

Agreement

on the Swiss banks' code
of conduct with regard
to the exercise of due diligence
(CDB)

between

The Swiss Bankers Association

on the one hand

and

The signatory banks
(hereinafter 'the banks')

on the other hand

of January 28, 1998 (Translation)

Introduction

Art. 1 Preamble

- **With a view to preserving the good name of the Swiss banking community, nationally and internationally,**
- **with a view to establishing rules ensuring, in the area of banking secrecy and when entering into business relations, business conduct that is beyond reproach,**
- **with an effort to provide effective assistance in the fight against money laundering**

the banks hereby contract with the Swiss Bankers Association in its capacity as the professional body charged with safeguarding the interests and reputation of Swiss banking:

- a) **to verify the identity of their contracting partners and, in cases of doubt, to obtain from the contracting partner a declaration setting forth the identity of the beneficial owner of assets;**
- b) **not to provide any active assistance in the flight of capital;**
- c) **not to provide any active assistance in cases of tax evasion or similar acts, by delivering incomplete or misleading attestations.**

- 1 This agreement applies to the signatory banks and all their branches located in Switzerland, but not to their foreign branches, representative offices and subsidiary companies (cf., however, points 11, 16 and 18).
- 2 This agreement in no way modifies the obligation to observe banking confidentiality. It cannot and is not intended to
 - extend to Swiss territory the area of application of foreign legislation in economic, fiscal and currency matters, or declare such legislation to be applicable to Swiss banks (unless this is already provided for under current international treaties and Swiss law);
 - depart from current legal practice in the field of international law;
 - modify provisions under civil law governing relations between banks and their customers.
- 3 This agreement lays down, with binding effect, valid rules of good conduct in bank management as a code of professional ethics. They should put in concrete terms certain points of due diligence governed by the Anti Money Laundering Act (art. 3-5 of the AMLA) and "the diligence that can be reasonably expected under the circumstances" (art. 305^{ter} of the Swiss Penal Code). This is not intended to impede normal banking business.

A Verification of the contracting partner's identity and declaration of identity of the beneficial owner

Art. 2 Verification of the contracting partner's identity

¹ The banks undertake to verify the identity of the contracting partner when establishing business relations with said partner.

² This regulation applies to:

- **opening of accounts or passbooks;**
- **opening of securities accounts;**
- **entering into fiduciary transactions;**
- **renting of safe-deposit boxes;**
- **entering into management agreements for assets deposited with third parties;**
- **the execution of transactions with securities, currencies as well as precious metals and other commodities exceeding the amount of CHF 25,000.**
- **cash transactions exceeding the amount of CHF 25,000.**

I. Scope of application

- 4** The obligation to verify identity is valid, subject to point 19, regardless of whether the accounts, passbooks and securities accounts of any kind whatsoever, or the safe-deposit boxes, are maintained under the name of the contracting partner or under a number (Art. 9 CDB).
- 5** In the case of bearer savings books, the bank must verify the identity of the person opening the savings book and of any persons who deposit or withdraw amounts exceeding CHF 25,000.
- 6** Securities are deemed to be standardized securities suitable to be traded in large quantities, non-certificated stocks of equal function (inscribed stocks) and derivatives (cf. art. 2 lit. a of the Swiss Stock Exchange Act). This definition also subsumes non-standardized financial products.
- 7** Cash transactions refer to transactions carried out at a bank's teller window (currency exchange, purchase and sale of precious metals, cash subscriptions to bank 'cash bonds' and debenture loans, cash sale of travellers checks, cashing of checks, etc.). Cash deposits into and cash withdrawals from as well as the delivery of securities into or out of existing accounts/passbooks are not deemed cash transactions (subject to point 5).

- 8 ¹ The bank shall verify the identity of the contracting partner when entering into transactions below the minimum limit (art. 2, par. 2, 6 and 7 lemma) if it is obvious that the transaction has been split up with the purpose of avoiding verification of identity.

