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National Council – Foreign Affairs Committee

15.3920 Illicit financial flows from developing countries (Maury Pasquier postulate)

13.3848 Outflows of corrupt assets from developing countries (Ingold postulate)

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# **Illicit financial flows from developing countries**

## **Current and future fields of action and instruments in Switzerland's development policy**

### **Supplementary report**

by the Swiss Agency for Development and Cooperation (SDC)  
and the State Secretariat for Economic Affairs (SECO) – Economic Cooperation  
and Development (WE)

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### **Presented to the**

Foreign Affairs Committee of the National Council  
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## 1 Background and mandate

Illicit financial flows (IFFs)<sup>1</sup> have been a topic of discussion in international development policy and academic circles for more than 15 years. In its [report of 12 October 2016 on illicit financial flows from developing countries](#), the Federal Council presented its understanding and a thorough analysis of the issue, covering the many and varied factors underlying IFFs. According to the Federal Council, IFFs primarily concern funds which are associated with crime, corruption, money laundering, the financing of terrorism and tax avoidance and evasion and which cross international borders.

The report was first discussed within the Foreign Affairs Committee of the National Council (FAC-N) on 21 March 2017. The SDC and SECO were then asked to furnish a [short report](#) in response to a committee member's questions. A more in-depth discussion with a panel of experts was held on 6-7 November 2017, resulting in another mandate being issued to the SDC and SECO.<sup>2</sup>

Meanwhile, the Federal Council has on numerous occasions reaffirmed its commitment to combating IFFs, both internationally and within Switzerland. In line with international discussions on the topic, it recognises not only the importance of the national legal framework in curtailing inflows of undesirable funds but also the significant role of international cooperation on the ground.

Switzerland's current engagement comprises in-country measures against day-to-day corruption, money laundering and other forms of transnational organised crime as well as tax avoidance and evasion. The SDC and SECO place continuous emphasis on these issues in expanding and redeveloping their country programmes. In addition, both the SDC and SECO are active participants in the (multilateral) development policy debates and programmes of the international community. Within Switzerland, the two agencies work to incorporate aspects of development policy in domestic legislation. Studies and research in development policy play an important role in such efforts.

As announced by the Federal Council, this report spells out the broad-based commitment that exists and presents the current and future fields of action and instruments available to Swiss international cooperation to tackle IFFs from developing countries. Based on the international discussions on IFFs as well as the ongoing programmes, five fields of action for Swiss international cooperation have been defined, grouped into two main policy areas:

Financial flows and trade relations:

- Minimising the risk of IFFs in the commodities value chain
- Improving access to financial services and remittances
- Combating tax avoidance and evasion

Governance and the rule of law:

- Combating transnational corruption and money laundering
- Restitution of illicitly acquired assets

This report has been jointly drawn up by the SDC and SECO and in close collaboration with other federal offices.

## 2 Fields of action and instruments in Swiss international cooperation

Studies over the past two years have greatly expanded our understanding of the enablers and facilitators of IFFs. For example, it is now recognised that IFFs are not the sole domain of organised crime networks. Although transnational by definition, IFFs play a direct role in many

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<sup>1</sup> IFFs are widely defined as the 'cross-border movement of money illegally earned, transferred or used' (UNECA, 2013)

<sup>2</sup> The SDC and SECO were to report back directly instead of producing a postulate report on 'current and future fields of action and instruments to help create and strengthen country-level instruments and processes to reduce IFFs from developing countries'. (FAC-N minutes of 6 November 2017)

business transactions in the informal economy and affect the livelihoods of large segments of the population in the developing world. In many countries, IFFs have close links to state policy, governance and the functioning of institutions. In fact, the financial and cultural allegiances between and within different interest groups can be so pervasive in entire societies that some studies regard this not merely as corruption but as an 'alternative system of governance' with a logic of its own. Lack of access to financial services and other lending sources, which is typical of many (informal) economic sectors, is another driver of IFFs. Finally, the increasing interdependence and globalisation of the financial and goods markets are a key precondition for IFFs; on the other hand, creating open regional markets can significantly curtail IFF-related crime.

The research also points to some initial fields of action. In particular, apart from measures to establish and implement international standards, a successful policy calls for approaches which more consistently address the contextual realities and international linkages in the countries of origin. The measures outlined below are the contributions of Swiss international cooperation to the wider spectrum of possible interventions. They contribute to either curtailing capital outflows from developing countries or mobilising external finance for the public and private sectors in the countries of origin. A distinction is made between in-country activities or those at the international level and contributions to the national and international development discussions.

