

**SWISS LEAKS**

# Switzerland set to transfer details of Indian account holders in HSBC

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THE TRANSFER of banking details of accounts held by Indians in HSBC (Suisse) by Swiss authorities has become imminent with account holders receiving a communication from the Swiss Federal Tax Administration (FTA) to provide their written consent and a Swiss address to receive notices.

It was in 2011 that French authorities had given India a list of 628 Indians who held accounts in HSBC Private Bank (Suisse) and in 2015, Swiss Leaks, an investigation done by *The Indian Express* with the International Consortium of Investigative Journalists and French newspaper *Le Monde* had expanded the list to 1195 Indian accounts holding balances totalling Rs 25,420 crore for the year 2006-07.

The investigation had revealed there were 276 Indian account holders with at least \$1 million in their balance of whom

85 are residing in the country.

After an August 2018 order of the Federal Court of Switzerland in Lausanne, the process of transfer of these account details has been set into motion.

That order came after two Indian HSBC account holders had challenged any transfer of account details to India on the grounds that the leakage of information by whistleblower Herve Falciani in 2008 was based on stolen data.

*The Indian Express* has learnt that around six weeks ago, individual Indian account holders received communications from the FTA that the Indian request for banking details meets the requirements specified in the DTA (double taxation agreement) signed by the two countries as well as of the 2012 Federal Act on International Administrative Assistance.

The communication reads: "In the request dated 31 October 2018, the Indian competent authority requested information

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**EXPLAINED**

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## Will unearth more secret income

THIS was what Indian tax authorities were trying to get for years and were being stonewalled by account holders. Parliament was informed that in 84 cases, prosecution was filed against Indian HSBC account holders. Once, more account details flow in from the Swiss, that number will sharply rise as will the quantum of undisclosed income.

## Switzerland

related to you...we therefore requested HSBC Private Bank (Suisse)...to provide us with the information requested by the competent authority from the time period starting from April 1, 2011...if you would like to take part in the Swiss procedure for administrative assistance you are requested to designate a representative to receive service in Switzerland or provide us with your current address in Switzerland.”

The Indian HSBC account holders have also been informed that should they not provide address or name a Swiss representative, a final decree would be published in the Swiss Federal Gazette giving the initials, the birth date and nationality of the account holder and in the case of a legal entity, also its date of incorporation and registered office.

The Indian account holders have also been given a consent form to fill in with the declaration that, “I herewith give the FTA my express and irrevocable consent to deliver the information which the Indian competent authority requested from the FTA...”

The consent form states that this simplified procedure (for the transfer of banking data) was being followed in accordance with Article 16 of the Federal Act of 28 September 2012 on International Administrative Assistance in Tax Matters (TAAA).

The Indian Express was the first to report, on August 7, 2011, that French authorities had handed over details of around 700 HSBC account holders and, as was the case in several countries, a frantic tax chase began.

On August 7, 2018, following the Lausanne Federal Court order, Finance Minister Piyush Goyal told Parliament that they were expecting HSBC account data from Switzerland within 10 days.

He also said that until then, undisclosed income totalling Rs 8,448 crore had been detected from the HSBC account holders and a tax demand of Rs 5,447 crores was raised by Indian tax authorities.

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