Swiss Leaks (or SwissLeaks) is the name of a journalistic investigation, released in February 2015, of a giant tax evasion scheme allegedly operated with the knowledge and encouragement of the British multinational bank HSBC via its Swiss subsidiary, HSBC Private Bank (Suisse).[1] Triggered by leaked information from French computer analyst Hervé Falciani[1] on accounts held by over 100,000 clients and 20,000 offshore companies with HSBC in Geneva, the disclosed information has been called "the biggest leak in Swiss banking history".[2]

Investigation

Investigators allege that 180.6 billion euros passed through HSBC accounts held in Geneva by over 100,000 clients and 20,000 offshore companies between November 2006 and March 2007. The data for this period comes from files removed from HSBC Private Bank by a former staffer, software engineer Hervé Falciani,[1] who fled to Lebanon with the attempt to sell it.[3] Later he handed it to French authorities in late 2008.[4]

Investigation in France

The case was referred to French prosecutors in January 2009, and they have since concentrated their investigations on a small part of the “Falciani lists” – the around 3’000 French citizens suspected of having concealed their money at HSBC Private Bank (Suisse) with the bank’s collusion. The bank has de facto been placed under formal investigation as a legal entity for “illicit selling of banking and financial services” and “money laundering of the proceeds of tax evasion”.

https://en.wikipedia.org/wiki/Swiss_Leaks
HSBC PB is said to have concealed over €5.7 billion in tax havens for its French clients alone. The French Finance Ministry took 72 individuals to court (including Nina Ricci's heir, Arlette Ricci) as most of the French taxpayers whose identity was revealed in the Falciani lists have since regularised their tax affairs.

Le Monde has been investigating the HSBC affair since the outset, and in early 2014 came into possession of international banking data including all the files the French tax authorities had extracted from the Falciani lists in the strictest secrecy since 2009, sometimes ignoring government reservations. The bank's account managers illegally contacted many of these people in France. They were all encouraged by HSBC Private Bank (Suisse)'s executive committee to hide their money behind offshore screen structures, generally based in Panama or the British Virgin Islands, in order to avoid certain European taxes, chiefly the EU Savings Directive.

Investigation in Morocco

According to the International Consortium of Investigation Journalists (ICIJ), which treated the data of the Swiss Leaks, Morocco is concerned by $1.6 billion of tax evasion and stands at thirty-seventh place of the affected countries. Morocco stands at twenty-third place for the number of clients (1068). The maximal amount of tax evasion for one client was $74.1 million and the average was $1.5 million. As stated in the Moroccan law, it is strictly forbidden to have a foreign bank account. But the documents revealed that the royal family were part of the HSBC clients. Prince Moulay Rachid was touched by this scandal, the princess Lalla Meryem and the current king Mohammed VI with an amount $9.1 million hidden in the HSBC bank.

International Investigation

Given the scale of the investigation, Le Monde called upon 154 journalists affiliated with 47 different media outlets including: The Guardian, CBS, Süddeutsche Zeitung, and The Indian Express, among others, to help analyze the data. The International Consortium of Investigative Journalists (ICIJ) has been coordinating this international collaborative effort.

In February 2015, the International Consortium of Investigative Journalists (ICIJ) website released information about bank accounts in Switzerland under the title Swiss Leaks: Murky Cash Sheltered by Bank Secrecy, which involves the Swiss Leaks Project, a website containing almost 60,000 leaked files that provide details on over 100,000 HSBC clients and their bank accounts.

Involvement

The Swiss Leaks Project's investigations revealed that HSBC's Geneva branch, ignoring these rules, helped people accused of drug-running, corruption, money-laundering or arms-dealing conceal billions of dollars in Switzerland.

Among the names revealed by the Swiss Leaks investigation are:

- Rami Makhlouf, whose cousin and close associate, Syrian President Bashar al Assad.
- Katex Mines Guinee, a company fingered by the United Nations as a “possible provider of weapons” in Liberia's civil war.
- Erez Daleyot, a Belgian-Israeli diamond tycoon, connected to arms trafficking, blood diamonds and bribery.
- Jeffrey Tesler, a lawyer and key participant in the $182-million Halliburton Bribery Scandal.
- Rachid Mohamed Rachid, the former Egyptian trade minister who fled Cairo in February 2011 amid the uprising against Hosni Mubarak. Rachid was convicted in absentia for alleged profiteering and squandering public funds.
- Vladimir Antonov, a Russian banker accused of looting £400m from the Lithuanian Snoras bank.\[12\]

Under the top 10 Countries with the largest dollar amounts in leaked Swiss files are\[13\]

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Switzerland</td>
<td>$31.2B</td>
</tr>
<tr>
<td>2.</td>
<td>United Kingdom</td>
<td>$21.7B</td>
</tr>
<tr>
<td>3.</td>
<td>Venezuela</td>
<td>$14.8B</td>
</tr>
<tr>
<td>4.</td>
<td>United States</td>
<td>$13.4B</td>
</tr>
<tr>
<td>5.</td>
<td>France</td>
<td>$12.5B</td>
</tr>
<tr>
<td>6.</td>
<td>Israel</td>
<td>$10B</td>
</tr>
<tr>
<td>7.</td>
<td>Italy</td>
<td>$7.5B</td>
</tr>
<tr>
<td>8.</td>
<td>Bahamas</td>
<td>$7B</td>
</tr>
<tr>
<td>9.</td>
<td>Brazil</td>
<td>$7B</td>
</tr>
<tr>
<td>10.</td>
<td>Belgium</td>
<td>$6.3B</td>
</tr>
</tbody>
</table>

[14]

**HSBC Trial**

In March 2015, the French financial state prosecutor has requested that HSBC's Swiss private bank be sent to criminal trial over the suspected tax-dodging scheme for wealthy customers. The recommendation follows a lengthy investigation by local magistrates into alleged tax fraud involving 3,000 French taxpayers and is a procedural step that brings the Swiss banking arm one step closer to a possible trial in France.\[15\]
In November 2017, HSBC has agreed to pay 300 million euros ($352 million) to avoid going to trial in France for enabling tax fraud. The deal struck between the financial crime prosecutor's office and the bank is a first in France under a new procedure that allows companies under suspicion of corruption or dissimulation of tax fraud to negotiate a fine to stop a case from going to trial.

French prosecutors have now dropped the case against HSBC Holdings.[16]

**Media coverage**

BBC reported that HSBC had put pressure on media not to report about the controversy, with British Newspaper The Guardian claiming HSBC advertising had been put "on pause" after The Guardian's coverage of the matter.[17] Peter Oborne, chief political commentator at Daily Telegraph resigned from the paper; in an open letter he claimed the Daily Telegraph suppressed negative stories and dropped investigations into HSBC because of the bank's advertising.[18] CBS published a story about the leaks in the news segment 60 Minutes.[19]

**See also**

- Banking in Switzerland
- 2008 Liechtenstein tax affair
- Lagarde list – a subset of the data set, passed on to the Greek government in 2010 by French finance minister Christine Lagarde
- Football Leaks
- Luxembourg Leaks
- Offshore financial centre
- Offshore Leaks
- Tax haven
- Panama Papers

**References**


External links

- International Consortium of Investigative Journalists: SwissLeaks: Murky Cash Sheltered by Bank Secrecy (http://www.icij.org/project/swiss-leaks/)
- Daniel Glaus (SonntagsZeitung/Tages-Anzeiger) Bin Laden’s “Golden Chain” (http://www.swissleaks.net/bin-ladens-golden-chain/) – an article on clients of HSBC with alleged connections to Al-Qaeda