

**From:** Ian Collard [REDACTED]  
**Sent:** 05 April 2016 11:20  
**To:** Chris Sharrock [REDACTED]; Barry Lowen [REDACTED]  
**Cc:** [REDACTED]; Anna Clunes [REDACTED]; Kate Smith [REDACTED]; [REDACTED]  
**Subject:** Re: PANAMA: PANAMA PAPERS - THE BIG ISSUE [DIPTTEL 1601838]

Kate,

[REDACTED]

BBC Panorama acknowledged that there were plenty of people/companies in the files also doing no wrong.

[REDACTED]

Most of what I have seen is front companies set up in the Caribbean, OTs, Hong Kong etc. Set up by branches of the Panamanian firm, but under the watchful eye of non-Panamanian regulators, as well as clients referred to the Panamanian firm by non-Panamanian entities [REDACTED]. Predictably, British media is focused on the British links ([REDACTED], BVI, Jersey etc), but those are the stories I am reading - at least so far.

[REDACTED]

[REDACTED] But there are few (if any) countries that have taken as many legislative steps in such a short space of time to catch up with the rest of the world. [REDACTED]

[REDACTED] Support (through Prosperity Funds and UK expertise) would be a good way to go.

I look forward to others' views.

Ian

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Ian Collard  
Her Majesty's Ambassador to the Republic of Panama  
[REDACTED]

**From:** Chris Sharrock [REDACTED]  
**Sent:** Tuesday, April 05, 2016 09:59 AM  
**To:** Barry Lowen [REDACTED]  
**Cc:** [REDACTED]; Anna Clunes [REDACTED]; Kate Smith [REDACTED]; Ian Collard [REDACTED];  
**Subject:** Re: PANAMA: PANAMA PAPERS - THE BIG ISSUE [DIPTTEL 1601838]

Barry

I spoke briefly to Gurria's office yesterday, and they flagged that he was planning a statement that would

link to the PM's May anti-corruption summit. This was issued around midnight, and we liaised with HMT press office (given the tax angle) and Cabinet Office. Subsequently, Pascal Saint Amand (Director Tax) has been giving interviews, including to the BBC.

[REDACTED] - as discussed, please could you summarise the discussions you had yesterday with HMT and Cab Office, and provide a sense of how closely the SG's statement coincides with the broader messaging the BEPs work has been giving on and to Panama.

Thanks  
Chris

**From:** Barry Lowen [REDACTED]  
**Sent:** Tuesday, April 05, 2016 09:28 AM  
**To:** Chris Sharrock [REDACTED]  
**Cc:** [REDACTED]; Anna Clunes [REDACTED]; Kate Smith [REDACTED]; Ian Collard [REDACTED]  
**Subject:** FW: PANAMA: PANAMA PAPERS - THE BIG ISSUE [DIPTel 1601838]

Chris

See below diptel and Kate's request (highlighted): grateful for your comments.

Barry

Barry Lowen  
Head, Economic Growth and Business Department  
[REDACTED]

**From:** Kate Smith [REDACTED]  
**Sent:** 05 April 2016 09:23  
**To:** Anna Clunes [REDACTED]; Barry Lowen [REDACTED]  
**Cc:** Ian Collard [REDACTED]; [REDACTED]; Sarah MacIntosh [REDACTED]  
**Subject:** FW: PANAMA: PANAMA PAPERS - THE BIG ISSUE [DIPTel 1601838]

Anna, Barry

[REDACTED]

I also heard on various news reports last night quite a lot about some of these shell companies and other vehicles being in Panama itself too – so probably needs a bit more analysis. All that said, it's a very good diptel.

K

**From:** Diptel PANAMA CITY [REDACTED]  
**Sent:** 04 April 2016 19:55

To: Diptel FCO [REDACTED]

Subject: PANAMA: PANAMA PAPERS - THE BIG ISSUE [DIPTTEL 1601838]

## Diptel PANAMA CITY [REDACTED]

Foreign & Commonwealth Office Diplomatic Telegram

### Summary

Unprecedented leak of "Panama Papers" whips up a storm of media allegations of high profile tax evasion, money laundering and sanctions avoidance around the world. UK Overseas Territories and entities identified in documents. Panama commits full cooperation with international investigations. [REDACTED]

1. On 3 April, world media outlets began the release of a reported 11.5 million documents (the "Panama Papers"), leaked from Panamanian law firm Mossack Fonseca. The documents purport to be emails and other files dating between 1977 and 2015, relating to the establishment of as many as 214,000 offshore and trust companies. Media have focused on the potential wrongdoing of individuals seeking to evade taxes, skirt sanctions or engage in money-laundering and other criminal practices.

