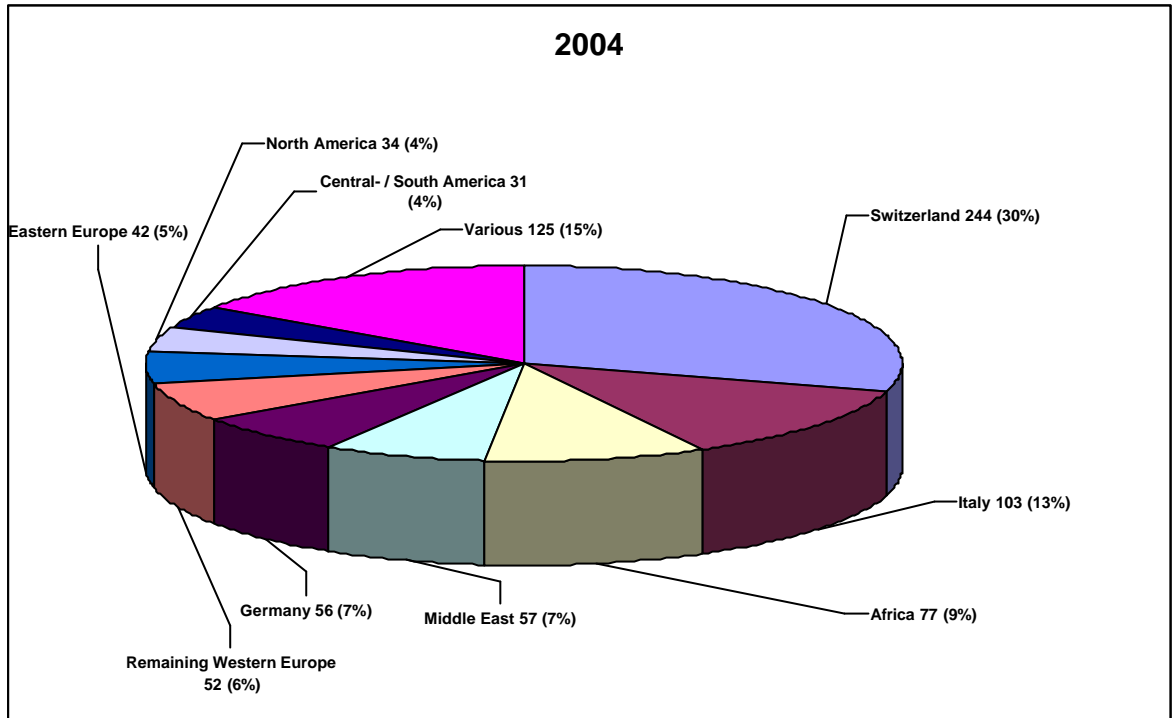
Decrease in the number of Swiss and African beneficial owners.

European beneficial owners (not including nationals from some of the CIS countries belonging to Europe) continued to dominate this category in 2004, constituting over two-thirds of the reports. Swiss nationals once again head this group with 30%, followed by Italians with a share of just less than 13%.

Nine percent of the beneficial owners are of African nationality. This can be explained mainly by the number of reports from financial intermediaries in the money transmitter sector of transactions on behalf of African asylum-seekers that were either carried out or refused. Together with the decline for the first time in the absolute number of reports concerning beneficial owners in this category, there has also been a relative decrease of nearly 50%.

Legend

Remaining Western Europe	Austria, Andorra, Belgium, Spain, Liechtenstein, Greece, Luxemburg, Malta, Monaco, Holland, Portugal, San Marino, Vatican, Gibraltar
Various	Africa, Eastern Europe, Middle East, C.I.S., Asia, Australia/Oceania, Scandinavia and unknown



For comparison: 2003 - 2004

Nationality economic beneficiary	2003	2004	Total
Switzerland	286	244	530
Italy	62	103	165
Africa	133	77	210
Middle East	71	57	128
Germany	53	56	109
Remaining Western Europe	41	52	93
Eastern Europe	44	42	86
North America	28	34	62
Central and South America	21	31	52
C.I.S.	23	30	53
Asia	20	27	47
France	20	23	43
Great Britain	32	17	49
Australia/Oceania	7	15	22
Scandinavia	10	8	18
Caribbean	9	3	12
unknown	3	2	5
Total	863	821	1684

If one compares the nationality of beneficial owners in 2003 and 2004, there is no major or inexplicable difference between the two periods. What is most striking is the increase in the number of Italian and decrease in the number of African beneficial owners. With regard to the increase in Italian beneficial owners, chapter 2.3.10 *Domicile of beneficial owners* should be consulted, since country of domicile and nationality are identical in most of the cases reported.

2.3.12 Law enforcement agencies

What the graph represents

This graph shows to which law enforcement agency MROS passed on its reports. The general regulations on the court of jurisdiction and Article 340bis of the Swiss Criminal Code (SCC) determine which federal agency is responsible.

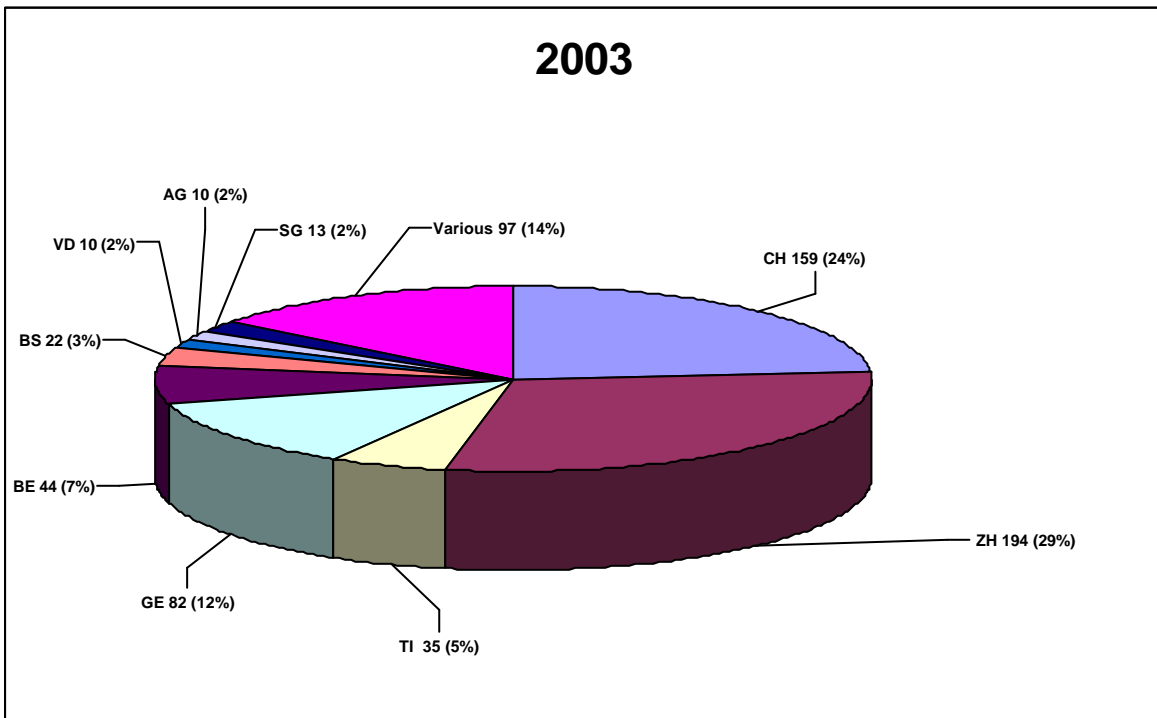
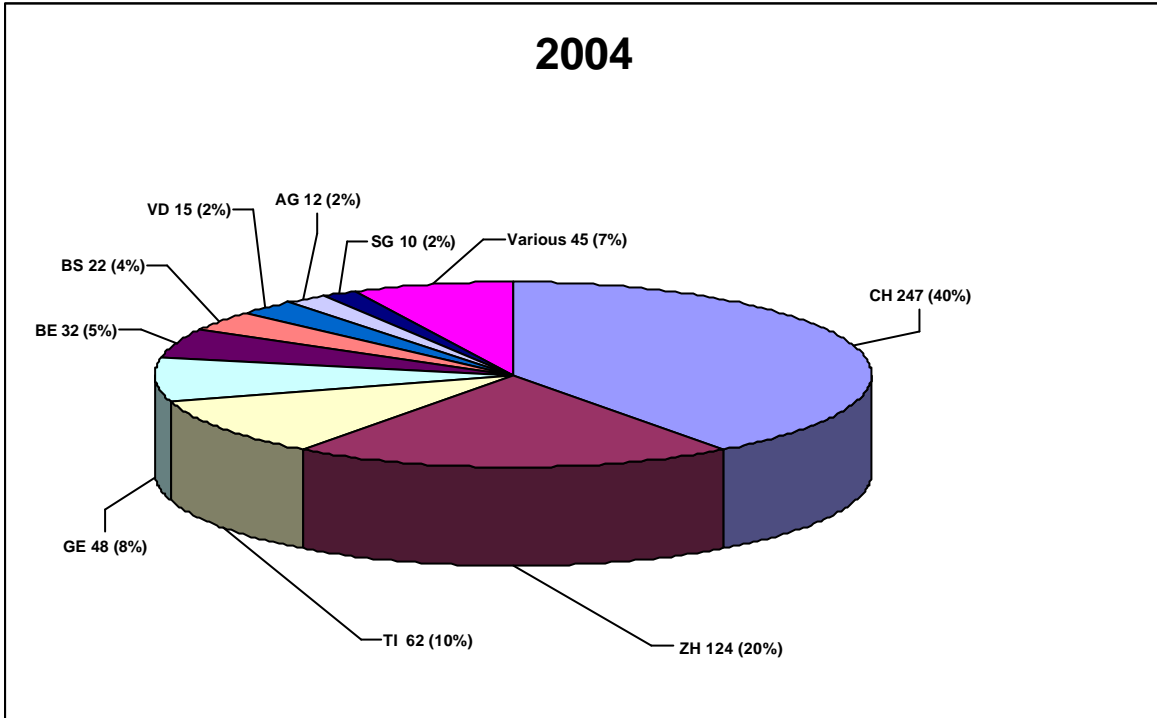
Graph analysis

Relief for the law enforcement agencies in the cantons of Zurich and Geneva; More cases for the federal prosecutors and the law enforcement agencies of canton Ticino.

Under Article 340^{bis} SCC the Office of the Attorney General of Switzerland and the Federal Examining Magistrates' Office are responsible for prosecuting cases involving terrorist funding, money laundering, corruption and international organised crime, or cases where the offence in Switzerland involves several cantons. In 2003, MROS passed on 159 or 24% of all reports to the Attorney General's Office. Last year the figure increased to 247 or 40%, despite a decrease in the overall number of incoming reports, some of which, however, were spectacular. The District Attorney General of canton Zurich had fewer cases to deal with last year; 124 or 20% as opposed to 194 or 29% in 2003. As in 2003 and 2002, canton Geneva also received fewer cases with just less than 8%. The law enforcement agencies of the cantons of Appenzell Inner Rhoden and Ausser Rhoden, Jura, Schaffhausen, Thurgau and Uri handled no reports last year.

Of the 821 reports received by MROS in 2004, 617 or approximately 75% were forwarded to the law enforcement agencies.

