

ICELAND SHOCKED BY ELITE'S LOVE OF OFFSHORE HOLDINGS

REYKJAVIK: Cabinet ministers, bankers and CEOs: the offshore companies at the heart of the leaked Panama Papers have drawn large numbers of Iceland's elite into a scandal that has already brought down the country's premier. The documents from the Panama-based law firm Mossack Fonseca, obtained by the International Consortium of Investigative Journalists (ICIJ), revealed just how many Icelanders had holdings hidden away in tax havens. That number is astounding: some 600 Icelanders are named in the documents, in a country of just 320,000.

That's the highest per capita number for any country, according to Johannes Kristjansson, an independent Icelandic journalist who worked with the Consortium. In the streets of Reykjavik, people are disgusted. "It's a small clique, and even after the 2008 (financial) crisis

they wouldn't let go. It just confirms that money made during the boom years didn't disappear into thin air," a 50-year-old resident, Kolbrun Elfa Sigurdardottir said. "Who are the people who benefited from this system? We all want to know," asked Alli Thor Olafsson, 32.

The offshore companies are part of the legacy from the euphoria that was rampant in Iceland's financial sector in the early 2000s when the country's banks borrowed beyond their means to fund aggressive investments abroad, ultimately causing the 2008 collapse of the three main banks. According to Sigrun Davidsdottir, a journalist at public television RUV who has been investigating offshore holdings since the 2008 crisis, Iceland's financial advisors were quick to suggest to all and sundry that their money should be placed offshore. "During the heady years up to 2008,

a source said to me that you just weren't anyone unless you owned an offshore company," she wrote on her blog.

Bad rap for Tortola

By now, the best-known case is that of ousted prime minister Sigmundur David Gunnlaugsson. In 2007, his then-future wife, Anna Sigurlaug Palsdottir, placed her inheritance from her wealthy businessman father in an offshore tax haven, the British Virgin Islands, via the Credit Suisse bank. Gunnlaugsson owned 50 percent of the offshore company, named Wintris, a fact he neglected to disclose as required in April 2009 when he was elected to parliament. He resigned last week after massive public protests.

Offshore accounts were so well-known in Iceland that the expression "Tortola company"—referring to the most populated

island in the British Virgin Islands—had been widespread in Icelandic media, though not the extent to which they were used and by whom. Gunnlaugsson was definitely not the only government official to own an offshore company. Finance Minister Bjarni Benediktsson owns a company in the Seychelles, while Interior Minister Olof Nordal has one in Panama.

Both have so far managed to hold onto their cabinet posts despite the scandal. A former central bank governor and ex-industry minister, Fimur Ingolfsson, the head of pharmaceutical group Alvogen, Robert Wessman, as well as journalist Eggert Skulason of the daily DV are all known to be on the Panama Papers list of offshore account holders. Ingolfsson and Skulason claim they were unaware of their accounts, insisting their affairs were managed by the Luxembourg branch of the

Icelandic bank Landsbanki. The subsidiary has already fallen into disrepute after more than 110 wealthy clients, including the French singer Enrico Macias, accused it of fraud. All of the Icelanders identified as offshore account holders deny any attempts at tax evasion, insisting they diligently paid their taxes in Iceland.

"It's clear that it's legal," the country's new Prime Minister, Sigurdur Ingi Johannsson, said in an interview published Monday in daily Morgunblaðid. He nonetheless suggested the possibility of barring Icelanders from placing their money in tax havens. The country's tax authority admitted meanwhile it was unable to ensure that all income was declared in Iceland. "There can be problems obtaining (data from tax havens) and in some cases it is even impossible," acknowledged the agency's head Bryndis Kristjansdottir. — AFP



KIEV: A man with a Reaper holds a scythe reading "Petro, Arseniy and Volodymyr go" (referring to Ukrainian President Petro Poroshenko, Prime Minister Arseniy Yatsenyuk and speaker of the parliament Volodymyr Groysman) during a protest in front of the parliament's building in Kiev. — AFP

UKRAINE'S PARLIAMENT WEIGHS MAJOR GOVERNMENT OVERHAUL

KIEV: Ukraine's parliament was weighing yesterday whether to approve the resignation of embattled Prime Minister Arseniy Yatsenyuk as furious backroom talks raged about the makeup of a new pro-EU government. The volatile political situation in the former Soviet republic took a new twist when the man tipped to replace Yatsenyuk—condemned by President Petro Poroshenko for losing the public's trust—appeared to balk at his new assignment.

