

**Leaks show how bank used by 1MDB, Jho Low moved funds in secret**  
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Leaks and settlement documents involving Banca della Svizzera Italiana (BSI) revealed how the bank assisted in helping cash-flushed but suspect individuals to evade tax authorities.

Documents from the US Justice Department's settlement with BSI in 2013 showed that the bank used various techniques to help its clients move vast amounts of money around, the [Financial Times](#) reported.

BSI also employed "promoters" or "external asset managers", who would promote the bank to deep-pocketed potential clients for a hefty commission. But the promoters cannot present themselves as BSI employees.

BSI's Singapore branch was used by state investment firm 1MDB and controversial businessman Jho Low, and is now part of the investigation into 1MDB.

Yeo Jiawei, a former BSI Singapore banker, was last month charged with money-laundering offences in Singapore.

*The Wall Street Journal* reported that Low, 1MDB and British Virgin Island-registered firm Aabar PJS Limited (Aabar BVI) used the same relationship manager at BSI Singapore.

The same person was listed for loan documents between Aabar BVI and Red Granite Pictures, a Hollywood film production company owned by Prime Minister Najib Abdul Razak's stepson Riza Aziz.

BSI agreed to pay a fine of US\$211 million to the US and hand over details of clients evading taxes in the US, following the closure of Switzerland's oldest bank Wagellin over tax fraud charges.

## **Front companies**

The settlement revealed BSI bankers helped clients register "sham entities" to act as front companies in places like the British Virgin Islands and Liechtenstein, the British business daily reported.

When clients wanted to bring their money back to the US, the bank would employ several tactics, including issuing prepaid debit cards loaded with funds from their Swiss accounts.

"When clients needed BSI to top up the cards, they sent word in code. "Could you download some tunes for us?" asked one. Another winked, "Gas tank still running on empty," the *Financial Times* reported.

For an extra fee, the bank would also refer to clients on all documentation through a code name.

No documents would be sent to addresses which could be linked to the clients, and bankers would fly from Switzerland to hand-deliver them if necessary – a method called 'hold mail'.

A leak of BSI London's files reviewed by the *Financial Times* showed that the branch would also offer 'hold mail' secrecy to avoid paper trails.

"Many London clients, the documents show, also had American Express or Barclays credit cards linked to an offshore company, some with credit limits in six figures," the financial daily reported.

*Financial Times* said BSI London's clients include magnates from the Balkans implicated in kickback schemes and Qatari individuals who are facing corruption allegations.

## **Shady characters**

The bank does conduct due diligence and would reject some clients if they can expose the bank to money laundering or other criminal charges.

However, shady characters were still taken on as clients, the daily reported, due to the persistence of the "fixers" in convincing the bank of the potential clients' worthiness.

Some 80 Swiss banks followed BSI's lead to settle with the US State Department, while British Prime Minister David Cameron said the UK wants to ensure that London is not "a safe haven for corrupt money from around the world".

However, Cameron bore the brunt of outrage over clandestine financial practices and tax evasion by the super rich, when his family's offshore account was listed in the Panama Papers.

The Panama Papers, a mega leak from a Panama law firm Mossack Fonsenca, now released to the public by the International Consortium of Investigative Journalists, show offshore entities set up by global bigwigs.

While it is not illegal to set up offshore entities, the highly confidential nature of the firms raised red flags for tax evasion and movement of illicit funds.

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