These figures do not reveal any clear tendencies because some cases that would normally have fallen within federal jurisdiction were transferred to the cantons where proceedings in connection with the same offence were pending. The number of reports from the money transmitter sector also influenced these statistics. These cases are not usually complex and, therefore, fall under cantonal jurisdiction.



Legend

AG	Aargau	GL	Glarus	SO	Solothurn
AI	Appenzell Inner Rhoden	GR	Graubünden	SZ	Schwyz
AR	Appenzell Ausser Rhoden	JU	Jura	TG	Thurgau
BE	Bern	LU	Lucerne	TI	Ticino
BL	Basel-Land	NE	Neuchatel	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

For comparison: 1998 - 2004

Canton	1998	1999	2000	2001	2002	2003	2004	Total
AG	4		1	3	2	10	12	32
AI								0
AR								0
BE	1	6	15	15	39	44	32	152
BL	2	1			5	4	2	14
BS		5	12	7	8	22	22	76
CH	2	7	3	97	169	159	247	684
FR	1	1	1		4	2	2	11
GE	21	110	75	113	98	82	48	547
GL					3	1	1	5
GR	1			3	7	6	1	18
JU	1					3		4
LU	1	2	7	2	9	8	5	34
NE			1	1	6	19	8	35
NW			3			3	2	8
OW						2	1	3
SG	1	5	4	2	8	13	10	43
SH		3		2		2		7
SO	1	1		4	7	19	7	39
SZ	2		2	3	6	2	5	20
TG	1	1	3	5	5	3		18
TI	19	9	32	24	20	35	62	201
UR				1	1			2
VD	1	3	4	11	7	10	15	51
VS	1			1	3	13	3	21
ZG	1	1	10	3	2	10	8	35
ZH	21	45	70	83	111	194	124	648
Total	82	200	243	380	520	666	617	2708

If one considers all the cases forwarded to the law enforcement agencies in the last seven years, MROS has passed on the majority of them to the Attorney General's Office (684 cases or just under 25%), to the District Attorney General of canton Zurich (648 cases or just under 24%), and to the law enforcement agencies of canton Geneva (547 cases or 20%). These figures constitute about 70% of the total number of reports forwarded up to now. It is to be noted that these statistics are per 31.12.2004 and may fluctuate slightly if proceedings are merged or passed on to other law enforcement agencies.

2.3.13 Status of reports forwarded to the law enforcement agencies

What the graph represents

This graph shows the current status of the reports that were forwarded to the federal and cantonal law enforcement agencies. It is to be noted that statistics regarding the Attorney General's Office have only been kept since January 2002 when the federal government was given jurisdiction over organised and economic crime under Article 340^{bis} of the Swiss Criminal Code (the so-called Efficiency Bill).

Graph analysis

Approximately 52% of the reports forwarded to the cantonal law enforcement agencies and the Attorney General's Office since 1 April 1998 are still under investigation.

Under Article 1 par. 2 lit. c of the Ordinance on the Money Laundering Reporting Office MROS is responsible for deciding which reports should be forwarded to the federal and cantonal law enforcement agencies.

This reporting year is the first time since MROS was established that detailed statistics are available showing the decisions made by the law enforcement agencies and the number of cases still pending.

Between 1 April 1998 and 31 December 2004 a total of 2,708 reports were forwarded to the law enforcement agencies. As of the end of 2004, the following verdicts had been delivered in 1,311 or 48.4% of cases:

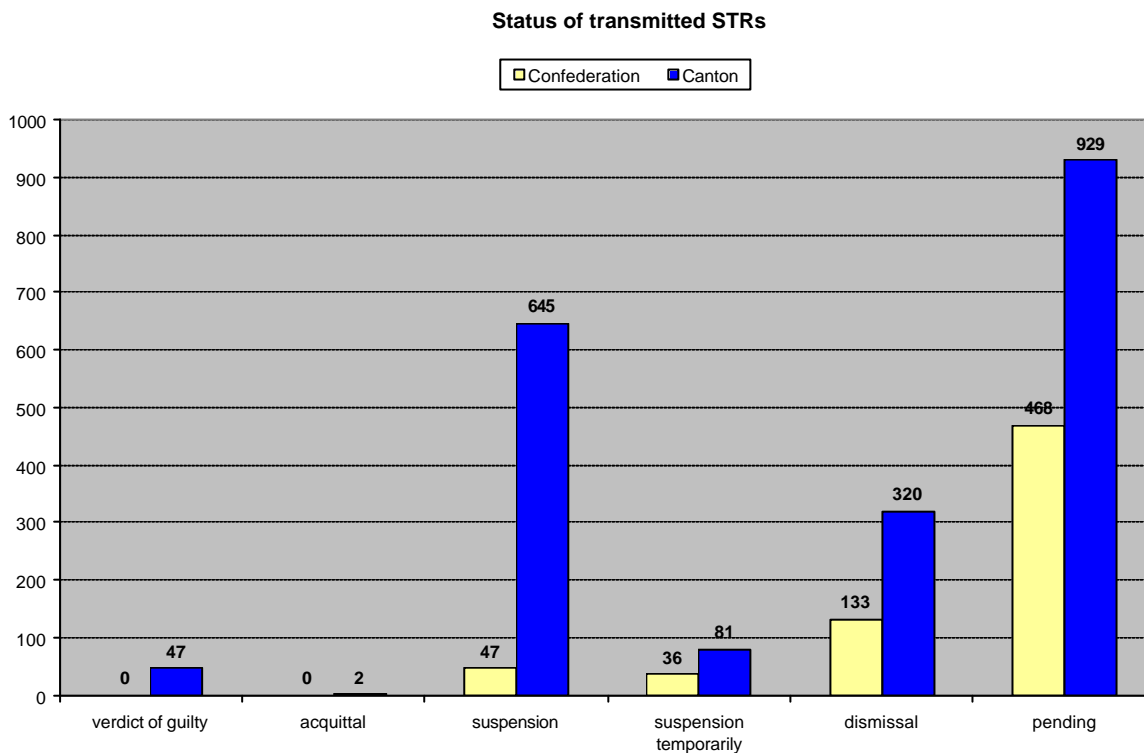
- In 49 cases there was a conviction.
- In 692 cases proceedings were initiated but the case was later dropped as a result of the findings of the criminal investigations.
- In 453 cases no criminal proceedings were instigated following the preliminary investigations. This concerned mainly cases in connection with reports from the money transmitter sector.
- In 117 cases legal proceedings in Switzerland were suspended or dropped because proceedings in the same matter were underway in another country.

About half of the reports (1,397 or 51.6%) that were forwarded to the law enforcement agencies are still pending. There are various reasons for this, and one should not jump to any conclusions:

- Cases concerning money laundering and terrorist funding often have an international facet, which makes investigations lengthy and more difficult.
- Requests for international legal assistance in connection with such cases are often complex and time-consuming.

- The statistics on pending cases almost certainly also include cases that led to a conviction but not under Art. 260^{ter} Ziff. 1 (criminal organisations), Art. 305^{bis} (money laundering) or Art. 305^{ter} (lack of due diligence) of the Swiss Criminal Code and, therefore, not reported to MROS under Art. 29 par. 2 of the Money Laundering Act.

It is also to be assumed that, in violation of Art. 29 par.2 of the Money Laundering Act, MROS was not informed of some cases⁹.



⁹ See Chapter 5.2. of the 2004 MROS Annual Report

2.3.14 Exchange of information with foreign Financial Intelligence Units (FIUs)

Financial Intelligence Units (FIUs) are foreign agencies equivalent to MROS with which a formal exchange of information exists under Article 32 of the Money Laundering Act and Article 13 of the Ordinance on Money Laundering. This exchange of information mainly takes place between the member states of the Egmont Group.

2.3.14.1 Total number of inquiries made to and by MROS

Year	FIU inquiries to MROS	MROS inquiries to foreign FIUs
1999	353	n.a.
2000	618	n.a.
2001	981	103
2002	1190	494
2003	1661	1075
2004	1701	1148

2.3.15 Number of inquiries by other Financial Intelligence Units (FIU)

What the graph represents

This graph shows which FIUs in other countries asked MROS for information and how many individuals and corporations were involved in these requests.

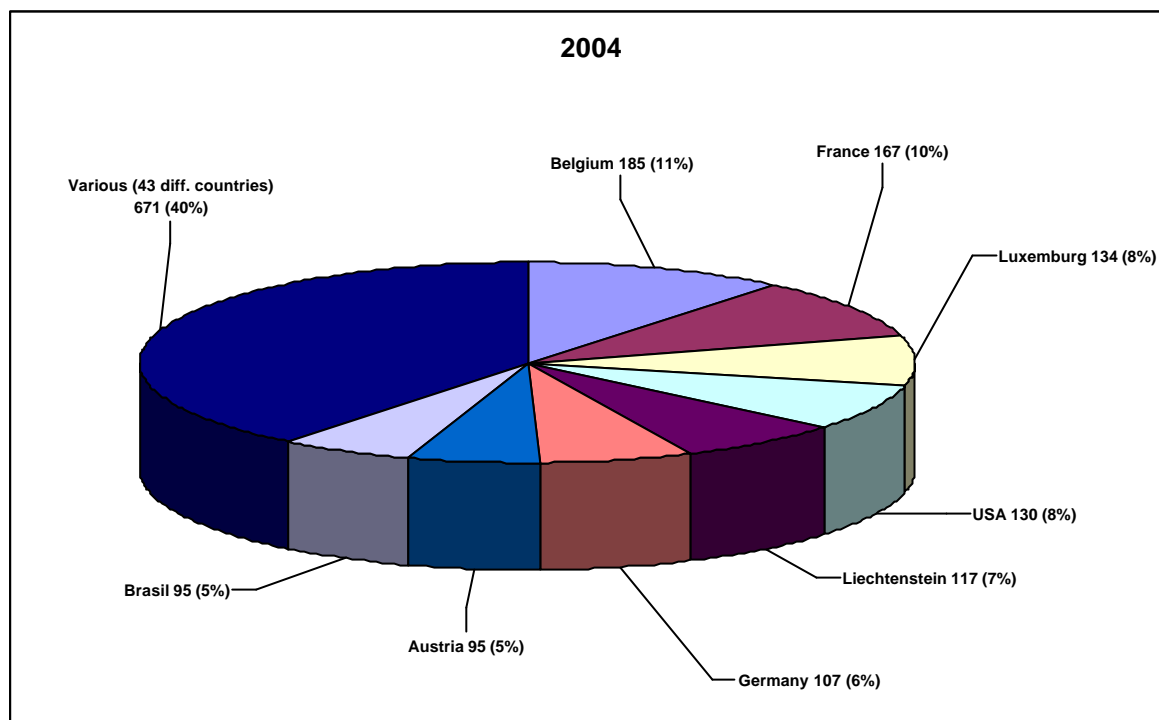
Graph analysis

The number of requests by FIUs continues to increase. In 2004 the increase amounted to 2% over the previous year. The number of requests from Germany (+114%), France (+70%) and Luxembourg (+56%) has risen particularly sharply. MROS replied to requests from 51 countries, and the average waiting time for a reply was 2.3 days.

When MROS receives an inquiry from abroad, a check is run on the individuals and firms, and details are stored in its own GEWA database. Should the individuals or corporations later appear in reports by Swiss financial intermediaries, then GEWA indicates possible criminal activity abroad.