² If the bank has cause to suspect money laundering, it has to verify the identity of the contracting partner, regardless of minimum limits (art. 2, par. 2, 6 and 7 lemma) or exceptions to formal identification (point 19 of this agreement). This is not applicable if the bank declines to carry out the transaction for or to enter into a business relation with said contracting partner.

II. Verification of the contracting partner's identity

1. Individuals

- a) In the case of personal negotiations between the party concerned and the bank

- 9 ¹ When the party concerned personally enters into negotiations with the bank, the bank verifies the identity of the contracting partner by examining and making a photocopy of an official identification document (passport, identity card, driving license or some similar document) and puts on record the data required in point 20.

² Persons who are personally known to the bank are not required to submit any proof of identity. In this case, the bank employee who is familiar with the contracting party must put on record the data required in point 20.

- b) in the case of business relations entered into through correspondence

- 10 In the case of business relations entered into through correspondence, the bank verifies the identity of the contracting partner by obtaining confirmation of the domicile indicated, either through an exchange of correspondence or by any other appropriate method. At the contracting partner's personal visit to the bank, the bank must verify his/her identity by requesting and making a photocopy of an official identification document.

- 11 ¹ If the individual is not domiciled in Switzerland, the bank must require that the contracting partner's signature also be authenticated or certified.

² The signature may be certified by

- a) a branch, representative office or group company of the bank,
 b) a correspondent bank or some other bank specifically appointed by the account opening bank,
 c) financial intermediaries as set forth in point 30, par. 2.

³ The signature is also deemed certified if an official identification document must be presented for the delivery of registered mail and if it is thus warranted that the addressee is the exclusive recipient.

2. Legal entities and companies

a) with registered office in Switzerland

12 The bank ascertains whether the firm's name is published in the official Swiss Commerce Gazette ("Schweizerisches Handelsamtsblatt / Feuille officielle suisse du commerce") or listed in the annual directory to the Swiss Commercial Register ("Schweizerisches Rationenbuch / Annuaire suisse du Registre du commerce") or the database of "Teledata" (electronic commercial register); otherwise, the identity must be established by means of an extract from the Commercial Register ("Handelsregister / Registre du commerce").

13 The identity of legal entities not listed in the Commercial Register (associations, foundations) is verified on the basis of charters or any other equivalent document.

b) with registered office abroad

14 The identity of the firm is verified by means of an extract from the Commercial Register or the equivalent document substantiating the existence of the legal entity or company (such as a certificate of incorporation or latest audit report).

c) Common provisions

15 The extract from the Commercial Register or the latest audit report must not be dated older than 12 months.

16 ¹ The identification requirements as set forth in points 12 to 14 may be waived if the identity of the contracting partner is publicly known. The identity of a legal entity is deemed publicly known if it is a public company or associated directly or indirectly with a public company. The bank must keep on file a record of the justification for waiving the procedures as set forth in points 12 to 14.

² The simplified procedure as stipulated in par. 1 is not applicable to domiciliary companies unless they are associated directly or indirectly with a public company.

17 The procedure as set forth in points 12 to 14 becomes redundant if the contracting partner's identity had been verified previously in an equivalent manner within the bank's group. In this case, the respective members of the bank's group must hold copies of the original identification files. This provision is not applicable in cases where such transfer of data is banned by law.

3. Delegation of the power to verify the identity

- 18 The Bank may verify the identity of a contracting partner through a mandatory accordingly appointed and instructed by the bank. The mandatory has to forward all identification documents to the bank and certify that the signature is genuine and that any photocopies forwarded are identical with the corresponding originals.

4. Exceptions for contracting partners domiciled or registered in Switzerland

- 19 It is not necessary to formally verify the identity of a contracting partner domiciled in Switzerland when opening:
- a) an account, deposit account or passbook in the name of a minor, provided that the assets deposited with the bank at the outset do not exceed an amount of CHF 25,000;
 - b) a rent guaranty account;
 - c) an account with a view to paying up capital stock in connection with the formation of a corporation or a limited liability company or an increase of its capital.

