

The press review

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Prepared by Transparency International Luxembourg

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NATIONAL NEWS

Luxemburger Wort

McD Europe Franchising

McDonald's France fined €300 million for channelling profits through Luxembourg



McDonald's in Luxembourg City centre on Place d'Armes

Photo: LW Archive

Published on Thursday, 21 April, 2016 at 11:09

(ADW) McDonald's France now has to pay 300 million euros in taxes in France for channelling profits through Luxembourg and other countries with lower tax rates, and therefore paid lower tax in France.

According to British newspaper "The Telegraph", French authorities have accused the American fast food chain of using a company based in Luxembourg - McD Europe Franchising - to invoice the company's activities in France.

The report states that McDonald's France did not comment on claims that it funnelled profits through Luxembourg and Switzerland, but did respond by saying it "is a taxpayer who pays much tax in France" and that it "is proud of it."

The company said it has paid 1.2 billion euros in taxes in France, has invested over one billion euros in the country and employed 15,000 people there since 2009.

French authorities launched an investigation into McDonald's' tax affairs in 2013, as part of a broader case of multinationals that redirected their profits abroad, in order to pay less tax in France.

In February, the French tax authorities demanded that Google, another Luxembourg resident, pay the sum of 1.6 billion euros in taxes that had not been paid in France.

La liberté de la presse s'est dégradée en 2015



(Photo: RSF - rapport annuel sur la liberté de la presse - 2016)

La liberté de la presse régresse partout dans le monde selon Reporters sans frontières. Le Luxembourg, dont l'image a été «ternie par l'affaire LuxLeaks», est 15e sur 180.

Reporters sans frontières (RSF) a dévoilé l'édition 2016 du classement mondial de la liberté de la presse. Ce classement de la liberté de la presse dans 180 pays, publié depuis 2002, s'appuie sur une série d'indicateurs: pluralisme, indépendance des médias, environnement et autocensure, cadre légal, transparence, infrastructures et exactions.

Le Luxembourg passe de la 19e à la 15e place du classement. «L'inculpation par le parquet du Luxembourg du journaliste français Édouard Perrin, qui avait révélé le scandale financier LuxLeaks, a terni l'image du Grand-Duché, clairement plus soucieux de dissuader la presse d'investiguer sur les pratiques d'évasion fiscale en cours dans le pays, que

de protéger la liberté d'informer, dans l'intérêt du public», explique RSF sur son site Internet.

La France est 45e (-7 places), la Belgique 13e (+2) et l'Allemagne 16e (-4). Au vu des indices régionaux, il apparaît que l'Europe (19,8 points d'indice) demeure la zone où les médias sont les plus libres, suivie (de loin) par l'Afrique (36,9), qui, fait inédit, passe devant l'Amérique (37,1), l'Amérique latine étant plombée par les violences accrues contre les journalistes. Suivent l'Asie (43,8), l'Europe de l'Est et l'Asie centrale (48,4). L'Afrique du Nord/Moyen Orient (50,8) reste la région du monde où les journalistes sont les plus soumis à des contraintes de toutes sortes.

La Pologne dégringole

Trois pays d'Europe du Nord occupent le haut du classement des pays, soit la Finlande (1re, depuis 2010), les Pays-Bas et la Norvège. Au chapitre des évolutions notables, l'amélioration de la situation en Tunisie (96e, +30), grâce à une baisse des agressions et des procédures, et en Ukraine (107, +22), due à une accalmie du conflit. En sens inverse, on observe la dégringolade de la Pologne (47e, -29), sous l'effet de la remise au pas des médias lancée par le parti ultraconservateur. Beaucoup plus bas, le Tadjikistan, qui subit la dérive autoritaire du régime, dévisse (150e, -34).

Même dégradation spectaculaire du sultanat de Brunei (155e, -34), imputable à l'instauration de la charia et aux accusations pour blasphème, qui provoquent une forte autocensure. Enfin, le Burundi s'enfonce (156e, -11), car ce pays a été le théâtre de violence envers les journalistes après la candidature contestée puis la réélection du président Pierre Nkurunziza. Au bas du classement se trouve un trio infernal, le Turkménistan (178e), la Corée du Nord (179e), l'Érythrée (180e).

(L'essentiel/AFP)

Luxemburger Wort

Starts Tuesday

Luxleaks 'whistleblowers' trial to start in Luxembourg



Antoine Deltour, a former auditor at services firm PwC
Published on Sunday, 24 April, 2016 at 09:41

Luxembourg will on Tuesday put on trial three people behind the uncovering of the so-called LuxLeaks scandal that implicated the Grand Duchy in huge tax breaks for some of the world's largest companies.

'Whistleblower' Antoine Deltour, a former auditor at services firm PwC, French journalist Edouard Perrin and Raphael Halet, another ex-PwC employee, face charges over the leaking of thousands of documents.

The LuxLeaks 'scandal' erupted in November 2014, exposing deals that saved firms including Apple, IKEA and Pepsi billions of dollars in taxes while European Commission President Jean-Claude Juncker was Luxembourg's prime minister.

A series of global news outlets poured over 28,000 pages of documents obtained by the International Consortium of Investigative Journalists (ICIJ), revealing the full scale of the tax breaks won by 340 companies.

The leak was the biggest of its kind until the Panama Papers this year exposed links between a numbers of international leaders to offshore shell companies that can be used to launder wealth.

The trial is expected to last until May 4.

Deltour is accused of having stolen documents from the accounting firm before he left in 2010, revealing business secrets, violation of professional confidentiality, and money laundering.

Halet, who is accused of being behind a separate leak, faces the same charges.

Perrin -- who first broke the story in 2012 in a programme on the state-owned France 2 TV station, two years before the scandal gained traction -- is charged with being an accomplice in all the offences.

He is accused of having manipulated Halet into the second leak and having played an "active role" in the alleged crimes by the two PwC employees.

'Public interest'

Deltour allegedly had access to the documents on the PwC database and copied them before he left the company six years ago, after which they became the basis of the France 2 report.

He faces between five and ten years in prison but has previously said he has no regrets. "I don't understand how I could suffer a heavy penalty when I have acted in the public interest," he said in one interview.

PwC has also launched civil legal proceedings.

The Luxleaks 'scandal' put huge pressure on Juncker during his first weeks as head of the European Commission, the powerful executive arm of the 28-nation European Union.

The revelations about huge tax breaks ended up forcing the EU to take urgent steps to stop global firms avoiding tax in Europe, including anti-trust inquiries into firms like Apple, McDonald's and Amazon.

The ICIJ trove contained many more documents, and not only from PwC but other accountancy and law firms involved in obtaining confidential "tax rulings" that lowered tax rates for companies to as little as one percent.

Luxembourg authorities resumed investigations after the ICIJ released its documents, leading to Deltour being charged in December 2014 for violation of professional secrecy and wrongfully accessing a database.

However the Luxembourg has also tried to show that it is clamping down on tax evasion, as well as diversifying into other forms of industry.



24 avril 2016 11:01

Antoine Deltour risque jusqu'à 10 ans de prison



LUXEMBOURG - Le procès du scandale «Luxleaks» s'ouvre mardi à Luxembourg, avec la comparution de trois hommes accusés d'avoir fait fuiter des milliers de documents.

Le lanceur d'alerte Antoine Deltour est accusé d'avoir organisé la fuite de documents fiscaux du cabinet d'audit PricewaterhouseCoopers (PwC) à Luxembourg, pour lequel il travaillait. Il encourt jusqu'à 10 ans de prison. Il doit comparaître devant le tribunal correctionnel de Luxembourg aux côtés du journaliste français Edouard Perrin, qui a révélé le scandale, et d'un autre ancien employé de PwC, Raphaël Halet, à l'origine d'une seconde fuite de documents.

Le cabinet d'audit est partie civile au procès. Le scandale avait éclaté en novembre 2014, dévoilant au grand jour les pratiques de firmes comme Apple, Ikea et Pepsi pour économiser des milliards de dollars d'impôts à l'époque où le président de la Commission européenne Jean-Claude Juncker était Premier ministre du Luxembourg (1995-2013). Le procès, qui doit durer jusqu'au 4 mai et sera suivi de près par les ONG anti-corruption, tombe mal pour le Luxembourg qui peine à se

départir de son image de havre fiscal pour les entreprises, sur fond de forte sensibilisation de l'opinion à ces sujets en plein scandale des «Panama papers».

Deltour ne regrette pas

Antoine Deltour et Raphaël Halet sont prévenus de vol domestique, de divulgation de secrets d'affaires, de violation de secret professionnel et de blanchiment. Edouard Perrin a été inculpé en avril 2015 par la juge d'instruction luxembourgeoise Martine Kraus pour complicité de vol domestique, violation du secret professionnel, violation de secrets d'affaires, blanchiment. Il lui est reproché notamment d'avoir manipulé Raphaël Halet pour organiser la seconde fuite de documents et d'avoir joué un rôle «actif dans la commission de ces infractions». Le journaliste avait révélé le scandale en mai 2012 dans l'émission «Cash Investigation» sur la chaîne publique française France 2.

Au final, des milliers de pages confidentielles sur les pratiques d'optimisation fiscale des multinationales installées au Luxembourg avaient été divulguées. Ces documents concernaient des «rescrits fiscaux» accordés par l'administration des impôts et négociés par la firme PwC pour le compte de ses clients. Les documents ont d'abord été utilisés par Edouard Perrin pour son enquête à «Cash Investigation» avant d'être publiés par le Consortium international des journalistes d'investigation (ICIJ) en novembre 2014, au moment de la prise de fonction de Jean-Claude Juncker à la tête de la Commission européenne.

Antoine Deltour avait eu accès à ces pièces sur la banque de données de son employeur et les avait copiées avant son départ de l'entreprise en 2010. Il n'a jamais regretté son geste, malgré la peine encourue de 5 à 10 ans de prison. «Je ne comprends pas comment je pourrais être victime d'une lourde peine lorsque j'ai agi dans l'intérêt général», a-t-il expliqué dans une interview.

(L'essentiel/AFP

Luxemburger Wort

Bettel on the State of the Nation

"Our country is doing better today than it was two years ago"



A word cloud shows in English the words most commonly used in Bettel's State of the Nation address on Tuesday

Graphic: JB

Published on Tuesday, 26 April, 2016 at 16:14

(JB) Transparency and taxes were hugely pertinent as buzz words used in the State of the Nation address given by Xavier Bettel on Tuesday, the same day the LuxLeaks trial began.

The annual occasion for Luxembourg's Prime Minister to summarise the country's situation, both socially and economically, saw Bettel underline efforts to achieve greater transparency and distance itself from any gray lists, "which have been rewarded with more confidence from investors."

Furthermore, he said "through the current policy of the government for more transparency and a responsible fiscal policy, we are now better focused internationally than we were two years ago."

The theme could not have been more pertinent as on Tuesday the trial of three men accused of disseminating private tax rulings between the Luxembourg government and multinationals. The disclosure, known as LuxLeaks, showed how companies like Apple, IKEA and Pepsi saved billions of dollars in taxes via so-called sweetheart deals with Luxembourg.

Budget in surplus of 672 million euros

In addition to transparency, the Prime Minister talked about the country's budget, showing a surplus of 672 million euros. He credited the figure in part to economic recovery and the effects of a new approach to the budget process.

He went on to say that the economy's pillars were evolving well and that in many areas, economic activity had increased.

On the subject of the Grand Duchy's financial sector, the leader pointed out Luxembourg is the second most important financial centre in the EU and the 14th in the world.

Lowest unemployment rate in the EU

Bettel proudly mentioned that Luxembourg has the lowest unemployment rate in the EU at 6.5 percent. And he pointed out that the state is paying 21m euros less in unemployment benefits today (a total 242.7m euros) than five years ago (263.7m).

Despite the improvements, Bettel acknowledged there remained 17,405 people out of work and said staffing had been increased at ADEM offices and training available to jobseekers had been improved. He also alluded to the reform of the RMG benefits system, which he said would soon be finalised.

1-1-1 companies draft bill to follow shortly

On the subject of business performance, Bettel said the picture was better than it was a few years ago. He mentioned the imminent presentation of the draft bill 5730 on the creation of simplified companies, also called "1-1-1 companies".

These companies, once permitted under Luxembourg law, would remove the administrative barriers and enable an entrepreneur to create a business with one euro in a single day. He also talked about the creation of an Entrepreneurial Centre of Excellence, aimed at helping young entrepreneurs.

“The goal is that Luxembourg will play a medium-term role in the creation of new companies. We would like to be a landing pad for start-ups, offering the best conditions for young entrepreneurs who wish to establish their companies here,” he said.

Regarding workforce mobility, Mr Bettel announced the capacity for park and ride schemes would more than double over the next four years, from 11,800 to 24,000 in 2020.

Housing & security

In terms of the housing crisis, he said that measures had been planned to increase the supply of housing. “We will endeavour to change the paradigme, not by giving more money to people but by increasing the amount of subsidised housing available. 227 new projects, equivalent to 3,509 new homes, will be created,” he said.

Mr Bettel mentioned the reform of family benefits and also touched on measures to encourage people to become more active and healthy. He mentioned security within Luxembourg, the level of which was heightened in light of the Brussels terrorist attacks.

Security and the feeling of safety are now our priority, he said adding that an increase in police personnel was bearing fruit. He said that efforts to tackle radicalism at the start were underway, focusing mainly on schools and children's homes.

«Panama Papers»: le directeur de la CSSF cité



Claude Marx a été nommé par Pierre Gramegna. (Photo: Editpress/Skoenig)

LUXEMBOURG - Claude Marx, directeur général de la Commission de surveillance du secteur financier, aurait entretenu des liens avec Mossack Fonseca quand il travaillait pour HSBC.

Claude Marx, 49 ans, est depuis le 5 février, le directeur général de la Commission de surveillance du secteur financier (CSSF). Cet ancien CEO de Lombard International Assurance (2012-2015) a remplacé Jean Guill, parti à la retraite. Mais c'est pour son poste de directeur-adjoint de HSBC Private Bank au Luxembourg entre 2000 et 2011 qu'il est aujourd'hui pointé du doigt par plusieurs médias.

Selon les documents analysés par des journalistes du consortium dans le cadre des Panama Papers, Claude Marx aurait supervisé la création de

plusieurs dizaines de sociétés-écrans. Les médias belges, dont *Le Soir*, indiquent qu'il aurait même représenté HSBC comme actionnaire dans plusieurs de ces sociétés offshore - liquidées depuis.

Soutien du ministère

Contacté par *L'essentiel*, la CSSF a indiqué que Claude Marx ne ferait aucun commentaire concernant ces accusations. Du côté du ministère des Finances, on soutient le directeur de la CSSF, «nommé sur base de ses compétences, son honorabilité et son expérience dans le secteur financier (...) Il a clairement indiqué n'avoir jamais été actionnaire ou mandataire d'une structure offshore. Claude Marx s'est d'ailleurs fait un nom pour avoir été un des promoteurs de la charte ICMA (NDLR: qui prône davantage d'intégrité et de transparence afin de lutter notamment contre le blanchiment d'argent) au Luxembourg. Son engagement en faveur du respect des plus hauts standards dans la supervision du secteur financier ne fait pas le moindre doute».

Il y a quinze jours, la CSSF avait pressé les banques et institutions de la place financière luxembourgeoise de faire connaître toutes leurs activités off-shore en lien avec le Panama et d'autres paradis fiscaux.

<http://www.theguardian.com>

Former PwC employees face trial over role in LuxLeaks scandal

Pair charged with theft of documents that revealed how Luxembourg sanctioned tax avoidance by world's largest businesses



Antoine Deltour and a second man are charged with violating Luxembourg's strict professional secrecy laws. Photograph: RL/Liberation

Two former employees of PricewaterhouseCoopers accused of being behind the biggest ever leak of confidential corporate tax deals face criminal trial in Luxembourg on Tuesday.

Antoine Deltour and a second man, who is expected to be named in court this week, are charged with carrying out the LuxLeaks theft, violating the Grand Duchy's strict professional secrecy laws and other offences. Their criminal prosecution follows a complaint to Luxembourg's public prosecutor by PwC.

The LuxLeaks scandal, which transformed the debate on international tax reform, exposed how Luxembourg had for years been secretly sanctioning, on an industrial scale, aggressive cross-border tax avoidance by some of the world's largest businesses.

Last month, Deltour told his supporters that together they were helping “the fight against unfair tax practices”. However, he added, “those who revealed these practices face jail and a fine that exceeds a lifelong income”.

Transparency International said: “Deltour should be protected and commended, not prosecuted. The information he disclosed was in the public interest.”

More than 118,000 people have signed a petition in support of the 30-year-old former PwC whistleblower. Last year, the European parliament awarded him the Citizens’ Prize for his contribution to the promotion of common values.

Among the companies to see details of their complex international tax structures exposed were Pepsi, Ikea, Accenture, Burberry, Procter & Gamble, Heinz, JP Morgan, FedEx, Shire Pharmaceuticals and Icap.

In many instances, Luxembourg was shown to have approved complex, aggressive and artificial tax avoidance structures that drained the tax coffers of other countries.

Almost 28,000 tax rulings, returns and other sensitive documents from PwC were leaked to the media. The documents disclosed that the Luxembourg authorities had helped 340 big firms to minimise their tax payments, in some cases to 1% or less.

Also on trial in Luxembourg will be a French investigative documentary-maker, Edouard Perrin, who was the first journalist to publish reports based on the leaked PwC papers. He is charged with complicity in the violation of professional secrecy laws, as well as possession and dissemination of confidential papers.

The European Federation of Journalists has said: “It is shameful that the Luxembourg authorities are going after a journalist who has acted entirely in the public interest to publish the information. The authorities must drop the charges against Perrin immediately.”

In 2014, the Guardian and media in more than 20 countries published investigations based on the LuxLeaks papers in a collaboration organised by the International Consortium of Investigative Journalists.

This reporting led to condemnation of Luxembourg’s tax practices from politicians around the world, who also demanded urgent, radical reforms to the international rules for big businesses.

In the European parliament, the European commission president, Jean-Claude Juncker, was forced to defend himself before a vote of confidence in his leadership. He had previously served as Luxembourg's prime minister and had done much to shape its tax policy. "I am not the architect of what you call the Luxembourgish problem," he said.

Responding to the scandal, finance ministers of Germany, France and Italy wrote to the European commission complaining about the "uncooperative behaviour between member states".

Wolfgang Schäuble, Michel Spain and Pier Carlo Padoan said it was an "obvious ... turning point", noting that the LuxLeaks revelations meant "the limits of permissible tax competition between member states had shifted". They added: "This development is irreversible."

In Luxembourg, however, the finance minister, Pierre Gramegna, condemned the leak of the PwC papers as "the worst attack Luxembourg has experienced in its history".

Not everyone agreed. Within weeks of the LuxLeaks scandal breaking, further revelations were published based on another cache of leaked Luxembourg tax rulings – this time secured by Ernst & Young, Deloitte, KPMG and other firms. Structures used by Disney, Skype, Koch Industries, Reckitt Benckiser and others. No one on trial this week has been linked to these leaked papers.

Whistleblowing campaigners argue the LuxLeaks scandal exposes weaknesses in protections available for those who leak information. Transparency International said: "Luxembourg is one of few European countries with a dedicated law on whistleblowing, but it is too narrow. Deltour is not considered a whistleblower because the law in Luxembourg is limited to corruption offences and the information he revealed did not show blatant corruption.

"In addition, the law only protects whistleblowers against dismissal, not against prosecution. An amendment to the law is urgently needed."

Earlier this month, the European parliament approved new rules to protect corporate trade secrets which, according to campaigners, risk deterring future whistleblowing.



16 avril 2016 11:39

Le G20-Finances lance une contre-offensive



Le G20-Finances a ébauché la première réponse internationale au scandale des Panama Papers. (photo: AFP)

Les ministres des Finances des pays du G20 veulent identifier les paradis fiscaux non-coopératifs après le scandale des «Panama Papers».

Le G20-Finances a ébauché la première réponse internationale au scandale des «Panama Papers» en appelant vendredi à Washington à s'attaquer aux sociétés offshore. Les grandes puissances industrialisées et émergentes du G20 «réaffirment l'importance prioritaire accordée à la transparence financière», indiquent-elles dans leur communiqué final.

Reprenant les grands points d'un plan d'action proposé jeudi par cinq grands pays européens, le G20-Finances appelle plus précisément à se doter des moyens de savoir qui se cache derrière les sociétés-écrans, au cœur des révélations des Panama Papers. «Améliorer la transparence sur les ayants droit (...) est vital pour protéger l'intégrité du système financier international et empêcher l'utilisation de ces entités à des fins

de corruption, d'évasion fiscale, de financement du terrorisme et de blanchiment d'argent», indique le communiqué.

Identifier les paradis fiscaux qui refusent de coopérer

A l'heure actuelle, des montages financiers permettent de créer des structures juridiques (société individuelle à responsabilité limitée, trust, fondation...) en dissimulant l'identité de leur réel bénéficiaire, brouillant les pistes et compliquant grandement la tâche des administrations fiscales. Pour y remédier, le G20-Finances confie à deux autres institutions (le Groupe d'action financière (Gafi) et le Forum mondial de l'OCDE pour la Transparence) la tâche, d'ici à octobre, de faire de «premières propositions» visant à offrir aux États un meilleur accès aux informations sur les ayants droit et de «les échanger» au niveau international.

D'après le communiqué final, les ministres des Finances du G20 demandent également à l'Organisation de coopération et de développement économiques (OCDE) d'identifier d'ici à juillet les paradis fiscaux qui refusent de coopérer avec la communauté internationale. «Des mesures contraignantes seront envisagées par les membres du G20», ajoute le communiqué.

(L'essentiel/AFP)

<http://www.theguardian.com>

Coalition to create public register to reveal true owners of shell companies



The assistant treasurer, Kelly O'Dwyer, says a register of shell company owners will make it “much easier to disrupt illicit financial flows” and “much, much harder to engage in tax avoidance”. Photograph: Lukas Coch/AAP

Australian government attempts to crack down on tax avoidance following similar move in the UK

The Turnbull government will create a public register revealing the identities of the beneficial owners of shell companies in an effort to quell mounting public outrage about multinational tax avoidance in the countdown to the federal election.

The creation of the register – which will be announced within weeks ahead of an international tax avoidance and evasion summit convened by the UK Prime Minister, David Cameron, in London in mid-May – will bring Australia into line with G20 commitments on transparency.

The assistant treasurer, Kelly O'Dwyer, confirmed that Australia will agree to establish the register in an interview with Guardian Australia. “We agree there needs to be a registry of beneficial ownership in our country,” O'Dwyer said.

“It does improve transparency. It means that the public and law enforcement agencies know who ultimately controls the company. It means it is a lot easier to expose wrongdoing or fraudulent conduct. It makes it much easier to disrupt illicit financial flows and it makes it much, much harder to engage in tax avoidance.”

Labor has yet to commit to a register. The shadow assistant treasurer, Andrew Leigh, said earlier this month the opposition would “carefully consider proposals for making information regarding all companies available on a public register” but he stopped short of making a specific commitment.

The government’s move comes in the wake of revelations in the Panama Papers that more than 800 Australians were on the files of Panama-based law firm Mossack Fonseca – and amid a strong voter backlash about businesses not contributing their fair share of tax.

The UK government will require the disclosure of the beneficial owners of companies in a public register from June, despite complaints from British business. The move by the Turnbull government is also unlikely to be popular with big business in Australia.

O’Dwyer said Australia’s corporate watchdog, Asic, had trace powers to establish the identity of beneficial owners but the current system was “clunky”.

She told Guardian Australia it was “critical that we ensure the integrity of our tax base in Australia and we know we have to cooperate with international jurisdictions in order to properly achieve that aim”.

The assistant treasurer also flagged stronger actions if “non-compliant jurisdictions” refused to sign up to G20 standards on tax transparency. “We certainly agree that further action should be taken by the international community if they do not do that,” she said.

O’Dwyer declined to specify what stronger action might mean but there have been widespread calls to outlaw shell companies or to apply sanctions to countries that refuse to take action.

With Labor campaigning vociferously ahead of the imminent election on the theme of making business pay their fair share, the government is expected to

use the looming budget to pursue a second round of multinational tax avoidance measures.

There have been reports the government is contemplating another round of changes to thin capitalisation rules, making it harder for multinationals to load debt into their Australian operations.

O'Dwyer declined to comment on any budget specifics but on thin capitalisation she noted policymakers needed to be attentive to business practices and evolve to protect the integrity of the tax system. "Nothing stands still," she said. "We need to constantly evolve."

It is not clear whether the government will forecast a specific revenue figure on 3 May for the multinational tax measures, or follow the practice it followed in last year's budget of declining to calculate a figure.

The assistant treasurer also pointed to more aggressive enforcement activity accompanying policy changes. She said the head of the Australian Taxation Office, Chris Jordan, had made his intentions clear in recent months.

"We are not going to be treating all taxpayers with the same level of patience when the taxation office requests information," O'Dwyer said.

"There are big multinational companies who have got teams of people who can respond very quickly to requests from the ATO and should, and they haven't always over a period of time. The ATO has said, 'now we are going to be very tough on you, we are going to raise assessments on you'."

During an appearance before a Senate committee on Thursday, Jordan noted that the now-infamous law firm at the centre of the Panama Papers leak was not a "one off".

The tax commissioner said there were dozens of other firms running similar operations around the world. He also said Mossack Fonseca hadn't just been used for tax minimisation strategies – it had been used to conceal and aid criminal behaviour too.

<http://uk.reuters.com>

U.S. Treasury anti-laundering head to join HSBC - sources

Wed Apr 27, 2016 2:58am



The HSBC logo is seen at their offices at Canary Wharf financial district in London, Britain, March 3, 2016.

The U.S. Treasury Department's top anti-money laundering official is resigning to take what sources said on Tuesday was a top post at HSBC Holdings Plc (HSBA.L) , which is struggling to meet terms of an earlier settlement with the U.S. government.

Jennifer Shasky Calvery announced she was resigning as director of Treasury's Financial Crimes Enforcement Network (FinCEN), which she has headed since 2012. She is a former federal prosecutor who had also led the Justice Department's anti-money laundering unit.

"I hope that we have enhanced the agency's solid foundation so that FinCEN can best perform its mission for years into the future," Shasky said in a press release.

The resignation is to be effective on May 27.

Her move to HSBC was confirmed by two sources familiar with her plans. Shasky declined comment through a FinCEN spokesman, and an HSBC spokesman declined comment.

Shasky will join HSBC in a senior global financial-crime fighting role, according to one source. It is not clear when she will begin that work.

Her move to HSBC comes as the bank is working to demonstrate it has sufficiently bolstered its controls to prevent money laundering, as required by a 2012 pact with the Justice Department.

Shasky left her role in the Justice Department's money-laundering enforcement unit just months prior to its December 2012 deferred prosecution agreement with HSBC, a five-year deal requiring the bank to overhaul its anti-money laundering controls.

As part of the pact, part of a \$1.9 billion (1.3 billion pounds) global settlement with the U.S. government, HSBC admitted drug cartels had pumped at least \$800 million through the bank.

A monitor assigned to track the bank's progress "remains unable to certify that the bank's compliance programme is reasonably designed and implemented to detect and prevent violations of AML and sanctions laws," U.S. Attorney Robert Capers in Brooklyn, New York said in a letter filed with the federal court there on April 1.

At FinCEN, Shasky led a personnel overhaul and brought on a number of former federal prosecutors. She focussed FinCEN's civil enforcement authorities on casinos, money transmitters, and the new-generation "fintech" industry.

Her aggressive reshaping of FinCEN's enforcement unit in 2014 drew scrutiny from the Office of Personnel Management and members of Congress. The bureau's hiring authority was temporarily revoked by the Treasury, at least in part due to rejections of pools of candidates made up of qualified veterans, Thomson Reuters reported.