

WorkFlow

#visualizingthecrisis

In Haven Everything is Fine

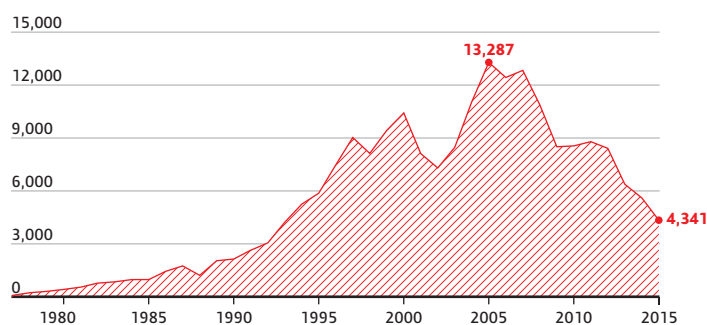
Borders are becoming less relevant to many of us, in a world of rapidly developing networked communication. But some events of the last weeks remind us how much **borders still matter**: in **ISSUE 05** we reported the critical condition of the refugees and migrants that had to returned to Turkey, their point of entry to the EU, under a new policy.

This week we focus on the revelations and consequences of **Panama Papers**, the history's biggest **data leak** from the database of the offshore law firm Mossack Fonseca, that contains evidence that some of the world's richest people have used national borders to shield chunks of their massive wealth from other countries' **taxing authority**.

"It's a sad world where the wealthy go shopping for passports while refugees drown in the Mediterranean."

Suzanne McGee, The Guardian

Offshore companies created since 1977



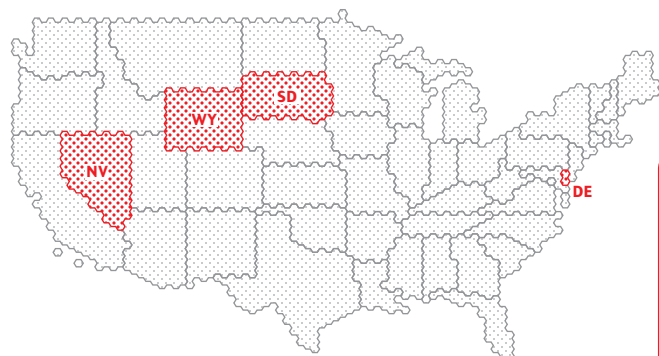
The number of companies created by Mossack Fonseca had a relevant decline in the last decade.

Just 4% of US Wealth is Held Offshore

oh, nice! is it?

US is the World's Favorite New Tax Haven

By resisting new global disclosure standards, the US is creating a hot new market, becoming the go-to place to stash foreign wealth.



Switzerland is so Last Century

Everyone from London lawyers to Swiss trust companies is getting in on the act, helping the world's rich move accounts from places like the Bahamas and the British Virgin Islands to Nevada, Wyoming, South Dakota and Delaware.

"Unlike the secrets exposed by the Panama Papers, big US tax dodging is done in full public view."

Matt Phillips, Quartz

2014
\$2.05t
US Tax Revenue

Panama Papers

Tax Evasion

Evasion is an illegal practice where individuals, corporations or trusts dodge paying their true tax liability.

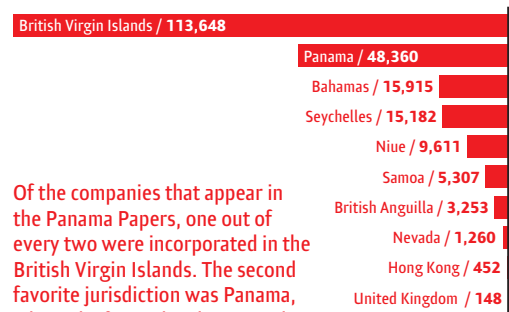
Tax Avoidance

Tax avoidances are a legal actions taken to lessen tax liability and maximize after-tax incomes.

Bloody Money

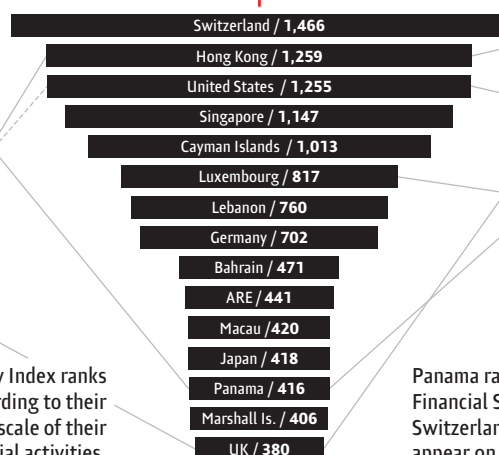
Some companies who have used offshore tax havens were accused of supplying fuel to the Syrian Air Force. The investigation reveals that the Panamanian firm helped these companies operate as attacks in Syria continued.

