



Media Release

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Embargo	-

Report by the Swiss Federal Banking Commission: no evidence of insider trading by terrorists

The terrorist attacks of 11 September 2001 have also had an impact on the activities and resources of the Swiss Federal Banking Commission (SFBC). The SFBC has been called upon to play an important role in the worldwide search for trails left by the terrorists in the international financial system. The SFBC has now published the results of its inquiries in a report. Its findings are that there is no evidence of insider dealing by terrorists.

14 March 2002 – Six months after the terrorist attacks on the United States the SFBC has published a report (“Combating the funding of terrorism: effects of the terrorist attacks of 11 September 2001 on the activities of the Swiss Federal Banking Commission”) detailing the results of its activities in the context of the worldwide battle to suppress the funding of international terrorism. The SFBC has played an important coordinating role between the US and Swiss investigating authorities, on the one hand, and the institutions under its supervision, on the other. The SFBC investigated whether insider dealing had taken place in Switzerland in the period just prior to the attacks. To deal efficiently with these tasks, the SFBC set up an internal coordination working group made up of ten members with top-priority responsibility for dealing with the consequences of the 11 September attacks.

At the Swiss level, the SFBC worked mainly with the Office of the Attorney General, the Federal Police, the Federal Department of Justice, the Federal Department of Foreign Affairs, the Money Laundering Reporting Office and the Money Laundering Control Authority. In addition, numerous contacts took place with the US supervisory authorities, with the US embassy in Switzerland and with various international organizations such as the Basel Committee on Banking Supervision.

One of the SFBC’s most important tasks was to circulate to Swiss banks and securities dealers the US authorities’ lists of names of persons or organizations suspected of links with terrorist activities. The SFBC asked banks and securities dealers to check for business relationships with the listed persons or entities or for assets of which the latter might be the beneficial owners. If any such relationship was revealed, they were to notify the Money Laundering Reporting Office without delay and to block the assets.



The SFBC also informed the institutions under its supervision of the measures taken by the Swiss State Secretariat for Economic Affairs (Seco) to implement United Nations sanctions against the Taliban. Any assets discovered and frozen under the Taliban Ordinance had to be reported to Seco even if already notified to the Money Laundering Reporting Office. As at end-January 2002, 40 accounts containing assets worth CHF 24 million had been frozen under the Swiss law on money laundering. Most of these accounts are part of the 75 accounts with total assets of CHF 42 million reported and blocked under the Ordinance initiating measures against the Taliban.

In addition, the SFBC conducted its own investigations at Switzerland's securities exchanges. It set out to examine whether potential terrorists or their associates had carried out insider dealing in connection with the terrorist attacks. Despite the absence of concrete suspicions, the SFBC instructed SWX Swiss Exchange and Eurex Zurich to check whether any suspicious transactions had taken place in the period preceding the attacks. In connection with this same question the SFBC also received requests for mutual assistance from the supervisory authorities in the United States, Germany, France and Greece. After conducting a thorough examination of the information made available to it, the SFBC was able to confirm that, during the period in question, no suspicious transactions in connection with the terrorist attacks were effected on any of Switzerland's securities exchanges.

At the international level, the SFBC has also taken part in discussions held by the Financial Action Task Force on Money Laundering (FATF), the Bank for International Settlements (BIS), the International Organization of Securities Commissions (IOSCO) and the Wolfsberg Group of Banks, which dealt in-depth with issues relating to the suppression of terrorist financing.

Even after concluding investigations into insider trading by terrorists, combating the abuse of financial systems for funding terrorism will remain an important task of the SFBC which will continue to be given top priority both in operational and regulatory activities in national and international contexts.

The report of 8 pages entitled "Combating the funding of terrorism: effects of the terrorist attacks of 11 September 2001 on the activities of the Swiss Federal Banking Commission" is available in German, French and English on SFBC's website under <http://www.ebk.admin.ch/e/aktuell/index.htm>.