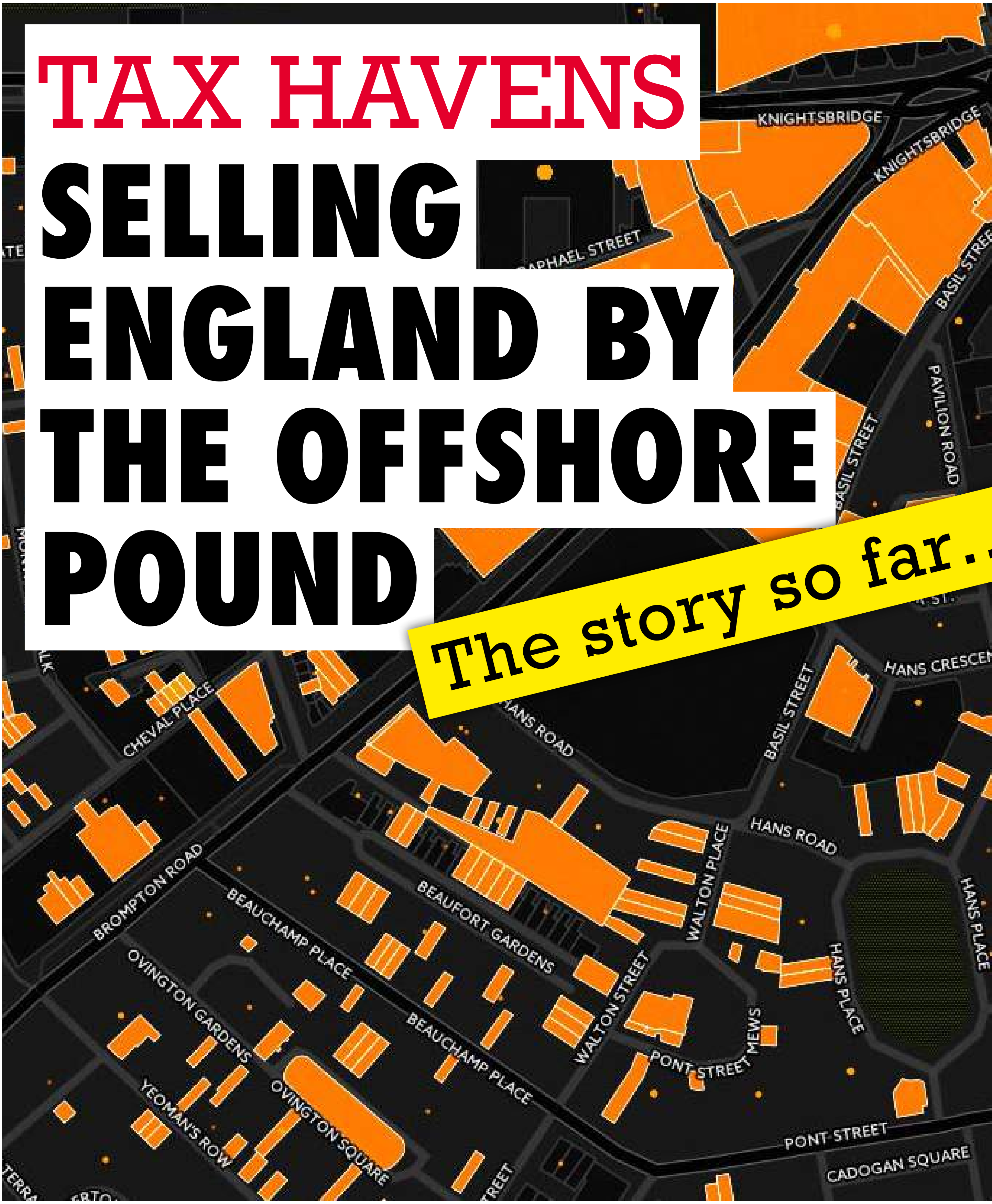
SPECIAL REPORT 2016

PRIVATE EYE

TAX HAVENS

SELLING ENGLAND BY THE OFFSHORE POUND

The story so far...



INTRODUCTION

FOR oligarchs, arms dealers, money launderers, kleptocrats and run-of-the-mill tax dodgers, British property is the investment of choice. But where is it and how is it owned? In 2015 *Private Eye* journalists Richard Brooks and Christian Eriksson set about untangling the great offshore corporate web that covers the country.

The culmination of this work was the creation, with the help of software developer Anna Powell-Smith, of an easily searchable online map of properties in England and Wales owned by offshore companies. It reveals for the first time the extent of the British property interests of companies based in tax havens from Panama to Luxembourg, and from Liechtenstein to the South Pacific island of Niue. Most are held in this way for tax avoidance and often to conceal dubious wealth.

Using Land Registry data released under Freedom of Information laws, and then linking around 100,000 land titles to specific addresses and geo-locations, the *Eye* has mapped all leasehold and freehold interests acquired by offshore companies between 2005 and 2014. We have also released a database of all properties acquired by offshore companies from 1999 to 2014, showing the address, the offshore corporate owners and in most cases the price paid.

Using this and other information the *Eye* has published a series of exposés of the companies, arms dealers, oligarchs, money launderers and others who use offshore companies. This is a selection of those stories.

Ian Hislop

Click here to access the map

Issue 1390
17 April 2015

OFFSHORE PROPERTY

Crown jewels

FOR more than 250 years revenues of the Crown Estate, the Queen's property company that is now worth £10bn and owns vast tracts of "super-prime" London, have been given to the Treasury in return for the "civil list" payments, giving taxpayers an important stake in the business.

Yet *Private Eye* has identified 120 former Crown Estate properties that, via sale of leaseholds, have ended up in 14 tax havens – most in the British Virgin Islands but also in Panama, Liechtenstein, Seychelles and other funny-money centres.

While the identities of those who own the leaseholds usually remain secret (that's half the point), occasionally other information identifies them. Larger deals include a leasehold on No 3 Carlton Gardens, just off The Mall and once home to MI6, sold by Crown Estates in 2013 to a Jersey company, Decimus Ltd, for £65.5m.

The buying company was a vehicle for property developer Mike Spink and private equity investors Evans Randall. Both are UK-based, so why the Jersey company? The company didn't reply to the *Eye*, but the standard explanation for a Channel Island development company is that when the property is sold at a profit later – reports suggest Spink and his backers are looking to sell for £140m – capital gains tax would not be payable.

Nearby is No 13-16 Carlton House Terrace, a jewel in the crown of the John Nash-designed stuccoed houses overlooking St James's Park. It was sold by the Crown Estates to the Hinduja brothers in 2006 under a 125-year lease to a Guernsey company, Villina Trading Ltd, plus Prakash Hinduja, the Swiss-resident Hinduja sibling, and his company Sangam Ltd. Six years later large parts were sold for £150m through a further lease to a BVI company called Rosabella Ltd, plus Prakash and Sangam, according to Land Registry records.

Other high value Crown Estate assets have disappeared offshore too. They include 1 Cambridge Gate, a palatial residence on the outer circle of Regents Park. It was sold to a UK company in 2001 but four years later was transferred to a BVI company, Killiane Ltd, for £18m. This company is the vehicle for Russian financier Vladimir Chernukhin (whose wife Lubov paid £160,000 last year to play tennis with Boris Johnson and David Cameron.) By 2010 charges were registered on the property indicating that money had been borrowed against it from another BVI company. Borrowing like this is a way for non-doms to bring income into the UK tax-free (entirely legally).

Top of the oligarch property chart is the mysterious Andrey Goncharenko, a low-profile former Gazprom official whom *Eye* 1370 reported last year as having bought a Hampstead property for £43m in 2010. His main pile, however, was once part of the Crown Estates, again on the edge of Regents Park. In 2012 he acquired Hanover Lodge for £120m using a Gibraltar company, Green Palace Gardens Ltd, and a loan from Barclays in Geneva.

Although Crown Estates can't control what happens to a property once it is sold, it does sell a high value of properties directly to offshore companies itself. In the last two years for which data is available, up to March 2014, such sales came to £135m. It points out that its governing statute requires it to get the "best consideration which… can reasonably be obtained": any question over where buyers have got their money from is for buyers' solicitors and estate agents to worry about.

Overleaf
Issue 1394
12 June 2015

OFFSHORE OWNERSHIP

Estate planning

A CHUNK of England's green and pleasant land larger than the county of Surrey is owned by companies registered in not so pleasant tax havens, an investigation by *Private Eye* has established.

Using freedom of information laws and extensive data-crunching, the *Eye* has established that since 1999 titles to 97,500 properties covering 490,000 acres have been acquired by companies in tax havens from the Caribbean to the Channel Islands. With much land also acquired by offshore companies before then, the total area could well be twice that.

The largest single owner by area is a British Virgin Islands company called Gunnerside Estates Ltd, with an expansive 27,258 acres of the North Yorkshire moors much favoured by grouse-shooting parties. Behind the company is American luxury duty-free shopping pioneer Robert Miller, reported to have acquired UK citizenship but to reside tax-efficiently in Hong Kong. As with any property owned by an offshore company, the precise reasons for the structure are hard to discern – and Miller didn't answer the *Eye's* request for an explanation – but the American is perfectly placed to benefit from the inheritance tax breaks given to a "non-dom" on overseas assets and is likely to have escaped stamp duty when his company acquired the estate in 1998. None of this prevented the EU paying agricultural subsidies to the estate over a decade or so of €430,000.

