

Information for bank customers on the blocking of foreign assets by the Swiss government

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In the wake of the political upheaval in Libya and change of governments in Tunisia and Egypt, the Swiss government, backed by the Swiss Federal Constitution, has frozen the assets of persons that belonged to, or are closely related to, the governments of the respective countries. This is a **temporary** measure which has nothing to do with a confiscation or seizure of assets, but instead is intended to create space for clarification in order to ensure that said assets have not been acquired by improper means. Such measures relate exclusively to **politically exposed persons**, i.e. persons exercising prominent public functions in the respective state and persons that are recognisably closely related, whether for family, personal or business reasons. As a temporary measure, holders of accounts or deposits are **temporarily** prevented from disposing of their deposited assets. Should it become clear that an account holder is not a politically exposed person or that the assets have not been improperly acquired, the restriction will be lifted again without any further ado.

Confiscation or **seizure**, on the other hand, according to Swiss law, means that the State seizes the assets, i.e. they are taken over by the State. Such an act of seizure is possible only in the case of penal proceedings or judicial assistance procedure, and then, only when the improper acquisition of the assets has been legally proven.

In the context of the **battle against money laundering**, financial intermediaries are obliged to notify the Money Laundering Reporting Office of the Swiss Federal Department of Justice and Police if they have good reason to suspect that assets deposited with them originate from a criminal act or circumstance. Subsequently, the assets will remain frozen for 5 days. Thereafter, a decision must be made whether or not to initiate penal proceedings. If said proceedings are dispensed with, the assets are released again. This procedure must be distinguished from the aforementioned **politically motivated** freezing of assets, which is a measure taken by the Swiss government and which is not dependent on any kind of court judgement or suspicion of the improper acquisition of the assets. On the contrary, it is this very circumstance which, in this case, will be clarified.