

GwG Erhebungsformular Banken 2019

Master data

PDF language

English

Name of institution

EHP - Testobjekt - Bank

Authorisation of institution

Bank/Effektenhändler

Risk category

Category 5: small market participants. Low risk.

Audit firm

EHP - Testobjekt - Prüfgesellschaft

Contact at audit firm / lead auditor

Hans Muster

Is it an institution without client relationships subject to the Swiss Federal Act of 10 October 1997 on Combating Money Laundering and Terrorist Financing in the Financial Sector (AMLA) in Switzerland?

 Yes No

Are there any specific reasons which, in consultation with the institution's Key Account Manager at FINMA, release the institution from completing the reporting form for the current audit period?

 Yes No

If one of the above two questions has been answered with YES, only the "Master data" cover sheet needs to be completed.

Explanations

Notes:

- FINMA Circular 2013/3 "Auditing" (FINMA-Circ. 13/3) applies. The audit cycle is dependent on the risk analysis (margin no. 100 FINMA-Circ. 13/3). The reduced audit frequency will be approved by FINMA upon application by the institution (margin no. 86.1 FINMA-Circ 13/3).
- Depending on the audit cycle, the audit firm selects from the additional audit items A - E and assesses:
 - for a high or very high net risk and annual audit 2 additional audit items
 - for a medium net risk and audit every two years 1 additional audit item
 - for a low net risk and audit every three years 1 additional audit item
- The additional audit items are selected at the discretion of the audit firm. The auditor selects the additional audit items depending on the effective business activities and risk assessment. The following special rules apply (which may result in a further additional audit item being selected in justified cases):
 - Audit item A group supervision is to be selected only and whenever group-wide measures to combat money laundering are to be taken in the audit field at group level. The module can be used to submit the audit confirmations in relation to foreign group entities of the sample audit report. For those institutions for which group-wide measures to combat money laundering are only to be taken in the audit field at group level, the core part of the AMLA data submission form does not need to be filled in.
 - It should be ensured that audit item B identification is selected at least once every 4 years.
- The information required under "audit items" relates to the respective legal entity of the supervised institution. Foreign branches of the supervised institution do not have to be taken into account. These need only be taken into account for the additional audit item A group supervision, for which a group perspective is to be assumed. If the "group-wide measures to combat money laundering" audit field is also being audited at the same time, the results from the additional audit item A group supervision can be drawn on for this.
- This document covers the audit requirements set out in the AMLA (status as of 1 January 2019), AMLO-FINMA (status as of 1 January 2019) and CDB 16. **It forms part of the regulatory audit report and replaces – apart from the confirmations – the figure "Compliance with anti-money laundering rules" of the sample audit report.** Possible findings from other areas are to be entered in the free text field at the end. **Qualifications and recommendations are to be mentioned briefly in section 4 "Summary of audit results / qualifications and recommendations" of the regulatory audit report.**
- The term "internal guidelines" refers to all written internal instructions.
- Every client's master account comprises a "file" or a "business relationship".

Random samples:

The random sample size is determined by the agreement between EXPERTsuisse and FINMA. The random sample should be selected on a risk-oriented basis so as to increase the probability of any serious AMLA violations being detected. To achieve this goal, one or more of the following criteria could be applied when selecting the random samples, depending on the institution:

- business relationships that are managed at different locations or by different entities (shared relationships);
- business relationships of those RMs with the largest revenues;
- business relationships of RMs with very large bonuses;
- business relationships with high AuM and high transaction volumes;
- business relationships with unusual transaction behaviour (e.g. pass-through transactions, high number of transactions with increased risks, payments to high-risk countries etc.);
- business relationships in high-risk markets from an AMLA perspective, in which the FI is pursuing a growth strategy;
- business relationships from atypical markets for the FI and business relationships that do not correspond to the FI's business model;
- business relationships with retained mail and/or numbered accounts;
- business relationships in which a member of the executive board or the board of directors or the owner of the bank is significantly involved (e.g. through co-ownership, referrals, supervision etc.);
- business relationships with beneficial owners with a number of domicile companies as well as accounts in the name of the beneficial owner;
- business relationships of operating companies where the owner and/or the members of the company's executive board also have a private business relationship with the FI;
- business relationships which involve state-affiliated customers;
- business relationships which were taken over from or referred by other FI;
- if the FI offers video/online identification, such disclosures must also be taken into account when selecting the random sample

Reasons for the selection of the random sample must be provided in the field labelled "Reasons for the selection of the random sample by the audit firm" at the end of the audit section.

