

HSBC closing Gupta-linked accounts

HSBC says it 'has been reviewing its exposure to the Guptas for some time, and has closed a number of accounts for associated front companies wherever we have found them', according to [Fin24](#) quoting from reports by the *Wall Street Journal*, *Reuters* and *Morningstar*. The announcement follows a *Wall Street Journal* report on Friday, in which it revealed how it reviewed documents that showed that the Guptas had **used HSBC bank accounts in Dubai to transfer money through firms linked to suspected kickbacks for the sale of Chinese locomotives in 2013**. This follows the #GuptaLeaks e-mails, in which AmaBhungane Centre for Investigative Journalism exposed e-mails leaked from Guptas e-mail servers. These e-mails revealed that more than R10m of the R50m that SA is paying for each CSR locomotive would be diverted to an offshore company controlled by Gupta lieutenant Salim Essa. These kickback agreements totalled R5.3bn, *amaBhungane* reported. Peter Hain, a Labour Party member of the House of Lords in the UK, recently asked the authorities to investigate a UK bank – which was later revealed as HSBC – for 'possible criminal complicity', after it allegedly failed to take action on internal concerns about suspicious transactions related to the Guptas. HSBC has denied that it sanctioned money laundering, while the Guptas have previously denied wrongdoing, notes the report.

Fresh detail about transactions involving HSBC could lead to the bank facing investigation by US authorities, because they were made in dollars and cleared by the bank's New York office, says a report in [The Guardian](#). **The FBI is already examining whether businesses linked to the Guptas moved money through the American financial system**, according to reports in the US. HSBC says it is on track to have its anti-money laundering and sanctions policy framework in place by the end of this year. 'HSBC is determined to prevent criminals from accessing the financial system,' the bank said. 'This is inherently challenging because those who seek to launder money are often extremely sophisticated, hiding behind legitimate companies, layers of front companies, connected parties and individuals that have controlling interests in the subject companies.'