

Former Biglaw Tax Partner Sentenced for Tax Scheme



Ulf Johannemann, formerly the Global Head of Tax at the prestigious Biglaw firm Freshfields, has been handed a three 1/2-year jail term by a German court, marking the climax of a high-profile legal saga.

The Verdict

Johannemann's downfall stems from his involvement in a complex tax scheme orchestrated for Maple Bank, a now-defunct financial institution. He provided strategic counsel that enabled Maple Bank to exploit legal loopholes and claim substantial tax credits unlawfully.

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The Scheme Unraveled

The intricate maneuver, known as the 'Cum Ex' trading scheme, operated under the guise of legitimacy. Johannemann, leveraging his expertise, endorsed this dubious scheme during his tenure at Freshfields from 2006 to 2009. The scheme involved manipulating ownership of shares to facilitate double tax refunds on capital gains tax, resulting in Maple Bank reclaiming an astonishing EUR383 million in taxes it never paid.

Legal Fallout

However, German authorities eventually caught wind of the illicit practices and deemed them unlawful. Consequently, Maple Bank's German operations faced closure, prompting legal action from bank administrators against Freshfields. The legal dispute culminated in Freshfields' agreement to a EUR50 million settlement with Maple Bank's administrators and an additional voluntary payment of EUR10 million to German tax authorities in 2021 to evade further legal repercussions.

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Firm's Response and Johannemann's Departure

In an effort to mitigate damage to its reputation, Freshfields swiftly distanced itself from Johannemann following his departure from the firm in 2019, just before his arrest. In response to Johannemann's sentencing, a spokesperson for the firm emphasized that Freshfields was not directly involved in the proceedings and refrained from commenting on the verdict. The firm reiterated its commitment to cooperating with authorities within its professional obligations to address and learn from the matter.

This landmark case underscores the legal and ethical complexities prominent law firms and their senior partners face in navigating the fine line between aggressive tax strategies and illegal conduct.

Don't be a silent ninja! Let us know your thoughts in the comment section below.