On average MROS ran checks on 142 individuals or companies a month at the request of other FIUs.

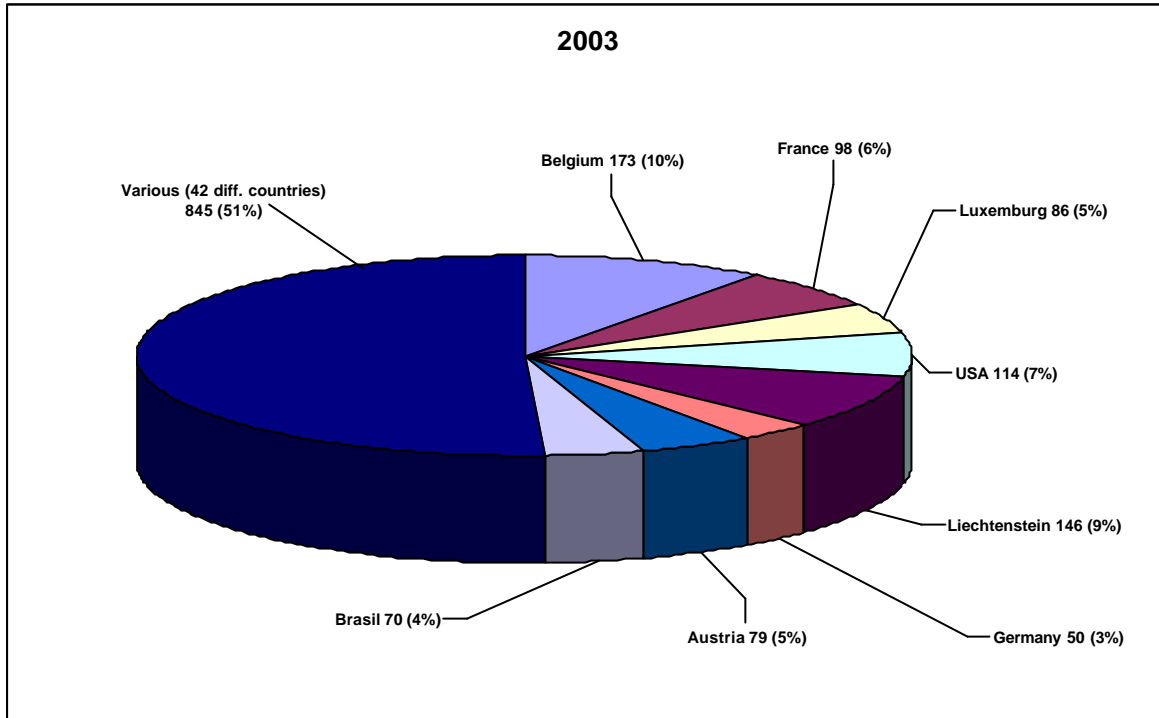
2004: 1701 persons / corporations



Legend

Various 2004							
Russia	76	Jersey	26	Slovenia	10	Lebanon	2
Croatia	61	Hungary	22	Czech Rep.	9	Latvia	2
Israel	45	England	15	Finland	8	Serbia / Montenegro	2
Portugal	44	Ireland	15	Paraguay	8	Norway	2
Guernsey	32	Monaco	14	Slovakia	6	Santo Domingo	2
Isle of Man	31	Spain	13	Ukraine	5	Venezuela	1
Bulgaria	31	Hong Kong	12	Gibraltar	4	Mauritius	1
Italy	29	Malta	12	Macedonia	4	Singapore	1
Holland	29	Andorra	11	Turkey	3	Taipei	1
Bermuda	28	Columbia	10	Moldavia	3	Georgia	1
Chile	27	United Arab Emirates	10	Lithuania	3		

2003: 1661 persons / corporations



Legend

Various 2003							
Hungary	139	Italy	27	Rumania	11	Turkey	2
Spain	59	Cyprus	25	Chile	10	Singapore	2
Israel	54	Malta	24	Slovakia	9	Mexico	2
Portugal	47	Croatia	22	United Arab Emir-ates	8	Serbia / Mon-tenegro	1
Isle of Man	42	Czech Rep.	21	Ukraine	8	Norway	1
Lebanon	40	Columbia	19	Mauritius	8	Monaco	1
Bulgaria	38	Holland	16	Cayman Islands	8	Korea	1
Venezuela	37	Russia	14	Sweden	6	Gibraltar	1
Hong Kong	32	Latvia	14	Finland	5		
Guernsey	32	England	13	Greece	3		
Jersey	28	Ireland	12	Bermuda	3		

2.3.16 Number of inquiries made to other Financial Intelligence Units (FIUs) by MROS

What the graph represents

This graph shows the countries approached by MROS for information about individuals and corporations and the number involved.

Graph analysis

Requests by MROS to FIUs in other countries have doubled within a year. Information about 1,148 individuals and companies was requested from a total of 59 countries in connection with reports received from Swiss financial intermediaries. The information received helped in numerous cases to decide whether to pass on a report to law enforcement authorities.

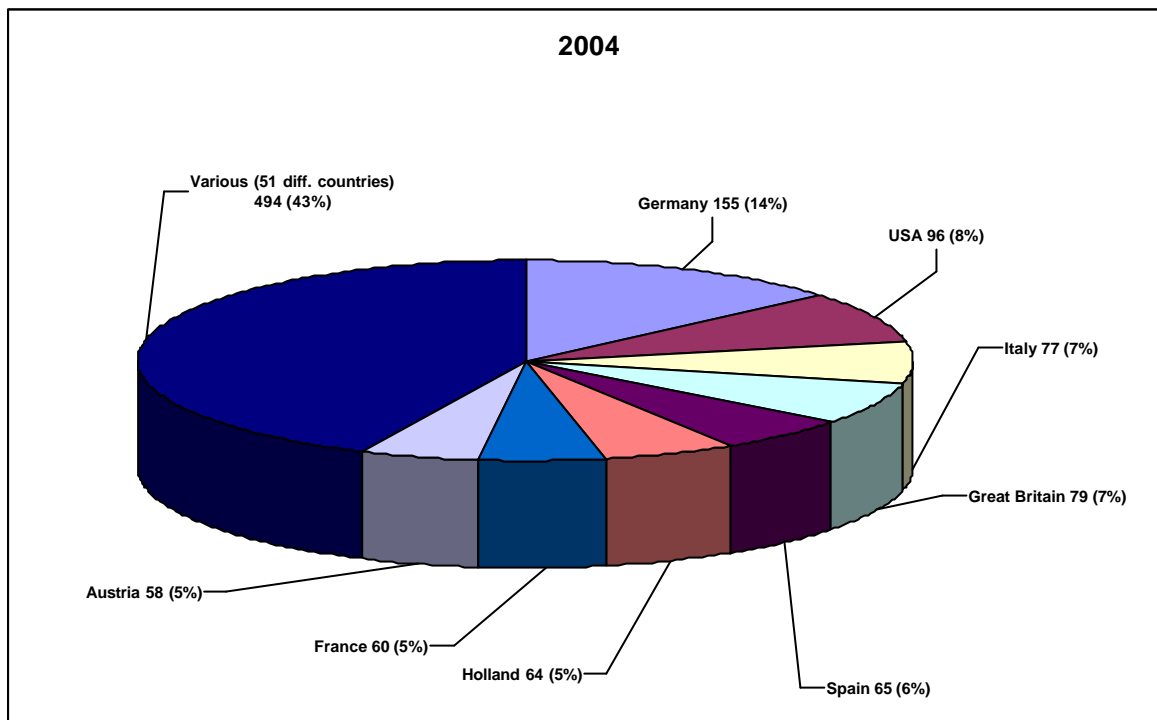
When MROS receives a suspicious activity report from a Swiss financial intermediary in which individuals or companies from abroad are involved, MROS may request information from the respective countries about these individuals or companies.

This way MROS receives important information which could be crucial when making a decision on whether to pass on a suspicious activity report to Swiss law enforcement agencies. MROS can also make inquiries to supplement files at the request of a Swiss supervisory or law enforcement agency.

In 2004, MROS approached FIUs abroad with 325 requests involving 1,148 individuals or companies to follow up suspicious activities reports and requests from Swiss supervisory or law enforcement agencies.

On average, MROS asked FIUs abroad for information about 96 individuals or companies each month.

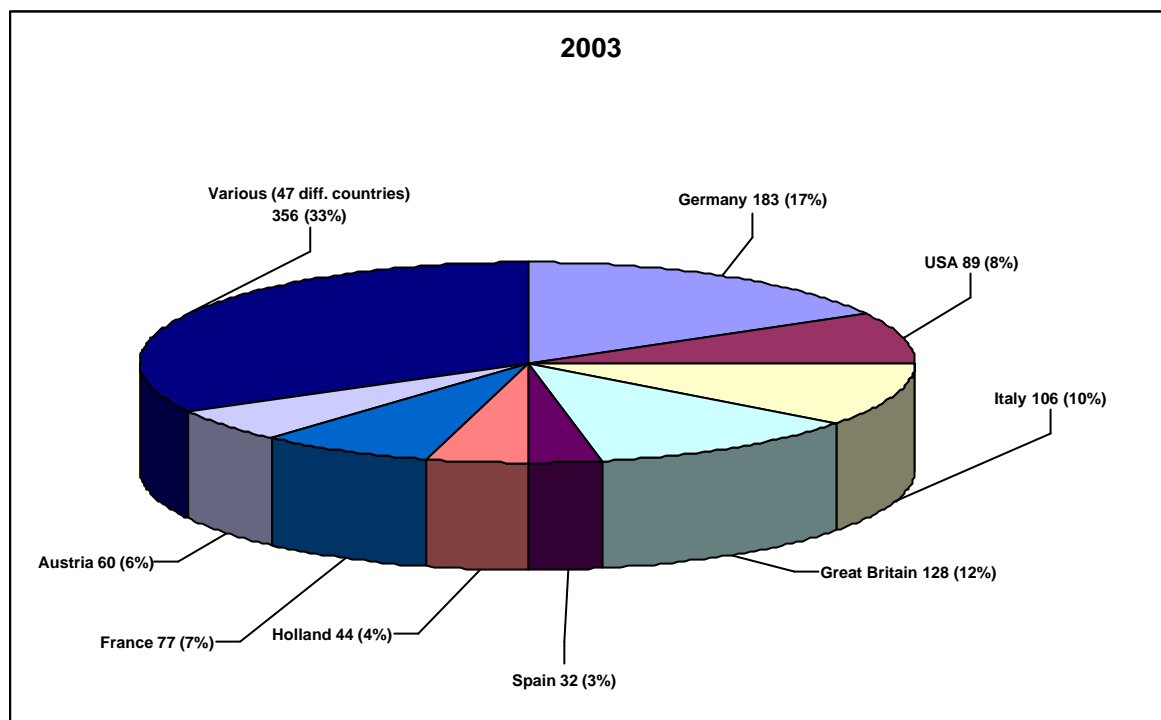
2004: 1148 persons / corporations



Legend

Various 2004							
Belgium	30	Denmark	15	Rumania	6	Guernsey (GB)	2
Liechtenstein	28	Turkey	13	Singapore	6	Jersey (GB)	2
Croatia	27	Cayman Islands	12	Venezuela	6	Israel	2
Russia	25	Columbia	11	Ireland	5	Latvia	2
Luxembourg	24	Hungary	11	N. Zealand	5	Portugal	2
Argentina	24	Panama	10	Poland	5	Philippines	2
Brazil	22	Sweden	10	Slovenia	5	Thailand	2
Bahamas	21	British Virgin Islands	9	Ukraine	5	United Arab Emirates	2
Isle of Man	18	Hong Kong	8	Albania	4	Gibraltar	2
Monaco	18	Lebanon	8	Mexico	4	Estonia	1
Serbia-Montenegro	17	Finland	8	Uruguay	3	Malta	1
Dominican Rep.	16	Norway	7	Slovakia	3	Paraguay	1
St. Kitts + Nevis	16	Cyprus	6	Bulgaria	2		

