Breadwinners: French beggar gets a life after saving one

DOLE, France: French baker Michel Flamant, who owes his life to the homeless man who begged for handouts outside his bakery, knows more than anyone that man does not live by bread alone.

To show his gratitude, Flamant is selling the business in the eastern town of Dole to Jerome Aucant for a symbolic one euro. The corpulent Flamant, who wears a tank top and shorts to help him cope with the heat of his bread ovens, says he has always had a big heart despite his "piggish character".

In fact, long before the fateful day in December when he nearly died from carbon monoxide poisoning, he would greet Aucant every morning with a cup of coffee and a croissant. "If Jerome wasn't around that day I would have been a goner," the 62-year-old Flamant said, recounting how a defective bread oven began leaking the odorless, lethal gas.

When Aucant noticed Flamant begin to stagger around the bakery, he called the emergency services.

The poisoning landed Flamant in the hospital for 12 days. Back at work, the baker initially offered Aucant, 37, a part-time job. He soon realized how well the tattooed, dreadlocked homeless man applied himself. "And I'm demanding. The work has to be done as I say and that's that!" the white-haired Flamant said as he lined up baguettes on an oven tray.

He said he loves teaching people like Aucant who are "smart enough to listen to my advice". The garrulous Paris native says that as a child he thought he would be a truck driver when he grew up. But his father put him to work in the family bakery when he was 14 and the job pleased him. His companion minds the till on the ground floor while he makes bread, croissants and pastries in the basement from midnight to noon, six days a week.

'I don't care about money'

Flamant, whose three daughters are not interested in taking over the business, had been trying to sell it for the past two years. Then it dawned on him to cede the bakery to Aucant for a token one euro.

"What's more important, money or life? I don't care about money. I'm not rich but I don't care. I want to be free, I want to take it easy now. And also, if this makes him happy..." Flamant has taken Aucant under his wing until September when he will retire and hand over the keys.

After that, "It will be up to him to make it work," Flamant said. "Jerome is a hard worker and he wants to succeed. He deserves a chance." Aucant, who has shorn his dreadlocks, revels in his new work.

"I want to work and the hours don't put me off," he said. Aucant, with little previous work experience besides occasional seasonal stints at funfairs, is fully aware of the responsibility he will be taking on.

"I have to be 100 percent on the job," he said, adding: "Michel has given me a real gift, and now... I want to be worthy of it." Flamant, sitting on a stack of plastic crates to rest his arthritic legs, said for his part: "I've made bread all my life, now I'm tired." — AFP

Germany: ECB policy causing 'extraordinary problems'

BERLIN: The European Central Bank's record low interest rates are causing "extraordinary problems" for German banks and pensioners and risk undermining voters' support for European integration, Finance Minister Wolfgang Schaeuble told Reuters.

But the veteran minister said it would be wrong to blame the ECB entirely for this situation, stressing that central banks alone should not be relied on to restore economic growth and calling instead for Europe to press on with structural reforms. Politicians from Chancellor Angela Merkel conservative camp, to which the finance minister belongs, have complained the ECB's ultra-low rates are creating a "gaping hole" in savers' finances and pensioners' retirement plans as returns have dropped. Schaeuble suggested they risked fuelling the rise of euroscepticism in Germany, where voters flocked to the right-wing Alternative for Germany in state elections last month.

"It is undisputable that the policy of low interest rates is causing extraordinary problems for the banks and the whole financial sector in Germany," said the 73-year-old. "That also applies for retirement provisions." "That is why I always point out that this does not necessarily strengthen citizens' readiness to trust in European integration," he added in an interview. A storm of protest erupted in thrifty Germany after ECB President Mario Draghi last month described the idea of so-called helicopter money - sending money directly to citizens - as a "very interesting", if unexamined, concept.

Schaeuble, who said he stays in close contact with Draghi, said he would be amazed if the central bank was seriously considering such a policy. "I don't have the impression that serious discussions are taking place within the ECB on this," he said.

He said it would be wrong to blame the ECB entirely for growing euroscepticism in Germany, repeating his reform mantra: "Policies in Europe must create conditions through structural reforms to better solve problems." Such structural reforms include measures such as making labour markets more flexible and reducing public-sector bureaucracy.

NO GREEK DRAMA

Turning to Greece, Schaeuble said he saw no need for debt restructuring. "The agreements of last summer are clear: if the first program review is completed successfully and then the need still arises to do something about debt sustainability, then we will talk about it," he said. "So far, I cannot discern from the debt-sustainability analysis a need for debt restructuring."

"I currently see no need for that," he added. International Monetary Fund chief Christine Lagarde denied this month that her organization would push Greece closer to default as a negotiating tactic following reports of a leaked transcript suggesting the IMF may threaten to leave the bailout to force European lenders to offer more debt relief.

"The IMF's participation in the program is agreed," Schaeuble said. "We definitely won't let ourselves be blackmailed. We stand by the agreements but others must too."

