

BY NATALIA KOCHIASHVILI

Pandora Papers: Ivanishvili's Offshore Companies among the Leaked Files

The Pandora Papers is a recent leak of almost 12 million documents that reveal hidden wealth, tax avoidance, and, in some cases, money laundering by some of the world's richest and most powerful.

More than 600 journalists in 117 countries have been trawling through the files from 14 sources for months, finding stories that are now being published.

The data was obtained by the International Consortium of Investigative Journalists (ICIJ) in Washington DC, which has been working with more than 140 media organizations on its biggest ever global investigation.

The Pandora Papers leak, one of the most voluminous leaked materials of recent years published on October 3, includes 6.4 million documents, almost 3 million images, more than a million emails, and almost half a million spreadsheets. The files expose how some of the most powerful people in the world - including more than 330 politicians from 90 countries - use secret offshore companies to hide their wealth.

"The materials show how presidents, prime ministers, government officials or their families hide their assets with the help of firms setting up companies in offshore zones," reads the website of the ICIJ. It's the offshore zone where money is kept to avoid paying taxes in the country where the money was made.

According to BBC News, stories revealed so far include the owners of more than 1,500 UK properties bought using offshore firms, including individuals accused of corruption; the Qatari ruling family who avoided £18.5m tax on a London supermansion; the King of Jordan's £70m spending spree on properties in the UK and US through secretly-owned companies; Azerbaijan's leading family's hidden involvement in property deals in the UK worth more than £400m; the Czech prime minister's failure to declare an offshore investment company used to purchase two French villas for £12m; how the family of Kenyan president Uhuru Kenyatta's secretly owned a network of offshore companies for decades.

The leaked materials of Pandora papers hit the companies based in the offshore zones of the former Prime Minister of Georgia and the founder of the Georgian Dream, Bidzina Ivanishvili as well.

According to the materials, Ivanishvili founded 12 companies in the British Virgin Islands in 1998-2016. According to the ICIJ, information about the assets and operations of its companies is scarce. The purpose of founding Silverpot Holdings Ltd was to control "publicly listed companies through a brokerage account."

Another facility, Brighton Corporate Ltd, was established to fund 'certain projects with borrowed equity' of the Georgian Co-Investment Fund.

For its part, the Georgian Co-Investment Fund invests in large projects such as hydropower plants, hotels, greenhouses, etc. in the country, including Paragraph Resort and Spa in seaside Shekvetili village of Guria region, Axis Towers, and Galleria Tbilisi in the capital.

Pandora Papers also includes leaked materials from 14 firms that help clients start companies in offshore zones. One of them is the company Alcolgal. The group says all the companies, at some point, listed Panama-based offshore service provider Alcolgal as an agent, which received an official letter from the Virgin Islands financial regulator in October 2011 asking about Finseck, a company founded by Ivanishvili. Alcolgal even replied that the company was related to the trust man-



► The leaked materials of the Pandora papers also included Vladimir Putin and his entourage, the Aliyev family, Volodymyr Zelensky, and others. These people 'can funnel and siphon money away and hide it,' often through the use of anonymous companies. Photo: The Guardian.

agement of the property and that it was founded by Ivanishvili in 1999 for the welfare of his children. The leaked documents do not show what caused the regulator's interest or how the issue was resolved.

Reports about Ivanishvili's purported offshore dealings have emerged before. According to a June 2021 report by the local watchdog, TI Georgia, Ivanishvili's Brightstone Finance Ltd., founded in 2015, is a controlling shareholder of Georgia-based Eurasian Invest LLC, which owns significant stakes in the Poti Free Industrial Zone, a tax haven near Georgia's key port of Poti, through several other companies. TI Georgia claimed in a previous study from April 2021 that the profitability of the Poti Free Industrial Zone was closely connected to cargo turnover in the Poti port.

The Pandora Leaks confirm Ivanishvili 'lobbied' against the Anaklia project because of his 'personal economic interest' in developing Poti port instead, according to the Anaklia Development Consortium,

which was supposed to carry out the Anaklia Deep Sea Port Project before the government terminated its contract with the firm in 2020 due to unfulfilled obligations.

Anaklia Development Consortium, says Pandora Leaks confirm that Ivanishvili 'lobbied' against the project that ADC was supposed to execute, before the government terminated the contract in 2020 over unfulfilled obligations, because of his 'personal economic interest' in developing the Poti Port instead.