The most expensive piece of land is inevitably further south, next to the Thames near Henley. In 2011, Park Place and its 300-acre grounds in the village of Remenham were bought for £120m by the former president of the Bank of Moscow, Andrey Borodin, but not in his own name of course. The 18th-century home of Frederick, Prince of Wales, is now owned by another BVI company, Durio Ltd. Again, the exact reason for the structure is not known but the acquisition was made while Borodin was under investigation by Russian authorities who are still pursuing him over alleged fraud at the bank and froze hundreds of millions of dollars of his assets in Swiss banks before he received political asylum in the UK in 2013.

A mile or so down the river is the chocolate-box village of Hambleden, backdrop to *Midsomer Murders* and *Chitty Chitty Bang Bang* and generally described as "quintessentially English". But when the 1,600-acre estate with its 40 brick and flint houses, pub and village stores was bought by Swiss foreign exchange dealer Urs Schwarzenbach in 2007, he acquired it through BVI company Hambleden Estates Ltd. At an employment tribunal last year, where the tight-wad financier (a UK resident worth £1bn but almost certainly non-dom) contested that he employed a gardener on his estate who was sacked after snapping a tendon, it emerged that the BVI company was owned by yet another offshore company, but the judge was satisfied they were controlled by Schwarzenbach and he could be considered the employer. Schwarzenbach's home, and that of his 250 polo ponies, is the 1,100 Culham Court Estate on the other side of the river, itself owned by yet another BVI company.

Foreign exchanges

Many other wealthy foreign businessmen have spotted British land, held through an offshore company, as the ideal tax-efficient investment and lifestyle choice. Indian billionaire steel magnate and famous non-dom Lakshmi Mittal owns the 300-acre Alderbrook estate in Cranleigh, Surrey, through BVI company Wilks Holding Ltd, while one of England's largest estates, the 10,000-acre Ramsbury Estate in Wiltshire, belongs to Swedish chairman of the H&M fashion chain Stefan Persson via a Luxembourg company, Ramsbury sarl, which didn't stop the estate receiving €6.7m in EU subsidies up to 2013. Two years ago, using the same company, Persson added to this the nearby 8,700-acre Savernake estate, purchased from the British state in the form of Crown Estates (*Eyes passim*) and making the Swede's corporate Grand Duchy vehicle one of Britain's biggest landowners. Persson's compatriot Eric Torstenson, a double-glazing businessman, runs the 7,500-acre East Arkengarthdale grouse moor in Northumberland through a Liechtenstein family company.

Even more exotically, Khoo Kay Peng, the Malaysian chairman of the firm behind Laura Ashley, owns the 866-acre Rossway Park Estate in Hertfordshire via a BVI company, Central Point Group Ltd. In the businessman's divorce proceedings, this and another BVI company were said to control "a very substantial property, an elegant country estate with two substantial houses parkland, farmland, woodland, many buildings and so on", while of Peng and his estranged wife a judge said: "Neither of them currently pays any English taxes whatsoever."

Locally sourced

But it's far from just foreign arrivistes buying up tracts of England through tax haven companies. Some of the country's most historic families use the trick, too. Among them are the Gascoyne-Cecils, who trace their ancestry to the court of Queen Elizabeth I and who have for centuries gloried in the Marquessate of Salisbury. The family seat, occupied by the 7th Marquess, is 400-year-old Hatfield House in Hertfordshire, which is owned directly by the family. But 2,000 nearby acres have been transferred to Jersey companies Samos Investments Ltd and Syros Investments Ltd.

The family can also stretch their legs at Cranborne in Wiltshire, where they own another couple of thousand acres, mostly farmed, near the similarly dated Cranborne Manor. The manor itself is owned and occupied by the current Marquess's heir, the Hon. Robert Cecil, Viscount Cranborne, but the land interests have been transferred to Samos Investments Ltd and Mysia Investments Ltd (which also own some prime London property). Both are incorporated in Jersey but Land Registry records give an address on Avenue de l'Opera in Paris and are said to be part of "The Jersey Settlement". This fertile territory has yielded €4.3m from the EU over a dozen years.

Exactly what is behind all this is not clear – although inheritance tax "efficiency" is a fair bet – and the current Marquess, Lord Salisbury (a descendant of the 19th-century prime minister), is not keen on disclosure. As Tory leader in the House of Lords in the 1990s when he was the Viscount Cranborne, he opposed reform of the upper chamber and left in 2001 complaining that new disclosure of interest rules were "so onerous I could not possibly accept them".

Even more landed is true blue Lord Bathurst, inheritor of a peerage created early in the 18th century and owner of the 15,000-acre Bathurst estate outside Cirencester, where he is a leading Cotswolds Tory and holder of several worthy positions. Farms on his estate have benefited to the tune of €9.3m from the EU. But when in 2013 Bathurst wanted to develop parts of it, 1,800 acres of the land was transferred a company called Bathurst Trust PTC Ltd in the tax haven of Bermuda.

Closer still to the centre of Tory power is hereditary peer Lord Rotherwick, aka Herbert Cayzer, who last spoke in parliament more than a year ago and who calls the 5,000-acre Cornbury estate in the Oxfordshire Cotswolds home. While he declares this land in his parliamentary register of interests, what goes unmentioned is that the estate – which hosts the trendier end of the Tory establishment at the annual Wilderness (aka "Poshstock") festival – is shown on Land Registry records as owned by IFG (Jersey) Trust Ltd, apparently as trustee for an offshore trust. Until this groovier use, farming on the Cornbury estate garnered €3.1m.

Arms' length

Not far away at Woodstock, Saudi arms deal fixer Prince Bandar (instrumental in BAE's notorious Al Yamamah deal) owns the 2,000-acre Glympton Park through a Jersey company. His next-door neighbour is arms dealer and Tory supporter Wafic Said, whose Tusmore Park is owned by a Panamanian company, as is the company that farms it and in the process has received €2.6m in EU subsidies.

And of course no account of the flogging of British land offshore would be complete without a mention of non-dom *Daily Mail* proprietor Lord Rothermere (aka Jonathan Harmsworth). BVI company Harmsworth Trust Company (PTC) Ltd, itself controlled by family trusts, owns more than 300 acres of land in Wiltshire. Up to 2005, his Ferne Park estate (not itself owned offshore) received €200,000 in EU subsidies – not something that would get reported in the *Mail*.

These are just a few of the cases of offshore ownership where those behind the offshore company can be identified. Most can't – which is often the point. And while David Cameron not so long ago promised to "break down the walls of corporate secrecy" that conceal such details, current plans are to reveal the ultimate owners only of UK companies. Unless these are changed, great tracts of Britain will remain anonymously held in the hands of tax haven shell companies.

Park Place

Hambleden

Ramsbury

Rossway Park

Glympton Park

Issue 1395
26 June 2015

ONE HYDE PARK

Candy cash saga

A DRAFT promotional video for the "super-prime" One Hyde Park development of brothers Nick and Christian Candy, filmed in 2010 and leaked to the *Guardian* last week, poses some serious questions about the brothers' tax affairs. It could be equally embarrassing too for the Candy & Candy director at the time – who now chairs the board of HM Revenue & Customs!

Unguarded comments by the brothers and contractors on the project including architect Lord (Richard) Rogers and the boss of builders Laing O'Rourke, Ray O'Rourke, prompted a concerned memo from the finance director of Christian Candy's Guernsey-based CPC property group, Steven Smith, demanding changes to "improve the tax profile". Hence even mentioning one meeting, wrote Smith, "gives us HUGE issues".

The difficulties appear to stem from the need for the Guernsey company that has developed One Hyde Park, Project Grande (Guernsey) Ltd, to be tax resident outside the UK, which means its main business decisions have to be seen to be taken offshore and not in the UK.

The tape and memo and detailed warnings from the brothers' finance director should prompt an inquiry by HM Revenue & Customs. But that's where things could get difficult for the current chairman of HMRC, Ian Barlow.

In July 2008 he was brought in as a director of Candy & Candy Ltd and its holding company (itself owned by a British Virgin Islands company controlled by the pair) and sat on the board alongside Steven Smith, Nick Candy and his Monaco-resident brother Christian. He resigned in October 2011, less than a year before getting the HMRC job.

Barlow spent most of his career at accountants KPMG and was head of its tax practice in the 1990s and early 2000s, when it flogged hundreds of aggressive tax-avoidance schemes, including one that involved a trust supposedly moving round the world several times in a single tax year that was dismissed by a court as "a charade". Another was labelled by judges as "entirely artificial" even though it was "a preferred strategy for KPMG's [ie Barlow's] clients"; and only two weeks ago the Supreme Court ruled that a 2001 KPMG scheme to enable car dealers to avoid very large payments of VAT was an abuse of the law and it therefore struck it down.

Barlow told the *Eye* his "involvement was as non-executive director of Candy & Candy Ltd and its immediate parent company Candy & Candy Holdings Ltd, both UK resident companies", that he had "no involvement in the tax arrangements of Candy & Candy Ltd… nor of any other companies associated with the Candy brothers" and that he had been unaware of the video.

A report in 2009 by Bloomberg, to whom Barlow commented that a valuable property sale in 2008 "was a key milestone" and that "they [the brothers] have very significant cash reserves", suggests that Barlow's involvement went a bit further than just the design and management business of Candy & Candy Ltd. He oddly omits his substantial spell with the Candys from an otherwise comprehensive LinkedIn profile, and there is no mention of it in his biography on HMRC's website or the other chairmanships he has. Why so shy?

Issue 1395
26 June 2015

LAND OWNERSHIP

Highlands and (offshore) islands

AFTER a long and controversial history, Scottish land must become "an asset that benefits the many, not the few", says first minister Nicola Sturgeon as she consults on land reform. It will take some reform to make the 750,000 acres north of the border – more than the whole of Ayrshire – that are owned by tax haven-registered companies work for the people rather than for the lairds who enjoy the tax breaks and other advantages of the offshore world.

