

## 1.0 Brief overview of the facts of the case.

An analysis was carried out by the FIAU in relation to Dr Konrad MIZZI and his ownership of an offshore trust and company whilst holding political appointment with Maltese Government.

The FIAU also refers to a preliminary report submitted to the Malta Police dated 7<sup>th</sup> April, 2016 bearing reference 474759/16. A more detailed analysis was subsequently carried out the FIAU in terms of the powers conferred to it under Article 16(1) of the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta).

Following the analysis of the facts available to the FIAU, together with other information obtained by the FIAU through the powers conferred to it by law, it has been determined that sufficient information is available to conclude that a reasonable suspicion of money laundering or an attempt to launder proceeds of crime subsists in this case.

This decision is supported by the relevant facts outlined in this report.

## 2.0 Details the Natural and Legal Persons Involved

- |     |                            |   |
|-----|----------------------------|---|
| 2.1 | Name and SURNAME:          | Konrad MIZZI  |
|     | Date of Birth:             | 4 <sup>th</sup> November, 1977  |
|     | Maltese ID card:           | 521577M   |
|     | Address:                   | Flat 4, 46, Avril, Tigne Street, Sliema, SLM 3011                           |
| 2.2 | Name:                      | ROTORUA TRUST   |
|     | Declaration of Trust Date: | 22 <sup>nd</sup> July, 2015   |
|     | Trustee:                   | Orion Trust New Zealand Limited   |
|     | Settlor:                   | Dr Konrad MIZZI   |
| 2.3 | Name:                      | HEARNVILLE INC.   |
|     | Company No:                | 808074  |
|     | Date of Incorporation:     | 9 <sup>th</sup> July, 2013  |
|     | Address:                   | 54 <sup>th</sup> E. Street, Mossfon Building, 2 <sup>nd</sup> Floor, Panama |
|     | Agent's Name:              | Bufete MF & Co  |
|     | Ultimate Beneficial Owner: | Dr Konrad MIZZI   |

## 3.0 Financial Intelligence Analysis

### 3.1 Information obtained through open sources

Open source information indicates that in February 2013, Mr Karl Cini from Nexia BT flew to Panama to meet people from Mossack Fonseca, a renowned Panamanian law firm.

<https://daphnecaruanagalizia.com/2016/05/nexia-bt-panama-papers/>

Although his credit card activity does not place him in Panama it does show that on 24<sup>th</sup> February 2013, Mr Karl Cini was at Heathrow Airport.

MR KARL CINI  
NO. 21, VILLA FERNAUX COMPLEX  
ST CATHERINE STREET  
ZEJTUN ZTN 1812

HSBC Advance VISA Account

Credit Limit	EUR	6990.00
Previous Balance	EUR	0.00
Transactions	EUR	715.89
Payments	EUR	0.00
New Balance	EUR	745.89
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 07.03.2013

Card Account Number : 4035710000575972

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Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****5972 - KARL CINI						
16.02.13	16.02.13	PURCH	ALDO WESTFIELD-DCC LONDON	96.51 EUR		96.51
16.02.13	16.02.13	PURCH	JD SPORTS 274 WESTFIELD LON	25.00 GBP	0.0570	29.17
16.02.13	16.02.13	CHRG	CURRENCY CONVERSION FEE	0.51 EUR		0.51
16.02.13	16.02.13	PURCH	SACCOB BROTHERS WESTFIELD LON	71.40 GBP	0.8571	83.30
16.02.13	16.02.13	CHRG	CURRENCY CONVERSION FEE	1.46 EUR		1.46
16.02.13	16.02.13	PURCH	SPORTSDIRECT 413 02443325413	102.79 GBP	0.9571	119.93
16.02.13	16.02.13	CHRG	CURRENCY CONVERSION FEE	2.10 EUR		2.10
24.02.13	24.02.13	PURCH	WORLD DUTY FREE HEATHROW HEATHROW	42.69 EUR		42.69
24.02.13	24.02.13	PURCH	WORLD DUTY FREE HEATHROW HEATHROW	236.79 EUR		236.79
24.02.13	24.02.13	PURCH	WORLD DUTY FREE HEATHROW HEATHROW	65.62 EUR		65.62
24.02.13	24.02.13	PURCH	WORLD DUTY FREE HEATHROW HEATHROW	21.85 EUR		21.85
24.02.13	24.02.13	PURCH	WORLD DUTY FREE HEATHROW HEATHROW	45.96 EUR		45.96

Points Summary for the month

Points expire within 24 months. Redeem them and benefit from various offers.

Open sources indicate that during November 2015, Dr Joseph Muscat was in Dubai together with Mr Keith SCHEMBRI and Dr Konrad MIZZI.

[http://www.maltatoday.com.mt/news/national/58921/pm\\_meets\\_with\\_emir\\_of\\_dubai#.Whu5xrQ-cWo](http://www.maltatoday.com.mt/news/national/58921/pm_meets_with_emir_of_dubai#.Whu5xrQ-cWo)

<http://www.independent.com.mt/articles/2016-02-10/local-news/Malta-and-United-Arab-Emirates-to-cooperate-on-five-areas-including-government-mobile-apps-6736153111>

On 22<sup>nd</sup> February, 2016 open sources began making reference to interests, which Dr Konrad MIZZI had in Panama and New Zealand.

<https://daphnecaruanagalizia.com/2016/02/if-the-hat-fits-wear-it/>

<https://daphnecaruanagalizia.com/2016/02/konrad-mizzis-and-sai-mizzi-liangs-easter-lunch/>

On 24<sup>th</sup> February 2016, open sources claimed that Konrad MIZZI's Panamanian company was incorporated at the same time that he was involved in negotiations in relation to Enemalta.

<https://daphnecaruanagalizia.com/2016/02/konrad-mizzis-company-was-incorporated-in-panama-shortly-after-he-became-energy-minister/>

On 27<sup>th</sup> February 2016, open source information alleged that Dr Konrad MIZZI together with Mr Keith SCHEMBRI<sup>1</sup> (The Government's Chief of Staff), set up an asset concealing structure in Panama. Other open source articles claimed that Dr MIZZI, who at the time was the Minister for Energy and Health, used the services of Nexia BT Holdings Limited to set up a trust in New Zealand, namely the ROTORUA TRUST.

<http://www.stuff.co.nz/business/world/78511167/NZ-trusts-at-the-centre-of-Malta-money-scandal-Mossack-Fonseca-papers-show>

This information was corroborated following information which was obtained through leaked files belonging to Panamanian law firm Mossack Fonseca, which files were dubbed "The Panama Papers".

<https://www.timesofmalta.com/articles/view/20160403/local/international-journalists-leak-the-panama-papers.607772>

The same article also alleged that attempts were made to open a bank account in Dubai for the Panamanian company HEARNVILLE INC.

*"By August 8, the Mossack Fonseca franchise firm in Malta, which acts for Mizzi and Schembri, was writing to Mossack Fonseca Panama: "We are in the process of opening a bank account in Dubai for two of our Panama companies."*

- Financial Review

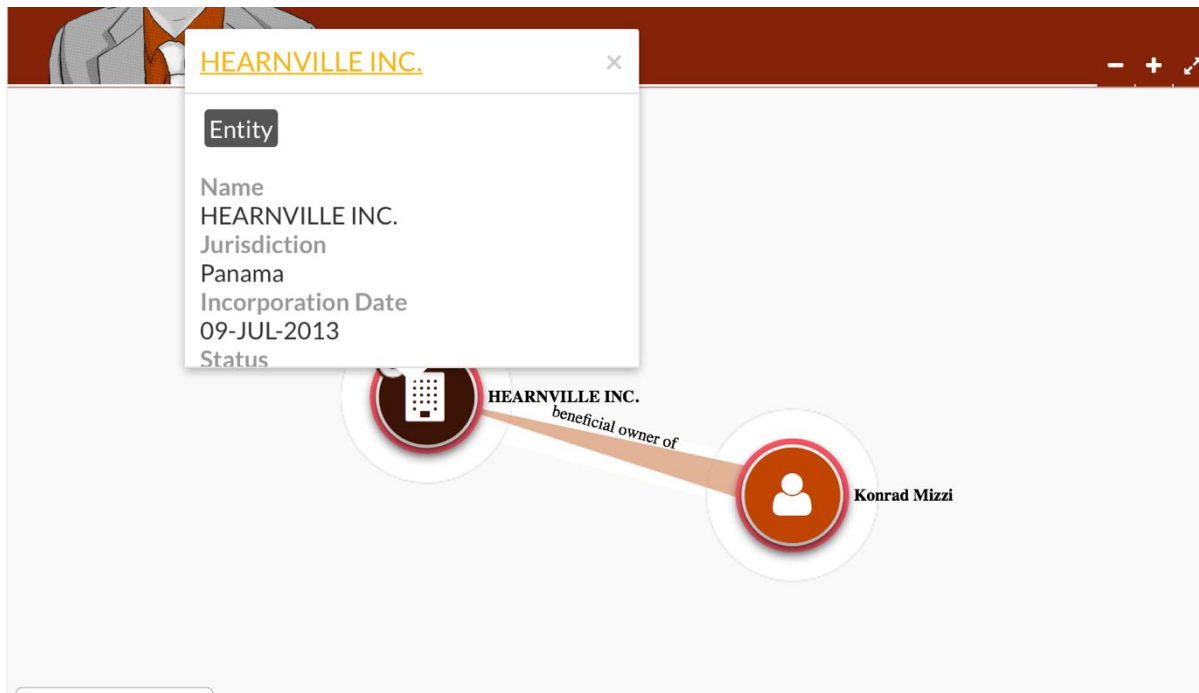
Another article alleged that Mossack Fonseca were concerned that Dr Mizzi was a politically exposed person and as a result wanted assurance that any funds being settled are not subject to corruption risk and ideally would have been generated prior to any political appointment.

[http://www.maltatoday.com.mt/news/national/63704/panama\\_papers\\_konrad\\_mizzi\\_keith\\_schembri\\_wanted\\_to\\_open\\_dubai\\_account#.Whu\\_dbQ-cWo](http://www.maltatoday.com.mt/news/national/63704/panama_papers_konrad_mizzi_keith_schembri_wanted_to_open_dubai_account#.Whu_dbQ-cWo)

<https://offshoreleaks.icij.org/nodes/15005201>

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<sup>1</sup> Despite a number of similar factors which can be attributed to both Dr Konrad MIZZI and Mr Keith SCHEMBRI, this report only covers information pertaining to Dr Konrad MIZZI. Any references made to Mr Keith Schembri and his involvements are mentioned due to the fact that in some cases such information could not be omitted.



On 7<sup>th</sup> October 2016 open sources reported that the Prime Minister opted not to name the company auditing Dr Konrad MIZZI due to this audit being a work in progress.

<https://www.timesofmalta.com/articles/view/20161007/local/prime-minister-refuses-to-name-firm-auditing-konrad-mizzi.627201>

It is pertinent to note that upon publication of the independent audit relating to Dr Konrad MIZZI, the date was shown as 21<sup>st</sup> September 2016 (*Appendix 8.1*), which therefore shows that on 7<sup>th</sup> October 2016, the audit was no longer a work in progress.

Without modifying our opinion, we draw attention to the stated accounting policies in the notes of the financial statements, which describes the basis of accounting.

We also draw your attention that this report is made solely for the Corporate Trustee and our audit has been undertaken so that we might state to the Trustee those matters we are required to state to the trustee in our auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustee, for our audit work, for this report, or for the opinion we have formed.

*Crowe Horwath*

Crowe Horwath New Zealand Audit Partnership  
CHARTERED ACCOUNTANTS  
21 September 2016



A post on <https://daphnecaruanagalizia.com/2017/02/17-black-name-company-incorporated-dubai/> dated 22<sup>nd</sup> February 2017, indicates a link between a company registered in Dubai, namely 17 BLACK LIMITED and four PEPs, namely Mr John Dalli, Mr Keith Schembri, Dr Joseph Muscat, and Dr Konrad MIZZI. More information in relation to 17 BLACK LIMITED is provided in Section 5.2 of this report.

A subsequent post which is dated 27<sup>th</sup> February 2017, also alleges that 17 BLACK LIMITED is being used by politically exposed persons to move funds in and out of Dubai <https://daphnecaruanagalizia.com/2017/02/17-black-prime-minister-claims-not-know-anything/>

### **3.2 List of Government Contracts**

Following a request from the FIAU to be supplied with copies of a number of Government contracts the FIAU obtained copies of the following contracts/agreements. Details of these contracts are provided in Section 3.3 of this report.

- i) 5<sup>th</sup> July 2010 – Ugovor O Zakupu Zemljista I Izgradnji Vjetroelektrane lokalitet Mozura – Ulcinj – reference 01-1567/12.
- ii) 3<sup>rd</sup> December 2012 – Annex 1 – To the contract on land lease and wind farm construction at the site of Mozura – ULCINJ.
- iii) 4<sup>th</sup> April 2014 – Confirmation – Socar Trading SA – Re: Company Commodity Swap Transactions – Cash Settled – Transaction reference Number 72405.
- iv) 4<sup>th</sup> April 2014 – Confirmation – Socar Trading SA – Re: Commodity Swap Transactions – Cash Settled – Transaction reference Number: 72342
- v) 4<sup>th</sup> April 2014 – Confirmation – Socar Trading SA – Re: Commodity Swap Transactions – Cash Settled – Transaction reference Number: 72404.
- vi) 12<sup>th</sup> November 2014 – SEP (Malta) Holding Ltd and Enemalta plc and D3 Power Generation Limited and Malta Government Investments Ltd – Subscription Agreement of D3 Power Generation Ltd.
- vii) 12<sup>th</sup> December 2014 – Subscription Agreement of Enemalta plc.
- viii) 16<sup>th</sup> December 2014 – Enemalta plc and Electrogas Malta Limited – Site lease deed.
- ix) 13<sup>th</sup> April 2015 – Enemalta plc and Socar Trading SA and Electrogas Malta Ltd – Enemalta-LNG SPA Direct Agreement.
- x) 13<sup>th</sup> April 2015 – Enemalta plc – Electrogas Malta Limited – Armada Floating Gas Storage Malta Ltd – Armada Floating Gas Services Malta Ltd – “FSU – Enemalta Bridge Direct Agreement”.
- xi) 14<sup>th</sup> April 2015 – Agreement between the Government of Malta and Socar Trading SA titled “LNG Security of Supply Agreement”
- xii) 14<sup>th</sup> April 2015 – The side letter
- xiii) 14<sup>th</sup> April 2015 – Delimara 4 – Minimum Functional Specifications updated with agreed EPC 1 Clarifications and Deviations.
- xiv) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Electricity Connection Agreement.
- xv) 14<sup>th</sup> April 2015 – Enemalta and Electrogas Limited – Site Services Agreement.

- xvi) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Gas Supply Agreement.
- xvii) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Limited – Implementation Agreement.
- xviii) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Power Purchase Agreement.
- xix) 14<sup>th</sup> April 2015 – Enemalta – Company’s Gas Facilities – Minimum Functional Specifications.
- xx) 27<sup>th</sup> October 2015 – Agreement on transfer of the agreement on land lease and construction of wind power plant (Written in English and foreign language)

On 14 February 2017, the Government published the following contracts, albeit some of these publications had certain details redacted.

<http://www.independent.com.mt/articles/2017-02-14/local-news/Government-starts-publishing-Delimara-station-contracts-6736170393>

- i) 14<sup>th</sup> April 2015 – Delimara 4 – Minimum Functional Specifications updated with agreed EPC 1 Clarifications and Deviations.
- ii) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Electricity Connection Agreement.
- iii) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Site Services Agreement.
- iv) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Gas Supply Agreement.
- v) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Implementation Agreement.
- vi) 14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Power Purchase Agreement.
- vii) 14<sup>th</sup> April 2015 – Enemalta – Company’s gas facilities – Minimum Functional Specifications.

It is pertinent to note that the FIAU had not been supplied with the following contract which was among those documents that was subsequently published:

- i) 9<sup>th</sup> May 2014 – Share Purchase agreement between Enemalta plc and Electrogas Malta Limited shareholders

### 3.3 Timeline of Events

For the purposes of information included in this section it is pertinent to note that Dr Konrad MIZZI is the holder of 2 credit cards. Card number 5522009410201437 is his personal Master credit card which was opened on 25/10/2005 and has a credit limit of €15,000. The other was issued on 09/05/2013 following Dr MIZZI’s political appointment. This card bearing number 4035710036111966 has a limit of €12,000 and is Dr MIZZI’s official card.

**5<sup>th</sup> April 2010** – Opposition leader Dr Joseph Muscat visits China as a guest of the Chinese government. During this trip a Memorandum of Understanding was allegedly signed on bilateral cooperation. This MoU was never made public.

<https://www.timesofmalta.com/articles/view/20100405/local/joseph-muscat-leaves-for-china.301368>

<https://www.timesofmalta.com/articles/view/20131107/local/MP-casts-doubt-on-Muscat-s-trip-to-China-in-2010.493621>

Another article states that during the trip *“Dr Muscat explained how he is looking forward to discussing the possibilities of collaboration, especially in energy, tourism and education, between China and Malta.”*

<https://daphnecaruanagalizia.com/2013/01/china-here-it-is-somehow-we-all-missed-it-and-let-it-go/>

**5<sup>th</sup> July 2010 – Ugovor O Zakupu Zemljista I Izgradnji Vjetroelektrane lokalitet Mozura – Ulcinj – reference 01-1567/12.**

Despite a request to have an English translation of this agreement, the FIAU was informed on 15<sup>th</sup> April 2016 that a translated version of this document was not available.

Although the FIAU did not have a translated version of this agreement, a summary of this agreement was provided in the document dated 27<sup>th</sup> October 2015, titled “Agreement on transfer of the agreement on land lease construction of wind power plant.”

The summary states the following: On 5 July 2010, The State of MNE CG and the INVESTOR concluded the Agreement on Land Lease and Construction of Wind Power Plant on Site Mozura, which was filed at the Ministry of Economy under number: 01-1567/12. The Lease Agreement envisages the construction of Wind Power Plant with and installed capacity of 46 MW on immovable property as described and defined in Annex 1 to the Lease Agreement, filed at the Ministry of the Economy under number 01-225/1.”

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

**3<sup>rd</sup> December 2012 – Annex 1 – To the contract on land lease and wind farm construction at the site of Mozura – ULCINJ.**

This contract was concluded in Podgorica on 3<sup>rd</sup> December 2012 with the parties to the contract being The State of Montenegro and The Consortium “Fersa & Celebic” as the investor. The investor is made up of Fersa Energias Renovables with its head office at S.A. Travessera de Garcia 30, 08021 Barcelona, Spain. This company is referred to as the leader of the Consortium and is represented by the Managing Director, Enrique Fernandez-Cardellach and the Limited Liability Company “Celebic”, head office located in Podgorica, St. Kralja Nikole 27. Celebic, which has the registration number 02073048 was represented by President Tomislav Celebic.

This contract immediately makes reference to the conclusion of Contract no. 01-1567/12 dated 5<sup>th</sup> July 2010, the subject of which is the lease of the public land covering, an area of 502,858.30m<sup>2</sup> at the site of Mozura – Ulcinj, for the construction and operation of a wind farm.

The agreed period of lease is 20 years.

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

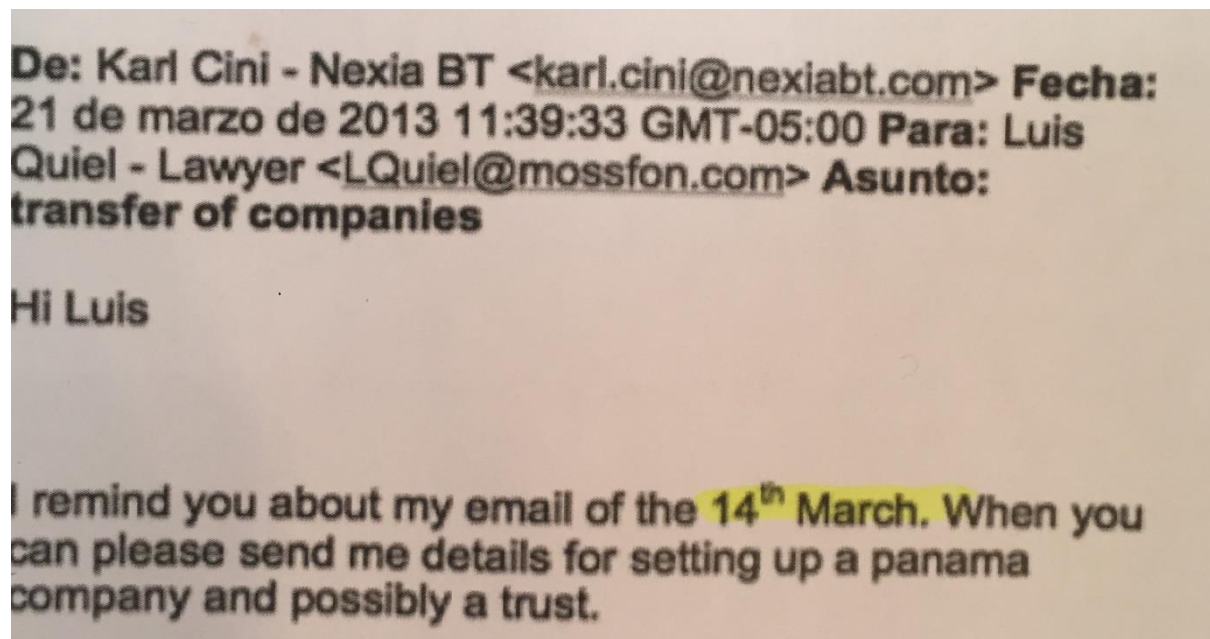
**9<sup>th</sup> January 2013** – In his role as energy expert, Dr Konrad Mizzi gave a detailed plan to convert the Delimara power station.

<https://www.timesofmalta.com/articles/view/20130109/local/Labour-announces-its-plan-to-cut-utility-bills.452480>

**February 2013** – Mr Karl Cini allegedly travelled to Panama to meet people from Mossack Fonseca (Reference has already been made in Section 3.1 of this report)

**13<sup>th</sup> March 2013** – Dr Konrad MIZZI was sworn in as Minister for Energy and the Conservation of Water. <http://parlament.mt/mizzi-konrad>

**21<sup>st</sup> March 2013** – Mr Karl Cini sent a reminder to Mr Luis Quiel in relation to details relating to a Panama company and possibly a trust.



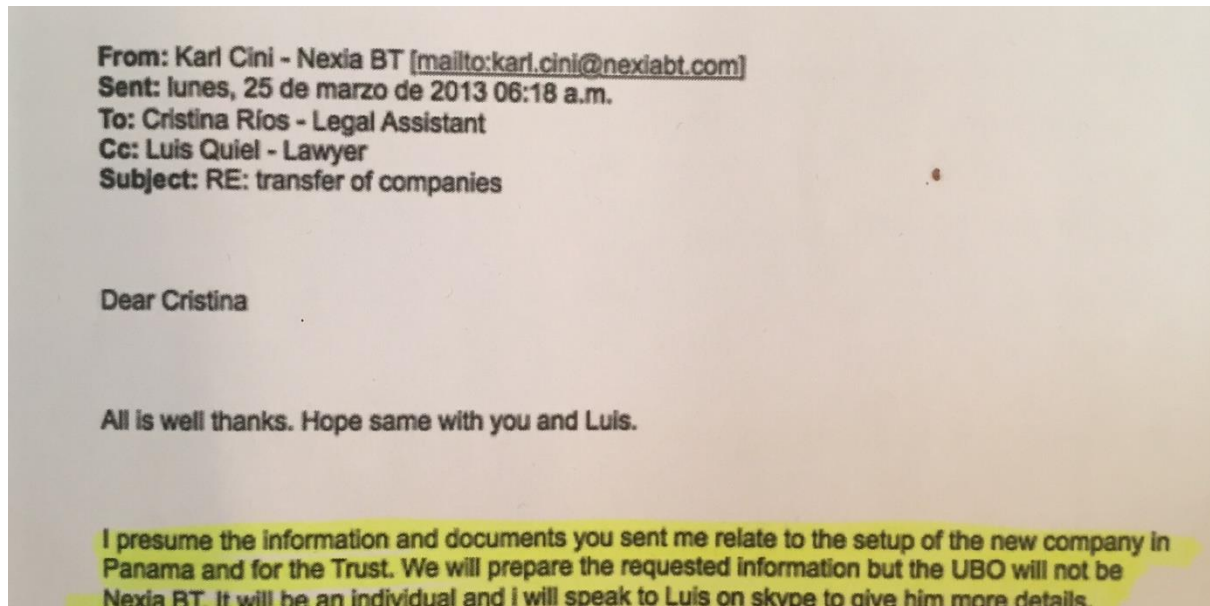
This email raises a number of issues:

- i) The date of the original request (14<sup>th</sup> March 2013) was just one day after Dr Konrad MIZZI was sworn in as Minister and five days after the general elections.
- ii) The fact that Mr Karl Cini informed Luis Quiel that he was possibly after the setup of a trust as well as the Panamanian company is not in line with claims made during 2016/2017 that the companies were shelf companies which were then sold at a later date. Given the costs

associated with the setup and maintenance of a trust, it would make no financial sense to a company service provider to place a non-operative, shelf company in a trust for an indefinite period of time.

- iii) Of further suspicion is the fact that this email was one of those which was not included in the emails to the FIAU following the FIAU's request to be provided with these documents.

**25<sup>th</sup> March 2013** – Mr Karl Cini sent an email to Ms Cristina Rios stating the following:



It is pertinent to note that at this point in time no reference had yet been made to the 3 Panamanian companies as these were ultimately set up in July 2013. This email therefore indicates that the initial plan was to set up one company in Panama and have it held under trust, with details of the ultimate beneficial owner being provided over Skype to ensure a higher level of confidentiality.

**8<sup>th</sup> April 2013** – The Minister for Energy and The Conservation of Water, Hon. Konrad Mizzi. Meets Indian external Affairs Minister Preneet Kaur. Collaboration in the area of Energy Renewable and Energy Efficiency was discussed during this meeting.

**11<sup>th</sup> April 2013** – Energy Minister Dr Konrad Mizzi stressed that the Government wants clean, lower-cost electricity to be sourced from new investors in liquefied natural gas (LNG) storage, re-gasification and natural supply infrastructure. The below article further states that although no formal call for tender will be issued, the Government would be following EU rules, including exemptions provided by procurement rules. The Department of Contracts will not be involved in the selection process since this is not a call for tenders.

<https://www.timesofmalta.com/articles/view/20130411/local/enemalta-issues-call-for-expression-of-interest-for-new-power-station.465033>

**8<sup>th</sup> May 2013** – GEM Holdings Limited is incorporated in Malta. More information in relation to this company is available in Section 3.4 of this report.

<b>Company Registration Number</b>	C 60349
<b>Company Name</b>	GEM HOLDINGS LIMITED
<b>Registration Date</b>	May 08, 2013
<b>Registered Office</b>	LEVEL 3, PORTOMASO BUSINESS TOWER, PORTOMASO,
<b>City/Locality</b>	ST. JULIANS STJ 4011
<b>Country</b>	MALTA

**23<sup>rd</sup> May 2013** – Mossack Fonseca & Co. (Malta) Limited are incorporated in Malta.

<b>Company Registration Number</b>	C 60535
<b>Company Name</b>	MOSSACK FONSECA & CO. (MALTA) LTD
<b>Registration Date</b>	May 23, 2013
<b>Registered Office</b>	OFFICE 2, SUITE 2, THE PENTHOUSE, CAPITAL BUSINESS CENTRE, ENTRANCE C, TRIQ TAZ-ZWEJT,
<b>City/Locality</b>	SAN GWANN SGN 3000
<b>Country</b>	MALTA

During the course of a compliance visit the FIAU was informed that Mossack Fonseca approached BT International to incorporate its offices in Malta. Given that Mr Karl Cini had already travelled to Panama in February 2013 allegedly to meet people from Mossack Fonseca it is understandable that the firm approached BT International to set up a branch in Malta.

**28<sup>th</sup> May 2013** – Dr Konrad Mizzi's official credit card activity places him in Qatar.



MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	0.00
Transactions	EUR	1060.59
Payments	EUR	0.00
New Balance	EUR	1060.59
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.06.2013

Card Account Number : 4035710036028657

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Received by US	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
	30.05.13	28.05.13	PURCH LE GOURMET DOHA	390.00 QAR	4.6740	83.44
			CHRG CURRENCY CONVERSION FEE	1.46 EUR		1.46
	03.06.13	30.05.13	PURCH INTER CONTINENTAL HOTEL DOHA	37.49 EUR		37.49
	08.06.13	05.06.13	PURCH PAVES DE BRUXELLES (A BRUXELLES	181.10 EUR		181.10
	08.06.13	06.06.13	PURCH L'ENTRACTE LUXEMBOURG	194.50 EUR		194.50
	10.06.13	06.06.13	PURCH SHERATON BRUSSELS HOTE BRUSSELS	227.60 EUR		227.60
	10.06.13	07.06.13	PURCH RECEPTION LE ROYAL LUXEMBOURG	265.00 EUR		265.00
	14.06.13	12.06.13	PURCH SCALINI RESTAURANT VALLETTA	70.00 EUR		70.00

Points Summary for the month			Points expire within 24 months. Redeem them and benefit from various offers.		
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance
0	526	0	0	0	526

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489101.

Minimum amount due for month EUR 53.03 by 09.07.2013  
You can pay your monthly bill by using our free Direct Debit service.

For added security we will soon start using Verified by Visa. Please visit [www.hsbc.com.mt/secureonline](http://www.hsbc.com.mt/secureonline) for more information

12<sup>th</sup> June 2013 – Electrogas Malta Limited is incorporated in Malta. More information in relation to this company is available in Section 3.4 of this report.

**Company Registration Number** C 60775  
**Company Name** ELECTROGAS MALTA LIMITED  
**Registration Date** Jun 12, 2013  
**Registered Office** ELECTROGAS MALTA, BLOCK D, TA' MONITA RESIDENCE,  
PIAZZA OFF ST. JOSEPH STREET,  
**City/Locality** MARSASCALA MSK 1050  
**Country** MALTA

17<sup>th</sup> June 2013 – The FIAU obtained 3 emails which were sent on this day between Ms Cristina Rios, Mr Adrian Dixon (both of Mossack Fonseca) and Mr Karl Cini. The communication was in reference to a list of BVI shelf companies. This short chain of emails evidently shows breaks in the communication and reference is also made to information which was already shared verbally in telephone conversations.

The first email from Mr Adrian Dixon to Mr Karl Cini whereby he provided a list of BVI shelf companies available.