### The allegations

2. Allegations are diverse, global and growing hourly. The story is set to continue. Early headlines have focused on alleged looting of national coffers by former heads of state and dictators, a multi-billion dollar money laundering ring linked to the Russian leadership, undeclared financial interests of Iceland's Prime Minister, and business links between a representative on the FIFA Ethics Committee and a former FIFA vice president arrested in the US football corruption probe.

3. There has been little, as yet, to implicate Panama's banking sector. Indeed, most of the notable cases are reported to involve banking clients and offshore companies outside Panama. The UK and its Overseas Territories have been cited. The British Virgin Islands are reported to have licensed Mossack Fonseca despite the company not fulfilling relevant legal requirements. [REDACTED] Jersey, and even the Brink's-Mat robbery have all made headlines.

### The leak

4. Mossack Fonseca contacted clients in the previous week to advise of "an unauthorised breach of our email server". Characterised as "unprecedented" and "the biggest leak in history", the volume of documents far exceeds those released by either Edward Snowden or Wikileaks in their respective data downloads.

5. [REDACTED] the German newspaper *Süddeutsche Zeitung*, which broke the story, claims to have started receiving documents from a company whistleblower around one year ago. [REDACTED] The German outlet in turn shared the data with the International Consortium of Investigate Journalists based in Washington DC, which has distributed it to more than 100 additional media organisations in 76 countries. *The Guardian* newspaper has been analysing the documents in the UK.

### Mossack Fonseca

6. The law firm at the eye of the storm was established in 1977 by Panamanian lawyer and novelist Ramon Fonseca Mora and his business partner Jürgen Mossack, a German migrant who studied law in Panama. Over forty years, the company has grown to be the fourth largest offshore and trust services business in the world. Fonseca Mora is himself a close friend and ally of Panama's President Juan Carlos Varela, and was

until two weeks ago Acting President of the incumbent Panameñista Party and Minister Without Portfolio (an advisory role to the President).

7. In January 2016, the company was embroiled in a further scandal, when Brazilian prosecutors charged their local subsidiary with facilitating money-laundering in the ongoing "Lava Jato" bribery investigation concerning Petrobras and construction giant Odebrecht. In both cases the company has denied wrongdoing, most recently highlighting their compliance with international protocols and "thorough due diligence of all new and prospective clients" (full statement and fact sheet attached). As the firm has commented, some of the alleged wrongdoers were referred directly to the firm by international, including European, banks with their own 'know your client' due diligence responsibilities.

#### Local reaction

8. [REDACTED] A government statement issued on 3 April (attached), underscores Panama's "absolute commitment to transparency in legal and financial services" and that they will "vigorously cooperate with any request or assistance necessary should any judicial proceedings arise". Panama's Attorney General announced on 3 April the immediate launch of an investigation into the allegations. [REDACTED], just as Panama is seeking to improve its international reputation and had successfully been removed from FATF's grey list in February, having sufficiently strengthened its anti-money-laundering protocols.

9. Panamanian Civil Society and the legal community have been quick to separate the issues – a belief that while Mossack Fonseca should be investigated for possible wrongdoing, the country does not deserve to be tarnished by acts that could not have been done solely by and in Panama. A prominent Panamanian NGO, MOVIN, considers that "Panama is under attack" and the documents should have more rightly been labelled 'Mossack Fonseca Papers', not Panama's.

10. The private sector is understandably concerned about the reputational implications for Panama and what it now means for its financial centre. [REDACTED]

[REDACTED] In the final analysis, however, they judge that the legitimate use of offshore companies will far outweigh those that have done wrong.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Comment

12. The Panama Papers seem unlikely to be just a storm in a tea cup. Given the scale of the dossier, we can expect a wave of media investigations to turn up evidence of genuine wrongdoing. But while a Panamanian law firm sits at the heart of the scandal, we must remember that Panama's finance sector is not – at least yet – its principal focus, and is only one part of a complex global industry of offshore finance. [REDACTED]

[REDACTED]

COLLARD

Authorised

Ian Collard | HMA [REDACTED]

Contact

[REDACTED]

[REDACTED]  
[REDACTED]  
**From:** [REDACTED]  
**Sent:** 29 January 2015 18:47  
**To:** [REDACTED]  
**Subject:** contacts - Mossack Fonseca