Qualifications and recommendations:

The provisions on handling qualifications and recommendations are defined in Article 11 FINMA-AO. Classification of findings in accordance with margin no. 75.1 ff. FINMA-Circ. 13/3.

Regulatory requirements:

The regulatory requirements are listed in the main title of the relevant audit field.

Selection of the audit items

Audit items (Organisational measures; Business relationships with increased risks; Transactions with increased risk; Duty to report and freezing of assets; Risk assessment for compliance with the anti-money laundering rules by the audit firm; Free text field for possible findings from other areas and Reasons for the selection of the random sample).

Yes No

Audit item A: Global monitoring of legal and reputational risks - Branch offices and group companies abroad or management of a financial group (Art. 5 f. AMLO-FINMA)

Yes No

Audit item B: Verification of the contracting parties' identity, establishing the identity of the beneficial owners of operating legal entities or partnerships (controlling person) and establishing the identity of the beneficial owner of the assets (at the start of and during the business relationship) incl. repetition of the verification for the identity of the contracting party or the establishment of the identity of the beneficial owner (Art. 3 - 5 AMLA, Art. 4 - 46 CDB 16)

Yes No

Audit item C: "Complex structures" (within the meaning of Art. 13 para. 2 let. h AMLO-FINMA)

Yes No

Audit item D: "In-depth PEP"

Yes No

Audit item E: "Trade financing & legal and reputational risks in sanctions"

Yes No

Organisational measures (Art. 23 ff. AMLO-FINMA)

1.1 Does the FI have an appropriately organised and adequately qualified competence centre for combating money laundering? Are its duties compliant with statutory provisions (Art. 24 f. AMLO-FINMA)?

Yes No

1.2 In the event of outsourcing, has an expert been appointed to operate the competence centre for combating money laundering?

- Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

1.3 Is there an appropriate internal training programme for the FI's business activities?

- Yes No

1.4 Is a compliant and approved risk analysis in place (Art. 25 para. 2 AMLA-FINMA)?

- Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

1.5 On the basis of the other audit work carried out for the AMLA data submission form: in the view of the audit firm, is the FI's risk appetite reflected in the FI's customer structure?

- Yes No

1.6 "Compliance mentality": While conducting the ALMA audit, did you find evidence to suggest that the "tone at the top" with regard to compliance or observance of anti-money laundering rules is not appropriate?

- Yes No

Reason:

Business relationships with increased risks (including with politically exposed persons [PEPs]) (Art. 13 ff. AMLO-FINMA)

Random samples by audit firm: Were the regulatory requirements for business relationships with increased risks and the guidelines laid down by the bank adhered to?

Random sample size: Number of files

out of (Population):

Number of foreign PEPs in sample:

Number of files with qualifications:

Qualifications

- Yes No

Recommendations:

- Yes No

Comments:

2.1 Are there appropriate and regulation-compliant internal guidelines in place for identifying and carrying out additional clarifications regarding business relationships with increased risk (incl. review and approval processes) incl. clear processes and procedures and clarification of the responsibilities and competencies? (design effectiveness)

- Yes No

2.2 Are the rules applied sensible and appropriate (e.g. appropriate with regard to exposure to risk, customer population, business and organisational complexity etc. of the institution)?

- Yes No

2.3 Does the FI have an appropriate IT-supported monitoring system for regularly identifying and flagging up business relationships with increased risk?

- Yes No

2.4 Assessment of the quality of the documented KYC information based on the random samples carried out (incl. information about whether the type and purpose of the business relationship requested by the contracting party was identified)

- Appropriate
 Not appropriate

Reason:

2.5 Is the periodic review documentation sufficiently detailed for the competent bodies to make an objective decision regarding the continuation of the business relationship on the basis of this information?*

Yes No

2.6 Does the analysis of transaction patterns form part of the review process and the documentation?

Yes No

2.7 Were there open alerts at the time of the audit (business relationship with increased risk, name matching alerts or similar) that should already have been dealt with in accordance with internal deadlines?