The second email from Mr Adrian Dixon to Ms Cristina Rios which in Spanish translates to; *“Based on the attached list of our telephone conversation, the client decided to purchase BVI companies TORBRIDGE SERVICES INC. and WILLERBY TRADE INC. For these two companies will require the service of directors and nominal shareholders and the issuance of a general power for each. On the other hand the client wants to open a bank account in Panama for one of these*



*companies. Only a bank account to prove that it is going and if it works, will ask to open others in the future. What you basically want to do is your online banking queries in English. Anything you let me know."*

The third email from Ms Cristina Rios to Mossack Fonseca & Co. (Corporations – MFL/MFT Sections) which is also in Spanish translates to *"Please open the cases of acquisition for the societies of BVI TORBRIDGE SERVICES INC. and WILLERBY TRADE INC. The client is BTI Management Inc. and the contact person is Mr Karl Cini. Please include Mr L Quiel and me in these cases"*.

A detailed analytical report relating to WILLERBY TRADE INC. dated 12<sup>th</sup> July 2016 was disseminated to the Police following the determination of a reasonable suspicion of money laundering which included, amongst others, the purchase of a shelf company (WILLERBY TRADE INC) by Mr Brian Tonna in the British Virgin Islands through the services of Mossack Fonseca Limited in which foreign director services were used and, more importantly, shares are being held in nominee capacity by ATC ADMINISTRATORS INC on behalf of Mr Tonna. This set up and the choice of jurisdictions reduces to a very large extent the possibility that any information on the link between Mr Tonna and the company is identified by the authorities in Malta.

This report also states that WILLERBY TRADE INC. which was incorporated in the BVI on 19<sup>th</sup> March 2013, opened a bank account with Pilatus Bank plc on 27<sup>th</sup> November 2014. A declaration of beneficial ownership shows that as at 20<sup>th</sup> June 2013, ATC Administrators Inc. held shares in WILLERBY TRADE INC. on behalf of Mr Brian Tonna.

In a communication to the FIAU from Mr Karl Cini dated 9<sup>th</sup> May 2016 (Appendix 8.2), Mr Cini states that TORBRIDGE SERVICES INC. was a shelf company which was acquired in 2013 and which had not traded. As a result the shares in this company were transferred to Mr Cheng CHEN holder of Chinese Passport Number G32458221. More information in relation to TORBRIDGE SERVICES INC. and Mr Cheng CHEN are provided in Section 5.1 of this report. In this communication, Mr Cini further states that the only service provided to Mr CHEN was assistance in setting up a bank account with Pilatus Bank plc in the name of TORBRIDGE SERVICES INC.

In light of the information obtained from the email correspondence dated 17<sup>th</sup> June 2013 and the fact that, of the 2 companies, only one was retained for the benefit of Mr Brian Tonna, raises the suspicion that WILLERBY TRADE INC. was the company for which the Panamanian Bank account was intended. The statement that *"if it works, will ask to open others in future"* further raises suspicion beyond any reasonable doubt that WILLERBY TRADE INC. was being used as a test prior to setting up the Panamanian companies and respective bank accounts for Dr Konrad Mizzi and Mr Keith Schembri amongst possible others.

Of further suspicion is the fact that for reasons which are unknown to the FIAU, the account opening process in Panama for WILLERBY TRADE INC. was seemingly not pursued. Instead the

decision was taken to open a bank account with Pilatus Bank plc, a bank which applied for its credit license in October 2013 and was finally incorporated on 6<sup>th</sup> December 2013.

<b>Company Registration Number</b>	C 62995
<b>Company Name</b>	PILATUS BANK PLC
<b>Registration Date</b>	Dec 06, 2013
<b>Registered Office</b>	WHITEHALL MANSIONS, LEVEL 2, TA' XBIEX WHARF,
<b>City/Locality</b>	TA' XBIEX XBX 1026
<b>Country</b>	MALTA

In light of this, the choice of Pilatus Bank plc was deemed suspicious given that a client such as WILLERBY TRADE INC. was not in line with the profile of the bank, whose business model is that of a private bank that mainly services high net-worth foreign individuals. Of further suspicion are the unconfirmed links between the bank's main shareholder and Mr Keith Schembri.

**19<sup>th</sup> July 2013** – The Mossack Fonseca & Co. Corporations Department sent an email to Mr Karl Cini, who is partner at Nexia BT, confirming 3 companies have been reserved until 16<sup>th</sup> July 2013. The following is an overview of the respective companies:

Jurisdiction	Company	Registered on	Period	Type of M&AA
Panama	Egrant Inc.	08/07/2013	II	Bearer/Registered Shares
Panama	Hearnville Inc.	09/07/2013	II	Bearer/Registered Shares
Panama	Tillgate Inc.	15/07/2013	II	Bearer/Registered Shares

This correspondence also covered applicable fees. Although a specific currency wasn't mentioned, the total costs due to Mossack Fonseca & Co. (Panama) for the acquisition and registration of each company was quoted at 1,525.

This information also disproves claims made by Nexia BT and Dr Konrad Mizzi in that the companies were shelf companies which were purchased by Nexia BT and subsequently 2 of which were sold to Dr Konrad Mizzi and Keith Schembri respectively.

In the event that Nexia BT had been purchasing these companies as shelf companies which were sold on at a later date, one would expect Mr Cini to proceed immediately with the

purchase of these companies. Instead Mr Cini asked that the 3 companies be reserved for a number of days and subsequently also asked for an extension on this reservation. This indicates that Mr Cini likely needed time to communicate with the actual beneficial owners of the companies and therefore could not take certain decisions himself.

The suspicion is further substantiated by the fact that when purchasing the BVI registered companies, WILLERBY TRADE INC. and TORBRIDGE SERVICES INC. Mr Cini gave the go ahead himself on the purchase of these companies without any need for reservations or extensions. This is understandable given that WILLERBY TRADE INC. was intended to for Mr Brian Tonna while TORBRIDGE SERVICES INC. was in fact purchased as a shelf company which was then sold on later.

**24<sup>th</sup> July 2013** – Dr Konrad Mizzi's official credit card details places him in Qatar.

MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	294.30
Transactions	EUR	511.74
Payments	EUR	294.30CR
New Balance	EUR	513.74
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.08.2013      Card Account Number : 4035710036028657      Page : 1/1

Received by Us	Transaction Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
<b>CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI</b>						
25.07.13	24.07.13	PURCH	RITE-CARLTON DOHA DOHA	2227.00 QAR	4.8034	463.63
		CHRG	CURRENCY CONVERSION FEE	8.11 EUR		8.11
26.07.13	25.07.13	PURCH	SOTTOVENTO VITTORIOSA	42.00 EUR		42.00
09.08.13	09.08.13	DEPST	PAYMENT RECEIVED - THANK YOU	294.30 EUR		294.30CR

Points Summary for the month		Points expire within 24 months. Redeem them and benefit from various offers.			
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance
673	252	0	0	0	925

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489101.

Minimum amount due for month EUR 25.68 by 08.09.2013  
You can pay your monthly bill by using our free Direct Debit service.

Use your HSBC Credit Cards to pay for a large purchase, such as a dream holiday or a luxury item, and you can spread the payment over a longer period.

**26<sup>th</sup> July 2013** – Mr Cini contacted Mossack Fonseca & Co. (Panama) to advise that he still needs the aforementioned companies however he did not have time to complete the paperwork. As a result Mossack Fonseca & Co. (Panama) confirmed an extension till 2<sup>nd</sup> August 2013.

**7<sup>th</sup> August 2013** – Mr Karl Cini emailed Shanhani Logan from Mossack Fonseca & Co. (Panama) with the filled and signed order forms. The FIAU obtained copies of the order forms in respect of HEARNVILLE INC and TILGATE INC. Both forms were signed 4<sup>th</sup> August 2013 by Mr Brian Tonna (under nominee provided by Mossack Fonseca)

**10<sup>th</sup> September 2013** – Dr Konrad Mizzi's official credit card places him in Shanghai.

MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	513.74
Transactions	EUR	1238.43
Payments	EUR	513.74CR
New Balance	EUR	1238.43
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.09.2013

Card Account Number : 4035710036028657

Page : 1/1

Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
14.09.13	14.09.13	INTST	INTEREST	1.04 EUR		1.04
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
02.09.13	31.09.13	DEPST	PAYMENT RECEIVED - THANK YOU	513.74 EUR		513.74CR
04.09.13	03.09.13	PURCH	LEGGIN WINEBAR VALLETTA	110.00 EUR		110.00
10.09.13	10.09.13	C/ADV	XIJIAO HOTEL..... SHANGHAI SHI	2300.00 CNY	8.9583	285.42
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	4.99 EUR		4.99
10.09.13	10.09.13	C/ADV	XIJIAO HOTEL..... SHANGHAI SHI	3000.00 CNY	8.0582	372.29
		CHRG	CURRENCY CONVERSION FEE	6.52 EUR		6.52
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
13.09.13	12.09.13	C/ADV	HSBC/G/F 68 RENMIN LU DALIAN	2500.00 CNY	8.1274	307.60
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	5.38 EUR		5.38
13.09.13	12.09.13	C/ADV	HSBC/G/F 68 RENMIN LU DALIAN	1000.00 CNY	8.1274	123.04
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	2.15 EUR		2.15

**11<sup>th</sup> September 2013** – MoU between China Power Investment Corporation and the Ministry for Energy and the Conservation of Water of the Republic of Malta.

The FIAU does not hold a copy of the said MoU, however reference is made to this MoU in the Energy Sector Cooperation and Investment Agreement dated 12<sup>th</sup> September 2014.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

The allegations made in this article are substantiated by the Subscription Agreement dated 12 December 2014 which was obtained by the FIAU. Further information related to this agreement is provided later in this section of the report.

**3<sup>rd</sup> October 2013** – Dr Konrad Mizzi's official credit card activity places him once again in Shanghai.

MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	1238.43
Transactions	EUR	1344.85
Payments	EUR	1237.39CR
New Balance	EUR	1345.89
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.10.2013

Card Account Number : 4035710036028657

Page : 1/1

Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
14.10.13	14.10.13	INTST	INTEREST	4.39 EUR		4.39
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
18.09.13	16.09.13	PURCH	GUZE RESTAURANT TA' XBIEM	180.00 EUR		180.00
27.09.13	25.09.13	PURCH	LA DOLCE VITA ST JULIANS	135.80 EUR		135.80
30.09.13	30.09.13	CHRG	CARD REPLACEMENT FEE	5.00 EUR		5.00
01.10.13	01.10.13	DEPST	PAYMENT RECEIVED - THANK YOU	1237.39 EUR		1237.39CR
04.10.13	03.10.13	PURCH	HONG MEI XIAO HAN GUO SHA SHANGHAI	519.00 CNY	8.3067	62.48
		CHRG	CURRENCY CONVERSION FEE	1.09 EUR		1.09
08.10.13	07.10.13	PURCH	HONG MEI XIAO HAN GUO SHA SHANGHAI	381.00 CNY	8.2826	46.00
		CHRG	CURRENCY CONVERSION FEE	0.81 EUR		0.81
11.10.13	10.10.13	PURCH	LE ROYAL MERIDIEN SHANGHA SHANGHAI	6868.56 CNY	8.2484	832.71
		CHRG	CURRENCY CONVERSION FEE	14.57 EUR		14.57
14.10.13	12.10.13	PURCH	CAFE CARAVAGGIO VALLETTA	62.00 EUR		62.00

13<sup>th</sup> October 2013 – Enemalta plc announces that Electrogas Malta Consortium is the preferred bidder for the gas supply and power purchase agreement.

<http://www.enemalta.com.mt/index.aspx?cat=3&art=218&art1=229>

24<sup>th</sup> October 2013 – Dr Konrad Mizzi's official credit card places him in Israel.

MR KONRAD MIZZI MINISTRY FOR ENERGY AND THE CONSERVATION OF WATER AUBERGE DE CASTILLE VALLETTA				HSBC Advance VISA Account		
				Credit Limit	EUR	6000.00
				Previous Balance	EUR	1345.89
				Transactions	EUR	752.78
				Payments	EUR	0.00
				New Balance	EUR	2098.67
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 14.11.2013				Card Account Number : 4035710036028657		Page : 1/1
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
	14.11.13	CHRG	LATE PAYMENT FEE	15.00 EUR		15.00
	14.11.13	INTST	INTEREST	2.00 EUR		2.00
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
	15.10.13	PURCH	SADASS CAFE VALLETTA	15.95 EUR		15.95
	19.10.13	PURCH	THE BOAT HOUSE XLENDI GOSD	50.00 EUR		50.00
	20.10.13	PURCH	ISROTEL TEL AVIV	586.51 USD	1.3773	425.14
		CHRG	CURRENCY CONVERSION FEE	7.45 EUR		7.45
	20.10.13	PURCH	NOTRE DAME CENTER HOTEL JERUSALEM	252.50 USD	1.3773	183.33
		CHRG	CURRENCY CONVERSION FEE	3.21 EUR		3.21
	09.11.13	PURCH	PAIM COURT LOUNGE BAR FLORIANA	50.00 EUR		50.00

13<sup>th</sup> November 2013 – Mr Karl Cini's credit card activity places him in Shanghai.

MR KARL CINI NO. 21, VILLA FERMAUX COMPLEX ST CATHERINE STREET 2EJ7UN 2TN 1812				MasterCard Account Statement		
				Credit Limit	EUR	590.00
				Previous Balance	EUR	90.25
				Transactions	EUR	405.93
				Payments	EUR	90.25CR
				New Balance	EUR	405.93
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 21.11.2013				Card Account Number : 5422014426036174		Page : 1/1
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
	21.11.13	INTST	INTEREST	0.46 EUR		0.46
CARD TRANSACTIONS - 542201*****6174 - KARL CINI						
	22.10.13	PURCH	MEDITERRANEAN CONFERENCE VALLETTA	22.00 EUR		22.00
	08.11.13	DEPST	PAYMENT RECEIVED - THANK YOU	90.25 EUR		90.25CR
	14.11.13	C/ADV	010010081 SHANGHAI	1000.00 CNY	8.1559	122.61
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	2.15 EUR		2.15
	18.11.13	C/ADV	010010081 SHANGHAI	2000.00 CNY	8.1823	244.43
		CHRG	CURRENCY CONVERSION FEE	4.28 EUR		4.28
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00

15<sup>th</sup> December 2013 – Dr Konrad Mizzi's official card activity places him in Shanghai for the 3<sup>rd</sup> time since September 2013.



MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	568.36
Transactions	EUR	3084.45
Payments	EUR	568.36CR
New Balance	EUR	3084.45
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.01.2014

Card Account Number : 4035710036028657

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Received By US	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
<b>ACCOUNT TRANSACTIONS</b>						
14.01.14	14.01.14	INTST	INTEREST	0.17 EUR		0.17
<b>CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI</b>						
16.12.13	12.12.13	PURCH	SHEPARDSON BRUSSELS HOTEL BRUSSELS	469.50 EUR		469.50
16.12.13	12.12.13	PURCH	TASTE OF RAJ LONDON SH3	32.00 GBP	0.8401	36.09
		CHRG	CURRENCY CONVERSION FEE	0.67 EUR		0.67
16.12.13	13.12.13	PURCH	THE CLARENDON HOTEL LONDON SH3	79.00 GBP	0.8402	94.03
		CHRG	CURRENCY CONVERSION FEE	1.65 EUR		1.65
16.12.13	13.12.13	PURCH	MILTON LONDON	21.45 GBP	0.8402	25.53
		CHRG	CURRENCY CONVERSION FEE	0.45 EUR		0.45
19.12.13	19.12.13	PURCH	AN HENG CAN YIM SH CHN SHANGHAI	651.00 CNY	8.3301	78.15
		CHRG	CURRENCY CONVERSION FEE	1.37 EUR		1.37
20.12.13	19.12.13	PURCH	HYATT ON THE BUND SHANGHAI	13000.00 CNY	8.2864	1568.83
		CHRG	CURRENCY CONVERSION FEE	27.45 EUR		27.45
20.12.13	19.12.13	PURCH	HYATT ON THE BUND SHANGHAI	4433.75 CNY	8.2864	559.20
		CHRG	CURRENCY CONVERSION FEE	9.79 EUR		9.79
20.12.13	19.12.13	PURCH	HYATT ON THE BUND SHANGHAI	84.00 CNY	8.2840	10.14
		CHRG	CURRENCY CONVERSION FEE	0.18 EUR		0.18
07.01.14	05.01.14	PURCH	SOTTO VENTO RESTAURANT VITTORIOSA	44.00 EUR		44.00
08.01.14	06.01.14	PURCH	PHOENIX RESTAURANT FLORIANA	37.00 EUR		37.00
09.01.14	07.01.14	PURCH	SA RE GA MA SLIEMA	53.25 EUR		53.25
10.01.14	09.01.14	DEPST	PAYMENT RECEIVED - THANK YOU	568.36 EUR		568.36CR
13.01.14	11.01.14	PURCH	HENRY J BEANS ST JULIANS	65.00 EUR		65.00

29<sup>th</sup> January 2014 – Dr Konrad Mizzi's official credit card activity places him in Shanghai

MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account

Credit Limit	EUR	6000.00
Previous Balance	EUR	3084.45
Transactions	EUR	1119.06
Payments	EUR	3084.45CR
New Balance	EUR	1119.06
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 14.02.2014

Card Account Number : 4035710036028657

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Received By US	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
<b>CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI</b>						
17.01.14	16.01.14	PURCH	AARON S KITCHEN VALLETTA	100.00 EUR		100.00
21.01.14	18.01.14	PURCH	SI MANGIA VALLETTA	12.30 EUR		12.30
27.01.14	23.01.14	PURCH	IL-MITHNA RESTAURANT MELLIEHA	225.00 EUR		225.00
28.01.14	27.01.14	DEPST	PAYMENT RECEIVED - THANK YOU	3084.45 EUR		3084.45CR
29.01.14	28.01.14	PURCH	SHANGHAI SHENJIANG ZICHAN SHANGHAI	2880.00 CNY	8.2436	349.36
		CHRG	CURRENCY CONVERSION FEE	6.11 EUR		6.11
04.02.14	01.02.14	PURCH	BJ CHANG FU GONG HTL R & BEIJING	50.92 EUR		50.92
05.02.14	04.02.14	PURCH	DIXONS HEATHROW TER4	56.99 GBP	0.8240	69.16
		CHRG	CURRENCY CONVERSION FEE	1.21 EUR		1.21
11.02.14	09.02.14	PURCH	LUPANARA RESTAURANT VITTORIOSA	245.00 EUR		245.00
12.02.14	10.02.14	PURCH	LUCIANO BIANCO LTD VALLETTA	60.00 EUR		60.00

Points Summary for the month		Points expire within 24 months. Redeem them and benefit from various offers.				
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance	
3794	553	0	0	0	4347	

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489101.

Minimum amount due for month EUR 55.95 by 11.03.2014  
You can pay your monthly bill by using our free Direct Debit service.

Use your HSBC Credit Cards to pay for a large purchase, such as a dream holiday or a luxury item, and you can spread the payment over a longer period.

In addition to Dr Mizzi's presence in China, the transaction made in favour of "Shanghai Shenjiang Zichan Shanghai" also raises suspicion given that online searches indicate that this company may be an investment management company. Attempts made by the FIAU to gather further information on the beneficiary of this transaction were not successful.

### **Company Profile**

Shanghai Shenjiang Asset Management Co., Ltd., a subsidiary of Shanghai Shenjiang Development and Construction Investment (Group) Co., Ltd., is a wholly owned subsidiary of Shanghai Shenjiang Group. It was formally incorporated on February 1, 2008. Registered capital of 100 million yuan, the business scope of corporate asset management, restructuring, mergers, property management, industrial investment and investment management. Shenjiang Group is mainly responsible for the settlement of long-term assets and new assets management. The existing two subordinate branches, namely the Shanghai Bund Indigo Hotel Branch, Shanghai Shenjiang Asset Management Co., Ltd. Lu Han Restaurant catering branch; two subsidiaries were Shanghai Shenjiang Sports Culture Investment Co., Ltd. and Shanghai Shenjiang Cross-Strait Tourism Terminal Co., Ltd. At present the main business of the project are the Bund Indigo Hotel, Shiliupu, the old pier, East Pier, South Pier and so on.

Website: <http://sjbanks-zc.com/>, welcome to click to view company details.

<http://www.chinahr.com/company/20-289075.html>

**3<sup>rd</sup> February 2014** – Advisory and Finance Committee Meeting 7 during which no reference was made to unleaded petrol and diesel hedging for Q3 and Q4 2014.

**12<sup>th</sup> February 2014** – Sitting No 119 (Appendix 8.34) – A statement was given by Dr Konrad Mizzi on the situation of Enemalta Corporation in relation to the theft of electricity.

**25<sup>th</sup> – 26<sup>th</sup> February 2014** – Sitting No 124 and No 125 (Appendix 8.34) – A statement was given by Dr Konrad Mizzi by way of an update on the situation of Enemalta Corporation in relation to the theft of electricity.

**11<sup>th</sup> March 2014** – Sitting No 128 (Appendix 8.34) – A statement was given by Dr Konrad Mizzi in relation to the investment of Shanghai Electric Power in Enemalta.



**12<sup>th</sup> March 2014** – Heads of terms agreement with Shanghai Electric power to partial sale of Enemalta. The FIAU does not hold a copy of the said agreement.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

It is interesting to note that the NAO report dated March 2015 states “In the AFC meeting dated 12 March 2014, no targets for Q3 and Q4 2014 were set. This is further corroborated through an email exchange between Committee members dated 20 March 2014, where indications of the prevalent market rates at the time for unleaded petrol (Q3 \$913.50/MT and Q4 \$908.75/MT) were provided.”.

The dates identified in this section of the NAO Report coincide with the date in which the “Heads of terms agreement with Shanghai Electric power to partial sale of Enemalta” was drawn up and the date in which Konrad Mizzi travelled to Beijing presumably on official business given the credit card he used was his official card.

**20<sup>th</sup> March 2014** – Dr Konrad Mizzi’s official credit card places him in Beijing.

MR KONRAD MIZZI MINISTRY FOR ENERGY AND THE CONSERVATION OF WATER AUBERGE DE CASTILLE VALLETTA				HSBC Advance VISA Account Statement		
				Credit Limit	EUR	6000.00
				Previous Balance	EUR	409.10
				Transactions	EUR	990.87
				Payments	EUR	409.10CR
				New Balance	EUR	990.87
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 14.04.2014				Card Account Number : 4035710036028657		Page : 1/1
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
14.04.14	14.04.14	INTST	INTEREST	0.18 EUR		0.18
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
21.03.14	20.03.14	PURCH	BEI JING FAN QIAN FAN HOU BEIJING	281.00 CNY	8.5514	32.86
		CHRG	CURRENCY CONVERSION FEE	0.58 EUR		0.58
24.03.14	20.03.14	PURCH	CTRP SH HUACHENG TRAVEL SHANGHAI	175.16 EUR		175.16
24.03.14	20.03.14	PURCH	BJ CHANG FU GONG HTL R & BEIJING	55.89 EUR		55.89
24.03.14	22.03.14	C/ADV	BEIJINGSHISHUHYIQUISHOU 0CHINA0000000	300.00 CNY	8.5592	35.05
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	0.61 EUR		0.61
24.03.14	21.03.14	PURCH	BJ CHANG FU GONG HTL R & BEIJING	55.89 EUR		55.89
24.03.14	22.03.14	PURCH	BEI JING SHOU DU JI CHANG BEIJING	895.50 CNY	8.5605	103.44
		CHRG	CURRENCY CONVERSION FEE	1.81 EUR		1.81
29.03.14	29.03.14	PURCH	THE ORDINANCE PUB VALLETTA	90.00 EUR		90.00
03.04.14	01.04.14	PURCH	AMBROSIA RESTAURANT VALLETTA	105.00 EUR		105.00
05.04.14	04.04.14	DEPST	PAYMENT RECEIVED - THANK YOU	409.10 EUR		409.10CR
07.04.14	04.04.14	PURCH	PHOENIX RESTAURANT FLORIANA	114.40 EUR		114.40
10.04.14	08.04.14	PURCH	LA SFUGLIA VALLETTA	215.00 EUR		215.00

**21<sup>st</sup> March 2014** – Based on information obtained through the NAO Report dated March 2015 an email was circulated among Advisory and Finance Committee members with proposed targets set. Advisory and Finance Committee member agrees with proposed targets (Unleaded petrol @ \$920/MT and diesel @ \$905/MT)

**1<sup>st</sup> April 2014** – Confirmation – Socar Trading SA – Re: Commodity Swap – Cash Settled – Transaction reference Number 72342.

This confirmation was sent to Enemalta Corporation (Back Office) from Socar Trading SA, the subject being “Commodity Swap Transactions – Cash Settled, Transaction Reference Number: 72342.” (Appendix 8.28)

The definitions and provisions contained in this confirmation letter refer to the ISDA Master Agreement, as published by the International Swaps and Derivatives Association.

The total national quantity in this confirmation is quoted as 33.000 MT with a fixed price of USD 910/MT with the commodity being diesel. The fixed price payer was listed as Enemalta Corporation and the effective date was 1<sup>st</sup> July 2014.

On the basis of information gathered from the LNG Security of Supply Agreement dated 14<sup>th</sup> April 2015, Socar Trading SA entered into an agreement with Electrogas Malta Limited for the supply of LNG, while Electrogas Malta Limited was the entity which entered into an agreement with Enemalta plc to supply gas/electric. Enemalta plc which was incorporated on 1<sup>st</sup> July was in turn the company which acquired Enemalta Corporation in accordance with Cap 536 of the Laws of Malta.

In light of this set up, the FIAU questioned the reason were as to why Enemalta Corporation purchased a commodity for USD30,020,000 when on the effective date the Corporation was to be acquired by Enemalta plc.

Of further suspicion was the fact that this confirmation letter also did not provide account details for payment.

The NAO report dated March 2015 raises further suspicions in relation to this hedging agreement due to the fact that the Advisory and Finance Committee had agreed on a price of \$905MT for this commodity however the hedge deal was agreed with a price of \$910/MT.

2<sup>nd</sup> April 2014 – Dr Konrad Mizzi’s portfolio was changed to Minister for Energy and Health. This is the same day when 2 hedge deals were agreed and entered into by Enemalta Corporation and Socar Trading SA with respect to unleaded petrol hedge at a rate of \$920/MT.

The first hedge being: Confirmation – Socar Trading SA – Re: Commodity Swap Transactions – Cash Settled – Transaction Number 72404.

This confirmation was sent to Enemalta Corporation (Back Office) from Socar Trading SA, the subject being “Commodity Swap Transactions – Cash Settled, Transaction Reference Number: 72404.” (Appendix 8.29).

The definitions and provision contained in this confirmation refer to the ISDA Master Agreement, as published by the International Swaps and Derivatives Association.

The total notional quantity in this confirmation is quoted as 16,000MT with a fixed price of \$920/MT with the commodity being gasoline. The fixed price payer was listed as Enemalta Corporation and the effective date was 1<sup>st</sup> July 2014.

On the basis of information gathered from the LNG Security of Supply Agreement dated 14<sup>th</sup> April 2015 (Appendix 8.38), Socar Trading SA entered into an agreement with Electrogas Malta Limited for the supply of LNG. While Electrogas Malta Limited was the entity which entered into an agreement with Enemalta plc to supply gas/electric. Enemalta plc which was incorporated on 1<sup>st</sup> July 2014 was in turn the company which acquired Enemalta Corporation in accordance with Cap 536 of the Laws of Malta.

In light of this set up, questions were raised as to why Enemalta Corporation purchased a commodity for USD14,720,000 when on the effective date the Corporation was to be acquired by Enemalta plc.

Of further suspicion was the fact that this confirmation letter did not provide account details for payment.

The second hedge being: Confirmation – Socar Trading SA – Re: Commodity Swap Transactions – Cash Settled – Transaction Reference Number 71405.

This confirmation was sent to Enemalta Corporation (Back Office) from Socar Trading SA, the subject being “Commodity Swap Transactions – Cash Settled, Transaction Reference Number: 42405.” (Appendix 8.30)

The definitions and provisions contained in this confirmation letter refer to ISDA Master Agreement, as published by the International Swaps and Derivatives Association.

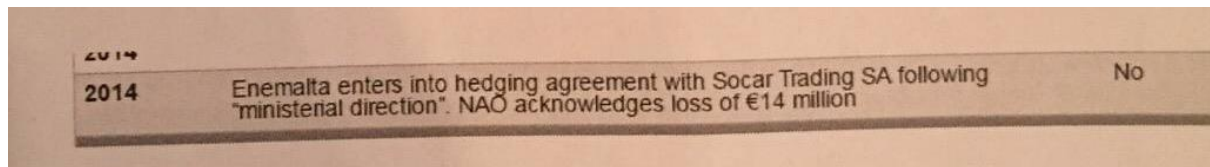
The total notional quantity of this confirmation is quoted at 24,000 MT with a fixed price of USD 920/MT with the commodity being gasoline. The fixed price payer was listed as Enemalta Corporation and the effective date was 1<sup>st</sup> October 2014.

In light of the aforementioned deals, the NAO Report dated March 2015 also noted that these deals correspond to “100 percent of Enemalta Corporations Q3 and Q4 2014 unleaded petrol and diesel requirements.”

Of further suspicion was the fact that this confirmation letter did not provide details for payment.

**3<sup>rd</sup> April 2014** – Open source information indicates that Enemalta Corporation entered into a hedging agreement with Socar Trading SA following “ministerial direction” during 2014.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>



The FIAU does not hold any further information in relation to this agreement. However, it is pertinent to note, that the NAO Report<sup>2</sup> dated March 2015 states:

“The NAO has reservations regarding the manner by which the decision to hedge unleaded petrol and diesel requirements for Q3 and Q4 2014 was taken. Documentation reviewed by this Office, which solely focused on the setting of targets, failed to provide a comprehensive account of the AFC’s sourcing of final approval and the subsequent placement of order with Socar Trading SA. Minutes of the Petroleum Procurement Committee meeting dated 3 April 2014 indicated that the deal with Socar had been concluded following “ministerial direction”.

The corroborates media allegations and is also in line with the FIAU’s determination that the deals which took place on 1<sup>st</sup> and 2<sup>nd</sup> April 2014 respectively warrant further questioning.

It is also interesting to note that the Petroleum Procurement Committee was informed of the “ministerial direction” exercised in the hedge deals between Socar Trading SA and Enemalta Corporation during a meeting held on 3<sup>rd</sup> April 2014 which is just 1 day after Dr Konrad Mizzi’s portfolio was changed to that of Minister for Energy and Health.

