

Press release

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FINMA launches consultation on amendments to AMLO-FINMA

The Swiss Financial Market Supervisory Authority FINMA is launching a consultation on its new draft of the FINMA Anti-Money Laundering Ordinance. Amendments include follow-up measures formulated in response to the FATF's mutual evaluation report on Switzerland. Under the proposals, the verification of information on beneficial ownership and the regular updating of client information will become mandatory. The consultation will run until 16 October 2017.

In its fourth country evaluation, the Financial Action Task Force (FATF) found that arrangements in Switzerland for combating money laundering and the financing of terrorism were broadly positive. However, a series of shortcomings also came to light, as a result of which the country has entered the FATF's enhanced follow-up procedure. The revision to the FINMA Anti-Money Laundering Ordinance (AMLO-FINMA) is one of the measures required so that Switzerland can successfully exit this procedure. The proposed amendments are part of a wider package of follow-up measures that respond to points raised in the FATF's report. This package was summarised in a [media release issued by the Federal Council on 28 June 2017](#), in which the necessity of amending AMLO-FINMA was also emphasised. The new version of the ordinance will address identified shortcomings as well as incorporating findings gained by FINMA in the performance of its supervisory and enforcement duties. As part of the process, FINMA has launched a consultation that will run until 16 October 2017. The amended ordinance will enter into force only in 2019.

A key development is that financial intermediaries will in the future have a duty to verify information on beneficial ownership for all clients, including low-risk clients. Regular updates of client information will also become mandatory. FINMA is proposing a risk-based approach that gives financial intermediaries flexibility of implementation as regards the scope applicable to verification measures as well as the frequency and methodology used for updating client information.

The amended ordinance will further specify the obligations for financial intermediaries with foreign branches or subsidiaries to monitor legal and reputational risks on a worldwide basis. In their risk-management procedures, financial intermediaries must also make special provision for

additional due diligence measures in cases where domiciliary companies or complex structures are used or where there are links to high-risk countries. Regarding cash transactions and subscriptions to unlisted collective investment schemes, FINMA intends to lower the threshold at which it becomes mandatory to identify clients and beneficial owners from CHF 25,000 to the FATF's recommended CHF 15,000.