Scotland has a hugely concentrated pattern of private land ownership with 432 owners owning half the privately-held part, much of it tracked down over 20 years by writer and campaigner Andy Wightman.

One of the largest estates, the 62,000-acre Killilan and Inverinate in the north-west Highlands, is now owned by Smech Properties Ltd, a Guernsey company controlled by Sheikh Mohammed bin Rashid Al Maktoum, prime minister of the United Arab Emirates and ruler of Dubai, which also owns a number of properties across the south of England. A close associate of Maktoum is Mahdi Al Tajir, whose 17,500-acre Perthshire estate (home to the Highland Spring mineral water plant) is owned by Park Tower Holdings Establishment registered in Liechtenstein.

Other owners are more elusive. Little is known of who is behind the 56,000-acre Loch Ericht Estate, title to which is registered in the names of a Guernsey company and the exotic Compania Financiera Waterville SA in Panama. Major Christopher Hanbury, an aide to the Sultan of Brunei, also has an interest in the estate on the edge of the Cairngorms, as does the Swiss foreign exchange dealer, Urs Schwarzenbach, through a Guernsey company called Agro Invest Overseas Ltd (readers of the last *Eye* will recall that he also owns extensive estates on the Thames near Henley using BVI companies). Prince Jefri, the sultan's brother, is reported by locals to be a frequent visitor.

Nearby, a reclusive Malaysian businessman reported to have close links to the sultan has acquired 71,000 acres through companies registered in the Cayman Islands with nominee directors in Jersey. Estate staff are sworn to secrecy over his identity and refer to him only by the pseudonym "Mr Saleh".

Earlier this year another offshore company, Cluny Estates Ltd registered in Jersey, bought the 10,000-acre Cluny Estate in Inverness-shire. The Qatar royal family, who already own property in London, are understood to be behind this company but the agents refused to confirm it.

The home-grown landed aristocracy aren't above using offshore companies to own land either. In a legal dispute in 2014 over the rent of a farm, the Duke of Roxburghe raised action in the name of The Capital Investment Corporation of Montreal Ltd, a company registered in Bermuda.

Over the hill, the North Glenbuchat Estate in Aberdeenshire is one of a number of notorious wildlife crime hotspots, from which four eagles have disappeared along with ownership of the estate to a company called North Glen Estate Ltd, registered in the Turks and Caicos and controlled by George Ivar Louis Mountbatten, the 4th Marquess of Milford Haven who bought it in 2008.

The tax authorities have been exercised by Scotland's offshore expanses for decades. When in 2002 Mohamed Fayed took the Inland Revenue to court over termination of a favourable tax deal, it emerged that the Revenue was already investigating offshore ownership of Scottish land – including the phoney pharoah's 27,000 acres, still owned by a Liechtenstein-registered outfit called Bocardo SA.

While David Cameron has promised to improve transparency through a register of beneficial ownership of companies, this will be based on self-disclosure and will not apply to either trusts or offshore companies (even based in Britain's tax havens) and will thus not reveal the true ownership of much land.

But where the prime minister fears to tread, Nicola Sturgeon (the "most dangerous woman in Britain" according to the *Daily Mail* under Scottish landowning editor Paul Dacre) has plans to act. Her Scottish government promises to bar any company outside the EU from registering a title to land in Scotland's Land Register. Since a new anti-money laundering directive should open up corporate ownership across the EU, while this won't resolve all the iniquities of Scottish land ownership, it is substantially more than Dave will achieve south of the border.


Killilan and Inverinate


Loch Ericht


North Glenbuchat

Issue 1396
10 July 2015

IN THE BACK

ONE HYDE PARK

HMRC and the Candy man

WAS Ian Barlow, chairman of the HM Revenue & Customs board, the brains behind the offshore structure used by the property developing Candy brothers and which now appears to be on shaky ground?

Doubts about the company's status arise following the leaking of a draft video and memo which suggest the offshore arm that makes the serious money might not be so offshore after all (see last *Eye*).

Until a few months before taking the HMRC job in 2012 Barlow was, from July 2008, a non-executive director of property development company Candy & Candy Ltd. However, he was keen to tell the *Eye* that in this position he did not provide any tax advice. This was despite having been head of accountancy firm KPMG's tax practice running fiendish offshore tax avoidance schemes until 2001 and then the firm's senior UK partner until leaving and taking up the Candy directorship.

The *Eye* has now seen evidence that shows Barlow acted as an adviser to the Candys *before* joining them as a director. A CV prepared as he (successfully) applied to join the board of the London Development Agency in August 2008 says that while at KPMG he provided advice at "board level" to "clients in many sectors… These have included BP… Candy & Candy…"

Accounts for the brothers' UK holding company, Candy & Candy Holdings Ltd, for 2005/06 show that it was in this year that the business underwent a major tax-efficient restructuring. Its business "changed from that of residential and commercial property development, investment and management, to that of interior design and development management consultancy". The property development itself, which makes the big money, went offshore.

The move foreshadowed the development of One Hyde Park, the Candys' flagship ultra-expensive apartment block developed by Project Grande (Guernsey) Ltd, set up on the island as soon as planning approval was received for the project in February 2006 and jointly owned by Christian Candy's Guernsey-based CPC Group and the project's financial backers from Qatar. In other words, ahead of their biggest deal yet, the Candys reshaped their business so the real profits would be made offshore (by selling flats almost exclusively to buyers themselves using offshore shell companies), with their UK company acting merely as a consultant and interior designer.

Very effective the new set-up will have proved, too. In the wake of the credit crunch, eager to reassure potential buyers that they were still worth a bob or two, the Candys revealed that in the two years ended 30 June 2008, CPC Group Ltd had made a profit of £191m. With UK corporation tax at 28 percent at the time, a Guernsey rate of 0 percent would have been handy.

This is just the sort of neat arrangement a partner from KPMG, which also happened to be the Candy companies' auditor until May 2006, would have recommended. So what exactly did Barlow, a fellow of the Institute of Taxation, advise the Candys on as KPMG's top partner in the UK? Certainly his tax expertise would have been helpful, not least because Candy & Candy Ltd's accounts show that a tax investigation into the company's handling of certain expenditure began in 2003, before being settled in 2007 with apparently little or no extra bill.

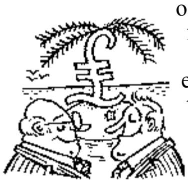
HMRC said that Barlow was unable to answer the *Eye*'s questions as he was "on leave". Somewhere offshore, perhaps?

Issue 1397
24 July 2015

OFFSHORE OWNERSHIP

Arms houses

IF David Cameron is to "knock down the walls of company secrecy" as he promises, an essential step would be to reveal the true ownership of British land and property registered in the name of offshore shell companies. But he would have to confront some well-connected interests.



An old friend of the Conservative party is **Fouad Makhzoumi**, a Lebanese businessman whose company disgraced former cabinet minister Jonathan Aitken joined without making the necessary parliamentary declarations and whose business was promoted by Aitken while he was a minister. More recent family favours to the party amount to £1.06m in donations by Makhzoumi's wife May since 2010, the most recent a handy £500,000 in 2013. Before then, the small UK arm of his business empire donated £100,000.

May Makhzoumi of course meets the UK residence requirement under electoral law for making a donation, but she does not own her Kensington mansion block apartment directly. Instead it is owned by a Panamanian company, Aminvest Corporation.

Land Registry documents indicate that looking after such setups is a nice line of work for Britain's private banks. Aminvest Corporation gives its address as "care of Arbuthnot Latham", a small private bank in the City. Its chairman is Sir Henry Angest, a recent former Tory party treasurer who has given almost £2m to the party personally while his banking group has given several more donations, as well as providing a handy overdraft facility before the 2010 election. Angest certainly remains popular – he was knighted in the recent birthday honours – and might not welcome efforts to dismantle a system that sees hundreds of thousands of UK properties owned in offshore tax havens.

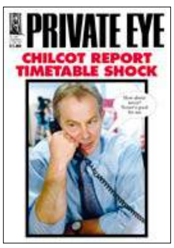
Another high-profile Lebanese businessman uses the same offshore corporate technique for his Kensington home. **Ramzi Dalloul** made a fortune as Saddam Hussein's principal arms broker in the 1970s through his Beirut-based company Arab Resources Management, but he now appears to lead a quietly philanthropic life with his wife in a home owned by a Liberian company, Edenroc Ltd. The company acquired the leasehold of the property in 1982, buying the freehold in 2008.

No surprise either that the most expensive residential property on the market in Britain, a row of mansion blocks on Rutland Gate in Knightsbridge, turns out to be owned by an offshore company. Yunak Corporation NV and Yunak Property Corporation NV jointly own the property (valued at £300m) from 5,000 miles away on the Caribbean island of Curaçao.

Until his death in 2011, the property was said to be ultimately owned by **Sultan bin Abdulaziz**, a former Saudi defence and aviation minister instrumental in the Al-Yamamah and other corrupt deals. The director of Yunak remains one Hussein Al-Mahktani, also implicated as a recipient of BAE Systems' legendary "hospitality" during the Al-Yamamah scandal.

At the end of last year, a charge appeared against the property in favour of Omni Capital Ltd, a property lender set up by none other than CPC Group, Christian Candy's Guernsey-based property development business – suggesting the Monaco resident has his finger in another very juicy pie.

PS: Such big names from yesteryear seem to have fewer qualms about acknowledging their London addresses. The modern oligarch with possibly dubious funds is more careful and often impossible to identify. An early-day motion presented in the Commons by SDLP MP Mark Durkan, on the back of the Channel 4 film *From Russia with Cash* showing a fake corrupt Russian politician impressing London estate agents with his dirty money, calls for transparency on the ownership of offshore companies owning UK property. The government has yet to respond.



