

African politically exposed persons today

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The African politically exposed clientele of the financial centre has changed in nature since the affairs of the 1990s. Geneva banks apply to foreign politically exposed persons, including African leaders and their close associates, the enhanced due diligence described in Part H, with approval by senior management for entering into the relationship, clarification of the origin of the funds and an annual review. Many have reduced or excluded this clientele, judged too risky in relation to its profitability.¹ The African clientele that remains consists essentially of entrepreneurs, business families, executives of international organisations and members of the liberal professions whose wealth is documented, and of politically exposed persons whose legitimate income, whether inherited or entrepreneurial, is established.

This development has a paradoxical effect: illicit African fortunes, which found a refuge in Geneva in the 1990s, are heading for less exacting financial centres, Dubai among them, which protects the Geneva financial centre without protecting the dispossessed African populations. Geneva's non-governmental organisations, which have made asset recovery one of their causes, have taken note of this and now direct their efforts at the substitute centres and at the intermediaries — lawyers, fiduciaries, estate agents — through whom the funds pass.² Switzerland, which was the target of these criticisms, has become a partner in them, which Part I presents as one of the most significant reversals in the relationship between Geneva and Africa.

Worked example. A Geneva bank receives an account-opening request from an East African entrepreneur, owner of a retail group valued at USD 200 million, whose brother is a minister. The enhanced due-diligence procedure occupies an analyst for three weeks: checking the country's commercial registers, the group's audited accounts, the local press in English and Swahili, the group's links with public contracts, sanctions and

pending proceedings; an interview with the client on the origin of his wealth and his relations with his brother; an opinion from a local law firm. The compliance committee approves the relationship subject to conditions: exclusion of any flows linked to public contracts, half-yearly review, an initial ceiling of USD 20 million. The cost of the procedure, around CHF 30,000, is covered by the first year's revenue from the relationship. Refusal would have been a commercial loss, unconditional acceptance a risk of sanction. The documented decision is the bank's only protection.

1 Notes

1. FINMA Anti-Money Laundering Ordinance (AMLO-FINMA; SR 955.033.0), Art. 13 para. 3 let. a (relationships with foreign politically exposed persons considered in all cases as involving increased risks) and Art. 19 para. 1 let. a (admission decided by senior management at its highest level); FINMA, press releases of 17 September 2018 (Credit Suisse) and 20 February 2020 (Julius Bär); Allnews, 18 November 2021: closure of the proceedings linked to Venezuela, CBH Compagnie Bancaire Helvétique (Geneva) required to terminate its remaining Venezuelan relationships and to review its other high-risk accounts; Federal Council, report of 26 February 2020 (more than 1,500 reports to MROS linked to the Petrobras and PDVSA affairs between 2015 and 2018). ↩
2. Public Eye, "La saga des "supercars" du clan Obiang" (The saga of the Obiang clan's "supercars"), 21 January 2020 (fear that the restitution of the proceeds from the cars might become "a 'second Duvalier affair'"); Public Eye, "After Luanda Leaks, a billionaire's empire falls, but her enablers carry on" (ICIJ); JusticeInfo.net, "Suisse : l'accord Abacha est-il un modèle pour la restitution des "fonds des dictateurs" ?" (Switzerland: is the Abacha agreement a model for the restitution of "dictators' funds"?); swissinfo.ch, 20 January 2020 (De Grisogono, Luanda Leaks); ICIJ, 20 December 2023 (freezing of USD 733 million in London). ↩

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