5. General regulations of identity verification and supervision

- 20 Appropriate record is to be kept of the contracting partner's full name, date of birth, nationality and address of domicile (the firm's name and business address, if the contracting partner is a legal entity or a company), as well as of the means used to verify the identity. A photocopy of the official document of identification and other identification documents must be kept on file.
- 21 The bank undertakes to ensure that its internal auditing department and the external auditing firm required by the Bank Act are in a position to verify that the required identification procedures have been complied with.

Art. 3 Establishing the identity of the beneficial owner

¹ If there is any doubt as to whether the contracting partner is himself the beneficial owner, the bank shall require by means of Form A a written declaration setting forth the identity of the beneficial owner.

² This regulation applies to:

- **opening of accounts or passbooks;**
- **opening of securities accounts;**
- **entering into fiduciary transactions;**
- **entering into management agreements for assets deposited with third parties;**
- **the execution of transactions with securities, currencies as well as precious metals and other commodities exceeding the amount of CHF 25,000.**

³ If the amount of a cash transaction as per art. 2 exceeds CHF 25,000, the bank must require the contracting partner to provide a declaration setting forth the identity of the beneficial owner. The bank shall keep such declaration on record in an appropriate manner. The use of Form A is optional.

22 ¹ All due diligence which can be reasonably expected under the circumstances must be exercised in establishing the identity of the beneficial owner. The bank may assume that the contracting partner is also the beneficial owner, but such an assumption is invalid if unusual observations are made.

² The following cases would give rise to doubt:

- when a power of attorney is conferred on someone who clearly would not have sufficiently close links to the contracting partner;
- when the financial standing of someone wishing to carry out one of the transactions described in art. 3 is known to the bank, and the assets submitted or about to be submitted are disproportionate to said person's financial standing;
- when, in the course of its relations with the customer, the bank is led to make other unusual observations.

23 A declaration on Form A must invariably be provided by individuals entering into a business relation with a bank through correspondence. Exempt are instances as provided in point 19.

24 If the contracting partner states that the beneficial owner is a third party, he or she shall fill in Form A disclosing the full name, address and country of domicile (or the firm's name and business address, if the party is a legal entity or a company) of said third party. The bank reserves the right to apply art. 3, par. 3.

- 25 If serious doubts persist about the accuracy of the contracting partner's written declaration and cannot be dispelled through further clarification, the bank shall refuse to enter into a business relationship or to execute the transaction.
- 26 Form A is attached to this agreement. This form can be obtained in English, French, German, Italian and Spanish from the office of the Swiss Bankers Association.
- 27 The banks have the right to print their own forms, reflecting their own particular requirements. These forms must contain the complete text of the sample form.
- 28 The holder of a joint account or a joint securities account is required to provide the bank with a full list of beneficial owners, pursuant to point 24, and to inform the bank of any changes without delay.
- 29 In the case of foreign collective investments with more than 20 investors as beneficial owners, the data as set forth in point 24 must be recorded only for the beneficial owners who hold severally or in joint agreement a minimum of 5% of the assets deposited with the bank. If the number of beneficial owners is up to 20, the bank must record the data as set forth in point 24 for all.
- 30 ¹ No declaration of beneficial ownership is required for banks domiciled in Switzerland or abroad. Their definition is governed by the relevant specific laws of their country of domicile.
- ² No declaration of beneficial ownership is required for other financial intermediaries domiciled or resident in Switzerland. This regulation also applies to other financial intermediaries domiciled abroad, provided they are subject to adequate supervision and an adequate set of anti-money laundering regulations.
- ³ Other domestic and foreign financial intermediaries are deemed: fund managements, life insurance companies, brokers and tax exempt pension funds. Their definition is governed by the relevant specific laws of their country of domicile.
- ⁴ The bank must require banks or other financial intermediaries to submit a declaration of the beneficial owners or take other measures if it has cause to assume misuse or if a general warning is issued by the Federal Banking Commission or the Swiss Bankers Association with respect to individual institutions or the institutions of a specific domicile.
- 31 No declaration of beneficial ownership is required for legal entities and companies domiciled in Switzerland whose purpose is to safeguard the interests of their members in joint self-help or who pursue primarily political, religious, scientific, artistic, welfare, social or such comparable purposes. These exceptions do not apply to family foundations domiciled in Switzerland or if doubts persist that the statutory purposes of such legal entities or companies are not effectively pursued.

