

# Banking and payment transactions

Updates edition 2023 – June 2024

**GENEHMIGT**

• Swiss Banking

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# Corrections and new content (June 2024)

The banking world is changing continually, meaning that the content of the material in BankingToday (BT) also changes from year to year. It is a key objective that the content of BT is always up-to-date.

This is why Compendio Bildungsmedien publishes an updated and corrected version of BankingToday each year.

This update ensures that purchasers of the 2023 edition have up-to-date information in each case:

- This update is supplemented at the beginning of June for three consecutive years and published on [www.compendio.ch/bankingtoday](http://www.compendio.ch/bankingtoday)
- This ensures that all amendments and additions to the teaching material are familiar for preparing the final examinations in summer or in spring.

**Tip:** We recommend noting the amendments and additions contained in the update in the teaching material early in the preparation phase or transferring them to the teaching material. This allows you to benefit from a repetition effect that cannot be underestimated.

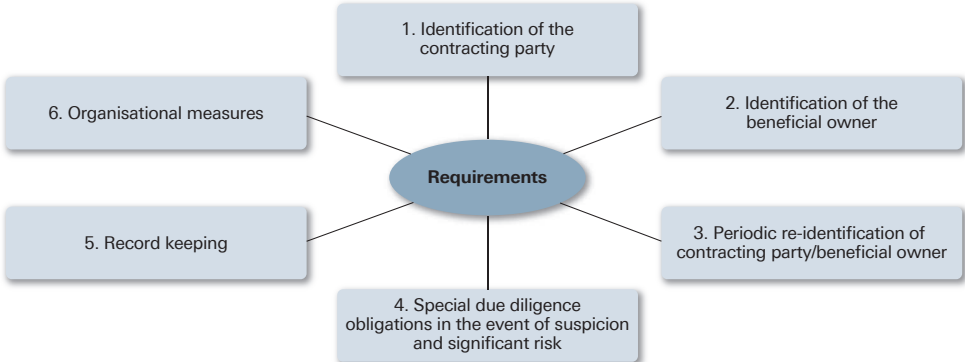
Section	Banking 1: Introduction to the World of Banking	
Chapter 1	No corrections identified.	
2.1.2 Excursus: Swiss National Bank statistics and bank categories	Following the takeover of CS by UBS, there is now only one major bank in Switzerland: <b>Big banks</b> <b>UBS AG</b> is now the only big bank in Switzerland.	
	<b>Clientele/ Commercial activities</b>	UBS is a universal bank. She is among the biggest private and investment banking establishments worldwide.
	<b>Geographic focus</b>	Despite its international focus, UBS is also very active in Switzerland and has a broad presence in Switzerland through its branches.
	<b>Business structure</b>	UBS is a joint-stock company.
	<b>Specific features</b>	The balance sheet totals of UBS accounts for a significant proportion of the balance sheet total of all Swiss banks. To ensure the confidentiality of the data, the SNB no longer publishes detailed figures on the big banks group.
Chapters 3 + 4	No corrections identified.	