## PANAMA

MOSSACK FONSECA & CO. (HEAD OFFICE)

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-

[REDACTED]

**From:** [REDACTED]  
**Sent:** 04 April 2016 17:58  
**To:** DL Media Office - Weather Forecast [REDACTED]  
**Subject:** FCO Media Office Weather Forecast: Monday 4 April 2016

FCO Media Office Weather Forecast: Monday 4 April 2016

[REDACTED]

2. Panama Papers - tax evasion

[REDACTED]

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[REDACTED]

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2. Panama Papers - tax evasion

**Issue**

The Panama Papers are an unprecedented leak of 11.5m files from the database of the world's fourth biggest offshore law firm, Mossack Fonseca. The records were obtained from an anonymous source by the German newspaper Süddeutsche Zeitung, which shared them with the International Consortium of Investigative Journalists (ICIJ). The ICIJ then shared them with a large network of international partners, including the Guardian and the BBC. The documents show the myriad ways in which the rich can exploit secretive offshore tax regimes. Twelve national leaders are among 143 politicians, their families and close associates from around the world known to have been using offshore tax havens. This can also be linked to the Panorama programme due to broadcast tonight on the British Virgin Islands as a tax haven ([REDACTED] has created a separate POB for this)

HMRC is taking the lead on the Panama Papers, but lines below if needed, plus a paragraph from the Foreign Sec during a clip with the BBC

#### Lines to Take

Jennie Granger, HMRC Director-General of Enforcement and Compliance, said:

*"HMRC is committed to exposing and acting on financial wrongdoing and we relentlessly pursue tax evaders to ensure that they pay every penny of taxes and fines they owe.*

*"HMRC can confirm that we have already received a great deal of information on offshore companies, including in Panama, from a wide range of sources, which is currently the subject of intensive investigation. We have asked the ICIJ to share the leaked data that they have obtained with us. We will closely examine this data and will act on it swiftly and appropriately.*

*"We have brought in more than £2 billion from offshore tax evaders since 2010 and the Government has repeatedly strengthened our powers and resources with new criminal offences and higher penalties, so we can take even tougher action against the minority who try to cheat the honest majority by hiding their money in offshore tax havens.*

*"Our message is clear: there are no safe havens for tax evaders and no-one should be in any doubt that the days of hiding money offshore are gone. The dishonest minority, who can most afford it, must pay their legal share of tax, like the honest majority already does."*

Foreign Secretary Philip Hammond told the BBC:

*"It's always interesting when information like this leaks because it reminds people who are up to no good how fragile and how vulnerable they make themselves by indulging in this kind of activity.*

*"We've got an anti-corruption summit here in May. This is a key agenda for the Prime Minister.*

*"We're working with many countries around the world including Panama - I had a meeting with the Panamanian vice president just a few weeks ago on this issue. We are making significant progress."*

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**From:** [REDACTED]

**Sent:** 04 April 2016 18:28

**To:** [REDACTED]

**Cc:** Kate White [REDACTED]; Ian Collard [REDACTED]; [REDACTED]

**Subject:** Panama

Hi [REDACTED]

Just to introduce myself – I'm [REDACTED] at the embassy here in Panama. I heard you were leading on the Panama Papers response in London. I just wanted to flag we stand ready to help with anything you might need from our side – just let us know if there is anything we can do.

[REDACTED]

[REDACTED]

[REDACTED]

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**From:** Anna Clunes [REDACTED]  
**Sent:** 04 April 2016 13:02  
**To:** Kate Smith [REDACTED]; Ian Collard [REDACTED]  
**Cc:** [REDACTED]; Barry Lowen [REDACTED]  
**Subject:** Re: Panama Papers

Thanks just to add that I agree.

We are in touch with CO and others on the implications for this leak, including for the Summit. A diptel or any local colour would be welcome.

A

**From:** Barry Lowen [REDACTED]  
**Sent:** 04 April 2016 13:01  
**To:** Kate Smith [REDACTED]; Ian Collard [REDACTED]  
**Cc:** Ben Merrick [REDACTED]; Anna Clunes [REDACTED]; [REDACTED]  
**Subject:** RE: Panama Papers

I'm copying in Ben – [REDACTED]

Barry

Barry Lowen  
Head, Economic Growth and Business Department  
[REDACTED]

**From:** Kate Smith [REDACTED]  
**Sent:** Monday, April 04, 2016 12:39 PM  
**To:** Ian Collard [REDACTED]  
**Cc:** Anna Clunes [REDACTED]; Barry Lowen [REDACTED]  
**Subject:** RE: Panama Papers

Ian

We discussed with Sarah this morning. [REDACTED]

Re Panama, however, I think a separate Diptel from you would be helpful while the system collectively gets its head around this. Yours should be on the specific Panama aspects, as foreshadowed in your email below. Key questions to cover:

- To what extent do the papers released suggest that the questionable activity described – tax evasion, money laundering etc actually took place in Panama, as opposed to the advice on how to do it in other global “tax havens”/lax jurisdictions being given by a Panamanian law firm? [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] what approach is the government/President taking?