Overleaf
Issue 1400
4 September 2015

IN THE BACK

TAX HAVENS

Selling England by the offshore pound

The *Eye*'s interactive map – which can be found at www.private-eye.co.uk from Wednesday 2 September – shows all land and property registered in England and Wales in the name of an offshore company between 2005 and July 2014. It uses data released following Freedom of Information requests from *Private Eye* and expert work by software developer Anna Powell-Smith.

Freehold properties are indicated by orange shapes covering the area of the property. Leasehold properties are shown by purple pin points. The map includes properties owned by any overseas company, not just those based in tax havens, sometimes for legitimate reasons. Even the freehold on the saintly *Eye*'s premises, owned by an Australian company, appears. But around 95 percent of properties are held by companies in tax havens, territories whose selling point is tax avoidance or secrecy.

The map is searchable by street and town. Hovering over a highlighted property reveals the address, the Land Registry title number, the offshore corporate owner, in most cases the price paid for the interest, and a link to email the *Eye* with any further information.

The data shows property worth around £170bn. However, there is no price paid data for more than a quarter of properties, so a conservative estimate of the total value of properties acquired by offshore companies since 2005 alone is £200bn.

All data is from Land Registry records, which occasionally contain errors. "Price paid" figures may be totals for sales including other properties. When a property title has been identified, the underlying Land Registry record can be obtained for a £3 fee from https://www.gov.uk/search-property-information-land-registry.

OVER the last year *Private Eye* has revealed the extent of ownership of British land by offshore companies, generally for tax avoidance and often to conceal dubious wealth. Now the Eye has created an easily searchable online map of these properties, revealing for the first time the British property interests of companies based in tax havens from Panama to Luxembourg, and from Liechtenstein to the South Pacific island of Niue.

Using Land Registry data released under Freedom of Information laws, and then linking more than 100,000 land title register entries to specific addresses, the *Eye* has tracked all leasehold and freehold interests acquired by offshore companies between 2005 and 2014.

Using this data the *Eye* published a series of exposés of the companies, arms dealers, oligarchs, money launderers and others who use offshore companies, before David Cameron addressed the issue on a trip to the Far East in July. "There is no place in Britain for dirty money," he said, promising to publish details of the property titles held by offshore companies. Even if this were to happen, however, it would fall far short of enabling offshore-owned property to be immediately identifiable, as the *Eye* can now make possible.

So what kind of operator might be found in this mine of information? The *Eye*'s quarrying so far has unearthed an eclectic cast of characters.

Strange company

Property investment and development companies routinely use offshore corporate vehicles to own major buildings to achieve capital gains tax and stamp duty advantages. When, for example, 1 Cabot Square, the original Canary Wharf tower, was bought by the Qatar Investment Authority in 2012 as part of a financing deal, it was acquired by Luxembourg company OCS Investment sarl. Scores of leaseholds on other parts of the docklands financial district are also held offshore.

Those taking advantage of the super-prime London property boom to develop luxury apartments also keep their companies clear of the UK tax net. When in 2006 Christian Candy's CPC group acquired Bowater House in Knightsbridge for £480m in a joint venture with the Qatari prime minister, to create the plutocrats-only One Hyde Park apartments, they did so through Guernsey-based Project Grande (Guernsey) Ltd. The Candy brothers' UK company simply "managed" the development, the real profits on the development heading to the Channel Islands (with the help of one of the Candys' UK companies' directors at the time, current HM Revenue & Customs board chairman Ian Barlow). Leaseholds sold on the apartments themselves are also owned through offshore companies.

Other typical players of the offshore commercial property game include chains of shops such as Boots, Shell forecourts and pubs such as the Slug and Lettuce, not to mention countless "retail parks". While chancellor George Osborne has ended some tax advantages available to individuals who own property offshore (see *Tax us if you can*), in six years in charge of the tax system he has shown no appetite to curb corporate tricks.

Born (tax) free

Owning British property offshore is as old as the (largely post-war) growth of financial services in Britain's network of overseas territories and Crown dependencies. It has been a favoured way, along with clever trust structures, for generations of families to pass on wealth without paying estate duties (now inheritance tax).

Perhaps the most prominent such family are the Harmsworths, whose male heirs became Lords Rothermere a century ago and now run the newspaper dynasty behind the *Daily Mail*. The empire is controlled by the family through a Bermudan company itself owned by a series of trusts. The 3rd Lord Rothermere, Vere Harmsworth, became a tax exile in the 1970s, bequeathing the opportunity to claim "domicile" status in France to his son and current Lord Rothermere, Jonathan.

The set-up allows not just the multi-billion pound business interests led by the patriotic *Mail* to be passed on inheritance tax-free, but also substantial property interests when held offshore. So tracts of farmland in Dorset are now owned by Harmsworth Trust Company (PTC) Ltd in the British Virgin Islands, while even a space in an underground Kensington car park near the *Mail* offices is owned by Harmsworth Holdings Ltd in St Lucia.

Eye 1394 revealed that in total 490,000 acres of England and Wales – larger than the area of Surrey or Greater London – are owned by offshore companies, most of it almost certainly acquired in this way for stamp duty and inheritance tax reasons. The figure for Scotland is 750,000 acres, including estates owned by the Duke of Roxburgh using a Bermudan company and none other than phoney pharaoh Mohammed Fayed through a Liechtenstein company.

Prize for the largest single piece of offshore-owned land in England goes to the Gunnerside grouse-shooting estate in North Yorkshire, in the hands of a BVI company ☞

TAX US IF YOU CAN: The survival of the great offshore tax break

As the tax costs of offshore corporate property-owning became clear, chancellor George Osborne nibbled at the edges of the problem.

In 2012 he brought in a stiff 15 percent stamp duty land tax (SDLT) charge for companies acquiring residential property worth £2m or more. The same arrangements also became liable for capital gains tax when they sell property and an "annual tax on enveloped dwellings" now costs £7,000 for a £1m property and £214,000 for anything over £20m. In his most recent budget, Osborne promised that non-doms would have to pay inheritance tax on UK residential property even if held by offshore companies.

The changes will have stopped some stamp duty dodging but they certainly fail to prevent the money laundering that is the real concern. Indeed, higher than expected receipts from the "envelope tax" (£100m in the first year) suggest the structure remains as popular as ever.

Nor do the tax changes do anything to make land and commercial property, including rented residential property, less tax-efficient. Non-doms owning land through offshore companies and trusts keep their inheritance tax break while property developers like the Candys still avoid UK tax on the profits of successful developments by the fairly simple expedient of using an offshore company.

behind which sits American duty-free shopping magnate Robert Miller. The most blue-blooded user of offshore companies turns out to be the Gascoyne-Cecil family, whose privileges go back to the court of Elizabeth I but who own 2,000 acres of land through Jersey companies (while, like many others, claiming EU farm subsidies).

The most quintessentially English land owned offshore is the Hambleden estate on the banks of the Thames near Henley. Home to the chocolate box brick-and-flint village that has doubled as a film set for *Midsomer Murders* and *Chitty Chitty Bang Bang*, the area is owned by BVI company Hambleden Estates Inc, which turns out to be controlled by Swiss foreign exchange dealer, Urs Schwarzenbach.

Schwarzenbach's neighbour a couple of miles up river can lay claim to the most expensive single land purchase on record through an offshore company. In 2011 the former president of the Bank of Moscow, Andrey Borodin, acquired the 300 riverside acres that is Park Place for £120m through yet another BVI company, Durio Ltd. Borodin currently enjoys political asylum in the UK while the Russians pursue him over fraud allegations.

Moscow-on-Thames

Borodin is one of scores of wealthy Russians who have bought English property through offshore companies. When the *Eye* looked at one of Britain's richest streets, Kensington Palace Gardens, it emerged that one home had been acquired (reportedly for a nine-figure sum) by the oil-to-media businessman who topped the most recent *Sunday Times Rich List*, Leonard Blavatnik. He used a Delaware company, while neighbour, fellow oligarch and Chelsea FC owner Roman Abramovich, bought his pile through a Cyprus company. Since 2005 six other properties on the same road have been bought by BVI companies, two by companies registered in St Vincent and Grenadines and one in the Bahamas.

It is not known who is behind these latter purchases, nor where their money came from; but whoever they were they found an almost indecently willing seller at the heart of the British establishment. The freeholds on Kensington Palace Gardens are owned by The Crown Estate, which means they are legally property of the Queen but with all profits going to the Treasury, less 25 percent of operating profit which since 2012 has replaced Brenda's civil list payments.

Such a body – which also owns prime London property from Westminster to Hyde Park and swathes of coastal Britain – might be expected to show some reluctance to sell offshore (even to the Queen's own tax havens). But the *Eye* discovered that in two years up to March 2014, it sold £135m worth to offshore companies.

Among them was 3 Carlton Gardens in the heart of London's (gentleman's) clubland, sold to a Guernsey property developer. Earlier, nearby 13-16 Carlton House Terrace, overlooking St James Park, had been sold to the Hinduja brothers and their companies in Guernsey and BVI. In total the *Eye* found 120 former Crown Estate properties that, directly or indirectly, have ended up owned by companies in tax havens including Panama and the Seychelles. The real owners of most remain entirely anonymous, which is why they use offshore shell companies in the first place.