Section	<b>Banking 2: Banking regulation, compliance, annual financial statements and risk management</b>
<p><b>1.3.1 A closer look at the new Federal Act on Data Protection (nFADP)</b></p>	<p>The importance of data protection has been rising steadily over the last few years. Today, huge volumes of data are available that can be <b>created, used, evaluated</b> and <b>saved</b>, but also <b>misused</b>.</p> <p>In the banking sector in particular, where personal data is created and processed, data protection is crucial in addition to bank customer secrecy; such as when:</p> <ul style="list-style-type: none"> <li>• entering into new business relationships with private clients (natural persons);</li> <li>• recruiting new staff;</li> <li>• doing business with competitors that involves the processing of personal data (e.g. of employees);</li> <li>• collecting personal data for marketing purposes.</li> </ul> <p><b>What are the legal foundations?</b></p> <p>The fully revised FADP entered into force on 1 September 2023 and it applies to all companies and industries that process the personal data of natural persons, i.e. that obtain, save, store, use, modify, publish, archive, delete or otherwise use personal data.</p> <p>Depending on the business model and use case, the EU GDPR may apply in addition to the FADP, including for companies based in Switzerland. The territorial scope of the GDPR for controllers not established in the EU is based on Art. 3 para. 2 GDPR. This means that the regulation does not just apply to natural persons resident in the EU.</p> <p>This regulation applies to the processing of personal data of data subjects located in the EU by a controller not established in the EU, where the data processing activities are related to:</p> <ol style="list-style-type: none"> <li>a) the offering of goods or services to data subjects in the EU or EEA, irrespective of whether these data subjects are required to make a payment.</li> <li>b) monitoring of the behaviour of data subjects, as far as such behaviour takes place in the EU or EEA.</li> </ol> <p>Data protection law is closely linked to bank client confidentiality (Art. 47 BankA; see the module “Banking 1”), even if the purposes differ. Bank client confidentiality extends to natural and legal persons and protects the confidentiality of bank customers (e.g. prior to the disclosure of data to genuine third parties), while the FADP is applicable to natural persons and is primarily intended to protect informational self-determination.</p> <p><b>Objectives of the new, completely revised Federal Act on Data Protection</b></p> <p>The purpose of the Federal Act on Data Protection is not to protect personal data, but to protect the informational self-determination of the person to whom the personal data relates. This means anyone who processes personal data has to observe processing principles and meet statutory obligations.</p> <p>Data protection supervision is the responsibility of the Federal Data Protection and Information Commissioner (<b>FDPIC</b>).</p> <p><b>Who is entitled to data protection and what data does this concern?</b></p> <p>The Federal Act on Data Protection protects natural persons whose data is processed:</p> <ul style="list-style-type: none"> <li>• <b>Personal data</b> concerns all details (data, information) that relate to a natural person (e.g. telephone number, photo, email address, social insurance number or IP address).</li> <li>• <b>Particularly sensitive</b> personal data is ultimately determined by the legislator. this comprises personal data about religious, philosophical, political and trade union views/activities, about health, the personal sphere, or racial or ethnic affiliation; genetic or biometric personal data which uniquely identifies a natural person, or about administrative or criminal proceedings or sanctions, as well as personal data relating to social assistance measures. Particular attention should be paid to these aspects when processing data.</li> </ul>

