



Press Release

EMBARGO: Monday, 4 September 2000, 10 a.m.

The Swiss Federal Banking Commission investigates banks in connection with Abacha funds

On Monday, the Swiss Federal Banking Commission (SFBC) released the results of its comprehensive investigation into the business relations of Swiss banks with the entourage of the former President of Nigeria, Sani Abacha. In its final report the SFBC identifies organisational weaknesses and shortcomings in several banks. Besides Switzerland, other international financial centres also were exposed to money flows from the entourage of Sani Abacha.

The SFBC conducted investigations in nineteen banks, which entered into business relations with the entourage of the former President of Nigeria, Sani Abacha, in order to establish whether the banks complied with their obligations of diligence, including the "know your customer" rules and the duty to clarify suspect transactions.

Only partial compliance with diligence obligations

The SFBC established that, among the banks subject to its investigation, five fully complied with their obligations of diligence. In several banks, however, the SFBC found violations and organisational shortcomings. Whereas in some they can be considered less serious, in 6 banks, violations and organisational shortcomings were serious enough to give rise to counter measures both on the personnel and the organisational level.



Full compliance with reporting requirements

The SFBC found that all banks complied with the reporting requirement provided for under the Anti-Money Laundering Act by reporting their suspicions to the Money Laundering Control Office as soon as there were sufficient indications regarding possible criminal origins of the funds. The funds in question were frozen within the banks, as required by the Act.

International dimensions

The investigations of the SFBC show that not only in Switzerland, but also in other major international financial centres, banks were involved in transactions with funds from the entourage of Sani Abacha.

Conclusions of the SFBC Chairman

The Chairman of the SFBC, Dr. Kurt Hauri, said:

“The fact alone, that significant funds of dubious origin from the close entourage of the former Nigerian president Sani Abacha were deposited on Swiss bank accounts, is disturbing and damaging to the reputation of the Switzerland's financial sector. The financial centre and Switzerland as a whole have no interest in attracting assets that stem from corruption and other criminal origins. The SFBC's investigations and regulatory counter measures, as well as the decisive action and cooperation of the criminal prosecuting authorities, show that Switzerland is strongly committed to combating the misuse of its financial centre for money laundering purposes. Switzerland, as this case illustrates, is by far not the only international financial centre faced with the challenge of fighting the laundering of corruption proceeds. The SFBC, therefore, is strongly promoting international regulatory action with respect to the handling of corruption proceeds by financial institutions.”

Notice to the press:

- Questions may be directed to Mr. Daniel Zuberbühler, Director of the Secretariat of the SFBC, as of Monday, 10 a.m. (+41 31 322 69 20).
- This press release (in German, French and English) along with the report "Abacha-Funds at Swiss Banks" (in German and French) can be downloaded from the website of the SFBC at <http://www.ebk.admin.ch>.