

PANDORA PAPERS

Continuing the 21st century trend of investigative journalism, and whistle-blowers, Pandora Papers, one of the biggest leaks of financial documents in recent history, has exposed the offshore secrets of wealthy elites from more than 200 countries. The Pandora papers include 11.9 million files from companies hired by wealthy clients to create offshore structures and trusts in tax havens such as Panama, Dubai, Monaco, Switzerland and the Cayman Islands.

They expose the secret offshore affairs of 35 world leaders, even including current and former presidents, prime ministers, and heads of state. They also shine a light on the secret finances of 100 billionaires and 300 public officials such as government ministers, judges, mayors, and military generals in more than 90 countries.

Celebrities, rock stars and business leaders feature in the leaked data. The Pandora papers reveal the inner workings of a shadow financial world, providing a rare window into the hidden operations of a global offshore economy that enables some of the world's richest people to hide their wealth and in some cases pay little or no tax.

Pandora papers – A brief introduction

Pandora papers are a trove of emails, memos, incorporation records, share certificates, compliance reports and complex diagrams showing labyrinthine corporate structures. Often, these papers allow the true owners of opaque shell companies to be identified for the very first time. The files were leaked to the **International Consortium of Investigative Journalists (ICIJ)** in Washington. More than 600 journalists in 117 countries have been part of the investigation. BBC Panorama and the Guardian have led the investigation and shared access with select media partners including the Guardian, BBC Panorama, Le Monde, and the Washington Post.

The Pandora papers represent the latest – and largest in terms of data volume – in a series of major leaks of financial data that have revealed the offshore accounts since 2013. Setting up or benefiting from offshore entities is not itself illegal, and in some cases, people may have legitimate reasons for doing so. But the secrecy offered by tax havens has at times proven attractive to tax evaders, fraudsters and money launderers, some of whom are exposed in the files.

International Consortium of Investigative Journalists (ICIJ)



The International Consortium of Investigative Journalists (ICIJ) is an independent, Washington DC-based international network of investigative journalists. Launched in 1997 by the Centre for Public Integrity – an American non-profit (investigative journalism) organisation – ICIJ has released dozens of investigations – including the Pulitzer Prize-winning Panama Papers. ICIJ is fully funded by donations.