Section	<b>Banking 2: Banking regulation, compliance, annual financial statements and risk management</b>									
	<p><b>Where should care be exercised in processing personal data?</b></p> <p>Personal data must be processed lawfully. This means that data processing should not violate any laws or unlawfully violate a natural person’s privacy. The following principles must be observed when processing data:</p> <p><b>Fig. 1-7</b> Principles of data processing (see Art. 6 FADP)</p> <table border="1" data-bbox="456 500 1471 1184"> <tr> <td data-bbox="456 500 683 656"><b>Lawfulness, proportionality and good faith</b></td> <td data-bbox="683 500 1471 656">The processing of personal data is <b>proportionate</b> if it is suitable for achieving its intended purpose. The data to be processed must be required. As a rule, more personal data may be processed if the processing serves multiple purposes. Personal data should be destroyed or anonymised as soon as it is no longer required for the processing purpose, subject to statutory or private archiving obligations.</td> </tr> <tr> <td data-bbox="456 656 683 730"><b>Defined purpose and transparency</b></td> <td data-bbox="683 656 1471 730">Personal data should be collected only for a <b>defined purpose</b> that is clear to the data subject; data should be processed only if it is compatible with this purpose.</td> </tr> <tr> <td data-bbox="456 730 683 886"><b>Data integrity (accuracy)</b></td> <td data-bbox="683 730 1471 886">Anyone who processes personal data must make certain that it is <b>correct</b>. This presupposes that the requirements for accuracy are defined for each use case. They must take all reasonable measures to ensure that data that is inaccurate or incomplete in respect of the purpose for which it was collected or processed is rectified, erased or destroyed.</td> </tr> <tr> <td data-bbox="456 886 683 1184"><b>Consent</b></td> <td data-bbox="683 886 1471 1184"> <p>If the data subject’s <b>consent</b> is required, such consent is valid only if it has been given voluntarily for one or more specific processing operations after appropriate information.</p> <p>If consent is required on an exceptional basis, it must be expressly gathered for the following data processing activities:</p> <ol style="list-style-type: none"> <li>the processing of particularly sensitive personal data;</li> <li>high-risk profiling by a private individual;</li> <li>profiling by a federal body;</li> <li>a disclosure to a foreign country without an adequate level of data protection.</li> </ol> </td> </tr> </table>		<b>Lawfulness, proportionality and good faith</b>	The processing of personal data is <b>proportionate</b> if it is suitable for achieving its intended purpose. The data to be processed must be required. As a rule, more personal data may be processed if the processing serves multiple purposes. Personal data should be destroyed or anonymised as soon as it is no longer required for the processing purpose, subject to statutory or private archiving obligations.	<b>Defined purpose and transparency</b>	Personal data should be collected only for a <b>defined purpose</b> that is clear to the data subject; data should be processed only if it is compatible with this purpose.	<b>Data integrity (accuracy)</b>	Anyone who processes personal data must make certain that it is <b>correct</b> . This presupposes that the requirements for accuracy are defined for each use case. They must take all reasonable measures to ensure that data that is inaccurate or incomplete in respect of the purpose for which it was collected or processed is rectified, erased or destroyed.	<b>Consent</b>	<p>If the data subject’s <b>consent</b> is required, such consent is valid only if it has been given voluntarily for one or more specific processing operations after appropriate information.</p> <p>If consent is required on an exceptional basis, it must be expressly gathered for the following data processing activities:</p> <ol style="list-style-type: none"> <li>the processing of particularly sensitive personal data;</li> <li>high-risk profiling by a private individual;</li> <li>profiling by a federal body;</li> <li>a disclosure to a foreign country without an adequate level of data protection.</li> </ol>
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Section	<b>Banking 2: Banking regulation, compliance, annual financial statements and risk management</b>	
	<b>Reporting obligation</b>	<p>If there is a data breach and this is likely to result in a high risk to the data subject's person or fundamental rights, this must be <b>reported</b> as soon as possible.</p> <p>The controller should report the data breach to the <b>FDPIC</b> (Federal Data Protection and Information Commissioner) as soon as possible if it is likely to result in a high risk to the data subject's person or fundamental rights. As a minimum, the report should include the type of data breach, its consequences and the measures taken or planned (cf. Art. 6 para. 1 and 2 FADP).</p> <p>The processor reports a data breach to the controller as soon as possible. The controller informs the data subject if this is necessary for their protection or if the FDPIC requests it (cf. Art. 6 para. 3 and 4 FADP).</p>
	<b>Data protection impact assessment</b>	<p>Rapid technological developments mean that the consequences of data processing are not always clear. If processing entails a high risk to a data subject's person or fundamental rights, a <b>data protection impact assessment</b> must be carried out.</p> <p>Data protection impact assessments must include a description of the planned processing. It must outline the risks of data processing and the measures to protect persons and, where applicable, fundamental rights (cf. Art. 22 para. 3 FADP).</p> <p><b>NOTE:</b> The data protection impact assessments must be carried out <b>in advance</b>.</p>
	<b>"Privacy by design" and "privacy by default"</b>	<p>Controllers are required to ensure <b>"privacy by design"</b> and <b>"privacy by default"</b>. Here, legal specifications by the competent departments, as well as functions, must be transferred into stand-alone specifications for technical and organisational measures (TOM) (cf. Art. 7 FADP).</p>
	<b>Sharing data with third parties and transmitting data abroad</b>	<p>If personal data is shared or transmitted abroad, control over such data is lost to a certain extent. There is a risk that personal data will not be adequately protected, i.e. the processing principles in particular (see above) will not be met and the data subjects' rights will consequently be infringed. As such, special rules apply to data sharing and transmission abroad.</p> <p><b>Sharing data with third parties:</b></p> <p>Personal data may be passed on to "contract processors" (cf. Art. 5 lit. k and 9 FADP), if this is contractually agreed or provided for by law and it ensures data security with third parties if this is contractually agreed or protected by law.</p> <p><b>Transmission of data abroad:</b></p> <p>Personal data may be shared without additional conditions in countries which guarantee that personal data is adequately protected (cf. Art. 16 FADP). The Federal Council determines which countries have "adequate" protection. It publishes a list of such countries;</p> <p>for example, all EU countries offer adequate protection.</p>
	<b>Profiling and automated individual decision making</b>	<p><b>Profiling</b> is any type of automated processing of personal data which consists of using this personal data to evaluate certain personal aspects of a natural person, particularly to analyse or predict aspects relating to work performance, economic situation, health, personal preferences, interests, reliability, conduct, whereabouts or change of whereabouts of this natural person (Art. 5 lit. f FADP). Example: automated creation of a customer profile for the transmission of customised online advertising or the offer of appropriate investment recommendations.</p> <p><b>Automated individual decision-making</b> is a decision based exclusively on an automated processing activity which entails a legal consequence for the individual or which significantly affects them (Art. 21 FADP). Example: automated credit assessments for accepting and executing customer orders in e-banking.</p>