Most Popular Tax Havens in the Panama Papers



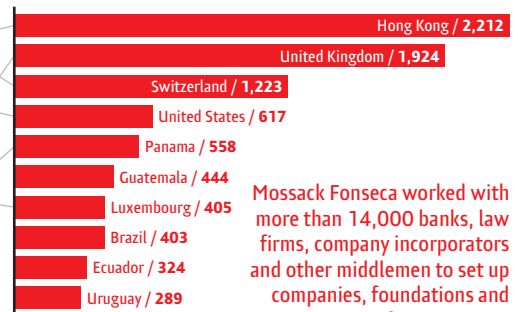
Of the companies that appear in the Panama Papers, one out of every two were incorporated in the British Virgin Islands. The second favorite jurisdiction was Panama, where the firm is headquartered.

Financial Secrecy Index 2015 Results



The Financial Secrecy Index ranks jurisdictions according to their secrecy and the scale of their offshore financial activities.

Top Countries Where Intermediates Operate



Mossack Fonseca worked with more than 14,000 banks, law firms, company incorporators and other middlemen to set up companies, foundations and trusts for customers.

Global Offshore Wealth



Share of Financial Wealth Held Offshore 0 100%

\$7,600b
Total Amount

which means

\$190b
Total Tax Revenue Loss

According to "The Hidden Wealth of Nations", a recent book by Gabriel Zucman, economist at the University of California, Berkeley, tax evasion costs governments approximately \$190 billion per year.

Dodges Have Real-World Impact

Let's make this simple and clear: tax evasion means less money for schools and roads, more money for drug barons and worse.

British Housing Market

In England and Wales, where most young people can't afford to buy a home, more than 90,000 properties are listed in the Land Registry to overseas owners, at least 75,000 of which are owned by companies or individuals registered in tax havens.

OECD Standards

Since 2014, 97 jurisdictions have agreed to impose new disclosure requirements for bank accounts, trusts, and some other investments held by international customers. Of the nations the OECD asked to sign on, only a handful have declined: Bahrain, Nauru, Vanuatu — and the United States.

how to stop this?

Financial Transparency

There is still a complete lack of financial transparency in several tax havens around the world. We need to create a unified global register of financial securities. This involves putting Central Depositories under public control.

The Future of Journalism

Investigative Journalism

Printed Press is Withering

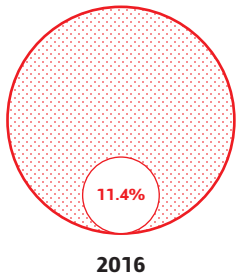
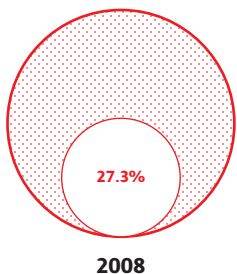
The spread of Internet and digital communication tools has had heavy implications on traditional journalism. Publishing a daily or weekly newspaper required to a lot of money and this were once mainly guaranteed by the advertising. But things have changed now.

Example: @Daily Mail

Price of a color double page:
€ 105,000

Price of a banner on the website:
€ 28 /per thousand views

Advertising Market Covered by the Press



In the last years the coverage of printed press in the advertising market has dropped to 11.4%, while Google had a €44.5m income with ads in 2015. For publishers the only solution is to charge for web content through paywall. Meanwhile the Guardian, which has a great free website, has seen its sales fall, losing €72.2m.

Reactions of Implicated Countries

Russia
Putin denounces Panama Papers as a US plot to destabilize Russia. "The easiest way to do so is to induce some mistrust to authorities within the society" Putin said, adding that the creators of the leak aimed at the unity of the multiethnic Russian people.

China
All mentions of Panama Papers were banned from Chinese websites and newspapers.

Iceland
A petition of 16,000 signatures and the power of newspapers have allowed the resignations of the First Minister Gunnlaugsson.

France
French president Francois Hollande welcomed the revelation of Panama papers: "I can assure you that investigations will be conducted".