- 32 The bank undertakes to ensure that the internal auditing department and the external auditing firm required by the Bank Act are in a position to verify that the identity of the beneficial owner has been established.
- 33 Special provisions apply to domiciliary companies or persons bound by professional confidentiality (art. 4 and 5, points 34 through 42).

Art. 4 Procedure for domiciliary companies

¹ Under the terms of this agreement, the entities considered domiciliary companies are institutions, corporations, foundations, trusts, etc., that do not conduct any commercial or manufacturing business or any other form of commercial operation in the country where their registered office is located.

² The banks must require that Swiss and foreign domiciliary companies provide the following documents:

- a) an extract from the Commercial Register or an equivalent credential (certificate of incorporation or latest audit report) to verify their identity;**
- b) the declaration on Form A by the contracting partner indicating the beneficial owner(s) of the assets concerned.**

³ The use of Form A may be waived if the bank is familiar with the beneficial owner and is in possession of the data as per point 24. The bank shall, however, keep a record of the relevant data on file.

I. Domiciliary companies

- 34 Swiss and foreign enterprises are considered domiciliary companies, regardless of their objects, function, legal form or registered office, provided:
- a) they do not have their own premises (domiciled c/o an attorney, a trust company, a bank, etc.), or
 - b) they do not have their own staff working exclusively for them, or their own staff engages solely in administrative tasks (bookkeeping and correspondence under instructions issued by individuals or companies controlling the domiciliary company).

- 35 Legal entities and companies pursuant to the 1st sentence of point 31 are not deemed domiciliary companies.

II. Beneficial ownership of domiciliary companies

- 36 The beneficial owner of a domiciliary company may be either an individual or a legal entity conducting a commercial or manufacturing business or any other

form of commercial operation. A domiciliary company as such cannot be deemed a beneficial owner.

- 37 The identity of the beneficial owners must be established and kept on file in accordance with point 24 . Point 25 refers.
- 38 Point 29 is applicable for domiciliary companies abroad.
- 39 In the case of associations of individuals or individualised properties without specific beneficial owners (eg. discretionary trusts), instead of identifying the beneficial owners the contracting partner is required to provide a written declaration confirming this fact. Such declaration must also contain information about the actual (not fiduciary) settlor and, if determinable, persons authorised to instruct the contracting partner or his or her agents, as well as persons who are likely to become beneficiaries (in categories, eg. "members of the settlor's family"). Any curators, protectors, etc. must also be included in said declaration.
- 40 In the case of revocable structures (eg. revocable trusts), the actual settlor must be listed as beneficial owner.

III. Change in signing authority

- 41 If any changes are made in the signatures authorised by the domiciliary company in its relations with the bank, the bank must repeat the procedure set forth in art. 4, par. 2, letter b), unless the bank has evidence or is advised in writing that the beneficial owners have remained unchanged. If the bank is unable to precisely establish the identity of the beneficial owners, art. 6, par. 3 is applicable.

