

**UNCTAD GLOBAL COMMODITIES FORUM  
13-14 April 2015**

**Welcome to the  
Swiss Commodity Market Supervisory Authority  
ROHMA**

By

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The views expressed are those of the author and do not necessarily reflect  
the views of UNCTAD.

An idea supported by distinguished  
“board members” such as:



**Bernard Bertossa**

Former Attorney General for Geneva and  
Judge at the Federal Criminal Court



**Prof. Peter Eigen**

Former Director at the World Bank, Founder  
Transparency International, former Chairman of  
the Extractive Industries Transparency Initiative  
(EITI)



**Prof. Emmanuel Fragnière**

Professor at the Haute Ecole de Gestion  
(HEG) in Geneva and Co-director of the  
Commodity Trading programme (HEC-HEG)



**Dr. Alexandra Gillies**

Head of Governance, Natural Resource  
Governance Institute, NRGi (formerly Revenue  
Watch Institute)



**Dr. Dick F. Marty**

Former Swiss Councilor of States (PLR/TI) and  
State Councilor for the Canton Ticino. Former  
member of the Parliamentary Assembly of the  
Council of Europe (CoE)



**Prof. Mark Pieth**

Professor of Criminal Law and Criminology at  
the University of Basel, Chairman Basel Institute  
on Governance

Welcome to the **Swiss Commodity Market  
Supervisory Authority ROHMA**

[www.rohma.ch/en](http://www.rohma.ch/en)



**rohma** by

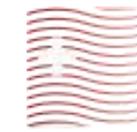


**BD**  
Berne Declaration  
Déclaration de Berne  
Erklärung von Bern

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# The resource curse



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“Africa is standing on the edge of enormous opportunity. Will we invest our natural resource revenue in people, generating jobs and opportunities for millions in present and future generations? Or will we squander this opportunity, allowing jobless growth and inequality to take root?”

Kofi Annan, former secretary general at the UN and current chair of the Africa Progress Panel

- **Twelve of the twenty-five countries** with the **highest worldwide infant mortality rates** are African countries **rich in natural resources.**
- In **Nigeria** or **Angola**, for example, poverty has significantly increased in the last decade.



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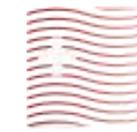
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## Commodities: a unique potential

- Some **69% of people in extreme poverty** live in commodity-rich developing countries.
- Yet **half** of the known iron, oil and gas **reserves** are found in these states.
- If these riches could properly benefit the people of these countries, **extreme poverty could be almost halved by 2030**.
- In concrete terms, this means that some **540 million people** could find their way out of poverty.
- This potential is unique because fossil resources can only be extracted once. Once misused, they are lost.



# Switzerland's role – and responsibilities



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Total government revenues  
\$ 457 billion

Estimated value of oil sales by national oil companies  
\$ 254 billion

Value of oil bought by Swiss traders  
\$ 55 billion



Net official development assistance  
\$ 26 billion

Swiss companies control at least **20% of the world trade** in commodities.

Approx. **one quarter** of petrol sold (2011 – 2013) by the national oil companies of the 10 principal sub-Saharan African export countries were bought by **Swiss trading companies**.

