# Twitter Thread by Mother Jones



**Mother Jones**
@MotherJones

**1/ This is a memo outlining 11 ways to hide your money offshore.**

**It was not supposed to “fall into the wrong hands.”**

**Well, it did. https://t.co/N6RUDqHVfR**

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6th July 2000

I am aware that we are delinquent in not providing the follow-up information on methods of moving funds, for which I apologise, but I have been heavily involved in many things and am now only just seeing the light of day through the stack of working papers.

Attached is the summary of items which come to mind and, in some cases, there is additional documentation, which I would propose Wayne sends to you by courier when he is in Canada later this month. Naturally, I have a concern that any of these papers should fall into the wrong hands, so please guard them carefully.

Hopefully, they further expand on matters which we discussed at our meeting in early May, and I look forward to hearing from you should you require any further clarification.

Perhaps, when you have had a chance to consider the papers and discussed them with the family, we can plan the way forward.

In the meantime, best regards

Yours sincerely

**R G de W WIGLEY**
**MANAGING DIRECTOR**

2/ The “11 ways” memo is part of a huge trove of documents—350,000 to be exact—leaked from inside a trust company called La Hougue, based on an island off the coast of France.

Amid the data, this memo stood out for its candor.

3/ After one tax expert reviewed it, he told @SamEifling and @CalynShaw, “I have to say I’m not sure what else I can add other than ‘WTF’? (you can quote me on that). How stupid (or confident nothing will ever happen to you) do you have to be

to put this in writing?”

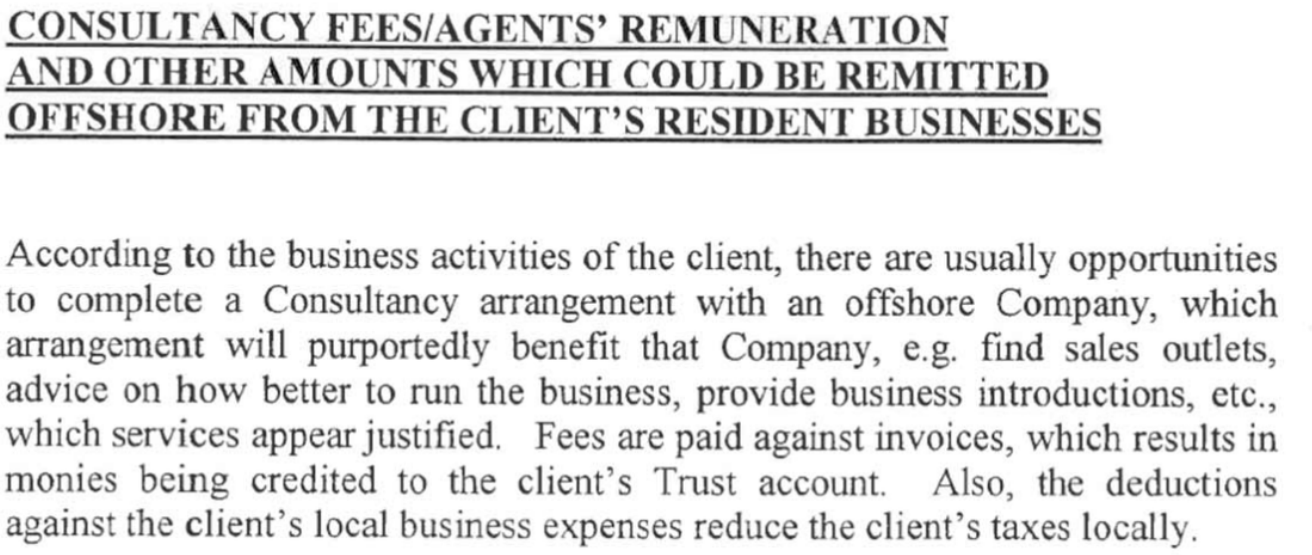
4/ Mother Jones and @GlobalRepCentre are surfacing this particular memo simply because it’s the sort of thing you never see: a customer-facing document obtained in a big offshore data leak, quoting dollar amounts that few people ever hold in their hands at one time.

5/ Each of the 11 options listed in the memo offers some sort of contrived business deal by which you move money into an anonymous offshore account. And—here’s where the genius lies—they design those deals to give you some sort of tax break. The methods are, at best, legal-ish.

6/ So, let’s say you are a member of the global 1 percent looking to outsmart your own government. Here are a few options at your disposal, according to the memo…

7/ Strategy No. 1: Pay yourself.