In addition to the aforementioned, the NAO Report also noted that;

“Notwithstanding the review of emails exchanged by the AFC and clarifications put forward by the Minister and the then Chair EMC, the NAO is of the opinion that the documentation detailing the final approval issued by the Committee and the subsequent placement of orders with Socar Trading SA was incomplete. This rendered it impossible for the Office to determine the extent of ministerial discretion exercised and responsibilities assumed by the AFC. Given the magnitude of the agreement reached with Socar Trading SA, this Office considers the lack of documentation as detracting from the process’s accountability and a shortcoming in terms of governance.”

This was deemed suspicious given that the same report further states that upon review “all hedging contracts entered into with third parties, the Office positively notes that all invoices precisely corresponded to the settlement data recorded and provided by EMC.”

Such findings beg the question as why the agreements with Socar Trading SA have a number of inconsistencies when compared to other contracts entered into with third parties.

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<sup>2</sup> [www.parlament.mt/file.aspx?f=50896](http://www.parlament.mt/file.aspx?f=50896)

In its reaction to the above findings, the government said it made contact with Azeri counterparts after Enemalta had informed the energy minister in March 2014 that it would have to raise fuel prices by 2c due to changes in the market.

**15<sup>th</sup> April 2014** – Dr Konrad Mizzi's official credit card activity places him in Shanghai and Beijing

MR KONRAD MIZZI MINISTRY FOR ENERGY AND THE CONSERVATION OF WATER AUBERGE DE CASTILLE VALLETTA				HSBC Advance VISA Account Statement		
				Credit Limit	EUR	6000.00
				Previous Balance	EUR	990.87
				Transactions	EUR	2456.35
				Payments	EUR	990.87CR
				New Balance	EUR	2456.35
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 14.05.2014				Card Account Number : 4035710036028657		Page : 1/1
Received by No	Transaction Date	Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
14.05.14	14.05.14	INTST	INTEREST	0.97 EUR		0.97
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
17.04.14	15.04.14	PURCH	CTRIP SH HUACHENG TRAVEL SHANGHAI	3852.00 CNY	8.5827	448.81
		CHRG	CURRENCY CONVERSION FEE	7.85 EUR		7.85
22.04.14	17.04.14	PURCH	CTRIP SH HUACHENG TRAVEL SHANGHAI	3852.00 CNY	8.5854	448.67
		CHRG	CURRENCY CONVERSION FEE	7.85 EUR		7.85
22.04.14	19.04.14	PURCH	WESTIN HOTEL GUANGJIAOHUI GUANGZHOU	1029.99 EUR		1029.99
22.04.14	20.04.14	PURCH	BEI JING SHOU DU JI CHANG BEIJING	770.50 CNY	8.5859	89.74
		CHRG	CURRENCY CONVERSION FEE	1.57 EUR		1.57
26.04.14	26.04.14	PURCH	RICKSHAW RESTAURANT ATTARD	267.50 EUR		267.50
30.04.14	28.04.14	PURCH	HENRY J BEANS ST JULIANS	96.00 EUR		96.00
08.05.14	06.05.14	PURCH	INSPIRATIONS VALLETTA	21.90 EUR		21.90
12.05.14	08.05.14	PURCH	INSPIRATIONS VALLETTA	35.50 EUR		35.50
13.05.14	12.05.14	DEPST	PAYMENT RECEIVED - THANK YOU	990.87 EUR		990.87CR

**2<sup>nd</sup> May 2014** – New Energy Supply Limited is incorporated in Malta. More information in relation to this company is available in Section 3.4 of this report.

<b>Company Registration Number</b>	C 64971
<b>Company Name</b>	NEW ENERGY SUPPLY LIMITED
<b>Registration Date</b>	May 02, 2014
<b>Registered Office</b>	LEVEL 3, PORTOMASO BUSINESS TOWER, PORTOMASO,
<b>City/Locality</b>	ST. JULIANS STJ 4011
<b>Country</b>	MALTA

**9<sup>th</sup> May 2014** – Share Purchase Agreement



This agreement is made between Enemalta Corporation as the Transferor and Gasol plc, GEM Holdings Limited, Siemens Project Ventures GmbH, Socar Trading SA as the Transferees and Malta Power and Gas Limited as the Company (Appendix 8.9).

**May 2014** – Agreement on new gas-fired power plant with Electrogas in Delimara. The FIAU does not hold a copy of the said agreement.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

**Feb 2014 – May 2014** – The following is a summary of the timeline of events leading to agreement with Socar Trading SA as identified by the NAO Report dated March 2015. All the below listed events have been included chronologically in this timeline of events.

Date	Event	Details
3 February 2014	AFC meeting 7	No reference was made to unleaded petrol and diesel hedging for Q3 and Q4 2014.
12 March 2014	AFC meeting 8	Meeting minutes made no reference to unleaded petrol and diesel hedging for Q3 and Q4 2014; however, indirect reference to volumes required was made in appendix to meeting.
20 March 2014 [12:42]	Email circulated among AFC members	Chair AFC states that targets for Q3 and Q4 2014 are to be revised.
20 March 2014 [15:03]	Email circulated among AFC members	Statement made by a member of the AFC to the effect that the Committee had set no targets, therefore proposed targets were set with unleaded petrol at \$920/MT and diesel at \$905/MT.
20 March 2014	Minuted development after AFC meeting 8	AFC member proposed consideration of Q3 and Q4 2014 hedging, yet no decision was taken.
21 March 2014	Email circulated among AFC members	AFC member agrees with proposed targets.
1 April 2014	Hedge deal agreed	Date of effect of deal entered into by EMC with SOCAR Trading SA with respect to diesel hedge at a rate of \$910/MT.
2 April 2014	Hedge deal agreed	Date of effect of deal entered into by EMC with SOCAR Trading SA with respect to unleaded petrol hedge at a rate of \$920/MT.
3 April 2014	Petroleum Procurement Committee meeting	Petroleum Procurement Committee members informed that hedge deals with SOCAR Trading SA were concluded following ministerial direction.
May 2014 (date not specified)	Minuted development after AFC meeting 8	Deal with SOCAR reported as concluded in the AFC meeting minutes section entitled 'Developments after meeting'.

**2<sup>nd</sup> June 2014** – Mr Karl Cini's credit card activity places him in Dubai.

MR KARL CINI  
NO. 21, VILLA FERMAUX COMPLEX  
ST CATHERINE STREET  
KESJUN STN 1812

HSBC Advance VISA Account Statement

Credit Limit	EUR	6990.00
Previous Balance	EUR	0.00
Transactions	EUR	530.00
Payments	EUR	0.00
New Balance	EUR	530.00
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 07.06.2014

Card Account Number : 4035710000575972

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Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****5972 - KARL CINI						
	05.06.14	02.06.14	PURCH	LIMA TRDG-MALLOF EM6723 DUBAI	185.74 EUR	185.74
	05.06.14	02.06.14	PURCH	ZORION TRADING LLC DUBAI	1320.00 AED	4.9921 264.42
			CHRG	CURRENCY CONVERSION FEE	4.63 EUR	4.63
	05.06.14	02.06.14	PURCH	DOCKERS DUBAI	369.00 AED	4.9919 73.92
			CHRG	CURRENCY CONVERSION FEE	1.29 EUR	1.29

**11<sup>th</sup> June 2014** – Enemalta Corporation transferred its shares in Malta Power and Gas Limited (Electrogas Malta Limited) to Gasol LNG Import Limited, GEM Holdings Limited, Siemens Project Ventures GmbH and Socar Trading SA (Appendix 8.45).

**12<sup>th</sup> June 2014** – Dr Konrad Mizzi’s credit card activity places him in Luxembourg.

**30<sup>th</sup> June 2014** – Dr Konrad Mizzi’s credit card activity places him in Luxembourg and London.

MR KONRAD MIZZI MINISTRY FOR ENERGY AND THE CONSERVATION OF WATER AUBERGE DE CASTILLE VALLETTA				HSBC Advance VISA Account Statement		
				Credit Limit	EUR	6000.00
				Previous Balance	EUR	778.39
				Transactions	EUR	3758.93
				Payments	EUR	778.39CR
				New Balance	EUR	3758.93
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 14.07.2014				Card Account Number : 4035710036028657		Page : 1/1
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Sum Amount
ACCOUNT TRANSACTIONS						
14.07.14	14.07.14	INTST	INTEREST	1.27 EUR		1.27
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
16.06.14	12.06.14	PURCH	ADRIANO LUXEMBOURG	15.60 EUR		15.60
16.06.14	12.06.14	PURCH	RESTAURANT DAL NATARO LUXEMBOURG	350.00 EUR		350.00
16.06.14	12.06.14	PURCH	RESTAURANT DAL NATARO LUXEMBOURG	350.00 EUR		350.00
16.06.14	14.06.14	PURCH	RECEPTION IE ROYAL LUXEMBOURG	675.00 EUR		675.00
19.06.14	18.06.14	PURCH	FORTINA HOTEL SLINGA	70.00 EUR		70.00
27.06.14	26.06.14	PURCH	SCIACCA ST JULIANS	146.20 EUR		146.20
01.07.14	30.06.14	PURCH	HILTON LONDON WIK	955.16 GBP	0.7985	1194.70
		CHGE	CURRENCY CONVERSION FEE	20.91 EUR		20.91
02.07.14	01.07.14	PURCH	YO! SUSHI BAKER STREET LONDON	36.25 GBP	0.7969	45.49
		CHGE	CURRENCY CONVERSION FEE	0.80 EUR		0.80
03.07.14	01.07.14	PURCH	SOFITEL ST. JAMES LONDON .	834.18 GBP	0.7948	1049.55
		CHGE	CURRENCY CONVERSION FEE	18.37 EUR		18.37
03.07.14	01.07.14	PURCH	SOFITEL ST. JAMES LONDON .	15.19 GBP	0.7949	19.11
		CHGE	CURRENCY CONVERSION FEE	0.33 EUR		0.33
10.07.14	09.07.14	DEPST	PAYMENT RECEIVED - THANK YOU	778.39 EUR		778.39CR

**28<sup>th</sup> July 2014** – Mr Karl Cini emailed Mossack Fonseca asking for details in relation to a “Look through company” in New Zealand, which pays no tax on foreign income, and a New Zealand bank account.

**2<sup>nd</sup> August 2014** – Dr Konrad Mizzi’s official credit card activity places him in Shanghai and in Turkey on the 3<sup>rd</sup> August 2014.



MR KONRAD MIZZI  
MINISTRY FOR ENERGY AND THE  
CONSERVATION OF WATER  
AUBERGE DE CASTILLE  
VALLETTA

# HSBC Advance VISA Account Statement

Credit Limit	EUR	6000.00
Previous Balance	EUR	3758.93
Transactions	EUR	3477.76
Payments	EUR	3758.93CR
New Balance	EUR	3477.76
Debit Interest Rate	Purch 8.75%	Cash 9.75%

Statement Date : 14.08.2014

Card Account Number : 4035710036028657

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Received By Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
<b>ACCOUNT TRANSACTIONS</b>						
14.08.14	14.08.14	INTST	INTEREST	0.01 EUR		0.01
<b>CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI</b>						
21.07.14	18.07.14	PURCH	MALATA RESTAURANT VALLETTA	38.00 EUR		38.00
22.07.14	21.07.14	PURCH	BLUE ROOM RESTAURANT VALLETTA	124.60 EUR		124.60
28.07.14	25.07.14	PURCH	STREAT VALLETTA	48.00 EUR		48.00
30.07.14	28.07.14	PURCH	PHOENIX RESTAURANT FLORIANA	123.00 EUR		123.00
02.08.14	01.08.14	DEPST	PAYMENT RECEIVED - THANK YOU	3758.93 EUR		3758.93CR
04.08.14	02.08.14	PURCH	PUDONG SHANGRI-LA SHANGHAI	1439.80 CNY	8.2600	174.31
		CHRG	CURRENCY CONVERSION FEE	3.05 EUR		3.05
04.08.14	02.08.14	PURCH	PUDONG SHANGRI-LA SHANGHAI	16297.19 CNY	8.2601	1972.99
		CHRG	CURRENCY CONVERSION FEE	34.53 EUR		34.53
04.08.14	03.08.14	PURCH	DEPO HEDIVELIK ESYA ANKARA	22.00 TRY	2.8534	7.71
		CHRG	CURRENCY CONVERSION FEE	0.13 EUR		0.13
04.08.14	03.08.14	PURCH	MISAS MESUR ISKENDER GID ANKARA	122.15 TRY	2.8540	42.89
		CHRG	CURRENCY CONVERSION FEE	0.75 EUR		0.75
05.08.14	04.08.14	PURCH	FIKRET ECAHESI - ANKAR ANKARA	14.44 TRY	2.8481	5.07
		CHRG	CURRENCY CONVERSION FEE	0.09 EUR		0.09
06.08.14	04.08.14	PURCH	D ET VE ET BRUNLERI GIDA ANKARA	667.00 TRY	2.8364	235.16
		CHRG	CURRENCY CONVERSION FEE	4.12 EUR		4.12
06.08.14	05.08.14	PURCH	SHERATON TURSER TURIZM SA ANKARA	1849.39 TRY	2.8364	652.03
		CHRG	CURRENCY CONVERSION FEE	11.41 EUR		11.41

8<sup>th</sup> August 2014 – Mr Cini communicated with an unidentified third party on the pros and cons of companies setting up bank accounts in New Zealand versus Nevada and Wyoming.

19<sup>th</sup> August 2014 – The domestic company Enemed Co Limited is incorporated.

<b>Company Registration Number</b>	C 66404
<b>Company Name</b>	ENEMED CO LTD
<b>Registration Date</b>	Aug 19, 2014
<b>Registered Office</b>	31ST MARCH 1979 INSTALLATION SACRED HEART PROMENADE
<b>City/Locality</b>	BIRZEBBUGIA BBG 1604
<b>Country</b>	MALTA

24<sup>th</sup> August 2014 – Dr Konrad Mizzi's official credit card activity places him in Shanghai till 31<sup>st</sup> August 2014.

CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
21.08.14	19.08.14	PURCH	ECONOMIST SUBSCRIPTION LONDON	226.00	EUR	226.00
25.08.14	23.08.14	PURCH	BRIOCHE DOREE 4541679 95908137 ROIS	9.60	EUR	9.60
25.08.14	24.08.14	PURCH	HONG MEI KIAO NAM GUO SHA SHANGHAI	528.00	CNY	8.1595 64.71
		CHRG	CURRENCY CONVERSION FEE	1.13	EUR	1.13
27.08.14	26.08.14	PURCH	SHANGHAI JIN QIAN BAO YAN SHANGHAI	645.00	CNY	8.1071 79.56
		CHRG	CURRENCY CONVERSION FEE	1.39	EUR	1.39
27.08.14	25.08.14	PURCH	SHANGRI-LA HOTEL SHANGHAI SHANGHAI	63.64	EUR	63.64
27.08.14	26.08.14	PURCH	LV GU BIE SHU GUAN LI YOU SHANGHAI	7315.30	CNY	8.1069 902.36
		CHRG	CURRENCY CONVERSION FEE	15.79	EUR	15.79

**25<sup>th</sup> August 2014** – Eight contracts on transfer of land to Enemalta. The FIAU does not hold copies of these said contracts.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

**27<sup>th</sup> August 2014** – Chapter 536 of the Laws of Malta came into force (with the exception of Article 4 of the said Act). This Act, which bears the title “Enemalta (Transfer of Assets, Rights, Liabilities and Obligations) Act” was put into place in order to make provisions for the transfer of all the assets, rights, liabilities and obligations of Enemalta Corporation to Enemalta plc. The Act also allows for the regulation of the functions of the distribution system operators and repeals the “Enemalta Act” Chapter 272 of the Laws of Malta which came into force in October 1977 and provided for the establishment of the Enemalta Corporation.

Chapter 536 of the Laws of Malta *inter alia*, empowers the Minister, who as per the Act means the minister responsible for energy, to remove any restrictive conditions imposed by the Government on the Corporation as per Chapter 268 of the Laws of Malta, and to make regulations on the recommendation of the Authority as well on own initiative after consultation with the Authority.

**29<sup>th</sup> August 2014** – The domestic company D3 Power Generation Limited is incorporated. This company purchased Delimara 3 power generating units from Enemalta on 27<sup>th</sup> November 2014.

<b>Company Registration Number</b>	C 66510
<b>Company Name</b>	D3 POWER GENERATION LIMITED
<b>Registration Date</b>	Aug 29, 2014
<b>Registered Office</b>	ENEMALTA BUILDING, TRIQ BELT IL-HAZNA,
<b>City/Locality</b>	MARSA MRS 1571
<b>Country</b>	MALTA

**6<sup>th</sup> September 2014** – Dr Konrad Mizzi’s credit card activity places him in London

		CHRG	CURRENCY CONVERSION FEE	1.24 EUR		1.24
09.09.14	06.09.14	PURCH	HARBOR VIEW FLORIANA	8.40 EUR		8.40
09.09.14	06.09.14	PURCH	MILLENNIUM KNIGHTSBRIDGE	250.50 GBP	0.7900	317.09
		CHRG	CURRENCY CONVERSION FEE	5.55 EUR		5.55
09.09.14	07.09.14	PURCH	MILLENNIUM KNIGHTSBRIDGE	2022.00 GBP	0.7900	2559.49
		CHRG	CURRENCY CONVERSION FEE	44.79 EUR		44.79
09.09.14	07.09.14	PURCH	LUL TICKET MACHINE KNIGHTSBRIDGE	30.00 GBP	0.7901	37.01
		CHRG	CURRENCY CONVERSION FEE	0.66 EUR		0.66
09.09.14	07.09.14	C/ADV	KNIGHTSBRIDGE UG2 LONDON	271.75 EUR		271.75
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00

**15<sup>th</sup> September 2014** – Dr Konrad Mizzi's official credit card activity places him in Montenegro while on the 28<sup>th</sup> September his activity places him in Shanghai.

		INTST	INTEREST	1.78 EUR		1.78
14.10.14	14.10.14					
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
15.09.14	14.09.14	PURCH	BELLA ITALIA WELLS 1106630	58.05 GBP	0.7935	73.16
		CHRG	CURRENCY CONVERSION FEE	1.28 EUR		1.28
16.09.14	13.09.14	PURCH	SAFFERANO LNDN SWIX 001	100.22 GBP	0.7936	126.29
		CHRG	CURRENCY CONVERSION FEE	2.21 EUR		2.21
16.09.14	15.09.14	PURCH	MILLENNIUM KNIGHTSBRIDGE	950.23 GBP	0.7936	1197.37
		CHRG	CURRENCY CONVERSION FEE	20.95 EUR		20.95
16.09.14	15.09.14	PURCH	LUXOIL PODGORICA	16.45 EUR		16.45
17.09.14	15.09.14	PURCH	GPS CENTAR PODGORICA	10.00 EUR		10.00
17.09.14	15.09.14	PURCH	ASTORIA RESTORAN BUDVA	90.00 EUR		90.00
17.09.14	15.09.14	PURCH	ASTORIA RESTORAN BUDVA	225.48 EUR		225.48
17.09.14	16.09.14	PURCH	TADRA COMMERCE REST BUDVA	102.45 EUR		102.45
17.09.14	16.09.14	PURCH	HOTEL RAMADA PODGORICA	106.70 EUR		106.70
18.09.14	17.09.14	PURCH	HOTEL ASTORIA - REC BUDVA	195.99 EUR		195.99
18.09.14	17.09.14	PURCH	AVIS RENT A CAR 1 PODGORICA	117.00 EUR		117.00
24.09.14	22.09.14	PURCH	YEGAIUS RESTAURANT FLORIANA	5502.80 EUR		5502.80
26.09.14	23.09.14	DEPST	PAYMENT RECEIVED - THANK YOU	25000.00 JPY	138.3509	159.70
28.09.14	29.09.14	C/ADV	MARITA AIRPORT MARITA	3.16 EUR		3.16
		CHRG	CURRENCY CONVERSION FEE	5.00 EUR		5.00
		CHRG	CASH TRANSACTION FEE	7769.00 CNY	7.7764	999.02
30.09.14	28.09.14	PURCH	CITIFIN HONGKONG TRAVEL SHANGHAI	17.48 EUR		17.48
		CHRG	CURRENCY CONVERSION FEE	2450.00 JPY	138.0208	19.20
07.10.14	26.09.14	PURCH	IKUSUFUARI HAKATA ITSUPU CHIBA			

**19<sup>th</sup> September 2014** – The NAO Report dated March 2015 noted that:

“An important development was registered with respect to the AFC in the meeting of 19 September 2014 wherein it was stated that following the Petroleum Division's set-up as a separate entity, hedging with respect to unleaded petrol and diesel, as well as corresponding FX requirements would no longer be addressed by the Committee. Instead, this function was assumed by a separate committee under the responsibility of Enemed Company Limited.”

**3<sup>rd</sup> October 2014** – Exclusive agreement with American company, World Fuel Services to use facilities of MOBC. This deal was struck without the issue of public tender. Dr Mizzi claimed that a tender could not be issued as “all local bunkering companies are involved in some kind of court action or are currently under investigation.” The FIAU does not hold a copy of the said agreement.

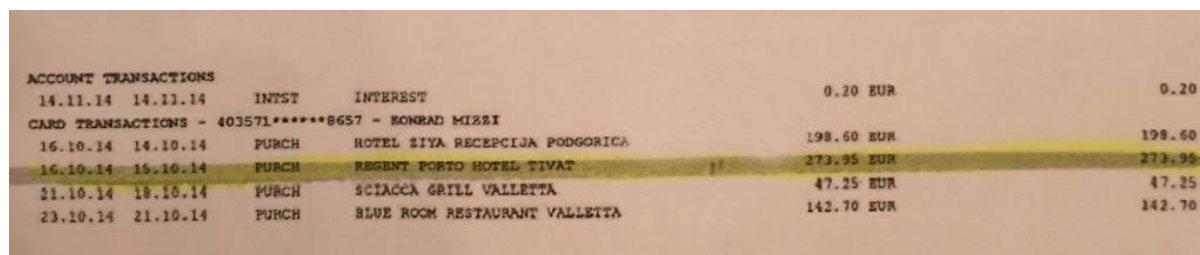
<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

<https://www.timesofmalta.com/articles/view/20150208/local/questions-over-mobc-deal-struck-without-tender.555291>

**7<sup>th</sup> October 2014** – In a meeting which took place on this date, the Executive Chair informed the AFC that the CBM representative had resigned from his role within the Committee. The

AFC agreed to contact the CBM for a replacement; however no replacement was effected. This information is available in the NAO Report dated March 2015 which can be accessed through [www.parlament.mt/file.aspx?f=50896](http://www.parlament.mt/file.aspx?f=50896).

**14<sup>th</sup> October 2014** – Energy Minister Konrad Mizzi announces that Shell would be providing power to the new gas power station despite previous announcements that the provider would be Socar. <https://www.timesofmalta.com/articles/view/20141020/local/shell-gas-for-power-station-no-completion-date-set-so-far.540542> On the same day Dr Konrad Mizzi's official credit card activity places him in Montenegro.



ACCOUNT TRANSACTIONS					
14.11.14	14.11.14	INTST	INTEREST	0.20 EUR	0.20
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI					
16.10.14	14.10.14	PURCH	HOTEL TIYA RECEPCIJA PODGORICA	198.60 EUR	198.60
16.10.14	16.10.14	PURCH	REGENT PORTO HOTEL TIVAT	273.95 EUR	273.95
21.10.14	18.10.14	PURCH	SCIACCA GRILL VALLETTA	47.25 EUR	47.25
23.10.14	21.10.14	PURCH	BLUE ROOM RESTAURANT VALLETTA	142.70 EUR	142.70

**23<sup>rd</sup> October 2014** – An email from Mr Daniel Leon from Mossack Fonseca & Co. (New Zealand) to Mr Karl Cini included a sample trust deed and the information “There exists the possibility to open the account with any bank of preference. Our fees for assisting in the opening of the account are USD1,500.” Given that Dr Konrad Mizzi stated that he sought asset management in 2014 could indicate that at this point in time Mr Karl Cini was making arrangements on behalf of Dr Konrad Mizzi.

[http://www.maltatoday.com.mt/news/national/62554/konrad\\_mizzi\\_to\\_declare\\_new\\_zealand\\_family\\_trust#.WhxN5bQ-cWo](http://www.maltatoday.com.mt/news/national/62554/konrad_mizzi_to_declare_new_zealand_family_trust#.WhxN5bQ-cWo)

**29<sup>th</sup> October 2014** – Sale of former Enemalta Petroleum division to Enemed.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

**26<sup>th</sup> November 2014** – The legal person SEP (Malta) Holding Limited was incorporated in Malta. Its sole shareholder is Shanghai Electric Power and Energy Development Limited, a company registered in Hong Kong having company number 1359631. The company also has one director, who is Chinese national and resident, Ji Sun.



<b>Company Registration Number</b>	C 67784
<b>Company Name</b>	SEP (MALTA) HOLDING LTD
<b>Registration Date</b>	Nov 26, 2014
<b>Registered Office:</b>	WHITEHALL MANSIONS, LEVEL 4, TA' XBIEX SEAFRONT,
<b>City/Locality</b>	TA' XBIEX XBX 1026
<b>Country</b>	MALTA

**27 November 2014** – Sale of Delimara 3 Power generating units from Enemalta to D3 Power Generation Limited.

The FIAU does not have a copy of this deed of sale however, the FIAU is aware of this deed due to the reference made to this same deed in the contract dated 12<sup>th</sup> December 2014 titled Energy Sector Cooperation and Investment Agreement.

**28<sup>th</sup> November 2014** – Dr Konrad Mizzi's credit card activity places him in Shanghai.

ACCOUNT TRANSACTIONS						
14.12.14	14.12.14	INTST	INTEREST	0.56 EUR		0.56
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI						
25.11.14	22.11.14	PURCH	SCIACCA GRILL VALLETTA	165.00 EUR		165.00
01.12.14	28.11.14	PURCH	SHANGRI-LA HOTEL SHANGHAI SHANGHAI	131.99 EUR		131.99
01.12.14	29.11.14	PURCH	SHANG HAI YUAN LIN GE LAN SHANG HAI	1497.90 CNY	7.6350	194.88
		CHRG	CURRENCY CONVERSION FEE	3.41 EUR		3.41

It is pertinent to note that this trip came just 2 days after the incorporation of SEP (Malta) Holding Limited in Malta.

**12<sup>th</sup> December 2014** – The government signed a multi-million investment deal with the Chinese energy company Shanghai Electric Power.

<http://www.independent.com.mt/articles/2014-12-12/local-news/Agreement-on-strategic-investment-in-Enemalta-by-Shanghai-Electric-Power-to-be-signed-today-6736127225>

**12<sup>th</sup> December 2014** – Energy Sector Cooperation and Investment Agreement

This agreement was entered into between the Government of the Republic of Malta, Shanghai Electric Power Co. Limited, Enemalta plc and SEP (Malta) Holding Limited. The agreement covers a number of points including:

- i) The establishment of SEP (Malta) Holding Limited which was incorporated on 26<sup>th</sup> November 2014;
- ii) The establishment of 3D Power Generation Limited which was incorporated on 26<sup>th</sup> August 2014;
- iii) The intention to incorporate International Renewable Energy Development Limited which was subsequently incorporated on 2<sup>nd</sup> February 2015;

- iv) The intention to incorporate International Energy Services Centre Limited which was subsequently incorporated on 22<sup>nd</sup> December 2015;
- v) The operations of D3 Power Generation Limited; and
- vi) The Governance of the Companies

The full agreement is being attached to this report as Appendix 8.27.

This agreement was tabled in parliament on 14<sup>th</sup> January 2015, Paper Laid No: 4270.

**12<sup>th</sup> December 2014 – Subscription Agreement of Enemalta plc.**

The agreement (Appendix 8.32) was entered into between Enemalta plc, The Government of the Republic Malta, Malta Government Investments Ltd and SEP (Malta) Holding Ltd.

This agreement refers to a MoU which was entered into between the Ministry for Energy and the Conservation of Water and China Power Investment Corporation on 11<sup>th</sup> September 2013 in Dalian China. The agreement makes further reference to a Heads of Terms Agreement and a Framework Agreement on Cooperation in Energy Sector in Malta, both of which were entered into on 11<sup>th</sup> March 2014.

It was in accordance with these agreements dated 11<sup>th</sup> March 2014 that Shanghai Electric Power (or any other entity designated by it) subscribed to 33% of the issued shares of Enemalta plc.

This deal was reported on various local and Chinese media.

This subscription agreement identifies the receiving amount for the Subscription Money as account number 40014873296 which is held at Bank of Valletta plc.

**12<sup>th</sup> December 2014- SEP (Malta) Holding Ltd and Enemalta plc and D3 Power Generation Ltd and Government Investments Ltd – Subscription Agreement of D3 Power Generation Ltd.**

A copy of this agreement has also been published and is available through

<https://gov.mt/en/Government/Press%Releases/Documents/Subscription%20Agreement.pdf>

As was the case with the agreements which were published in February 2017, parts of this published agreement were redacted, however this document was not included in the list of documents published through <http://www.independent.com.mt/articles/2017-02-14/local-news/Government-starts-publishing-Delimara-station-contracts-6736170393>

The Subscription Agreement raises a number of concerns which are covered hereunder.

- i) Primarily, the date on the 1<sup>st</sup> page of this document, which is countersigned by 5 individuals, is shown as 12<sup>th</sup> November 2014.

It is pertinent to note that the company SEP (Malta) Holding Limited was not yet incorporated at this stage. Documents obtained through the Registry of Companies, namely the Memorandum and Articles of Association of SEP (Malta) Holding Limited shows that the company was incorporated on the 26<sup>th</sup> November, 2014 (Appendix 8.10)

The following is an overview of all the documentation which is available on the registry of companies website which relate to SEP (Malta) Holding Limited.

Company Registration Number C 67784	
Date	Document Archived
Feb 25, 2017	Accounts
Dec 12, 2016	Annual Return
Jun 28, 2016	Alterations to the Memorandum and Articles including change in share capital
Jun 28, 2016	Unregistered Documents
Jun 28, 2016	Return of Allotments
Jun 28, 2016	Alterations to the Memorandum and Articles including change in share capital
Jun 28, 2016	Return of Allotments
Dec 09, 2015	Annual Return
Sep 29, 2015	Alterations to the Memorandum and Articles
Apr 17, 2015	Change in Registered Office
Nov 26, 2014	Unregistered Documents
Nov 26, 2014	Memorandum and Articles of Association
Nov 26, 2014	Unregistered Documents

In spite of the date registered on the covering page of this agreement, the first page of the document states that “The Subscription Agreement (the ‘Agreement’) is entered into on 12 December 2014 (the “Execution Date”) in Valletta, Malta.

