



## Pandora papers

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# 'No stone is left unturned': Australian links in Pandora papers will be investigated, ATO says

Australian Tax Office vows to find anyone doing the wrong thing in the wake of the biggest offshore data leak in history

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The Australian Taxation Office says it will investigate any links to Australians that emerge from the [Pandora papers](#), the biggest ever leak of offshore data.

About 400 Australian names are contained in the papers, a cache of 11.9m files from companies hired by wealthy clients to create offshore structures and trusts in tax havens such as Panama, Dubai, Monaco, Switzerland, the Cayman Islands and Samoa.

The data was obtained by the Independent Consortium of Investigative Journalists and shared with media outlets, [including the Guardian](#).

It includes 35 current and former world leaders and more than 300 other public officials.

### Quick Guide

#### What are the Pandora papers?

The Pandora papers are the largest trove of leaked data exposing tax haven secrecy in history. They provide a rare window into the hidden world of offshore finance, casting light on the financial secrets of some of the world's richest people. The files were leaked to the International Consortium of Investigative Journalists (ICIJ), which shared access with the Guardian, BBC and other media outlets around the world. In total, the trove consists of 11.9m files leaked from a total of 14 offshore service providers, totalling 2.94 terabytes of information. That makes it larger in volume than both the Panama papers (2016) and Paradise papers (2017), two previous offshore leaks.

#### Where did the Pandora documents come from?

The ICIJ, a Washington DC-based journalism nonprofit, is not identifying the source of the leaked documents. In order to facilitate a global investigation, the ICIJ gave remote access to the documents to journalists in 117 countries, including reporters at the Washington Post, Le Monde, El País, Süddeutsche Zeitung, PBS Frontline and the Australian Broadcasting Corporation. In the UK, the investigation has been led by the Guardian and BBC Panorama.

#### What is an offshore service provider?

The 14 offshore service providers in the leak provide corporate services to individuals or companies seeking to do business offshore. Their clients are typically seeking to discreetly set up companies or trusts in lightly regulated tax havens such as the British Virgin Islands (BVI), Panama, the Cook Islands and the US state of South Dakota. Companies registered offshore can be used to hold assets such as property, aircraft, yachts and investments in stocks and shares. By holding those assets in an offshore company, it is possible to hide from the rest of the world the identity of the person they actually belong to, or the "beneficial owner".

## Why do people move money offshore?

Usually for reasons of tax, secrecy or regulation. Offshore jurisdictions tend to have no income or corporation taxes, which makes them potentially attractive to wealthy individuals and companies who don't want to pay taxes in their home countries. Although morally questionable, this kind of tax avoidance can be legal. Offshore jurisdictions also tend to be highly secretive and publish little or no information about the companies or trusts incorporated there. This can make them useful to criminals, such as tax evaders or money launderers, who need to hide money from tax or law enforcement authorities. It is also true that people in corrupt or unstable countries may use offshore providers to put their assets beyond the reach of repressive governments or criminal adversaries who may try to seize them, or to seek to circumvent hard currency restrictions. Others may go offshore for reasons of inheritance or estate planning.

## Has everyone named in the Pandora papers done something wrong?

No. Moving money offshore is not in or of itself illegal, and there are legitimate reasons why some people do it. Not everyone named in the Pandora papers is suspected of wrongdoing. Those who are may stand accused of a wide range of misbehaviour: from the morally questionable through to the potentially criminal. The Guardian is only publishing stories based on leaked documents after considering the public interest. That is a broad concept that may include furthering transparency by revealing the secret offshore owners of UK property, even where those owners have done nothing wrong. Other articles might illuminate issues of important public debate, raise moral questions, shed light on how the offshore industry operates, or help inform voters about politicians or donors in the interests of democratic accountability.

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Australians who appear in the data include senior figures from the finance and property industries. The Guardian has chosen not to identify them.

The ATO's deputy commissioner Will Day said there were "a range of legitimate reasons that someone may have for an offshore bank account or structure".

"We know most Australians do the right thing," he said.

"However, there are some who attempt to hide their ownership interests or financial misdoings through offshore arrangements."

Day said the ATO would use its international information-sharing networks to investigate the gargantuan data set.

"We are well-connected locally and globally in our efforts to fight financial crime," he said.

“We will certainly look at this data set and compare it with the data we already have to identify any potential connections.

“We have some of the best auditors, investigators, analysts and data scientists in the world who work together to sort the good from the bad, ensuring no stone is left unturned.”



What are the Pandora papers? – video explainer

He said the secrets of anyone who tried to cheat the system were no longer safe and they could expect “serious consequences” for their actions.

“No complicated money trail is too difficult for us to unravel,” he said.

The Pandora papers are the latest, and largest, of a series of major leaks of financial data that have convulsed the offshore world since 2013.

Previous leaks include the Panama papers in 2016 and the Paradise papers in 2017.

Day said the ATO did not rely on leaks to do its job.

“We detect, investigate and deal with offshore tax evasion year-round,” he said.

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#### A message from Lenore Taylor, editor of Guardian Australia

I hope you appreciated this article. Before you move on, I'd like to take a moment to talk about why independent journalism matters - and why, more