

## Press release

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# Violations of anti-money laundering regulations: FINMA investigated responsibility of Julius Baer managers

**The Swiss Financial Market Supervisory Authority FINMA has investigated the responsibility of individuals for serious anti-money laundering failings at Julius Baer. It has decided to initiate proceedings in one case and not to open proceedings in another case following a declaration of resignation. FINMA reprimanded two people in writing.**

FINMA has investigated the responsibility of individuals for serious breaches of anti-money laundering regulations by Julius Baer, particularly in connection with alleged cases of corruption in Venezuela (cf. [press release](#), see also below). These investigations concerned in particular four high-ranking managers. FINMA launched enforcement proceedings in one case. In a second case, FINMA decided not to open proceedings after the person concerned had credibly agreed not to accept a managerial position at a supervised institution in the future. Finally, FINMA reprimanded two further people in writing.

### Proceedings against individuals as a FINMA enforcement tool

FINMA can ban individuals who are responsible for a serious breach of supervisory law from acting in a senior role at an organisation it supervises. The prohibition from practising a profession may be imposed for a period of up to five years. The measure has a preventive character. Its purpose in particular is to prevent the person concerned or other financial market players from committing similar violations of the law in the future. As a supervisory authority tasked primarily with preventing future damage, however, FINMA can forego industry and activity bans if individuals have left the supervised sector for good.

FINMA has used the tool of imposing an industry ban in particular since 2014. It has issued around 60 such bans. Managers at all levels of organisations were affected.

### **Proof of individual responsibility presents a hurdle**

To issue an industry ban, FINMA must be able to prove direct, individual and causal responsibility for the serious violation of supervisory law. There must be a proven breach of duty that has specifically led to these violations. It is not sufficient under supervisory law to derive responsibility for legal violations solely from a person's hierarchical level or position or from decisions on the direction of strategy. Although mistakes were made in the case of the two reprimanded managers, there are not sufficient indications of direct, causal responsibility for the serious violation of supervisory law.

### **Proceedings against five banks in the context of PDVSA**

FINMA was in contact with over 30 Swiss banks in connection with alleged cases of corruption linked to the Venezuelan oil company PDVSA. FINMA investigated whether and to what extent the banks were involved in this case and whether the provisions of Swiss supervisory law were upheld. FINMA ultimately opened five enforcement proceedings in order to investigate specific information it had received regarding possible violations of money-laundering rules (cf. [press release](#) and [press release](#)). Two proceedings are still outstanding.