For instance, you could hire an offshore company to do some fake consulting for your business (who knows what consultants do anyway, right?). Your payments go to your offshore account, and you get to write off the fees as an expense.



**CONSULTANCY FEES/AGENTS’ REMUNERATION AND OTHER AMOUNTS WHICH COULD BE REMITTED OFFSHORE FROM THE CLIENT’S RESIDENT BUSINESSES**

According to the business activities of the client, there are usually opportunities to complete a Consultancy arrangement with an offshore Company, which arrangement will purportedly benefit that Company, e.g. find sales outlets, advice on how better to run the business, provide business introductions, etc., which services appear justified. Fees are paid against invoices, which results in monies being credited to the client’s Trust account. Also, the deductions against the client’s local business expenses reduce the client’s taxes locally.

8/ Strategy No. 2: Invest in guaranteed failures.

Lose your money on bad “investments.” You can lucratively lose 6-figure sums by lending to and investing in companies that never show a profit (or even care to earn one). Then you get to write off the planned losses at tax time.

## METROCAB (U.K.) LIMITED – OPTION TRANSACTION

## STEP BY STEP

1. Agreement finalised (see attached format) and the terms can be amended as required to suit the individual client's needs. Agreement can be amended to reflect the currency in which the client wishes to remit funds, which will be retained in that currency.

...

6. The option is not taken up and the funds remain under the control of Metrocab (U.K.) Limited – in fact, they remain in the client's Trust – for the remainder of the option period (5/7 years). At the end of the period, a decision is made to renew the arrangement or repatriate the original capital sum, after which a different type of non-income bearing investment would be made, e.g. a loan in Mexico or some other suitable transaction.

9/ Strategy No. 3: Hide your assets.

Does someone owe you money? Don't invoice them—have them send that payment directly into your offshore account, so you never have to declare it.

## RE-DIRECTING FUNDS DUE FROM THIRD PARTIES

In various instances, as long as careful consideration is given as to the knowledge of the business transaction to the local Tax Authority, there are opportunities to take fees/earnings, in particular one-off payments, which are due to the client's business, and transfer the monies offshore by sending on the payment instrument (e.g. Bank draft), there then being no record of the receipt of the funds in the client's country. The funds remitted offshore would be credited to the client's Trust account.

As mentioned above, such monies must not be reportable by the entity issuing the payment. This arrangement is extremely effective with remittances received from entities resident in countries other than the client related entity.

10/ Strategy No. 4: Pay fake penalties.

Owe your money to a third party (who is, in effect, you). If you can produce a contract that says you owe money—that becomes a business expense.

## METHODS OF DIRECTING A PORTION OF PROPERTY SALE PROCEEDS OFFSHORE

If the client is envisaging selling an existing property, of which he does not wish to retain ownership, then an option could have been granted to an offshore party some time previously at a price which is commercial, but significantly less than the price which the property is expected to realise.

The option is so worded that, in the event the property owner wishes to cancel the option, then a penalty is payable. Because the penalty figure is less than the difference between the option price and the price actually realised, it makes commercial sense to pay the penalty, which monies are deducted from the sale proceeds and paid offshore, thus reducing the capital gain.

Tax advice as to the tax efficiency of reducing the capital gain will need to be taken in the jurisdiction where the property is situated, but even if the capital gains tax has to be paid, there is a legitimate reason for the payment of a reasonable sum of money offshore, i.e. the option penalty.

11/ Strategy No. 5: Sell your company to yourself.

Sell off part of your business (to a secretive entity you happen to control). If you don’t appear to own the business, you don’t have to pay taxes on its profits.

## OFFSHORE INVESTMENT INTO CLIENT OWNED BUSINESSES

The client, through his offshore Trust account, could sell or raise monies into his local business by selling a percentage of the Company, which would then protect that percentage from taxes on future capital growth and, in the event there were other outside investors, provide a hidden additional voting percentage.

This arrangement normally works for up to a 49% ownership and is particularly attractive when there is knowledge that there would be a significant growth in the value of the business in the ensuing period after the shares have been sold.

The offshore purchasing entity would complete Declarations of Trust in favour of the client Trust account.

Serious consideration should always be given to initially having a percentage ownership offshore of any new business acquired, i.e. instead of acquiring 100% of the new business, up to 49% would be purchased through an offshore partner which, again, leads back to the client's Trust account.

12/12 See more ways to hide your wealth offshore—and read the memo for yourself—here: https://t.co/N6RUDqHVfR

And if you're curious about what else showed up in that batch of 350,000 leaked documents, read more from @GlobalRepCentre: https://t.co/vtAregqTwR