



Illicit Financial Flow Risks in Gold Trading: Risks and Policy Options for Switzerland

Multi-stakeholder Workshop Agenda

Friday, October 29th 2021. 13:30 – 16:30hrs

University of Bern, Main Building, Kuppelraum. Address: Hochschulstrasse 4 / room 501 3012.

Aim:

The goal of this multi-stakeholder workshop is to have an informed debate based on academic inputs on the risks from illicit financial flows (IFFs) for the Swiss gold sector. Switzerland plays a central role in the global commodity trading industry since many of the largest actors involved in commodity trading, precious metals refining, shipping and logistics, and trade finance are domiciled in the country. In recent years, its regulatory environment has come under increasing focus to identify and address loopholes which can facilitate IFFs from its trading partners to Switzerland. Against this background, Switzerland has undertaken a series of policy steps to improve tax and trade transparency and curbing commodity trade-related IFFs, including a unilateral move to improve trade transparency in precious metals by introducing a Customs tariff distinction between mined and recycled gold starting from January, 2021. Individual firms have also enacted or are considering various technological and business policies to reduce exposure to illicit counterparties. Overall, the effectiveness of these existing policies and the potential for further regulatory solutions to reduce financial and regulatory risks from IFFs remains an important topic for further debate. This event aims to bring together their most important stakeholders from the gold sector and public administration to discuss their ongoing work on identifying, measuring and curbing IFF risks in Switzerland.

Hosts and Contact Details:

r4d.ch research project titled, “Curbing Illicit Financial Flows from Resource-rich Developing Countries”

- Principal Investigator: Gilles Carbonnier, Graduate Institute, Geneva. Email: Gilles.Carbonnier@graduateinstitute.ch
- Co-Principal Investigator: Fritz Brugger, NADEL, ETH Zurich. Email: fritz.brugger@nadel.ethz.ch
- Project Coordinator: Rahul Mehrotra, Graduate Institute, Geneva. Email: Rahul.Mehrotra@graduateinstitute.ch

Workshop Agenda:

13:30hrs – 16:30hrs, Friday, October 29th

Moderator: Ms. Imogen Foulkes, BBC Geneva Correspondent

Chatham House rules apply: Attendee names will not be made public. Any statements and discussions during the workshop sessions will not be attributed to any particular individual. Only the industry or sector affiliations can be recorded, i.e. academia, government, business association, non-government organization, gold refining, shipping and trading, trade finance, etc.

Session I: Commodity Trade-related IFF risks from Large-scale Gold Mining Sector. 13:30 – 14:50hrs

A. Academic Presentation: Illicit Financial Flows in Gold Trade: Methods and Evidence Gilles Carbonnier (5' minutes)

- ~~Conceptual Framework and Empirical Methods to Estimate IFFs: Price-filter analysis~~
- Evidence from Switzerland's imports from rest of the world
- Evidence from Ghana's exports to Switzerland and other markets
- Policy implications for Switzerland

B. Panel Discussion: Switzerland's Response to IFF risks (Initial lead question: 3' minutes each, followed by specific questions to each panelist – again 3' responses)

- H el ene de Villiers-Piager, CEO, Responsible Mining Foundation (RMF)
- Rosmarie Schlup, Head of the Macroeconomic Division, State Secretariat of Economic Affairs (SECO)
- Jacqueline Mayor Meylan, Head of Finance and Compliance, MKS Pamp Group
- Thomas Lssourd, Senior Policy Adviser, Tax and Extractives, International Institute for Sustainable Development (IGF-IISD)

C. Moderated round-table discussion with all participants (40 mins)

Session II: Commodity Trade-related IFF risks from Artisanal and Small-scale Gold Mining (ASGM)

15:00 – 16:20hrs

A. IFF Patterns and Policies to Curb Them: Do they match?

Fritz Brugger, Joschka Proksik (5')

- Trading artisanal gold and IFF: Evidence from Burkina Faso and Bolivia
- The formalization promise: Challenges for formalizing ASGM
- Risks and Opportunities for the Swiss Gold Sector

B. Panel Discussion: Latest developments to address ASGM-based IFF risks (3 minutes each, + 3' again for individual questions) – Confirmed Panelists

- **Christoph Wild, CEO Argor Heraeus:** Due diligence and AML processes in ASGM sourcing practice.
- **Marcena Hunter, Senior Research Analyst, Global Initiative Against Transnational Organized Crime:** The future of international cooperation to address IFFs in ASGM
- **Edward Bickham, Senior Advisor, World Gold Council (WGC):** The future of industry policies to curb IFFs in ASGM.
- **Victoria Gronwald, Responsible Sourcing and Development Export, Levin Sources:** The importance of understanding and tackling IFFs in ASGM formalisation and certification efforts

C. Moderated round-table discussion with all participants (40 mins)

For more details on the research project, visit our website: <https://curbing-iffs.org/>

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