

I-T to press laundering charges in HSBC case

Those named in the confidential list given to the government of Indians with allegedly illegal accounts abroad through the HSBC bank are to be also charged with money laundering.

The first complaints are expected to be filed in Delhi and Mumbai. The income tax (I-T) department has decided to include the offence in its soon-to-be filed chargesheet on the issue. It says there is evidence for this in many cases. Sources said it would have to coordinate its prosecution with the enforcement directorate, the designated implementor for the Prevention of Money Laundering Act (PMLA).

The stringent provisions of PMLA can ensure attachment of properties of the accused and handing down of strict punishment by courts.

Earlier this week, the finance ministry had said the I-T department had begun assessment proceedings in 'cases related to HSBC accounts'. Sources said it had prepared a sound case after learning from the experience of the LGT Bank account cases, already under prosecution. The government had reportedly obtained data of a little over 700 HSBC accounts from French government channels. In 80 cases, the department has detected undisclosed income of Rs 438 crore and taxes of Rs 135 crore have been realised so far, it had indicated.

A US Senate panel investigation had accused HSBC of exposing the American and Indian financial systems to terrorist financing, money laundering and drug trafficking activities, due to poor risk control systems. "The disclosures that have come recently in the US corroborate what tax department investigations in this case indicate. Money laundering charges would be pressed against individuals," top sources in the finance ministry said.

Various probe units of the I-T department, say sources, have informed the Central Board of Direct Taxes and top echelons of the finance ministry about these developments.

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