

Increase in corporate and senior management criminal liability enforcement in Switzerland

The recent rise in fines and prison sentences against high-profile companies and senior managers indicates a greater willingness for Swiss enforcement action in bribery and money-laundering cases, and increased co-operation with anti-corruption authorities from other countries. Companies from high-risk sectors should stress test their control systems to ensure owners, board members, senior managers, and brand are effectively protected.

Corporate criminal liability in Switzerland – context

Switzerland has significantly expanded its enforcement actions against undertakings and senior managers, and recent high-profile cases are a wake-up call to any undertakings with inadequate risk and compliance management systems.

In November 2024, *Global Investigations Review* named Switzerland's Office of the Attorney General (the “**OAG**”) as its Enforcement Agency of the Year, citing the convictions of Gunvor (summarised below), Glencore and PKB Privatbank for corporate criminal offences.

Switzerland's Attorney General, Mr Stefan Blätter, said in a recent interview that economic crime is a national security threat, which the OAG will continue to prosecute. On 20 March 2025, the OAG signed a “Founding Statement” with the UK's Serious Fraud Office and France's Parquet National Financier, joining forces in an effort to combat bribery and corruption.

Under Art. 102 Para. 2 of the Swiss Criminal Code (the “**SCC**”) undertakings are criminally liable if they have **failed to take all reasonable organisational measures** necessary to prevent severe offences, such as bribery and money laundering.

Companies active in sectors such as finance, trading, mining, or manufacturing and export of goods are particularly exposed to foreign bribery and money laundering risk due to the nature of their business.

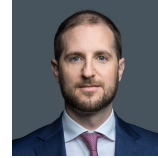
Recent cases

- **Trafigura Beheer BV:** Trafigura is a major global commodities trader and, in December 2023, the OAG indicted it and three individuals for allegedly paying over EUR 4.3m and USD 604,000 in bribes between April 2009 and October 2011 to an Angolan public official to secure oil tanker chartering and bunkering contracts.
 - In January 2025, the Swiss Federal Criminal Court in Bellinzona found Trafigura guilty of organisational weakness in preventing bribery of foreign officials and imposed a fine of CHF 3m and a compensatory claim of USD 145m.

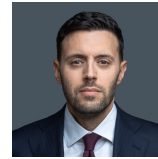
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“Companies from high-risk sectors should stress test their control systems”

- Also, the former COO was sentenced to a 32-month prison sentence (12 months to be served).
- This is the first conviction of a multinational company in Switzerland for bribery of foreign officials after trial and the first where concurrently a senior manager has been given a prison sentence. This decision has been appealed.
- **Gunvor SA:** in March 2024, the OAG issued a summary penalty order against Geneva-based commodities trading firm Gunvor, imposing a fine of CHF 4.3m and a compensatory claim of USD 93.5m.
 - According to the summary penalty order, between February 2013 and February 2017, Gunvor failed to implement adequate organisational compliance measures to prevent the payment of USD 7.5m in bribes to an Ecuadorian official of the state petroleum company, Petroecuador. These bribes were in exchange for the awarding of oil contracts to entities affiliated with Gunvor.
- **Banque Lombard Odier & Cie SA:** in November 2024, the OAG indicted the Geneva-based bank Lombard Odier and a former relationship manager on charges of aggravated money laundering.
 - The indictment alleges that, between 2008 and 2012, the bank and its employee played a pivotal role in concealing proceeds from a criminal organisation purportedly led by Gulnara Karimova, the daughter of Uzbekistan's former president.
 - The bank's former employee is accused of having opened and managed nine bank accounts under false pretences to launder funds of illicit origin, while the bank allegedly failed to implement adequate anti-money laundering measures and failed to identify the true beneficial owner of the accounts.
 - Lombard Odier has denied the allegations, stating they are unfounded and that it is committed to defending itself. The trial date has not yet been set.
- **Morgan Stanley (Switzerland) GmbH:** in February 2025, the OAG concluded its criminal investigation into Morgan Stanley (Switzerland) by issuing a summary penalty order. The investigation revealed that, in 2010, a client advisor of the bank engaged in qualified money laundering involving assets derived from bribery of the then Greek Defence Minister. While the bank had anti-money laundering policies and processes in place, it failed to implement adequate organisational measures to prevent these illicit activities, leading to a fine of CHF 1m. The bank has accepted the penalty, and the order is legally binding.
- **RUAG MRO Holding AG:** in February 2025, the Swiss Federal Audit Office (the "FAO") issued three reports on this Swiss state-owned defence company. The FAO suspects that a former employee engaged in fraudulent spare parts sales, causing a double digit million Swiss francs damage. In the Netherlands and Germany this matter triggered bribery investigations, and the OAG has also decided to investigate the matter.

Analysis and recommendations

In recent years, Swiss enforcement agencies have been among the most active in prosecuting undertakings for failing to prevent bribery and money laundering. These investigations also target managers at all levels.

The recent cases have one common denominator: **failure to prevent severe offences due to ineffective internal controls.**

- The OAG found that – although Morgan Stanley had the necessary guidelines in place when the pertinent business relationship was established – it failed to take all necessary steps to adequately clarify the origin and source of the funds. Furthermore, the relationship was incorrectly not classified as a ‘PEP’ (politically exposed person) relationship due to misleading information provided by the client advisor to the bank’s compliance team.
- RUAG MRO is accused of having failed to implement and monitor compliance throughout the organisation. For example, RUAG Switzerland is still unable to guarantee that RUAG Germany is compliant with Swiss export directives as it does not have direct access to the German subsidiary’s export customer data. And, in the spare parts fraud whistleblowing case, the reported information was immediately disclosed to the suspected individual, rather than being independently investigated.

We recommend that undertakings from high-risk sectors assess both the maturity of their control governance and the effectiveness of their internal control system. The reason for most corporate crises is poor governance of oversight – essentially the lack of an effective internal control system and/or inadequate Board assurance.

Companies can use the following checklist to assess the maturity of their good governance and effective management of oversight:

1. Has the Board established and documented a best practice control governance framework outlining the design, goals and resources employed for its internal control system and Board assurance?
2. What method does the undertaking apply for risk management and compliance management (e.g. ISO standards or the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)?
3. Is the governance framework and its implementation independently audited at least every four years?
4. What resources does the Board allocate to the governance and management of oversight? (As a rule of thumb, this should be roughly 0.2 to 0.5 per cent of turnover or, in the services sector, 5-10 per cent of gross profit.)
5. Is performance of the control and assurance management measured and documented?
6. What corrective action has the Board and executive management taken to address shortcomings and treat risks?
7. Has an effective whistleblowing mechanism been implemented? If yes, how many reports have been received last year? (A rule of thumb for effectiveness is 3-5 material reports per 1000 employees per year.)
8. Have all material reports been independently investigated? Are whistleblowers visibly protected and rewarded for their courage and engagement in the interest of the company? (Note that 97 per cent of reports are made in good faith.)

With today’s standards and best practice, companies can easily measure the maturity and performance of their control processes and Board assurance.

Find out more more about our expertise in White Collar Crime and Investigations, regulatory and compliance practices.