Bidzina Ivanishvili Co-Investment Fund responded to allegations related to Poti FIZ and Anaklia Development Consortium statement. According to the ex-premier asset management fund, they are helping the ruling consortium of the Poti Free Industrial Zone to attract investors, however, the fund does not receive financial benefits from these activities.

"In response to recent media reports, Brightstone Finance Limited is a Panama-based subsidiary of Frankston Interna-

tional, which in turn is managed by the Georgian Co-Investment Fund. We also explain that none of the above companies and foundations owns the property and/or assets in the Poti Free Industrial Zone and/or any related company, either directly or indirectly."

The fund says that they entered 2017 as shareholders in the Poti FIZ Management Company at the request of the FIZ Management Company themselves, and their goal was to find potential investors for the development of the industrial zone and to offer financial cooperation to potential investors if necessary.

"According to the latest data, Poti Free Industrial Zone has attracted a total of 106 companies in 2018-2021, with a total investment of more than 18 million GEL. According to the consortium, the sole purpose of the fund is to create comfort for potential investors and, if necessary, financial participation, which does not provide for any income from the Poti Free Zone or the ruling consortium. Consequently, during these years, the Fund has not received any financial benefits from the above activities, nor is it planned for the future."

Fund says appealing that the activity was done secretly to protect someone else's interests is a lie. More than 80% of the world's investment funds are based in offshore zones, and this is a practice accepted in the West. In addition, the relationship between FRANKSTON INTERNATIONAL and Bidzina Ivanishvili was always transparent to the public and during these years no one addressed Brightstone Finance Limited or Eurasian Invest Ltd. about its shareholders.

As for the response to the accusations of the Anaklia Consortium, the fund clarified that according to their information, no free industrial zone in Georgia has anything to do with any port. In this particular case, the only thing we can connect Poti Free Industrial Zone and Poti Port is their location.

"Exactly as well as in the neighborhood of these two facilities, there are many other terminals and railway stations, by the same logic we can conclude that the co-investment fund has an interest in the latter, which is illogical."

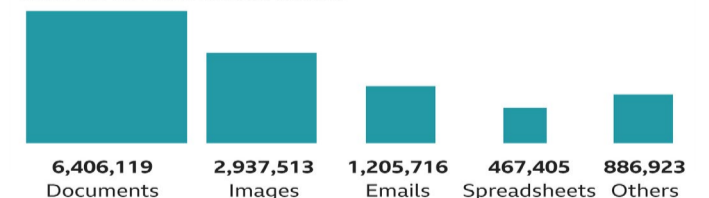


► Companies related to Ivanishvili.

How big is the Pandora Papers leak?



How do the files break down?



How does Pandora compare with previous leaks?

	Year	Data	Files
Offshore Leaks	2013	260 GB	2.5 million
Panama Papers	2016	2.6 TB	11.5 million
Paradise Papers	2017	1.4 TB	13.4 million
Pandora Papers	2021	2.94 TB	11.9 million

GB: Gigabyte, 1,000GB = 1TB, TB: Terabyte

Source: International Consortium of Investigative Journalists



EXCHANGE RATES: US DOLLAR - 3.1449 | EURO - 3.6349 | GBP - 4.2742 | 100 RUSSIAN RUBLE - 4.3592 | SWISS FRANC - 3.3940 |

Georgian President Zurabishvili, Montenegrin President Djukanovic Discuss Bilateral Relations

BY KHATIA BZHALAVA

Montenegrin President Milo Djukanovic is paying his very first official visit to Georgia since the establishment of diplomatic relations between the two countries in 2007. Djukanovic was hosted by Georgian President Salome Zurabishvili at the Orbeliani Palace on Thursday, where the sides discussed the geopolitical situation of the countries and the process of European and Euro-Atlantic integration.

"Today is a historical step in the history of our bilateral relations," noted the President of Georgia.

According to the presidential administration, Zurabishvili briefed the Montenegrin President about the situation in the occupied territories. She emphasized that despite the occupation, Georgia is committed to following the path to European integration.

President Djukanovic reiterated Montenegro's support for the sovereignty and territorial



► Montenegrin President Milo Djukanovic and President of Georgia Salome Zurabishvili.

integrity of Georgia within its internationally recognized borders.

It was stressed at the meeting that despite the differences between Georgia and Montenegro, the countries have a lot of similarities. "We have come to a common conclusion that it is important to feel more involvement of the EU in the Western Balkans, as in the Caucasus," Zurabishvili said.