This conflict in dates has raised suspicions on when the agreement was actually entered into.

- ii) Other concerns in relation to this Subscription Agreement were the numerous sections in the published version of this document that were redacted.

The parties to this agreement are SEP (Malta) Holding Limited, Enemalta p.l.c., D3 Power Generation Limited, Malta Government Investments Limited. A copy of the complete agreement has been attached to this report for your attention (Appendix 8.36). A copy of the published version of this agreement has also been included (Appendix 8.37). For ease of reference the sections which have been redacted in Appendix 8.37 have been marked in Appendix 8.36.

It was noted that some of the sections which were redacted in the report made reference to certain conditions which had to be satisfactory to SEP (Malta) Holding Limited and that the payment of the subscription money would only be affected upon the satisfaction of SEP



(Malta) Holding Limited that the relevant conditions have been fulfilled. These conditions also made reference to Article 6.05 of the Delimara Finance Contract<sup>3</sup>.

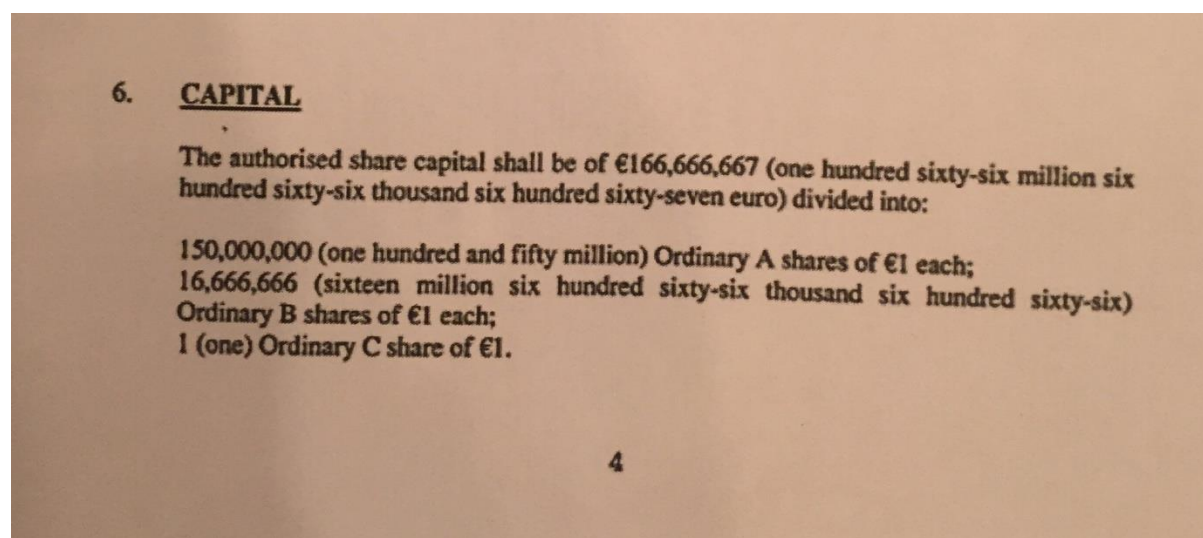
Certain sections which were redacted also empowered the CEO of D3 Power Generation Limited, to enter into financial deals having a value of less than €1million. Open source information indicates that Mr Chen Zhichao holder of identification document P01360586.

Section 2 of this Subscription Agreement deals with the Subscription of Shares and Capital Structure of D3 Power Generation Limited. The following is an overview of the changes in share allotment and capital from the incorporation date of D3 Power Generation Limited to the present day.

Article 2.1 lists the company's share capital of €166,666,667 being divided into;

- 150,000,000 Ordinary A shares of €1 each;
- 16,666,666 Ordinary B shares of €1 each; and
- 1 Ordinary C share of €1.

The authorized share capital is in line with the authorized share capital which is listed in the undated Memorandum of Association of D3 Power Generation Limited. This document was registered with the Registry of Companies on 29<sup>th</sup> August 2014. This also raises questions as to why the Memorandum of Association of D3 Power Generation Limited is not dated.



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<sup>3</sup> The Delimara Finance Contract refers to the finance contract entered into by and between the European Investment Bank (EIB) and Enemalta on 22<sup>nd</sup> September 2008 in relation to D3 Power Plant. The FIAU does not hold a copy of the contract.

The Issued Share Capital of the Company shall be of €30,000 (thirty thousand euro) divided into 29,999 (twenty nine thousand nine hundred and ninety nine) Ordinary B shares of €1(one euro) each, and 1 (one) Ordinary C share of €1 (one euro). Each issued share shall be 20% paid up.

As per the same Memorandum of Association the initial subscribers to issued share capital were Enemalta plc (C65836) and Malta Government Investments Ltd (C10175).

**8. SUBSCRIBERS**

- (a) **ENEMALTA PLC (C65836)**  
Triq Belt il-Hazna  
Marsa MRS1571  
Malta

29,999 (twenty nine thousand nine hundred and ninety nine) Ordinary B shares of €1(one euro) each, 20% paid up.

- (b) **MALTA GOVERNMENT INVESTMENTS LTD (C10175)**  
Clock Tower  
Level 1 Tigne Point  
Sliema  
Malta

1 (one) Ordinary C share of €1(one euro), 20% paid up.

In a document which was registered with the Registry of Companies on 15<sup>th</sup> December 2014 it was resolved that the sum of €166,666,667 was payable by D3 Power Generation Limited to Enemalta plc.

RECEIVED  
15 DEC 2014  
OF COMPANIES

D3 Power Generation Limited  
Enemalta Building,  
Triq Belt il-Hazna,  
Marsa MRS 1571  
Malta

RD

15 DEC 2014

The following is a certified extract from resolutions in writing signed by all the Shareholders of D3 Power Generation Limited (the "Company") on 28 November, 2014 in terms of the Articles of Association of the Company.

**WHEREAS :**

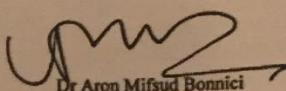
Pursuant to a public deed published in the records of Notary Marco Burlo on 27 November, 2014 (the "Deed"), the Company was granted an emphyteutical concession over immovable property and acquired movable property from its shareholder, Enemalta p.l.c., at the Delimara 3 site (as defined in the Deed).

The total consideration payable by the Company to Enemalta p.l.c. in terms of the Deed amounts to €166,666,667, and the payment of the said amount has been deferred in accordance with the Deed.

It is proposed that a portion of the debt due by the Company be capitalised, and that new shares be issued to Enemalta p.l.c. upon such capitalisation.

**IT IS THEREFORE RESOLVED that:**

1. The Company shall issue and allot sixteen million six hundred and thirty six thousand six hundred and sixty seven (16,636,667) Ordinary B Shares of one Euro (€1) each, fully-paid up, to Enemalta p.l.c. (Company Registration Number: C65836) of Triq Belt il-Hazna, Marsa MRS 1571, Malta in consideration for the capitalisation of a portion of the debt due by the Company to Enemalta p.l.c. in terms of the Deed.
2. All and any pre-emption rights which the shareholders may be entitled to under the Company's Memorandum and Articles of Association or under Maltese law in connection with the issuance of the new shares referred to in Resolution 1 above are hereby waived to the fullest extent possible by the shareholders;
3. Any Director of the Company be and is hereby authorised to negotiate, finalise, and sign all and any documents on behalf of the Company as may be necessary to give effect to these Resolutions;
4. The Company Secretary be and is hereby authorised to make the necessary entries in the Register of Members of the Company;
5. The Secretary of the Company be and is hereby authorised to issue a certified copy of these resolutions and to sign and file the statutory Form H.

  
Dr Aron Mifsud Bonnici  
Board Secretary

As a result of this resolution, D3 Power Generation Limited converted the majority of the sum which was due to Enemalta plc into shares. As a result Enemalta plc now holds 16,666,666 Ordinary shares which were fully paid up.

Form H

No. of Company C 66510

C 66510/



\* originally filed on 12/12/14

## COMPANIES ACT (CAP. 386)

Return of allotment of shares (a)

RD

15 DEC 2014

Pursuant to Section 103 (1) (a) (b)

Name of Company

D3 POWER GENERATION LIMITED

Delivered by

Dr. Aron Mifsud Bonnici

To the Registrar of Companies

Date/s on which the shares were allotted
on 11 December, 2014.

A. This section must be completed for allotments made for cash

Description of shares (ordinary/preference/others)	N/A		
Number of shares allotted	N/A		
Nominal value of each share and Premium (if any) on each share	N/A		
Total amount paid on each share on account of nominal value/premium	N/A		
Amount due and payable (if any) on account of nominal value/premium	N/A		

B. This section must be completed for allotments made other than for cash

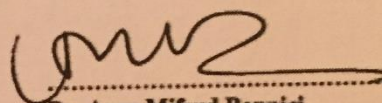
Description of shares (ordinary/preference/others)	Ordinary B		
Number of shares allotted	16,636,667		
Nominal value of each share and	€1		
Premium (if any) on each share	N/A		
Extent to which each share is to be treated as paid up on account of nominal value/premium	100%		
Consideration for which the shares have been allotted	Capitalisation of a portion of a debt due by the Company to Enemalta p.l.c.		

\* Refer to internal file re: exemption from stamp duty.



Names and Addresses of the allottees	Number of shares allotted		
	Ordinary	Preference	Others
Enemalta p.l.c. (C65836) Triq Belt il-Hazna Marsa MRS 1571 Malta	16,636,667 B shares	-	-
<b>Total</b>	16,636,667	-	-

Signature

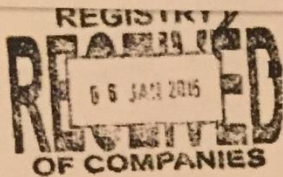


**Dr. Aron Mifsud Bonnici**  
*Company Secretary*

Dated this 12 December, 2014.

In a further document which was presented to the Registry of Companies on 21<sup>st</sup> January 2015 reference is made to extraordinary resolutions which were signed by all the shareholders of D3 Power Generation Limited on 10<sup>th</sup> December 2014.





D3 POWER GENERATION LIMITED - C66510

Enemalta Building  
Triq Belt il-Hazna  
Marsa, MRS 1571  
Malta

21 JAN 2015

Certified extract of the extraordinary resolutions in writing signed by all the shareholders of D3 POWER GENERATION LIMITED (the "Company") on 10 December, 2014.

"...omissis..."

IT WAS RESOLVED by means of an extraordinary resolution:

...omissis..."

2. that the Company shall issue and allot upon receipt by the Company of €150,000,000 (one hundred fifty million Euro), 150,000,000 (one hundred fifty million) Ordinary A Shares of €1 (one Euro) each fully paid up to SEP (Malta) Holding Ltd, a private limited liability company registered under the laws of Malta with registration number C67784 and having its registered office at 120, St. Ursula Street, Valletta, VLT 1236, Malta;
3. that all and any pre-emption rights which the shareholders may be entitled to under the Company's Memorandum and Articles of Association or in terms of the Companies Act or any other law, in connection with the issuance of the new shares are hereby waived to the fullest extent possibly by the shareholders;
4. that the Company Secretary be and is hereby authorised to make the necessary entries in the Register of Members of the Company upon delivery of the statutory Form H or certified copy thereof and to issue new Share Certificates;
5. that any one Director and/or the Company Secretary be and is hereby authorised to issue a certified copy of these Resolutions;

...omissis..."

Certified True Extract

Dr. Aron Mifsud Bonnici  
Company Secretary

# HSBC

HSBC BANK MALTA PLC  
NAXXAR ROAD  
SAN GWANN SGN 08  
MALTA

TRANSACTION CONFIRMATION

30Dec2014 075 V183

## TRANSFER

30Dec2014 Br: 043 S521 Ref: J2CP - 00005

Debit Account:	MT HBMT	SEP (MALTA) HOLDING LTD
Debit Amount:	EUR150,000,000.00	
Credit Account:	MTHBMT043-021088-050	D3 POWER GENERATION LTD
Credit Amount:	EUR150,000,000.00	
Value Date:	30Dec2014	
Debit Narrative:	SUBSCRIPTION PAYMENT FOR D3 POWER GENERATION LTD	
Credit Narrative:	TRF FROM SEP (MALTA) HOLDING LTD	

C 06 211 / 7

Form H

A S

No. of Company C 66510

21 JAN 2015

## COMPANIES ACT (CAP. 386)

Return of allotment of shares (a)

Pursuant to Section 103 (1) (a) (b)



Name of Company

D3 POWER GENERATION LIMITED

Delivered by

Dr. Aron Mifsud Bonnici

To the Registrar of Companies

Date/s on which the shares were allotted
on 30 December, 2014.

A. This section must be completed for allotments made for cash

Description of shares (ordinary/preference/others)	Ordinary A		
Number of shares allotted	150,000,000		
Nominal value of each share and	€1		
Premium (if any) on each share	N/A		
Total amount paid on each share on account of nominal value/premium	100%		
Amount due and payable (if any) on account of nominal value/premium	N/A		

B. This section must be completed for allotments made other than for cash

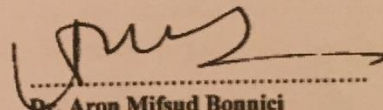
Description of shares (ordinary/preference/others)	N/A		
Number of shares allotted	N/A		
Nominal value of each share and	N/A		
Premium (if any) on each share	N/A		
Extent to which each share is to be treated as paid up on account of nominal value/premium	N/A		
Consideration for which the shares have been allotted	N/A		



C. This section must be completed in all cases

Names and Addresses of the allottees	Number of shares allotted		
	Ordinary	Preference	Others
SEP (Malta) Holding Ltd 120, St. Ursula Street, Valletta VLT1236 Malta	150,000,000 "A"	-	-
<b>Total</b>	150,000,000	-	-

Signature

  
Dr. Aron Mifsud Bonnici  
Company Secretary

Dated this 5<sup>th</sup> January, 2015.

- iii) Of further suspicion was the fact that in accordance with this Subscription Agreement, the existing shareholders waived their rights to subscribe to any of the ordinary A shares being subscribed to by SEP (Malta) Holding Limited.

It was noted that the Appendix 8.37 is not a true copy of Appendix 8.36 having some sections redacted. This was noted due to the differences noted in the layout of the two documents.

It was further noted that the copy of the Subscription Agreement which was obtained by the FIAU does not include Schedules 3, 4 and 5. In light of this the FIAU does not hold any further information in relation to the contents of these schedules.

**15<sup>th</sup> December 2014** – MoU Azerbaijan on strategic cooperation oil and gas.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

**15<sup>th</sup> December 2014** – MoU with Socar on strategic cooperation in oil and gas.

The FIAU does not hold a copy of the said MoU.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

## 16<sup>th</sup> December 2014 – Enemalta plc and Electrogas Malta Limited – Site Lease Deed

This agreement was entered into on 16<sup>th</sup> December 2014 between Enemalta plc (represented by Mr Frederick Azzopardi ID 152076M) and Electrogas Malta Limited (represented by Mr Michael Kunz Passport PB6889757).

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

17<sup>th</sup> December 2014 – Dr Konrad Mizzi's official credit card activity places him in Baku, which was then followed by a trip to Shanghai on 20<sup>th</sup> December 2014.

ACCOUNT TRANSACTIONS					
14.01.15	14.01.15	INTST	INTEREST	0.72 EUR	0.72
CARD TRANSACTIONS - 403571*****6486 - KONRAD MIZZI					
08.01.15	08.01.15	CHRG	CARD AND PIN REPLACEMENT	5.00 EUR	5.00
CARD TRANSACTIONS - 403571*****8657 - KONRAD MIZZI					
19.12.14	17.12.14	PURCH	FOUR SEASONS F O I 4 BAKU	68.80 AZN	0.9712
		CHRG	CURRENCY CONVERSION FEE	1.23 EUR	1.23
22.12.14	20.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	195.80 CNY	7.6219
		CHRG	CURRENCY CONVERSION FEE	1.83 EUR	1.83
22.12.14	21.12.14	C/ADV	188, GUANG ZHOU ROAD NANJING	1800.00 CNY	7.6220
		CHRG	CURRENCY CONVERSION FEE	4.13 EUR	4.13
		CHRG	CASH TRANSACTION FEE	5.00 EUR	5.00
27.12.14	24.12.14	DEPST	PAYMENT RECEIVED - THANK YOU	1460.70 EUR	1460.70CN
27.12.14	24.12.14	PURCH	HONG MEI XIAO NAN GUO SHA SHANGHAI	566.00 CNY	7.5699
		CHRG	CURRENCY CONVERSION FEE	1.31 EUR	1.31

It is interesting to note that this trip to Baku came in the midst of the commercial agreements between Enemalta plc and Electrogas Malta Limited, a consortium in which Socar Trading SA is a shareholder.

20<sup>th</sup> December 2014 – Following Dr Mizzi's trip to Azerbaijan, his official credit card activity places him in China till 5<sup>th</sup> January 2015.

22.12.14	20.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	795.80 CNY	7.6219	104.41
		CHRG	CURRENCY CONVERSION FEE	1.83 EUR		1.83
22.12.14	21.12.14	C/ADV	188, GUANG ZHOU ROAD NANJING	1800.00 CNY	7.6220	236.16
		CHRG	CURRENCY CONVERSION FEE	4.13 EUR		4.13
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
27.12.14	24.12.14	DEPST	PAYMENT RECEIVED - THANK YOU	1460.70 EUR		1460.70CN
27.12.14	24.12.14	PURCH	HONG MEI XIAO NAN GUO SHA SHANGHAI	566.00 CNY	7.5699	74.78
		CHRG	CURRENCY CONVERSION FEE	1.31 EUR		1.31
29.12.14	26.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	967.10 CNY	7.5502	128.09
		CHRG	CURRENCY CONVERSION FEE	2.24 EUR		2.24
29.12.14	26.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	147.20 CNY	7.5487	19.50
		CHRG	CURRENCY CONVERSION FEE	0.34 EUR		0.34
30.12.14	29.12.14	PURCH	SHANGHAI ORIENTAL PEAL P SHANGHAI	318.09 CNY	7.5660	42.03
		CHRG	CURRENCY CONVERSION FEE	0.74 EUR		0.74
30.12.14	29.12.14	PURCH	SHANGHAI ORIENTAL PEAL P SHANGHAI	636.00 CNY	7.5651	84.07
		CHRG	CURRENCY CONVERSION FEE	1.47 EUR		1.47
31.12.14	31.12.14	C/ADV	GANKILU291HAG00000000 OCHINA00000000	300.00 CNY	7.5320	39.83
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE	0.70 EUR		0.70
02.01.15	31.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	398.00 CNY	7.5179	52.94
		CHRG	CURRENCY CONVERSION FEE	0.93 EUR		0.93
02.01.15	31.12.14	PURCH	PUDONG SHANGHAI-LA SHANGHAI	10986.00 CNY	7.5173	1461.42
		CHRG	CURRENCY CONVERSION FEE	25.57 EUR		25.57
06.01.15	02.01.15	PURCH	SHANGHAI YI XIU CAN YIN G SHANGHAI	249.00 CNY	7.3766	32.62
		CHRG	CURRENCY CONVERSION FEE	0.59 EUR		0.59
06.01.15	05.01.15	PURCH	LY GU SIS SHU GUAN LI YOU SHANGHAI	1272.40 CNY	7.3758	172.51
		CHRG	CURRENCY CONVERSION FEE	3.02 EUR		3.02
17.01.15	05.01.15	PURCH	SHANG HAI ZHI HAN ZU LIN SHANGHAI	300.00 CNY	7.3046	41.07
		CHRG	CURRENCY CONVERSION FEE	0.72 EUR		0.72



**15<sup>th</sup> January 2015** – Dr Konrad Mizzi's official credit card activity places him in various hotels in London till 2<sup>nd</sup> February 2015, whereas on the 4<sup>th</sup> February 2015, transactional activity places him in Paris.

		Debit Interest Rate		Purch 8.75%	Cash 8.75%	
Statement Date : 14.02.2015		Card Account Number : 4035710036006406			Page : 1/1	
Received by Us	Transaction Date	Transaction Type	Details	Transaction Amount	Exchange Rate	EURO Amount
<b>ACCOUNT TRANSACTIONS</b>						
14.02.15	14.02.15	INTST	INTEREST	3.68 EUR		3.68
<b>CARD TRANSACTIONS - 403571*****6406 - KONRAD MIZZI</b>						
19.01.15	15.01.15	PURCH	FOUR SEASONS HOTEL LONDON	484.00 GBP	0.7608	636.17
		CHRG	CURRENCY CONVERSION FEE	11.13 EUR		11.13
23.01.15	22.01.15	PURCH	ISHBILIA LONDON	114.00 GBP	0.7601	149.98
		CHRG	CURRENCY CONVERSION FEE	2.62 EUR		2.62
26.01.15	22.01.15	PURCH	SIGNOR SASST LTD LONDON SWIX	108.39 GBP	0.7473	145.00
		CHRG	CURRENCY CONVERSION FEE	2.54 EUR		2.54
27.01.15	23.01.15	PURCH	MANDARIN ORIENTAL HOTEL LONDON	496.15 GBP	0.7405	470.16
		CHRG	CURRENCY CONVERSION FEE	11.73 EUR		11.73
27.01.15	23.01.15	PURCH	MANDARIN ORIENTAL HOTEL LONDON	550.59 GBP	0.7405	743.54
		CHRG	CURRENCY CONVERSION FEE	13.01 EUR		13.01
03.02.15	01.02.15	PURCH	LUL TICKET OFFICE, LONDON BRIDGE	24.00 GBP	0.7479	32.09
		CHRG	CURRENCY CONVERSION FEE	0.56 EUR		0.56
04.02.15	02.02.15	PURCH	HILTON TOWER BRIDGE LONDON	380.16 EUR		380.16
09.02.15	04.02.15	PURCH	HOTEL MARSHART 4480628 75PARIS 1	242.30 EUR		242.30
11.02.15	10.02.15	PURCH	SCIACCA GRILL VALLLETTA	380.00 EUR		380.00
12.02.15	11.02.15	DEPST	PAYMENT RECEIVED - THANK YOU	2620.99 EUR		2620.99CR

**29<sup>th</sup> January 2015** – Five year agreement between Enel and Enemalta on use of the Malta-Sicily interconnector.

The FIAU does not hold a copy of the said agreement.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

**2<sup>nd</sup> February 2015** – The private limited liability company, International Renewable Energy Development Limited was incorporated as per the Energy Sector Cooperation and Investment Agreement dates 12<sup>th</sup> December 2014.

<b>Company Registration Number</b>	<b>C 68860</b>
<b>Company Name</b>	<b>INTERNATIONAL RENEWABLE ENERGY DEVELOPMENT LTD</b>
<b>Registration Date</b>	<b>Feb 02, 2015</b>
<b>Registered Office</b>	<b>WHITEHALL MANSIONS, LEVEL 4, TA' XBIEX SEAFRONT,</b>
<b>City/Locality</b>	<b>TA' XBIEX XBX 1026</b>
<b>Country</b>	<b>MALTA</b>

The shareholders in this company are SEP (Malta) Holding Limited with 4,095,840 A Class shares, while Enemalta plc is the holder of 1,755,360 B Class shares.

**17<sup>th</sup> February 2015** – Dr Konrad Mizzi's official credit card activity places him in Shanghai followed by a trip to London on 25<sup>th</sup> February 2015 and Montenegro on 28<sup>th</sup> February 2015.

ACCOUNT TRANSACTIONS							
14.01.15	14.03.15	INTST	INTEREST		0.22 EUR		0.22
CARD TRANSACTIONS - 403571*****6406 - KONRAD MIZZI							
16.02.15	12.02.15	PURCH	PALM COURT LOUNGE BAR FLORIANA		27.00 EUR		27.00
19.02.15	17.02.15	PURCH	LV GU BIE SHU GUAN LI YOU SHANGHAI		2068.20 CNY	7.1018	291.22
		CHRG	CURRENCY CONVERSION FEE		5.10 EUR		5.10
23.02.15	21.02.15	PURCH	HONG MEI XIAO NAN GUO SHA SHANGHAI		909.00 CNY	7.0520	128.90
		CHRG	CURRENCY CONVERSION FEE		2.26 EUR		2.26
25.02.15	24.02.15	DEPST	PAYMENT RECEIVED - THANK YOU		3424.67 EUR		3424.67
26.02.15	25.02.15	PURCH	LONDON BARS LTD LONDON E1		17.90 GBP	6.7306	24.50
		CHRG	CURRENCY CONVERSION FEE		0.43 EUR		0.43
27.02.15	25.02.15	C/ADV	ROYAL BANK UK / TESCO WC PG 5		200.00 GBP	0.7269	275.14
		CHRG	CASH TRANSACTION FEE		5.00 EUR		5.00
		CHRG	CURRENCY CONVERSION FEE		4.82 EUR		4.82
02.03.15	01.03.15	PURCH	SOTTOVENTO VITTORIOSA		60.00 EUR		60.00
02.03.15	26.02.15	PURCH	MANDARIN ORIENTAL HOTEL LONDON		839.52 EUR		839.52
02.03.15	28.02.15	PURCH	HOTEL SINA RECEPCIJA PODGORICA		371.70 EUR		371.70
06.03.15	05.03.15	PURCH	THE BEER FACTORY BRUXELLES		20.00 EUR		20.00
06.03.15	05.03.15	PURCH	PADISON BLU BU HOTEL BRU BRUSSELS		442.16 EUR		442.16
09.03.15	06.03.15	PURCH	INSPIRATIONS VALLETTA		16.50 EUR		16.50
10.03.15	08.03.15	PURCH	PHOENIX RESTAURANT FLORIANA		42.00 EUR		42.00
10.03.15	08.03.15	PURCH	DUPALLO BILL ST JULIANS		72.00 EUR		72.00

18<sup>th</sup> March 2015 – Preliminary Agreement on privatization of Gozo and St. Luke's Hospital.

The FIAU does not hold a copy of the said agreement.

<https://www.timesofmalta.com/articles/view/20160315/local/konrad-mizzis-major-agreements-remain-unpublished.605744>

25<sup>th</sup> March 2015 – The British company Gasol (Malta) Limited was incorporated as a private company having company number 9510338 (Appendix 8.40).

6<sup>th</sup> April 2015 – The company Armada Floating Gas Services Malta Limited is incorporated.

<b>Company Registration Number</b>	C 69888
<b>Company Name</b>	ARMADA FLOATING GAS SERVICES MALTA LTD.
<b>Registration Date</b>	Apr 06, 2015
<b>Registered Office</b>	SUITE 4, SKYWAY OFFICES, BLOCK A, MARINA SEAFRONT,
<b>City/Locality</b>	PIETA' PTA 9042
<b>Country</b>	MALTA

6<sup>th</sup> April 2015 – The company Armada Floating Gas Storage Malta Limited is incorporated.

Company Details	
<b>Company Registration Number</b>	C 69887
<b>Company Name</b>	ARMADA FLOATING GAS STORAGE MALTA LTD.
<b>Registration Date</b>	Apr 06, 2015
<b>Registered Office</b>	SUITE 4, SKYWAY OFFICES, BLOCK A, MARINA SEAFRONT,
<b>City/Locality</b>	PIETA' PTA 9042
<b>Country</b>	MALTA

**13<sup>th</sup> April 2015** – Enemalta plc and Socar Trading SA and Electrogas Malta Limited – Enemalta – LNG SPA Direct Agreement.

This agreement was entered into on 13<sup>th</sup> April 2015 between Enemalta plc, Socar Trading SA and Electrogas Malta Limited. The agreement covers the obligations between the parties in relation to the long-term supply of electricity and gas to Enemalta plc and the long-term sale and purchase agreement of LNG.

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

**13<sup>th</sup> April 2015** – According to information obtained by the FIAU, 3 agreements were entered into on this date which are in relation to the MV Armada Mediterrana. These agreements are the following (Appendix 8.43):

- i) Enemalta plc – Electrogas Malta Limited – Armada Floating Gas Storage Malta Limited – Armada Floating Gas Services Malta Limited – “FSU-Enemalta Bridge Direct Agreement.”
- ii) Enemalta plc – Electrogas Malta Limited – Armada Floating Gas Storage Malta Limited – “FSU – Enemalta Charter Direct Agreement.”
- iii) Enemalta plc – Electrogas Malta Limited – Armada Floating Gas Storage Malta Limited – “FSU – Enemalta O&M Direct Agreement.”

These agreement, involving Enemalta plc, Electrogas Malta Limited, Armada Floating Gas Storage Malta Limited and/or Armada Floating Gas Services Malta Limited allowed for the chartering of the MV Armada Mediterrana.

On reviewing these agreements the FIAU noted that the shareholding of Armada Floating Gas Storage Malta Ltd and Armada Floating Gas Services Malta Limited is held by Bumi Armada Offshore Holdings Limited. The registered address of the latter is Trust Company Comlex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Marshall Islands.

These agreements also indicated that the account number pertaining to Bumi Armada Offshore Holdings Limited is held with Citibank N.A. Singapore branch bearing account number 859269028.

It is pertinent to note that these agreements were not included in the agreements which were published by the Government.

**14<sup>th</sup> April 2015** – Agreement between the Government of Malta and Socar Trading SA titled “LNG Security of Supply Agreement” (Appendix 8.38)

The parties in this agreement relating to the supply of liquefied natural gas (LNG) are Dr Konrad Mizzi, appearing on behalf of the Government of Malta and Arzu Azimov and Emil Bayramli appearing on behalf of Socar Trading SA. The FIAU is informed that this is the only

agreement in relation to the whole energy project to which Dr Mizzi (on behalf of the Government of Malta) is directly party.

The agreement states that;

- Electrogas Malta Limited is in the process of building a combined gas and power plant in Malta to supply gas and electricity to Enemalta.
- In turn Enemalta will be dependent upon Electrogas Malta Limited for the supply of gas and electricity.
- Electrogas Malta Limited will in turn be dependent upon Socar Trading SA for the supply of liquefied natural gas for Enemalta for the use both in the natural gas network as well as to generate electricity.

As a result of this agreement, Socar Trading SA and Electrogas Malta Limited, and Electrogas Malta Limited and Enemalta entered into long-term supply agreements that achieve certainty of supply for LNG, gas and electricity. The agreement further stipulates an obligation on Socar Trading SA to continue supplying LNG to Enemalta even “in the event of circumstances that would otherwise permit Socar Trading SA to cease supplying Enemalta.

This Agreement shall come into full force and effect on the date of signature by all parties and shall continue in full force and effect until 10 years from the date on which SOCAR first supplies LNG to Enemalta. The agreement made available to the FIAU shows Dr Konrad Mizzi’s signature as having been signed on the 14<sup>th</sup> of April 2015, however there is no date beneath the signatures of Arzu Azimov and Emil Bayramli.