## 2.1 Financial flows and trade relations

### 2.1.1. Minimising the risk of IFFs in the commodities value chain

Studies by the OECD and other organisations have found the commodities sector to be one of the most susceptible to corruption, with a disproportionately high degree of transnational corruption. This concerns both industrial and small-scale extraction of mineral and fossil raw materials as well as commodities trading, albeit by different means.

Given that so many developing countries and their public revenues are highly dependent on commodity exports and in light of the high correlation between such commodity dependence and inadequate governance, having sustainably driven value and supply chains brings a significant reduction in IFFs. For example, instruments and incentives to promote ethical business practices play an important role here, as does the voluntary or mandatory disclosure of payments or non-financial dimensions (regarding human rights, environmental compatibility, etc.).

Some important activities at the multilateral level include the work of the International Monetary Fund (IMF), co-financed by SECO, under the Topical Trust Fund on Managing Natural Resource Wealth and the Extractive Industries Transparency Initiative (EITI), which promotes accountability and good governance in the commodities sector of member states with a voluntary international transparency standard.

In 2017 the OECD – with support from the SDC and others – launched a dialogue with African states on IFF concerns and a thematic dialogue on the possibilities for global transparency and reporting standards in commodities trading.<sup>3</sup>

The SDC and SECO, together or separately, support studies and research as a contribution to informed discussions and decision-making in Switzerland and internationally. This occurs mainly in the framework of institutional partnerships with international organisations, specialised organisations or Swiss research institutions, i.e.:

- *OECD Development Cooperation Directorate and OECD Development Centre*
- *Natural Resource Governance Institute (NRGI), USA*
- *Swiss Programme for Research on Global Issues for Development (r4d programme)*

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<sup>3</sup> This initiative from the OECD's Development Centre under the *Policy Dialogue on Natural Resource-based Development* (<http://www.oecd.org/dev/natural-resources.htm>) dates back to the anti-corruption summit held in London in May 2016. For details see the Federal Council's IFF report from 2016 and Switzerland's country statement [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/522732/Switzerland.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/522732/Switzerland.pdf)

The SDC's partnership with NRGi has three strategic priorities: (1) promoting worldwide debate on voluntary and mandatory transparency standards; (2) strengthening the mechanisms for rendering account and contractual transparency for state actors in commodity-exporting countries; (3) building a global database of commodity governance data at a country level. SECO supports the *Responsible Mining Index*, which ranks the performance of the world's 30 largest mining companies on economic, social and ecological issues. A [research programme](#) run by the Swiss National Science Foundation (SNSF) and funded by the SDC and the SNSF, taking a broader and more long-term approach, seeks to develop and implement policies (both national and international) to reduce IFFs driven by commodities trading.

Within the Federal Administration, the SDC and SECO contribute to the decision-making processes with data, facts and development-policy knowledge from these studies as well as experience from their commodities-related activities in partner countries (particularly in West Africa, East Africa and Mongolia). The main dossiers here are Federal Council reports on commodities-related topics and relevant pending legislation on corporate responsibility (transparency, accountability and reporting matters).

Where the opportunity or need exists, this fundamental information is also fed into the debates and processes at the country level. For instance, SECO supports NRGi activities in relation to civil society monitoring of the use of revenues from the commodities sector in transition countries in central and eastern Europe, the Caucasus and central Asia. SECO's *Better Gold Initiative* is of particular note in relation to bilateral cooperation.

### 2.1.2 Improving access to financial services and remittances

It is widely acknowledged today that the absence of functioning financial systems in many developing countries is a driving factor of IFFs. Limited access to financial services pushes prospective borrowers towards informal channels, and these are very difficult to regulate. Therefore, the majority of financial transactions in developing countries (including cross-border transactions) are conducted in cash, outside of government regulators' reach. This not only undermines long-term macroeconomic performance and fiscal policy but also impedes efforts to combat money laundering and corruption.

The situation has deteriorated in recent years with the implementation of anti-money laundering/countering the financing of terrorism (AML/CFT) regulations, which have led many financial service providers to limit their commercial risk exposure in developing countries. This concerns in particular credit institutions, which play a pivotal role in international transfers or other cross-border financial transactions (i.e. as correspondent banks). Studies by the *Financial Stability Board* (FSB) indicate that such 'de-risking', i.e. the reluctance of financial institutions to accept risks and the growing body of international regulations addressing the inherent risk of illegal activities, affects certain developing countries in particular, as well as countries subject to financial sanctions and small economies.

