

# Hedge fund trader extradited to Denmark

**Robert Lea**

One of Britain's biggest alleged tax fraudsters has been extradited from his home in Dubai to face criminal charges in Denmark, the jurisdiction of his reputedly largest scam.

Sanjay Shah, a self-described hedge fund trader who has reportedly previously worked for Morgan Stanley and Credit Suisse, has been deported from the United Arab Emirates to face charges that he perpetrated fraudulent share trading schemes.

Shah, 53, is accused of being the ring-leader in one of the biggest so-called cum-ex tax and money-laundering scams in Europe and has been the quarry of regulators in the UK for years.

The alleged scam, run out of Shah's UK-registered operation Solo Capital, involved the buying and selling of huge amounts of shares in Denmark and Belgium and other jurisdictions in a deliberate attempt to avoid tax or reclaim non-existent payments of withholding tax on dividends.

The trades, executed between 2012 and 2015 and worth tens of billions of pounds, have previously been labelled by the UK's Financial Conduct Authority as "highly suggestive of financial crime" and a deliberate attempt to defraud Danish and Belgian taxpayers.



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and insists the  
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The issue came to light due to the sheer quantity of trades involved in a "circular pattern of extremely high-value over-the-counter equity trading" executed via a network of broker-dealers rather than on an exchange. Trading volumes were between 20 and 40 times the normal amount of shares traded in Danish and Belgian stocks.

With confusion created over the

legal ownership of the shares at the time a dividend was paid out, tax on the dividend income was paid only once but reclaimed by multiple parties.

Shah, who was arrested by Dubai police last year, denies the charges and insists that the trades were legal.

Shah is reported to have led an extravagant lifestyle in Dubai, where he has a home on the exclusive Palm Jumeirah housing development which sits on a man-made island in the shape of a palm tree. A £15 million property in central London has been seized in part of a freezing of his assets in 2020.

Denmark has been seeking to find nearly £1.5 billion it claims that it has lost to the scam.

"This is one of our biggest and most serious cases of financial fraud," Peter Hummelgaard, the country's justice minister, said.

Britain and Denmark have previously come to an agreement that Shah's prosecution should take place in Denmark should the country win its extradition claim with the UAE.