2003: 1075 persons / corporations



Legend

Various 2003							
British Virgin Islands	31	Cyprus	9	Paraguay	5	United Arab Emirates	2
Russia	30	Rumania	9	Columbia	4	Malta	2
Liechtenstein	22	Croatia	8	Canada	4	Czech Rep.	2
Belgium	21	Hong Kong	8	Luxembourg	3	Macedonia	2
Brazil	17	N. Zealand	8	Isle of Man	3	Mauritius	2
Singapore	17	Guernsey (GB)	8	Argentina	3	Panama	1
Latvia	16	Yugoslavia	8	Sweden	3	Poland	1
Jersey (GB)	15	Hungary	7	Lebanon	3	Philippines	1
Monaco	14	Denmark	6	Mexico	3	Thailand	1
Israel	11	Turkey	6	Japan	3	Barbados	1
Bulgaria	10	Lithuania	6	Cayman Islands	2	Costa Rica	1
Andorra	10	Norway	5	Portugal	2		

3. Money laundering verdicts in Switzerland

According to Art. 29, par. 2 of the Money Laundering Act (MLA), cantonal law enforcement agencies (and, since 1 January 2002 with the implementation of the Efficiency Bill¹⁰, federal law enforcement agencies too) are obliged to report all pending procedures, verdicts and case dismissals in connection with Art. 260ter, no. 1 (criminal organisation), 305bis (money laundering) and 305ter (lack of due diligence by financial institutions) of the Swiss Criminal Code to MROS. The following table is a compilation of all information for the period 1 April 1998 to 31 December 2004. In the conviction statistics what always appears in the table is the decision of the highest instance, which was handed down at the time of the analysis. Some individuals were judged as many as four times, but only the verdict of the last instance was included in the table.

The Service for Analysis and Prevention (SAP) main division at the Federal Office of Police has analysed more closely the verdicts received by MROS between April 1998 and July 2003. The most important findings of this analysis report are presented here by kind permission of SAP. The results make no claim to be complete because it must be assumed that not all verdicts delivered were passed on to the reporting office. This arises in part from the fact that the forwarding responsibilities in the cantons are insufficiently regulated, i.e. it is unclear which enforcement agency (criminal investigation or presiding court) must send the verdict to the reporting office¹¹.

¹⁰ Art. 340^{bis} Swiss Criminal Code: New procedural responsibilities for the Confederation in the areas of organised crime and economic crime, in effect since 1 Jan. 2002 ([AS 2001 3071](#) 3076; BBl 1998 1529).

¹¹ See also chapter 5.2. Annual MROS report 2004

3.1. Reports under Art. 29, par. 2 MLA

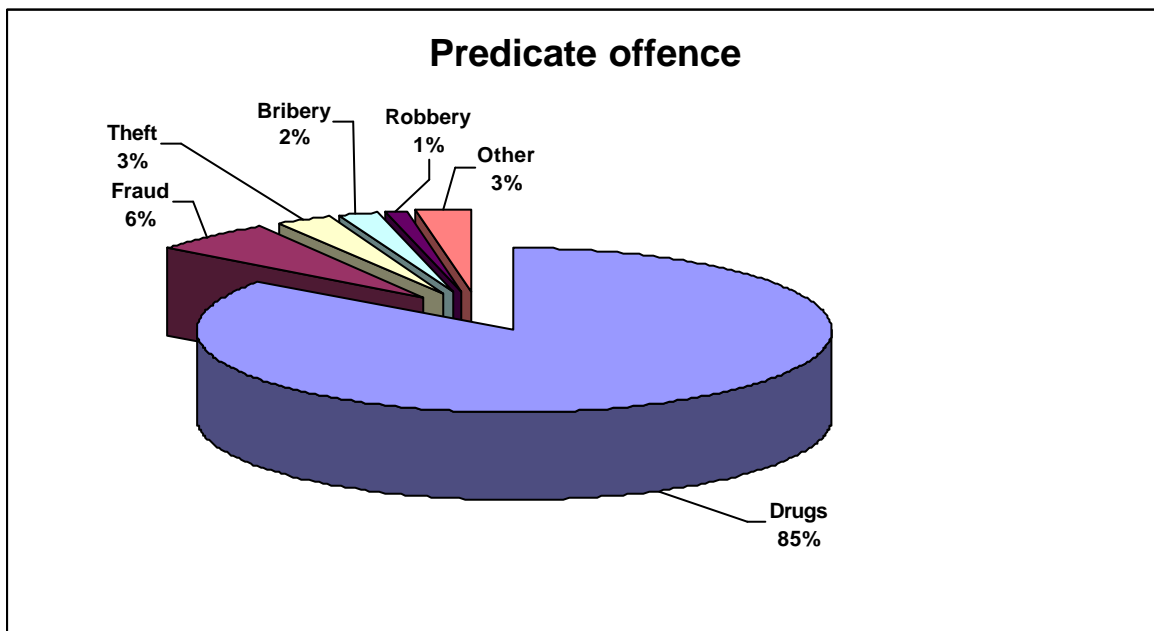
(1 April 1998 to 31 December 2004).

Canton	Conviction			Acquittal	Dismissal	Suspension	Not admitted	Conviction 305ter
	305bis No. 1	305bis No. 2a	305bis No. 2b and c					
ZH	113	3	13	37	173	24	47	5
AG	11	-	2	4	9		-	-
LU	18	1	2	1	1	1	1	-
BE	70	-	13	12	11	--	7	-
GE	20	-	2	1	8	1	1	-
TI	24	1	3	4	18	2	7	1
FR	10	-	-	2	1	-	2	-
BL	12	-	3	1	8	-	2	1
BS	10	-	4	4	23	1	-	-
SH	3	-	-	-	3	-	-	-
VD	127	1	3	30	36	-	-	-
VS	2	-	-	1	1	-	1	-
ZG	1	-	-	2	6	3	3	-
SZ	3	-	-	1	4	-		-
NE	2	-	-	2	-	-	1	-
GL	-	-	-	3	-	-	-	-
GR	-	-	-	1	5	-	-	-
JU	-	-	-	1	1	-	-	-
TG	15	2	-	4	3	1	1	-
SO	16	-	3	4	1	-	1	-
SG	24	-	-	5	4	-	5	-
CH	-	-	-	-	13	2	34	-
Total	481	8	48	120	329	35	113	7

3.2. Analysis of money laundering verdicts from April 1998 to July 2003

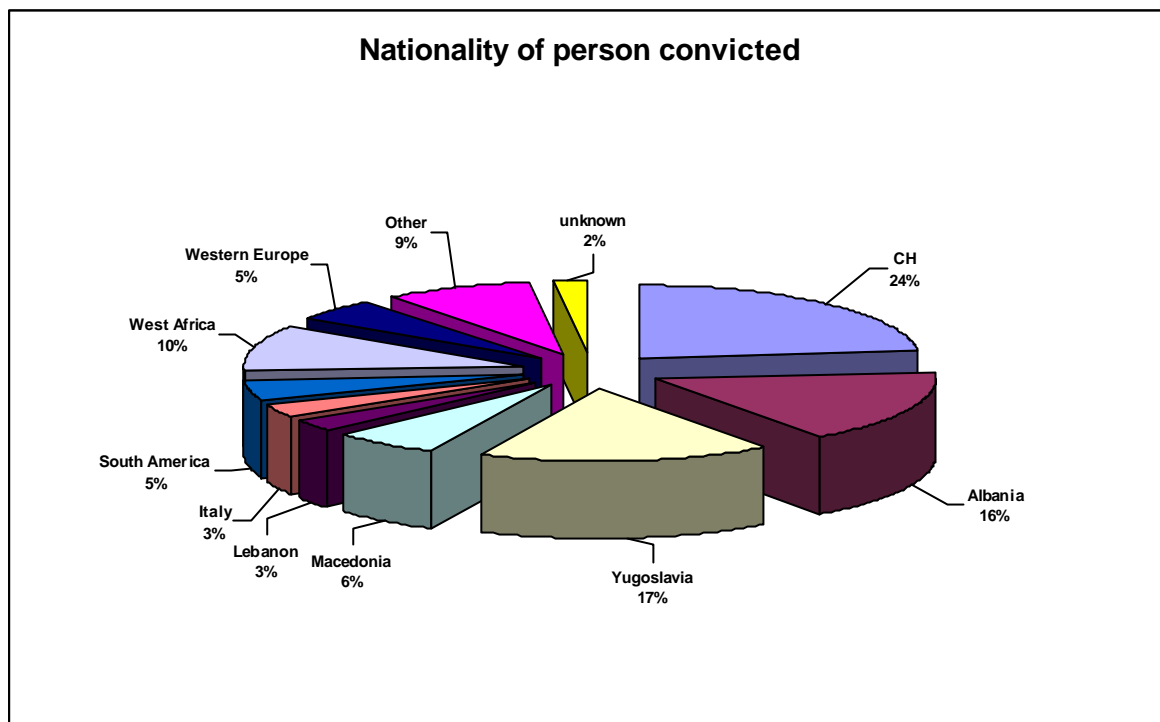
3.2.1 Predicate offence

By far the most convictions involved cases of so-called simple money laundering. Basically these were cases, which the legislator wanted to register besides the main cases. Eighty-five per cent of these judgements (of 394 proceedings analysed) came under the predicate offence of drug dealing. Far behind came fraud, theft, robbery and corruption. In individual cases other predicate offences such as human trafficking or arms trafficking were registered. In all but 12 cases the predicate offence took place in Switzerland. In most cases, the people convicted were themselves involved in the offence, i.e. they were sentenced for drug offences and money laundering at the same time and had no particular knowledge of the finance sector.



3.2.2 Nationality of those convicted

Drug dealing in Switzerland is dominated by foreign groups. This is illustrated in the statistics on the nationalities of convicted money launderers. Besides a considerable number of Swiss, ethnic Albanians from the Republic of Serbia-Montenegro, Macedonians and Albanians were also convicted. Citizens of West African countries, too, made up a large proportion of those convicted. Albanians, West Africans and South Americans in particular were nearly always only convicted for money laundering following drug offences.



3.2.3 Criminal organisation; money laundering by rings and/or professionals

The spectrum of cases is extremely broad, and the amounts of illegal money range from a few hundred to several million Swiss francs. So it is not only a matter of small-time cases. Among those convicted were several people who were already serving long-term sentences abroad for corruption and who were sentenced to a fine in Switzerland. In these cases, no prison sentence was handed down in Switzerland because the person in question was already serving one abroad.