Yatsenyuk's days had seemed numbered since he survived a no-confidence vote last month that fractured the pro-Western coalition formed after a February 2014 revolution forced the ouster of Moscow-backed president Viktor Yanukovich. The 41-year-old premier joined the protests and made passionate pro-EU speeches during those turbulent days that changed the course of the country. But his party's approval ratings have slipped to around two percent due to a sense that he done little to overcome corruption or break the stranglehold on politics enjoyed by a handful of tycoons during Yanukovich's four years in office.

Yatsenyuk announced on Sunday he was quitting the post he had held since February 2014 — a 26-month span during which the economy imploded and a pro-Russian insurgency that has claimed nearly 9,200 lives broke out in the separatist east. Poroshenko's party had nominated parliament speaker Volodymyr Groysman to the premiership after deciding that the man known as a coalition builder could win broad support. The 38-year-old Poroshenko protege had seemed ready to take on the assignment on Monday afternoon.

"I am good for it. I am able to work 24 hours a day," Groysman told reporters. But two lawmakers said Groysman had decided to turn down the job when the president's party met on Monday evening to determine who should join the new team. They said Groysman refused to work with several of the figures named because they did not represent his reformist agenda or commitment to

austerity measures prescribed by the IMF under its \$17.5-billion (15.4-billion-euro) economic rescue loan. Release of new International Monetary Fund funds is not expected until Ukraine forms a stable new government that follows through on the belt-tightening pledges made when Yatsenyuk helped craft the deal in March 2014.

Poroshenko taking 'full control'

Poroshenko convened his party yesterday in a seemingly-successful bid to smooth over the differences and persuade Groysman to push ahead with his premiership candidacy. "This will be a government in which Groysman will have substantial influence but not enjoy complete control," presidential party member Sergiy Leshchenko told reporters. But it was not clear whether Groysman's appointment would be voted yesterday or whether he could secure the required majority of votes in the fractured chamber. Some analysts have expressed concern that Groysman's premiership would concentrate political power with the president and his inner circle. "Poroshenko is about to take full control of the government, but he is also narrowing his power base," Anders Aslund of the US-based Atlantic Council international affairs institute wrote in a report. "Groysman is clearly subordinate to Poroshenko."

Economists are also worried that Groysman's appointment could see Finance Minister Natalie Jaresko quit or be forced out. The US-born former State Department worker and private banker has been widely praised by the West for being able to pull together a crucial debt restructuring deal in August 2015. But some analysts said Jaresko would not want to serve under Groysman after she herself had volunteered for the premiership post. Poroshenko party member Mustafa Nayyem tweeted yesterday that Jaresko's place would be taken by Oleksandr Danylyuk—the president's current representative in the cabinet. Jaresko has made no public comments about the speculation. — AFP

FRANCE'S CATHOLIC TO TOUGHEN FIGHT AGAINST PEDOPHILE PRIESTS

PARIS: The Catholic Church in France was to unveil steps against pedophilia yesterday following a scandal over an archbishop accused of covering up for a priest who has admitted abusing boys. The episcopate is to announce the measures after a meeting of its executive body with a source close to the case telling AFP that there would be "concrete announcements, measures that are aimed at improving the consideration" of pedophile cases.

The case of Archbishop of Lyon Philippe Barbarin has re-opened the debate about pedophilia in the Church in France. Barbarin is the focus of two investigations on suspicion of promoting Bernard Preynat, a priest who has admitted sexually abusing scouts he was supervising in the Lyon area of central France more than 25 years ago.

Preynat was charged in January after confessing he had abused children. A group of victims has criticized Barbarin for failing to report Preynat to the authorities, even though he was made aware of the allegations against him in 2007. The diocese did not remove him from ministry until 2015.

Since the Preynat case has come to light, other allegations of sexual abuse by priests in the Lyon diocese have emerged. Barbarin, one of the highest-profile figures in the French Church, said

last month he had "never covered up paedophilia".

'We must cooperate'

Under increasing pressure, he has asked for "forgiveness" for what he called Preynat's "abominable crimes", but he still retains the support of the Vatican. It is the worst scandal to hit the Catholic Church in France since a bishop was convicted in 2001 for failing to report abuse. Another bishop came under attack last week when he refused to describe paedophilia as a "sin".