In this context, the practice of migrants sending money back home (remittances) has grown in importance for the general public in many developing countries and is already a significant source of income.<sup>4</sup> At the same time, formal remittance channels are now limited by the high fees charged by money transfer operators.

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<sup>4</sup> It is estimated that remittances sent to developing countries in 2016 by way of official bank channels alone exceeded USD 445 billion, which is more than three times the total official development assistance (ODA). These remittances contribute to the welfare of some 700 million people worldwide. For many recipients they represent the sole source of income to pay for food, healthcare, accommodation and education or training. The average transfer fees for a remittance transaction currently stand at 7.6%, representing a further USD 30 billion a year that could otherwise go to needy families in developing countries. One of the reasons for these high transaction costs is the fact that money transfer operators are exposed to a high risk of money laundering and the financing of terrorism and are systematically required to perform due diligence, which adds to their compliance costs.

The measures being put forward internationally in discussions on development finance and IFFs include improving the general public's access to financial services through better use of emerging digital technologies as well as deregulating the market for remittance payments.

In this context, and as part of their long-term effort in financial sector development which focuses on savings and insurance products, the SDC and SECO are now increasingly promoting the use of digital technologies so as to give poor households, smallholder farmers and micro-enterprises easier access to affordable financial services. With regard to de-risking and lowering the transfer costs for remittances, the SDC and SECO are also supporting studies on the development of international standards as well as a number of pilot projects.

### 2.1.3 Combating tax avoidance and evasion

Tax-related matters have taken on greater significance in development policy since the agreement on the Addis Ababa Action Agenda (AAAA) in July 2015. Questions arise about how individual countries can more consistently harness their own tax base (and the capacities required for this) and about a more transparent, efficient and democratically approved use of public funds.

One aspect raised in regard to international tax policy is tax avoidance in the context of transnational business operations (base erosion and profit shifting by multinational companies). This issue includes the OECD/G20 Base Erosion and Profit Shifting (BEPS) project launched in 2013 to prevent certain forms of tax avoidance. Another aspect concerns the improved exchange of information between national tax authorities. This is promoted in particular through the automatic exchange of information in tax matters (AEOI), a standard developed by the OECD to prevent tax evasion.

The role and position of developing countries within these rules systems are today the subject of intense debate internationally. There are also discussions in Switzerland as to whether and how the country can help improve the inclusion of developing countries in the international AEOI standard and how Switzerland's development policy goals could be addressed when determining its AEOI partner states. A detailed study was completed for the SDC in March 2018.<sup>5</sup> This issue has become topical in light of the most recent international discussions and the decision on an action plan for implementing the AEOI standard in developing countries.<sup>6</sup>

The practice of using ODA funds to develop more effective tax systems is still quite uncommon internationally. However, according to OECD statistics, Switzerland is one of the largest donors. At a global level SECO supports a range of tax initiatives which seek to strengthen transparent tax administrations under generally accepted standards at the country level.<sup>7</sup> Some of these initiatives directly contribute to combating tax avoidance and evasion. SECO is currently examining a contribution for technical assistance to developing countries by way of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes and/or for the Base Erosion and Profit Shifting (BEPS) programme. In addition, the SDC is contributing to a

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<sup>5</sup> For an overview of the international tax debate from the development policy perspective and Switzerland's position, see *Swiss policy coherence in international taxation: Global trends in AEOI and BEPS in development assistance and a Swiss way forward*. By Sathi Meyer-Nandi, University of Zurich, Zurich, January 2018 and *Integration of developing countries in Swiss policy for implementing the AEOI and BEPS measures: challenges and fields of action*. By Prof. René Matteotti, University of Zurich, Zurich (April 2018).

<sup>6</sup> An action plan on AEOI implementation in developing countries was adopted at the plenary meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) held in Yaoundé (Cameroon) in November 2017.