Section	Banking 2: Banking regulation, compliance, annual financial statements and risk management						
	<p><b>What rights does someone have to their data?</b></p> <p>Data subjects affected by data processing have the following rights in particular:</p> <p><b>Fig. 1-9</b> Rights of data subjects affected by data processing</p> <table border="1" data-bbox="456 450 1471 1115"> <tr> <td data-bbox="456 450 683 799"><b>Data subject rights</b></td> <td data-bbox="683 450 1471 799"> <p><b>Right of access:</b></p> <p>Data subjects have the right to receive information about the following:</p> <ul style="list-style-type: none"> <li>• controller’s identity/contact details</li> <li>• personal data processed</li> <li>• purpose of processing</li> <li>• storage period</li> <li>• origin of the personal data processed</li> <li>• whether automated individual decision making is in place</li> <li>• third-party recipients of the personal data processed</li> </ul> <p>The controller is required to provide this information free of charge, usually within 30 days.</p> </td> </tr> <tr> <td data-bbox="456 799 683 925"><b>Right to data portability</b></td> <td data-bbox="683 799 1471 925"> <p>Anyone can request that the controller <b>surrenders their electronic personal data</b> if the controller processes the data using automated means and the personal data was processed with the person’s consent or in connection with a contract (cf. Art. 28 para. 1 FADP).</p> </td> </tr> <tr> <td data-bbox="456 925 683 1115"><b>Right to rectification and right to “be forgotten”</b></td> <td data-bbox="683 925 1471 1115"> <p>If personal data is incorrect, there is a <b>right to rectification</b>. The data subject may request such a rectification unless a legal regulation prohibits this or the personal data is processed for archiving purposes in the public interest.</p> <p>The same applies to the right to erasure or “to be forgotten”. If the purpose for processing personal data has been fulfilled and if there are no statutory or private reasons for archiving, the deletion of the data may be requested.</p> </td> </tr> </table>	<b>Data subject rights</b>	<p><b>Right of access:</b></p> <p>Data subjects have the right to receive information about the following:</p> <ul style="list-style-type: none"> <li>• controller’s identity/contact details</li> <li>• personal data processed</li> <li>• purpose of processing</li> <li>• storage period</li> <li>• origin of the personal data processed</li> <li>• whether automated individual decision making is in place</li> <li>• third-party recipients of the personal data processed</li> </ul> <p>The controller is required to provide this information free of charge, usually within 30 days.</p>	<b>Right to data portability</b>	<p>Anyone can request that the controller <b>surrenders their electronic personal data</b> if the controller processes the data using automated means and the personal data was processed with the person’s consent or in connection with a contract (cf. Art. 28 para. 1 FADP).</p>	<b>Right to rectification and right to “be forgotten”</b>	<p>If personal data is incorrect, there is a <b>right to rectification</b>. The data subject may request such a rectification unless a legal regulation prohibits this or the personal data is processed for archiving purposes in the public interest.</p> <p>The same applies to the right to erasure or “to be forgotten”. If the purpose for processing personal data has been fulfilled and if there are no statutory or private reasons for archiving, the deletion of the data may be requested.</p>
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	<p><b>When does a data protection infringement occur?</b></p> <p>If, in particular, the principles of data processing are not complied with and there is no justification for processing, this usually constitutes a data protection breach, i.e. an infringement of the Federal Act on Data Protection (FADP). <b>Justification</b> includes:</p> <ul style="list-style-type: none"> <li>• the data subject’s consent</li> <li>• legal authorisation</li> <li>• an overriding private and/or public interest</li> </ul>						
	<p><b>Example</b></p> <p>A data protection infringement occurs if a bank uses addresses that are publicly accessible for marketing purposes without informing the data subject (e.g. the bank fails to provide the data subject with a link to the privacy policy in its promotional brochure).</p> <p><b>What recourse does the victim of an infringement have?</b></p> <p>In particular, data subjects can demand that the specific data processing operation is suspended, specific sharing of personal data with third parties is prohibited, or that the data is deleted or destroyed (cf. Art. 32 para. 2 FADP). However, these rights are not absolute; for example, in the event of statutory data processing (e.g. in the area of money laundering) or in the event of data processing involving an overriding interest of the controllers, these rights do not apply.</p>						
<b>3.8.1 Liquidation of a bank</b>	<p>New regulation on privileged claims:</p> <p>There is also one exception to this rule: <b>vested benefits accounts and pillar 3a pension accounts</b> are preferential up to a further CHF 100,000 each. Everything above this limit also enters into class III of the collocation plan.</p> <p>In total a maximum of CHF 300,000 can therefore be counted as preferential claims per customer.</p>						
<b>Chapters 4 + 5</b>	No corrections identified.						