This Agreement also makes reference to the Enemalta-LNG SPA Direct Agreement dated 13<sup>th</sup> April 2015 whereby the obligations and liabilities of the Parties pursuant to this Agreement (dated 14<sup>th</sup> April 2015) will not be affected by, amongst others, any novation of the LNG SPA executed pursuant to the Enemalta-LNG SPA Direct Agreement.

It is pertinent to note that this agreement appears to have been tampered with, and does not appear to be the original. This is due to the following anomalies which have been noted;

- Although the contract has a table of contents with reference to pages, there are no page numbers on the individual pages of the contract;
- All the pages covering clauses 1 to 22 have only one signature despite this contract having 3 involved parties, namely Dr Konrad Mizzi, Arzu Azimov and Emil Bayramli;
- The text in this contract does not appear to be original but appears to have been “pdf scanned” from another document given that a number of words appear to have been electronically converted from a photocopied image to word by use of software such as a PDF converter.

It was also noted that this agreement was not amongst those published by the Government and at no point in this agreement was any reference made to the cost or the sum due for the services/products being provided to the various parties in the agreement.

#### **14<sup>th</sup> April 2015 – The side letter**

The parties to this side letter are Enemalta plc, Electrogas Malta Limited, Gasol Malta Limited, GEM Holdings Limited, Siemes Project Ventures GmbH and Socar Trading SA. The parties Gasol Malta Limited, GEM Holdings Limited, Siemens Project Ventures GmbH and Socar Trading SA are collectively referred to as the promoter while Electrogas Malta Limited is referred to as the Company.

The letter further states that following a call for tenders issued by Enemalta plc, the promoter was selected to supply electricity and natural gas to the Company. Reference is also made to the Share Purchase Agreement dated 9<sup>th</sup> May 2014 between Enemalta Corporation as the Transferor and Gasol plc, GEM Holdings Limited, Siemens Project Ventures GmbH, Socar Trading as the Transferees and Malta Power and Gas Limited as the Company (Appendix 8.9) (this company's name was changed to Electrogas Malta Limited on 11<sup>th</sup> June 2014).

This side letter also makes reference to the "Supply Agreements", namely an Implementation Agreement, a Gas Supply Agreement and a Power Purchase Agreement (Appendix 8.23)

#### **14<sup>th</sup> April 2015 – Delimara 4 – Minimum Functional Specifications updated with agreed EPC 1 Clarifications and Deviations.**

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

#### **14<sup>th</sup> April 2015 – Enemalta and Electrogas Malta Limited – Site Services Agreement.**

This agreement was amongst those contracts published on 14<sup>th</sup> February 2017. It is pertinent to note that, although the published version does not have many redacted versions, large sections of the original document have been omitted completely. Appendix 8.11 is the version of this agreement as published while Appendix 8.12 is a copy of the version obtained by the FIAU.

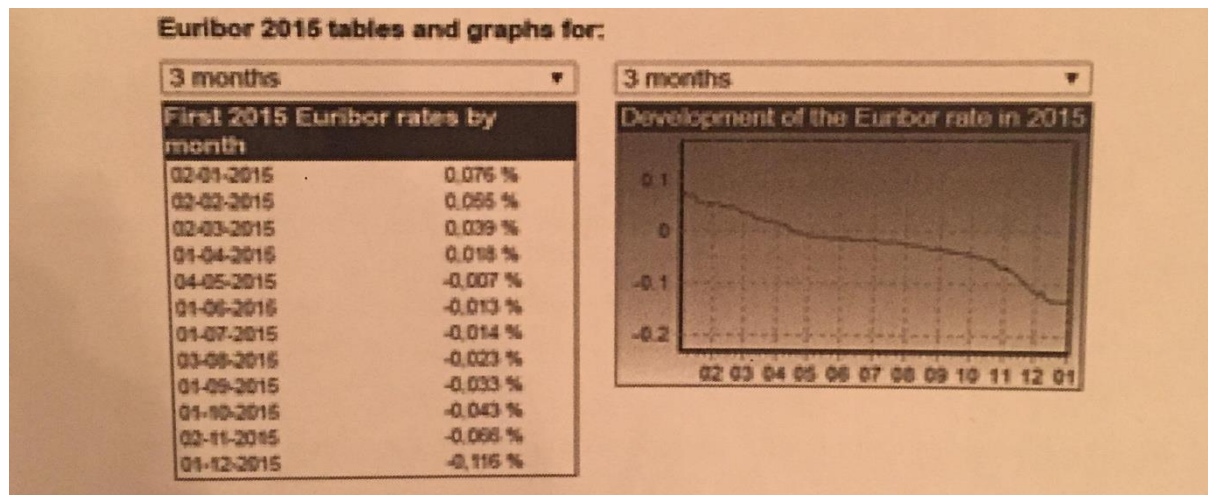
The parties to this agreement are Enemalta plc and Electrogas Malta Limited. The agreement states that:

- i) Enemalta plc controls and operates the Delimara Site;
- ii) Electrogas Malta Limited acquired from Enemalta plc an area forming part of the Delimara Site by title of sub-lease;
- iii) Electrogas Malta Limited requires the provision of Services in relation to the Facilities; and



- iv) Enemalta plc is willing to provide the services to Electrogas Malta Limited in accordance with the terms and conditions of this agreement.

The agreed interest rate in this agreement was quoted as being 3 month EURIBOR plus 3%. This information was redacted in the version of this agreement which was published.



Other information which was not included in the published version of this agreement are; Schedule A – Services (pg 19-52), Schedule B – Services Levels (pg 55-62), Schedule C – Charges (pg 63-64) and Schedule F – Drawings (pg 68-96).

**14<sup>th</sup> April 2015** – Enemalta plc and Electrogas Malta Limited – Electricity Connection Agreement.

This agreement was amongst those contracts published on 14<sup>th</sup> February 2017. It is pertinent to note that, the published version has a couple of redacted sections. In addition this published version of the agreement has sections which have been omitted. Appendix 8.13 is the version of this agreement as published while Appendix 8.14 is a copy of the version obtained by the FIAU.

The parties to this agreement are Enemalta plc and Electrogas Malta Limited. The agreement states that:

- i) Electrogas Malta Limited wishes to install and operate Delimara 4 at the Leased Premises;
- ii) Electrogas Malta Limited has obtained, or is in the process of obtaining, a license from the Malta Resources Authority to produce electricity from Delimara 4 and wishes to connect to the Network in order to sell electricity to Enemalta;
- iii) Enemalta plc is designated as the distribution system operator for Malta pursuant to the Electricity Regulations;
- iv) Enemalta plc and Electrogas Malta Limited have entered into a power purchase agreement of even date pursuant to which Enemalta has agreed to purchase

- electricity produced to Electrogas Malta Limited from Delimara 4, subject to the terms and conditions stated therein (the “Power Purchase Agreement”); and
- v) Electrogas Malta Limited has applied to Enemalta for, and Enemalta has agreed to, the Connection of Delimara 4 to the Network at the Connection Point subject to the terms set out in this agreement.

The agreed interest rate in this agreement was quoted as being 3 month EURIBOR plus 3%. This information was redacted in the version of this agreement which was published. In addition, details were redacted in relation to the fees payable by Electrogas Malta Limited to Enemalta plc. The agreement obtained by the FIAU states that *“Electrogas Malta Limited shall, in consideration for Enemalta performing its obligations in accordance with this Agreement, pay a one-time charge of two hundred and fifty thousand Euro (€250,000) on the Commencement Date and shall thereafter also pay the sum of two thousand Euro (€2,000) per month for the duration of the Term.”*

#### **14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Gas Supply Agreement**

This agreement was amongst those contracts published on 14<sup>th</sup> February 2017. Appendix 8.41 is the version of this agreement as published while Appendix 8.42 is a copy of the version obtained by the FIAU.

It has been noted that the sections of this agreement which were redacted in the published version relate to terms of payments and charges due.

#### **14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Implementation Agreement**

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

#### **14<sup>th</sup> April 2015 – Enemalta plc and Electrogas Malta Limited – Power Purchase Agreement**

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

#### **14<sup>th</sup> April 2015 – Enemalta – Company’s Gas Facilities – Minimum Functional Specifications**

A copy of this agreement has been obtained by the FIAU and can be provided should this be required.

**18<sup>th</sup> April 2015** – Dr Mizzi’s official credit card activity places him in Shanghai till 20<sup>th</sup> April 2015. It was noted that on the 23<sup>rd</sup> and 24<sup>th</sup> of April 2015, Dr Mizzi was in London before heading back to Shanghai on 25<sup>th</sup> April 2015 till 3<sup>rd</sup> May 2015.

Statement Date : 14.05.2015			Card Account Number : 4035710036087620		Page : 1/1	
Received by US	Transaction Date	Type	Details	Transaction Amount	Exchange Rate	Euro Amount
<b>ACCOUNT TRANSACTIONS</b>						
14.05.15	14.05.15	INTST	INTEREST	0.75 EUR		0.75
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI						
16.04.15	14.04.15	PURCH	TRATTORIA CAMPANELLA VALLETTA	144.30 EUR		144.30
20.04.15	19.04.15	PURCH	LONG XIN CAN YIN GUA SHANGHAI	1690.00 CNY	6.6150	255.48
		CHRG	CURRENCY CONVERSION FEE	4.47 EUR		4.47
20.04.15	19.04.15	PURCH	PUDONG SHANGRI-LA SHANGHAI	967.10 CNY	6.6149	146.20
		CHRG	CURRENCY CONVERSION FEE	2.56 EUR		2.56
22.04.15	20.04.15	PURCH	HOTEL INDIGO SHANGHA SHANGHAI	30.08 EUR		30.08
27.04.15	23.04.15	C/ADV	MONEYCORP 1 BROMPTON RD LONDON	228.50 EUR		228.50
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00
27.04.15	24.04.15	PURCH	MANDARIN ORIENTAL HOTEL LONDON	1005.38 EUR		1005.38
27.04.15	26.04.15	PURCH	SHANGRI-LA HOTEL SHANGHAI SHANGHAI	103.31 EUR		103.31
27.04.15	25.04.15	PURCH	GUANG CHENG SHANGHAI	499.00 CNY	6.6485	73.55
		CHRG	CURRENCY CONVERSION FEE	1.29 EUR		1.29
29.04.15	27.04.15	PURCH	SHANGHAI YI XIU CAN YIN G SHANGHAI	256.00 CNY	6.7280	38.05
		CHRG	CURRENCY CONVERSION FEE	0.67 EUR		0.67
04.05.15	03.05.15	PURCH	LE MERIDIEN SHE SHAN SHAN SHANGHAI	7707.20 CNY	6.8902	1110.58
		CHRG	CURRENCY CONVERSION FEE	19.58 EUR		19.58
05.05.15	04.05.15	DEPST	PAYMENT RECEIVED - THANK YOU	828.07 EUR		828.07
13.05.15	11.05.15	PURCH	TRASUKU VALLETTA	70.00 EUR		70.00

**5<sup>th</sup> May 2015** – BTI Management Limited issue an Engagement Letter to Dr Konrad Mizzi (Appendix 8.34)

Information obtained by the FIAU indicates that this document has been fabricated to coincide and substantiate requests and claims made following the revelations of the Panama Papers. Such a suspicion is raised given that email communication dated 23<sup>rd</sup> October 2014 shows Mr Karl Cini communicating with Mossack Fonseca (New Zealand) with references being made to a sample trust deed and information relating to the opening of a bank account. In addition to this Dr Konrad Mizzi himself stated that he sought management advice in 2014.

[http://www.maltatoday.com.mt/printversion/62554/#.WL\\_bCm8rKpo](http://www.maltatoday.com.mt/printversion/62554/#.WL_bCm8rKpo)

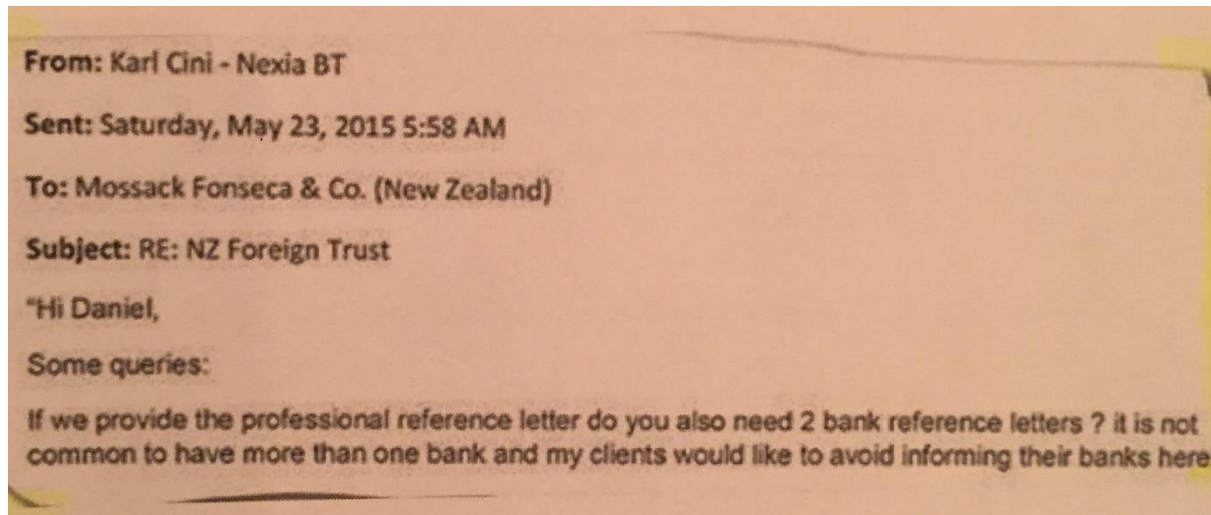
In light of the above information, having an engagement letter dated 5<sup>th</sup> May 2015 does not make sense when one views the entire chain of events.

**8<sup>th</sup> May 2015** – A transaction for AED 2,000 (€492.10) on Dr Konrad Mizzi's account number 011-100815-001 indicates his presence in Dubai.

**16<sup>th</sup> May 2015** – It was at this point that Mr Karl Cini revealed to Mossack Fonseca & Co. (New Zealand) that he had more than one client who was interested in setting up a New Zealand Trust. Once Mossack Fonseca & Co. (New Zealand) realized that both clients were PEPs, which was by 24<sup>th</sup> May 2015, the process was slowed down with the need for more due diligence. This information was obtained through open source information since this information was not included in the documentation provided by Mr Karl Cini.

<http://www.afr.com/news/policy/foreign-affairs/the-panama-papers-new-twist-to-maltas-mossack-fonseca-bank-saga-20160418-go92hv>

**23<sup>rd</sup> May 2015** – An email was sent from Mr Karl Cini to Mossack Fonseca & Co. (New Zealand) in relation to the New Zealand Trust. In this email Mr Cini asks whether if they had to provide a professional reference letter, would Mossack Fonseca still require 2 bank reference letters. In this communication Mr Cini states that “it is not common to have more than one bank and my clients would like to avoid informing their banks here”.



It is pertinent to note that this email was obtained through <https://www.timesofmalta.com/articles/view/20170226/local/fact-checking-konrad-mizzis-fake-news-claims.640721>. This begs the question as to why this correspondence was not included in the documentation provided by Mr Karl Cini following a request by the FIAU to provide all exchanges, correspondence and instructions made in relation to the structures set up by Dr Konrad Mizzi and Mr Keith Schembri.

Of further suspicion is the fact that Mr Karl Cini informed Mossack Fonseca & Co. (New Zealand) that “it is not common to have more than one bank” which is not the case, given that most people in Malta tend to have bank accounts with at least 2 different domestic credit institutions. Also, suspicion is raised further given that the “clients would like to avoid informing their banks here.”

In fact at the time of this communication, Mr Konrad Mizzi had been a client of HSBC for just under 14 years and a client of BOV for almost 2 years.

**7<sup>th</sup> June 2015** – The Sunday Times of Malta reveals an €88 million state guarantee to Electrogas.

<https://www.timesofmalta.com/articles/view/20150608/local/government-confirms-state-guarantee-to-electrogas-is-unique.571668>

**14<sup>th</sup> June 2015** – Dr Konrad Mizzi’s official credit card activity places him in Montenegro till the 16<sup>th</sup> June 2015.

ACCOUNT TRANSACTIONS						
14.07.15	14.07.15	INTST	INTEREST		1.65 EUR	1.65
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI						
15.06.15	12.06.15	C/ADV	LGW 3 L'SIDE ARRIVALS GATWICK		304.16 EUR	304.16
		CHRG	CASH TRANSACTION FEE		5.00 EUR	5.00
15.06.15	12.06.15	PURCH	DORSET SQUARE HOTEL LONDON NW1		136.92 GBP	190.48
		CHRG	CURRENCY CONVERSION FEE		3.33 EUR	3.33
15.06.15	12.06.15	PURCH	BASILICO MARYLEBONE LONDON		46.00 GBP	64.00
		CHRG	CURRENCY CONVERSION FEE		1.12 EUR	1.12
15.06.15	13.06.15	PURCH	LUL TICKET MACHINE BAKER STREET		12.00 GBP	16.69
		CHRG	CURRENCY CONVERSION FEE		0.29 EUR	0.29
15.06.15	13.06.15	PURCH	STARBUCKS LONDON		14.64 GBP	20.37
		CHRG	CURRENCY CONVERSION FEE		0.36 EUR	0.36
15.06.15	13.06.15	PURCH	LITTLE PERSIA LONDON W2 JRS		52.81 GBP	73.47
		CHRG	CURRENCY CONVERSION FEE		1.29 EUR	1.29
16.06.15	14.06.15	PURCH	HILTON LDN METRO LONDON		602.81 EUR	602.81
16.06.15	14.06.15	PURCH	RECEPCIJA HOTEL BUDV BUDVA		113.80 EUR	113.80
18.06.15	16.06.15	PURCH	HOTEL RIYA RECEPCIJA PODGORICA		126.10 EUR	126.10
24.06.15	23.06.15	PURCH	CORINTHIA ROOM RESTAURANT ATTARD		299.00 EUR	299.00
25.06.15	24.06.15	PURCH	PIZZA HUT VALLETTA		21.10 EUR	21.10
26.06.15	25.06.15	DEPST	PAYMENT RECEIVED - THANK YOU		180.20 EUR	180.20CR

It is pertinent to note that upon his return from Montenegro (i.e. 16<sup>th</sup> June 2015), Dr Mizzi signed the Source of Funds / Wealth Declaration Form (Appendix 8.3) which was subsequently sent to Mr Luis Quiel by Mr Karl Cini on the following day. This declaration form identified Dr Mizzi's source of funds / wealth as being personal assets and proceeds from business trade.

**17<sup>th</sup> June 2015** – An email to Mr Luis Quiel was found from WeTransfer.com. The subject of the email being [karl.cini@nexiabt.com](mailto:karl.cini@nexiabt.com) has sent you a file via WeTransfer. The files sent with a total of 1.4MB bore the titles – “KS – change of UBO.zip” and “KM – change of UBO.zip”. Amongst the documents sent was a Source of Funds / Wealth Declaration Form dated 16<sup>th</sup> June 2015 whereby Dr Konrad Mizzi declared that the origin of funds in HEARNVILLE INC. would be personal assets and proceeds from business trade (Appendix 8.3).

**26<sup>th</sup> June 2015** – Mr Juan Carlos Martinez who is an executive assistant with Mossack Fonseca & Co. (Panama) provided Mr Karl Cini with draft copies of the declarations for HEARNVILLE INC. and TILGATE INC. (which is Mr Keith Schembri's company). Mr Martinez also asked Mr Cini to confirm the name of the company's beneficial owners. On the same day Mr Karl Cini confirmed that Dr Konrad Mizzi is the ultimate beneficial owner of HEARNVILLE INC.

**2<sup>nd</sup> July 2015** – Mr Karl Cini emailed Mr Luis Quiel asking if the latter has any update on the change in UBO of the 2 companies.

**3<sup>rd</sup> July 2015** – Following the email to Mr Quiel on the 2<sup>nd</sup> July 2015, Mr Martinez replied stating that they are in the process of obtaining the signature of the Director of ATC Administrators Inc. and Mr Cini will be provided with a duly signed Declaration of Beneficial Owner by 9:00am the following day (Panama time). In fact another email was sent on the same day from Mr Martinez to Mr Cini stating “*Please find attached the signed Declarations for each person*” (Appendix 8.15).

On this same day an email from Mr Daniel Leon, executive assistant at Mossack Fonseca & Co. (Panama), was sent to Mr Karl Cini asking for a call back.

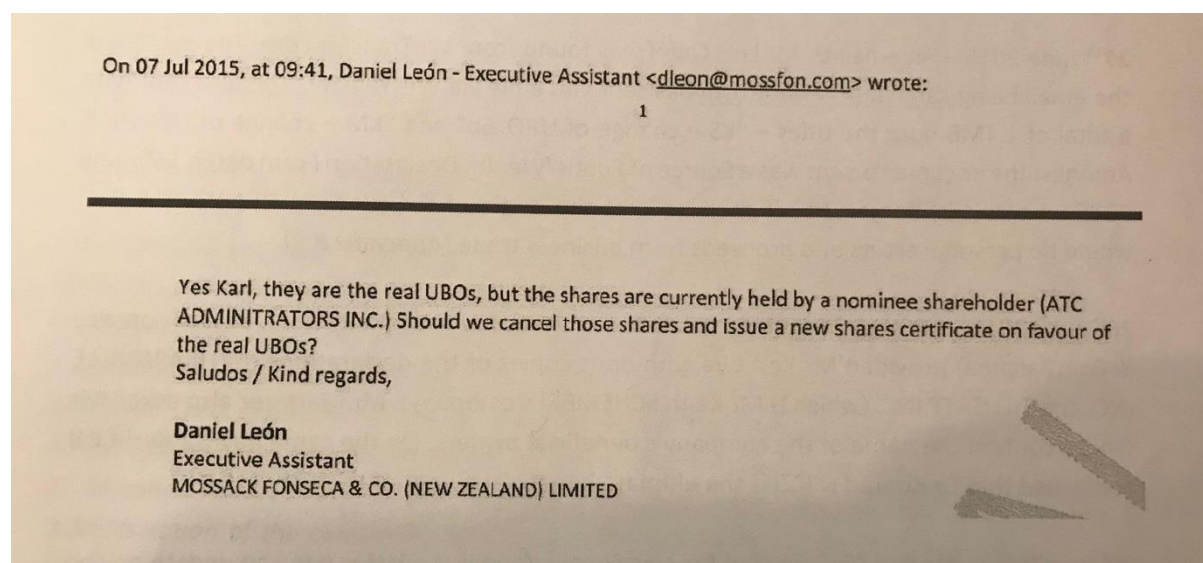


**7<sup>th</sup> July 2015** – Following an unsuccessful callback from Mr Cini, a chain of emails between Mr Leon and Mr Cini ensued (Appendix 8.16).

Mr Leon emailed Mr Cini stating the following; *“What I wanted to re-confirm with you is the matter relating to the shareholder for HEARNVILLE INC. and TILLGATE. Do you need that the shares of the companies be now issued in the names of the settlors so that they can themselves give them in trust after that? Is this right?”*

Mr Cini replied stating that the settlors of the trusts are already the UBOs of the two companies.

Mr Leon replied stating that;



It is pertinent to note that this communication, indicates that since the companies were set up in July 2013, ATC Administrators Inc. held the shares in the company HEARNVILLE INC. on behalf of the UBO, Dr Konrad Mizzi given the statement “Yes Karl, they are the real UBOs, but the shares are currently held by a nominee shareholder.”

This contradicts what Dr Mizzi claimed on 26<sup>th</sup> February 2016 whereby he stated *“Il-kumpanija, just to biex inehhi misgivings hadtha over jiena fil-2015, fis-sajf tal-2015 and it was included in the trust. Kienet shell<sup>4</sup> company, kien hemm kummenti li kienet issetjata qabel, iva, din hija shell company li jissetjawhom u jbieghhom as a going concern. Ma kien hem xejn fija fin il-kumpanija jigifieri la ghandha assi bhalissa, la ghandha liabilities, la ghandha bank accounts, m’hemm l-ebda flus...”*

This statements can be access through <https://daphnecaruanagalizia.com/2016/02/76957/>

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<sup>4</sup> Although Dr Mizzi referred to the company as being a shell company, in actual fact he is referring to a shelf company

Furthermore, the FIAU requested information on 2<sup>nd</sup> March 2016 whereby Nexia BT, BT International Ltd, BT Advisory Services Ltd, Nexia BT Consulting Ltd and BTI Management Ltd, namely Mr Karl Cini in his capacity as Money Laundering Reporting Officer, were requested to provide the FIAU with, amongst others, *“all instructions made to Mossack Fonseca and to the Orion Trust in relation to the services provided to the Clients, all correspondence sent on behalf of the Clientw and, more broadly, all exchanges, correspondence and instructions made to Mossack Fonseca and to the Orion Trust in connection with the setting up and the administration of the companies HEARNVILLE INC., TILLGATE INC. and the trusts named the ROTORUA TRUST and the HAAST TRUST.”* A subsequent request for information by the FIAU dated 13<sup>th</sup> April 2016, highlights the fact that in a reply dated 14<sup>th</sup> March 2016, Nexia BT et al failed to provide, amongst others, *“All exchanges, correspondence and instructions made to Mossack Fonseca in connection with the setting up and administration of the companies HEARNVILLE INC. and TILLGATE INC.”*

In a letter of clarification dated 20<sup>th</sup> April 2016, Mr Karl Cini obo Nexia BT claimed *“It appears that there has been a misunderstanding regarding the nature of the information you have requested from us during the meeting held on 2<sup>nd</sup> March 2016. The verbal request made during this meeting was interpreted by us to be limited to the period starting from when the Clients took ownership of the companies HEARNVILLE INC. and TILLGATE INC. From our discussions during the said meeting, we did not infer that your verbal request also extended to the initial setting up and administration of these companies, prior to the Clients taking over the respective ownership, and hence, at the time, we had compiled the information accordingly.”*

The communication shows attempts made by Nexia BT to conceal from the FIAU the fact that the companies belonged to Dr Konrad Mizzi and Mr Keith Schembri from the start as is indicated in the email between Mr Daniel Leon and Mr Karl Cini on 7<sup>th</sup> July 2015.

**10<sup>th</sup> July 2015** – a transfer of €200,000 (USD 179,243.59) was attempted on 10<sup>th</sup> July 2015 by Orion Engineering Group in favour of the UAE registered company 17 BLACK LIMITED. This transaction was not successful due to the transaction not being in line with the correspondent’s bank internal policies. The correspondent bank used in this transaction was Deutsche Bank Trust Company Americas. More information in relation to these companies is provided in sections 5.2 and 5.3 of this report.

20/05/16-08:58:11

Reprint From MFA-0000-000000

1

Possible duplicate delivery  
Network : APPLI  
Session Holder : Printer5  
Session : 9663  
Sequence : 000001  
Delivery Status : Network Ack

----- Instance Type and Transmission -----  
Original received from SWIFT  
Priority : Normal  
Message Output Reference : 1829 150714VALLMTMTAXXX0160579778  
Correspondent Input Reference : 1229 150714BKTRUS33AXXX1989879367

----- Message Header -----  
Swift Output : FIN 199 Free Format Message

Sender : BKTRUS33XXX  
DEUTSCHE BANK TRUST COMPANY AMERICAS  
NEW YORK, NY US

Receiver : VALLMTMTXXX  
BANK OF VALLETTA P.L.C.  
ST. VENERA MT

MUR : 1507141728510800

----- Message Text -----  
20: Transaction Reference Number

150714 608128

21: Related Reference  
311/ST3416816/15

79: Narrative

WE REFER TO YOUR 103 DATED 07/13/15 REFERENCE  
NUMBER 311/ST3416816/15 FOR USD 200000.00 VALUE  
07/14/15

.  
PLEASE BE ADVISED THAT WE WERE UNABLE TO EXECUTE  
YOUR PAYMENT ORDER PAYMENT REJECTED ON THE BASIS  
OF INTERNAL DEUTSCHE BANK POLICY. .  
WE HAVE THEREFORE CANCELLED YOUR PAYMENT ORDER  
WITH NO ENTRIES PROCESSED.  
WE CONSIDER YOUR PAYMENT INSTRUCTION NULL AND  
VOID.

.  
PLEASE QUOTE OUR REFERENCE NUMBER, 150714 608128  
IN ALL FUTURE CORRESPONDENCE RELATING TO THIS  
CASE.

.  
REGARDS, REGULATORY INVESTIGATIONS

----- Message Trailer -----  
{CHK:A34F6381A387}  
PKI Signature: MAC-Equivalent

20/05/16-09:00:59

Reprint From MFA-0000-000000

1

Possible duplicate delivery

Network : APPLI  
Session Holder : POIN  
Session : 8703  
Sequence : 000001  
Delivery Status : Network Ack

----- Instance Type and Transmission -----

Original

Priority/Delivery : Normal

----- Message Header -----

Swift Input : FIN 103 Single Customer Credit Transfer

Sender : VALLMTMTXXX  
BANK OF VALLETTA P.L.C.  
ST. VENERA MT

Receiver : BKTRUS33XXX  
DEUTSCHE BANK TRUST COMPANY AMERICAS  
NEW YORK, NY US

MUR : 311/ST3416816/15

----- Message Text -----

20: Sender's Reference  
311/ST3416816/15

23B: Bank Operation Code  
CRED

32A: Val Dte/Curr/Interbnk Settl'd Amt  
Date : 14 July 2015  
Currency : USD (US DOLLAR)  
Amount : #200000,00#

33B: Currency/Instructed Amount  
Currency : USD (US DOLLAR)  
Amount : #200000,00#

50K: Ordering Customer-Name & Address  
/MT48VALL22013000000040023243354  
ORION ENGINEERING GROUP A/C PMC  
SUITE 4, SKYWAY OFFICES, BLOCK A  
177, MARINA SEAFRONT PIETA  
MALTA PTA 904

57A: Account With Institution - FI BIC  
NISLAEAD  
NOOR BANK P.J.S.C.  
DUBAI AE

59: Beneficiary Customer-Name & Addr  
/AE600520000110682060036  
17 BLACK LTD

70: Remittance Information  
OEG QATAR MANPOWER FOR Q4002 PROJEC  
T

71A: Details of Charges  
SHA

**17<sup>th</sup> July 2015** – Mr Martinez sent an email to Mr Karl Cini confirming that the change of ownership of HEARNVILLE INC. and TILLGATE INC. was done. The same email gave instructions to issue the shares of HEARNVILLE INC. in favour of Orion Trust (New Zealand) Limited as Trustee of ROTORUA TRUST.