<sup>7</sup> SECO's portfolio in this area comprises contributions to the *Revenue Mobilisation Trust Fund (RMTF)* of the International Monetary Fund and the World Bank's newly created *Global Tax Programme (GTP)*. The contribution to the International Monetary Fund supports Albania, Bosnia and Herzegovina, Colombia, Ghana, Kosovo, Macedonia, Peru, Serbia and Vietnam. Activities are planned under the World Bank's Global Tax Programme in other countries, including Azerbaijan, Egypt, Kyrgyzstan and Tunisia. At a regional level SECO supports the *Centro Interamericano de Administraciones Tributarias (CIAT)*. Also of note is the support for the *African Tax Administration Forum (ATAF)*, which provides technical assistance to prevent tax avoidance in African countries.

project by the [Intergovernmental Forum in Mining, Minerals, Metals and Sustainable Development](#) for a better understanding and risk management of commodities trading transactions and their tax implications in commodity-rich developing countries.

In addition to SECO's activities through multilateral channels, the SDC contributes to combating tax avoidance and evasion as part of its direct bilateral relations. It generally does this by supporting civil society groups which conduct research and studies to document the tax-avoidance practices of international companies and their implications. The object is to feed information into the political debate and to enter into dialogue with the relevant actors (including governments). This is being done in Mozambique and Tanzania, for example.

## 2.2 Governance and the rule of law

The different forms of IFFs and the associated illicit or illegal activities tend to be directly related to the quality of governance.

With a broad-based commitment to good governance, democracy and the rule of law, the SDC and SECO work to improve the framework conditions for implementing standards and providing state services and thereby reinforcing the acceptance and credibility of state institutions among the public.

A range of social, legal, political and economic measures are used to maintain and strengthen the functioning of institutions in the interests of society as a whole. This also helps to fight corruption, crime, money laundering as well as tax avoidance and evasion and thereby undermine the drivers of IFFs in the long term. The [short report](#) of 23 June 2017 for the FAC-N presents a number of case studies to illustrate the principles behind the SDC's and SECO's engagement and forms of intervention in developing countries.

The approaches taken to curtail IFFs with targeted activities should also be seen in this broader context, at the level of partner countries as well as internationally and domestically.

### 2.2.1 Combating transnational corruption and money laundering

Corruption in relation to IFFs generally refers to a diverse set of activities and conduct concerning the misuse of public office or an unofficial but important function for private gain (whether of a financial nature or otherwise). This definition extends to trading in influence, including in political matters, use of conflicts of interest to one's own advantage, active or passive bribery of national or foreign public officials or in the private sector, extortion, fraud, embezzlement or misappropriation of funds, abuse of office, concealment of assets, perverting the course of justice, etc.

Fighting corruption in developing countries has long been a subject of debate in the context of international development: corruption diminishes the effectiveness of aid programmes and projects and poses a threat to the outcome-oriented use of own resources.<sup>8</sup>

In relation to IFFs, tangible, proven intervention approaches by development agencies on the ground to tackle corruption and transnational financial crime are gaining in importance. The [OECD](#) recommends that its member states increase the transparency of their financial systems, create more transparency regarding the beneficial ownership of companies, and introduce more consistent monitoring of politically exposed persons (PEPs) while increasing the opportunities for restitution of assets. The proposals for developing countries – apart from strengthening the rule of law and governance in general – are mainly in relation to setting up or expanding specialised units and reporting offices for financial crime.

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<sup>8</sup> See the recently published *OECD Recommendation of the Council for Development Cooperation Actors on Managing the Risk of Corruption*. Moreover, in the current dispatch period (2017–20) Switzerland plans to expand the risk management element of its projects to include potential risks of corruption and money laundering.

Of note here is an approach taken by the UK, where the Department for International Development (DfID) has established close cooperation with the national police, financial regulators and public prosecutors to combat financial flows of criminal origin. Another project along similar lines is '[Combating illicit financial flows](#)' by the German Agency for International Cooperation (GIZ) on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), which takes a comprehensive approach with measures in both Germany and the countries of origin of IFFs.<sup>9</sup>

As the leading organisation for AML standards, the [Financial Action Task Force \(FATF\)](#) issues a framework of recommendations applicable worldwide for the prevention of money laundering. Given the global reach of the FATF recommendations, their implementation in member countries makes a substantial contribution to combating IFFs. They include, for instance, setting up the corresponding institutions (e.g. money laundering reporting offices), due diligence obligations for financial institutions, or consistent monitoring of politically exposed persons. Member countries are required to undergo repeated evaluations to verify their compliance with the FATF recommendations. Switzerland had its most recent evaluation in 2016.

