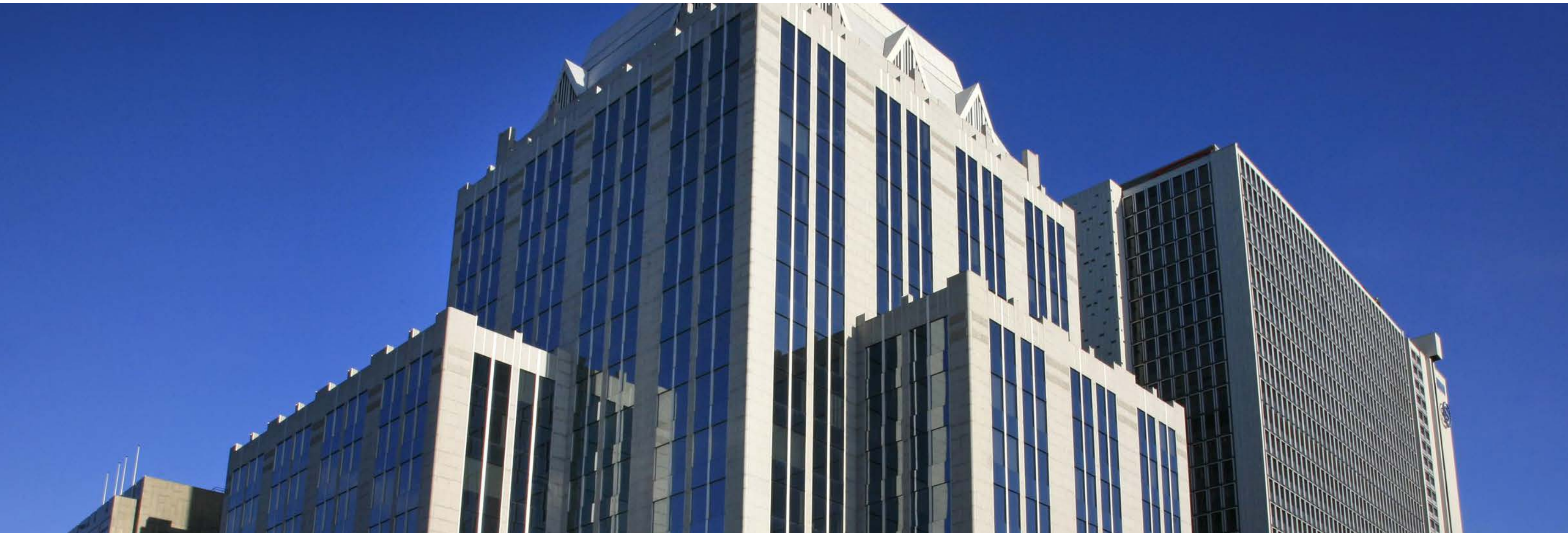


INTERNATIONAL

RISK CONGRESS

2022

“Combating Financial Economic Crime”



International **RiskCongress** - Friday **29 April** 2022

Keynote

OFFSHORE
kenniscentrum 

Misuse of Offshore Companies



Jan van Koningsveld

Speaker

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The misuse of offshore companies

mr. dr. T.J. (Jan) van Koningsveld

This presentation is made for The Risk congress, Brussels Friday 29 April 2022



About mr. dr. T.J (Jan) van Koningsveld

Work

- Offshore Knowledge Centre (2010 - present)
- Investigator FIOD (1986 - 2010)

Projects

- MvF ML risks in the gambling sector (2020)
- University of Northumbria (2019)
- Supervisory commission NRA2 (2019)
- EU Coffers Tax crimes & Money laundering (2018)
- Parliamentary inquiry fiscal constructions (2017)
- Ministry of Foreign Affairs: tax avoidance by mining companies (2016)
- Worldbank The Puppet Masters (2011)
- FATF Misuse of corporate vehicles (2006)
- FIU-NL, Politie Academie, ING, Volksbank, DNB, BFT, Europol, Erasmus Universiteit, IBFD, AFM, KPMG

Education

- Phd - Universiteit van Tilburg (2015)
- Laws - VU (1996)
- Fiscal (criminal)law - UvA (2001)

Publications

- NCI, Aggressive tax planning en CDD (2022)
- NCI, Paradise papers: Incident of trend (2018)
- The offshore world: nebulous finances (2017)
- TvC, Speciaal themanummer Compliance & offshore (2017)
- WODC, crime money, money laundering & recovery (2015)
- Handbook Money Laundering, The phases (2013)



Did you know that.....?