**18<sup>th</sup> July 2015** – Dr Konrad Mizzi's official credit card activity places him in Istanbul, Turkey followed by Montenegro on 22<sup>nd</sup> July 2015 and Shanghai on 30<sup>th</sup> July 2015.



CARD TRANSACTIONS - 403512*****7620 - KONRAD MIEGEL							
20.07.15	18.07.15	C/ADV	INTERCONTINENTAL-2 ISTANBUL	500.00 TRY	2.8722	174.08	
		CHRG	CURRENCY CONVERSION FEE	3.05 EUR		3.05	
		CHRG	CASH TRANSACTION FEE	5.00 EUR		5.00	
22.07.15	21.07.15	PURCH	INTERCONTINENTAL ISTANBUL ISTANBUL	3524.03 TRY	2.8944	1217.54	
		CHRG	CURRENCY CONVERSION FEE	21.31 EUR		21.31	
22.07.15	21.07.15	PURCH	INTERCONTINENTAL ISTANBUL ISTANBUL	24.00 TRY	2.8951	8.29	
		CHRG	CURRENCY CONVERSION FEE	0.15 EUR		0.15	
24.07.15	22.07.15	PURCH	INTERCONTINENTAL ISTANBUL ISTANBUL	330.00 TRY	2.9567	111.61	
		CHRG	CURRENCY CONVERSION FEE	1.95 EUR		1.95	
24.07.15	22.07.15	PURCH	HOTEL SIYA RECEPCIJA PODGORICA	56.10 EUR		56.10	
24.07.15	22.07.15	PURCH	RESTORAN LANGUST BUDVA	200.00 EUR		200.00	
24.07.15	22.07.15	PURCH	RECEPCIJA HOTEL BUDV BUDVA	178.30 EUR		178.30	
24.07.15	23.07.15	PURCH	HOTEL MAESTRAL RECE BUDVA	172.80 EUR		172.80	
30.07.15	29.07.15	PURCH	TANG GONG SHANGHAI	997.00 CNY	6.8485	145.58	
		CHRG	CURRENCY CONVERSION FEE	2.55 EUR		2.55	
31.07.15	30.07.15	PURCH	SHANG HAI SEN JIE CAN YIN SHANG HAI	136.00 CNY	6.8068	19.98	
		CHRG	CURRENCY CONVERSION FEE	0.35 EUR		0.35	
31.07.15	30.07.15	PURCH	PUDONG SHANGRI-LA SHANGHAI	805.00 CNY	6.8059	118.28	
		CHRG	CURRENCY CONVERSION FEE	2.07 EUR		2.07	
03.08.15	31.07.15	PURCH	TANG GONG SHANGHAI	503.00 CNY	6.8074	73.85	
		CHRG	CURRENCY CONVERSION FEE	1.29 EUR		1.29	
03.08.15	31.07.15	PURCH	SHANGHAI HILLS HOTEL SHANGHAI	419.75 CNY	6.8075	61.66	
		CHRG	CURRENCY CONVERSION FEE	1.08 EUR		1.08	
03.08.15	30.07.15	PURCH	HUA TING HOTEL SHANGHAI	149.50 CNY	6.8078	21.96	
		CHRG	CURRENCY CONVERSION FEE	0.38 EUR		0.38	
05.08.15	04.08.15	PURCH	THE PENINSULA SHANGHAI WA SHANGHAI	974.10 CNY	6.7976	143.30	
		CHRG	CURRENCY CONVERSION FEE	2.51 EUR		2.51	
05.08.15	04.08.15	DEPST	PAYMENT RECEIVED - THANK YOU	1845.02 EUR		1845.02	CR

**22<sup>nd</sup> July 2015** – Gasol (Malta) Limited transferred its interests in Electrogas Malta Limited to GEM Holdings Limited, Socar Trading SA and Siemens Projects Ventures GMBH (Appendix 8.17). On the same day HEARNVILLE INC. was transferred to the ROTORUA TRUST (Appendix 8.19).

**23<sup>rd</sup> July 2015** – The transfer of €200,000 (USD 181,851.25) which was attempted on 10<sup>th</sup> July 2015 was successfully carried out by Orion Engineering Group in favour of the UAE registered company 17 BLACK LIMITED. The correspondent bank used in this transaction was Bank of America. More information in relation to these companies is provided in sections 5.2 and 5.3 of this report.

It is interesting to note that the transaction which was attempted on 10<sup>th</sup> July 2015 bore a reference to “manpower for Q4002”, however, the transaction which was carried out on 23<sup>rd</sup> July 2015 simply bore the reference of an invoice number 20151001.

**27<sup>th</sup> July 2015** – Open source information indicates that Gasol sold its interest in Electrogas Malta Limited. <https://www.lngindustry.com/liquid-natural-gas/27072015/gasol-sells-interest-in-malta-lng-project-1068/>

**4<sup>th</sup> August 2015** – Mr Martinez emailed Mr Cini with a list of attached documents in relation to the 2 companies. Mr Martinez also asked Mr Cini to provide an address where the original documentation should be delivered.

**5<sup>th</sup> August 2015** - Mr Karl Cini informed Mr Luis Quiel that they are in the process of opening a bank account in Dubai for two of their Panamanian companies, the companies being HEARNVILLE INC. and TILGATE INC. The email goes on to state that a number of documents will need to be attested from the UAE Embassy in Panama and will then be attested further in Dubai. In this respect, Mr Cini asked Mr Quiel if the latter would be able to assist.



12<sup>th</sup> August 2015 – The Government announces extension of state guarantee to Electrogas to €360 million.

**Times of Malta – State guarantee for power station shoots up to €360 ...**

[www.timesofmalta.com/articles/view/20150812/local/state-guarantee.580365](http://www.timesofmalta.com/articles/view/20150812/local/state-guarantee.580365) ▼

Aug 12, 2015 - State guarantee for power station shoots up to €360 million ... had acknowledged this was "unprecedented", it has announced this guarantee has quadrupled. ... In return for the bank guarantee, ElectroGas paid government a ...

Attempts to access this link on 22<sup>nd</sup> March 2017 proved unsuccessful however other open sources make reference to the same announcement.

<https://daphnecaruanagalizia.com/2015/08/the-latest-shocker-government-guarantees-another-electrogas-malta-bank-loan-up-to-e360m/>

[http://www.maltatoday.com.mt/news/national/56118/busuttil\\_condemns\\_guarantee\\_muscats\\_personal\\_interest\\_overrides\\_national\\_interest](http://www.maltatoday.com.mt/news/national/56118/busuttil_condemns_guarantee_muscats_personal_interest_overrides_national_interest)

<http://www.independent.com.mt/articles/2017-02-22/local-news/Government-refuses-to-divulge-Electrogas-loan-maximum-liability-6736170736>

[http://www.maltatoday.com.mt/news/national/56359/pn\\_wants\\_power\\_station\\_audit\\_extended\\_to\\_include\\_new\\_state\\_guarantee#.Wh0vhbQ-cWo](http://www.maltatoday.com.mt/news/national/56359/pn_wants_power_station_audit_extended_to_include_new_state_guarantee#.Wh0vhbQ-cWo)

On the same day SOCAR Group sold newly issued shares of Socar Turkey Enerji A.S.

**Information about subsidiaries.** The Consolidated financial statements of the Group include the following material subsidiaries:

Name	Principal activities	Country of incorporation	% equity interest	
			2015	2014
SOCAR Turkey Enerji A.Ş.	Refinery	Turkey	86.99%	99.99%
Azerbaijan (ACG) Ltd	Oil production	Cayman Islands	100%	100%
Azerbaijan (Shah Deniz) Ltd	Gas production	Cayman Islands	100%	100%
Caspian Drilling Company (CDC)	Drilling operations	Azerbaijan	92.44%	92.44%
SOCAR Energy Georgia LLC	Sales and Distribution	Georgia	51%	51%
SOCAR Overseas LLC	Sales and Distribution	UAE	100%	100%
SOCAR Trading Holding	Sales and Distribution	Malta	100%	100%
Azerbaijan (BTC) Ltd	Sales and Distribution	Cayman Islands	100%	100%
Cooperative Menkent U.A.	Sales and Distribution	Netherlands	99.9%	99.9%
SOCAR Energy Holdings AG	Sales and Distribution	Switzerland	100%	100%
SOCAR Energy Ukraine	Sales and Distribution	Ukraine	100%	100%
Azerbaijan (SCP) LTD	Sales and Distribution	Cayman Islands	100%	100%
SOCAR Petroleum CJSC	Sales and Distribution	Azerbaijan	100%	100%
Baku Shipyard Company	Construction	Azerbaijan	65%	65%
Socar Polymer LLC	Chemicals production	Azerbaijan	71%	71%
BOS Shelf LLC	Construction	Azerbaijan	90%	90%

On 12 August 2015 the Group sold newly issued shares of SOCAR Turkey Enerji A.Ş., representing 13 per cent of capital, to Goldman Sachs International (see Note 35).

The full report can be accessed through <http://socar.az/socar/assets/documents/en/socar-financial-reports/Financial%20report%202015.pdf>

19<sup>th</sup> August 2015 – An email from Mr Cini to Mr Martinez and Mr Quiel confirmed that the only change that can be made to the trusts is to make them revocable.

**20<sup>th</sup> August 2015** – Mr Karl Cini sent a reminder to Mr Juan Carlos Martinez in relation to the required attested company documentation.

**20<sup>th</sup> August 2015** – Mr Cini informed Mr Martinez and Mr Quiel that he will be meeting the beneficial owners “this coming Tuesday” (which was the 25<sup>th</sup> August 2015) and would like to have finalized scanned copies of the trust deeds by then to be able to show to the respective owners.

On the same day, Mr Karl Cini sent an email to Mr Quiel and Mr Martinez whereby he attached preliminary KYC documentation for the purposes of opening bank accounts in Panama. In this communication Mr Cini also gave instructions to Mr Quiel to provide these documents to the bank should they be requested.

**21<sup>st</sup> August 2015** – In a chain of emails all dated 21<sup>st</sup> August 2015, Mr Martinez asked Mr Cini whether legalization by the Syrian Embassy would still be acceptable as there is no UAE Embassy in Panama. Mr Martinez explained that the closest UAE Embassy is in Colombia therefore the documents could either be attested in the Syrian Embassy in Panama or have the documents sent to the UAE Embassy in Colombia.

On the same day Mossack Fonseca & Co. (New Zealand) sent an email to Mr Karl Cini with attached copies of the signed Trust Deeds. In this email concerns were raised in relation to negative coverage regarding the tender process for supply of paper to the government. As a result Mr Cini was asked to provide more detailed information about the source of funds to be settled on each trust and also to elaborate further on the activities of the underlying companies as reference to “management consultancy and brokerage” was not a sufficient explanation.

**21<sup>st</sup> August 2015** – Mr Martine confirmed to Mr Cini that the documents were received and information was sent to the bank in order to start the account opening process in Panama.

**24<sup>th</sup> August 2015** – In an email from Mossack Fonseca & Co. (New Zealand) to Mr Karl Cini, concerns were raised in relation to the negative publicity regarding the amount of remuneration of Dr Konrad Mizzi’s wife, Mrs Sai Mizzi Liang. As a result details of enquiries made in relation to this were requested as well as information which was previously requested.

**25<sup>th</sup> August 2015** – Mr Cini confirmed that the attestation by the Syrian Embassy would not be accepted and instead requested the original documents to be sent to Malta via express courier. In a subsequent email dated 25<sup>th</sup> April 2015, Mr Cini further confirmed that the documents are required in original format and the client will get them to the bank directly in original (Appendix 8.4).

It is pertinent to note that Dr Konrad Mizzi’s official credit card activity placed him in Dubai on 27<sup>th</sup> August 2015.

MR KONRAD MIZZI MINISTRY FOR ENERGY AND THE CONSERVATION OF WATER AUBERGE DE CASTILLE VALLETTA				HSBC Advance VISA Account Statement			
				Credit Limit	EUR	12000.00	
				Previous Balance	EUR	2747.62	
				Transactions	EUR	1848.53	
				Payments	EUR	0.00	
				New Balance	EUR	4596.15	
				Debit Interest Rate	Purch 8.75%	Cash 8.75%	
Statement Date : 14.09.2015				Card Account Number : 4035710036087620		Page : 1/1	
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	EUR Amount	
ACCOUNT TRANSACTIONS							
	14.09.15	14.09.15	CHRG LATE PAYMENT FEE	15.00 EUR		15.00	
	14.09.15	14.09.15	INTST INTEREST	6.23 EUR		6.23	
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI							
	19.08.15	18.08.15	PURCH LAGUNA KALKARA	146.75 EUR		146.75	
	28.08.15	27.08.15	C/ADV ADIS JW MARRIOTT MARQUIS DXB	1000.00 AED	4.1485	241.05	
			CHRG CASH TRANSACTION FEE	5.00 EUR		5.00	
			CHRG CURRENCY CONVERSION FEE	4.22 EUR		4.22	
	01.09.15	01.09.15	PURCH EMIRATES JW MARRIOTT M DUBAI	1124.28 EUR		1124.28	

**26<sup>th</sup> August 2015** – Mr Martinez emailed Mr Cini confirming that the documents were sent by FEDEX. The email also states that the tracking number was attached to the email.

**27<sup>th</sup> August 2015** – As indicated earlier, Dr Mizzi's official credit card activity places him in Dubai on 27<sup>th</sup> August 2015 and Germany on the 13<sup>th</sup> September 2015.

Statement Date : 14.09.2015				Card Account Number : 4035710036087620		Page : 1/1	
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	EUR Amount	
ACCOUNT TRANSACTIONS							
	14.09.15	14.09.15	CHRG LATE PAYMENT FEE	15.00 EUR		15.00	
	14.09.15	14.09.15	INTST INTEREST	6.23 EUR		6.23	
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI							
	19.08.15	18.08.15	PURCH LAGUNA KALKARA	146.75 EUR		146.75	
	28.08.15	27.08.15	C/ADV ADIS JW MARRIOTT MARQUIS DXB	1000.00 AED	4.1485	241.05	
			CHRG CASH TRANSACTION FEE	5.00 EUR		5.00	
			CHRG CURRENCY CONVERSION FEE	4.22 EUR		4.22	
	01.09.15	01.09.15	PURCH EMIRATES JW MARRIOTT M DUBAI	1124.28 EUR		1124.28	
	14.09.15	13.09.15	PURCH HOTEL MÜNCHEN PALACE MÜNCHEN	106.00 EUR		106.00	

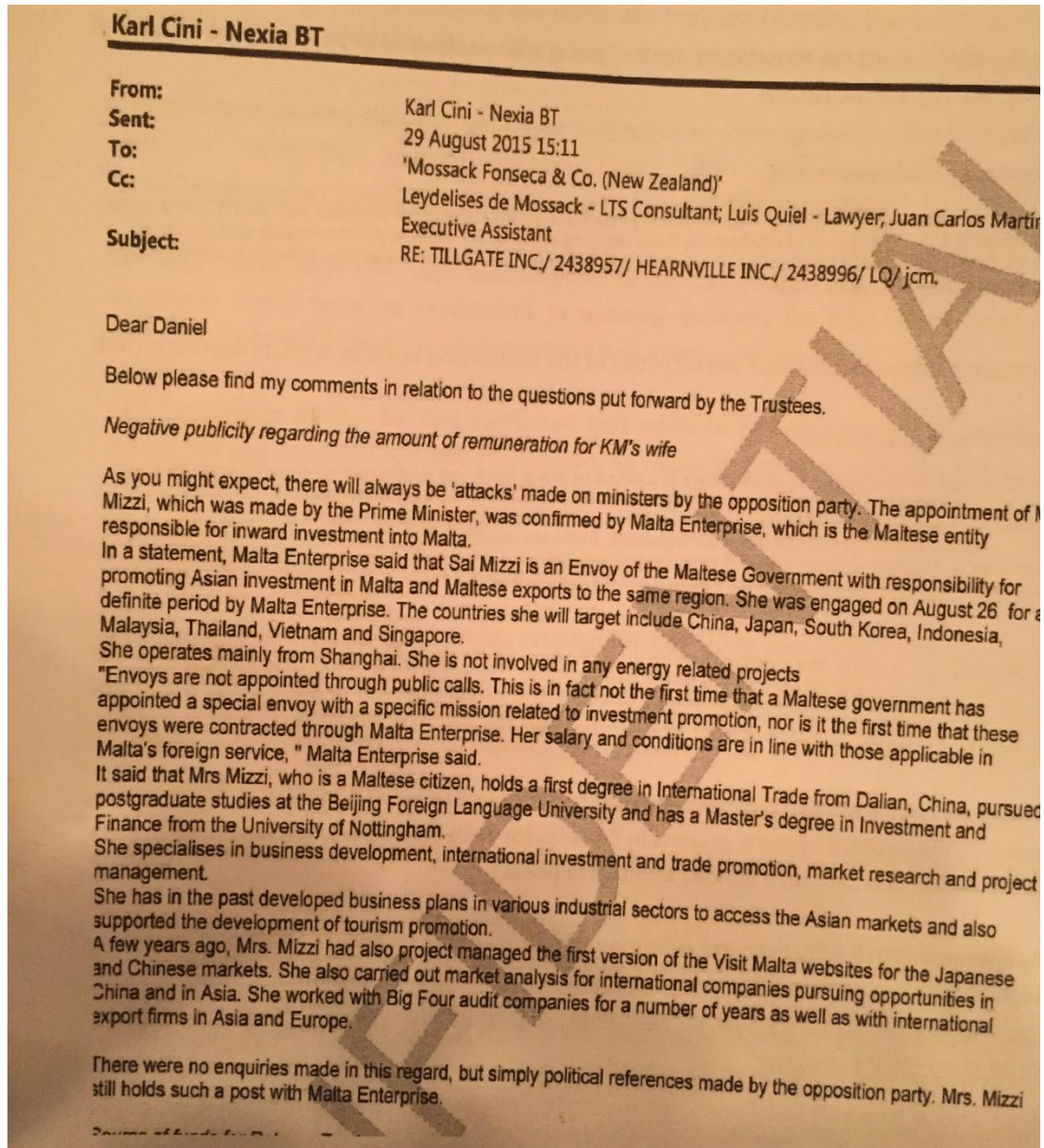
**28<sup>th</sup> August 2015** – An email from Mossack Fonseca & Co. (New Zealand) to Mr Karl Cini was sent in relation to the requested details for the HAAST TRUST and ROTORUA TRUST including details in relation to Mrs Sai Mizzi Liang's remuneration. On the same day Mr Cini advised he will be compiling explanations for the queries made by "*beginning of next week*" following a "*meeting with the beneficial owners earlier this week.*"

**28<sup>th</sup> August 2015** – Email from Mr Karl Cini to Mr Juan Carlos Martinez at 5.15am (local time) – Email not included in information provided to FIAU.

**28<sup>th</sup> August 2015** – Email from Mr Juan Carlos Martinez to Mr Karl Cini stating "Please find attached the documents for HEARNVILLE INC."

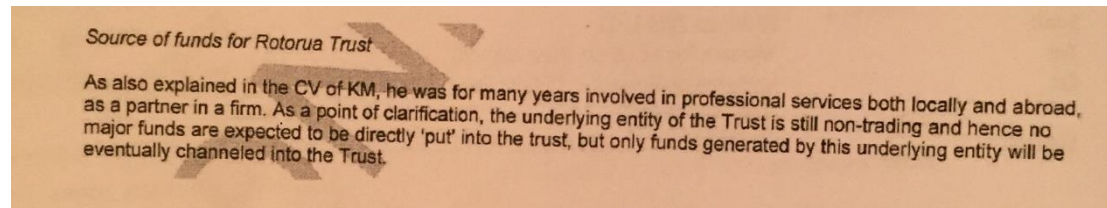


29th August 2015 – Mr Karl Cini replied to Mossack Fonseca & Co. (New Zealand with the following:

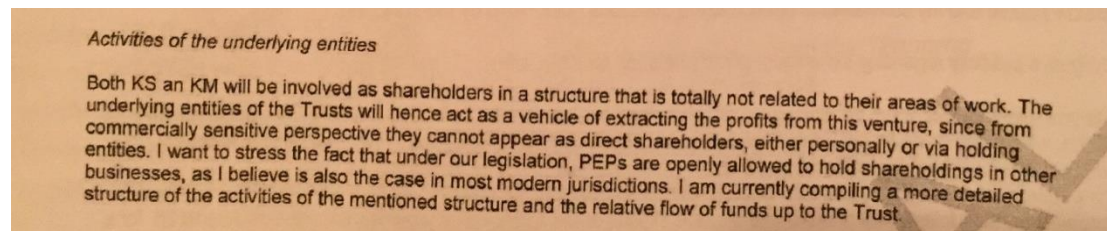


It is pertinent to note that his reply in relation to Mrs Sai Mizzi Liang's remuneration is taken directly from the media. This would therefore indicate that no actual checks/enquiries were carried out into the allegations but rather Cini quoted a reporter's article in order to satisfy CDD requirements for the New Zealand trust.

The same email went on to provide the following information in relation to open source funds for the ROTOUA TRUST:



In relation to information about the activities of the underlying entities, Mr Cini reported that:



It is pertinent to note the contradiction in “from a commercially sensitive perspective they cannot appear as direct shareholders..” however email goes on to state that “under our legislation, PEPs are openly allowed to hold shareholding in other business”.

**30<sup>th</sup> August 2015** – Mr Karl Cini sent an email to Mr Juan Carlos Martinez asking if there is an update on the account opening process in Panama for both companies. It is pertinent to note that this email was sent on Sunday at 5:06AM (local time).

**3<sup>rd</sup> September 2015** – Open source information reported that Dr Konrad Mizzi had a meeting which lasted approximately 1 hour and 15 minutes at Whitehall Mansions.

<http://netnews.com.mt/2015/09/03/filmat-konrad-mizzi-skomdu-quddiem-il-kameras-wara-li-johrog-minn-laggha-sigrieta/>

It is pertinent to note that Whitehall Mansions houses, amongst others, the offices of Pilatus Bank plc and SEP (Malta) Holding Limited.

**10<sup>th</sup> September 2015** – Mr Martinez replied to Mr Cini’s email stating that FPB Bank decided not to proceed with the opening of an account for the two companies mainly due to the fact that the ultimate beneficial owners of both companies were PEPs. The email went on to explain that contact was made “with two persons who will help is with these bank accounts. We have sent the passport of the UBOs and they are checking the results on world check, and then they will provide us with a response regarding the opening of these accounts.”



It is pertinent to note that this bank was the subject of an investigation by the Brazilian Police after it allegedly worked closely with the “Panama Papers Lawfirm”.

<http://www.reuters.com/article/us-brazil-corruption-idUSKCN0ZN1CU>

**11<sup>th</sup> September 2015** – Mr Leon sent an email to Karl Cini informing him of two banks in the Caribbean which have no restrictions in opening accounts for PEPs. These banks were identified as the Bank of Saint Lucia International and Winterbotham Bank.

**12<sup>th</sup> September 2015** – Mr Cini confirmed that while he provided his clients (namely Mr Schembri and Dr Mizzi) with the information, he would also await a reply from the “Panama Banks”. Mr Cini also asked for “a time indication of opening accounts should:

- Panama banks give go ahead
- Banks mentioned below give go ahead”

**11<sup>th</sup> September 2015** – Mr Martinez emailed using the subject “Opening of bank account/2461974/2461975/LQ/jcm”. In his communication, Mr Martinez informed Mr Cini that three banks were found which were willing to open accounts in the name of the companies which have PEPs as beneficial owners. These banks all had their respective conditions as outlined below:

- Itau (Miami): At least 2 year ceased functions as PEP, and the minimum initial deposit is \$1M;
- BSI (Panama): the minimum initial deposit is \$1M;
- Brickell Bank (Miami): the minimum initial deposit is \$1M.

Mr Martinez informed Mr Cini that contract was also made with Boslil Bank who declined the banking relationship citing lack of resources. In addition Mr Martinez confirmed that Mossack Fonseca & Co. (Panama) contacted Winterbotham Bank and Cidel Financial Group, both of which were yet to confirm whether they can accept the clients in question.

**15<sup>th</sup> September 2015** – Dr Konrad Mizzi’s personal and official credit card activity places him in Moscow.

MR KONRAD MIZEI  
AVRIL FLAT 4  
46 TIGHE SEA FRONT  
SLIEMA SLM 15

# Premier Credit Card Account Statement

Credit Limit	EUR	15000.00
Previous Balance	EUR	39.90
Transactions	EUR	613.29
Payments	EUR	39.90CR
New Balance	EUR	613.29
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 21.09.2015

Card Account Number : 5522009410201437

Page : 1/1

Received by US	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 011100815001						
	11.09.15	21.08.15	DEPST	PAYMENT OF BILL FOR CARD	39.90 EUR	39.90CR
CARD TRANSACTIONS - 552200*****1437 - KONRAD MIZEI						
	17.09.15	15.09.15	PURCH	MAGAZINY BOSCO MOSCOW	44150.00 RUB	602.74
			CHRG	CURRENCY CONVERSION FEE	10.55 EUR	10.55

Points Summary for the month					
Points expire within 24 months. Redeem them and benefit from various offers.					
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance
500	400	0	0	0	1104

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489100.

Minimum amount due for month EUR 30.64 by 16.10.2015

Account 011100815001 will be debited with EUR 613.29 on 11.10.2015 or soon after as per your card payment instructions

Use your NIBC Credit Cards to pay for a large purchase, such as a dream holiday or a luxury item, and you can spread the payment over a longer period.

Statement Date : 14.10.2015

Card Account Number : 4035710036087620

Page : 1/1

Received by US	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
ACCOUNT TRANSACTIONS						
	14.10.15	14.10.15	INTST	INTEREST	4.12 EUR	4.12
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZEI						
	15.09.15	14.09.15	PURCH	HOTEL MUENCHEN PALACE MUENCHEN	23.00 EUR	23.00
	15.09.15	14.09.15	PURCH	HOTEL MUENCHEN PALACE MUENCHEN	60.00 EUR	60.00
	17.09.15	16.09.15	PURCH	FOUR SEASONS MSC MOSKOVSK MOSKVA	8570.00 RUB	116.34
			CHRG	CURRENCY CONVERSION FEE	2.04 EUR	2.04
	18.09.15	17.09.15	PURCH	OOO OZERNOE MOSCOW	6230.00 RUB	84.14
			CHRG	CURRENCY CONVERSION FEE	1.47 EUR	1.47
	18.09.15	17.09.15	PURCH	METROPOL FO 1 MOSKVA	109570.00 RUB	1479.85
			CHRG	CURRENCY CONVERSION FEE	25.90 EUR	25.90
	18.09.15	18.09.15	PURCH	METROPOL FO 1 MOSKVA	650.00 RUB	8.78

16<sup>th</sup> September 2015 – Mr Martinez asked Mr Cini to provide the purpose for the bank accounts in question as well as an estimated amount of the deposits which will be made to each account.

17<sup>th</sup> September 2015 – Mr Cini confirmed that the account will be operating account of the Panamanian company and estimated yearly deposits will be of €350,000. In this communication Mr Cini also informed Mr Martinez that he will send the companies' intended operations in due course. It is pertinent to note that this communication was sent on Thursday at 8:22AM (local time).

22<sup>nd</sup> September 2015 – A reminder was sent by Mr Martinez to Mr Cini in relation to the purpose of the bank accounts and operations/activities of the companies. This email was sent at 00:51AM (local time).

2<sup>nd</sup> October 2015 – Dr Konrad Mizzi's personal credit card and official credit card activity places him in South Korea.

MR KONRAD MIZZI AVRIL FLAT 4 46 TIGHE SEA FRONT SLIEMA SLM 15				Premier Credit Card Account Statement		
				Credit Limit	EUR	15000.00
				Previous Balance	EUR	613.29
				Transactions	EUR	329.04
				Payments	EUR	613.29CR
				New Balance	EUR	329.04
				Debit Interest Rate	Purch 8.75%	Cash 8.75%
Statement Date : 21.10.2015				Card Account Number : 5522009410201437		Page : 1/1
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 01100815001						
12.10.15	21.09.15	DEPST	PAYMENT OF BILL FOR CARD	613.29 EUR		613.29CR
CARD TRANSACTIONS - 552200*****1437 - KONRAD MIZZI						
05.10.15	02.10.15	PURCH	7-ELEVEN BUSAN	4300.00 KRW	1331.2693	3.23
		CHRG	CURRENCY CONVERSION FEE	0.06 EUR		0.06
05.10.15	02.10.15	PURCH	7-ELEVEN BUSAN	7300.00 KRW	1329.6903	5.49
		CHRG	CURRENCY CONVERSION FEE	0.10 EUR		0.10
05.10.15	02.10.15	PURCH	SADANHOBOGDOOK BUSAN	241000.00 KRW	1329.5818	181.26
		CHRG	CURRENCY CONVERSION FEE	3.17 EUR		3.17
05.10.15	02.10.15	PURCH	YOINGDOOSAMGONGGUEONHAI BUSAN	16000.00 KRW	1328.9037	12.04
		CHRG	CURRENCY CONVERSION FEE	0.21 EUR		0.21
05.10.15	04.10.15	PURCH	RCL QUANTUM MON DOC WEXTERIDGE	259.69 USD	1.1314	217.92
		CHRG	CURRENCY CONVERSION FEE	5.56 EUR		5.56
22.09.15	21.09.15	PURCH	SOTTOVENTO VITTORIOSA	135.00 EUR		135.00
28.09.15	26.09.15	PURCH	SHANGRI-LA HOTEL SHANGHAI SHANGHAI	130.56 EUR		130.56
05.10.15	02.10.15	PURCH	ITUNES.COM/BILL ITUNES.COM	0.99 EUR		0.99
05.10.15	02.10.15	PURCH	GORYODANG SEOUL	8000.00 KRW	1309.3290	6.11
		CHRG	CURRENCY CONVERSION FEE	0.11 EUR		0.11
05.10.15	04.10.15	PURCH	THE PENINSULA SHANGHAI WA SHANGHAI	1634.20 CNY	7.0824	230.74
		CHRG	CURRENCY CONVERSION FEE	4.04 EUR		4.04
07.10.15	06.10.15	DEPST	PAYMENT RECEIVED - THANK YOU	4596.15 EUR		4596.15CR
07.10.15	05.10.15	PURCH	DING TAI FENG SHANGHAI	611.00 CNY	7.0956	86.11
		CHRG	CURRENCY CONVERSION FEE	1.51 EUR		1.51

4<sup>th</sup> October 2015 – Dr Konrad Mizzi's official credit card activity paces him in Shanghai.

