

BDO FINANCIAL SERVICES

COMBATING MONEY LAUNDERING

Regulatory changes as of 1 January 2020

Regulation in the area of combating money laundering is continuing to progress. In 2016, Switzerland only partially passed the country examination of the international 'Financial Action Task Force on Money Laundering'. In order to close the identified gaps in the anti-money laundering framework, Switzerland must bring new provisions into force by 1 January 2020. For this reason, FINMA has partially revised its AMLO-FINMA. The consultation on the revision of the AMLA is ongoing; the Federal Council is currently drafting the dispatch to Parliament. At the same time, the Swiss Bankers Association has revised CDB 16 and published the future CDB 20.

FINMA continues to regard the fight against money laundering as a main focus of its supervisory activities. The institutions concerned should address the increased requirements at an early stage. The implementation of the individual tightening measures may take a long time in certain areas.

Most important changes

AMLO-FINMA

Entry into force: 1 January 2020

- Domiciliary companies: Clarification of the reasons for their use
- Complex structures: Definition, identification, risk assessment and additional clarifications of their intended use
- Internal risk criteria for business relationships and transactions: Consideration of FATF high-risk and other monitored jurisdictions
- Duty to report/Right to notify the authorities: Decision on reporting only by members of senior management or persons with control functions
- Required disclosures in payment orders: Ensuring accurate and complete originator information and complete beneficiary information; ensuring completeness of payment orders from correspondent banks
- For international institutions: Group-wide implementation of money laundering regulations with global risk process and periodic (consolidated) risk analysis; group-internal information on critical business relationships and transactions; on-site inspections by the group

AMLA

Entry into force: Expected 2021

- Verification of the beneficial owner/control holder (no longer only establishment of the identity)
- Duty to update all business relationships; retroactive effect (!)
- Adjustment of duty to report; broad interpretation of 'reasonable suspicion'; abolition of right to notify; abolition of 20-day analysis period by MROS
- Due diligence requirements for consultants
- Commercial register entry requirement and membership list for certain associations

CDB 20

Entry into force: 1 January 2020

- Point in time for fulfilling the duty to document; exceptional nature and shortening of the period to 30 days
- Spot transactions: threshold value for identifying the contractual party and establishing the beneficial ownership now CHF 15'000 and fully abolished for transactions involving trading
- Supplement missing data on form K (analog to form A)
- Video and online identification: integration of the FINMA Circular

React in time

In order to assess the consequences for your institute, the following questions are crucial:

- ▶ In which area and to what extent are we affected by the reforms?
- ▶ Which internal systems and regulations need to be reviewed and, if necessary, adapted?
- ▶ Which employees need to be trained and how?
- ▶ Which processes and controls need to be adapted?
- ▶ What do the changes mean for our risk management and reporting?

We support you

In the field of combating money laundering, we support you with industry-specific know-how as well as tailor-made and practice-oriented solutions. We support and advise you on regulatory projects – from initialisation and implementation to monitoring and conclusion.



GAP analysis: analysis of current status and determination of target status



Definition of need for action and implementation possibilities



Implementation of measures and training courses



Control and closure

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