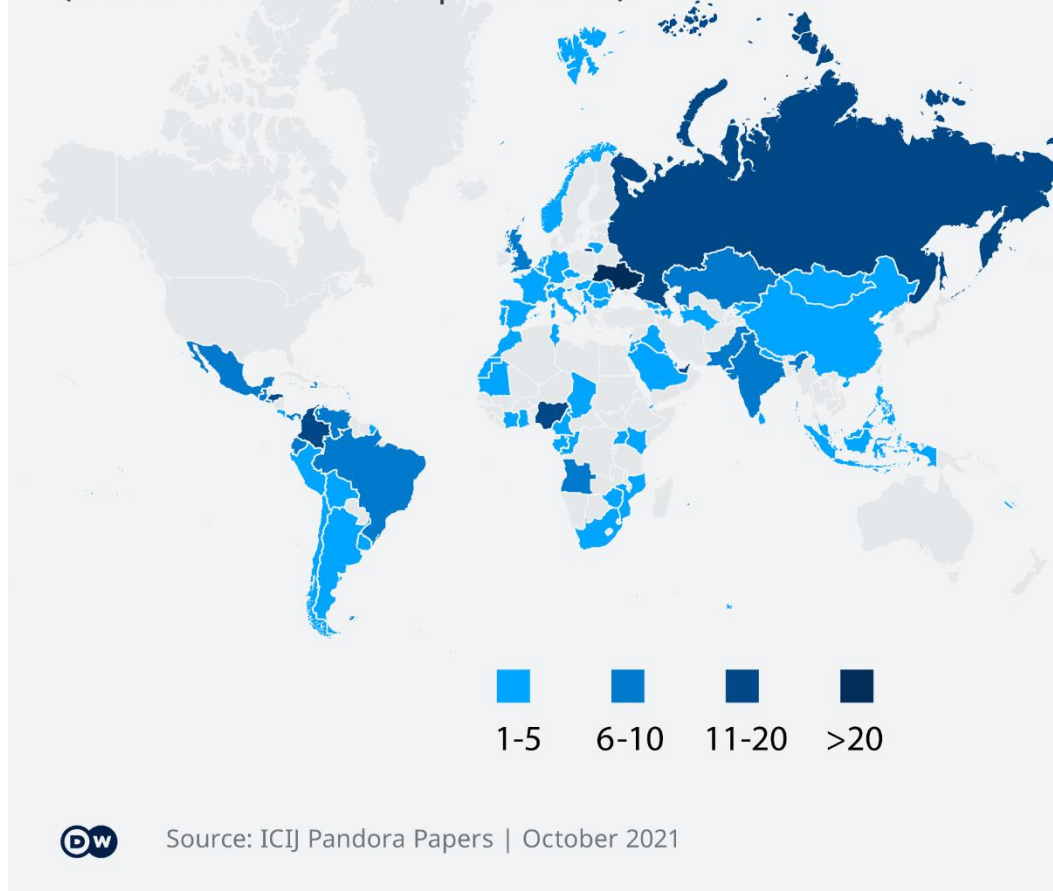
The ICIJ investigates a broad range of matters concerning “cross-border crime, corruption, and the accountability of power.” Previously the ICIJ has exposed smuggling and tax evasion by multinational tobacco companies (2000); organized crime syndicates; investigated private military cartels; asbestos companies; and climate change lobbyists; and broke new ground by publicizing details of Iraq and Afghanistan war contracts.

Prominent Politicians and Celebrities exposed in Pandora Papers

The Pandora papers have shed light on a long list of state heads, industrialists, celebrities, and sportspersons who have amassed millions in secret offshore assets.

Where are the politicians in the Pandora Papers from?

(Current and former politicians)



The paper include legendary cricketer and former Rajyasabha member Sachin Tendulkar, pop music icon Shakira, supermodel Claudia Schiffer, the King of Jordan Abdullah II, former British Prime Minister Tony Blair, Czech Republic Prime Minister Andrej Babis, Kenyan President Uhuru Kenyatta, Ecuador's President Guillermo Lasso, and former associates of both Pakistani Prime Minister Imran Khan and Russian President Vladimir Putin.

Nations with significant mentions in the Pandora Papers

Lebanon

The papers showed that in Lebanon, top political and financial figures have embraced offshore havens. These included the Prime Minister Najib Mikati; his predecessor Hassan Diab; the governor of Lebanon's central bank, Riad Salameh; and former minister of state and the chairman of Al-Mawarid Bank, Marwan Kheireddine.

Pakistan

The Pandora Papers reveal that prominent member of Pakistani Prime Minister Imran Khan's government; donors to his party and; family members of the country's powerful military generals moved millions of dollars of wealth through offshore companies. Two members of Khan's cabinet – Water Resources Minister Moonis Elahi and Finance Minister Shaukat Tarin – were prominent in the leaks, alongside more than 700 other Pakistani citizens.

Azerbaijan

The investigation found Azerbaijani President Ilham Aliyev and his family have secretly been involved in British property deals worth more than 400 million pounds (US \$542m). The files show that the family bought 17 properties, including a 33 million pounds (US \$44.8m) office block in London for the president's 11-year-old son.

United Kingdom

Pandora Papers reveal that Tony Blair, the UK prime minister from 1997 to 2007, became the owner of \$8.8m Victorian building in 2017 by buying a British Virgin Islands company that held the property; and the building now hosts the law firm of his wife, Cherie Blair. The two bought the company from the family of Bahrain's industry and tourism minister, Zayed bin Rashid al-Zayani.