K

-----Original Message-----

From: Ian Collard [REDACTED]

Sent: 04 April 2016 03:15

To: Kate Smith [REDACTED]; Sarah MacIntosh [REDACTED]; [REDACTED]  
[REDACTED]

Subject: Re: Panama Papers

Quick further email. The story is sprouting arms and legs - reported investigations in Panama and Australia; bombshell US info to come etc. Panamanian authorities have issued statement.

Might we want a joint CCMD/Panama City diptel to set the scene and ground rules, because other Posts might want to report local reactions/allegations/implications?

Happy for us to draft on arrival on Monday (we're currently 6 hours behind you).

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Ian Collard

Her Majesty's Ambassador to the Republic of Panama  
[REDACTED]

----- Original Message -----

From: Ian Collard [REDACTED]

Sent: Sunday, April 03, 2016 11:29 PM

To: Kate Smith [REDACTED]; Sarah MacIntosh [REDACTED]; [REDACTED]  
[REDACTED]

Subject: Panama Papers

Kate,

You'll no doubt have seen the growing wave of reporting about the "Panama Papers", reportedly more than 11 million documents in the hands of world media, leaked from the data servers of one of the world's (and Panama's) leading offshore/trust companies, Mossak Fonseca.

The Guardian and BBC Panorama (7.30pm Monday) will lead with this issue.

Implications are wide. HMT contacted me on Friday, forewarned of the issue. [REDACTED]  
[REDACTED]

[REDACTED]

There will also be international and sanctions-busting, money-laundering and tax evasion questions which will no doubt exercise our and others' authorities. And some stories of international interest: Putin, Iceland's PM, Lionel Messi (Barcelona football star), even FIFA's Ethics Committee are all getting mentioned.

And I've seen reference to the Prime Minister's father having had assets in Jersey and elsewhere. I've not seen allegations of wrongdoing, but there's obviously a political dimension. A PM spokesman is quoted in British media.

There are so many angles. We can expect it to grow as a story, as the 11m documents are investigated. The volume of documents exceeds both the Snowden files and the US Cables released by Wikileaks. [REDACTED]  
[REDACTED]

In due course I'd be grateful for a steer on London thinking. We will report factually by Diptel on Monday. With Wikileaks, we set up a team

[REDACTED]  
I flag in case you would want to do similar now. We may also need guidance on handling, implications for the PM's anti-corruption summit next month [REDACTED] etc.

Best wishes,

Ian

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Ian Collard

Her Majesty's Ambassador to the Republic of Panama

[REDACTED]



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2015 - 2017

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- UNION INTERNATIONALE DES AVOCATS

# COLEGIO NACIONAL DE ABOGADOS DE PANAMÁ

## STATEMENT

*On the ill-named "Panama papers"*

### THE BOARD OF DIRECTORS

In the exercise of its constitutional, legal, and statutory powers:

### WHEREAS:

**FIRST:** After the revelations produced in international media in which reference is made to the illegal theft of the Mossack Fonseca law firm database, a worldwide series of questions has been produced, that makes it necessary for us, Panamanians, to be the first ones to point out the role of our legal system and its legitimate function at the service of the world trade.

**SECOND:** There are two large universal systems in matters of corporations: The first system is that of the headquarters, in which the economic control of the corporation is in the jurisdiction where it was created, and the second system is that of the Organization, in which the economic and administrative control of the corporation is not or the Law does not make it an obligation to be in the jurisdiction where it was created.

**THIRD:** The Panamanian corporations system since Law 32 of 1927 is that of organization.

**FOURTH:** Panama applies the territorial tax system, that is, taxes are paid on income arising in Panama only, and not on that generated in another country.

**FIFTH:** Our legal system has established preventive due diligence and requirements compliance controls by means of Executive Decrees 468 of 1994, 124 of 2006, Law 2 of 2011, and more recently, with the approval of Law 23 of 2015 that demands the knowledge of the final beneficiary of corporations and incorporates the custody system of "Bearer Shares" issued.

