

Press release

Date:
18. November 2021

Embargo:
18. November 2021

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Money laundering: FINMA concludes final proceedings connected with Venezuela

The Swiss Financial Market Supervisory Authority FINMA has concluded two further proceedings focusing on Venezuelan business relationships. In these, it found that Banca Zarattini & Co. SA along with CBH Compagnie Bancaire Helvétique SA breached their obligations to combat money laundering and seriously violated supervisory law. It has imposed measures on the banks as a result. The conclusion of these two proceedings brings to an end all enforcement proceedings against banks in the context of Venezuela and in particular linked to PDVSA.

FINMA opened enforcement proceedings against Banca Zarattini in August 2019 to investigate information it had received regarding possible violations of money-laundering rules. The information was received in the context of the alleged cases of corruption linked to the Venezuelan oil company PDVSA. FINMA opened enforcement proceedings against CBH in February 2020. Here too, it had received information regarding possible violations of money-laundering rules in connection with Venezuelan clients.

The proceedings, now concluded, found that both Banca Zarattini (in the period between 2014 and 2018) and CBH Bank (in the period between 2012 and 2020) were in breach of obligations to combat money laundering and their duties to put in place an appropriate risk management policy, representing a serious infringement of supervisory law. Both banks failed to carry out sufficient economic background clarifications into business relationships and transactions with increased money-laundering risks. Adequate documentation was also lacking in these areas.

FINMA imposes restrictions on the opening of new client relationships

Banca Zarattini and CBH Bank cooperated well during the proceedings. Prior to and during the FINMA proceedings, both banks had already implemented operating, structural and HR-related measures to remove the deficiencies in their organisation in combating money laundering. If they are implemented consistently, FINMA considers these measures to be suitable for addressing the identified shortcomings.

It therefore rules that both banks must now implement these measures consistently in order to restore compliance with the law. FINMA has also imposed a temporary ban on accepting new Venezuelan and PEP clients on Banca Zarattini. The measures imposed on CBH Bank include the termination of all remaining business relationships with Venezuelan clients. In addition, CBH must review other especially risky client relationships and terminate these if necessary.

FINMA will carry out checks at both banks to ensure that the measures are implemented effectively.

Proceedings against banks in the context of Venezuela

FINMA was in contact with over 30 Swiss banks in connection with alleged cases of corruption in the context of Venezuela and in particular 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. These proceedings have now all been concluded.