Russia

The Washington Post revealed Svetlana Krivonogikh, a Russian citizen became the owner of a Monaco apartment via an offshore company incorporated on the Caribbean Island of Tortola in April 2003, just weeks after she gave birth to a girl. At the time, she was in a secret, long-term relationship with Russian President Vladimir Putin. The report also revealed Putin's image-maker and chief executive of Russia's leading TV station, Konstantin Ernst, got a discount to buy and develop Soviet-era cinemas and surrounding property in Moscow after he directed the 2014 Winter Olympics in Sochi.

Brazil

The documents showed Brazilian Economy Minister Paulo Guedes had multimillion dollar investments in an offshore company named Dreadnoughts International in the British Virgin Islands.

Mexico

Three prominent Mexican business tycoons with a combined fortune of about US \$30bn are among those named in the leaked documents. They are mining magnate German Larrea; Modelo beer heiress Maria Asuncion Aramburuzabala and; Olegario Vazquez Aldir, who heads Grupo Empresarial Angeles, according to the Spanish daily El Pais.

China

China's only politician to be named in the Pandora Papers is a female entrepreneur who set up an offshore firm to trade US stocks. Feng Qiya, a delegate to China's annual parliamentary pageant, the National People's Congress, set up an offshore company called Linkhigh Trading Ltd. in 2006 in the British Virgin Islands to make the transactions.



Hong Kong

Two former leaders of Hong Kong have been named in the Pandora Papers. Leung Chun-Ying, or CY Leung, reportedly did not declare his income from the sale of shares of a Japanese company while still serving as the chief executive of HK. Tung Chee-hwa, a billionaire, allegedly set up offshore companies after he retired from office. Both men are now serving as senior members of an advisory committee for the Chinese government.



Pandora Papers: India







Prominent newspaper Indian Express, revealed the names many Indians including Anil Ambani, Nirav Modi's sister, and Biocon promoter Kiran Mazumdar Shaw's husband. Here are some of the high-profile Indians named under the Pandora Papers:

Politicians

-  Satish Sharma (INC), former member of the Union Cabinet in the Government of India.
-  Harish Salve, former Solicitor General of India.

Businesspeople

-  Niranjan Hiranandani, Indian businessperson.
-  Pramod Mittal, Indian businessperson.

-  Anil Ambani, Indian businessperson.
-  Nirav Modi, Indian businessperson.
-  Vinod Adani, Indian businessperson.
-  Kiran Mazumdar-Shaw, Indian businessperson.
-   John Shaw, British businessperson and husband of Kiran Mazumdar-Shaw.



Sports personalities

-  Sachin Tendulkar, Indian cricketer.

Media personalities

-  Jackie Shroff, Indian Bollywood actor.

Other

-  Homi Rajvansh, Ex-IRS Officer and Additional Managing Director of National Agricultural Cooperative Marketing Federation of India.
-  Sushil Gupta, Former Income Tax Chief Commissioner.

Anil Ambani:

According to ICIJ's ' investigation, Reliance ADA Group's chairman and his representatives hold at least 18 offshore entities in Jersey, the British Virgin Islands (BVI), and Cyprus.

Sachin Tendulkar:

Among the celebrities implicated in the 'Pandora Papers', is famed cricketer and Master Blaster Sachin Tendulkar. Tendulkar, along with members of his family is listed as Beneficial Owners of an offshore business in the British Virgin Islands (BVI) that was liquidated in 2016.

Purvi Modi, sister of Jeweller Nirav Modi:

Before Nirav Modi, fled India in January 2018, his sister Purvi Modi reportedly established a company in the British Virgin Islands. According to the investigation reports, Brookton Management Ltd was established in December 2017.