Italy
The Italian IRS will investigate the 800 Italians that appeared in tax havens files.

A New Direction for Investigative Reporting

The investigation requires a lot of time and is a type of reporting among the most expensive. Nevertheless some new online tools are gradually allowing reporters to uncover, distribute and display data in fastest and least expensive ways.

the outcomes

Cross Border Cooperation

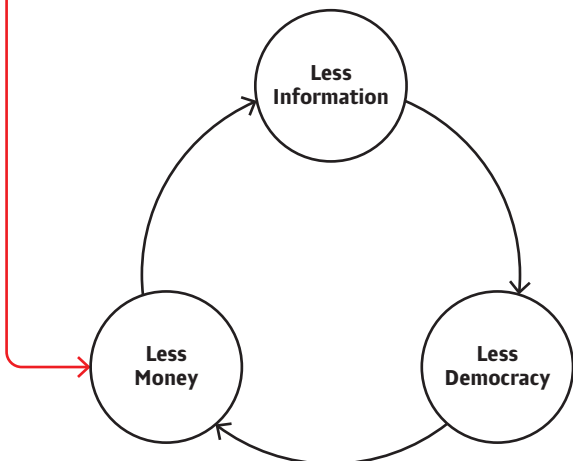
New web platforms allow to connect journalists and reportes working in the same field and helping each other to get information from local registries and databases.

Data Journalism

This ambit of journalism has made on the basis of the analysis of digitized data of different nature, making possible to tell stories that otherwise would be really difficult.

Encryption and Anonymity

There are new fundamental tools, that have become more widespread and easy to use, making it safer in some ways than ever before for sources to reach out to journalists across the globe.



Panama Papers: the Making Of

The investigation was conducted by the Süddeutsche Zeitung and the International Consortium of Investigative Journalists, a global network of investigative journalists who collaborate on in-depth investigative stories.

76 countries

109 media orgs

376 journalists

John Doe:
Hello. This is John Doe. Interested in data?

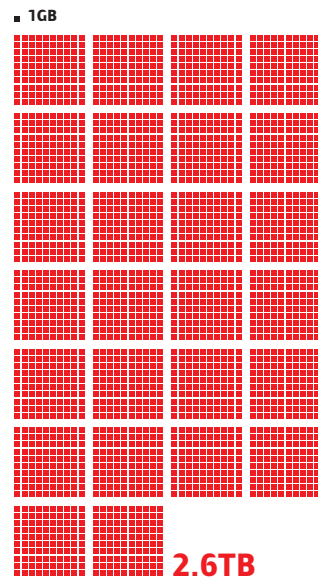
Süddeutsche Zeitung:
We're very interested.

John Doe:
There are a couple of conditions. My life is in danger. We will only chat over encrypted files. No meeting, ever. The choice of stories is obviously up to you.

"Unfortunately the leaker has made the dreadful mistake of turning to the western corporate media to publicise the results. In consequence the first major story, published by the Guardian is all about Vladimir Putin. But why focus on Russia? Russian wealth is only a tiny minority of the money hidden away with the aid of Mossack Fonseca. In fact, it soon becomes obvious that the selective reporting is going to stink."

Craig Murray, author and human rights activist

The History's Biggest Leak



The leak includes more than 11.5 million files, for a total of 2.6 terabytes of material. But the full package of data has not been shared yet.

"We're not WikiLeaks. We're trying to show that journalism can be done responsibly."

Gerard Ryle, ICIJ director

Ryle says that the media organizations have no plans to release the full dataset, WikiLeaks-style, which he argues would expose the sensitive information of innocent private individuals.

WikiLeaks Survey Results

WikiLeaks
@wikileaks

Should we release all 11 million #PanamaPapers so everyone can search through them like our other publications?
1:40 AM - 4 Apr 2016

95% Yes, make them searchable

5% No, let media cherry pick

92,986 votes • Final results

8,992 4,747

A Brief History of Leaks

Cablegate
1.7GB – WikiLeaks (2010)

Classified cables that had been sent to the US State Department by 274 of its consulates, embassies, and diplomatic missions around the world.

Offshore Leaks
260GB – ICIJ (2013)

Investigation based on a cache of 2.5 million secret records about the offshore assets of people from 170 countries and territories, obtained by ICIJ's director.

Luxemburg Leaks
4GB – ICIJ (2014)

Investigation based on confidential information about Luxembourg's tax rulings set up by PwC from 2002 to 2010 to the benefits of its clients.

