

Swiss Confederation

The President of the Confederation

Bruno Manser Fonds
Socinstrasse 37
4051 Basel

Bern, 8 April 2011

Freezing of possible assets of Abdul Taib Mahmud, Head of Government of the Malaysian state of Sarawak, in Switzerland

Dear

I am referring to your letter on behalf of the Bruno Manser Fund of 17 March 2011, in which you mention the suspected overseas assets of the head of government of the Malaysian state of Sarawak, Abdul Taib Mahmud, and of persons from his entourage.

I would like to thank you for your commitment against corruption. The fight against corruption and the restitution of potentates' embezzled funds to the respective countries is also of great concern to the Swiss government. For years, we have been fighting for a clean financial centre, e.g. with a comprehensive anti-money-laundering legislation which contains far-reaching due diligence and reporting obligations for the financial institutions, particularly concerning funds from politically exposed persons (PEP). If, despite these precautionary measures, assets of criminal origin should arrive in Switzerland, then these assets are to be identified and, if possible, restituted to the countries in question. By applying such measures, Switzerland has, during the last 15 years, restituted approximately 1.7 billion Swiss francs, more than any other financial centre of comparable size.

Should the interests of the country make it necessary, the Federal Council ((i.e. the Swiss government)) can, in principle, also become active on its own initiative and freeze assets based on article 184 para. 3 of the federal constitution as we have recently done in the context of the occurrences in Tunisia, Egypt and Libya. However, such a procedure might not achieve the intended purpose in the case brought up by you. Freezing assets in such a way aims at impeding the withdrawal from Switzerland of potentially unlawfully acquired assets or stolen public funds and at enabling the judicial authorities of the countries in question to formulate requests for judicial assistance to the Swiss government. The question of the lawfulness of the origin of frozen assets is then clarified during the judicial assistance procedures or the national criminal procedures on which the requests for judicial assistance are based. As long as the persons concerned are in power, the necessary requests for judicial assistance are hardly likely to be submitted. Without any prospect of a judicial examination of the potentially criminal origin of such assets, however, it makes little sense to freeze them.

We have read your precise description of the situation of Abdul Taib Mahmud and his

entourage as well as their relations with Switzerland with great interest. As the Swiss Financial Market Supervisory Authority (FINMA) exercises central supervision over banks, insurance corporations, the stock exchange, securities dealers and further financial intermediaries and as FINMA plays a central role in the fight against money-laundering, we have forwarded your letter to FINMA.

Yours sincerely,

Micheline Calmy-Rey

Copies to:

- Ms. Christa Markwalder, President of the Foreign Affairs Committee of the National Council
- Dr. Eugen David, President of the Foreign Affairs Committee of the Council of States

(Original in German, translation by the Bruno Manser Fund)