

Tax avoidance

Paradise Papers leak reveals secrets of world

elite's hidden wealth

Files from offshore law firm show financial dealings of the Queen, big multinationals and members of Donald Trump's cabinet

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Juliette Garside

The world's biggest businesses, heads of state and global figures in politics, entertainment and sport who have sheltered their wealth in secretive tax havens are being revealed this week in a major new investigation into Britain's offshore empires.

The details come from a leak of 13.4m files that expose the global environments in which tax abuses can thrive – and the complex and seemingly artificial ways the wealthiest corporations can legally protect their wealth.

The material, which has come from two offshore service providers and the company registries of 19 tax havens, was obtained by the German newspaper [Süddeutsche Zeitung](#) and shared by the International Consortium of Investigative Journalists with partners including the Guardian, [the BBC](#) and [the New York Times](#).

The project has been called the Paradise Papers. It reveals:

- [Millions of pounds from the Queen's private estate has been invested in a Cayman Islands fund](#) – and some of her money went to a retailer accused of exploiting poor families and vulnerable people.
- [Extensive offshore dealings by Donald Trump's cabinet members, advisers and donors](#), including substantial payments from a [firm co-owned by Vladimir Putin's son-in-law to the shipping group of the US commerce secretary, Wilbur Ross](#).

- How [Twitter and Facebook received hundreds of millions of dollars in investments that can be traced back to Russian state financial institutions.](#)
- The tax-avoiding Cayman Islands trust [managed by the Canadian prime minister Justin Trudeau's chief moneyman.](#)
- A previously unknown [\\$450m offshore trust that has sheltered the wealth of Lord Ashcroft.](#)
- Aggressive tax avoidance by multinational corporations, including Nike and Apple.
- How some of the biggest names in the film and TV industries protect their wealth with an array of offshore schemes.
- The billions in tax refunds by the Isle of Man and Malta to the owners of private jets and luxury yachts.
- The [secret loan and alliance used by the London-listed multinational Glencore](#) in its efforts to secure lucrative mining rights in the Democratic Republic of the Congo.
- The [complex offshore webs used by two Russian billionaires](#) to buy stakes in Arsenal and Everton football clubs.

The disclosures will put pressure on world leaders, including Trump and the British prime minister, Theresa May, who have both pledged to curb aggressive tax avoidance schemes.

The publication of this investigation, for which more than 380 journalists have spent a year combing through data that stretches back 70 years, comes at a time of growing global income inequality.

Meanwhile, multinational companies are shifting a growing share of profits offshore – €600bn in the last year alone – the leading economist Gabriel Zucman will reveal in a study to be published later this week.

The world's (second) biggest data leak

2.6TB The Panama Papers, 2016

1.4TB

The Paradise Papers

1.7GB WikiLeaks, 2010

3.3GB HSBC files, 2015

4.4GB Luxembourg tax files,
2014

260GB

Offshore secrets,

2013

Guardian graphic

“Tax havens are one of the key engines of the rise in global inequality,” he said. “As inequality rises, offshore tax evasion is becoming an elite sport.”

At the centre of the leak is Appleby, a law firm with outposts in Bermuda, the Cayman Islands, the British Virgin Islands, the Isle of Man, Jersey and Guernsey. In contrast to [Mossack Fonseca](#), the discredited firm at the centre of last year’s [Panama Papers investigation](#), Appleby prides itself on being a leading member of the “magic circle” of top-ranking offshore service providers.

It acted for the establishment offshore, providing the structures that helped to legally reduce their tax bills.

[Appleby says](#) it has investigated all the allegations, and found “there is no evidence of any wrongdoing, either on the part of ourselves or our clients”, adding: “We are a law firm which advises clients on legitimate and lawful ways to conduct their business. We do not tolerate illegal behaviour.”

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Topics

- [Tax avoidance](#) /
- [Paradise Papers](#)