Art. 5 Persons bound by professional confidentiality

The banks may waive the identification of beneficial owners of accounts or securities accounts held by attorneys or notaries for the account of their clients, provided that such attorney or notary is admitted to the Bar in Switzerland and declares in writing that said account or securities account is held exclusively for a purpose as stated below, and that such account or securities account is termed accordingly (type of mandate):

- a) - winding-up and, so far as appropriate, related short-term deposit of advances on legal costs, security, fees under public law, etc. as well as of payments to or from parties, third party/parties or authorities (termed "winding-up account / securities account of client's funds");
- b) - deposit and, so far as appropriate, related placement of assets from a pending partition of inheritance or execution of a will (termed eg. "inheritance" or "partition of inheritance");
 - deposit/placement of assets from a pending separation of property in the divorce or separation of a marriage (termed eg. "separation of property / divorce of marriage");
 - depositing of a security/placement of assets in matters of civil or public law (termed eg. "escrow account/deposit", "blocked deposit account for purchase of stocks", "deposit of a security / corporate security", "deposit of a security / property income tax" etc.);
 - deposit and, so far as appropriate, related placement of assets in matters of civil and public law before ordinary courts or courts of arbitration and in execution proceedings (termed eg. "advances", "guarantee for court security", "bankrupt's estate", "arbitration proceedings", etc.).

42 ¹ Form R is provided for the declaration under art. 5. This form can be obtained in German, French and Italian from the office of the Swiss Bankers Association in Basle.

² The banks have the right to print their own forms reflecting their own specific requirements. These forms must contain the complete text of the sample form (cf. annex).

Art. 6 Changes and errors with respect to the verification of the contracting partner's identity or the declaration of identity of the beneficial owner (art. 2 to 5 CDB)

¹ The bank has to repeat the procedure pursuant to art. 2, points 9 through 21, and art. 3 and 4, points 22 through 41

- **if, during the business relationship, the bank has cause to doubt**
 - **the accuracy of the information about the identity of the contracting partner,**
 - **that the contracting partner is identical with the beneficial owner, or**
 - **the accuracy of the declaration of beneficial ownership,**
- **if there are any signs of unreported changes.**

² If a bank discovers that a declaration pursuant to art. 5 of this agreement is inaccurate, it must require its contracting partner to declare the identity of the beneficial owner in Form A. If the contracting partner fails to provide a declaration setting forth the identity of the beneficial owner, the bank shall sever its business relations with said contracting partner.

³ Banks are required to sever their relations with the contracting partner if the transactions carried out give rise to the assumption that the bank has been deceived when verifying the identity of the contracting partner, that the bank was willfully given false information about the beneficial owner or if doubts persist with regard to the contracting partner's declaration upon implementation of the procedure as required under par. 1.

⁴ Business relations must not be severed if circumstances necessitate a declaration pursuant to art. 9 AMLA.

43 Relations must be severed as quickly as it is possible to do so without violating the contract. If the bank is unable to reach the contracting partner owing to mailing instructions, it can postpone the severance of relations until the contracting partner's next visit or the bank's forwarding of correspondence.

B Prohibition against active assistance in the flight of capital

Art. 7 Flight of capital

Banks may not provide any active assistance whatsoever in transferring capital outside countries whose laws prohibit said transfers or impose restrictions on the placing of funds abroad.

- 44 Flight of capital is an unauthorised transfer of capital in the form of foreign exchange, banknotes or securities from a country that forbids or restricts such transfer abroad by its residents.
- 45 Art. 7 does not apply to the transfer abroad of capital from Switzerland.
- 46 The following acts constitute active assistance:
- a) receiving clients abroad by appointment outside the bank's own premises, for the purpose of accepting funds;
 - b) participation abroad in the setting up of offset transactions when the bank knows or, based on a combination of circumstances, should know that the offset is aimed at furthering the flight of capital;
 - c) active collaboration with individuals and companies that arrange for the flight of capital on behalf of third parties or who provide assistance to this effect
 - by remitting orders;
 - by promising them commissions;
 - by keeping their accounts, while the bank is aware that such individuals or companies are using their accounts for business purposes to assist in the flight of capital;
 - d) referring customers to the persons and companies described in letter c).
- 47 Visits to customers abroad are permitted provided the officer acting on behalf of the bank does not accept any funds that may not be legally transferred, gives no advice to assist in the illegal transfer of capital and does not participate in any offset transactions.
- 48 Otherwise, assets for foreign customers may be accepted in Switzerland.