Since the introduction of penal norms only a few verdicts are known in which a sentence has been handed down because of money laundering activities as a member of a criminal organisation (305bis, No. 2, letter a). Several first-instance court convictions handed down in this connection were overturned in the court of second instance. Often these cases involved ethnic Albanians active in the drug trade. The court of second instance ruled that the facts of the case did not meet the requirements for a conviction under Art. 260ter. If one looks only at the figures, one might conclude that in Switzerland there are no organised criminal groups involved in money laundering. But if one considers, first, the debate about the nature of organised crime and second, the international dimension of many money laundering cases, one has a more differentiated picture. The nature of organised crime is going through a change which attempts to see the phenomenon in a broader context than the one set down in Art. 260ter of the Swiss Criminal Code (central, strict hierarchical leadership, clandestine with group pressure or an internal repression mechanism). Without basically questioning this definition, one assumes today that a large part of organised crime can be described as a serious form of transnational crime or transnational crime by organised networks

in which smaller groups (in the style of modern firms) enter into short or long-term alliances and carry out the various phases of a criminal operation on a professional division of labour basis. Switzerland is often indirectly involved in money laundering cases by organised crime when the groups attempt to invest criminal money acquired abroad in Switzerland. In these proceedings, when the predicate offence took place abroad, the Swiss authorities seek the active assistance of other states to achieve useful results. Should no legal assistance be forthcoming from abroad or none requested, or there is no conviction on the presumed predicate offence, the authorities in Switzerland are more or less obliged to stop proceedings.

A decision to suspend proceedings will also most likely occur when the predicate offence took place abroad and the money involved was deposited in Switzerland. Often because a predicate offence has gone to trial in the country where the offence took place, the authorities in Switzerland wait with their decision until a verdict has been reached abroad. This way the authorities can avoid duplication, and Switzerland can base its decisions later on the legal judgements from abroad. Switzerland supports the authorities abroad by providing or requesting such legal assistance. But all these measures by law enforcement agencies do not necessarily lead to a verdict in court.

Forty-five convictions were handed down for professional money laundering or money laundering by rings (305ter, No. 2, letters b and c). The Federal Court has defined professional money laundering as an activity involving an annual turnover of CHF 100,000. A profit of CHF 10,000 is viewed as considerable. The sums involved in these categories were also correspondingly high. The average amount of illicit money was nearly CHF 2 million per case, most of it coming from the drug trade. The nationalities of the people convicted were similar to those in cases involving simple money laundering – primarily Swiss, ethnic Albanians from Albania, Macedonia and Kosovo. In most proceedings the illegal money never went through the regular financial system but was smuggled out of Switzerland. In four fraud cases the money was misappropriated and diverted to personal accounts. In one fraud case and one case of drug trafficking, the predicate offence occurred abroad. In a few cases middlemen were convicted who had no connection to the predicate offence but had made their services available as money launderers.

3.2.4 Methods

In almost half the cases in which a modus operandi is identified in the court records, the illicit money remained outside the regulated financial system. Mostly the cash was smuggled over the border or hidden in an apartment or business offices. In 55% of the cases, the perpetrators tried to feed the illicit money into the regulated financial system. Here, too, basic but efficient methods were identified. What happened mostly was that the predicate offender himself or a third person would change small notes into large bills at post offices or bank branches, change the illicit money into foreign

currency and make bank or money transfers abroad. The following is a list of other methods that have been observed:

- payments into postal or bank accounts and transfer to foreign accounts by the predicate offender himself, by third persons or corporate bodies;
- several direct cash withdrawals from bank accounts to the same amount as the previous deposits;
- deposit of cash in Switzerland and withdrawal of the same amount over a bank account abroad or receivers abroad;
- payments into accounts of family members;
- cash withdrawals of fraudulent checks or checks acquired by theft;
- deposit of money into a bank safety deposit box;
- intentionally false information about beneficial owners of assets on Form A;
- delivery of money to fiduciaries or lawyers for payment into bank accounts of natural persons or corporate bodies;
- deliberate interruption of the paper trail;
- investments in restaurants and real estate, used cars and electronic products.

3.3. Summary

Summing up, one can say that Switzerland has a varied administration of justice regarding money laundering offences although the typical predicate offence remains drug trafficking. The verdicts include a broad range of convictions ranging from the concealment of a couple of hundred francs from a robbery to the laundering of tens of millions of francs for international criminal organisations, to money laundering activities in major international corruption cases. Money launderers use simple but efficient methods, and the majority of players have no particular specialised knowledge of banking and finances. Most are involved in the predicate offence themselves. The farther away a suspected money launderer is from the predicate offence, the more difficult it becomes to prove intent and to connect illicit money with the concrete predicate offence. Should the predicate offence occur abroad, the Swiss authorities have only limited influence on the outcome of the proceedings and must rely on the cooperation of the authorities abroad. Spectacular cases with international repercussions and broad media attention are not typical of money laundering in Switzerland, but they have the greatest potential for damage and are significant for Switzerland's reputation abroad as a financial centre.

4. Typologies

4.1. Preface

With the aim of further developing suspicious activity reports, we have restructured this part of the annual report. From now on the typologies section will be made up of examples of suspicious activity reports which were filed, as well as the verdicts and decisions by the prosecuting authorities pertaining to past reports transmitted. In addition, to support the efforts of the financial intermediaries in discovering transactions and suspicious cases, we have highlighted the typical characteristics found in the cases described below. However, this new structure no longer allows us to include a selection proportionate to the reporting volume of the individual types of financial intermediary.

We have also stopped reporting on important matters which have already been dealt with at length in the media. Although these suspicious activity reports represent in terms of numbers and amounts of money a significant part of the reports received by MROS, there is little interest in the aspect of typology. The sensation generated by such cases tends to push the details of the individual suspicious activity reports into the background.

4.2. Cases in 2004

4.2.1 Automobile purchase on the Internet – using an escrow account for payment – fraud – suspected money laundering

Basic details of the case :

Number of reports:	2
Reporting financial intermediary:	Regional bank and savings bank
Suspected predicate offence:	Fraud
Sums involved:	At least CHF 135,000

Reasons for suspicion and results:

1. Dealings with the bank begun recently (in this case less than six months before the communication)
2. Transfers by different people from different countries without an apparent link with the activity declared by the account holder
3. Immediate transfer from a dollar account to a Swiss franc account (transition account)
4. Immediate cash withdrawal (same day or three days later maximum)
5. Complaint by principals at the bank
6. Accounts practically empty at time of communication
7. Information by account holder about background to the transaction of doubtful veracity

Within the space of two months, the MROS received two suspicious activity reports from different banks concerning company X.

The company, based in eastern Switzerland, was established for the purpose of producing and retailing various products. In mid-November 2003, the company's sole administrator (Y) opened two accounts – one in US dollars and another in Swiss francs – at bank A and a second at the end of December 2003 at bank B.

From December, the account at bank A was credited with three USD transfers amounting to nearly USD 53,000. The same was observed at bank B where five payments totalling USD 63,000 were made in January. In both cases the funds were transferred the same day into the Swiss franc accounts and then withdrawn in cash by Y's assistant over the next few days. It should be noted that the person making the payment was different for each transaction.

Between mid-January and into February 2004, certain individuals who had paid money in the accounts complained to banks A and B demanding the repayment of funds.

According to these people, they had made payments towards the purchase of a car on the Internet. During negotiations the interested buyers, who lived for the most part in the US, had exchanged e-mails with the seller who was very likely using a false name and who must have been Y. This seller suggested using the services of an escrow company as an intermediary between him and the buyer to receive the money from the sale. The seller said he would deliver the car as soon as he had confirmation from the escrow company that the money had really been paid.

In fact, the banking details of the escrow company were those of company X at banks A and B, and the promised car was never delivered to the purchasers.

In keeping with its due diligence obligation, bank B decided to ask Y about the background and justification of the operations. But the bank was told that Y was travelling abroad. As for bank A, Y provided a copy of the so-called sales contracts between a German company and the buyers who had paid the funds. Inasmuch as these contracts were unsigned e-mails and considering the overall circumstances, there was reasonable doubt about the authenticity of these documents.

Investigations by MROS showed that company X really existed, that it employed staff and that it was active in the production and sale of cleaning instruments. As for Y, he was suspected or known by the police for his involvement in multiple crimes and criminal offences.

The reporting office sent its findings to the cantonal law enforcement authorities. According to our information, a criminal enquiry was opened against Y and his secretary for fraud under Art. 146, par. 2 SCC. However we have no indication leading us to believe that these people were also involved in money laundering activities.

4.2.2 A lottery operation – fraud – suspected money laundering

Basic details of the case:

Number of reports:	3
Reporting financial intermediary:	2 big banks and 1 asset manager
Suspected predicate offence:	Fraud
Sums involved:	Around 14 Million

Reasons for suspicion and results:

1. Criminal proceedings against a client of the financial intermediary
2. Involvement of a domicile company (shell company) in the transaction (in this case: account holder)
3. Risk country
4. Information in the media

Two large banks each opened an account in April and September 2002 respectively in the name of company A domiciled in Latin America.

Company A was a domicile company responsible for managing the personal assets of the beneficial owner X and his family. X was the majority shareholder of various companies operating and managing a popular lottery in a Latin American country.

When the account was opened, considerable funds of USD 1 million and USD 5 million were immediately deposited. The client presented a relatively important economic profile (global personal assets estimated at around USD 20 million when the accounts were opened) and indicated that the assets deposited came from his lottery operation.

The management of the two accounts was put in the hands of an independent asset manager who had been instructed to manage the funds conservatively. Indeed, the money was invested mostly in USD bonds or in short-term fiduciary holdings of less than a year. As far as the accounts were concerned, they were regularly fed by payments from Latin America.

One of the two banks learned through media reports that an investigation had been opened against X for fraud in the domicile country of the lottery. One of X's former associates revealed that cheating had taken place during the draw of the winning numbers. Apparently the balls had been fixed, and the time between the draw and the deadline for lottery submissions (four hours) had enabled the lottery managers to fill out their lottery tickets after the draw.

One of the banks recognised its client from media reports and reported its relationship to MROS. The asset manager, having been informed, alerted the other bank so that MROS received three reports on the matter.

Beside the usual investigations, a request for information was made to the authorities in the country of residence of the people implicated to verify that criminal proceedings had started.

Once it received confirmation that criminal proceedings had opened against the client, MROS sent the matter to the Swiss Attorney General's Office. It did, in fact, appear that the criminal offences had taken place for the most part abroad, which means that jurisdiction lies with the federal authorities (Art. 340bis SCC). A criminal investigation was opened against X for money laundering.

4.2.3 Body Packer

Basic details of the case:

Number of reports:	4
Reporting financial intermediary:	Money transmitter
Suspected predicate offence:	Drug offences
Sums involved:	At least CHF 15,800.00

Reasons for suspicion and results:

1. The remitters were asylum seekers who had been in Switzerland several months without a work permit
2. Various people transferred money to the same recipients (network of individuals)
3. No obvious connection between remitter and receiver
4. No information about the origin of the money or the purpose of the transactions
5. Money transfer to a risk country (West Africa)

Because the reporting money transmitter was equipped with an internal data base, it was able to trace money remitters and recipients up to a month previously. A look into this data base showed the money transmitter that four people within a short time had transferred several thousand francs partly to recipients in a West African country and four West European countries.

The remitters were all West Africans who had applied for asylum around a year before and were staying in Switzerland without permission to work. The source of the money being transferred seemed to be highly suspect.