Yes No

2.8 Has the FI implemented appropriate controls as part of its ICS?

Yes No

2.9 Has the FI developed and set down in writing criteria for identifying business relationships with increased risk in connection with qualified tax offences (Art. 21 AMLO-FINMA)?

Yes No

Transactions with increased risk (Art. 14 ff. AMLO-FINMA)

Random samples by audit firm: Were additional enquiries into transactions with increased risk documented plausibly, on due date and coherently for non-involved third parties?

Random sample size: Number of transactions	out of (Population):	Number of transactions with qualifications:
<input type="text"/>	<input type="text"/>	<input type="text"/>

Qualifications

Yes No

Recommendations:

Yes No

Comments:

3.1 Are there appropriate and regulation-compliant internal guidelines in place for identifying and carrying out additional clarifications regarding transactions with increased risk incl. clear processes and procedures and clarification of the responsibilities and competencies? (design effectiveness)

Yes No

3.2 Were these adhered to?*

Yes No

3.3 Does the FI have an appropriate IT-supported transaction monitoring system for identifying transactions with increased risk?

Yes No

3.4 Are there appropriate processes and rules/scenarios for identifying relevant transactions?

Yes No

3.5 Were the relevant transactions identified?*

Yes No

3.6 Does the FI ensure comprehensive monitoring of the business relationships and transactions? Are transactions from interconnected relationships (e.g. same contracting party, same beneficial owner, same authorised representative) taken into account?

Yes No

3.7 Were there open alerts at the time of the audit that should already have been dealt with in accordance with internal deadlines?

Yes No

3.8 Has the FI implemented appropriate controls within the scope of its ICS in connection with the recognition and monitoring of transactions with increased risk?

Yes No

3.9 Assessment of the quality of the documented information in connection with transaction monitoring on the basis of the random samples carried out?

Appropriate
 Not appropriate

Reason:

Duty to report and freezing of assets (Art. 30 ff. AMLO-FINMA)

Random samples by audit firm: In the random samples checked as part of this audit, how many files contained indications that the FI has violated its duty to report (Art. 9 AMLA)?

Number of files

Number of files with qualifications:

Qualifications

Yes No

Recommendations:

Yes No

Comments:

4.1 Does the FI use organisational measures to ensure that the MROS is notified immediately where there are reasonable grounds to suspect money laundering?

Yes No

4.2 Are there appropriate and regulation-compliant internal guidelines in place in connection with reporting (incl. asset freezes) incl. clear processes and procedures and clarification of the responsibilities and competencies? (design effectiveness)

Yes No

4.3 Decision-making powers for reporting: Who decides to file reports under Article 9 AMLA or under Article 305ter para. 2 SCC?

- Top management
 Competence centre for combating money laundering
 Other mostly independent body (not directly responsible for business)

Comments:

4.4 If not "top management" under 4.3: Is the top management periodically informed about MROS reports?

Yes No

4.5 Are decisions regarding reporting and non-reporting documented coherently for non-involved third parties?

Yes No

4.6 Has the FI implemented appropriate controls in connection with reporting (incl. asset freezes) within the scope of its ICS?

Yes No

Risk assessment for compliance with the anti-money laundering rules by the audit firm (Margin no. 79 ff. incl. Appendix 13 to FINMA-Circ. 2013/3 (Auditing))

5.1 Is the last risk assessment concerning inherent risk still appropriate?

Yes No

5.2 Does the audit result in an adjustment to the assessment of the control risk compared with the last assessment at the time of establishing the risk analysis for this audit year?

Yes No

5.3 Is the last risk assessment concerning net risk still appropriate?

Yes No

Free text field for possible findings from other areas

Free text field for possible findings from other areas

Reasons for the selection of the random sample

Reasons for the selection of the random sample by the audit firm (an assessment based on the specific risks of the business model or a qualitative assessment of the population for the random sampling):

Audit item A: Global monitoring of legal and reputational risks - Branch offices and group companies abroad or management of a financial group (Art. 5 f. AMLO-FINMA)

- Audit item A group supervision is to be selected only and whenever group-wide measures to combat money laundering are to be taken in the audit field at group level. The module can be used to submit the audit confirmations in relation to the fig. "foreign group entities" of the sample audit report. For those institutions for which group-wide measures to combat money laundering are only to be taken in the audit field at group level, the core part of the AMLA data submission form does not need to be filled in.
- The auditor may, at his or her discretion, conduct functional tests and/or substantive audit procedures where necessary, so that a positive audit opinion can be delivered for an audit with audit depth "Audit".