500 million barrels / 55 billion \$

- **12%** of public receipts
- **Double** the amount of world development aid

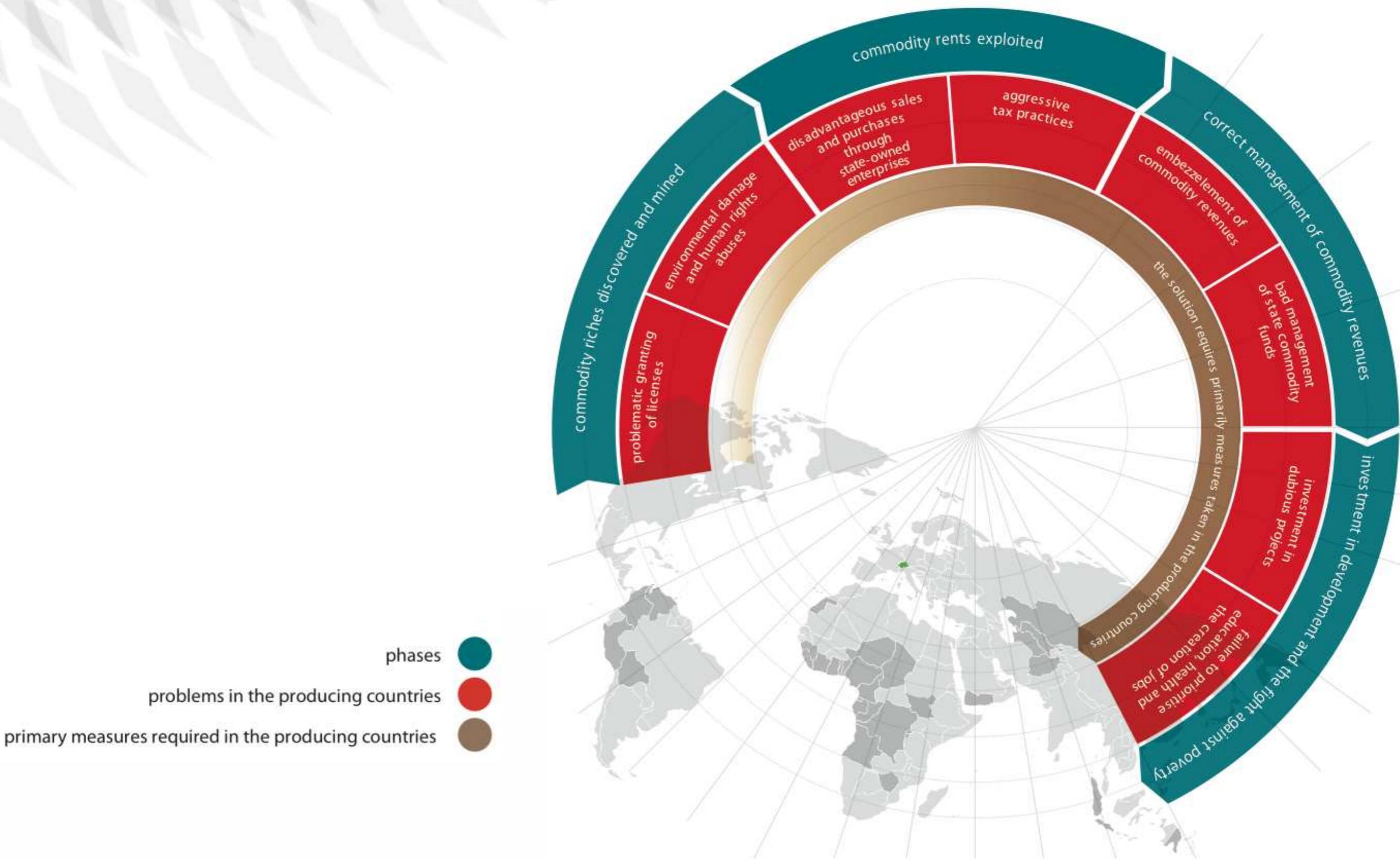
# ROHMA's Mandate



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- The Swiss Commodity Market Supervisory Authority (ROHMA):
  - is an institution under public law with its own legal personality.
  - Its authority and powers are regulated by the Commodity Market Supervisory Authority Act (CMSAA).
  - Is responsible for the implementation of the Commodities Act (CA).
  
- The regulation aims to:
  - **Reduce the problem of the resource curse.**
  - **Mobilise resources for development and the fight against poverty** in resource-rich developing countries
  - Enable ROHMA to contribute to the **reputation and image of the commodity hub** and thereby maintain its competitiveness
  - Enable ROHMA to work at an international level to ensure that other commodity hubs adopt similar rules to combat the resource curse (“**a level playing field**”).

# Problems along the commodities value chain



## Activities

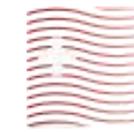


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- As a state regulatory body, ROHMA is endowed with sovereign authority over commodity traders and other companies active within the commodities sector, including gold refineries. Its competences include:
  - The **granting of licenses**, as well as supervision to ensure that the requirements for the license remain fulfilled.
  - The enforcement of **due diligence, transparency and reporting obligations and prohibitions**
  - **Publication** of beneficial owners, all payments to governments and all contracts and licenses made with governments
  - The provision of **mutual assistance** to foreign regulators
  - The **pursuit and punishment** of non-compliant behaviour
  - The **withdrawal of licenses** from companies that have seriously violated the Commodities Act

# Prohibitions and Duties under the Commodities Act



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- **Prohibitions:**
  - Dealing in commodities **without a license**
  - Dealing in **illegal/illegally obtained commodities**
  - Violation of **human rights/environmental norms**
  - Violation of **trade sanctions**
  - Not paying **due compensation**
  - Aggressive **tax avoidance**
  - **Name-lending**
  - Dealing with **PEPs/commodities from conflict zones/failed states/occupied territories without consent**
- **Duties**
  - Conduct **supply chain due diligence**
  - **Know and document business partners**
  - Appoint **responsible person**
  - Implement **whistleblowing procedures**
  - **Integrate findings from audits**
  - **Cooperate** and provide all information requested
  - **Communicate** on policies and findings
  - **Proper business conduct**

# ROHMA contributions to prevent the 'resource curse'