All lawyers have to strictly comply with these rules.

**SIXTH:** Under our Panamanian legal system, lawyers do not exercise control of the use of the corporations.

**SEVENTH:** There are great differences among resident agent, shareholder, director, or dignitary, and each person is responsible in his or her respective country for the obligations of their Home States and for the role he or she performs in each corporation.

**EIGHTH:** The Panamanian State, or the lawyers in particular are, nor wish to be, tax collection officers for any State.

**NINTH:** The illegal use of corporations is a matter of competence of the Courts of Justice and its elucidation shall be done exclusively through the procedures established for the investigation of the commission of a criminal act in the country where an infringement of its laws is indicated. Criminal law is territorial, a Panamanian Prosecutor cannot investigate an alleged crime outside of the Panamanian jurisdiction.

**TENTH:** The Panamanian legal profession has the opportunity to illustrate the world about the technical, juridical, and legal role of the services rendered internationally, and it requires us to distance ourselves from biased interpretations in open disregard of the law and the procedures established for the creation of corporations.

**ELEVENTH:** The time is appropriate for the National Government to demand civil, criminal, and diplomatic responsibilities from anyone who was involved in the malicious attack to the image of our country. Legal actions against anyone

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or whomever results responsible for the bad use of the name of our country are necessary.

**TWELFTH:** That there is evidence that from the illegally obtained database that the registration of said corporations include minority of corporations registered in Panama, but it includes a majority of diverse creation jurisdictions.

**THIRTEENTH:** In the same way that the Republic of Panama and our corporations system can defend its legal services, we expect that jurisdictions that have stayed disguised historically can show the same commitment that Panama is carrying out with the transparency of its financial system.

**FORTEENTH:** The historical moment demands an forceful attitude on the part of the Government in the defense of our international services system. Yesterday and today it has been the corporations; the Colon Free Zone and the Banking System have also suffered; tomorrow, it will be the Vessel Registry, and they will end up with the Canal.

#### **RESOLVES:**

**FIRST:** CONDEMN, categorically and energetically, the illegal theft of the MOSSACK FONSECA law firm database.

**SECOND:** DENOUNCE every disinformar publication about the true role of the Panamanian corporation and financial system.

**THIRD:** DEMAND from the National Government the filing of civil and criminal proceedings, and diplomatic complaints before any individual or State that participates in the infamous crime against the reputation and image of our country.

In that sense, OFFER the services of the National Lawyers Association.

**FOURTH:** REPUDIATE the intention of any international organization that pretends that Panama and its lawyer become their tax collector agents.

**FIFTH:** REAFFIRM the commitment of the National Lawyers Association ("Colegio Nacional de Abogados") in the firm defense of the corporation, banking, shipping, among other, international services, the country offers.

**SIXTH:** PROMOTE full compliance with the legal rules of the "know your customer" policy, and the commitment of the lawyers to stay informed about the subject, in order to allow them to provide orientation in aspects that are our responsibility in the defense of our jurisdiction.

Approved by the Board of Directors, on Tuesday, as of the 5th day of April of 2016.

  
José Alberto Álvarez  
President

  
Delia Rodríguez Gutiérrez  
Recording Secretary



**DIGEST OF RELEVANT INFORMATION TO THE FOI REQUEST FROM DOCUMENTS  
CONTAINING MOSTLY INFORMATION THAT IS OUT OF SCOPE OF THE FOI REQUEST**

Some of the information we found during our document search was contained within documents where most of the information was out of scope of the FOI request.

Where this is the case we have taken the relevant text out of the document and put them into the table below which lists the name of the document where the text was found, the date of that document, and the text relevant to the FOI request which has been taken out.

Document Name	Date	Relevant Text
Internal FCO email titled 'DGs Meeting Readout (4 April) and Agenda for Directors' Meeting'	04 April 2016	<i>'The Mossack Fonseca leak has implications for the upcoming Corruption Summit: we needed to agree the HMG response and consider wider media handling.'</i>
Biography on Melitón Arrocha, Minister of Commerce and Industry - which was publically available via the Ministry of Trade and Commerce's website, but has since been removed due to Meliton Arrocha standing down from the Ministerial post in 2015	Not dated	<i>'He began his career as a Legal Assistant Law in Alfaro, Ferrer, Ramirez &amp; Aleman, Mossack Fonseca and Illueca &amp; Associates.'</i>