



B Lab Statement on Banque Bonhôte's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies in the banking industry in Switzerland:

"Companies involved in private banking in Switzerland are eligible for B Corp Certification if they are able to demonstrate sufficient management practices in place to screen clients for criminal activities and compliance with relevant local and international regulations.

If approved, a company is required to disclose their management practices regarding the above on their B Corp public profile."

Banque Bonhôte is required to disclose a summary of how it complies with these industry requirements as a part of its B Corp Certification. For more information on the specific requirements, please refer to B Lab's position statement on Banking in Switzerland [here](#).

About Banque Bonhôte

Banque Bonhôte is a privately held bank based in Switzerland originally founded in 1815. The company primarily offers wealth management services, tax and wealth advice, and investment advisory services, and employs approximately 100 individuals.

Banque Bonhôte is a founding member of [Swiss Sustainable Finance](#), which aims to foster the integration of sustainability and ethical principles in asset management, and to promote Switzerland as the global centre for sustainable financial services. As part of its services, the company offers its clients discretionary mandates that take into account the environmental, social and governance (ESG) criteria of the companies selected for securities portfolios. Banque Bonhôte also offers impact investing from 2018 through portfolio management mandates and through the launch of a mutual fund.

Banque Bonhôte's Participation in US Department of Justice Swiss Banking Program

In 2015, Banque Bonhôte executed an initial [non-prosecution agreement](#) with the U.S. Department of Justice through the [Swiss Bank Program](#). The terms of the agreement require participating banks to cooperate in any related criminal or civil proceedings, demonstrate its implementation of controls to stop misconduct involving undeclared U.S. accounts, and pay a penalty in return for the department's agreement not to prosecute these banks for tax-related criminal offenses.

Beginning in 2013, the US Department of Justice initiated the program to allow Swiss Banks who were not currently under criminal investigation to voluntarily disclose their potential involvement in activities (regarding tax evasion) that might qualify as criminal offenses under U.S. law. This voluntary reporting program permitted eligible Swiss banking institutions to enter into a non-prosecution agreement (NPA) with the US government in order to remedy those cases that otherwise might be prosecutable offenses. Under the program, participating companies were required to:

- Make a complete disclosure of their cross-border activities;
- Provide detailed information on an account-by-account basis for accounts in which U.S. taxpayers have a direct or indirect interest;
- Cooperate in treaty requests for account information;
- Provide detailed information as to other banks that transferred funds into secret accounts or that accepted funds when secret accounts were closed;
- Agree to close accounts of account-holders who fail to come into compliance with U.S. reporting obligations; and
- Pay appropriate penalties

Under the program, 80 companies executed non-prosecution agreements, with total fines of \$1.4B and the largest penalty being \$211m.

Banque Bonhôte's fine was assessed through the program at \$625,000. In 2019, an addendum was signed in which Banque Bonhôte acknowledged it should have disclosed additional U.S.-related accounts to the Department at the time of the signing of the non-prosecution agreement. They agreed to pay an additional sum of \$1.2M and will provide supplemental information regarding its U.S.-related account population.

Banque Bonhôte's Management Practices to Prevent Criminal Activities

Banque Bonhôte complies with all Swiss regulations relating to anti-money laundering (AML), anti-bribery & Corruption (ABC), Countering-terrorist financing (CTF), data protection, criminal codes, tax crimes, sanctions, the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS), and Qualified Intermediaries (QI).

Most of the policies and practices related to these subjects are audited at least once a year. The company has a dedicated Legal and Compliance Team that reviews the company's compliance with FINMA regulations on an ongoing basis, making updates to guidelines and processes as necessary.

Banque Bonhôte also implements policies and procedures for screening clients in order to prevent its clients from using the company's services to engage in corruption, money laundering, financing of terrorism, tax evasion, or other criminal activities. A summary of these policies and procedures include:

- Every prospective client and every transaction is analyzed following a risk-based approach, including any: negative information in the newspapers, media exposure, political exposure, risk of corruption with local authority or state money, tax compliance issues, and reputational risk.
- Internal policies prohibit de facto any prospect linked with any terrorist or criminal activities including, according to national legislation, non-tax compliant assets, corruption, criminal or terrorist organizations, shell banks, tax evasion, or tax fraud.
- Review and considerations of the domicile / geographic origin of the client and/or funds, type of economic activities, complexity of structures or any other relevant criteria when making a risk assessments.
- The company screens all payment traffic for risky clients and can refuse transactions and freeze the account if there is any suspicious activity.
- All risky clients are screened every year and are reviewed by the Board of Directors at least once a year.
- Employees have annual mandatory e-learning sessions on AML, CFT, ABC and sanctions.

Since declaring its intent to participate in Category 2 of the Department of Justice's Program for Non-Prosecution Agreements in 2013, Banque Bonhôte has strengthened its Directives on the following activities:

- Crossborder activities
- Acceptance of new clients domiciled outside Switzerland and monitoring of clients domiciled outside Switzerland
- Application of the Agreement on the Swiss bank's code of conduct with regard to the exercise of due diligence (CDB 20) and the Swiss Anti-Money Laundering Ordinance FINMA (MLO-FINMA)