

BUSINESS & FINANCE

Judge: HSBC Unit Aided Cheats

BY MATTHEW DALTON

BRUSSELS—A Belgian judge formally accused a Swiss unit of banking giant **HSBC Holdings PLC** on Monday with helping wealthy Belgians evade taxes on billions of dollars of offshore holdings, the latest of numerous tax-fraud investigations to hit the Swiss banking industry.

The judge has charged Geneva-based HSBC Private Bank SA with serious and organized tax fraud, money laundering and providing illegal financial services, the Brussels prosecutor's office said in a written statement. The actions under scrutiny occurred between 2003 and the present day, it said.

Belgian investigating judge Michel Claise accused the HSBC unit of helping Belgians move their savings from Swiss accounts to holding companies mainly in Panama and the British Virgin Islands. The goal was to avoid tax payments that would have resulted from an agreement between Switzerland and the European Union to help EU governments collect taxes on revenue generated by accounts held abroad by EU citizens.

Diamond dealers in Antwerp, a major hub for the diamond trade, were one of the bank's most important client groups, the statement said. All told, the case could cover accounts held by more than 1,000 Belgians.

EU rules that took effect in 2005 taxed income from overseas accounts at 15%. The rate increased to 35% in 2011.

"The damage done to the Belgian state by the aforementioned deeds is estimated at several hundred million euros, to which should be added larger sums that could have been

laundered and may be seized by the Belgian authorities," the statement said.

The judge will continue his investigation by interviewing executives and employees of HSBC, the statement said.

HSBC said in written comments that it is cooperating with the investigation.

"HSBC Private Bank (Suisse) SA has been notified that it has been placed under formal investigation by a Belgian judge who, along with the French authorities, is examining whether the bank acted appropriately in the past in relation to certain clients who had Belgian tax reporting requirements," HSBC said. "Both the Belgian and French investigations have been notified in our filings previously and we will continue to cooperate to the fullest extent possible."

European governments and the U.S. have increasingly cracked down on their citizens' attempts to stash funds in undeclared Swiss bank accounts. HSBC's Swiss unit is one of about a dozen Swiss banks under investigation by the U.S. Department of Justice for allegedly aiding tax evasion.

Belgian authorities in June temporarily detained the head of UBS AG's Belgian division on suspicion that he and the bank helped wealthy Belgians evade billions of euros in taxes.

A spokesman for the Zurich-based bank has said it is cooperating with Belgian authorities and complies with all laws and regulations. The bank doesn't tolerate activities intended to help clients evade tax obligations, he said.

—Max Colchester in London
contributed to this article.

Secondo un tribunale, HSBC ha contribuito alle evasioni fiscali