- ✓ Offshore companies biggest threats for money laundering (NRA)
- ✓ 50% of all transactions are related with offshore entities
- ✓ In 54% of all criminal cases offshore companies are involved
- ✓ 1/3 of all the assets in the world are placed offshore
- ✓ Offshore companies were used in 70% of all corruption cases

With almost 100% certainty offshore will impact your work

Some offshore Leaks: Incident of trend?

Year	Name	Type institution
2001	KBLux	Kredit Bank Luxemburg
2007	UBS	Bank Zwitterland
2013	Offshore Leaks	TCSP
2014	Lux Leaks	Tax advisor PWC
2015	Swiss Leaks	HSBC Private Bank Zwitterland
2016	Panama Papers	TCSP: Mossack & Fonseca
2016	Bahama Leaks	Company Registry
2017	Football Leaks	Rui Pinto
2017	Credit Suisse	Swiss bank
2017	Paradise Papers	Offshore Law firm Appleby Bermuda
2018	Dubai Leak	Property records Landregistry Dubai
2019	Mauritius Leaks	Law firm: Conyers Dill & Pearman
2019	Troika Leaks	Banks from Lithuanian
2020	Luanda leaks	Isabel Dos Santos
2020	Cyprus Leaks	Cyprus Investment program: Al Jazeera
2020	FinCen Files	Financial Crimes Enforcement Network USA
2021	Pandora Papers	14 TCSPs
2022	NEXT????	



FIU sees **increase of offshore reports**

FIU-Netherlands was seen an increasing trend in recent years in the number of reports about offshore companies



Financial Intelligence Unit -
the Netherlands

Offshore Financial Market

Supply

- ✓ Tax Havens/Offshore Financial Centers
- ✓ Financial institutions
 - Banks
 - Lawyers
 - TCSPs

Demand

- ✓ Multinationals
- ✓ Medium & small sized comp
- ✓ HNWI / PEPs
- ✓ Artist & Sports world
- ✓ Criminals & money launderers

Products & Services

Products & Services

- 1 Incorporation and sale offshore entities
- 2 Offshore banks and non-resident bank accounts
- 3 Nominee services
- 4 Bearer shares
- 5 Registered office/agent
- 6 Ship and aircraft registration
- 7 Free (trade) Zones & E-zone
- 8 Sale of (golden) passports

