

Swiss regulator still probing 3 banks over 1MDB role
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A case against UBS was closed recently and the bank, Switzerland's largest, was reprimanded with no further action to be taken, according to Finma.

BERNE: Switzerland's financial regulator said it's still investigating three private banks in relation to alleged corruption and money laundering at the Malaysian government fund 1MDB. A probe of UBS Group AG in the matter was closed.

"There are still a handful of cases related to 1MDB that have not been concluded," Mark Branson, chief executive officer of the regulator Finma, told reporters in Berne on Tuesday.

Three cases remain unresolved, Finma said in a statement late Tuesday. A case against UBS was closed recently and the bank, Switzerland's largest, was reprimanded with no further action to be taken, the watchdog said.

The Monetary Authority of Singapore (MAS) found violations of local anti-money laundering rules when it concluded a probe of UBS in October, according to the statement.

Regulators and prosecutors in the US, Singapore and other jurisdictions have investigated how banks were allegedly used to funnel money from 1MDB, which has denied wrongdoing.

Finma, a Berne-based watchdog established in 2007 to oversee banks, insurers and other financial firms, had previously sanctioned three of the nation's lenders over their roles in the affair.

Finma confiscated profits from Coutts & Co in Zurich after the international private banking unit formerly owned by Royal Bank of Scotland Group Plc allowed US\$2.4 billion worth of assets related to the Malaysian development fund to flow through its accounts in Switzerland, the regulator said in February. It also punished Lugano, Switzerland-based BSI SA and Falcon Private Bank of Zurich last year.

"There will always be cases of money laundering," Branson, a former UBS and Credit Suisse Group AG banker, said Tuesday. "Our biggest fear is that Swiss institutions or foreign units of Swiss banks get involved in big money laundering cases."

The Swiss regulator is also probing reports of insider trading at several companies, spoofing, which involves flooding the market with orders that are later canceled when prices move in the direction the spoofer wants, and several cases of front-running, Branson said.

Separately, Finma is in touch with Credit Suisse about offshore tax probes being conducted by Dutch and other tax authorities, he said.

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