C Prohibition against active assistance in tax evasion and similar acts

Art. 8 Tax evasion and similar acts

Banks shall not provide any assistance to their customers in acts aimed at deceiving Swiss and foreign authorities, particularly tax authorities, by means of incomplete or otherwise misleading attestations.

49 ¹ It is forbidden to remit to the customer personally or, at his or her request, directly to Swiss or foreign authorities, any incomplete or otherwise misleading attestations.

² Authorities include, in particular, tax, customs, currency and bank supervisory authorities as well as prosecution authorities.

50 ¹ Subject to this prohibition are special attestations requested by the customer for submission to authorities.

² The bank is not permitted to alter routine records, such as statements of account and securities, credit and debit advices, settlement notes for foreign exchange transactions, coupon and stock exchange transactions, for the purpose of deception.

51 ¹ Attestations are incomplete if significant facts are omitted in order to deceive authorities; for example if the bank, at the given request of the customer, omits certain items from a given attestation or from a statement of account or securities.

² It is not necessary to mention in the statements of account or deposit that the same customer holds other accounts or deposits.

52 Attestations are misleading if the facts are presented in an untruthful manner to deceive the authorities, such as:

a) by showing false dates, false amounts or fictitious rates or by issuing credit and debit advices showing false information about the persons debited or credited;

b) by attesting to fictitious claims or debts (regardless of whether or not the attestation reflects the bank's records).

c) by allowing customers to use the bank's nostro accounts for the purpose of cutting tax duties.

D Other Provisions

Art. 9 Numbered accounts

The provisions of this agreement apply without restriction to accounts, passbooks, securities accounts and safe deposits designated by a number or code.

- 53 **Numbered or coded accounts, securities accounts, including fiduciary deposits, must be included in the attestations covering all the business relations with the customer.**

Art. 10 Auditing

¹ By signing this agreement, the banks instruct and authorise their external bank auditors under the Bank Act to ascertain through random tests conducted during the regular auditing of the accounts that the provisions of this agreement have been complied with. The auditors required under the Bank Act shall inform the Supervisory Board set up pursuant to art. 12 and the Federal Banking Commission of any violations they may uncover or have reason to suspect.

² All officially recognised external bank auditors in Switzerland shall receive a copy of this agreement, together with a list of signatories, from the Swiss Bankers Association. This constitutes their auditing mandate.

³ Par. 1 applies by analogy to holders of joint accounts or joint securities accounts who abide by art. 2 through 6 and 9 through 15 of this agreement, according to art. 15 par. 2.

Art. 11 Violation of the agreement; sanctions

¹ In the event this agreement is violated, the culpable bank is required to pay the Swiss Bankers Association a fine of up to 10 million Swiss francs. In fixing this fine, due account is taken of the seriousness of the violation, of the degree of culpability and of the bank's financial situation. Measures imposed by other authorities with respect to the same issue may also be taken into account. The amount of the fine is determined in accordance with the procedure provided under art. 12 and 13. The Swiss Bankers Association allocates the amount of the fine to a useful public purpose at its own discretion.

² In minor cases, the culpable bank may be sent a note of reprimand instead of being required to pay a fine.

³ Only intentional violations of art. 7 and 8 shall entail a fine or reprimand.

⁴ The prosecution of a violation of this agreement is barred by statute upon a lapse of 5 years. In the case of a violation of the duty to verify the

identity of the contracting partner and to establish the identity of the beneficial owner, the five-year statute period starts as of the rectification of the violation or the severance of the business relation.