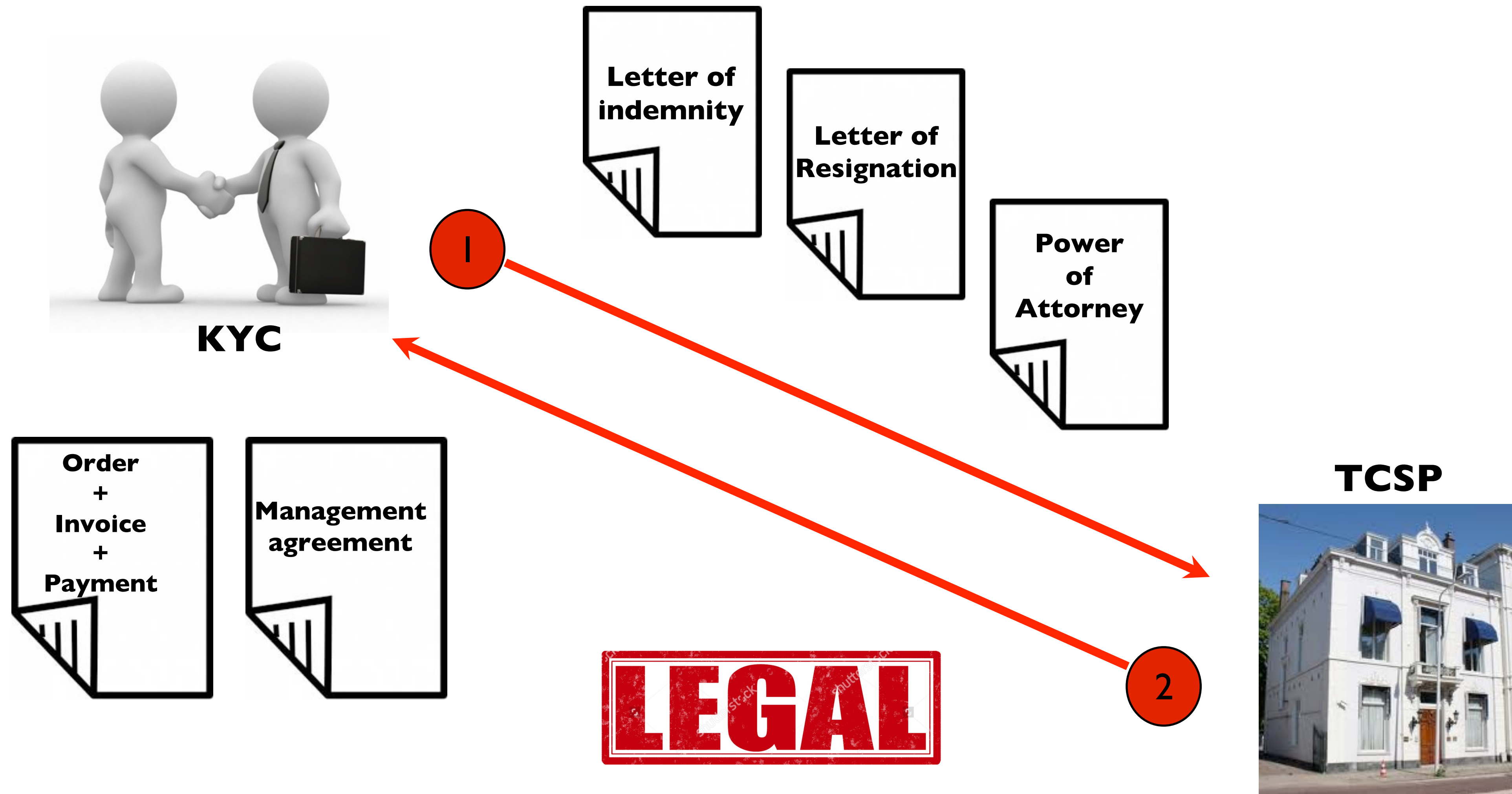


Spotlight on the nominee services

How does this system works?

OECD, The use of nominees is one of the most common methods for tax fraud and money laundering'

How does the system of nominee services **works?**



Some nominee directors

Nominee directors						
Director	Country of operation	BVI companies	UK companies	Irish Companies	New Zealand companies	Total
Alastair Matthew Cunningham	Cyprus	33	765	230	11	1,039
Andrew Moray-Stuart	Mauritius	214	36	43	4	297
Brenda Patricia Cocksedge	Mauritius	132	522	50	5	709
Christina Van Den Berg	Mauritius	18	360	7	4	389
Colin Peter Bradford	UK	44	11	-	-	55
Damian Calderbank	Dubai	229	430	44	5	708
David Bird	Cyprus	16	32	45	-	93
Edward George Frank Cocks	UK	190	-	-	-	190
Edward Petre-Mears	Nevis	150	795	65	16	1,026
Elizabeth Fox	Dubai	71	28	10	3	112
Geoffrey Taylor	Vanuatu	142	37	-	-	179
Ian Taylor	Vanuatu	149	405	-	-	554
James Grassick	Sark	9	679	3,508	-	4,196

