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- Introduction – What are the Paradise Papers?
- Germany
- Offshore industry, gambling and banks – a quick case study
- Greece, Italy, France
- Belgium, Slovenia, Denmark, Finland, the Netherlands, Norway, Lithuania
- Nike, Apple and other multinationals

What are the Paradise Papers?

- 13.4m files / 1.4 Terabyte of data
- ½ of files relate to law firm Appleby / Estera
- Plus: 19 corporate registries
- Plus: Asiaciti files
- Time frame covered: 1950-2016
- 96 media outlets / 381 journalists / 67 countries

What are the Paradise Papers?

- 120.000+ customers in Appleby data base
- 120+ politicians and world leaders
- 100+ multinational companies from almost all industries
- Strong focus on Europe: Isle of Man, Malta, Netherlands, Luxembourg...

Germany: Important cases

- Engelhorn: a classical tale of high scale tax evasion
- Meininger: Multinational company using simple ways to shift profits to low-tax jurisdiction
- Schröder, Leibrecht, Carstensen: Three politicians' involvements w/ shell companies show that they are „the new normal“

Offshore industry, gambling and banks

- Online gambling highly regulated / illegal in most EU countries
- High-risk environment re: money laundering, also high health risks
- Offshore jurisdictions such as IoM, Malta, Gibraltar are used to bypass regulations
- European banks help with payment processing
- No regulatory authority feels responsible

Offshore industry, gambling and banks

1. Gambler from Germany registers at IoM online gambling site w/o license in GER
2. Gambler pays money into German bank account of IoM gambling co. or affiliated payment processor
3. Illegal gambling takes place
4. Online casino pays out incriminated money through non-German bank, money is basically laundered

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Greece

- Appleby dealt with someone very close to major political party leader in Greece, showing that PEP control processes still do not work
- Data shows lack of due diligence in the shipping sector, with one ship owner who allegedly manipulated stocks and was under investigation
- Offshore entities from Cayman gave loans to bank, raising questions re: equity basis of bank

Italy

- Data shows Italians used IoM scheme to avoid VAT on aircraft
- Compliance processes at offshore providers like Appleby still flawed: client asks to delete traces of funds, papertrails avoided, very opaque dealings, Jersey co.'s involved, lots of red flags ignored, no one noticed or wanted to notice

France

- Dassault Aviation helps clients to profit from „zero VAT system“
- Electricity company ENGIE saved tens of millions in tax when it bought share in UK co.
- US multinational Whirlpool closes factory in France, intensively uses low tax jurisdictions
- HNWI from France use „Maltese Leasing“ to pay little VAT on yachts, boats

Belgium

- Belgian **Gaming Commission** launched investigation into pokersite **Betway**
- www.betway.be is legal because it received license.
- Behind Maltese company Betway Limited there is an offshore structure on the BVI.
- Questions about real owners and origin of money
- Gaming Commission sometimes hands out licenses to gambling websites without knowing who is UBO behind companies.

Belgium

- Through Belgian Corporation for International Investment, **the Belgian state** has been shareholder of a BVI offshore for past 18 years (used to invest in a port development project in Vietnam).
- In its financial statements it never mentioned the BVI.
- Finance minister Van Overtveldt: withdraw or liquidate
- Head of finance administration board member of SBI/BMI for ten years. He says he didn't know Vietnam investment was channelled through BVI.

Slovenia

- **Former head of tax office** is helping Slovenes move assets far away from the tax office's eyes.
- Links between a corporate provider in Cyprus and the former director general of the Slovenian national tax office who is now running a tax consultancy business.
- At least 11 of the 14 companies run by nominees of this corporate provider in Cyprus are related to Slovenia.
- At least 2 of those owe or have owed taxes to the tax office.

Denmark

- The **state funded Danish Investment Fund for Developing Countries (IFU)** has been using tax havens to invest in developing countries.
- Denmark is one of the frontrunners in the political fight against tax havens but through IFU it uses tax havens for investments.
- Experts point at risk that by investing through tax havens like Cayman Islands it is harder for developing countries to collect local tax.

Finland

- The **Finnish state owned development finance company Finnfund** is funding two projects through Appleby.
- One of them is a forest project in Asia which is managed by a fund registered in the Cayman Islands.
- The Fund, Tropical Asia Forest Fund shares the address with Appleby, Cayman Islands.

Finland

- **Nordea** bank loaned billions of euros to shipping companies that owns vessels in secrecy jurisdictions such as Bermuda, Cyprus, Panama, BVI, the Cayman Islands and the Isle of Man.
- In the Panama Papers, Nordea was shown to have helped hundreds of its customers to set up tax-sheltered companies in offshore accounts.
- In the Paradise Papers, Nordea was shown to have lent a significant amount of money to customers based in tax havens.

The Netherlands

- The **Dutch development bank** loans to companies in secrecy jurisdictions, which argue that to lower operational costs tax avoidance might be necessary.
- Ethical dilemma: should paying tax to local authorities be part and parcel of any investment, or should low operational costs take preference.

The Netherlands

- Trouw and Financieel Dagblad published a tax ruling on **Procter&Gamble**, the first Dutch ruling ever to come out in the open.
- Incorrect procedures: ruling (dealing with almost 700 million dollar) was signed by local tax officer instead of specialized team that should have signed it.
- The ministry of Finance has ordered a **review of 4000 rulings** that are to be exchanged with other EU countries.

Norway

- Not member of the EU but relevant story:
- The **European Bank of Reconstruction and Development (EBRD)** invested 21,4 million dollar in a Russian mining project.
- EBRD is owned by 66 countries, as well as the European Union and the European Investment Bank.
- The EBRD never discovered that one of the owners in the company was wanted for fraud and running from the law.
- The money disappeared through a complicated offshore structure in what experts believe was a "massive and well-planned scam".

Lithuania

- **Antanas Guoga**, Member of the European Parliament and former poker celebrity, covertly sold his poker news media company to PokerStars, the leading player in the online poker market.
- Running for the EP, Guoga never disclosed his financial ties to PokerStars. He argues the law did not require this kind of disclosure.
- Guoga also says he was limited by the confidentiality clause in the agreement.

Several EU countries

- use of the **Isle of Man** for refund of VAT on purchase of private jets



PARADISE PAPERS



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