An analysis of the suspicious activity report by MROS showed that a well-organised, intricate network of money transfers was involved. But because they had been in Switzerland only a short time, the four remitters were not yet on police files. MROS had more luck, however, in its analysis of the recipients. One of them had come to the attention of the authorities in connection with drug offences two years before in a neighbouring country. For more information, MROS contacted the country in question. Because MROS is a member of the Egmont Group and cooperates with 94 other member countries, it may ask for checks to be run on money recipients in the relevant countries. However, one of the conditions of submitting an inquiry about an individual abroad is that there are sufficient details about the identity of the recipient. Often a request made to a foreign authority is impossible because the remitter in Switzerland has not filled out the paper work completely. MROS has brought this problem to the attention of the money transmitters, who are now requesting the remitters to fill out the forms as completely as possible.

The inquiry in the neighbouring country showed that the recipient was on police files for drug offences. Two years before, this recipient had been arrested at an airport in

the neighbouring country after a search revealed that he was carrying several hundred grams of cocaine. He was acting as a so-called body packer and was operating throughout Europe. Before his "business trip" he had swallowed 33 small plastic bags filled with cocaine.

Because of these facts, it could not be excluded that the money that had been transferred had criminal origins. At the moment, a cantonal law enforcement agency is dealing with the report.

4.2.4 East European mafia

Basic details of the case:

Number of reports:	1
Reporting financial intermediary:	Foreign controlled bank
Suspected predicate offence:	Criminal organisation/corruption
Sums involved:	USD 5,495,000.00

Reasons for suspicion and results:

1. Information from third party
2. Own investigations by compliance experts
3. Offshore company)

The bank filed a report to MROS about a business relationship with an offshore company domiciled on a group of islands in Oceania.

The account was opened in April 2001 purely for investment purposes. Several months later USD 5 million was paid into the account after which, apart from the interest and a transfer by the account holder, nothing had changed. Money transfers had not taken place. Under this circumstance, the business relationship aroused no suspicion at the bank.

However, the customer advisor responsible found out by chance that XY, the beneficial owner at this company, had been arrested in his country of origin in Eastern Europe.

The bank then assigned its external compliance expert to get more information about the background to the arrest. The report of the compliance expert said that XY was at the centre of extensive legal investigations and proceedings in his country and that he was accused of having set up and led a criminal organisation, and of corruption, money laundering and fraud. His fraudulent activities in the sphere of fuel supplies was said to have cost the government in his country several million francs.

To verify the information in the report, MROS contacted the Financial Intelligence Unit in the East European country concerned and received the following background information:

XY's criminal organisation was made up of more than one thousand companies and several hundred individuals, including high-level politicians.

The organisation imported fuel declared as heating oil into the East European country and later sold it through its companies as diesel fuel using false documents. In this way the accused could reduce his taxes enormously and achieve margins of more than 50%.

To set up the organisation, homeless people, alcoholics and drug addicts were named as the fictitious owners of the new companies. Several people were threatened. Some, including a bank director, disappeared under mysterious circumstances or died.

Every large sub-group in this criminal organisation had its own mole in the law enforcement apparatus and in financial offices with links said to go as high as the finance ministry. In addition, the analysis of the individuals involved in the suspicious activity report showed that XY was mentioned in a legal assistance request received in Switzerland from the East European country. In this request, the law enforcement agencies asked for the extradition of an accomplice of XY who was supposed to be in Switzerland.

On the basis of the international connection and the suspicion of a criminal organisation, MROS passed the report to the office of the Swiss Attorney General. In the meantime the office has opened a judicial police enquiry because of suspicion of money laundering under Art. 305bis, no. 2 SCC.

4.2.5 Frequent use of credit cards – purchases always made at the same company – suspicious transactions and murky background – suspicion of money laundering

Basic details of the case:

Number of reports:	1
Reporting financial intermediary:	Credit card company
Suspected predicate offence:	Not determined
Sums involved:	CHF 1,463,450.00

Reasons for suspicion and results:

1. Regular credit purchases by the same person for considerable sums
2. Implication of a domicile company (shell) in transaction (in this case: credit operation)
3. Bills are rudimentary and appear to have only a formal purpose (justifying a transaction which never took place/justifying a transfer)
4. Amounts involved do not appear commensurate with client's economic profile
5. Repayment of credit to financial intermediary done by cash payments at post offices
6. Client refuses to provide information about the background to the transaction (origin and appropriation of funds)

At the end of 2004, a credit card company sent a suspicious activity report to MROS.

The business relation in question involved a citizen of Western Europe (X) living in French-speaking Switzerland and a client since July 1999.

The financial intermediary had noted that its client had made several credit card transactions totalling nearly CHF 1,450,000 over a year and a half. The monthly amounts came to between CHF 20,000 and CHF 160,000 and were initially paid by direct debit from the account of X from January to October 2003, and then in cash at post offices from November 2003 to October 2004. Besides modest amounts covering daily needs the financial intermediary noticed that the major part of the expenses to-

talling CHF 1.4 million went to pay for purchases at company Y, which was active in electronics (between CHF 16,000 and CHF 160,000 a month).

Intrigued by these unusual transactions, the financial intermediary inquired about the economic justification of all these payments, the activities of company Y and the origin of the funds of X.

Company Y was founded at the beginning of 2001 and was directed successively by A and then by B as sole administrators. A and B were also holders of credit cards at the financial intermediary. According to the commercial register, company Y was in the electronics business importing and exporting, sales and installation.

Investigations by the financial intermediary led it to conclude that among all the clients of the financial intermediary, only X and A had purchased material at company Y by credit card.

Other investigations showed that A and B were administrators of numerous companies, many of which were going through liquidation.

Finally, the financial intermediary discovered that X and B, the current administrator of Y, knew each other personally.

To have a better idea of the background to the transaction and to the credibility of the credit operations by X over his card, the financial intermediary requested clarification from its client X and company Y. It also asked for copies of the bills of sale for electronic material from company Y.

While X did not follow up on the requests for information particularly regarding the origin of the funds and the beneficial owner of those funds, company Y said that the sums corresponded to the purchase and installation of plasma screen televisions in the home of X or in his offices. Y also provided the bills.

Examination of the invoices showed that they were basic, as if they had been written up by a word processor. It was also not established that the merchandise had been actually delivered to X.

On the basis of the information, it appeared likely that company Y was really only a domicile company, a shell, without real business activity (no staff, no offices of its own)

After its investigations, the financial intermediary reported the case to MROS.

The investigations and analyses by MROS led to the conclusion that X was the director of a fiduciary set up in French-speaking Switzerland. According to the business report obtained by MROS, the fiduciary was relatively small as it employed only two people. So it was hardly conceivable that X's money came solely from his director's salary. It was even less conceivable that this company would be able to invest hundreds of thousands of francs into the purchase of electronic material.

To sum up, on the basis of the information provided to MROS and the results of its investigations, there remained a solid suspicion regarding the origin of the funds even though there was no firm evidence that these funds were of criminal origin.

As concerns the people involved in this affair, the MROS investigations showed that some of them had a criminal history or were at least suspected of criminal offences, money laundering in particular.

Taking all the facts and complementary information at its disposal into consideration, MROS passed the matter on to the competent cantonal law enforcement authorities. However, to argue a case for money laundering, it must be shown that the money had a criminal origin. On the basis of the facts at hand, MROS had two hypotheses regarding the origin of the funds: either the money came from a legal activity and there was no money laundering, or the funds came from a crime committed by X or a third party and X erased the criminal origin by buying electronic material.

4.3. Conclusion of cases from previous years

4.3.1 Resale of "vacation packs" – advance payment of a commission by clients – fraud – money laundering

Basic details of the case:

Number of reports:	3
Reporting financial intermediary:	Foreign controlled bank
Suspected predicate offence:	Fraud
Sums involved:	At least CHF ,2,050,000.00

Reasons for suspicion and results:

1. Account opened in the name of an offshore company
2. Regular transfers by different persons from different countries shortly after account is opened
3. Transfers from the company account to personal account of the company directors
4. Withdrawal of very significant amounts leaving the accounts virtually empty
5. Credit orders end as suddenly as they began
6. Complaint by remitters to the bank
7. Accounts virtually empty at time of report
8. Implausible information from account holder regarding background of transaction)

In 2003 MROS received three suspicious activity reports from a bank.

The three accounts in question were opened between February and April 2002 in the name of different account holders:

- Company X registered in an offshore centre in the Mediterranean;
- A (beneficial owner of X), citizen of a neighbouring country and domiciled in a Mediterranean country;
- B, citizen of a neighbouring country and domiciled in a Mediterranean country.

It should be noted that a third person (C) had power of attorney over B's account.

From the opening of business relations, the bank noticed that numerous amounts credited to the account of company X came from private individuals in French-speaking Switzerland or in France. The sums transferred were generally in the range of between EUR 2,000 and EUR 20,000. In total, the sums credited to the accounts came to around CHF 150,000 and EUR 1,260,000 respectively.

Later, at the instruction of A, the major part of the funds was transferred into the personal accounts of A (EUR 290,000) and B (EUR 400,000), the latter received either directly from the account of X or indirectly from A's account.

At the end of February 2002, B made a large cash withdrawal of EUR 340,000, leaving the account virtually empty with around EUR 8,000. The account then showed no real major movements. It should be noted that at the time of this operation B insisted that the receipt for the withdrawal be signed not by B but by C. He also insisted on a photocopy of the document.

In mid-March, A used the same method to withdraw EUR 120,000 in cash from his account, leaving a balance of the order of EUR 2,400 at the time of the report.

At the end of March 2003, the bank received complaints from individuals saying they had been the victim of fraud. These people told of having paid money to company X in connection with the resale of time-sharing vacation weeks. Since then they had heard nothing from the company.

Although none of the individuals implicated in the affair was known to the Swiss authorities for criminal offences, MROS decided to send the matter to the law enforcement authorities, given the fact that certain aspects of the case indicated fraud and money laundering.

One week later, a judicial police enquiry was opened against A, B and C for fraud (Art.146 SCC), possible abuse of trust (Art. 138 SCC) and money laundering (Art. 305bis SCC).

The investigation and statements by the victims led to the discovery that company X had a number of offices in a city on the Mediterranean coast to which the presumed victims were invited by company X to sign contracts for the resale of their part of the time share.

In fact the victims who had bought "vacation packs" through other companies had been contacted by company X, which offered to buy their packs to resell to another person. The amount offered was considerably higher than the original purchase price. However they had to pay a brokerage fee of several thousand euros when the contract was signed. The money was then paid into the account of company X held at the reporting bank. The victims were told that they would receive the money from the sale of their packs once they were definitely sold. But they never received the money despite letters to X, which always came back with the stamp "Return to sender", and repeated telephone calls with the response "Number no longer in service".

On the strength of the examination of bank documents, the judge ordered two other accounts held by B and C at two other banks (M and N) to be blocked and the relevant bank documents to be handed over. It appeared that a part of the cash withdrawals by B and C had been paid into these other accounts. The bank N account had a balance of EUR 163,323.

Moreover A had been arrested in Switzerland and had been interrogated several times. His explanations about the activities of company X were not convincing. A maintained that he, along with B, was indeed the manager of company X, but that his responsibility was extremely limited. Basically, A said that he knew nothing about what was going on and shifted all responsibility on to his subordinates.

