

The CDB 20 and its place in federal law

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The current version, the CDB 20, was adopted on 13 June 2018, approved by FINMA in the same year and entered into force on 1 January 2020.¹ It responded to the deficiencies identified in the FATF Mutual Evaluation Report on Switzerland of 7 December 2016. Its main changes were the reduction of the threshold for identifying the contracting partner in cash transactions from CHF 25,000 to CHF 15,000, the removal of thresholds for certain trading transactions, a stricter rule for account openings with missing documents and the incorporation of video and online identification.² If the missing information or documents are not provided within 30 days of the account opening, the account must be blocked for deposits and withdrawals, and the relationship is to be terminated if the gap cannot be closed.

The legal status of the CDB has changed fundamentally since 1977. Its material provisions, Articles 1 to 57, now have the status of ordinance law, because Article 35 of FINMA's Anti-Money Laundering Ordinance (AMLO-FINMA) declares them applicable to banks and securities firms, and FINMA recognizes the CDB as a minimum standard. Its procedural provisions from Article 58 onwards remain contractual self-regulation between the Bankers Association and its member banks.³ The CDB itself states that it is designed "to give specific effect to certain points of due diligence governed by the Anti-Money Laundering Act (Article 3 to 5 AMLA)" and to the care required by Article 305ter SCC, while the special duties of investigation for higher-risk relationships are set out in AMLO-FINMA.⁴ Enforcement continues. In the period 2017 to 2021, the Supervisory Board took 44 decisions, compared with 52 in 2011 to 2016. Thirty-seven ended with a contractual penalty. The highest penalty was CHF 1 million, as in the preceding period, and fourteen penalties amounted to CHF 100,000 or more. Most convictions concerned the duty to repeat the identification of the contracting partner or the establishment of the beneficial owner when doubts arose. At the end of June 2022 the CDB

bound 236 banks and 24 securities firms.⁵ The Bankers Association has announced that a further revision will not take effect before 1 January 2027, since it depends on the implementation of the new federal transparency register for legal entities.⁶

Common misconception. The CDB is often described as a voluntary code with no legal force. Since 1977 it has been a binding contract between each bank and the Bankers Association, enforced by contractual penalties of up to CHF 10 million. Since the AMLA and the FINMA ordinances, its material provisions also have the force of ordinance law for banks and securities firms through Article 35 AMLO-FINMA. A violation can therefore lead to a contractual penalty, to supervisory measures by FINMA and, where the identification of the beneficial owner was neglected, to criminal liability under Article 305ter SCC.

1 Notes

1. SBA, "CDB 20: revised code of conduct in the area of the fight against money laundering", 31 July 2018, <https://www.swissbanking.ch/en/news-and-positions/news/cdb-20-revised-code-of-conduct-in-the-area-of-the-fight-against-money-laundering>; FINMA, "Combating money laundering", <https://www.finma.ch/en/supervision/cross-sector-issues/combating-money-laundering/> (CDB 20 approved by FINMA in 2018); CDB 20 (above), Art. 69. ↩
2. SBA, Commentary on the Agreement ... (CDB 20) (above) (FATF Mutual Evaluation Report of 7 December 2016; thresholds); SBA, news of 31 July 2018 (above) (30-day rule; video and online identification); CDB 20 (above), Arts 4(2), 9, 10 and 45(4). ↩
3. SBA, "Combating money laundering" (above) (Arts 1–57 with ordinance-level status through Art. 35 AMLO-FINMA; procedural provisions from Art. 58 contractual); SBA, Tätigkeitsbericht 2017–2021 (above), 6–7; SBA, Commentary on the Agreement ... (CDB 20) (above) (minimum standard); FINMA Anti-Money Laundering Ordinance of 3 June 2015 (AMLO-FINMA), SR 955.033.0, Art. 35 ("gelten für Banken und Wertpapierhäuser die Bestimmungen der Vereinbarung vom 13. Juni 2018 über die Standesregeln zur Sorgfaltspflicht der Banken (VSB 20)"), <https://www.droit-bilingue.ch/de-fr/9/95/955.033.0-35-37.html>. ↩
4. CDB 20 (above), Art. 2. ↩
5. SBA, Tätigkeitsbericht 2017–2021 (above), 2–5. ↩

6. SBA, "Combating money laundering" (above). ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/lugano-the-cdb-20-and-its-place-in-federal-law