Section	Money Laundering
Chapter 1	No corrections identified.
<p>2.2.1 Anti Money Laundering Act (AMLA)</p>	<p>The revision of the AMLA has resulted in a stricter duty of due diligence for financial intermediaries since January 1, 2023:</p> <p><b>Due diligence requirements</b></p> <p>The MLA requires that financial intermediaries respect the following procedures.</p> <p><b>Fig. 2-3</b> Six key requirements</p>  <pre> graph TD     R((Requirements)) --- 1[1. Identification of the contracting party]     R --- 2[2. Identification of the beneficial owner]     R --- 3[3. Periodic re-identification of contracting party/beneficial owner]     R --- 4[4. Special due diligence obligations in the event of suspicion and significant risk]     R --- 5[5. Record keeping]     R --- 6[6. Organisational measures]             </pre>



Section	Money Laundering	
	<p><b>1. Identification of the contracting party</b></p>	<p><b>No business dealings using a false identity.</b> The bank must know who their client is. It must therefore identify each of its clients by surname, first name, address of domicile, date of birth and nationality.                      Generally, banks ask to see official photo ID or proof of business registration.</p>
	<p><b>2. Identification of the beneficial owner</b></p>	<p>The beneficial owner may be:</p> <ul style="list-style-type: none"> <li>• The <b>contracting party</b> personally</li> <li>• A <b>third person</b></li> <li>• The <b>controller</b> in the case of operating legal persons or partnerships</li> </ul> <p>The Money Laundering Act aims to promote transparency in the case of natural and legal persons, partnerships and trusts, etc.</p> <p><b>No business relationships with “front men”.</b> It is repeatedly the case that someone administers assets of a third party or companies are established as “front companies”. In that respect, it may be the case that such third parties as the person entitled to the money actually do not appear in business dealings.</p> <p>For the bank, this means the following: Their contracting party is a person other than the beneficial owner. To ensure that such a constellation cannot be misused for money laundering, the bank must know who the person is <b>who</b> is actually <b>entitled to the assets or the business, and must identify the person</b>. It must not allow criminal money to be hidden behind the façade of “front men”.</p> <p>In the case of operating legal persons or partnerships, too, front men are to be avoided and the person(s) who actually <b>control(s)</b> the company is/are to be identified. For the bank, this means that it must identify the <b>actual controlling person(s)</b> of a non-listed, operating company to avoid that criminal money is processed via “front companies”.</p> <p>The beneficial owner is to be established not only in the event of doubt, but rather <b>in any case</b>.</p>
	<p><b>3. Periodic re-identification of contracting party/beneficial owner</b></p>	<p><b>Identification should be reviewed periodically.</b> The frequency depends on the risk of the business relationship, but every 7-10 years at a minimum. In the case of PEP’s, the review should be annual.</p>
	<p><b>4. Special due diligence obligations in the event of suspicion and significant risk</b></p>	<p><b>Clear up any suspicions.</b> The bank is required to investigate the <b>background</b> and <b>purpose of a transaction</b> or a <b>business relationship</b> in more detail if:</p> <ul style="list-style-type: none"> <li>• it is unusual or</li> <li>• it is exposed to an increased risk of money laundering or</li> <li>• there are indications that assets originate from an aggravated tax misdemeanour, an offence under the SCC or a criminal organisation.</li> </ul> <p>In the case of relationships with a potentially greater money laundering risk, the banks have special due diligence requirements (see chapter 3).</p> <p>The outcome of the (additional) clarification must be documented. Depending on the outcome of the clarification, a decision must then be taken as to whether or not the business relationship is to be</p> <ul style="list-style-type: none"> <li>• continued,</li> <li>• or terminated, and</li> <li>• a decision is taken at the same time as to whether a report also needs to be filed with the MROS.</li> </ul> <p><b>Example:</b> A lorry driver receives a bank transfer from Ukraine totalling CHF 100,000. A bank transfer of this size is highly unusual for a lorry driver, so the bank has to make further enquiries. In this example, it becomes apparent that the payment covers the driver’s risk premiums for journeys to high-risk areas in the past two years. So it is not a case of money laundering.</p>



