

Press release

EU embargo on Russian gold: Switzerland must follow suit

Bern, 22 July 2022 – Yesterday, the EU has tightened sanctions against Russia and banned the import of gold of Russian origin. In doing so, the EU is following the tightening of sanctions by its G7 partners. The Federal Council must now also send a strong signal by imposing an embargo on Russian gold.

The EU adopted a new sanctions package and banned the import of gold of Russian origin as well as jewellery, among other things. This is a good opportunity for the Swiss Federal Council to also tighten sanctions against Russia and to finally refrain from direct or indirect imports of Russian gold. This is the only way to ensure that Switzerland does not support Russia in the cruel war against Ukraine.

Switzerland imported 3,089 kilogrammes of Russian gold in May and 284 kilogrammes in June. According to customs investigations, this gold was probably produced before 7 March 2022 and is therefore not subject to the sanctions currently in force in Switzerland. However, it is still unclear whether this is gold from sanctioned persons or other entities and therefore constitutes money laundering.

The imports of Russian gold in May and June have prompted different interpretations of the rules in the Swiss precious metals sector: According to the newly founded Swiss Precious Metals Institute and the Valcambi refinery, gold produced by Russian refineries after March 7 may be imported and processed by trade assayers in Switzerland. However, this interpretation contradicts that of Swiss Customs. The Swiss Association of Precious Metals Manufacturers and Traders (ASFCMP) points out that any risk of co-financing acts of war is unacceptable. «An embargo on Russian gold would provide clarity: The import of Russian gold into Switzerland would thus be prohibited for all companies», says Marc Ummel, head of commodities at SWISSAID.

Indirect imports

In previous years, other countries have circumvented sanctions imposed against them by having their gold refined by trading platforms such as the United Arab Emirates. When gold is imported into Switzerland, only the last country where it was processed is communicated. In the new sanctions package, the EU prohibits «direct and indirect» imports of Russian gold. Switzerland must therefore ensure that no Russian gold enters the country via intermediaries. SWISSAID calls for the real country of origin to be stated in the case of imports from an intermediary country, as well as for controls to be strengthened in order to avoid gold being imported by sanctioned persons or other entities. This is the only way to ensure real traceability of this precious metal. Transparency is the best way to avoid risks with gold linked to conflicts or human rights violations.

Official Journal of the European Union on the new "Maintenance and Adjustment" package to strengthen existing economic sanctions against Russia: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2022:193:FULL&from=EN>

Contact persons:

Marc Ummel, Head of Commodities at SWISSAID, Tel: +41 79 694 49 21,
m.ummel@swissaid.ch

Thaïs In der Smitten, Media Officer at SWISSAID, Tel: +41 077 408 27 65,
th.indersmitten@swissaid.ch