A1. Has the FI (e.g. by means of internal guidelines or controls) ensured that its foreign branch offices or subsidiaries are in compliance with the relevant principles of the AMLA and the AMLO-FINMA, as well as with any local regulations that apply? (design effectiveness)

Yes No

A2. Does the FI have an overview of those principles and group standards in relation to AML/CFT directives that cannot be implemented in a foreign entity?

Yes No

A3. Are these deviations justified and documented?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A4. Is there an information and/or approval process in place for any deviations?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A5. Were these adhered to?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A6. Pursuant to Article 6 AMLO-FINMA, FIs with foreign branch offices or that manage a financial group with foreign companies must identify, limit and monitor their legal and reputational risks in connection with money laundering and terrorism financing on a global level. Does the FI conduct an appropriate consolidated risk analysis in this regard?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A7. Does the FI (subject to legal provisions) have access to customer information within the group and at the group level and is this clearly defined and regulated?

Yes No

A8. Are effective processes in place regarding the reporting system (as a minimum top down [from parent to subsidiary or branch], bottom up [from subsidiary or branch to parent] and ad hoc reporting)?

Yes No

A9. Has the FI implemented appropriate controls for the global monitoring of legal and reputational risks within the scope of its ICS?

Yes No

A10. Are spot checks carried out at foreign entities as part of on-site inspections by the group's competence centre for combating money laundering and/or the group's internal audit department?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A11. Is the selection process for selecting the random samples appropriate?

Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

A12. If findings are made at foreign entities during the on-site inspections by the group's competence centre for combating money laundering and/or the group's internal audit department, are there effective processes for taking measures and monitoring these?

- Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

Qualifications from the audit

- Yes No

Recommendations from the audit:

- Yes No

Comments:

Audit item B: Verification of the contracting parties' identity, establishing the identity of the beneficial owners of operating legal entities or partnerships (controlling person) and establishing the identity of the beneficial owner of the assets (at the start of and during the business relationship) incl. repetition of the verification for the identity of the contracting party or the establishment of the identity of the beneficial owner (Art. 3 - 5 AMLA, Art. 4 - 46 CDB 16)

Random samples by audit firm: (If the FI offers video/online identification, such business relationships must also be taken into account when selecting the random sample)

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

- Yes No

Recommendations:

- Yes No

Comments:

B1. Are there appropriate and regulation-compliant internal guidelines in place (incl. review and approval processes) and clarification of the responsibilities and competencies? (design effectiveness)

- Yes No

B2. Are these adhered to?*

- Yes No

B3. Are there clear internal instructions for dealing with frequent changes of beneficial owner and/or power of attorney as an indication of the need for repetition of the verification of the identity of the contracting party or establishment of the identity of the beneficial owner?

- Yes No

B4. Has the FI implemented appropriate controls for verifying the identity of contracting party, establishing the identity of the controlling person and establishing the identity of the beneficial owner within the scope of its ICS?

- Yes No

B5. Have there been CDB violations since the last assessment of this audit item by the audit firm, which the bank has identified itself?

- Yes No

B6. Are the conditions and modalities for engaging third parties (Art. 28 f. AMLO-FINMA) being adhered to?*

- Yes
 No
 n/a

Reason if the question was answered with "No" or "n/a":

Reason for selection of the audit item by the audit firm:

Audit item C: "Complex structures" (within the meaning of Art. 13 para. 2 let. h AMLO-FINMA)

C1. Has the FI defined what constitute complex structures in its internal guidelines?

 Yes No

C2. Are there customers with complex structures in the FI's customer population?

 Yes No

If C2 was answered with "Yes":

C3. Are these business relationships flagged up accordingly (in the system) (as complex structures)?

 Yes No

C4. Is offering banking services for complex structures part of the FI's company policy?

 Yes No

C5. Are these business relationships conducted by the FI as business relationships with increased risk and do the relevant internal guidelines and processes apply?