Multilateral instruments in AML are also used to prevent the profits from such corruption entering normal circulation and becoming a driver of IFFs. For example, SECO supports the IMF's *Topical Trust Fund on AML/CFT*, which helps countries with significant deficiencies in AML to adapt their domestic framework to the international standards. Some of the countries which have undergone the review processes of the FATF are Kyrgyzstan, Mongolia, Nepal, Sudan, Indonesia, Ghana and Kenya.

This work organised on a multilateral basis by SECO is supplemented by country-level bilateral projects by the SDC and SECO to combat such forms of corruption. Apart from the examples in Kosovo and Mozambique outlined in the short report, this also applies in the case of:

- **Southern Africa** (Tanzania and Mozambique): SDC support for institutional capacity building at the national anti-corruption authorities in the field of international mutual legal assistance / restitution of stolen assets (deployment of international experts)
- **South Africa**: SECO support for a reform and development programme in the financial sector, including AML components, to strengthen the relevant institutions in this field
- **Central America**: Strengthening of the International Commission against Impunity in Guatemala (CICIG) and the Support Mission Against Corruption and Impunity in Honduras (MACCIH), in which multilateral organisations (the UN in Guatemala, the Organization of American States in Honduras) support national institutions in the anti-corruption effort through their own staff as well as local prosecutors

As shown in the short report of 23 June 2017 for the FAC-N, the international community has significant knowledge gaps regarding the linkages and mechanisms in countries of origin of IFFs, particularly regarding the various forms of transnational corruption. The SDC works in partnership with the [U4 Anti-Corruption Resource Centre](#), an international centre of expertise based in Norway which contributes to the international discussion and offers direct advice by way of courses and studies on IFF-related matters.

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<sup>9</sup> The project in question takes a two-pronged approach. First, vertical synergies are created by linking national, regional and global structures for combating IFFs. In concrete terms, this entails supporting certain national efforts (e.g. anti-money laundering) and, at the same time, disseminating the experience gained at a regional level, which ultimately contributes to the implementation of global standards (e.g. FATF). Meanwhile, the project also seeks to increase horizontal cooperation between German ministries. The BMZ thus leads a regular interministerial dialogue on IFF matters, with which the operational and strategic policy levels are directly linked. In this context, the BMZ directly supports the German Federal Ministry of Finance (BMF) in its capacity as observer on international committees. This creates linkages between the development policy work of the BMZ and the fiscal-policy interests of the BMF, thereby ensuring policy coherence among the different ministries.

## 2.2.2 Restitution of illicitly acquired assets

The international discussion on dealing with illicitly acquired assets by politically exposed persons from developing countries and emerging economies dates back more than 30 years now, beginning long before IFFs became a topic of research and international debate.

Switzerland plays a pioneering role in the restitution of assets and has for many years adopted a proactive policy on the handling of illicit assets of politically exposed persons, as both a leading international financial centre and a committed actor in development cooperation. Since the Marcos case in 1986, Switzerland has continually developed its arrangements for the prevention, freezing and restitution of dictators' assets. In the past 25 years it has returned some USD 2 billion to the countries of origin – more than any other financial centre.

Measures for the freezing, confiscation and restitution of illicitly acquired assets are today considered an important element in preventing IFFs.

Numerous challenges in terms of legislation or political practicality still face the restitution of such assets and also the classification of the associated concepts and cases in the wider framework of IFF discussions. One fundamental issue here is determining which IFF components are deemed stolen assets on the basis of which criteria and are therefore subject to restitution on the basis of which procedural criteria.

A joint, balanced understanding of such questions by the different actors from both countries of origin and destination is crucial to producing a constructive dialogue and to formulating tangible, practical solutions. From a development policy perspective, this discussion should explore how to ensure the correct use of returned assets and optimise their effectiveness in development programmes without encroaching upon the victim state's right to dispose of its own assets.

The SDC, in close cooperation with the FDFA's Directorate of International Law (DIL), encourages this international dialogue and seeks consensus on the principle that returned assets should contribute to sustainable development in their country of origin. This could ensure that the assets in question are used for the benefit of the population; as such, this would be a contribution to development finance as defined under the 2015 Addis Ababa Action Agenda on financing for development (AAAA). The SDC has established several close, long-term partnerships in the context of this dialogue, i.e. with the UNODC, the World Bank ([StAR Initiative](#)) and the [Basel Institute on Governance](#) (ICAR). These partners also support countries by way of technical assistance to which the SDC makes a considerable financial contribution. The main technical assistance measures – supporting anti-corruption authorities and public prosecutors undertaking legal work in asset recovery – are currently under way with SDC support in Ukraine, Tanzania, Malawi, Sri Lanka and (together with SECO) Peru.