Swiss Leaks
3.3GB – ICIJ (2015)

Investigation on a giant tax evasion scheme allegedly operated with the knowledge and encouragement of the British multinational bank HSBC via its Swiss subsidiary.

Flash News on News

1 Philippines

The Philippines is one of the most dangerous places in the world to be a journalist, especially if you're in talk radio. According to the Philippine Center for Media Freedom and Responsibility, at least 168 journalists have been killed since 1986, when the Marcos dictatorship fell and democracy was restored.

2 China

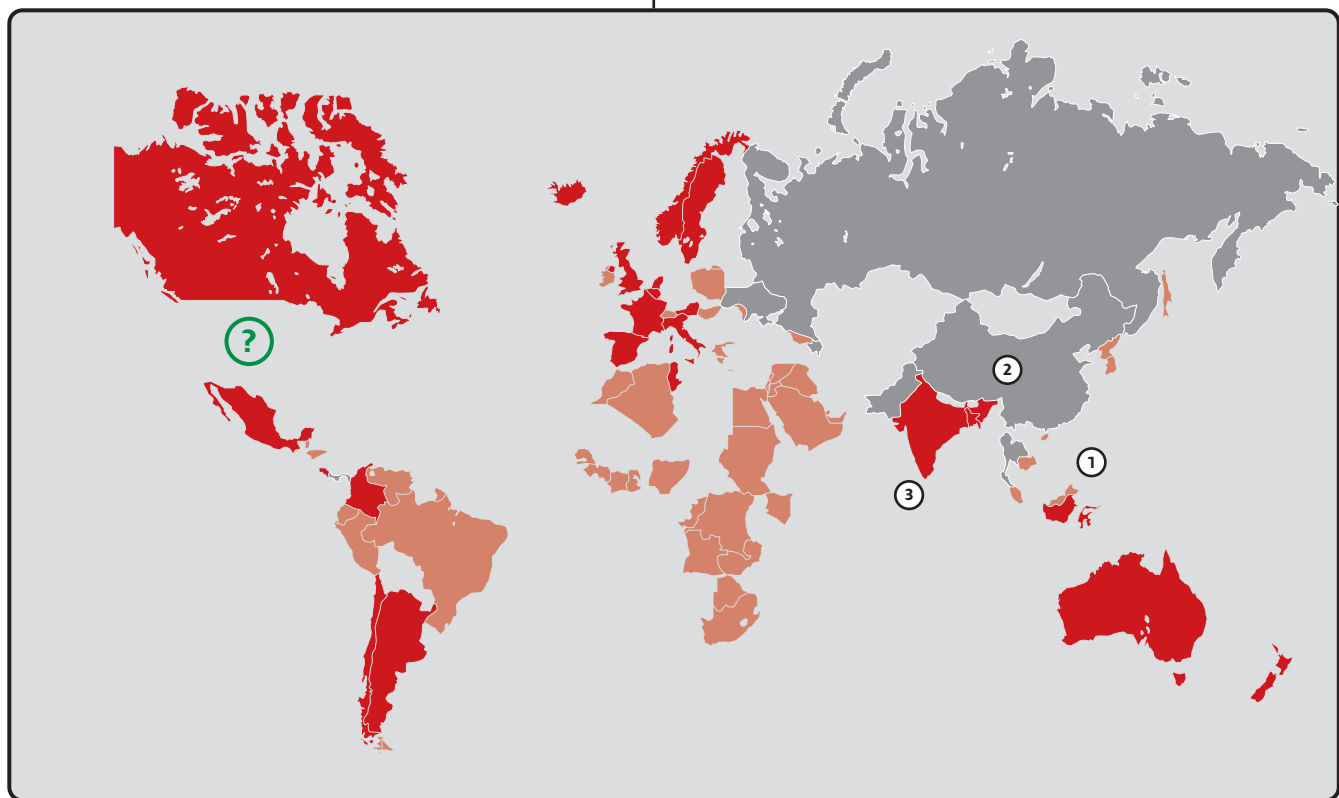
29 Mar 2016

You Shaolei, the director of the Southern Metropolis Daily, a Chinese daily tabloid newspaper published in Guangzhou, resigned denouncing the increasing control of the media under the current President Xi Jinping.

3 Maldives

3 April 2016

The police intervened violently against a group of journalists who had staged a sit-in outside the office of President Abdulla Yameen; the reasons were different and linked to restrictions on press freedom in the archipelago.



Impressum

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