Stanislas Lalanne, the bishop of Poitiers outside Paris, later tried to clarify his position, saying "paedophilia, in every case, is objectively serious".

The president of the French bishops conference, Georges Pontier, wrote in Le Monde newspaper yesterday: "We understand better the depth of the hurt inflicted and we have not always done a good job of managing the cases in the best way. "We must cooperate fully with the judicial authorities and we must listen to the victims in an open and caring way." The Catholic Church has been rocked by sexual abuse scandals in recent years, especially in Ireland, the United States and Mexico. Pope Francis has said dealing with abuse is vital for the Church's credibility and that perpetrators must face "sanctions". — AFP

PANAMA SCANDAL FORCES UK TO OPEN UP ON TAXES

A SHIFT TO SCANDINAVIAN-STYLE OPENNESS

LONDON: The rush of revelations about British politicians' finances this week prompted by the Panama Papers leak marks a shift from traditional deference to Scandinavian-style openness, commentators say. Prime Minister David Cameron led the way by releasing a summary of his taxes for the past six years on Sunday and he told parliament that British leaders or "potential prime ministers" should do the same. Finance Minister George Osborne and London mayor Boris Johnson, both seen as possible successors to Cameron, quickly followed suit on Monday, along with main opposition Labour Party leader Jeremy Corbyn.

"Welcome to real democracy... Disclose or die," warned Matthew Parris, a former MP from Cameron's Conservative Party and columnist for the Times newspaper. "Times are changing. An era is upon us when trust and deference are gone," he said, foreseeing a time when all MPs will have to publish their tax details. "Tax is the new sex," Parris added—a reference to the frequent sex scandals beloved of British tabloids that shook up the political world in the 1990s. British MPs currently have to declare a range of financial interests to parliament every year but only if these could affect their political choices. They are not obliged to go into great detail on the amounts and only have to reveal shareholdings above £70,000 (£87,000 euros, \$100,000).

Loss of trust

Conservative lawmaker Jacob Rees-Mogg moaned it was "a pity that we have lost privacy" and said he expected that he too would soon have to publish his own tax return. "It's very clear



LONDON: Prime Minister David Cameron speaks at the Conservative party's spring forum in central London. — AP

that all MPs within a year or two will be publishing their returns and I'm not going to be the one holding out against that," he said in an interview with the BBC. "To some extent it is politicians' fault because we lost the trust of the public over the expenses affair." Revelations about expenses claimed by lawmakers caused a major scandal in 2009 and resulted in five members of the lower House of Commons and two members of the upper House of Lords going to jail for fraud.

Experts said the immediate political fallout from the current scandal would not be anything as serious and the calls from campaigners and some Labor MPs for Cameron to resign were unlikely to succeed. "It looks for the moment that David Cameron probably has drawn a line here and the story will now move on to the general issue of how much people earn, how much

he earns, how much other Conservatives earn and whether that somehow needs to be taxed more," London School of Economics professor Tony Travers said.

'Frenzy' on taxes

Cameron's image has, however, taken a beating from the delay in revealing that he held shares in his late father's offshore fund and received money from his parents that may have skirted inheritance tax. In the eyes of many observers, the disclosures have reinforced an image of Cameron and his inner circle as a rich Conservative elite governing for the rich. The left-leaning Daily Mirror tabloid yesterday called the revelations by pro-austerity Cameron and Osborne "grotesque" and ran a front-page story pointing out that Osborne personally benefited from a tax cut for the wealthy that he himself enacted. "We are not and never were 'all in it together' as this wealthy pair pretended," it said in an editorial.