Investigation by an anti-corruption foundation established by Russian opposition activist Alexei Navalny established the interests of the most senior figure in Putin's Russia to be linked with London property, deputy prime minister Igor Shuvalov. He also has cause to thank the Crown Estate. Last year a Russian company he controls, Sova Real Estate LLC, paid £11m for a 164-year lease on two flats on the fifth floor of Whitehall Court, a large Victorian Gothic building overlooking the Thames. The leasehold had originally been granted just two years earlier by the Crown Estate to a British Virgin Islands company. Both the BVI company and the Russian company were represented by Mayfair solicitors Tulloch & Co, run by Russian specialist Alastair Tulloch. Quite where Shuvalov's money comes from is not clear: his ministerial salary would pay just 10 percent of the stamp duty bill, never mind the purchase cost.

Arms houses

The top end of Britain's property market might today have a distinctly Russian look, but riches from yesteryear's more questionable businesses remain equally at home in the capital.

Instrumental in the latest bribery scandal exposed by the *Eye*, involving a decades old telecommunications contract with the Saudi Arabian National Guard, was Lebanese fixer Mahmoud Fustok through a firm run with his brother Mansour. Information contained in the "Swissleaks" data of HSBC Geneva accounts obtained by the International Consortium of Investigative Journalists gave Mansour's London address as a house in St John's Wood owned by a Panamanian company, Restonal Naviera SA.

Other Saudi arms veterans to have luxuriated in London's smarter addresses courtesy of the offshore corporate network include Riyadh's defence minister at the time of the infamous Al Yamamah deal, Sultan bin Abdulaziz, who died in 2011 but until then was said to ultimately own a row of mansion blocks in Knightsbridge recently put on the market for £300m by companies registered in the Caribbean haven of Curacao. The big Saudi name in that deal, chief negotiator Prince Bandar, owns 2,000-acre Glympton Park in Oxfordshire through a Jersey company, while another facilitator on the deal, Wafic Said, owns nearby Tusmore Park through another Panamanian company.

Decades of Middle Eastern turmoil have been kind to London's estate agents. Saddam Hussein's main arms broker, Ramzi Dalloul, has a home in exclusive Phillimore Gardens, Kensington, owned through Liberian company Edenroc Ltd, while his Lebanese compatriot Faoud Makhzoumi owns a home in nearby Cheniston Gardens through a Panamanian company, Aminvest Corporation.

Makhzoumi came to Britain's attention as a friend of disgraced 1980s Tory defence minister Jonathan Aitken, who failed to disclose his connections to the dealer. The Tory association is no thing of the past either: Faoud's wife May donated to the Tories as recently as 2013 and has given £1m in total since 2010. Aminvest is administered by Arbuthnot Latham, the private bank chaired by former Tory treasurer and major donor Sir Henry Angest.

Lifting the veil

If the benefits of offshore companies for holding UK property are ever to be fully withdrawn, some wealthy Tory donors will have to be upset in the process. One of the single largest donors, with £3m handed over so far, is Australian-born "non-dom" hedge fund manager Michael Hintze, whose Clapham Common home is owned by a Guernsey company, itself controlled by a series of trusts.

Figures analysed by the *Eye* show that the use of offshore companies is not slowing. In three years up to March 2015, in just the London boroughs of Westminster, Kensington & Chelsea and Camden (taking in Hyde Park), £8bn of property acquisitions were made in this way. But Land Registry data does not disclose the ultimate owner of the property. David Cameron's plans come nowhere near to doing so either. The *Eye*'s online map, however, provides the starting point from which readers and others can begin to lift the veil of offshore secrecy that covers Britain.

One Hyde Park, Hambleden, Park Place – owned from Guernsey and the British Virgin Islands

HOUSES OF ILL-REPUTE: Why British bricks and mortar are a safe haven for dirty money

With the inflated British property market a haven for dubious money, David Cameron's plan to list offshore corporate owners of British land is belated and inadequate.

The Metropolitan Police's Proceeds of Corruption Unit (POCU, now part of the National Crime Agency but largely funded from the aid budget) found that 75 percent of properties investigated in its money-laundering cases were held by overseas companies. All were in tax havens or "secrecy jurisdictions", as they are also known.

The authorities investigate a small fraction of the illicit business. Director of POCU, Jon Benton, told Transparency International recently that his unit had looked at £180m worth of property but that this was "only the tip of the iceberg." NCA boss Donald Toon (pictured) told the *Times*: "The London property market has been skewed by laundered money. Prices are being artificially driven up by overseas criminals who want to sequester their assets here in the UK."

The *Eye* reported some examples in 2012 when corrupt Nigerian governor James Ibori was convicted of money laundering using not just London's banks but also its property market through Gibraltar and the British Virgin Islands companies. This was a rare success in an onerous business, and with law enforcement making little impact, transparency becomes essential in the war on corruption. The prime minister recognised as much at the G8 summit at Lough Erne in 2013 when he promised to "break down the walls of corporate secrecy". This, however, translated merely into a public register of beneficial owners of UK companies when, as the anti-corruption unit paid for by his own government notes, these aren't the problem: tax haven companies are.

The tax havens, largely British overseas territories and Crown dependencies over which the British government holds sway, have been left to decide themselves whether to open up and – surprise, surprise – have decided not to!

Issue 1402
2 October 2015

IN THE BACK

OFFSHORE OWNERSHIP

Land Registry says no

FAR be it from the *Eye* to blow its own digital trumpet, but the interactive map of English and Welsh property held by offshore companies, published on the *Private Eye* website, has proved a success across the country. Local newspapers, websites and campaigners have highlighted hundreds of businesses, homes and public offices owned by companies from Panama to the Seychelles. Law enforcers are also known to be enjoying discovering its secrets while munching their lunchtime sandwiches.

David Cameron will doubtless be pleased, having professed in Singapore recently that there was "no place for dirty money in Britain" and promised to publish "data on which foreign companies own which land and property titles in England and Wales". The era of openness, however, has not quite reached the Land Registry.

The *Eye's* map incorporates property titles (freeholds and leaseholds) acquired between 2005 and July 2014, which were obtained through a Freedom of Information request last year. The Land Registry said – before Cameron's Singapore speech – that the data had been released "in error" and that no further such detail would be provided.

While the "erroneous" release has itself proved valuable, there are clearly tens of thousands of properties acquired by offshore companies before 2005 and after July last year. Indeed, the information will prove most useful when up-to-date acquisitions are covered. Yet requests to obtain this have been refused under the FoI exemption for information "reasonably accessible by other means".

Since the "other means" would involve paying £11 for title numbers belonging to each of an additional 15,000 offshore companies, followed by £3 for the register entry for each of tens of thousands of properties, this would be reasonable only to the richest anorak with an army of helpers.

More recently the *Eye* has been fighting for the release of data containing clues to the identity of those behind the 45,000 offshore property-owning companies, as well as their lawyers – many of whom are firmly onshore – who make a mint managing them. This data would allow a more accurate and extensive interactive map to be built but, after the current version was published, the request has been refused as "vexatious". The matter is now with the Information Commissioner's Office (ICO) to decide.

Political responsibility for the Land Registry, a government-owned "trading fund" (ie, it uses receipts to meet outgoings), rests with business secretary Sajid Javid (formerly of Deutsche bank, which itself acts as an offshore trustee for many properties). His approach to transparency and corruption is epitomised by recent proposals to relax money-laundering regulations to make them less onerous for companies.

Javid is also mulling the privatisation of the Land Registry, which would make obtaining information impossible rather than just difficult. A better move might be for him to get with the prime minister's transparency programme.

● *View the* Eye*'s interactive map of offshore property ownership at www.private-eye.co.uk*

Issue 1403
16 October 2015

TRICKS & MORTAR

ONE in every six homes sold in Westminster and Kensington & Chelsea over the last three years for which data is available was bought by a company in an offshore tax haven, the *Eye* has established.

The market for homes is now so skewed by sales to overseas companies that a quarter of all cash spent on residential property in just these two London boroughs came via companies from Belize to Anguilla, Jersey to the South Pacific Cook Islands.

The figures, based on data acquired by the *Eye* for property transactions in 2012, 2013 and 2014 and analysed alongside market statistics by data-savy London estate agency YOUhome, reveal the extent to which the top end of the British property market is dominated by secret buyers hiding behind offshore companies.

In Britain's two most expensive boroughs 3,520 homes were bought using offshore companies, out of a total of 21,373 sales, or 16.5 percent. The value of those using offshore companies was £8.25bn, or 23.8 percent of the total value and giving an average price of £2.34m. The most popular location for the shell company used was the British Virgin Islands, followed by Jersey, Guernsey and Panama.

The figures do mask a downward trend, almost certainly linked to higher stamp duty for corporate-owned residential property plus an annual "enveloped dwellings" tax announced by chancellor George Osborne in his 2012 budget. The proportion of properties bought using an offshore company fell from 20.3 percent in 2012 to 12.4 percent in 2014 – still a large number given there is no need for such structures other than tax avoidance or secrecy.

In the most up-market locations, however, the taxes appear to have had no effect. In Knightsbridge, the proportion of sales through offshore companies increased to 49 percent (worth 59 percent of the value) in 2014. Similar proportions of sales, 45 percent and 48 percent, were found in 2014 in Belgravia and the Queen's Gate area that runs from Hyde Park to South Kensington.

Osborne's "clampdown" on tax haven companies buying up London might have worked on some of the lower-level tax dodges, but for those with serious and often pretty dubious money, it's offshore business as usual.

Issue 1405
13 November 2015

IN THE BACK

OFFSHORE OWNERSHIP

Neighbours from hell

AN EXAMINATION by the *Eye* of British properties frozen by law enforcers and the courts reveals some of the world's most questionable operators channelling fortunes into property while attempting to hide behind tax haven companies. Even a limited search reveals 125 freezing orders over properties held by offshore companies on behalf of some unsavoury characters.