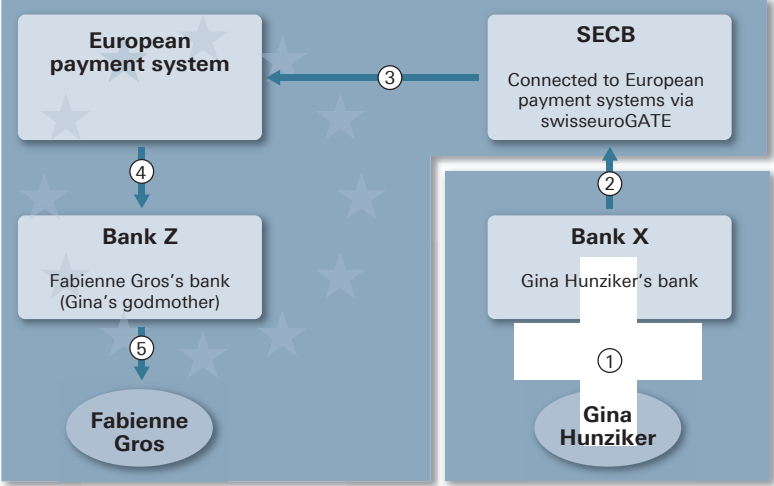
Section	Money Laundering
<p><b>3.1.1 When should identity be verified?</b></p>	<p>Adjustment of the details due to stricter due diligence obligation for financial intermediaries:</p> <p><b>Verifying a client’s identity when opening an account</b></p> <p>A typical example of where identity verification is required is the opening of a new account. This is examined in further detail in “Deposit services”. Following, briefly, are the most important elements:</p> <ul style="list-style-type: none"> <li>• The client’s identity must be verified <b>before the account is opened</b>. The account (or safe-deposit box) is said to be opened when it has been created. If identification of the client and the beneficial owner is delayed and there is already a credit pending on the account, the bank must ensure that missing documents are received within 30 days. The client is not allowed to make withdrawals during this period. If the bank does not receive the documents at the end of this 30-day period, it must freeze the account so that no further deposits may be made. If money laundering is suspected, the bank should not suspend the business relationship, but should notify the appropriate authorities. The bank may only terminate the business relationship itself if it does not receive notification within 40 working days of a report that the reported information will be forwarded to a law enforcement authority. However, the MROS must be informed immediately if the relationship is terminated.</li> <li>• To prevent the existence of anonymously held funds and to identify clients, existing <b>bearer savings books</b> must be converted into an account the first time the client comes to the bank. The identity of clients wishing to close the account must always be verified, even for sums of less than CHF 15,000.</li> <li>• <b>Verifying the client’s identity over the course of the business relationship</b>. Bank employees must exercise the same diligence when a business or individual changes their name (following marriage, e.g.) as when identity is verified for the first time. Identification must be carried out periodically, annually for high-risk business relationships and at intervals of no more than 7-10 years for low-risk relationships.</li> <li>• All clients must be identified. Anonymous accounts do not exist in the Swiss banking system. There are two <b>exceptions</b> to this rule however:                         <ul style="list-style-type: none"> <li>– In the case of a <b>rental surety account</b> as defined in Article 257 of the Swiss Code of Obligations, a client’s identity does not have to be verified.</li> <li>– The identity of clients who have only a Pillar 3a or vested benefits account at a bank does not have to be verified.</li> </ul> </li> </ul>
<p><b>Chapter 3 Summary</b></p>	<p>Adjustment of the summary due to the stricter due diligence obligation for financial intermediaries:</p> <p><b>Identifying the beneficial owner</b></p> <p><b>Form A</b> must be filled out:</p> <ul style="list-style-type: none"> <li>• when the bank knows the client is not the beneficial owner;</li> <li>• when the bank suspects the client is not the beneficial owner;</li> <li>• when a business relationship is established via correspondence;</li> <li>• for teller operations of amounts exceeding CHF 15,000;</li> <li>• when the client is a domiciliary company (unless it is listed on the stock exchange); or</li> <li>• when lawyers or notaries act as wealth managers and manage the assets of their clients.</li> </ul>