Greece and its international lenders adjourned bailout review talks yesterday, potentially delaying a crucial cash handout to the debt-stricken nation, and will resume them immediately after this week's IMF spring meetings. Schaeuble said a review of Athens' compliance with the bailout would be discussed on the sidelines of meetings of the IMF and Group of 20 leading economies in Washington this week and that an agreement seemed possible by the end of April.

"I am quite sure that we will reach an amicable settlement. We will not again be confronted with a Greece crisis this year," he said. "Nobody is demanding that Greece has to implement everything to the exact letter," he said, but added: "The overall result must add up and the agreed requirements correspond to those agreed last summer." "It is important that Greece does not keep questioning that which we have agreed together. That is not how one builds trust." —Reuters

BRUSSELS: Activists of the non-government organizations 'Oxfam' and 'Transparency International' perform as clients of Offshore companies during a protest in front of the European Commission headquarters in Brussels yesterday. — AFP

EU urges public disclosure of multinationals' tax data

After Panama leaks, proposal changed to cover tax havens

BRUSSELS: Large companies would have to publicly disclose tax and financial data under proposals the European Commission put forth yesterday, in an effort to eliminate tax schemes costing European Union states billions of euros in lost tax revenues.

The EU executive's proposal is part of a broader plan to counter tax avoidance triggered by the LuxLeaks scandal in 2014, which exposed deals by multinationals with EU authorities to reduce their tax bills. "By using complicated tax arrangements, some multinationals can pay nearly a third less tax than companies that only operate in one country," EU Financial Services Commissioner Jonathan Hill said in a statement. "Our proposal to increase transparency will help make companies more accountable."

A European Parliament study showed that corporate tax avoidance costs EU countries 50 billion to 70 billion euros in lost revenues every year. The Commission had initially planned to impose so-called country-by-country reporting only for companies' activities in each of the 28 EU states.

But under pressure after the recent Panama Papers leaks, it made a last-minute change to its proposal, requiring corporations to disclose tax data also in jurisdictions deemed as tax havens - although EU states have never agreed on a common list of tax havens.

Corporate operations in the rest of the world will have to be reported as a single item. The plan concerns only companies with an annual turnover of at least 750 million euros ($856.65 million) and with activities in the EU. Non-EU firms will also be required to publish a tax report if they have a subsidiary in an EU country.

Data to be made public on a country-by-country basis include tax paid and tax accrued, profits, turnover, earnings and number of employees. EU states and the Parliament need to approve the Commission's proposals to turn them into law.

BETWEEN TWO FIRES

The proposed measures raised concerns among anti-corruption campaigners, who accused Brussels of being too soft on tax evasion. Business associations warned that the plan would damage EU companies. "We do not wish to see the EU become a destination which businesses consider too reputational risky and administratively burdensome in which to invest," said Chas Roy-Chowdhury, head of tax at ACCA, a global accounting body.

He called for limiting disclosures to tax authorities, avoiding a general public display.

"Competitors will acquire sensible information on the structure and margins of a company due to the obligation of reporting", said Markus Kerber, chief of the German industry association BDI. Centre-right lawmakers shared those concerns. But tax transparency activists and centre-left lawmakers accused the Commission of not going far enough. Advocacy group Oxfam held a demonstration on Tuesday against tax havens in the EU district in Brussels, calling for the disclosure of tax information in all countries where companies operate.

"The Commission is only proposing reporting obligations for firms' activities in a restricted list of countries, mainly within Europe, with crucial countries like the US and Switzerland excluded," EU Green lawmaker Molly Scott Cato said. "Unless the reporting obligations cover all countries, it will be impossible to find out if and how firms are channelling funds to tax havens," she said. — Reuters

PARIS: French Finance Minister Michel Sapin (L) and Junior Budget Minister Christian Eckert attend a press conference on 2016 income tax declaration at the Economy ministry in Paris yesterday. — AFP

French bank boss to face Senate over Panama Papers

PARIS: The head of Societe Generale yesterday rejected accusations he misled parliament about the French bank's tax haven ties and agreed to answer Senate questions prompted by the Panama Papers revelations on the secretive world of offshore finance.

Chief Executive Frederic Oudea and his bank have been thrust to the fore of a controversy over usage of tax havens since an investigative news syndicate this month exposed leaked documents on the activities of Panama law firm Mossack Fonseca. The reports, based on 11.5 million leaked documents, put SocGen near the top of a global list of banks that created hundreds of thousands of shell companies in Panama and other offshore financial centres between 1977 and 2015 — with a total of 979 created by the French bank.

At issue are accusations by senators that Oudea misled them when he told a Senate committee in 2012 that his bank had closed operations in Panama and other tax havens identified as overly secretive or short of international transparency standards.