Djukanovic stressed the impor-

ance of strengthening bilateral relations between Georgia and Montenegro in political, economic, and cultural fields. The president also emphasized the significance of political stability for the country. "Without political stability, you cannot reach your targets," he said during the joint briefing with President Zurabishvili.

"Georgia is an important partner for Montenegro, especially



► President of Montenegro Milo Djukanovic arrived in Georgia for an official visit for the first time in the history of diplomatic relations between the two countries.

when it comes to NATO missions.

"The main purpose of my visit to Georgia was to deepen friendly relations and express my support for your domestic and foreign policy," said the President of Montenegro.

Montenegro became a member of the North Atlantic Treaty Organisation (NATO) back in 2017 and is preparing to become a member of the European Union

(EU). During his official visit, the Montenegrin president has shared the experience of his country regarding NATO membership.

Within the framework of the official visit on October 7-8, Djukanovic will meet with Georgian Prime Minister Irakli Garibashvili and will lay a wreath at the memorial to the heroes who died in the fight for Georgia's territorial integrity and sovereignty.

Vaccination Activity Decreases, Health Experts Say Mandatory Vaccination Not Necessary

BY NIKA GAMTSEMLIDZE

Deputy Minister of Health of Georgia Tamar Gabunia has recently said that she does not see the reason to make vaccination mandatory in the country. However, she stated that some requirements may be imposed.

"There can be different types of conditions, especially in a business environment. For example, we can require people to be vaccinated, or PCR tested for Covid-19 so that we know they are not infected. There can also be an official statement saying that they have recovered from Covid-19 in recent months," said Gabunia.

She also said that if any of the requirements are adopted, there should be freedom of choice

GEORGIA IS USING PFIZER, SINOPHARM, SINOVAQ AND ASTRAZENECA VACCINES



► Georgia has administered a total of over 1.8 million vaccines.



► Only about 30% of the population is fully vaccinated in Georgia.

for citizens of the country. The representatives of the Georgian health sector have long talked about vaccination in the country. For example, last month, the Georgian Health Minister said that there is no need for vaccination in the country to become mandatory.

Gabunia also talked about the vaccination of minors. She said that as of now, only children with chronic diseases between 12 to 15 years are receiving vaccines in the country.

Representatives of the healthcare sector in Georgia have repeatedly talked about vacci-

nating children over 12. Amiran Gamkrelidze, director of the National Center for Disease Control, says that if children are not vaccinated, the pandemic won't end.

Gamkrelidze also noted that after a steady improvement in the epidemiological situation

over the past month, there is a possibility of it worsening soon.

For the past three days, Georgia has reported over 2,000 cases daily. In addition, the number of people receiving vaccines has also decreased drastically. Over the past week, only about 8,000 jabs have been administered daily.

Vaccination started on March 15. To date, 1,844,965 vaccines have been administered. 995,019 people, or 35.9% of the adult population, have been vaccinated with at least one dose. 29.8% of the adult population, 849,946 people, are fully vaccinated. There are four vaccines available in the country at the moment, including Pfizer, Sinopharm, Sinovac, and AstraZeneca.

There have also been talks about additional vaccines to become available in the country in the following months. The one-jab vaccine by Johnson & Johnson is expected to arrive in Georgia over the next few months.

FRIDAY	OCTOBER 8
Day	Rain High: 13°C
Night	Rain Low: 9°C
SATURDAY	OCTOBER 9
Day	Rain High: 13°C
Night	Mostly cloudy Low: 9°C

published by **The Messenger**

43, Chovelidze st., Tbilisi, 0108, Georgia
 Founded by Prof. **Zaza Gachechiladze**
Tamar Gachechiladze Publisher
 Phone: +995 99 56 56 21; +995 77 76 00 00
 E-mail: messenger@messenger.com.ge
 http://www.messenger.com.ge

Nino Metreveli Commercial Director
Mariam Mchedlidze Editor-in-Chief
Natalia Kochiashvili Executive Editor
Nino Kavelashvili Design and Layout

The Messenger welcomes your contributions. If you are interested in submitting an article or news item please contact. All contributions should be submitted by e-mail. The Messenger Georgia's English language daily is an independent newspaper, and, therefore, the opinions expressed in some articles do not necessarily coincide with those of the newspaper. We take no responsibility for any claims made in advertisements. The Messenger preserves the style of a source written in English where possible.