Ziad Takieddine, a Lebanese businessman at the centre of the corruption scandal that engulfed the French presidency of Nicholas Sarkozy, owns Warwick House, a mansion in Holland Park thought to be worth more than £17m, via a British Virgin Islands company. Takieddine brokered numerous arms and oil contracts in the Middle East on behalf of the French state. While under investigation by French authorities in 2013, Takieddine, an uncle of Amal Clooney, admitted to paying bribes to an aide of Sarkozy's and was banned from leaving the country while authorities investigated his role in the "Karachi affair" of illegal arms sale to Pakistan in the 1990s. He also came under investigation after he was found with €1.5m in cash on a private flight out of Libya in March 2011. Just the man to be welcomed with open arms by London's estate agents.

One case examined by the *Eye* exemplifies how the financiers of Middle Eastern violence exploit offshore secrecy to evade sanctions.

Soulieman Marouf, a British-born Syrian businessman, was added to the EU sanctions list in 2012 after the *Times* exposed his links to the Assad regime. He reportedly acted as the London fixer for the Syrian ruling family, purchasing expensive jewellery and clothes for the president's wife Asma and buying sniper rifles on the black market for the regime.

Marouf, whose portfolio of high-value properties in London's West End were frozen in 2012 by the Treasury, succeeded in lifting the order last year following a challenge in a European court. But he's not out of the woods yet. According to Land Registry data, at least one property – a flat in Fulham where he is listed as residing on the UK electoral roll but owned via a BVI company called Gardinia Enterprises Ltd – is still subject to a Treasury freezing order.

Back in 2011, *Eye* 1286 reported how

Erastus Akingbola, the then head of Nigeria's Intercontinental Bank (which was funded partly by Britain's international development fund CDC), was being chased through the UK courts over £7m of misappropriated funds, much of which was used to buy properties using offshore trusts and companies. The claims were successful and an apartment in Cambridge Gate, the opulent row of apartment blocks overlooking Regent's Park, owned in the name of an Isle of Man company remains subject of a freezing order obtained by the bank.

Intriguingly, members of the **Al Gosaibi** family caught up in the Middle East's biggest ever corporate collapse, of the banking and trading conglomerate taking their name that failed in 2009, own five high-end properties on Grosvenor Square, Mayfair, using BVI, Jersey and Liberian companies. All have been frozen in proceedings brought by creditors.

The "walls of corporate secrecy" that David

Issue 1406
27 November 2015

IN THE BACK

OFFSHORE OWNERSHIP

Manx for nothing

FIRST came the mighty "pubcos" to spoil Britain's boozers (*Eyes passim ad nauseam*); now it's the turn of offshore property developers to buy them up and shut them down.

A recent planning application to demolish the Gladstone Arms, a much-loved pub and music venue in Southwark, south London, and build a ten-storey block of luxury flats in its place has provoked hundreds of objections from locals. The plans were lodged by Sartorio Properties Ltd, while Land Registry title deeds show that the pub was acquired last October by Isle of Man company Sartorio Ltd, part of the Golfrate property group.

Worldwide company records collated by the *openCorporates* website reveal a further 77 companies registered at the same Isle of Man offices, run by law firm Andco Corporates Services Ltd, which between them hold titles to approximately 375 properties, mostly in London. Offshore companies are generally not taxed on gains they make on property. The partners in Andco act as directors of the property-owning companies.

Planning documents reveal that many of the Manx companies have identifiable links to Golfrate. This outfit was set up in 1991 Asif Aziz, a publicity-shy property magnate, and is reported to own property worth £2bn. Aziz first hit the headlines in 2005 when his firm acquired the London Trocadero, the Baroque-style arcade on Piccadilly Circus, for £212m. This turns out to have been another offshore deal, through a company called London Trocadero Ltd, also registered to the Isle of Man offices of Andco.

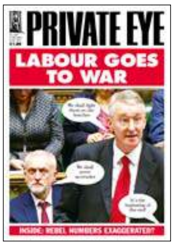
More recently, in 2014, Golfrate acquired 11 pubs in London from Punch Taverns, bringing the number of pubs in its portfolio to "more than 150", according to industry mag *Estates Gazette*. Predictably, many of these have closed under Golfrate's ownership while plans for luxury flats go through.

Other casualties are: the White Swan in Charlton Village, acquired through Isle of Man company Mendoza Ltd in April for £900,000, with the current managers reportedly thrown out by bailiffs in June while the locks were changed; Two8Six, the only gay club in Lewisham at the time, acquired via Mendoza in 2012 and promptly closed; the Grosvenor Arms, a pub and music venue in Lambeth, acquired by Isle of Man firm Hamna Wakaf Ltd in 2013 and closed down last August; the Beehive, another lively Lambeth local, acquired through Mendoza Ltd in 2012 and closed last September. The Sovereign, a pub in Camden, was acquired by Mendoza Ltd in 2012 and closed in 2013. Among the other pubs to have closed under the ownership of Mendoza Ltd include The Duke of Wellington in Spitalfields (pictured), the Peacock in Battersea and the Bacchus in Hoxton.

Not much is known about Asif Aziz, although a little emerged in parliament when Siobhain McDonagh, Labour MP for Mitcham and Morden, was campaigning to force Golfrate to sell for redevelopment Lyons Tower, a monstrous 17-storey office block in Colliers Wood: "[Aziz] was born in Malawi," she told parliament in 2011, "and his fortune is thought to have been made in Angola. Aged 16, he is said to have turned up in London one day, out of nowhere, to buy property in an auction. He has been accumulating more and more property ever since."

Aziz is reported to have owned businesses in South America as well as a food trading operation in Angola, which was sold in 2005 to members of the Lebanese Tajideen family. That deal turned sour, however, and in 2010 the new owners sued Aziz in the high court over claims that Aziz had exaggerated the value of the companies and falsified a series of expense claims. In one email Aziz asked his chief accountant: "Will they check each figure – can we not bullshit the numbers another way? Food for thought."

No food – or drink – at many of London's best-loved boozers, though, now that the offshore property men have their hands on them.



Issue 1407
11 December 2015

OFFSHORE OWNERSHIP

Time at the bar

MORE on the property company, Golfrate, that has bought up hundreds of British pubs (plus other buildings, such as the Trocadero in London's Piccadilly) through Isle of Man companies.

As the last *Eye* revealed, Golfrate is busily shutting some of the capital's most cherished boozers, such as the Gladstone in Southwark (pictured) and the Sovereign in Camden (see last *Eye*). But it seems the company has provoked not just the ire of local drinkers but also the interest of Inspector Knacker.

Three years ago, as part of the "Operation Knabstrupper" investigation into money laundering connected to Robert Mugabe's regime in Zimbabwe, officers from the Met Police's Proceeds of Corruption Unit (now part of the National Crime Agency) obtained warrants to search properties connected with Golfrate and a Zimbabwean associate called Dr Gulam Adam. Golfrate and Adam, however, successfully had the warrants judicially reviewed and quashed.

According to lord chief justice Lord Thomas, the Met thought that "criminal property was obtained from members of Zanu-PF [Mugabe's party] for the purpose of investing in the London property market and the rent thus obtained then being passed back to them". The judge reported that the chief inspector in charge of the Met unit had said he "strongly suspected that there was a sophisticated criminal network laundering the proceeds of corruption, [and] that Golfrate was an integral hub in the vast and complex money laundering investigation". But the senior officer "gives no particulars of the matters on which he relied" and the police failed to make a case to justify the warrants. Worse still, they misrepresented certain information about Dr Gulam Adam and failed to disclose matters that were unhelpful to them. It wasn't Knacker's finest day in the uphill battle against money laundering.

Not that Golfrate appeared to emerge from the case entirely spotless, either. The police had produced "a number of documents relating to the offshore companies connected with Dr Adam and his family" which showed "significant transactions between those companies and links to Golfrate". Although these "raise questions as to the way in which these companies operate and their tax liabilities", said the judge, "there is nothing that connects any of this with breach of the Zimbabwe sanctions regime".

The evidence also showed that Adam's "mobile phone contained the telephone numbers of Mr Gideon Gono [then governor of the Zimbabwean central bank and subject to EU sanctions] and army officers, police officers and Zanu-PF politicians". But, said the lord chief justice, "although this shows Dr Adam's close connections with those who rule Zimbabwe, it really takes the money laundering allegations relating to the sanctions regime no further".

If nothing else, the case does say a little about those using offshore companies to close British pubs.

Issue 1408
19 December 2015

FREEDOM OF INFORMATION

Open contempt

ONE of David Cameron's first moves in Number 10 in May 2010 was to "open up government data". Not only would this "enable the public to hold politicians and public bodies to account", he wrote to government departments, but it would also "realise significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites using public data".

This is exactly what the *Eye* has done with its map of property owned by offshore companies using data up to 2014 obtained under freedom of information laws (see www.private-eye.co.uk). Alas, the Land Registry now seems to have lost the memo from Cameron.

As reported in *Eye* 1402, it has refused our request for information on the thousands more properties bought by offshore companies since 2014, claiming the request is "vexatious" and the information is "reasonably accessible by other means" – despite the "other means" being thousands of individual requests at £11 a time and demanding an army of supporting anoraks.

In fact the whole "dataset", with companies and addresses, should be released under amendments to the FoI law introduced in 2012, which give the public a legal right of access to raw data held by government departments.

The *Eye* has pointed this out to the Land Registry, which responds that because its information is subject to Crown copyright, the dataset provisions do not apply. This used to be true, but since such a position would have exempted all datasets prepared by civil servants – and thus defeated the prime minister's fine intentions – it was rectified by the government this year with the updating of the Re-Use of Public Sector Information Regulations (RPSI).