A claimed that the company had found buyers for around 40% of the clients who had signed a resale contract, but he could say nothing about the buyers because B had the contracts.

A also said that the contracts stipulated payments of retainers which he said were not repayable under the law chosen by the parties. X therefore was not obliged to repay the funds paid by its clients if steps taken to resell parts of the time share led nowhere. According to A, the money paid to the company would be profit after payment of operating costs.

The inquiry contradicted these statements because it appeared that X had operated for only around one year (end 2001 to end 2002/beginning 2003) before suddenly closing without leaving a forwarding address. Certain contracts signed for 12 months and six months were still valid.

It also seemed that the alleged victims had been encouraged to pay the retainers because they had been told by company representatives that buyers had already been found for their part of the time-share.

The prosecutor in charge of the case decided however not to prosecute A, B and C in Switzerland but rather to report the affair to the authorities of the country of origin of A. In fact, the Swiss proceedings hinged mainly on the laundering of the product of the alleged offences committed by the managers of company X because the funds paid by the victims had been deposited into a Swiss account and then transferred to other Swiss accounts. However, the large majority of the victims lived in A's home country, and the authorities there had also opened a criminal inquiry into the same facts. It quickly became apparent to the judge that the Swiss investigation would come up against obstacles linked to the difficulty in establishing facts and questioning the victims.

4.3.2 Laundering of money from drug trafficking through a straw man - sentencing

Basic details of the case:

Number of reports:	1
Reporting financial intermediary:	Money transmitter
Suspected predicate offence:	Offence against federal drug legislation
Sums involved:	CHF 75,000.00

Reasons for suspicion and results:

1. Regular transfer of funds to different countries
2. The recipients of the transfers do not appear a priori to have a connection with the client who, in turn, appears not to know the recipients are different in each transaction
3. No proof regarding origin of funds, e.g. receipt of bank withdrawal
4. Implausible explanations regarding purpose of funds (help for family member abroad)
5. Transactions consistently below the economic profile of beneficial owner (smurfing)
6. Use of a straw man to make transfer (a second person accompanies client)
7. Activity of client and his economic profile (unemployed) does not correspond to amounts transferred

In December 2002, MROS received a suspicious activity report from a money transfer service.

The financial intermediary had noticed that a client (X) from Africa holding a residence permit had made a number of money transfers between the beginning of March 2002 and mid-November 2002. The funds which totalled slightly more than CHF 75,000 had been transferred to nine different countries mainly in Africa but also in Europe and North America. The beneficiaries were numerous, and X's explanations had little

credibility. In fact the client claimed that the money was going to help a member of her family abroad.

MROS made an investigation of the client, notably into her legal record. Despite the lack of information concerning all the people involved, MROS decided to pass the matter to the law enforcement authorities given the importance of the transactions.

Police investigations revealed that X, who had been unemployed since November 2001, had made various transfers to her family. In April-May 2002 she met Y, an African asylum seeker, with whom she had a relationship which ended in September 2002.

During this time, Y asked X to make transfers for him explaining that the money involved came from refugee friends whom he said "were not allowed to send money". X agreed to transfer the money abroad in amounts of or less than CHF 4,000. In fact, according to the internal directives of the financial intermediary, a special declaration on laundering was not required for such amounts. In return for her services, X was paid 2.5% in commissions.

In the beginning X did not know that the transferred funds had a suspicious source. The investigation, however, revealed that Y had used the services of his friend to transfer funds from drug trafficking - either money earned from his own sales or from other traffickers. Moreover, Y already had a criminal record for drug trafficking.

The transfers always followed the same pattern. Y contacted X and went with her to the financial intermediary. On his instructions, X filled out the transfer form. Y recorded the transfer code on his cell phone while X kept the receipt. When the payment arrived, Y told X to destroy the receipt. Altogether there were 31 transfers totalling CHF 41,200

When the relationship between X and Y broke down in September 2002, X refused to continue helping Y. Y then sent a certain number of friends X's telephone number and in this way X continued making transfers for amounts totalling CHF 11,000 at a commission, which had increased to 5%. She also made transfers to her family for amounts totalling CHF 15,600, all of which came from legal sources.

Gradually, X began to have doubts about the origin of the funds. Especially from the time she had direct contacts with the "friends" of Y she began to realise that the money came from drug trafficking.

Following the inquiry, the case was brought before the tribunal. X received a three-month suspended sentence for two years for money laundering. Y was sentenced to

three years in prison for offences against federal legislation on drug trafficking and money laundering.

5. From the MROS office

5.1 ***Suspicious activity reports under Art. 9 MLA¹² must always be submitted to the Money Laundering Reporting Office Switzerland***

In 2004 MROS learned that a financial intermediary had sent a suspicious activity report under Art. 9 MLA directly to a law enforcement agency and submitted only a copy of the report to the attention of MROS. MROS criticised the financial intermediary for this action. The financial intermediary however pointed out the statement by Werner de Capitani¹³, saying that if a charge is proven by the nature of the suspicious activity report then the report can be submitted to a law enforcement agency. Seen in a legally formalistic way, the statement that the suspicious activity report is, by its legal nature, a denouncement is correct. But the formulation in Art. 9 MLA is clear and unmistakable that the suspicious activity report must be submitted only to MROS. Also the message on the Federal Act on Money Laundering in the Financial Sector of 17 June 1996¹⁴ is clear on this issue¹⁵:

"The law enforcement agencies are basically responsible for the prosecution and judgement of the offences relevant here. Nevertheless, the report should not go to these authorities but to the Money Laundering Reporting Office Switzerland. The advantages of this solution are obvious: It relieves law enforcement authorities of the burden of handling reports that are insufficiently corroborated. As a specialised office, MROS is in a position to separate the real money laundering suspects from the less substantiated facts and thus to conduct an efficient preliminary examination (Art. 23, section 2 MLA) for the law enforcement authorities. As the main specialised agency, MROS also has the possibility to discover connections between different reports. This is information which would remain unknown if the reports were sent directly to local law enforcement agencies. Finally, MROS can compile an overview of the methods and developments in the area of money laundering, analyse threatening situations and competently inform the financial intermediaries, the supervisory bodies and law enforcement agencies."

Besides these advantages there is also the fact that MROS has an efficient array of instruments to collect in the shortest possible time national and international information for its analyses. This time-saving aspect also helps the financial intermediary with

¹²Federal Act on Money Laundering in the Financial Sector (Money Laundering Act);
MLA; SR 955.0

¹³ Werner de Capitani on „Einziehung, Organisiertes Verbrechen, Geldwäscherei“ volume II,
Schulthess Publishers 2002, p. 1003 N 53

¹⁴ BBI 1996 III 1101

¹⁵ Page 30 of Art. 9, par. 1 MLA in third section

regard to blocked funds. Finally it must also be mentioned that the FATF¹⁶ recommendation No. 26 requires every country to maintain a Financial Intelligence Unit (FIU), which as the sole national office receives suspicious activity reports, analyses them and if necessary passes them on to the relevant law enforcement agency. MROS fulfils these requirements and, therefore, suspicious activity reports according to Art. 9 MLA are to be submitted only to this office.

5.2. Reports from law enforcement agencies to MROS under Art. 29, par. 2 MLA

Art. 29, par. 2 MLA obliges law enforcement authorities to report to MROS on all procedures, judgements and case dismissals under Art. 260ter, no. 1 (criminal organisation), 305bis (money laundering) and 305ter (lack of due diligence by financial intermediaries) of the Swiss Criminal Code (SCC). In recent years, MROS has noticed a growing tendency to ignore this legal obligation by not passing information on about all verdicts, or not until requested by MROS, and then only after a great delay. MROS has also noticed that sometimes only the dispositive of judgements are submitted, either not including the arguments for the judgement or only as a brief outline. Article 29, par. 2 MLA aims to give MROS an up-to-date picture of organised crime and of the development, situation and procedures of criminal organisations in the area of money laundering. To have this picture, it must have complete and immediate access to these judgements and decisions to dismiss a case including the arguments. Only with full details can MROS use its knowledge in this matter to train financial intermediaries either directly or through the supervisory authorities. Moreover these reports enable MROS not only to monitor the fate of a suspicious activity report that has been passed on, but it is also in the picture about proceedings, which have been initiated because of a direct charge by the financial intermediary, a third person or the law enforcement agencies themselves. MROS has pointed out the above mentioned shortcomings several times and attributes the problem partly to the fact that there is insufficient regulation in the cantons concerning the responsibilities of meeting the present legal obligations. It must be admitted that the term "law enforcement authorities" as used in the legal text does not make it absolutely clear who has responsibility. What is meant are not only the criminal investigation authorities, but also the presiding court¹⁷. MROS believes that there is an urgent need for action regarding an implementation concept in the cantons.

¹⁶ Groupe d'action financière sur le blanchiment de capitaux (GAFI) / Financial Action Task Force on Money Laundering (FATF)

¹⁷ de Capitani a.a.O. S. 1180 N 4

5.3. New ordinance on the Money Laundering Reporting Office Switzerland (MGwV¹⁸)

On 1 October 2004, the new Ordinance on the Money Laundering Reporting Office Switzerland came into force with the aim of defining its activities as well as determining regulations on how the money laundering data system GEWA is used.

In brief, the complete revision of the ordinance improves the structure of the ordinance, adapts the ordinance to MROS practice and in particular integrates changes arising from the adoption by the Financial Action Task Force on Money Laundering of new norms aimed at fighting the financing of terrorism. Because MROS is responsible for receiving and handling reports from financial intermediaries regarding the financing of terrorism, it was necessary to change the ordinance.

That is why there is an express reference to the fight against financing terrorism in the different articles of the ordinance¹⁹. There is no question of expanding the activities of MROS, which was already receiving reports concerning the financing of terrorism²⁰.

As concerns financial intermediaries and the oversight authorities, it was necessary for the ordinance to include certain measures concerning the contents and handling of reports and complaints (Arts. 2-11). Article 3 refers to the minimal content that must be included in a report²¹ or a complaint²². To be able to carry out its legal analyses MROS must have a minimum of information about the case.

The revised ordinance also sets down the procedures for the on-line exchange of information. At present, only MROS has access to the information in the GEWA database. The ordinance defines the authorities who will have access to GEWA data by computer as well as the type of information available to them. These measures are intended to strengthen the resources in the fight against money laundering, the financing of terrorism and organised crime. To enable effective on-line access, what was needed on data protection grounds was a precise legal basis in the MLA. This is now being done in the context of the work of IDA-FATF (implementation of the revised FATF recommendations).

¹⁸ RS 955.23

¹⁹ Arts. 1, 11, 12, 14, 15, 16, 20 and 23 of the ordinance

²⁰ Federal Council message of 26 June 2002 concerning the change in the Swiss Criminal Code, FF 2002 5061 à 5066

²¹ Art. 9 MLA or Art. 305ter, par. 2, Criminal Code

²² Arts. 16, par. 3, 21, 27, par. 4, MLA

Finally, the ordinance has changed the length of time that data must be kept in GEWA and provides for a uniform time limit of 10 years for all data, as is now the case for financial intermediaries (Art. 7, par. 3, MLA).

5.4. *Revision of the MLA*

Following the revision of the Recommendations of the Financial Action Task Force on Money Laundering (FATF)²³, the Federal Council charged the Federal Department of Finance (FDF) to set up a working group to propose changes necessary to implement the new standards. The inter-departmental group IDA-FATF was formed and held numerous meetings in 2004 to set up a first project.