Furthermore, the SDC is responsible for implementing certain specific operations in the restitution of assets. This is seen as the 'last mile' in the overall asset recovery process, i.e. covering the specific arrangements for implementing the agreed recovery. The SDC is or has been involved in implementing the following asset restitution processes: Nigeria / Abacha II (USD 322 million, via the World Bank); Kazakhstan (USD 50 million, via the World Bank); Angola (USD 61 million, bilateral programmes, just completed).

In all cases, the SDC and the DIL consistently follow the guiding principles, which place consideration for the population, support for sustainable development, transparency and accountability at the centre of a responsible and pro-development approach to restitution. The lessons learnt are then fed back into the international discussion to ensure that such principles and best practices are anchored internationally and can be used in ongoing negotiations on restitution processes.

### 3 Conclusion and outlook

The international community recognises that efforts to curtail IFFs, i.e. cross-border transfers of funds associated with crime, corruption, money laundering, the financing of terrorism and tax avoidance and evasion, require an internationally coordinated approach and has therefore responded with a series of measures. The Federal Council supports these measures. In line with the latest international discussions on the subject, the Federal Council firmly believes that combating IFFs must not only entail developing and implementing international standards but also address more consistently the contextual realities and international linkages in the countries of origin of IFFs.

The social and economic circumstances behind IFFs are often highly complex, and the international community has not yet acquired broad experience with successful intervention measures in developing countries. Nonetheless, some initial areas of action to tackle IFFs are beginning to emerge from OECD countries and their development agencies. The task facing these countries is twofold: on the one hand, as recipients of IFFs (although sometimes also the origin of such transfers), they share the responsibility for creating international mechanisms to prevent IFFs; on the other hand, they are also in a position to assist developing countries in strengthening their own anti-IFF capacities. The major challenges lie in reconciling these two roles, i.e. ensuring policy coherence for sustainable development across the different policy areas.

Measured against the action envisaged in international discussions, Swiss development policy has a firm, substantial engagement in certain areas. In other areas, it participates only on an ad hoc basis in some pilot schemes. All of the five fields of action of Swiss international cooperation discussed in this report comprise new anti-IFF initiatives and, in terms of strategy, most of them seek to secure coherence, linkages and synergies with other policy areas. The SDC and SECO are deliberately aligned with international, inter-governmental processes in this respect, thereby contributing to stronger global standards based on the 2030 Agenda. Existing or commissioned studies and research in development policy are used for the identification, planning and implementation of activities.

In conclusion, IFFs pose a major challenge also for Switzerland's international development policy. While the issue is clearly being addressed in various areas in the form of targeted countermeasures, there is still room for Switzerland to further increase its engagement. The SDC and SECO are currently working in this direction, e.g. with increased efforts in countries of origin to more consistently detect cases of transnational corruption, money laundering and tax avoidance or evasion at an early stage. Moreover, they are also working to realise more of the synergies and potential linkages between some of the five fields of action and further enhance policy coherence across related sectors, including cases in which Switzerland takes a position in international processes. Finally, tapping more of the potential for synergies and cooperation between justice functions in Switzerland (police, public prosecutors, oversight bodies) and governance programmes (in the justice sector and mutual legal assistance) in countries of origin of IFF – as done with certain approaches in Germany or the UK – could help to strengthen the institutional framework and rule of law in the country of origin and increase the efficiency of Switzerland's own authorities.

## Basis

### A Federal Council – Reports and parliamentary procedural requests

[Federal Council report of 12 October 2016 on illicit financial flows from developing countries \(fr\)](#)

[Questions from members of the Foreign Affairs Committee \(National Council\) of 21 March 2017 on the report of 12 October 2016 on illicit financial flows from developing countries: Position of 23. June 2017 \(fr\)](#)

[17.3501 Interpellation: The debt crisis in Mozambique. Insolvency, corruption and Credit Suisse \(fr\)](#)

[17.3502 Interpellation: Maintenance of access to affordable and efficient bank relations in fragile contexts \(fr\)](#)

[17.3822 Interpellation: Does the Better Gold Initiative work as a pioneer in ensuring transparency and responsibility? \(fr\)](#)

[17.3995 Postulate Paradise Papers. National action plan to counter illicit financial flows \(fr\)](#)

[17.4093 Motion: Automatic provision of information about financial accounts to developing countries \(fr\)](#)

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