

# **PRESS RELEASE from the Berne Declaration (BD)**

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## **Swiss gold refinery's role in pillaged gold goes unpunished**

**The Swiss Federal Prosecutor's Office (FPO) has decided to terminate criminal proceedings opened in October 2013 against the Swiss refinery, Argor-Heraeus SA, denounced by the NGO, TRIAL, for having refined dirty gold originating from the Democratic Republic of Congo. Nevertheless, the FPO did acknowledge the problematic origin of the gold. This incomprehensible impunity illustrates the need to require Swiss companies to ascertain the origin of the products in which they trade.**

In its March decree, the FPO found that Argor had indeed refined close to three tons of gold pillaged by Congolese rebels between 2004 and 2005 and that it had violated its internal rules. The prosecutor nevertheless found that the company had not committed a crime because it had not had any doubts about the provenance of the gold. But can it be that one of the world's principal refineries was really that naïve? Uganda, from where the gold in question was supposed to have come, produces hardly any of the yellow metal, and the country was even well reputed at the time to be serving as a point of transit for pillaged gold from the DRC by armed groups. The UN and NGOs widely denounced the key role played by this trade in the financing of militias, whose acts of violence have made millions of victims.

The impunity enjoyed by Argor is an official invitation to refineries and other companies subject to the Anti-Money Laundering Act to ignore information that could lead them to discover problematic issues or to behave as if they had no such information. It is also a further proof of the insufficiency of voluntary measures to prevent the introduction onto the legitimate market of "dirty" commodities – those that are illegally or illegitimately acquired. In the gold sector, both the Federal authorities and companies are happy to point to the strict nature of the internal rules on which companies rely, claiming that they are often more effective than the restrictive regulation proposed by NGOs. The Argor case however underlines the limitations of these codes of conduct: as strict as they may appear on paper, their application remains relative and must always struggle against the company's need to turn a profit, a force which often dictates its choices. But above all, violations of these internal rules do not attract sanctions. Whether in the gold sector or elsewhere.

In order to protect Switzerland's integrity and reputation, it is necessary to pass a law requiring companies to know the origin of the products in which they trade, and to ensure that these have not been acquired or produced in violation of human rights or environmental standards. This is precisely the demand made by the [Responsible Business Initiative](#), launched by 66 Swiss organizations, including the Berne Declaration. Companies should not be allowed to take advantage of their ignorance to enter into shady deals with complete impunity!

**More information [here](#), or please contact:**

Olivier Longchamp, Berne Declaration, +41 21 620 03 09, [longchamp@ladb.ch](mailto:longchamp@ladb.ch)