Section	Deposit Services
<p><b>Chapters 1 + 2</b></p>	<p>No corrections identified.</p>
<p><b>3.1.1 Compliance with anti-money laundering legislation</b></p>	<p>Adjustment due to stricter due diligence requirements for financial intermediaries:</p> <p><b>Identification of the contracting party and of the beneficial owner</b></p> <p>The Money Laundering Act provides for self-regulation of banking sector institutions involved in financial intermediation. Banks establish their own guidelines for fighting money laundering and submit them to the appropriate supervisory authority for approval. The Agreement on Due Diligence (CDB) predates the Money Laundering Act, in fact.</p> <p>One of a bank’s main responsibilities is to identify the contracting party (“know your customer”) and the beneficial owner.</p>

Section	Deposit Services	
	<p>Amendment of the provisions on the procedure for suspected money laundering and the obligation to retain identification documents due to the revision of the AMLA:</p> <p><b>Suspicion of money laundering</b></p> <p>What happens if a bank employee suspects money laundering when verifying the identity of a new client? In this situation, the account is not opened and a report is submitted to the internal money laundering reporting office, which instigates the next steps.</p> <p>What happens if a bank employee has a justified suspicion of money laundering in the case of an existing client? The Money Laundering Act provides for the following process:</p> <ol style="list-style-type: none"> <li>1. <b>Immediate reporting to the internal anti-money laundering department.</b> All banks should have such a service. The bank employee must immediately communicate his suspicions, after which the internal department will take over.</li> <li>2. <b>Immediate reporting to the national Money Laundering Reporting Office (MROS).</b> The anti-money laundering department conducts inquiries, fills out a report form and forwards it immediately to the national office in case of suspicion.</li> <li>3. <b>Clarification by the Money Laundering Reporting Office.</b> During this time, the bank may continue executing client orders.</li> <li>4. <b>The Money Laundering Reporting Office informs the bank that it is forwarding the report to the prosecuting authority.</b> The assets must now be frozen immediately. This freezing lasts for a maximum of five business days. Either a criminal case is opened and the assets remain frozen or the assets are released again.</li> <li>5. If the bank does not receive <b>notification within 40 working</b> days that the information has been forwarded to a law enforcement authority, it has the <b>right to terminate the business relationship</b>. If it does so, however, MROS must be informed immediately.</li> </ol> <p>During the entire course of this process, the concerned party may not be informed of the report. Cf. also “Money Laundering” module Chapter 2.2.1.</p> <p><b>Obligation to keep documents used in the client identification process</b></p> <p>Banks create a file on each client. This file, which is usually stored electronically, contains the documents required by the bank to verify the client’s identity (copy of official identification, signed check list, signed Form A, etc.).</p> <p>Banks must keep these files for at least 10 years, including after the business relationship has come to an end, to check, if necessary, whether a person’s identity was properly verified. If the appropriate authority opens an investigation into money laundering, the bank managing the account must be able to prove in detail that it verified the client’s identity with the required diligence; if it cannot, it is liable.</p>	
<p><b>3.3.1 Identification of the beneficial owner for account openings</b></p>	<p>Adjustment due to stricter due diligence obligation for financial intermediaries:                      Identification and determination of the beneficial owner in the case of legal entities</p>	
	<p><b>Identification of the legal entity</b></p>	<ul style="list-style-type: none"> <li>• <b>Company based in Switzerland and listed in the trade register.</b> The identity check is performed by means of the trade register certificate that is not more than 12 months old. As all trade registers can now be accessed via internet, it is also possible to perform this check electronically. The bank can also check in the Teledata databank or the Swiss Official Gazette of Commerce (SOGC) whether the company is listed in the trade register.</li> <li>• <b>Company based in Switzerland and not listed in the trade register (associations and other groups).</b> In this case, the identity check is performed by means of the charter (founding documents) and the minutes of the annual general meeting. This enables the person instructed to open the account to prove that the company actually exists.</li> </ul>
	<p><b>Identification of the natural person opening an account</b></p>	<p>In addition, <b>the natural person who is opening the bank account for the company must also be identified.</b> This is done in the same way as for private individuals (identification document and certificate of authenticity if the account is being opened by correspondence). Furthermore, it must be clarified and documented that the person opening the account is actually authorized to open an account for the company.</p>

