

# Threat to gag *Sunday Times* over hidden Swiss billions

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16 Feb 2015

Banking giant HSBC has threatened the *Sunday Times* for exposing the wealthy South Africans who stashed R23bn in secretive Swiss bank accounts, demanding all this data be 'destroyed'...



(Image: Wikimedia Commons)

The list of South African clients who held bank accounts with the secretive HSBC Bank in Switzerland is headlined by CEOs of top blue-chip companies, diamond dealers, sports stars and a key figure in the arms deal.

Last week, shocking evidence emerged of more than 100,000 clients of HSBC internationally, who included tax dodgers, drug dealers and government officials who used the secret Swiss accounts to launder cash and hide money.

But in a three-page letter sent to *Sunday Times* last week, HSBC's lawyers Cliffe Dekker Hofmeyr said the list of South African clients was "stolen from HSBC". Altogether, 1,737 clients linked to 585 South Africans had accounts, holding a total of 2.09bn.[sic]

The lawyers said it would be a "breach of confidentiality" to publish the names, especially as this would lump these people together with crooks and tax dodgers. They demanded that no details should be disclosed to anyone, ever.

It is not a crime for South Africans to have a Swiss bank account, and many of the individuals on the list contacted by *Sunday Times* said they had disclosed full details of the accounts and paid all the tax they were meant to.

But the South African authorities have since obtained the HSBC list. South African Revenue Service executive Vlok Symington said on Friday that SARS was "analysing" the information. "Early indications are that some of these account holders may have utilised their HSBC accounts to evade local and/or international tax obligations," he said.

The files were stolen in 2007 by HSBC's former computer specialist, Hervé Falciani, who said he was alarmed at how

"banks such as HSBC have created a system for making themselves rich at the expense of society, by assisting in tax evasion and money-laundering".

Falciani fled to France and gave the files to French police. The information was leaked to French newspaper *Le Monde*, and then to the International Consortium of Investigative Journalists, who lifted the lid on the names last week.

## **Arms deal-linked Hlongwane heads list**

The list of South Africans with HSBC accounts is headed by Fana Hlongwane, the infamous playboy accused of passing bribes from defence company BAE to the now-deceased former defence minister Joe Modise as part of South Africa's arms deal.

The HSBC client files show three accounts linked to Hlongwane - \$887,905 in an account marked Leynier Finance SA, 10.3m [sic] in an account under the name of Golden Dorada Investments, and \$2.28m in an account named only "32444", and which was closed before 2007.

Other notable South Africans on the list included Jeff Wiggill, the man gunned down on a lonely Soweto highway two years ago, shortly before it emerged he was instrumental in swindling millions out of South Africa's big banks.

Julian Askin, a fugitive from South Africa since the 1992 collapse of Tollgate, the company he chaired, is listed as having 3.8-million in the HSBC accounts.

Askin now lives in the UK, where he has fought extradition requests to answer for how he blew Tollgate's cash on such things as buying antique furniture, keeping a private helicopter and taking his friends on grouse-hunting trips.

Another account holder linked to South Africa is Algeria-born Frenchman Jean Yves Ollivier, who styles himself as a diplomat "of influence, making use of my personal relationships with heads of state and political leaders to facilitate peace negotiations".

Ollivier, the only foreigner to be awarded honours by South Africa's government, played a role in Nelson Mandela's release from prison.

He is linked to 10 HSBC accounts, two of which held 707,619 [sic] in 2007. His spokesman said that Ollivier "became resident in Switzerland in 1994 [and] has paid all taxes due".

## **Details are 'inaccurate'**

The largest single amount linked to a South African was a staggering \$164m - equal to R1.9bn - held by the Nash family, which includes Springbok sprinter Paul Nash, who tied the world record for the 100m in 1968. His brother Peter Nash is a director of Winhold.

Timothy Nash, answering for the family, said he was the one who dealt with HSBC as he lived in the UK from the mid-1980s to 2012.

Nash said the details were "inaccurate" because "the accounts were beneficially owned by a family trust of which the majority of the beneficiaries are not South African residents". He said in his view, the accounts were "at all times both legally and tax compliant".

Although SARS has flagged potential problems, many of the South African millionaires seem to have broken no rules.

HSBC files record that Eric Samson, the 76-year-old billionaire who runs one of South Africa's biggest companies, Macsteel, held no less than \$59m at one stage in those accounts.

Samson's lawyers, Werksmans, said his tax affairs were "private", and he "is and has always been tax compliant in all the jurisdictions in which he is or was liable to pay tax".

Other famous South Africans on the list include celebrated documentary filmmaker Laurence Hamburger and Comair directors David Novick and Martin Moritz.

Others, who did not respond to requests for comment, include Cape Town-based homeware designer Carrol Boyes and former Corpcapital CEO Jeff Liebesman.

HSBC's heavy-handed response in South Africa contrasts with a more accommodating approach in the UK when approached for comment by the investigative journalists' body.

HSBC admitted to it that "too many small and high-risk accounts were maintained". "We acknowledge that the compliance culture and standards of due diligence in HSBC's Swiss private bank, as well as the industry in general, were significantly lower than they are today," it said in a letter. - With additional reporting by Loni Prinsloo and Anthony Thekiso Lefifi

Source: *Sunday Times*, via I-Net Bridge

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