The wall of offshore companies

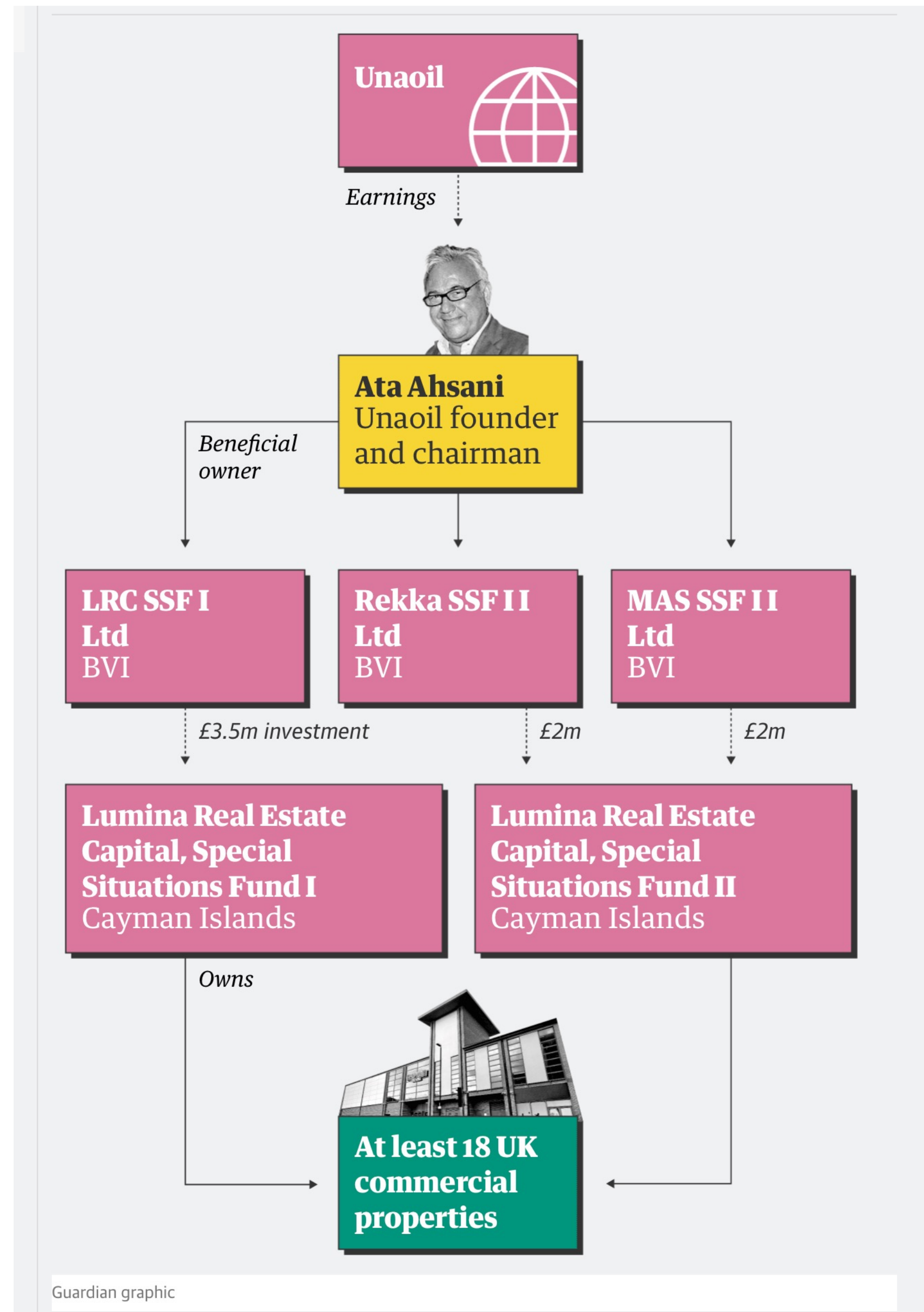


Behind the Pandora Papers

How many of our clients are in the ICIJ database



Pandora papers: offshore structuur



Risk indicators **offshore companies**

1. Relation with structure

- Acts do not match any reasonable fiscal or commercial purpose
- Structure meets phases of money laundering FATF
- Complex structure consists of more than 3 layers without good reason
- Use of a loan back and back to back structures
- Structure with different offshore-entities, risk-countries and TCSP

2. Relation with involved parties

- Use of nominee services, shelf companies and bearer shares
- Complex structure that makes it difficult to identify the UBO
- OSV has tax-exemption (zero-tax)
- OSV was no or minimal substance

3. Relation with transactions & invoices

- Invoices from or to OSV with 'vague' non physical description
- Payments follow each other quickly, also in time and size
- Paid cost disproportionate to the size of the agreement
- Financing of real estate by offshore entities

Some tips

- ✓ Offshore companies must be part of a risk analyse
- ✓ Create a matrix of offshore risk signals
- ✓ ‘Train’ also your transaction monitoring system
- ✓ Increase your offshore knowledge

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For support, training or advice

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Thank you very much for joining

hopefully until next year