Section	Deposit Services
	<p><b>Determination and identification of the beneficial owner</b></p> <ul style="list-style-type: none"> <li>When identifying <b>unlisted operating legal entities or partnerships</b>, in addition to the identity check, the controller must be determined. In Switzerland, operating legal entities work to produce a good or service, for example. The identity of the controller is determined by means of <b>“Form K”</b>.</li> <li>If the client is not an operationally active company but rather a <b>domiciliary company</b>, the identity of the beneficial owner of the domiciliary company’s assets must be determined using <b>“Form A”</b>. The control holder/beneficial owner must also be identified.</li> </ul>
<b>Chapter 3 Summary</b>	<p>Additional bullet point in case of suspicion of money laundering:</p> <p><b>Suspicion of money laundering</b></p> <p>If money laundering is suspected, the bank must proceed as follows:</p> <ol style="list-style-type: none"> <li><b>Immediate reporting</b> to the <b>internal anti-money laundering department</b>.</li> <li><b>The internal department will file a report immediately with the national Money Laundering Reporting Office (MROS).</b></li> <li><b>Clarification by the Money Laundering Reporting Office.</b> Client orders may continue to be executed.</li> <li>The <b>Money Laundering Reporting Office</b> decides how to proceed. If a criminal case is opened, the <b>assets are frozen for a maximum of five business days</b>.</li> </ol> <p>If the bank does not receive <b>notification within 40 working</b> days that the information has been forwarded to a law enforcement authority, it has the <b>right to terminate the business relationship</b>. If it does so, however, MROS must be informed immediately.</p>
	<p>Adaptation due to stricter due diligence obligation for financial intermediaries:</p> <p><b>Opening an account by legal entities</b></p> <p><b>The identity check</b></p> <ul style="list-style-type: none"> <li><b>Companies listed on the trade register:</b> trade register certificate, proof of identity of person opening the account <b>and</b> of the controlling person.</li> <li><b>Companies not listed on trade register:</b> charter/minutes of annual general meeting, proof of identity of person opening the account <b>and</b> of the controlling person.</li> </ul>
<b>Chapter 4</b>	No corrections identified.

Section	Basic Services
<b>Chapter 1</b>	No corrections identified.

Section	Basic Services
<p><b>2.2 Payment processing in Europe</b></p>	<p>Adaptation of point 1 in the description of the figure:  <b>Fig 2-6</b> Direct debit (LSV<sup>+</sup>)CYP005FABAd</p>  <p>The diagram illustrates the flow of a direct debit transaction. It features several key components:         <ul style="list-style-type: none"> <li><b>European payment system</b>: A central hub for payment processing.</li> <li><b>SECB</b>: Swiss National Bank, connected to European payment systems via swisseuroGATE.</li> <li><b>Bank Z</b>: Fabienne Gros's bank (Gina's godmother).</li> <li><b>Bank X</b>: Gina Hunziker's bank.</li> <li><b>Fabiennes Gros</b>: The recipient of the payment.</li> <li><b>Gina Hunziker</b>: The sender of the payment.</li> </ul>         The process is numbered 1 through 5:         <ol style="list-style-type: none"> <li>Gina Hunziker asks her bank (Bank X) to transfer EUR 300 to her godmother Fabienne Gros, who holds an account at Bank Z. Bank X debits the account of Gina Hunziker.</li> <li>Bank X transmits the payment order to the SECB in Frankfurt via euroSIC.</li> <li>The order is transferred by the SECB, which is connected to European payment systems (TARGET 2).</li> <li>Bank Z is notified of the incoming payment. It credits Fabienne Gros's account.</li> <li>Fabienne Gros is notified of the transaction.</li> </ol> </p> <p>EUR 300 is credited to the Swiss account held at the SECB and credited a few minutes later to the account of the receiving bank (Bank Z).</p> <p>④ Bank Z is notified of the incoming payment. It credits Fabienne Gros's account.          ⑤ Fabienne Gros is notified of the transaction.</p>
<p><b>Chapter 3</b></p>	<p>No corrections identified.</p>

Section	The Swiss National Bank
<p><b>All chapters</b></p>	<p>No corrections identified.</p>