⁵ Violations committed by holders of joint accounts or joint securities accounts who abide by this agreement as stipulated under art. 15 par. 2, shall be treated equally as violations committed by banks.

Art. 12 Supervisory Board, investigators

¹ The Swiss Bankers Association sets up a Supervisory Board composed of five independent experts, with a view to investigating and penalising violations under this agreement. The Supervisory Board appoints a secretary and regulates his or her responsibilities.

² The Swiss Bankers Association appoints one or more investigators. The investigators may recommend to the Supervisory Board that proceedings be opened and sanctions imposed or that the investigation be terminated. When requesting information from a bank, the investigators have to inform the bank of the capacity in which it is involved in the proceeding.

³ The members of the Supervisory Board and the investigators are appointed for a term of five years, and may be reappointed.

⁴ If the Supervisory Board finds that the agreement has been violated, it imposes an equitable sanction upon the culpable bank, in accordance with art. 11 above.

⁵ The Supervisory Board establishes the rules of procedure and determines the allocation of costs.

⁶ If the culpable bank abides by the decision of the Supervisory Board, the proceeding is closed. Otherwise, art. 13 applies.

⁷ If a bank refuses to participate in the investigation conducted by the Supervisory Board or by the investigators, the Supervisory Board may impose a fine pursuant to art. 11.

⁸ As authorised officers under the terms of art. 47 of the Bank Act, the members of the Supervisory Board, the secretary and the investigators are strictly bound to treat as confidential the facts about which they gain knowledge in the course of the proceeding. The banks may not invoke banking confidentiality vis-à-vis the Supervisory Board or the investigators.

⁹ The Supervisory Board informs the Federal Banking Commission of its decisions. If it determines that abuses have been committed by persons subject to professional confidentiality, the Supervisory Board may also advise the appropriate disciplinary authority thereof.

54 The Supervisory Board periodically informs the banks of its findings, to the extent permitted by the rules of banking and business confidentiality.

- 55 The Supervisory Board may - in agreement with the Board of Directors of the Swiss Bankers Association - provide the banks with interpretations of this agreement.

Art. 13 Arbitration procedure

¹ If the fine set by the Supervisory Board has not been paid by the date prescribed, an arbitration tribunal based in Basle will hand down, upon a complaint brought by the Swiss Bankers Association against the bank concerned, a final decision as to whether there has or has not been a violation of the terms of this agreement and, if applicable, will decide on the fine to be imposed. To this effect the banks submit themselves to the jurisdiction of the courts of Basle.

² The Swiss Bankers Association and the bank each appoint an arbitrator and the two arbitrators thus appointed jointly nominate an umpire.

³ A petition for arbitration becomes pending as soon as the Swiss Bankers Association has designated the arbitrator it is entitled to appoint.

⁴ If a party has not appointed its arbitrator within 30 days from receipt of the written notification from the other party announcing that arbitration proceedings have been commenced, or if the two arbitrators have not been able to agree on the appointment of an umpire within 30 days following acceptance of their appointment as arbitrators, the Court of Appeals ("Appellationsgericht") of the Canton of the City of Basle will proceed, at the request of one of the parties, to make the appointment.

⁵ If an arbitrator is unable to discharge his office for any reason whatsoever, the party who appointed him must appoint a new arbitrator within 30 days, failing which the Court of Appeals of the City of Basle will proceed, at the request of the other party, to nominate the arbitrator.

⁶ If the umpire is unable to discharge his office for any reason whatsoever, the two arbitrators must again name an umpire. If they fail to reach an agreement, the Court of Appeals of the Canton of the City of Basle will proceed with the appointment, at the request of either of the parties.

⁷ If an arbitrator or an umpire is replaced in accordance with par. 5 and 6 above, the records of the proceedings in which the latter participated remain valid.

⁸ Subject to the mandatory provisions of the Swiss Concordat on Arbitration and of the Code of Civil Procedure of the Canton of the City of Basle, the provisions of the latter apply only if the parties or, failing them, the court of arbitration adopt no other rule of procedure. The maxim of contingency is applicable no earlier than as of the second exchange of pleadings.