The Guardian said Cameron "will find it harder to shake off the sense that he embodies a privileged class who benefit most from offshore tax regimes". The Financial Times pointed to the full transparency in Norway, Sweden and Finland but warned about the current "frenzy" surrounding British politicians' tax affairs and called for "a sense of proportion". William Hague, a former Conservative leader, said it would now be "very difficult" to resist disclosure. "We live in an age where digital technology and a lack of trust in government, internationally, come together to demand greater transparency all the time," he said. — AFP

ALARMING RISE IN CHILD SUICIDE BOMBERS USED BY BOKO HARAM

LIBREVILLE: The number of children used by Nigeria's Boko Haram to stage suicide bombings has risen more than 10-fold in one of the most "horrific" aspects of the Islamist insurgency, the United Nations said yesterday. Experts said the group, which has been weakened by a multinational military offensive, is now trying to spread terror by using children for attacks in crowded markets, mosques and even camps for people fleeing Boko Haram violence. This has had disastrous consequences for children, especially girls, who had survived captivity and sexual violence by Boko Haram, said a report by UN children's agency UNICEF. "The number of children involved in 'suicide' attacks in Nigeria, Cameroon, Chad and Niger has risen sharply over the past year, from four in 2014 to 44 in 2015," UNICEF said.

More than 75 percent of the children involved in such attacks are girls, it added. "Let us be clear: these children are victims, not perpetrators," said Manuel Fontaine, UNICEF regional director for west and central Africa. "Deceiving children and forcing them to carry out deadly acts has been one of the most horrific aspects of the violence in Nigeria and in neighboring countries," he said. The report was released two years after Boko Haram kidnapped 276 teenagers in the dead of night from the small town of Chibok in northern Nigeria. A total of 219 students are still missing.

Disturbing trends

The report, entitled "Beyond Chibok", said alarming trends have surfaced after Boko Haram started attacking countries neighboring Nigeria. "Between January 2014 and February 2016, Cameroon recorded the highest number of suicide attacks involving children (21), followed by Nigeria (17) and Chad (two)," it said. During the same period, nearly one in five suicide bombers was a child and three quarters of them were girls. Last year, children were used in one out of every two attacks in Cameroon, one out of eight in Chad, and one out of seven in Nigeria. UNICEF said the number of Boko Haram suicide bombings had increased from 32 in 2014 to 151 last year. "The calculated use of children who may have been coerced into carrying bombs, has created an atmosphere of fear and suspicion that has devastating consequences" for them, it said. "As 'suicide' attacks involving children become commonplace, some communities are starting to see children as threats to their safety," said Fontaine. "This suspicion towards children can have destructive consequences; how can a community rebuild itself when it is casting out its own sisters, daughters and mothers?" he said.

An estimated 20,000 people have been killed since Boko Haram launched its campaign of violence in 2009 to carve out a hardline Islamic state in northeast Nigeria. More than 2.6 million people have fled their homes since, but some of the internally displaced have recently begun returning after the Nigerian military captured swathes of territory back from the insurgents. — AFP



MINAWAO, Cameroon: A handout photo shows fifteen-year-old Nigerian refugee Fati (not her real name) walking with her mother while carrying her sister at the Minawao refugee camp in Northern Cameroon. Fati was abducted by Boko Haram and given to a man and forced to be his wife during her four months in captivity. — AFP

BELGIUM CHARGES TWO NEW BRUSSELS ATTACKS SUSPECTS

BRUSSELS: Belgium has charged two new suspects over last month's deadly Brussels airport and metro attacks, as police pursue the investigation "night and day", the federal prosecutor's office said yesterday. A statement said Small F and Ibrahim F were "charged with participation in the activities of a terrorist group, terrorist murders and attempts to commit terrorist murders, as a perpetrator, co-perpetrator or accomplice." The prosecutor said there were "indications" the two men could be linked to the rental of an address in the Etterbeek district of Brussels which was raided last week.

At the time, police said they found nothing of interest there but reports suggested that two men—including Khalid El Bakraoui, who later blew himself up in the Maalbeek metro station—may have stayed or used the address. The second man, later identified as Swedish national Osama Krayem, was seen on CCTV with Khalid at a nearby metro station on March 22, apparently also carrying a rucksack bomb. Khalid then got on the metro, travelling to Maalbeek station near the European Union headquarters district in Brussels. Krayem was arrested last week and charged with terror offences.

The federal prosecutor gave no further details in yesterday's statement about Small F and Ibrahim F, citing the need for secrecy "in the current state of the investigation which is continuing actively, day and night." The airport and

metro bombings killed 32 people in Belgium's worst terror attack which was claimed, like the attacks in Paris in November, by the Islamic State (IS) group. — AFP



In this Belgian Federal Police hand out picture, the third suspect of the recent attack on Brussels airport is shown during his escape from the airport after the blasts. — AP