

---

February 2016

# Information from the SBA regarding the disclosure of client data and other information in international payment transactions and investments in foreign securities

Swiss Bankers Association (SBA)

---

## **What should you expect when making international payment transactions and payments in foreign currencies?**

During the processing of cross-border payments, or domestic payments in foreign currencies (incoming and outgoing), extensive information concerning the ordering customer, the recipient and the payment order may have to be disclosed to the banks and system operators involved, both in Switzerland and abroad. The main purposes are to combat tax evasion, money laundering and terrorist financing, to enforce sanctions, to comply with local requirements in general and/or to allow the transactions to be carried out. The information concerning the ordering customer / recipient includes, for example, name, date of birth, nationality, domicile, origin of the assets, duration of the banking relationship, relationship between the ordering customer and recipient, and any agency relationships; and, in the case of companies, for example the business activity, purpose, ownership structure, beneficial owners, organisational structure and number of employees. As regards the payment order, it may include information such as the reason for and context of the payment, any suspicious compliance-related factors, as well as details of other similar payments. The banks and system operators referred to are primarily the ordering customer's and recipient's banks, correspondent banks and operators of payment systems (e.g. in Switzerland SIX Interbank Clearing AG) or SWIFT. It is also possible that those involved in the transaction may transfer the data, for example to regulators, authorities or other third parties in Switzerland or abroad. Additionally, the recipient of the payment order, whether in Switzerland or abroad, may receive information about the ordering customer, or vice versa.

## **What should you expect when making investments in foreign securities?**

During the processing of transactions involving foreign securities, or domestic securities linked to foreign currencies (e.g. Swiss investment funds with currency classes), and when such securities are held in custody, extensive information may have to be disclosed to the banks, system operators and other third parties involved, both in Switzerland and abroad. The main purposes are to combat tax evasion, money laundering and terrorist financing, to enforce sanctions, to comply with local requirements in general and/or to allow the transactions to be carried out. The information includes, for example, name, date of birth, nationality and domicile of the investor, beneficial owner, ordering customer or recipient in the case of securities transactions, origin of the assets, duration of the banking relationship, relationship between the investor, ordering customer and recipient, relationship between the investor and the issuer, any agency relationships; and, in the case of companies, for example the business activity, purpose, ownership structure, beneficial owners, organisational structure and number of employees.

The banks and other financial market infrastructures referred to are primarily securities trading platforms, clearing houses and custodians. It is also possible that the parties involved in processing the transactions and custody of the securities may transfer the data, for example to regulators or authorities in Switzerland or abroad or to other third parties. Additionally, the recipient in a securities transaction, whether in Switzerland or abroad, may for example receive information about the ordering customer.

## **Why is this information disclosed?**

In particular, the banks and system operators in Switzerland and abroad that are involved in payment transactions and the processing of transactions involving foreign securities, and that act as custodians for such securities, increasingly require extensive information about the parties involved as well as further background information about the transactions. This information is disclosed in order to answer specific enquiries from such entities, so that they can satisfy the requirements applicable to them. It also helps to ensure that the services concerned are provided in a correct way.

## **Is information about you and your transactions protected abroad?**

Once information about you and your transactions leaves Switzerland it is no longer protected by Swiss law (e.g. Swiss bank-client confidentiality or the Federal Act on Data Protection), but is subject to the law of the country concerned. Foreign laws and official orders may, for example, require the information to be forwarded to authorities, supervisory bodies or other third parties.