The *Eye*'s case is now with the Information Commissioner, but if the Land Registry's view is upheld, Cameron's 2010 promise will have been so much hot air. As will his 2013 reminder: "We can't just talk about open government, we've got to deliver." Time for the Land Registry to catch up, surely.

OFFSHORE OWNERSHIP

Sins of commissioners

THE Church of England has a clear line on the evils of corporate tax avoidance and those who promote it, but has anyone explained the policy to the Church Commissioners, the CofE's investment wing?

After the Lib Dems left Cowley House, the "Old Westminster" grade II-listed headquarters they had occupied under a lease from 1998 until 2011, the freeholder sold the prime London property for £11.75m for redevelopment as luxury apartments. Nothing surprising there, perhaps; nor, given chancellor George Osborne's continuing tax generosity towards property developers, the fact that the buyer, in July 2013, was Garnet CS Ltd from the Isle of Man, a company that will almost certainly enjoy major tax advantages on its development profit.

What is surprising, however, is that the sellers of the freehold were the Church Commissioners. Nor was this their only such sale that year. In September 2013 they also sold Dissington Estate in Northumberland, for £18.6m, to Guernsey company Lugano Dissington Estate Ltd, controlled by Geordie telecoms and property magnate, Barry Moat.

In the same month that the commissioners, under First Church Estates Commissioner Andreas Whittam-Smith, sold Cowley House to an offshore company, the Church of England's ethical investment advisory group published its policy on corporate tax avoidance. "Concern may relate not only to a company's approach to its own tax liabilities," it said, "but also to corporate promotion of, or support for, tax avoidance by others…" Shouldn't that cover the sale of an expensive chunk of London to the Isle of Man?

Issue 1410
8 January 2016

LAND REGISTRY

More Farrant nonsense

THE ever-expanding use of British property as a repository for dodgy money, coupled with David Cameron's commitment to transparency (rhetorically at least), make the question of who owns Britain particularly important at a time when George Osborne is lining up the keeper of this mine of information, the Land Registry, for privatisation.

The man with the job of piloting it through choppy waters is chief land registrar Graham Farrant, who, as *Eye* 1408 reported last month, told staff he had been discussing the future with the Cabinet Office civil servant looking at how to flog public services, an ex-Rothschild banker named Ed Welsh.

Despite the clear case for public interest, this didn't go down well with Farrant. In his latest staff blog, he wrote: "I note that someone within Land Registry has felt it appropriate to release a quote from my blog to *Private Eye*." Either naively or menacingly he added: "I would encourage the person who provided the quote to tell me why they did so in order that I can understand what advantage they think they will gain to either themselves or to the organisation as a result."

Why might Farrant be no fan of the *Eye*? We did, after all, give him an award back in 2002 when he was chief executive of Barking and Dagenham council. Farrant bagged the *Eye's* Rotten Boroughs column's prestigious "blue sky thinker" of the year gong after spending £40,000 sending 180 council officers to prance about in Arab headgear in a game called the "gold of the desert kings". With sand spread over the floor they had to earn food and water from the "mystic of the desert", a suitably attired Farrant aide.

This wasn't the first appearance for Farrant, who also acquired the nickname "club class" for his overseas jaunts to discuss performance management at the Essex taxpayers' expense. His debut came in 1996 when he lasted just 10 days as chief exec of Norfolk county council (*Eye* 899). Councillors decided to un-appoint him after discovering he had been an assistant director of housing at Tory Westminster council when, under Dame Shirley Porter, it moved homeless people into asbestos-ridden tower blocks.

Farrant left Essex in 2005 to run pisspoor swimming pool operator Leisure Connection. After a series of complaints and fines for the company over problems at various council-owned facilities in 2008, Farrant left to set up management consultancy Pmp Genesis before returning to local government as chief executive at Thurrock council two years later, taking the Land Registry job in March last year.

The Land Registry is resisting the *Eye's* efforts to get up-to-date information on offshore companies buying up English and Welsh property. As the *Eye's* interactive map of property bought between 2005 and 2014 shows (see private-eye.co.uk/registry), this greatly aids transparency, but for some reason Farrant's organisation doesn't want to help improve it.

Issue 1411
5 February 2016

RUSSIAN SANCTIONS

Boom time in Putin-on-Thames

Titov, Pichugov, Shuvalov

WHEN the report into the radioactive poisoning in central London of Alexander Litvinenko concluded last month that the former spy was most likely victim of a state-sponsored murder sanctioned by President Putin, Labour's Ben Bradshaw told the Commons that "meaningful action" was now needed "against the dirty Russian money and property here in London that sustain the Putin kleptocracy".

Alas, home secretary Theresa May spoke volumes for the government's interest in doing anything meaningful… by ignoring the MP's point entirely.

Should she or David Cameron ever decide to hit Putin supporters where it hurts – in the wallet – the *Eye* can help with details of the substantial property riches Russian state officials and parliamentarians currently hold in Britain, including those of an associate of one of the accused murderers. They are revealed in Russian "anti-corruption" asset disclosures in Moscow; and though they only give details of a property's floorspace, the disclosures suggest vast Russian property wealth in the UK, almost certainly held through secret offshore companies.

● **Boris Titov**, appointed by Putin as his "business ombudsman" to address the scourge of contrived prosecutions of entrepreneurs by corrupt police, declares a 250m^2 apartment in the UK – impressive when the average area of a family home is just 100m^2.

● The wife of **Dmitry Skrivanov**, a former coordinator for the All Russian People's Front, a movement created by Putin in 2011 to bring non-governmental bodies inside the tent – owns a 142m^2 UK flat, almost certainly in London.

● Even luckier is **Mikhail Abyzov**, made minister for open government affairs in 2012 after holding senior positions in privatised energy companies. His declaration contains a 341m^2 flat and a 278m^2 house in the UK, as well as a string of non-UK properties. To get around, the 43 year old has a Mercedes car, two Ducati motorcycles, plus a Harley Davidson and a helicopter. His wife has two Porsches (a Cayenne and a Panamera), two Land Rovers and a Lexus.

● Former member of the state Duma budget and taxes committee **Mikhail Serdyuk** of the "A Just Russia" party boasts a 185m^2 rented apartment in the UK, and declares a Lexus, a Merc and a Bentley Continental GT.

● Perhaps the richest declaration is from **Viktor Pichugov**, a member of the Russian parliament's upper house and reportedly Russia's ninth richest man, who has a 265m^2 house here, along with two even larger properties in Monaco, and lists a Bentley, a Maybach, a Lexus and a Land Rover among his motors and a Porsche Cayenne for his missus.

● Not quite so wealthy but apparently doing very nicely, director-general of state-owned mortgage company JSC, **Alexander Semenyaka,** owns with his wife two 90m^2 flats, and a larger one in France.

● Communist party member **Alexander Mastinin** declares a 126m^2 apartment plus a Rolls Royce and a Porsche Boxster.

● Last, but not least, the first deputy chairman of the Duma **Vladimir Parahin** has a 90m^2 flat somewhere in the UK. He is a political ally of fellow Duma member **Andrei Lugovoi** – one of the two men found to have murdered Litvinenko in broad daylight in central London

These are just the property interests that can be gleaned from a search of public records for those recently in public positions, when many of Putin's cronies operate on the margins of the state and might not be inclined to disclose too much anyway.

The *Eye* has reported on some of the more extreme examples of oligarch wealth in the UK, as well, such as that of Russian deputy prime minister **Igor Shulalov**. In 2014, a Russian company he controls paid £11.4m for a 164-year lease on two flats on the fifth floor of Whitehall Court, a large Victorian Gothic building overlooking the Thames. The leasehold had been granted two years earlier by the freeholder, the Crown Estate, to a British Virgin Islands company also believed to be linked to Shuvalov.

This, of course, is without mentioning the London property wealth of the various oligarchs – some in, some out of favour with Putin – who have tens and sometimes hundreds of millions of pounds of wealth safely invested in a piece of Britain.

Issue 1414
18 March 2016

OFFSHORE OWNERSHIP

D-Day for data

SIX months after the *Eye* obtained details of properties acquired by offshore companies between 2005 and 2014, often to conceal the identity of the true owner, and launched its interactive online map showing every one of the properties, the government has at least announced some action.

In a consultation document published last week, business minister Baroness (Lucy) Neville-Rolfe promises to publish a list of properties owned by offshore companies. Ahead of this, *Private Eye* is making available its database of properties and the offshore companies that acquired them, showing addresses and in most cases prices paid, between 1999 and 2014 (see www.private-eye.co.uk/registry from Friday 18 March).

The government acknowledges that "property can provide a convenient vehicle for hiding the proceeds of crime" and that "high values of property in London in particular, presents [*sic*] an opportunity for criminals to launder considerable sums of money in one transaction". So it also proposes to make transparency a condition of property ownership in the UK, as suggested by the *Eye* and others, "requiring foreign companies to provide information on their beneficial ownership *before* they are able to buy land/property in England or Wales".

The *Eye* identified £170bn worth of properties acquired by offshore companies in just ten years. As most transactions did not give values, however, the total is likely to be well over £200bn. It highlighted their use by property developers such as the Candy brothers to avoid tax, the landed gentry like Lord Rothermere to escape inheritance tax and any number of arms dealers and oligarchs covering up properties they'd rather nobody knew too much about.

Among the properties were 20,590 acquired by companies registered in Jersey, 12,061 in the Isle of Man, 11,536 in Guernsey, 2,782 in Mauritius, 2,657 in Gibraltar, 1,963 in Panama and 1,245 in the Cayman Islands. But the most popular location for registering a property company offshore, with 22,155 in the period, was that convenient financial centre of… the British Virgin Islands.

