

Lebanon seeks Swiss help to reveal transfers

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BEIRUT: Lebanon has officially asked Switzerland to cooperate in efforts to reveal the amount of deposits that were transferred from the country since Oct. 17, 2019, in a bid to repatriate alleged illicit funds, Caretaker Justice Minister Albert Serhan said Thursday. "The Lebanese judicial authorities have asked Switzerland to help us reveal the amount of funds that were transferred from Lebanon and the name of those involved in these transfers since Oct. 17 of last year. We don't have any names of the people who have transferred the money outside Lebanon or the amount of money that left the country. But we hope that with the help of the Swiss government, the Swiss central bank and commercial banks to reveal all the information if they are available," Serhan told The Daily Star by phone.

Many Lebanese activists have accused some local banks of transferring large amount of deposits that could belong to Lebanese politicians since Oct. 17, the day the popular anti-government protests erupted.

The activists argue that billions of dollars in deposits have been transferred to Switzerland and other countries when all the banks were closed to the public.

But banks interviewed by The Daily Star last week dismissed these allegations, stressing that figures of billions of dollars leaving the country is highly exaggerated.

The caretaker government is under pressure from many civil societies and activists to crack down on corruption in the country, demanding more measures to repatriate the money that were transferred outside Lebanon and to shame all the politicians who were involved in the alleged transfers.

"I can assure you there were no such big transfers of cash outside Lebanon over the past three months. We are keeping a tight control on the transfer of funds from our bank to any country. We only accept to transfer money under strict conditions and very strict amount," the chairman of a leading bank told The Daily Star.

Banks enforced a maximum ceiling on the withdrawal of cash in U.S. dollars over the past three months due to the shortage of dollar banknotes in the market.

The crisis became worse when depositors withdrew \$3 billion before the eruption of the popular uprising and another \$2 billion during the crisis.

Serhan expected the Swiss authorities to cooperate with Lebanon and to pass all the information available about funds transferred during the last three months.

"I don't see any reason why Switzerland will not cooperate with us. The Swiss government has asked all its branches to help disclose any suspicious transfers. But we have to wait some time before deciding on the next move," he explained. Serhan said that Switzerland was a civilized country and fully complied with all international agreements to exchange information about financial embezzlement, money laundering and corruption.

But a source at the Central Bank told The Daily Star that BDL does not have information yet on the large transfers of funds outside Lebanon during the three months crisis, adding that the Central Bank governor had sought the help of the Special Investigation Commission to investigate alleged suspicious transfers.

"There are two ways to investigate alleged illegal transfers of funds from Lebanon: The first is through the SIC, which should receive a request from any party to inquire about suspicious movement of funds, and the other is from the judicial authorities that ask the Foreign Ministry to get in touch with foreign governments in a bid to reveal any suspicious transfers of money," the source said.

He emphasized that commercial banks had the right to transfer funds outside Lebanon without the permission of the BDL. "It's a free economy and the banking secrecy applies to all these transfers. As long as the individuals involved in these transfers are not on the blacklist the banks [under normal circumstances] have the freedom to move funds at the request of their customers," the source said.

He added that BDL can't request the names of the depositors who transferred funds because this was part of the banking secrecy, noting that BDL can only act if it receives an official inquiry from Lebanon and abroad.

But Hassan Mikaled, a publisher of a weekly economic magazine, revealed that the Swiss authorities were expected to disclose all the information about money transfers within two months.

"My colleagues have sufficient material that shows there were huge transfers of funds over the last three months. I am confident that Lebanon can repatriate these funds if there is evidence that the money was amassed in an illegal way," Mikaled said.