⁹ The court of arbitration is subject to the same rule of confidentiality as that set forth in art. 12, par. 8.

Art. 14 Entry into force

¹ This agreement takes effect on 1st July, 1998.

² The Swiss Bankers Association and each signatory bank may withdraw from this agreement, subject to three months notice, with withdrawal taking effect at the end of a contractual year but not earlier than 30th June, 2003.

³ The Swiss Bankers Association reserves the right to unilaterally adjust or cancel the sanction rules (art. 11 through 13), if amended legal provisions or new legal practice should lead to inappropriate multiple sanctions for the same facts.

Art. 15 Transitional regulation

¹ The revised Form A is to be applied, if, upon entry into force of this agreement, a new business relationship is entered into or if the procedure of establishing the identity of a beneficial owner is to be repeated pursuant to art. 6 of this agreement.

² The bank may waive the declaration of beneficial owners of joint accounts and deposits provided that the holder of joint accounts or deposits is domiciled in Switzerland and furnishes a declaration by the local prosecution authority that said prosecution authority will deliver disclosure and blocking decrees direct to such holder, and that the holder of joint accounts and deposits is subject to Art. 2 to 6 and 9 to 15 of this regulation. This option expires on 31st January, 2000 and applies only to holders of joint accounts and deposits who were entitled to this exception already under the 1992 version of this agreement.

³ The new regulations governing the verification of identity of contracting partners and declaration of identity of the beneficial owners are applicable to new business relations entered into upon the date of enactment of this agreement or if the establishing of beneficial ownership must be revised pursuant to art. 6 upon the date of enactment of this agreement. The new agreement may be applied to existing business relations if it is deemed more beneficial.

A

Account No.:

Contracting partner:

Establishment of the Beneficial Owner's Identity
(Form A as per Art. 3 and 4 CDB)

The undersigned hereby declares:
(mark with a cross where appropriate)

- that the contracting partner is the beneficial owner of the assets concerned
- that the beneficial owner of the assets concerned is:

Full name (or firm)

Address/Domicile, Country

The contracting partner undertakes to inform the bank, of his own accord, about any changes .

Place and date

Signature

R

Account No.:

Contracting partner:

Term:

**Declaration by Swiss attorney or notary
upon opening an account or securities account**

The undersigned hereby declares that he/she acts as attorney/notary* and that he/she is subject to corresponding provisions by cantonal laws.

He/she declares that he/she is not entitled to beneficial ownership of the assets deposited with the bank. He/she certifies that, with regard to the aforesaid account/securities account, he/she is subject **to professional confidentiality as protected by Art. 321 SPC (Swiss Penal Code) and that said account/securities account serves the sole purpose of:**

winding-up and, so far as appropriate, related short-term deposit of advances on legal costs, security, fees under public law, etc. as well as of payments to or from parties, third party/parties or authorities (termed "winding-up account/securities account of client's funds")

deposit and, so far as appropriate, related placement of assets from a pending partition of inheritance or execution of a will (termed eg. "inheritance" or "partition of inheritance");

deposit and, so far as appropriate, placement of assets from a pending separation of property in the divorce or separation of a marriage (termed eg. "separation of property/divorce of marriage");

depositing of a security and, so far as appropriate, placement of assets in matters of civil or public law (termed eg. "escrow account/deposit", "blocked deposit account for purchase of stocks", "deposit of a security/corporate security", "deposit of a security/property income tax" etc.);

deposit and, so far as appropriate, related placement of assets in matters of civil and public law before ordinary courts or courts of arbitration and in execution proceedings (termed eg. "advances", "guarantee for court security", "bankrupt's estate", "arbitration proceedings", etc.).

(Mark with a cross where applicable; only **one** square is to be marked.)

Place and date

Signature

* delete where inapplicable