While Jersey has been most commonly linked by criminal investigators to money-laundering cases, this is only because of the closer links with the authorities there. The BVI, where the identities of companies' owners are not filed with the authorities, is a tougher nut to crack. (A recent freedom of information request by Christian Aid for the Serious Fraud Office's risk assessment for the BVI was refused on the less than reassuring grounds that releasing it would harm relations with the territory).

Even if the government does push ahead with its new proposals, they are unlikely to solve the problem entirely. Given the UK's near total absence of enforcement against corporate law-breaking, proposed criminal sanctions for false information will probably not trouble the world's major money launderers unduly; hidden behind further offshore layers, proving falsity is hard to do without extensive investigation and international cooperation.

What action there has been against offshore corporate ownership to date has achieved little if anything. An "annual tax on enveloped dwellings" introduced from 2013/14 was supposed to encourage property owners to drop the corporate shells. HM Revenue & Customs data just released shows, however, that the number of properties owned by offshore companies worth £20m or more (the serious launderer's preferred range) actually *increased* from 220 in 2013/14 to 230 in 2014/15. In other bands it fell by just 7 percent, showing that a tax running into six figures for properties worth £10m or more is still a price worth paying for secrecy.

Issue 1415
1 April 2016

LAND REGISTRY

Computer says 'no'

LAST July, telling an audience in Singapore a story that was first reported in the *Eye* about corrupt Nigerian governor James Ibori buying up properties across London using secret offshore companies, David Cameron promised that in a "new era of corporate transparency" there would be "no place for dirty money in Britain". Now, in place of the warm words, comes the cold reality of dismal failure.

The prime minister's "first step", he said, would be to get the "Land Registry to publish this autumn [*ie 2015*] data on which foreign companies own which land and property titles in England and Wales". By this stage *Private Eye* had already acquired the information up to 2014 and published its own interactive map of all these properties* and the PM was merely trying to catch up with Lord Gnome.

Autumn came and went with no official publication, as did winter; until this month the last *Eye* announced that it would be releasing all the data it had later in the week*. Cue a sudden release, the following day, from the Land Registry! Alas, however, its information is woefully incomplete. Where the *Eye's* database shows the price paid for more than 60,000 offshore properties, the Land Registry has managed only 6,300.

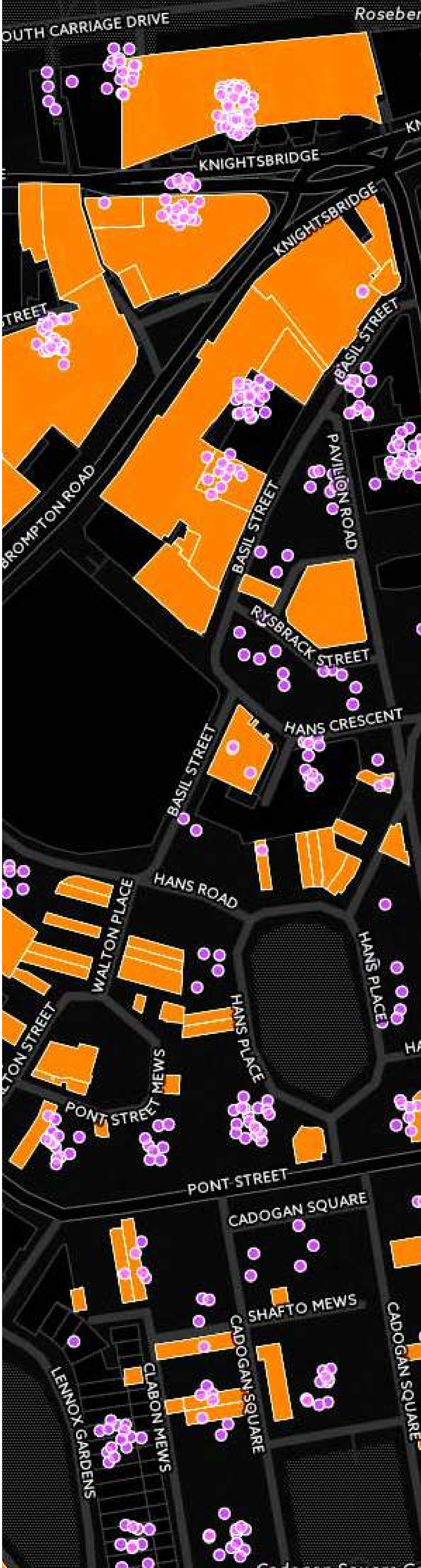
Prices paid for commercial property acquired before October 2013 are excluded; and the price of any property exceeding £99,999,999 is also excluded for "computer says no" reasons that didn't pose any problem for Lord Gnome's highly advanced IT capabilities (er, an Excel spreadsheet, basically). This takes out the most valuable land in Britain, such as the £560m Bishop's Square in East London owned for tax avoiding purposes by a Luxembourg company (see *Eye* 1404). Where the *Eye's* data shows property values worth £170bn, the Land Registry manages only a piddling £10bn.

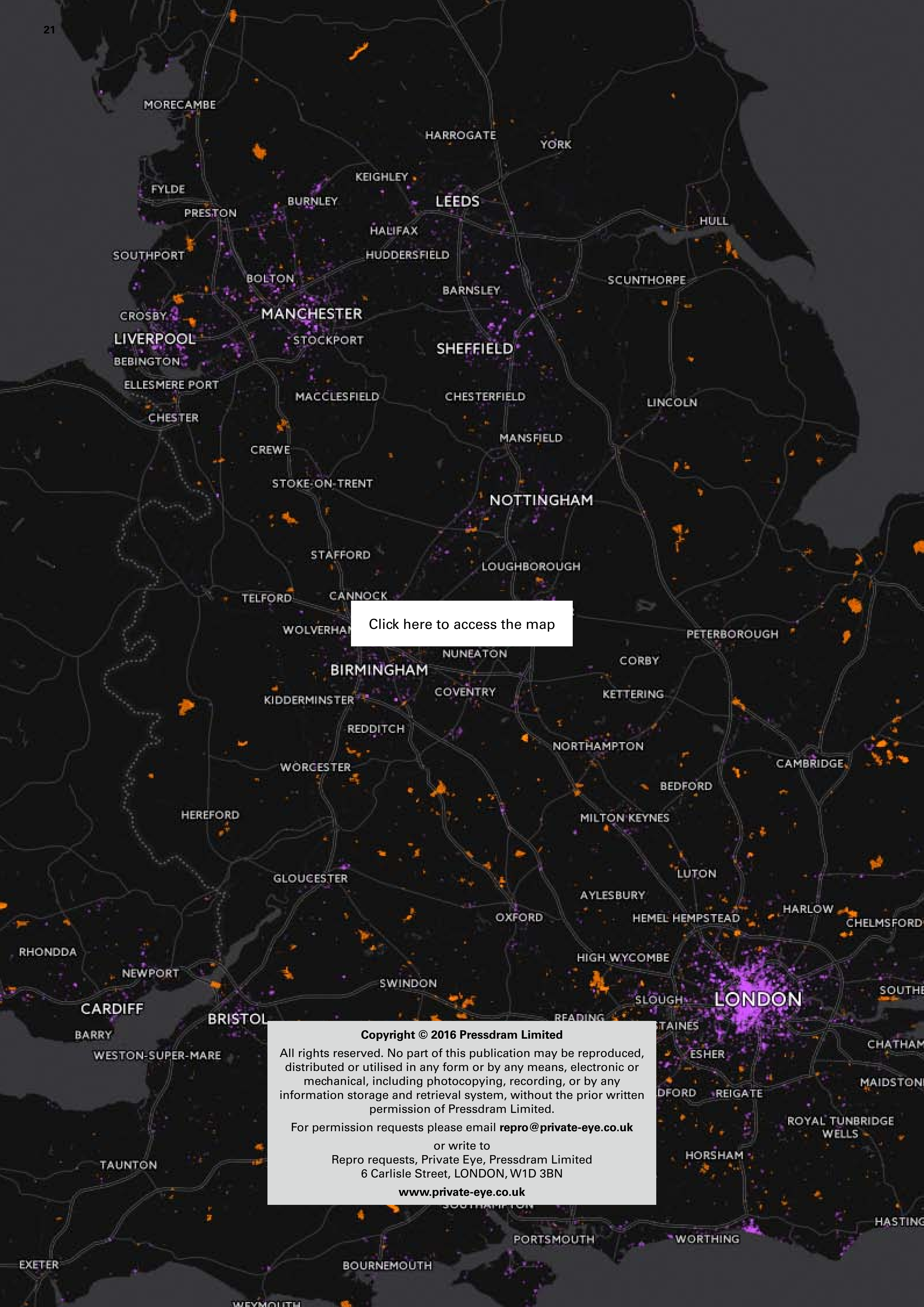
Worst of all is that the prime minister's promise of "transparency" has been broken. The foundation for the *Eye's* work was Freedom of Information requests in response to which the Land Registry gave out information it now wants to hold on to and commercialise in the run-up to its own privatisation. With private equity firms circling, there will be no more automatic release of data. "Charges for the update package options available from April", the Land Registry tells the *Eye*, "range from £2,000 for a single download to £10,000 for monthly updates and unlimited access".

The *Eye's* map has given access to information to journalists, researchers and members of the public for whom these new fees are out of reach, demonstrating the public interest in the material. Stories have appeared not just in the *Eye* but local and national newspapers, including the front page of the *London Evening Standard*, as well as the *BBC* and *Sunday Times*. New stories will effectively be suppressed.

"The challenge I am laying down for every country today is to root out the rot of corruption – to ensure transparency over what your own companies are doing," said Cameron in Singapore. Back home the disclosure is fleeting, pisspoor and begrudging – before the shutters come down again.

**www.private-eye.co.uk/registry*





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