05.10.15	02.10.15	PURCH	GORYODANG SEOUL	8000.00 KRW	1309.3290	6.11
		CHRG	CURRENCY CONVERSION FEE	0.11 EUR		0.11
05.10.15	04.10.15	PURCH	THE PENINSULA SHANGHAI WA SHANGHAI	1634.20 CNY	7.0824	230.74
		CHRG	CURRENCY CONVERSION FEE	4.04 EUR		4.04
07.10.15	06.10.15	DEPST	PAYMENT RECEIVED - THANK YOU	4596.15 EUR		4596.15CR
07.10.15	05.10.15	PURCH	DING TAI FENG SHANGHAI	611.00 CNY	7.0956	86.11
		CHRG	CURRENCY CONVERSION FEE	1.51 EUR		1.51
08.10.15	07.10.15	PURCH	TANG GONG SHANGHAI	367.00 CNY	7.1179	51.56
		CHRG	CURRENCY CONVERSION FEE	0.90 EUR		0.90
08.10.15	06.10.15	PURCH	LV GU XIE SHU GUAN LI YOU SHANGHAI	2722.60 CNY	7.1179	382.50
		CHRG	CURRENCY CONVERSION FEE	6.69 EUR		6.69
09.10.15	08.10.15	PURCH	SHANGHAI LV GU VILLA MANA SHANGHAI	3362.50 CNY	7.1184	472.37
		CHRG	CURRENCY CONVERSION FEE	8.27 EUR		8.27
12.10.15	07.10.15	PURCH	MARLIOTT HOTEL SHANGHAI	435.00 CNY	7.1358	60.96
		CHRG	CURRENCY CONVERSION FEE	1.07 EUR		1.07

17<sup>th</sup> October 2015 – Following previous emails to Mr Karl Cini in relation to the purpose of the bank accounts the operations/activities of the companies, Mr Cini informed Mossack Fonseca & Co. (New Zealand) that the Panamanian companies will be used as holding companies for operations conducted in the sectors of Recycling and Remote Gaming.

**From:** Karl Cini - Nexia BT  
**Sent:** Sábado, 17 de octubre de 2015 11:33 a.m.  
**To:** Mossack Fonseca & Co. (New Zealand)  
**Subject:** RE: TILLGATE INC./ 2438957/ HEARNVILLE INC./ 2438996/ LQ/ jcm.

"Dear Daniel,

"I obtain clarification on the intended operations of the underlying companies. In essence the panama companies will be used as holding companies for operations that will be conducted in the sectors of

- Recycling
- Remote gaming

These underlying entities will be set up in other jurisdictions [sic] and the panama company [sic] will have a part stake in these entities. Recycling business will be undertaken in India, Dubai and other Gulf countries. I wish to bring to your attention that the UBO was already involved in such activities before his political appointment.

Funds for these operations will come from existing profits generated from the UBO's business, to which I already referred to in my earlier explanations."

It is pertinent to note that this email was obtained through <https://www.timesofmalta.com/articles/view/20170226/local/fact-checking-konrad-mizzis-fake-news-claims.640721> and was not included in the documentation provided by Mr Karl Cini in his capacity as MLRO following the relevant request for information by the FIAU.

Given that Mr Keith Schembri is the one with the more experience in the aforementioned industries, one is led to believe that Dr Konrad Mizzi and Mr Keith Schembri were setting up the structures as a joint venture. This suspicion is further substantiated by the fact that the timing of the events indicate that the Panama/New Zealand structures created for Dr Mizzi and Mr Schembri were created simultaneously and both persons were working in tandem. This fact is in itself suspicious given that these structures are typically created on the basis of one's individual circumstances and not with a one-size-fits-all approach.

Information being obtained through <http://www.afr.com/news/policy/foreign-affairs/the-panama-papers-new-twist-to-maltas-mossack-fonseca-bank-saga-20160418-go92hv> further states that "On October 17 Mr Cini reported that TILLGATE and HEARNVILLE would have a 'part stake' in recycling and remote gaming companies. Mr Cini gave no details as to who their partners would be in these ventures."

Furthermore, it is interesting to note that on the basis of the information obtained by the FIAU this is the first time Mr Cini has any indications that the Panama companies will be used as holding companies for operations conducted in the sectors of recycling and remote gaming with no mention of personal assets.



This coincides with the time 3 different banks were willing to consider opening accounts for these companies all requested an initial deposit of \$1M (15<sup>th</sup> September 2015). These events lead to the suspicion that Mr Cini mentioned these 2 sectors as being the source of funds given that both are known to generate large sums of money, whereas Dr Mizzi's statement of preservation of family assets would not justify the receipt of such large sums.

**22<sup>nd</sup> October 2015** – Dr Konrad Mizzi's official credit card activity places him in Serbia

Statement Date : 14.11.2015		Card Account Number : 4035710036111966		Page : 1/1		
Received by Us	Transaction Date	Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI						
24.10.15	22.10.15	PURCH	K-HOTELS RECEPCIJA BEOGRAD	34897.32 RSD	120.3439	289.98
		CHRG	CURRENCY CONVERSION FEE	5.07 EUR		5.07
24.10.15	22.10.15	PURCH	K-HOTELS RECEPCIJA BEOGRAD	56054.34 RSD	120.3451	465.78
		CHRG	CURRENCY CONVERSION FEE	8.15 EUR		8.15
24.10.15	22.10.15	PURCH	GREEN ZONE DOG BEOGRAD	1300.00 RSD	120.3704	10.80
		CHRG	CURRENCY CONVERSION FEE	0.19 EUR		0.19
28.10.15	27.10.15	PURCH	BUFFALO BILL STEAK HOUSE ST JULIANS	90.25 EUR		90.25

It is pertinent to note that 5 days later, an agreement was signed between the State of Montenegro, Consortium Fersa & Celebic, Mozura Wind d.o.o. and Enemalta plc which ultimately saw the Spanish Consortium transferring its shares in Mozura Wind Park d.o.o. to Enemalta plc.

**27<sup>th</sup> October 2015** – Agreement on transfer of the agreement on land lease and construction of wind power plant (Written in English and Montenegrin).

A timeline of event as listed in this agreement shows the following:

- 05/07/2010 the state of Montenegro and the Investor Consortium entered into a land lease and construction agreement for building a 46 MW Wind Power Plant on the Site of Mozura
- 05/11/2010 new planning documents and specifications were issued by the State of Montenegro
- 07/06/2013 – The final date of issue of the “innovated urban-technical conditions were issued”
- 15/12/2014 – the building permit was issued
- 15/02/2015 the investor, namely Consortium Fersa & Celebic began construction work

- 02/02/2015 the investor submitted a request to the State of Montenegro to transfer the lease agreement to Enemalta. This request was accompanied with “evidence” that the assignee satisfies the conditions set out on the 24/12/2009 for the designing, construction, use and maintenance of the Wind Power Plant
- During the sessions dated 03/09/2015 and 24/09/2015 the Government of Montenegro gave its consent to the said lease transfer
- Due to the change of investor the period defined in the lease agreement was extended by a further 15 months

This transfer raises a number of questions including the reason as to why the investor, namely Consortium Fersa & Celebic submitted a request to the State of Montenegro to transfer the lease agreement to Enemalta on 2<sup>nd</sup> February 2015 but began construction work on 15<sup>th</sup> February 2015.

In addition to the above, it has also been noted that negotiations in relation to this project commenced in July 2010 with the required planning documents being issued by November of that same year. However, for reasons unknown to the FIAU, the project got going in 2014 which is when the building permit was issued. Less than 2 months following the issue of the building permit the original investor withdrew from this Agreement and transferred its shares in the subsidiary company Mozura Wind Park d.o.o. to Enemalta plc.

In relation to this, open sources claim that Enemalta plc won the contract for the wind farm following failure of talks between the Spanish Consortium and the Government of Montenegro.

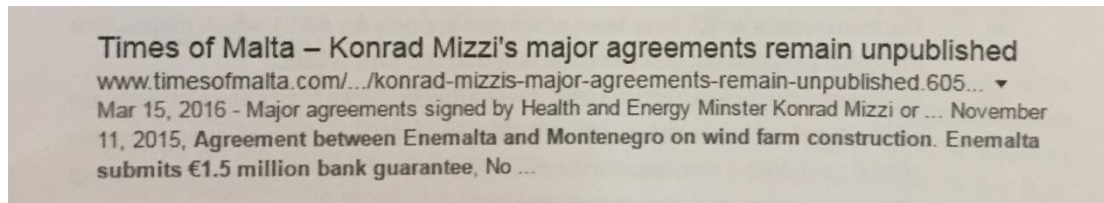
<https://www.tvn.com.mk/en/news/enemalta-wins-contract-for-wind-farm-plant-in-montenegro/>

**5<sup>th</sup> November 2015** – Mr Karl Cini sent an email to Mossack Fonseca and Co. (New Zealand) with additional information in relation to the beneficial owners’ past history, the proposed business of the underlying structures of the trust and Mrs Sai Mizzi Liang’s appointment (Appendix 8.5)

It has been noted that information provided in this email contradicts information provided in the email dated 29<sup>th</sup> August 2015. The letter communication stated that “both KS and KM will be involved as shareholders in a structure that is totally not related to their areas of work.” However the information provided on 5<sup>th</sup> November 2015 states that future business plans for the underlying entities of the trust include trading of plastic, paper and aluminum recycling, trading in used tyres and waste trading.

This communication from Mr Kark Cini also states that “the UBO was also partner and head of the energy and infrastructure practice for the EMEA region (Europe, Middle East and Africa) with PCubed, a global leader in projects delivery. He set up the practice and developed major account with personal revenue amounting to GBP 5 Million”.

11<sup>th</sup> November 2015 – Agreement between Enemalta and Montenegro on wind farm construction. Enemalta submits €1.5 million bank guarantee.



Attempts to access this link on 22<sup>nd</sup> March 2017 proved unsuccessful.

13<sup>th</sup> November 2015 – Dr Konrad Mizzi’s personal credit card activity places him in Montenegro.

MR KONRAD MIZZI  
AVRIL FLAT 4  
46 TIGHE SEA FRONT  
SLIEMA SLN 15

Premier Credit Card Account Statement

Credit Limit	EUR	10000.00
Previous Balance	EUR	529.04
Transactions	EUR	0.03
Payments	EUR	529.04CR
New Balance	EUR	0.03
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 21.11.2015

Card Account Number : 5522009410201437

Page : 1/1

Received By No	Transaction Date	Type	Details	Transaction Amount	Exch Rate	Exch Amount
CARD TRANSACTIONS - 011100815001						
11.11.15	21.10.15	DEBIT	PAYMENT OF BILL FOR CARD	529.04 EUR		529.04CR
CARD TRANSACTIONS - 5522009410201437 - KONRAD MIZZI						
17.11.15	13.11.15	PURCH	HOTEL AVALA BUDVA	0.01 EUR		0.01
17.11.15	13.11.15	PURCH	HOTEL AVALA BUDVA	0.01 EUR		0.01
17.11.15	13.11.15	PURCH	AVIS RENT A CAR I PLODORICK	0.01 EUR		0.01

Points Summary for the month						
Points expire within 24 months. Redeem them and benefit from various offers.						
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance	
1642	0	0	0	0	1642	

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489100.

Minimum amount due for month EUR 0.03 by 16.12.2015  
Account 011100815001 will be debited with EUR 0.03 on 11.12.2015 or soon after as per your card payment instructions

Use your NSBC Credit Cards to pay for a large purchase, such as a dream holiday or a luxury item, and you can spread the payment over a longer period.

It pertinent to note that these are the only transactions that appear to have been carried out using bank cards during this trip to Montenegro. Of further interest is the fact that;

- The card used is a personal card;

- ii) The transaction which have been processed are only for €0.01 which means that these were carried out in order to ensure that the card is valid;
- iii) An agreement had just been signed 2 day earlier between Malta and Montenegro which therefore raises the question as to why Dr Mizzi refrained from using his official card during this trip. Furthermore, the lack of card usage during this trip indicates that this was likely a cash based trip.

**20<sup>th</sup> November 2015 – Dr Konrad Mizzi’s official credit card activity places him in Turkey.**

Statement Date : 14.12.2015				Card Account Number : 4035710036111966		Page : 1/1	
Sequence No	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount	
ACCOUNT TRANSACTIONS				0.42 EUR		0.42	
14.12.15	14.12.15	INTST	INTEREST				
CARD TRANSACTIONS - 403571*****7620 - KONRAD MIZZI				50.00 TRY	3.0012	16.66	
23.11.15	20.11.15	PURCH	TARABTARAY TURIZM OTELCIL ISTANBUL	0.29 EUR		0.29	
		CHNGE	CURRENCY CONVERSION FEE	1000.00 TRY	3.0017	333.15	
23.11.15	20.11.15	PURCH	TARABTARAY RECEP. ISTANBUL	5.83 EUR		5.83	
		CHNGE	CURRENCY CONVERSION FEE	211.64 TRY	3.0016	70.51	
23.11.15	20.11.15	PURCH	TARABTARAY TURIZM OTELCIL ISTANBUL	1.23 EUR		1.23	
		CHNGE	CURRENCY CONVERSION FEE	206.00 EUR		206.00	
30.11.15	26.11.15	PURCH	BUFFALO BILL ST JULIAN				

**2<sup>nd</sup> December 2015 – An email from Karl Cini to Adrain Dixon gave instructions to “go ahead and start the opening of the accounts for those 2 Panama companies.”**

**From:** Karl Cini - Nexia BT  
**Sent:** Wednesday, December 02, 2015 5:06 PM  
**To:** Adrián Dixon - Executive Officer  
**Subject:** RE: Opening of bank accounts/2461974/2461975/LQ/jcm.  
**“Go ahead to start the opening of the accounts for those 2 panama companies. tnx”**

It is pertinent to note that this email was obtained through <https://www.timesofmalta.com/articles/view/20170226/local/fact-checking-konrad-mizzis-fake-news-claims.640721> and was not included in the documentation provided by Mr Karl Cini in his capacity as MLRO following the request for information by the FIAU.

**10<sup>th</sup> December 2015 – Mr Juan Carlos Martinez informed Mr Cini of the information required to fill out the bank forms. The list included, amongst others, the current assets of the company**



in US \$, last reported earning, main clients and suppliers, detailed purpose of the account, number and amount of monthly transactions. It was also noted that the subject line of this email read "TILGATE INC./2461974/HEARVILLE INC./2461975/LQ/jcm"(Appendix 8.6)

**13<sup>th</sup> December 2015** – As a follow up to the email Mr Cini sent to Mossack Fonseca & Co. (New Zealand) on 5<sup>th</sup> November 2015, Mr Karl Cini asked whether the information provided was sufficient and if so he could provide the same information on a signed letter. A reply was received on the same day saying that the information had already been sent to the New Zealand Director. The email also included an attached Fiduciary Service Agreement which needed to be signed by Konrad Mizzi.

Further information in relation to the aforementioned Fiduciary Service Agreement is provided in Section 3.6 of this report.

**14<sup>th</sup> December 2015** – Mr Luis Quiel, who is a lawyer at Mossack Fonseca & Co. (Panama), advised Mr Cini that BSI Bank was recently sold to a Colombian Bank. The communication further stated that due to recent changes clients who are not applying for immigration Visas in Panama won't be able to open accounts there.

**15<sup>th</sup> December 2015** – Mr Luis Quiel informed Mr Karl Cini that contact had been made with Brickell Bank in Miami, However they refused to open the requested bank accounts.

**17<sup>th</sup> December 2015** – In an email addressed to Mr Martinez, Mr Karl Cini provided an overview of the purpose of the accounts and the operations/activities of the companies (Appendix 8.7).

**19<sup>th</sup> December 2015** – Dr. Konrad Mizzi's official and personal credit card activity places him in Shanghai till 4<sup>th</sup> January 2016.

Statement Date : 14.01.2016

Card Account Number : 4035710036111966

Page : 1/1

Received By Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****1966 - KONRAD MIZZI						
21.12.15	19.12.15	PURCH	HE DIAN SHOU SI CAN SHANGHAI	491.00 CNY	6.9993	70.15
		CHRG	CURRENCY CONVERSION FEE	1.23 EUR		1.23
22.12.15	21.12.15	PURCH	TANG GONG SHANGHAI	295.00 CNY	7.0005	42.14
		CHRG	CURRENCY CONVERSION FEE	0.74 EUR		0.74
23.12.15	22.12.15	PURCH	PUDONG SHANGRI-LA SHANGHAI	848.70 CNY	7.0478	120.42
		CHRG	CURRENCY CONVERSION FEE	2.11 EUR		2.11
24.12.15	23.12.15	PURCH	HE DIAN SHOU SI CAN SHANGHAI	427.00 CNY	7.0567	60.51
		CHRG	CURRENCY CONVERSION FEE	1.06 EUR		1.06
02.01.16	30.12.15	PURCH	HONG MEI XIAO NAN GUO SHA SHANGHAI	479.00 CNY	7.0722	67.73
		CHRG	CURRENCY CONVERSION FEE	1.19 EUR		1.19
04.01.16	02.01.16	PURCH	SHANGRI-LA HOTEL SHANGHAI SHANGHAI	174.54 EUR		174.54
04.01.16	03.01.16	PURCH	HONG MEI XIAO NAN GUO SHA SHANGHAI	411.00 CNY	7.0606	58.21
		CHRG	CURRENCY CONVERSION FEE	1.02 EUR		1.02
06.01.16	05.01.16	DEPST	PAYMENT RECEIVED - THANK YOU	635.08 EUR		635.08 CR
06.01.16	05.01.16	PURCH	XIAO NAN GUO HAI ZHI YUAN SHANGHAI	363.00 CNY	6.9996	51.86
		CHRG	CURRENCY CONVERSION FEE	0.91 EUR		0.91
06.01.16	04.01.16	PURCH	SHANGHAI YI XIU CAN YIN G SHANGHAI	213.00 CNY	6.9997	30.43
		CHRG	CURRENCY CONVERSION FEE	0.53 EUR		0.53

MR KONRAD MIZZI  
AVRIL FLAT 4  
46 TIGNE SEA FRONT  
SLIEMA SLM 15

Premier Credit Card Account Statement

Credit Limit	EUR	15000.00
Previous Balance	EUR	304.42
Transactions	EUR	1711.96
Payments	EUR	304.42 CR
New Balance	EUR	1711.96
Debit Interest Rate	Purch 8.75%	Cash 8.75%

Statement Date : 21.01.2016

Card Account Number : 5522009410201437

Page : 1/1

Received By Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 011100815001						
11.01.16	21.12.15	DEPST	PAYMENT OF BILL FOR CARD	304.42 EUR		304.42 CR
CARD TRANSACTIONS - 552200*****1437 - KONRAD MIZZI						
28.12.15	25.12.15	PURCH	CTRIP SH HUACHENG TRAV SHANGHAI	11910.00 CNY	7.0787	1682.52
		CHRG	CURRENCY CONVERSION FEE	29.44 EUR		29.44

Points Summary for the month			Points expire within 24 months. Redeem them and benefit from various offers.		
Previous Balance	Earned	Redeemed	Adjustment	Expired	New Balance
1480	1480	0	0	0	3622

You may use our Internet or Phone Banking Services to settle your credit card account. For further information, please phone our Call Centre on tel. no. (+356) 21 489100.

Minimum amount due for month EUR 85.60 by 15.02.2016

Account 011100815001 will be debited with EUR 1711.96 on 10.02.2016 or soon after as per your card payment instructions

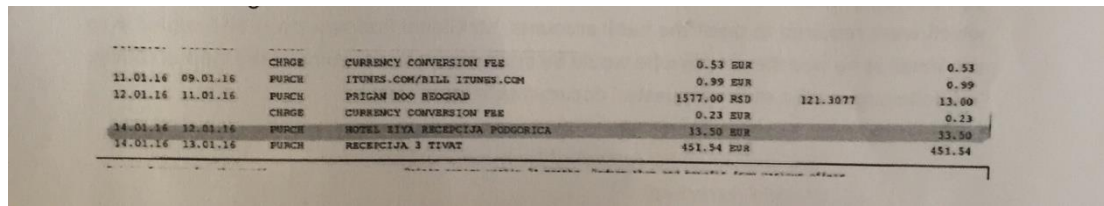
Use your HSBC Credit Cards to pay for a large purchase, such as a dream holiday or a luxury item, and you can spread the payment over a longer period.

**22 December 2015** - The company International Energy Service Centre Limited is incorporated in Malta. Further information in relation to this company is provided in Section 3.4 of this report.

<b>Company Registration Number</b>	C 73682
<b>Company Name</b>	INTERNATIONAL ENERGY SERVICE CENTRE LIMITED
<b>Registration Date</b>	Dec 22, 2015
<b>Registered Office</b>	ENEMALTA BUILDING, TRIQ BELT IL-HAZNA,
<b>City/Locality</b>	MARSA MRS 1571
<b>Country</b>	MALTA

**12<sup>th</sup> January** - Open sources indicate that Dr Konrad Mizzi and Prime Minister Dr Joseph Muscat visited Mozura site in Montenegro which is to be used to build wind farms.

In corroboration with this information, Dr. Konrad Mizzi's official credit card activity places him in Montenegro.



	CHARGE	CURRENCY CONVERSION FEE	0.53 EUR	0.53
11.01.16	09.01.16	PURCH	ITUNES.COM/BILL ITUNES.COM	0.99 EUR
12.01.16	11.01.16	PURCH	PRIGAN DOO BEOGRAD	1577.00 RSD 121.3077 13.00
	CHARGE	CURRENCY CONVERSION FEE	0.23 EUR	0.23
14.01.16	12.01.16	PURCH	HOTEL RIYA RECIPIJA PODGORICA	13.50 EUR 33.50
14.01.16	13.01.16	PURCH	RECIPIJA 3 TIVAT	451.54 EUR 451.54

**20<sup>th</sup> January 2016** – An email from Mr Karl Cini to Mr Daniel Leon, who is an executive assistant at Mossack Fonseca & Co. (Panama), shows continued attempts to open bank accounts with Winterbotham Bank, with Mr Cini asking as to what additional requirements the bank has. A reply to this effect was sent on 25<sup>th</sup> January 2016.

**25<sup>th</sup> January 2016** – Mr Juan Carlos Martinez sent Mr Karl Cini an extensive list of the required documents to open a bank account with Winterbotham Bank as well as documents required for customer due diligence purposes as well as any individual authorized signatories, Directors and Officers. In spite of the information provided by Mr Cini on 17 December 2015 in relation to the companies' operations/activities, this communication requested, in relation to HEARNVILLE INC., "specific activity that the company carry on" and "specific countries where the company carry on the activities". The communication went on to specify that "if the company will be carry on in a recycle business, please inform what are the recycling materials and the purpose of the recycling. If the company will carry on with activities in Asia, please confirm the specific countries of Asia continent in order to inform the bank. If the company will carry on with marine and fishing activities, please provide examples of those activities." In addition documentation relating to the ROTURUA TRUST was also requested.

**25<sup>th</sup> January 2015** – An email from Mr Quiel was sent at 23:37PM (local time) information Mr Cini that due to the "ton of work" in relation to the account opening procedure fees due to Mossack Fonseca & Co. (Panama) should be discussed at this stage. The email goes on to specify that despite the previously agreed price of USD5,000 per bank account Mossack Fonseca & Co. (Panama) proposed a new price of USD4,500 per account.

**26<sup>th</sup> January 2016** – Mr Karl Cini replied to Mr Quiel stating that the price of USD4,500 per account is understandable and to proceed at this price. Mr Cini also asked for a list of items/information required to proceed with account opening which would require the client's input.

**12<sup>th</sup> February 2016** – Mr Karl Cini sent an email to Mr Juan Carlos Martinez asking for an update on the bank accounts and whether the applications had been submitted.

**13<sup>th</sup> February 2016** – Mr Martinez replied to Mr Cini with a list of documents/information which were required to open the bank accounts. Mr Gianna Rodriguez was also copied in this email

as he was the person that would be attending to the opening of the bank accounts. The following is a list of the requested documents/information:

- “BAF Individual BO (attached for signature)
- W-8BEN (attached)
- Business address and contact numbers (tel, fax, email), name of the employer
- Bank reference letter to Winterbotham (updated date)
- Utility bill, credit card statement or copy of Bank statement (less than 3 months)
- Financial Statements of the Company
- Annual balance of bank account, monthly in and out transfer of the account”

An email requesting the same information appears to have been sent again on 17<sup>th</sup> February 2016 by Rodriguez to Mr Cini.

It is interesting to note that according to information obtained by the FIAU the last email which was sent in relation to the opening of bank accounts was on 17<sup>th</sup> February 2016. The initial reports through open sources commenced on 22<sup>nd</sup> February 2016.

**1<sup>st</sup> March 2016** – Open source information reported that Konrad Mizzi claimed “I’ve also submitted myself to a tax audit which no other member of parliament has ever done. Even though I did everything correctly, I felt that since there are a number of people who feel that I should have a structure elsewhere and not in Panama, I decided to close down the Panama company only after the audit is complete. At that point, we will make a decision and it will be public”

<https://newsmaltatoday.blogspot.com.mt/2016/03/nexia-bt-was-paid-for-services-konrad.html>

**24<sup>th</sup> March 2016** – Dr Konrad Mizzi’s official credit card places him in Shanghai.



Statement Date : 14.04.2016			Card Account Number : 4035710036111966		Page : 1/1	
Received by Us	Date	Transaction Type	Details	Transaction Amount	Exchange Rate	Euro Amount
CARD TRANSACTIONS - 403571*****1966 - KONRAD MIZZI						
15.03.16	14.03.16	PURCH	ITUNES.COM/BILL ITUNES.COM	0.99 EUR		0.99
17.03.16	17.03.16	PURCH	AARON S KITCHEN VALLETTA	144.50 EUR		144.50
23.03.16	22.03.16	PURCH	AARON S KITCHEN VALLETTA	100.00 EUR		100.00
26.03.16	24.03.16	PURCH	HE DIAN SHOU SI CAN SHANGHAI	444.00 CNY	7.2549	61.20
		CHRG	CURRENCY CONVERSION FEE	1.07 EUR		1.07
29.03.16	25.03.16	PURCH	PUDONG SHANGHAI-LA SHANGHAI	1030.40 CNY	7.2594	141.96
		CHRG	CURRENCY CONVERSION FEE	2.48 EUR		2.48
29.03.16	25.03.16	PURCH	XIAO NAN GUO CAN YIN SHAN SHANGHAI	414.00 CNY	7.2581	57.04
		CHRG	CURRENCY CONVERSION FEE	1.00 EUR		1.00
29.03.16	26.03.16	PURCH	GUANG CHENG SHANGHAI	473.00 CNY	7.2579	65.17
		CHRG	CURRENCY CONVERSION FEE	1.14 EUR		1.14
29.03.16	28.03.16	PURCH	XIAO NAN GUO CAN YIN SHAN SHANGHAI	450.00 CNY	7.2639	61.95
		CHRG	CURRENCY CONVERSION FEE	1.08 EUR		1.08
02.04.16	01.04.16	DEPST	PAYMENT RECEIVED - THANK YOU	216.00 EUR		216.00CR
12.04.16	10.04.16	PURCH	BLUE ELEPHANT REST ST JULIANS	125.00 EUR		125.00

In addition to the lengthy exchange of above listed emails, it is pertinent to note that the FIAU also requested Nexia BT, BT International Ltd, BT Advisory Services Ltd, Nexia BT Consulting Ltd and BTI Management Ltd, namely Karl Cini in his capacity as Money Laundering Reporting Officer, “to be provided with all correspondence between Nexia BT and the Clients.” To this request Mr Cini confirmed in a communication dated 20<sup>th</sup> April 2016 that “All instructions and discussions with the clients were verbal. With the exception of documents that required the Client’s signature (which documents have been provided to the FIAU), no correspondence exists on this matter.”

It is also pertinent to note that as indicated in the timeline above, a number of contracts and agreements involving Enemalta plc and Electrogas Malta Limited were entered into during April 2015. This timeframe coincides closely with the period in which measures were taken to open a bank account for HEARNVILLE INC. which according to information obtained by the FIAU commenced on 17<sup>th</sup> June 2015.

**23<sup>rd</sup> August 2016** – Dr Konrad Mizzi made a payment of €493.72 to BTI Management using the reference “As per letter dated 23-8-16.” The FIAU has no further information in relation to this letter.

**9<sup>th</sup> February 2017** – J Mossack and R Fonseca arrested in Panama. Panama’s attorney general release statement saying that “evidence gathered by her office indicated that the law firm was a potential criminal organization that concealed and removed evidence related to illegal activity.” <https://www.icij.org/blog/2017/02/founders-panama-papers-law-firm-arrested-after-raids/>

**15<sup>th</sup> February 2017** – Mr Brian Tonna and Mr Karl Cini turn down invitation to meet Panama Committee

<https://www.timesofmalta.com/articles/view/20170215/local/nexia-bosses-turn-down-invitation-to-meet-panama-committee.639687>

**16<sup>th</sup> February 2017** – Enemalta imposes a €10million penalty on Electrogas for power station delays. <https://www.timesofmalta.com/articles/view/20170216/local/enemalta-imposes-10m-penalty-on-electrogas-for-power-station-delays.639817>

### **3.4 Involvement in Enemalta plc**

#### **3.4.1 GEM Holdings Limited**

GEM Holdings Limited was incorporated on 8<sup>th</sup> May 2013 having company registration number C603349.

The directors, legal and judicial representatives of the company are Mr Paul Apap Bologna (ID 70372), Mr Yorgen Fenech (ID 36482M) and Mr Mark Gasan (ID 74781M).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

Tumas Energy Limited (C64888)	-	360 Ordinary A class Shares
		18 Ordinary C class shares
Gasan Group Limited (C29585)	-	360 Ordinary A class shares
		18 Ordinary C class shares
CP Holding Limited (C49772)	-	324 Ordinary C class shares
New Energy Supply Limited (C64971)	-	120 Ordinary D class shares

The auditor of the company is Nexia BT which is registered at The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann, SGN 3000.