John Shaw - Husband of Kiran Mazumder Shaw:

John McCallum Marshall Shaw, a British citizen and the spouse of Biocon promoter Kiran Mazumder Shaw, established a trust with a person prohibited by Sebi for insider trading. Kunal Ashok Kashyap was suspended for a year by SEBI in July 2021 in a case involving alleged insider trading in Biocon shares.

Jackie Shroff:

The Pandora papers also revealed that prominent Bollywood actor Jackie Shroff, was the primary beneficiary of a trust established in New Zealand by his mother-in-law. According to records, he also made “significant payments” to this trust, which had a Swiss bank account and was the owner of an offshore corporation incorporated in the British Virgin Islands.

Satish Sharma:

Satish Sharma, a Gandhi family acquaintance, and senior Congress leader, established a trust in 1995 while serving as the Minister of Petroleum and Natural Gas. When he was a Rajyasabha member in 2015, he also established another trust. Sharma's wife was a beneficiary of both the Jan Zegers and JZ II trusts, and he was their guardian.

Pandora Papers – Continuing the Trend:

The Pandora Papers isn't the first such leak. Confidential lists of offshore account-holders have found their way into the hands of journalists and governments more than a few times over the last decade and a half. Here are five important previous leaks of records from various tax havens:

HSBC Geneva - 2009

Records on clients of HSBC's private bank in Geneva were leaked in 2009. At least 106,000 account-holders from more than 200 countries, with accounts totalling \$255 billion have been exposed.

Hervé Falciani, a French-Italian IT systems engineer who worked in computer security at HSBC's private bank, amassed the records during the course of his job. The French government got its hands on the account list in 2009 after seizing Falciani's computer.

HSBC Jersey - 2012

Records on British account holders at global bank HSBC's branch in the Channel Island of Jersey were leaked to U.K. tax authorities. At least 4,388 clients, with accounts totalling \$1.1 billion were exposed. 170 HSBC customers were assessed for the equivalent of \$34 million by the U.K.'s tax agency for tax evasion.

Offshore Leaks - 2013

Records on 10 different offshore tax havens came mostly from two firms providing offshore services. More than 100,000 people's closely guarded investment information was leaked.

Australian-based Irish journalist Gerard Ryle received 260 gigabytes of files from a source and brought them to the ICIJ. Ryle subsequently went on to become the ICIJ's director.

Panama Papers - 2016

Records from 21 offshore jurisdictions held by a single Panama-based global law firm, Mossack Fonseca was exposed. It contained information about 214,000 offshore companies, trusts and other entities.

Journalists from the German newspaper Süddeutsche Zeitung received the leak from an anonymous source who called himself John Doe. The German reporters shared the records with the ICIJ and its global media partners.

Paradise Papers - 2017

Records from several dozen jurisdictions held by the global offshore law firm Appleby, which is head quartered in Bermuda, as well as a Singapore-based offshore services provider. The leak also included the corporate registries from 19 countries and territories. More than 120,000 individuals were exposed.

The records were leaked to the same German journalists who received 2016's Panama Papers. Their source has not been identified.

Unending Revelations and the Way Forward

The 21st century has unfortunately witnessed the dark side of globalisation. The rich and wealthy have used the free flow of money to hide their true wealth and evade taxes. The problem however is much more significant than simple tax evasions. These offshore accounts

are often not managed by reputable firms and have led to vast sums of money being invested to promote illegal activities such as illegal weapons sales, trafficking, smuggling and sometimes even terrorism.

The Government of India has directed investigations to be carried out in relation to 'Pandora Papers'. The investigation will be monitored by a multi-agency group headed by central board of direct taxes (CBDT) chairman. It will also comprise having representatives from CBDT, Enforcement Directorate (ED), Reserve Bank of India (RBI) and the Financial Intelligence Unit.

This investigation is necessary given the use of offshore accounts to further terrorism in India but, as often is the case involving rich and wealthy, the investigation is brushed under the carpet and often forgotten bereft of media attention.

- Arpit (Chief Editor) & Shivashish Narayan (Asst. Editor)

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