USD 34 million handed over to Taiwan

Consent given by the two account-holders – guarantees that legal proceedings will observe human rights principles

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Bern, Switzerland has handed assets of USD 34 million over to Taiwan. Legal proceedings concerning the release of the remaining assets which are frozen in Switzerland are still pending. The assets in question are allegedly bribes connected with the frigate affair.

On 8 November 2005, Switzerland forwarded a large number of legal assistance files to the prosecuting authorities in Taiwan, France and Liechtenstein in support of investigations into corruption and other crimes associated with the sale of French frigates to Taiwan. On 5 September 2006, the Taiwanese authorities lodged an application for the handover of assets that had been frozen in Switzerland as part of criminal and international legal assistance proceedings. The authorities put the loss incurred by Taiwan from the payment of bribes at USD 520 million (plus interest).

Application supported by bank records
The Taiwanese application was not based on any court recovery order. However, in exceptional cases – such as where the frozen assets are clearly of criminal origin – the Federal International Mutual Legal Assistance Act permits assets to be returned without a recovery order issued by the applicant state. Based on bank records handed over by Switzerland, the Taiwanese authorities state in their application that the USD 520 million can be proven to originate from the frigate affair.

On 2 February 2007, with the express consent of the two account-holders concerned, the competent Federal Examining Magistrate ordered the return of USD 34 million to Taiwan. However, he made the repayment conditional upon assurances from the Taiwanese authorities that legal proceedings against the two persons in question would comply with human rights principles. In its ruling of 1 May 2007, the Federal Office of Justice determined that the guarantee provided in April by the Taiwanese Minister of Justice was sufficient to fulfil the Federal Examining Magistrate’s conditions. Once this ruling had become legally enforceable, notice could be given on the fixed-term deposits in which the assets were held. The assets were finally transferred to the Taiwanese judicial authorities today.

The remaining assets are still frozen. A decision on their handover will be made by the Federal Examining Magistrate in a second phase in proceedings. Specifically, he must examine whether or not these assets are clearly of criminal origin – in which case they can be handed over to Taiwan without the need for a recovery order – or if their handover should be linked to other conditions under Swiss law.

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