On 12 January 2005, the Federal Council opened external consultation proceedings²⁴. The deadline for the consultation is mid-April.

²³ On this point, see the MROS 2003 annual report MROS 2003, ch. 4.2.3.

²⁴ <http://www.efd.admin.ch/f/dok/medien/medienmitteilungen/2005/01/gafi.htm> (To access the consultation texts, click on the two objects mentioned in the box marked “consultations”)

6. International scene

6.1. *Egmont Group*

6.1.1 New members

At the 2004 plenary meeting of the Egmont Group on Guernsey, another ten Financial Intelligence Units (FIUs) were accepted into the group, which now consists of 94 member countries. The new members are:

- - Egypt
 - Belize
 - Cook Islands
 - Georgia
 - Gibraltar
 - Grenada
 - Indonesia
 - Macedonia
 - St. Kitts & Nevis
 - Ukraine

A complete list of member countries is available at www.egmontgroup.org.

6.1.2 New FIU definition

The Egmont Group homepage has a definition of an FIU, including an interpretation note (www.egmontgroup.org). Each FIU wishing to become a member of the Egmont Group must, among other things, meet this definition. In accordance with the recently revised 40 GAFI/FATF recommendations, particularly No. 26, it became clear that the previous definition had to be adapted to the new conditions relating to the fight against the financing of terrorism. At the plenary session the new definition was, therefore, accepted by the heads of the FIUs. The definition provides that the FIU is no longer only responsible for receiving suspicious activity reports concerning money laundering but also those concerning suspicion of terrorism financing.

The adapted definition of an FIU according to the Egmont Group is:

"A central, national agency responsible for receiving, (and as permitted, requesting), analysing and disseminating to the competent authorities, disclosures of financial information:

- (i) concerning the suspected proceeds of crime and potential financing of terrorism or
- (ii) required by national legislation or regulation

in order to combat money laundering and the financing of terrorism."

MROS meets this broadened definition and today is the main office in Switzerland receiving reports of suspicion of terrorism financing. The present Money Laundering Act does not mention terrorist funding explicitly, but the reporting obligation of the financial intermediary in the event of suspected terrorism financing is based on the obligation to report to MROS assets acquired through criminal activity, or that are in the control of criminal organisations. According to Art 260quinquies SCC, terrorism financing is a criminal act, and terrorist organisations are considered to be criminal organisations. In implementing the revised FATF recommendations, however, it is planned to adapt the Money Laundering Act accordingly by explicitly referring to terrorism financing. As far as substantive law goes nothing changes from the present situation.

6.1.3 "Paper on best practices"

The plenary meeting on Guernsey also approved another important working paper of the Egmont Group, the "Best Practices for the Exchange of Information between Financial Intelligence Units". This paper deals with both legal and practical aspects of the international information exchange among FIUs and is intended to serve as a guideline for the fastest and most informal information exchange. This paper is also available at (www.egmontgroup.org).

In 2004 the average reply time by MROS to requests from its counterparts abroad was 2.3 days. With around 1,700 requests in 2004 this may be described as very fast and efficient.

6.1.4 New working group

The plenary meeting agreed to set up the "IT Working Group", which was to begin work in 2005. It joins four other working groups: "Legal", "Outreach", "Training" and "Operational". MROS is active in the Legal and Outreach working groups

6.2. GAFI / FATF

The Financial Action Task Force (FATF) is an intergovernmental body working to conceive and promote international strategies in the fight against money laundering and terrorism financing. MROS is part of the Swiss delegation in this body.

Sweden chaired FATF XV. France will chair FATF XVI in July 2005, and South Africa will chair FATF XVII (2005-2006). In May 2004, the Organisation for Economic Cooperation and Development (OECD) decided to extend the FATF mandate for another eight years with the following mandates:

- Establishing standardised international regulations in the fight against money laundering and terrorism financing;
- Defining a global action plan including increased cooperation between the FATF, the World Bank and International Monetary Fund;
- Mutual evaluation of the member states with the aim of verifying the effective implementation of the 40 recommendations and eight special recommendations;
- Addition of member states (India and China);
- Strengthening cooperation with FATF-style regional bodies;
- Intensifying work relating to typologies.

In particular, the FATF dealt with the following topics during session XV and at the first plenum of session XVI.

6.2.1 The fight against terrorist funding

The plenum adopted a ninth special recommendation dealing with cash couriers. An interpretive note was also adopted in the context of Special Recommendation III providing for the freezing and confiscation of property belonging to terrorists as well as Special Recommendation II on the criminalisation of terrorism financing. The Working Group on Terrorism Financing is continuing its work and will deal with the issue of the prospective threshold for wire transfers (special recommendation VII). Non-profit organisations (recommendation VIII) are the subject of a study based on a questionnaire that various member states must still fill out.

Collaboration has been established with the Counter Terrorism Action Group (CTAG) of the G8 and the United Nations Counter Terrorism Committee (UNCTC) with the aim of individualising the needs of various countries regarding resources in the fight against terrorism financing. Indonesia (report by Switzerland), Cambodia, Thailand, the United Arab Emirates, Egypt and Nigeria have already been evaluated, and reports sent to the CTAG so that the G8 countries can provide the technical assistance identified in these reports.

6.2.2 Mutual evaluations

Argentina, Brazil, Mexico (second cycle) and Saudi Arabia (first cycle) were evaluated during FATF XV.

During the third cycle of evaluations the new common evaluation methodology adopted by the FATF, the International Monetary Fund and the World Bank will apply.

Switzerland (visit scheduled for April 2005), Australia, Sweden, Ireland and the United States are to go through an evaluation under the new method in 2005. These countries, which are taking part in the third evaluation cycle, will be evaluated by the FATF independent of the fact that the methodology comes from the three above-mentioned organisations. For its part, the International Monetary Fund (IMF) will evaluate Italy in 2005 in the context of the Financial Sector Assessment Program (FSAP).

6.2.3 Non-cooperating countries and territories

The Ukraine, Egypt, Myanmar and Guatemala were taken off the NCCT list in view of the progress they have made. However, Burma, Cook Islands, Indonesia, Nauru, Nigeria and the Philippines remain on the list.

6.2.4 FATF foreign relations and expansion policy

In 2004, FATF-style regional bodies (FSRB) continued to play an increasingly important role. Two new regional groups were set up for central Asia (Euro-Asian Group, EAG) and North Africa/Middle East (Middle Eastern Northern Africa Group, MENA GAFI). Another group for Africa (Groupe intergouvernemental d'action contre le blanchiment d'argent en Afrique de l'Ouest, GIABA) is at present a FATF observer and could be given FSRB status.

Given the increasingly important role of these regional bodies²⁵, the FATF felt that it was important to intensify mutual contacts. For this reason, the 2004 typologies exercise was held jointly with the European regional group (Moneyval). At its plenary meeting in October 2004, the FATF decided to hold its meeting for June 2005 in Singapore so it could get closer to another important regional group, the Asian/Pacific Group on Money Laundering (APG).

²⁵ Typologies exercise, mutual evaluations, technical assistance, adoption of conventions in the fight against money laundering going beyond FATF norms, etc.

This is a list of FSRBs in 2004 (by continent):

- APG/Asia – Oceania (Asia / Pacific Group on Money Laundering)
- CFATF/Caribbean (Caribbean Financial Action Task Force)
- EAG/central Asia (Euro-Asian Group on Combating Money Laundering and Financing of Terrorism)
- ESAAMLG/Eastern and Southern Africa (Eastern and Southern Africa Anti-Money Laundering Group)
- GAFISUD/South America (Financial Action Task Force of South America against Money Laundering)
- MENA-FATF/North Africa and Middle East (Middle East and North Africa Financial Action Task Force)
- MONEYVAL/Europe (Council of Europe Select Committee of Experts on the Evaluation of Anti-Money Laundering Measures)

Finally, as concerns the FATF expansion policy, new contacts have been made with India and China and conditions set to resume negotiations in 2005.

6.2.5 Typologies

This annual exercise brings together member countries to evaluate tendencies in the fields of money laundering and terrorist funding, to propose new standards at the plenum and to publish a report for the public.

An initial discussion of risks in the insurance sector enabled certain risks to be pointed out while at the same time observing that these risks were relatively limited given the size of the sector. It was decided to continue the study of the risks in this sector.

Legal and financial professionals as "gatekeepers" notably in the areas of advice, preparation of legal documents or setting up companies, were also the subject of expert presentations, which pointed out that they were being used in laundering operations.

Delegates also studied the risks of laundering connected with politically exposed people, notably through their financial activities in dealings with offshore companies and banks.

In the sphere of fighting terrorist funding, the FATF also showed an interest in the embezzlement of non-profit bodies and concluded that additional measures were necessary to reduce the risks in this area.

More detailed information on the typologies discussed at FATF XV is available at www.fatf-gafi.org

The 2004 typologies meeting in December in Moscow took place according to a new concept defined by the plenum involving the creation of permanent project teams working in the following subject areas:

- laundering risks in the insurance sector;
- alternative transfer systems;
- indicators and tendencies in laundering;
- drug trafficking and terrorist funding;
- money laundering in relation to human trafficking and illegal migration.

These project teams conduct the work during the typology exercises, and participants have the possibility using practical examples to contribute to developing proposals, which will be submitted to the plenum.

7. Internet Links

7.1. Switzerland

7.1.1 Money Laundering Reporting Office

http://www.fedpol.admin.ch	Federal Office of Police / MROS
http://www.fedpol.admin.ch/e/themen/geld/Formular-e.doc	STR form MROS

7.1.2 Supervising authorities

http://www.ebk.admin.ch/	Federal Banking Commission
http://www.bpv.admin.ch/	Federal Office of Private Insurance
http://www.gwg.admin.ch/	Federal Finance Administration/Money Laundering Control Authority
http://www.esbk.admin.ch/	Federal Gaming Commission

7.1.3 Self-regulating organisations

http://www.arif.ch/	Association Romande des Intermediaries Financieres (ARIF)
http://www.occt.ch/oad/welcome.cfm	OAD-Fiduciari del Cantone Ticino (FTC)
http://www.oarg.ch/	Organisme d'Autorégulation du Groupement Suisse des Conseils en Gestion Indépendants ("GSCGI") et du Groupement Patronal Corporatif des Gérants de Fortune de Genève ("GPCGFG") (OAR-G)
http://www.polyreg.ch/	PolyReg
http://www.swisslawyers.com/	SRO-Schweizerischer Anwaltsverband (SAV)
http://www.leasingverband.ch/	SRO- Schweizerischer Leasingverband (SLV)
http://www.stv-usf.ch/	SRO-Schweizerischer Treuhänder-Verband (STV)
http://www.vsv-asg.ch/htm/htm_d/	SRO-Verband Schweizerischer Vermögensverwalter (VSV)
http://www.sro-vqf.ch/	Verein zur Qualitätssicherung im Bereich der Finanzdienstleistungen (VQF)

7.1.4 National associations and organisations

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

7.1.5 Others

http://www.zoll.admin.ch/	Federal Customs Administration
http://www.snb.ch	Swiss National Bank
http://www.ba.admin.ch	Office of the Attorney General of Switzerland

7.2. International

7.2.1 Foreign reporting offices

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

7.2.2 International organisations

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

7.3. Other Links

http://www.europa.eu.int	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