



FFA Press release

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2005 Annual Report of the Money Laundering Control Authority published

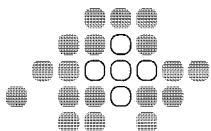
The Money Laundering Control Authority today published its annual report in which it sets out its activities over the last year. The report concludes that implementation of the Money Laundering Ordinance's regulations is generally working well.

The 2005 annual report of the Money Laundering Control Authority (MLCA) provides an overview of the decisions of general principle taken, the implementation of the supervision tax, the implementation of the MLCA Money Laundering Ordinance, ongoing supervision of the self-regulating organisations (SROs) and of the directly-subordinated financial intermediaries (DSFIs), as well as of the cooperation with national and international authorities and committees. The final chapter of the report consists of statistical data from the Control Authority and the self-regulating organisations.

On the basis of the information available to it, the MLCA notes in its report that the practical implementation and fulfilment of the provisions of the MLCA Money Laundering Ordinance by financial intermediaries is generally working well. Only the implementation of obligations to establish criteria to recognise high-risk business relationships and transactions caused some difficulties for a number of financial intermediaries.

Implementation of the supervision tax

On 26 October 2005 the Federal Council adopted the Ordinance on the supervision tax and fees of the Money Laundering Control Authority (MLCA) which sets out details of the annually payable supervision tax. The purpose of the supervision tax is to cover the overall costs of the MLCA not otherwise covered by the procedural fees including general costs. As indicated in the annual report, the introduction of the supervision tax will lead to financial intermediaries in the non-banking sector subsequently paying annual membership fees of a comparable amount, regardless of their chosen supervisory authority. This also puts an end to the competitive advantage



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enjoyed by DSFIs to date that arose due to the fact that no annual fee was payable in the case of direct subordination to the MLCA

Practice of subordinating credit transactions

In addition to its annual report, the MLCA at the same time published its practices for the subordination of credit transactions. In certain aspects, credit transactions differ quite considerably from the other activities covered by the MLA. The setting of higher thresholds for activities conducted on a professional basis and on the other hand completely excluding certain types of credit from the MLA can therefore be justified. This concerns credit between employers and employees, between companies and heavily involved individuals, as well as credits amongst relatives up to a specific degree of kinship. The new practices will, as is usual for the MLCA, be published on the internet and be applied with immediate effect.

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Further information on the Money Laundering Control Authority can be found on the website: www.gwg.admin.ch.