Following a meeting with the head of the Senate's finance committee, Oudea told the Senate's TV station, Public Senat: "I told her I answered with the utmost sincerity to all the questions of the Senate committee of inquiry in 2012." Senate Finance Committee President Michele Andre said Oudea would face a public Senate hearing in May to get to the root of the matter - a potentially abrasive session that the bank executive himself said he was willing to attend. Oudea was summoned to meet Finance Minister Michel Sapin last week and tax police raided SocGen offices. He and Didier Valet, head of corporate and investment banking, private banking and asset management, also met French unions on Monday to answer questions about the Panama Papers.

Ahead of yesterday's meeting with the head of the Senate's finance committee, a Senate statement said: "The information revealed by the Panama Papers showed that several financial institutions made use of offshore companies, for their own account or for clients, that may have been used to hide certain assets or operations in so-called non-cooperative territories, possible for tax reasons."

In an official response to the Panama Papers' revelations about it, SocGen issued a statement on April 4 saying it had closed its establishments in Panama and other havens. That was followed by an interview in which Oudea told French newspaper Le Figaro that SocGen abided by all the rules of the countries in which it operated.

The Senate has already slated a meeting of its cross-party steering committee for April 28 to broach the matter after accusations by politicians that Oudea misled them.

Their claims centre on a declaration in a Senate hearing on April 17, 2012 in which, according to an official transcript, Oudea said his bank had closed operations in locations named in an OECD "grey list" of bank centres deemed as lacking transparency.

The news syndicate behind the Panama Papers revelations says it will release more information in May but has so far not given detail of the precise years in which SocGen created or closed shell companies. Data released refer globally to the period 1977 to 2015 for a whole range of banks. — Reuters

Greece and lenders pause crucial bailout review talks

ATHENS: Greece and its international lenders adjourned bailout review talks yesterday, potentially delaying a crucial cash handout to the debt-stricken nation, and will resume them immediately after this week's IMF spring meetings.

Greece's review of progress, under a bailout deal reached last July, has dragged on for months, largely due to differences among the lenders over its projected fiscal shortfall by 2018 and resistance from Athens over unpopular measures. Athens signed up to a new bailout worth up to 86 billion euros ($98 billion) last year, its third international rescue package since 2010.

A positive review will unlock up to 5 billion euros in bailout aid which Athens needs to repay 3.5 billion euros to the International Monetary Fund and the European Central Bank in July, as well as unpaid domestic bills. Mission leaders of European institutions and the IMF will return to Athens after the April 15-17 IMF meetings in Washington with a view to concluding an agreement by April 22, when euro zone finance ministers are scheduled to meet, Finance Minister Euclid Tsakalotos told reporters.

"The Greek government and the four institutions agreed there was progress," Tsakalotos said, referring to European institutions and the International Monetary Fund. Tsakalotos will also travel to Washington for the meetings.

European Union institutions and the IMF are at odds over the primary surplus Greece could hope to achieve by 2018 - the EU sees the balance at 3.5 percent of national output. The IMF says that forecast is too optimistic and says it will be closer to 1.5 percent of GDP. With Athens itself, divergences hinged on the depth of pension reform and regulating non-performing loans, particularly those involving primary home mortgages. Reflecting growing uncertainty over the review, Greek bank shares dropped almost five percent by mid-session. "The negotiation with the lenders should have been concluded long ago," government spokeswoman Olga Gerovasili said, adding that Athens' proposals were comprehensive but the IMF stance was not helping reach a deal.

"Greece has categorically stated that it will meet to the letter the July (bailout) agreement, and underlines all those involved in the negotiations should do the same," she said. — Reuters

PANAMA CITY: Panamanian law firm Mossack Fonseca lawyer Elias Solano walks outside the offices building after members of the Public Prosecutor office inspected the place in Panama City on Monday. — AFP

Investigators visit Panama Papers law firm's office

PANAMA CITY: Panamanian prosecutors have visited the offices of the Mossack Fonseca law firm to look into its allegations that a computer hacker was behind the leak of a trove of financial documents about tax havens the firm set up to benefit influential people around the globe.

Public ministry spokeswoman Sandra Sotillo said the Monday visit to the offices of Mossack Fonseca was made by investigators from the intellectual property prosecutor's office.

The firm filed a complaint charging the security breach shortly before media reports appeared last week using the documents to detail how politicians, celebrities and companies around the globe were hiding assets in offshore bank accounts and anonymous shell companies.

"Finally the real criminals are being investigated," firm co-founder Ramon Fonseca said in a message to The Associated Press. Fonseca has maintained that the only crime which can be taken from the leak was the computer hack itself. He has said he suspects the hack originated outside Panama, possibly in Europe, but has not given any details.

Panama's government has said it will cooperate with any judicial investigation arising from the documents. Some critics of the government have called for a rapid investigation of the law firm, which is one of the most important in the world for creating overseas front companies.

Panamanian President Juan Carlos Varela has defended the country's financial sector, which is considered of strategic importance for the economy. But Varela has also promised the international community that he is willing to make reforms to make the sector more transparent. — AP