 Yes No

Reason if the question was answered with "No":

If C5 was answered with "No":

C6. Are there appropriate and regulation-compliant internal guidelines in place (incl. review and approval processes) and clarification of the responsibilities and competencies for dealing with such business relationships? (design effectiveness)

 Yes No

C7. Are these adhered to?

 Yes No

C8. Has the FI implemented appropriate controls within the scope of its ICS in connection with the recognition and monitoring of complex structures?

 Yes No

Random samples by audit firm:

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

 Yes No

Recommendations:

 Yes No

Comments:

Reason for selection of the audit item by the audit firm:

Audit item D: "In-depth PEP"
D1. Random samples by audit firm: Were the additional clarifications required for business relationships with foreign PEPs documented plausibly and coherently for non-involved third parties?

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

 Yes No

Recommendations:

 Yes No

Comments:

D2. Has the FI defined criteria for determining when business relationships are to be conducted and flagged up as other PEPs (domestic PEPs and PEPs at international organisations) in its internal guidelines?

Yes No

D3. **Random samples by audit firm:** Were the additional clarifications required for business relationships with other PEPs documented plausibly and coherently for non-involved third parties?

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

Yes No

Recommendations:

Yes No

Comments:

D4. **Random samples by audit firm:** Did top management or at least one of its members decide about the establishment of business relationships with PEPs (Art. 19 AMLO-FINMA)?

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

Yes No

Recommendations:

Yes No

Comments:

D5. **Random samples by audit firm:** Did top management or at least one of its members decide about the continuation of business relationships with PEPs (Art. 19 AMLO-FINMA)?

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

Yes No

Recommendations:

Yes No

Comments:

Reason for selection of the audit item by the audit firm:

Audit item E: "Trade financing & legal and reputational risks in sanctions"

E1. Does the FI operate in the area of trade financing?

Yes No

If E1 was answered with "No", only E3, E5 and E7 - E10 are to be answered (no additional random samples)

E2. Are there appropriate internal guidelines in place for implementing sanctions and embargos incl. clear processes and procedures and clarification of the responsibilities and competencies in line with Art. 12 para. 2 BO? (design effectiveness)

Yes No

E3. Which sanction lists/regimes are used for comparison purposes?

- CH
- EU
- US
- Others

E4. Does the FI have an appropriate IT-supported monitoring system for identifying persons and/or transactions and/or countries affected by sanctions and/or embargos etc.?

- Yes No

E5. Have there been incidents since the last audit by the audit firm concerning the identification of persons and/or transactions and/or countries affected by sanctions and/or embargos etc. that point to weaknesses in the monitoring system used?*

- Yes No

E6. Do sensible review and approval processes exist and are these adhered to?

- Yes No

E7. How quickly are the names of newly included persons on sanction lists compared against the customer base?

- Within a week
- Within a month
- More than a month

E8. How quickly are the names of newly included persons on sanction lists updated in the transaction filters?

- Within a week
- Within a month
- More than a month

E9. How quickly are newly sanctioned securities updated in the trading facility?

- Within a week
- Within a month
- More than a month

E10. How quickly are new sanction lists/regimes or changes integrated/updated in the relevant IT systems?

- Within 24 hours
- Within a week
- Within a month
- More than a month

Comments:

E11. Does an ex-ante check of the name(s) against the sanction lists/regimes take place for newly established business relationships?

- Yes No

E12. Are there specific measures for identifying acts of money laundering in relation to trade financing (e.g. overinvoicing, underinvoicing, phantom shipping)?

- Yes No

E13. Has the bank taken specific measures regarding the financing of trade in commodities and trade financing (e.g. does the bank ensure that the intended purpose of a letter of credit is not to transport a commodity from a sanctioned country)?

- Yes No

E14. Has the bank implemented specific measures in connection with dual-use items (does the bank ensure, for example, that SECO and equivalent foreign authorisations are obtained by customers for the export of dual-use items and that the purpose of financing is adhered to)?

- Yes No

E15. Assessment of the quality of the documented KYC information based on the random samples carried out.

- Appropriate
- Not appropriate

Reason:

Random samples by audit firm:

Random sample size: Number of files

out of (Population):

Number of files with qualifications:

Qualifications:

- Yes No

Recommendations:

- Yes No

Comments:

Reason for selection of the audit item by the audit firm: