

## COLOMBIA PEACE NEGOTIATOR HAD PANAMA COMPANY, PAID TAXES

**BOGOTA:** Colombia's chief negotiator at peace talks with Marxist FARC rebels said yesterday that in the past he created a company in Panama for his family's wealth and paid taxes in full to the Colombian government.

The official, Humberto de la Calle, volunteered the information in a statement after he said he was asked about it by journalists from Colombian website Connectas, one of more than 100 media outlets investigating the so-called Panama Papers leaked from Panamanian

law firm Mossack Fonseca.

The law firm specializes in establishing offshore companies, which could be used to avoid taxes, but there are several legitimate reasons for individual people and corporations to set them up. "In the past I created a family company called Davinia, its only purpose being to serve as a holder for family wealth," de la Calle said in a statement carried by Colombian media other than Connectas. De la Calle, a former vice president, said the company's creation in 2009 was

reported to Colombian authorities. It has since been closed, its assets moved to Colombia and registered with the chamber of commerce, he said. The statement did not say when the company was liquidated. The release of four decades of documents showing how the politically connected and rich stash their wealth has led to investigations around the world. Mossack Fonseca has denied any wrongdoing.

When contacted by Connectas and other media about the assets, de la Calle answered

their questions and provided copies of his tax return, the statement said. Connectas has so far not published any information connecting de la Calle to the Panama Papers leak.

De la Calle, who leads the government's negotiating team at talks in Cuba with the Revolutionary Armed Forces of Colombia (FARC), said he supported the release of the information but believes law abiding people wanting to protect their wealth were being conflated with criminals. — Reuters

## NICARAGUA TURNS TO RUSSIA TO HELP START NATIONAL AIRLINE

**MANAGUA:** Nicaragua is to start a new national airline and expand its international airport under a deal with Russia involving Russian aircraft and a loan of up to \$300 million, state media reported yesterday.

Government officials did not immediately respond to AFP queries seeking to verify the information. According to a report by the online news website 19 Digital, a cooperation deal with Russia to boost development will go towards extending the runway at Managua's airport and building extra facilities. Nicaragua's national radar network will also receive investment. There were no details on how many planes Nicaragua would have in its new national fleet. The country has not had a flag-carrying airline since 1990, when the company Aeronica was bought up by a Central American consortium. The Russian financing, which is to be reimbursed over 40 years, was agreed in a meeting in Managua between representatives between both countries that started Monday, 19 Digital reported. — AFP

## TESLA MODEL 3 ORDERS HIT 325,000

**NEW YORK:** Orders for Tesla's Model 3, its first mass-market electric aimed at taking the upstart automaker into the mainstream, have reached 325,000, Tesla said yesterday.

The mark was hit just one week after the car, which will not be available until late 2017, was unveiled by Tesla Motors founder Elon Musk in Los Angeles. "This interest has spread completely organically," Tesla said on its blog. "Unlike other major product launches, we haven't advertised or paid for any endorsements." Consumers interested in the car must pay a deposit of \$1,000. Tesla has viewed the Model 3, which starts at a base price of \$35,000, as key means to transitioning the auto market to zero-emissions. But it is also Tesla's key to transitioning from a niche luxury automaker to a real industry player selling a large volume of cars. "This has been a true grassroots effort driven by the passion of the Tesla team that's worked so hard to get to this point, and our current and future customers who believe so strongly in what we are trying to achieve," Tesla said. "We are all taking a huge step towards a better future by accelerating the transition to sustainable transportation." The huge number of orders will necessitate a big ramp-up in Tesla's manufacturing capacity. First started in 2003, Tesla built just 50,000 cars in 2015, but has set a target of 500,000 a year by 2020. Tesla is expected to expand its production base beyond its current plant in Fremont, California as it builds more of the Model 3, which is priced at about half the level of its first two models. — AFP



**PARIS:** Tesla Motors shows the car manufacturer's new Model 3. — AFP



**PARIS:** Anti-fraud activists block entrances at Societe Generale's Paris headquarters as part of a protest accusing the French bank of ties to the so-called "Panama Papers". — AP

## EUROPE'S BANKS UNDER SCRUTINY AS REGULATORS LOOK INTO PANAMA PAPERS

### 'THE RISKS HAVE RISEN, NOT FALLEN'

**BERN/GENEVA:** Banking watchdogs across Europe have begun checking whether lenders have ties to a massive document leak from Panama that showed how offshore companies are used to stash clients' wealth. Switzerland's financial watchdog FINMA said yesterday that banks must clamp down on money laundering, as the Geneva prosecutor opened a criminal probe.

Four decades of documents from Panamanian law firm Mossack Fonseca, which specializes in setting up offshore companies and has offices in Zurich and Geneva, showed widespread use of those instruments by global banks and triggered investigations across the world. "Do I think we are where we should be in fighting misuse in the financial system? No," FINMA Chief Executive Mark Branson told Reuters following its annual news conference.

"We think in some ways the risks in Switzerland have risen, not fallen, and that there is more that can be done. We don't want to see large scandals involving Swiss banks." Switzerland is the world's biggest international wealth management centre with around \$2.5 trillion in assets and has taken on more wealth of late from emerging markets, from which it is harder determine the origin of assets, Branson said.

Britain's Financial Conduct Authority said yesterday it has written to 20 banks and other financial firms, giving them until

April 15 to spell out any involvement they have with the "Panama Papers".

HSBC, Britain's biggest bank and its affiliates created more than 2,300 shell companies with Mossack Fonseca, according to the International Consortium of Investigative Journalists. HSBC has dismissed suggestions it used offshore structures to help clients cheat on their taxes.

Also yesterday, France's ACPR financial regulator said it has told French banks to hand over extra information about their business ties with tax havens. German regulator BaFin is likewise probing the role of Germany's banks, a source told Reuters on Monday. Watchdogs in Sweden, Netherlands and Austria said earlier this week that they were looking into banks named in the papers. The chief executive of Austria's Hypo Landesbank Vorarlberg became one of the first top bankers to quit over reports based on the data leak yesterday, though he denies his bank violated any laws or sanctions.

#### Swiss banks

The "Panama Papers" investigation has exposed financial arrangements of public figures including friends of Russian President Vladimir Putin, relatives of the prime ministers of Britain, Iceland and Pakistan, and the president of Ukraine.

Branches of Swiss lenders including UBS and Credit Suisse were mentioned in

the leaked documents as being among the main banks that requested offshore companies for clients. Both banks have denied wrongdoing in connection with the practice.

Swiss financial institutions—a focal point of efforts by European governments to crack down on tax avoidance—trailed only Hong Kong in having used Mossack Fonseca, the reports have said.

Branson said FINMA would first check for signs of illegal activity before deciding whether to launch an investigation linked to the Panama Papers. There were a few indications that they may be relevant in Switzerland, Branson said.

Geneva's prosecutor also said on Thursday he had launched a criminal inquiry in connection with leaks that revealed many offshore companies set up by lawyers and institutions in the Swiss lakeside city and financial centre. "Some information has been made public this week and the prosecutor's office wanted to verify if this information showed anything that was against the law," a spokesman for the prosecutor said.

One prominent Geneva lawyer helped set up 136 Panama offshore companies, Swiss television has reported. "Yes, it is an industry with a legal dimension. I have been in this business for 30 years and this activity was sought after by foreign nationals. — Reuters