#### **3.4.2 Electrogas Malta Limited**

Electrogas Malta Limited was incorporated on 12<sup>th</sup> June 2013 having company registration number C60775. This company was initially known as Malta Power and Gas Limited. At incorporation stage its subscribers were listed as the following on the company's Memorandum of Association (Appendix 8.24):

- i) Enemalta Corporation – 1200 ordinary A shares of €1 each, fully paid up
- ii) Aviation Fuelling Services Limited (C54196) – 1 ordinary B Share of €1 each, fully paid up. This company changed its name to MPG Energy Services Limited on 11<sup>th</sup> June 2013. On the same day the company's objectives were also changed (Appendix 8.39)

The directors, legal and judicial representatives of the company are Austrian national, Mr Gerhard Benner (ID Card 3786940), Mr Yorgen Fenech (ID Card 36482M) and British national, Mr Turab Musayev (ID 514641944).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

GEM Holdings Limited (C60349) - 3,334 Ordinary shares (100% paid up)

Siemens Projects Ventures GmbH(HRB5812) – 3,333 Ordinary shares (100% paid up)

Socar Trading SA(CHE-113.990.112) - 3,333 Ordinary shares (100% paid up)

The company secretary is Mr Raymond Sladden (ID 597055M)

The auditor of the company is PriceWaterhouse Coopers which is registered at 78, Mill Street, Qormi.

### **3.4.3 Tumas Energy Limited**

Tumas Energy Limited was incorporated on 28<sup>th</sup> April 2014 having company registration number C64888.

The directors, legal and judicial representatives of the company are Mr Raymond Caruana (ID 137260M) and Yorgen Fenech (ID 36482M).

The sole shareholder of company as at 21<sup>st</sup> March 2017 is Tumas Group Company Limited (C7820) who holds 1,200 Ordinary shares which are 100% paid up.

The company secretary is Mr Raymond Sladden (ID 597055M).

The auditor of the company is PriceWaterhouseCoopers which is registered at 78, Mill Street, Qormi.

#### **3.4.4 New Energy Supply Limited**

New Energy Supply Limited was incorporated on 2<sup>nd</sup> May 2014 having company registration number C64971.

The company is a single member company in which Mr Yorgen Fenech (ID 36482M) holds position of director, shareholder, legal and judicial representative as well as company secretary.

The auditor of the company is Nexia BT which is registered at The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann, SGN 3000.

#### **3.4.5 Petromal Company Limited**

Petromal Company Limited was incorporated on 23<sup>rd</sup> May 2014 having registration number C65288.

The directors, legal and judicial representatives of the company are Mr Francis Cassar (ID Card 26862M), Mr Kevin Chirchop (ID 129170M), Mr Emanuel Ellul (ID 300037M) and Mr Mario Zammit (ID 26655M).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

Malta Government Investments Limited (C10175) – 124,999 Ordinary shares (20% paid up)

Malta Investment Management Company Limited (C9588)- 1 Ordinary share (20% paid up)

The company secretary is Mr Andrew Sciberras (ID 244687M).

The auditor of the company is Ernst & Young Malta which is registered at 4<sup>th</sup> Floor, Regional Business Centre, Achille Street, Msida 1751.

#### **3.4.6 Enemalta plc**

**Enemalta plc was incorporated on 1<sup>st</sup> July having company registration number C65836.**

The directors, legal and judicial representatives of the company are Stephen sive Steve Agius (ID89271M), Mr Frederick Azzopardi (ID 152076M), Mr Kevin Chirchop (ID 129170M), Salvu Sant (ID Card 652036M), Mr Ji Sun (ID P01746698) and Mr Gao Yongxin (ID PE0073182).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

The Government of Malta – 200,000,000 Ordinary A class shares (100% paid up)



SEP (Malta) Holding Limited (C67784) - 100,000,000 Ordinary B class shares (100% paid up)

Malta Government Investments Limited (C10175) – 1 Ordinary C class share (100% paid up)

The company secretary is Mr Aaron Mifsud Bonnici (ID 18574M).

The auditor of the company is Ernst & Young Malta Limited which is registered at 4<sup>th</sup> Floor, Regional Business Centre, Achille Street, Msida 1751.

### **3.4.7 Enemed Co Limited**

Enemed Co Limited was incorporated on 19<sup>th</sup> August 2014 having company registration number C66404.

The directors, legal and judicial representatives of the company are Mr Francis Cassar (ID 26862M), Mr Kevin Chircop (ID 29170M), Mr Emmanuel Ellul (ID 300037M) and Mr Justin Tabone (ID 314174M).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

Petromal Company Limited (C65288) – 62,249,999 Ordinary shares (100% paid up)

Malta Government Investments Limited (C10175) – 1 Ordinary share (100% paid up)

The company secretary is Mr Andrew Sciberras (ID 244687M).

The auditor of the company is Ernst & Young Malta Limited which is registered at 4<sup>th</sup> Floor, Regional Business Centre, Achille Street, Msida 1751.

### **3.4.8 D3 Power Generation Limited**

D3 Power Generation Limited is was incorporated on 29<sup>th</sup> August 2014 having company registration number C 66510.

The directors, legal and judicial representatives of the company are Chinese national, Sheng Baojie (ID P1722686), Mr Ismail D'Amato (ID 358080M), Chinese national Zhou Jing (ID P01741268) and Chinese national Chen Zhichao (ID P01360586).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

Enemalta plc (C65836) - 16,666,666 Ordinary B class shares (100% paid up)

SEP (Malta) Holding Ltd (C67784) - 150,000,000 Ordinary A class shares (100% paid up)

Malta Government Investments Limited (C10175) – 1 Ordinary C class share (100% paid up)

The company secretary is Yuanyuan Zhang (ID PE0112227)

The auditor of the company is RSM Malta which is registered at Cobalt House, Level 2 Notabile Road, Mriehel, Birkirkara BKR 3000.

#### **3.4.9 SEP (Malta) Holding Limited**

SEP (Malta) Holding Limited was incorporated on 26<sup>th</sup> November 2014 having company registration number C67784.

The director, legal and judicial representative of the company is the Chinese national, Ji Sung (ID P01746698)

The sole shareholders of the company as at 21<sup>st</sup> March 2017 is Shanghai Electric Power and Energy Development Limited having 9,837,900 ordinary shares which are 100% paid up. This is a company registered in Hong Kong bearing company number 1359631.

The company secretary is Chinese national Lan Sun (ID P01755344).

The auditor of the company is RSM Malta which is registered at Cobalt House, Level 2 Notabile Road, Mriehel, Birkirkara BKR 3000.

#### **3.4.10 International Renewable Energy Development Limited**

International Renewable Energy Development Limited was incorporated on 2<sup>nd</sup> February 2015 having company registration number C68860.

The directors, legal and judicial representatives of the company are Mr Kevin Chircop (ID 29170M) and Chinese nationals Se Dong (ID PE0249401) and Baojie Sheng (ID PE0722686)

The shareholders of the company as at 21 March 2017 are as follows:

SEP (Malta) Holding Limited (C67784) – 4, 095,840 Ordinary A class shares (100% paid up)

Enemalta plc (C65836)

Enemalta plc (C65836) - 1, 755,360 Ordinary B class shares (100% paid up)

The company secretary is Chinese national, Yuanyuan Zhang (ID PE0112227).

The auditor of the company is RSM Malta which is registered at Cobalt House, Level 2 Notabile Road, Mriehel, Birkirkara BKR 3000.

#### **3.4.11 International Energy Service Centre Limited**

International Energy Service centre Limited was incorporated on 22<sup>nd</sup> December 2015 having company registration number C73682.

The directors, legal and judicial representatives of the company are Mr Henry Attard (ID 648660M), Mr Jonathan Scerri (ID 176075M) and Chinese national Yimin Xu (ID PE0603007).

The shareholders of the company as at 21<sup>st</sup> March 2017 are as follows:

SEP (Malta) Holding Limited (C67784) – 300,000 Ordinary B class shares (100% paid up)

Enemalta plc (C65836) - 700,000 Ordinary A class shares (100% paid up)

The company secretary is Mr Aaron Mifsud Bonnici (ID 18574M)

The company does not have an auditor.

### **3.5 Information relating to the ROTORUA Trust**

Information obtained by the FIAU indicates that Dr Konrad Mizzi chose a “Revocable Discretionary Trust” as the type of trust. This is in fact confirmed by the Trust Questionnaire and Due Diligence Sheet (Appendix 8.8) and the Declaration of the Trust document dated 22<sup>nd</sup> July, 2015.

These documents contradict Dr Mizzi’s statement of the 26 February 2016 where he claimed having set up a “Family Trust”.

**DECLARATION OF TRUST** made on the 22<sup>nd</sup> day of July, 2015.

**TRUSTEE:**

**ORION TRUST (NEW ZEALAND) LTD**, a duly incorporated company having its registered address at c/- Bentleys Chartered Accountants, 13th Floor DLA Piper Tower, 205 Queen Street, Auckland 1010, New Zealand (hereinafter called the "Trustee" or "Original Trustee")

**WHEREAS:**

- A. The Settlor who does not execute this Declaration has transferred to the Original Trustee, one American Dollar (USD 1.00) receipt of which is acknowledged.
- B. The Settlor has transferred to the Original Trustee ONE HUNDRED (100) shares in HEARNVILLE INC., being a Company incorporated under the laws of Panama, with registration number 2422433-1-808074.
- C. It is contemplated that further assets might be transferred to the Original Trustee to be held upon the same trusts, and subject to the same powers.
- D. It is intended that this Settlement shall be **DISCRETIONARY** and **REVOCABLE**.

**NOW THIS SETTLEMENT WITNESSETH** as follows:

**1. NAME**

This Settlement shall be known as **Rotorua Trust**

A Revocable Trust is one whereby provisions can be altered or cancelled dependent on the grantor, who in this case is Dr Konrad Mizzi. During the life of the trust, income earned is distributed to the grantor, and only after death does property transfer to the beneficiaries. This type of agreement provides flexibility and income to the living grantor; He is able to adjust the provisions of the trust and earn income, all the while knowing that the estate will be transferred upon death.

Some advantages of a revocable trust are that:

- i) Assets must be retitled in the name of the trust to avoid probate;
- ii) Costs of maintaining a revocable trust are greater than other estate planning tools such as a will;
- iii) A revocable trust does not offer the grantor tax advantages.

Similarly, a Revocable Discretionary Trust is a trust in which the beneficiaries and/or their entitlements to the trust fund are not fixed, but are determined by Trustee using the criteria set out in the trust. The trust itself is revocable which means it can be changed or cancelled prior to the grantor's death. Discretionary trusts can provide the trustee with the power to determine which beneficiaries will receive payments from the trust and/or the power to select the amount of trust property that the beneficiary receives.

More information in relation to a revocable trust is available through

<http://www.investopedia.com/terms/r/revocabletrust.asp>

On the other hand family trusts are designed to benefit family members from no longer personally owning asset.

More information on this type of trust is available through

<https://www.sorted.org.nz/guides/family-trusts>

In addition to the above information relating to the type of trust set up, the Trust Questionnaire and Due Diligence Sheet (Appendix 8.8), indicates that the objective for which the trust was established was estate planning, asset protection, confidentiality and privacy as well as preservation of family assets. The same document also lists the principal beneficiaries as being Dr Konrad Mizzi, his wife, Mrs Sai Mizzi Liang and their children, Alexander Mizzi and Valentina Mizzi.

The FIAU also noted that in the case of all 4 beneficiaries the passport number provided in the Trust Questionnaire and the Due Diligence Sheet is a diplomatic passport number. Such a document is not assigned to an individual on a permanent basis and should therefore not be used for personal affairs.

It is pertinent to note that the preservation of family assets is not in line with what Dr Mizzi claimed on 25<sup>th</sup> February 2016 in that the trust was set up to “manage his inheritance” given that one relates to assets obtained previously while another relates to assets which are usually derived from the demise of an immediate family member. Moreover an email dated 21<sup>st</sup> August 2015 between Mr Karl Cini and Mossack Fonseca shows that the intended operations of the Panamanian company was “management consultancy and brokerage” while in another email dated 17<sup>th</sup> October 2015, Mr Karl Cini informed Mossack Fonseca & Co. (New Zealand) that the Panamanian companies will be used as holding companies for operations conducted in the sectors of Recycling and Remote Gaming. As one can note there is no consistency in the intended operations of the Panamanian company HEARNVILLE INC.

### **3.6 Master Fiduciary Services Agreement (“the Agreement”)**

The FIAU obtained a copy of the signed agreement dated 16<sup>th</sup> June 2015 between Dr Konrad Mizzi and MossFon Managers whereby the latter is identified as the Provider while Dr Konrad Mizzi is identified as the “natural person for whom the benefits is created, gained and managed, and with pre-eminence over the structures;” (Appendix 8.18)



### **3.7 Transfer of shares into the ROTORUA Trust and increase in share capital**

Copies of the share certificates issued by the Panamanian company HEARNVILLE INC. which are held by the Orion Trust (New Zealand) Limited as Trustee of the ROTORUA TRUST are provided together with other documentation pertaining to information being provided in this section (Appendix 8.19)

As was noted in the preliminary report which was disseminated to the Police on 7<sup>th</sup> April 2016 in the section titled “Documents referred to in Annex 1”, one may note that on 21<sup>st</sup> July 2015, the directors of the company HEARNVILLE INC. resolved that the shares of the companies should be transferred to Orion Trust (New Zealand) Limited and that the share capital of both companies should increase from USD100 to USD10,000. As a result of this resolution a share certificate was issued on 22 July 2015 stating that Orion Trust (New Zealand) Limited as Trustee of the ROTORUA TRUST is the owner of 100 shares at a nominal value of US\$100 each of the corporation’s capital, the corporation being the Panamanian company HEARNVILLE INC.

An exchange of emails between Nexia BT and Mossack Fonseca & Co. (Panama) during the period from 28<sup>th</sup> March 2016 and 1<sup>st</sup> April 2016 reveal that the above mentioned resolution and share certificates were corrected and replaced accordingly.

It is pertinent to note, however, that in an email dated 1<sup>st</sup> April 2016, Mr Martinez from Mossack Fonseca & Co. (Panama) informed Mr Cini from Nexia BT that “The reason for this replacement is the correction and clarification of the reference to the Paid Up Share Capital which, in the previous resolutions and certificates was wrongly stated as US\$10,000, when actually it was only US\$100.” As a result of this communication a new board resolution and share certificate were drawn up and backdated to 21<sup>st</sup> July 2015. The new share certificate dated 21<sup>st</sup> July 2015 reflects that Orion Trust (New Zealand) Limited as Trustee of the ROTORUA TRUST is the owner of 1 share having a nominal value of US\$100 in HEARNVILLE INC, while the Authorized Capital is US\$10,000. The amended Minutes of a Meeting of the Board of Directors of HEARNVILLE INC. also reflects the issuance of a new share certificate in replacement of the shares annulled, however this resolution fails to address the issuance of new shares for the total authorized share capital.

These anomalies therefore indicate that, following an error made on the 1<sup>st</sup> share certificate dated 22<sup>nd</sup> July 2015, a subsequent share certificate and board meeting declaration were drawn up and both backdated to 21<sup>st</sup> July 2015. This indicates that the errors made in the new documents were not noted while also raising suspicion given the ease with which such documentation was amended and backdated.

### **3.8 Information obtained from the Tax Department**

### 3.8.1 Dr Konrad Mizzi

The FIAU obtained the information shown in section 3.8.2 in relation to Dr Mizzi's declared gross income for the years 2010 to 2015.

### 3.8.2 Mrs Sai Mizzi Liang

The FIAU obtained the following information in relation to Dr. Mizzi and Mrs Sai Mizzi Liang's declared gross income for the years 2010 to 2015.

<b>Mr Konrad Mizzi (I.D. 521577M) and Ms Sai Mizzi Liang (I.D. 318606L)</b>						
	Basis year	2011	2012	2013	2014	2015
		€	€	€	€	€
Employment Income (Self) (Min for Energy and Conservation of Water)		-	-	40,442	51,672	52,861
Employment Income (Spouse) (Malta Enterprise Corporation)		-	-	27,831	34,052	37,838
Rental Income - Gross		-	-	16,025	21,543	-
Other Income		200	52,391	-	-	-

### 3.9 Bank account information in relation to Dr Konrad Mizzi

Information obtained by the FIAU indicates that Dr Konrad Mizzi is a client of HSBC Bank (Malta) plc. The following is an overview of the products held with this bank.

Account Number	Account Holder	Account Opening Date	Balance held as at 27/02/2017	Additional Info
011-100815-001	Dr Konrad MIZZI and Ms Sai Mizzi Liang	15/06/2001	€38,502.23	N/A

011-100815-050	Dr Konrad MIZZI and Ms Sai Mizzi Liang	15/06/2001	€5.25	N/A
Visa Credit Card - 4035710036111966	Dr Konrad MIZZI	09/05/2013	€6,153.17 DR	Limit of €12,000
Master Credit Card - 5522009410185879	Dr Konrad MIZZI	03/11/2005	€9.99 DR	Limit of €15,000

In addition to the aforementioned accounts and products which are held with HSBC Bank (Malta) plc, Dr Konrad Mizzi also holds a safety deposit box at the HSBC St. Andrew's branch, locker number 1096. This facility was taken out on 20<sup>th</sup> January 2005 (Appendix 8.25)

The following is an overview of the visits made to the said safety deposit box facility.

Record of Visits for Safe Deposit Lockers <i>Konrad MIZZI</i>			Page No: <i>1096</i>	
Date	Time of Arrival	Keyholder's Signature	Time of Departure	Initials
<i>12/11/05</i>	<i>8:50</i>	<i>[Signature]</i>	<i>9:00</i>	<i>KS</i>
<i>14/10/06</i>	<i>12:17</i>	<i>[Signature]</i>	<i>12:30</i>	<i>KS</i>
<i>14/5/07</i>	<i>8:41</i>	<i>[Signature]</i>	<i>:</i>	<i>KS</i>
<i>29/12/08</i>	<i>11:50</i>	<i>[Signature]</i>	<i>11:55</i>	<i>KS</i>
<i>21/11/11</i>	<i>06:50</i>	<i>[Signature]</i>	<i>8:55</i>	<i>KS</i>

The FIAU is also informed that Ms Sai Mizzi Liang is authorised to access Dr Mizzi's safety deposit box facility. In addition she holds 3 other accounts with HSBC Bank (Malta) plc and is also a supplementary card holder on card number 522009410185879. A brief overview of the 3 accounts held in the name of Ms Sai Mizzi Liang did not yield any noteworthy transactions and it was noted that the accounts were hardly used since 2010.

An analysis of the activity carried out in the joint accounts 011-100815-001 and 011-100815-050 and an overview of the said activity is presented in Appendix 8.26. The analysis covers the period 5<sup>th</sup> January 2010 to 12<sup>th</sup> March 2016.

In addition to the products held with HSBC Bank (Malta) plc, Dr Konrad Mizzi has been a customer of Bank of Valletta plc ("BOV") since June 2013.

According to information obtained by the FIAU the following is an overview of the products, Dr Konrad Mizzi holds with BOV:

A/C Number	A/C Type	A/C Currency	Opened On	Balance as at
				02/03/2017
40021687695	House Loan	Eur	14/06/2013	-€ 312,908.28
40021690475	Savings	Eur	15/06/2013	€ 37,035.31
40021690491	Current	Eur	15/06/2013	€ 16,655.26

An analysis of the activity carried out in the above listed joint accounts and an overview of the said activity is presented in Appendix 8.31. The analysis covers the period 6<sup>th</sup> July 2013 to 28<sup>th</sup> February 2017.

Besides the aforementioned products, Dr Mizzi also holds a life policy issued by Mapfre Middlesea. The FIAU is further informed that the purpose of the loan was to end finance the purchase of property for residential purposes and private use.

On the basis of further checks carried out by the FIAU, Dr Mizzi does not hold any accounts in Malta other than the ones aforementioned. In light of this it is pertinent to note that the information obtained by the FIAU does not reflect the information provided in Dr Mizzi's 2014 and 2015 declaration of assets, given that such information does not corroborate Dr Mizzi's claims of having bank deposits in excess of EUR300,000 in both declarations.

### 3.10 Information relating to Dr Konrad Mizzi's assets

Open source information in relation to Dr Konrad Mizzi's property in the UK, namely 1, Wycherley Close, Blackheath, London SE3 7QH, indicates a monthly rental value of approximately GBP1, 695. <http://www.zoopla.co.uk/property-history/1-wycherley-close/london/se3-7gh/28348117>

According to Dr Mizzi's 2014 declaration of assets he owned

- i) A house in London which includes a garage
- ii) An apartment in Sliema
- iii) Bank deposits totalling EUR310,279
- iv) 4,000 shares in Malta International Airport plc

The same declaration of assets showed Dr Mizzi's income for 2014 at EUR76,000 and outstanding loans of EUR329,816.

Information obtained by the FIAU indicates that Dr Mizzi owned a flat in Balzan. This was purchased in 2001 and sold in 2004.

Through various sources of information the FIAU has drawn up the following list of assets held by Dr Mizzi. It is pertinent to note that the information obtained by the FIAU indicates that most of these assets are held in Dr. Mizzi's and Mrs. Mizzi Liang's joint names.

- i) UK Property – 1, Wycherley Close, Blackheath, London SE3 7QH
- ii) Apartment in Sliema (which is still on loan) – held in joint names
- iii) Bank deposits totalling EUR92,198.05 (as at 27/02/2017) – held in joint names
- iv) 4,000 shares in Malta International Airport plc

Dr Mizzi's tax declarations show his registered address as being "Ines" 90, Triq il-Qalb ta' Gesu, Paola. The FIAU does not have any information indicating whether Dr Mizzi owns this property or not.

### **3.10.1 Dr Konrad Mizzi's declaration to the PANA Committee and the Independent Audit**

These documents can be accessed through <http://www.independent.com.mt/articles/2017-02-20/local-news/Konrad-Mizzi-audit-presented-to-PANA-committee-says-no-bank-accounts-held-by-trust-company-6736170653>

In the declaration which Dr Konrad Mizzi presented to the PANA Committee a number of inconsistencies were noted.

- i) "I realise that in setting up a family trust structure in New Zealand and a related company I exposed my family and myself to an unprecedented level of unfair criticism."

When setting up a trust for the benefit of one's family and to protect one's assets, a company is not required as any assets held can be placed directly into the trust and administered by the trustees in accordance with the settlor's wishes.

<http://money.cnn.com/pf/money-essentials-trusts/>

- ii) "In 2015, based on advice I received, I set up a trust in New Zealand and I acquired a company registered in Panama, which I immediately settled into the Trust."
- iii) "The leader of the Opposition claimed that I opened the structure a few days after the 2013 general election. This is a clear lie, since all documentation show that I acquired a shell company in 2015."



Communication between Mr Karl Cini of Nexia BT and Mossack Fonseca (Panama) dated 21<sup>st</sup> March and 25<sup>th</sup> March 2013 shows that enquiries in relation to a Panamanian company and trust were already being made. It was further noted that on 26<sup>th</sup> July 2013, Mr Karl Cini asked Mossack Fonseca (Panama) for an extension to complete paperwork in relation to the three reserved Panamanian companies. It is pertinent to note that Dr Konrad Mizzi was abroad at this time given his credit card places him in Qatar on 24<sup>th</sup> July 2013.

In addition to the above in an email dated 7<sup>th</sup> July 2015 between Mr Leon and Mr Cini, Mr Leon states; "Yes, Karl, they are the real UBOs, but the shares are currently held by a nominee shareholder (ATC ADMINISTRATORS)."

As has also been noted in the conclusions section of this report given the costs associated with the setup and maintenance of a trust, it would make no financial sense to the company service provider (in this case Nexia BT et al) to place a non-operative, shelf company in a trust for an indefinite period of time which is what was indicated in an email between Mr Karl Cini and Mr Luis Quiel in March 2013.

- iv) "The prospective investments included the leveraging of our existing house in London and future investments,"

As per Dr Mizzi's tax declarations for years ending 2013 and 2014, his rental income did not exceed EUR22,000 per year. In fact for the 2 years combined, Dr Mizzi's total rental income was of EUR37,568.

<http://www.maltatoday.com.mt/news/nationalo/64254/konradmizzideclared37500rentalincomesince2013#.WL6XFW8rKpo>

As is noted in the conclusions section of this report, the costs associated with the incorporation of a company in one jurisdiction and having that company held under trust in another jurisdiction are far too high given that the underlying existing asset is only likely to generate a yearly income which does not exceed EUR22,000.

In addition to the lack of proportionality in the size of the asset and the structure set up to manage it, one also begs the question as to why the house in London was not placed into the structure immediately rather than leaving such a costly structure with no assets.

- v) "The leaked documents make no reference to any funds held by me in the structure, because there were none. This confirms my version of events from the very beginning, which is that there are neither funds nor bank accounts held by these structures"
- vi) "...Attempts made by the service provider to open a bank account, this was part of the service that was offered to the trust."

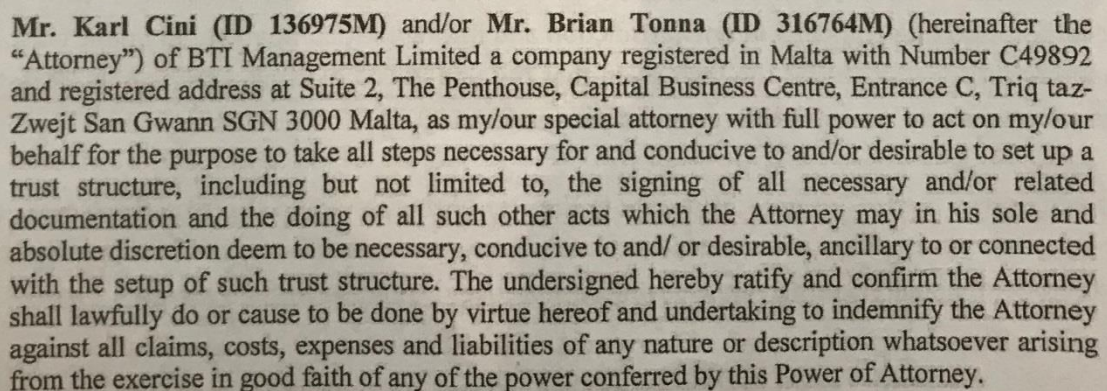
These claims immediately raise the question as to the purpose of such a set up if not open a bank account for the company. Had there not been a company involved, one could hold a trust and populate it with fixed assets however given that the trust was set up to hold the company, the company needed a bank account in order to operate.

Furthermore, Dr. Mizzi claimed that attempts were made by the service provider as part of the service offered, however email communication dated August 2015 between Mr Karl Cini and Mossack Fonseca (Panama) as well as Dr Mizzi's credit card activity confirmed that Dr Mizzi took the original documents relating to his Panamanian company to Dubai himself. Such activity is not in line with a "service that was offered to the trust."

- vii) "But I did not sign any bank opening forms, nor did I give a power of attorney to the service provider to open an account. The service provider was only allowed to make enquiries."

This claim is not in line with an email dated 2<sup>nd</sup> December 2015 in which Mr Karl Cini gave instructions to Mr Adrian Dixon to "Go ahead to start the opening of the accounts for those 2 Panama companies."

In addition the FIAU obtained a copy of a Power of Attorney (Appendix 8.35) which was signed by Dr Konrad Mizzi on 16<sup>th</sup> June 2015.



**Mr. Karl Cini (ID 136975M) and/or Mr. Brian Tonna (ID 316764M)** (hereinafter the "Attorney") of BTI Management Limited a company registered in Malta with Number C49892 and registered address at Suite 2, The Penthouse, Capital Business Centre, Entrance C, Triq taz-Zwejt San Gwann SGN 3000 Malta, as my/our special attorney with full power to act on my/our behalf for the purpose to take all steps necessary for and conducive to and/or desirable to set up a trust structure, including but not limited to, the signing of all necessary and/or related documentation and the doing of all such other acts which the Attorney may in his sole and absolute discretion deem to be necessary, conducive to and/ or desirable, ancillary to or connected with the setup of such trust structure. The undersigned hereby ratify and confirm the Attorney shall lawfully do or cause to be done by virtue hereof and undertaking to indemnify the Attorney against all claims, costs, expenses and liabilities of any nature or description whatsoever arising from the exercise in good faith of any of the power conferred by this Power of Attorney.

Given the absolute discretionary powers granted to Mr Cini and Mr Tonna to carry out any actions necessary with the setup of the trust structure shows that contrary to Dr Mizzi's claims, he did in fact give a Power of Attorney to his company service provider enabling and authorizing then to set up a bank account for this structure. His lack of signatures on any bank opening forms is also understandable given that in accordance with the Power of Attorney both Mr Cini and Mr Tonna are authorized to sign all the necessary documentation.

- viii) "\$1M per annum deposit ....This is a blatant lie, unsupported by any evidence or, indeed, any logic."

Information obtained by the FIAU dated 15<sup>th</sup> September 2015 indicates that 3 of the banks contacted required initial deposits of USD 1 million. In an email dated 17<sup>th</sup> September 2015, Mr Cini confirmed that the account will be the operating account of the Panamanian company and estimated yearly deposits will be of EUR350,000.

In a subsequent email dated 17 December 2015 (Appendix 8.7) from Mr Karl Cini to Juan Carlos Martinez, Mr Cini provided various details in relation to the operations of the Panamanian companies. In this communication Mr Cini stated that the companies are estimated to generate \$2million within a year and the monthly amount of the transactions was expected to be circa EUR150,000.

ix) “Commission on power station”

Dr Mizzi claimed that the Nationalist Party targeted each project he was involved in and alleged corruption on each project. The fact that Dr Mizzi set up his offshore asset concealing structures at a time when he was heavily involved in government deals does raise suspicion. Even more so when one considers that his children were born in 2007 and 2010 respectively however it seems Dr Mizzi took no measure to safeguard his family’s interests before 2015. Of further suspicion is the fact that, at the time when such measures were taken in relation to asset management, Dr Mizzi had moved away from the private sector which generated a higher level of income than his ministerial salary.

x) “On the 7 April 2016, the Malta Independent, an ICIJ media partner, a partner, prominently reported on its front page that I had divulged to Mossack Fonseca that I was a politician.”

Such allegations were not only made on local media but also on <http://www.afr.com/news/policy/foreign-affairs/the-panama-papers-new-twist-to-maltas-mossack-fonseca-bank-saga-20160418-go92hv>

Information obtained through this website indicates that Mossack Fonseca (New Zealand) was not aware that the clients being put forward by Mr Karl Cini were PEPs. As has been noted in the conclusions section of this report, the FIAU is not in receipt of a series of email exchanges between Mr Karl Cini and Mossack Fonseca (New Zealand) at some point between 16<sup>th</sup> May 2015 and 24<sup>th</sup> May 2015. On the basis of open source of information these emails contain communication relating to the introduction of a second client and the fact that both clients were PEPs.

xi) *“The Malta Independent, the Times of Malta and other media controlled by the Nationalist Party created many contradictory and false motivations for the setting up of the trust. These included inexistent commissions, millions allegedly earned before entering politics...”*

A communication from Mr Karl Cini dated 5<sup>th</sup> November 2015 to Mossack Fonseca & Co. (New Zealand) states that *“the UBO was also Partner and Head of the Energy and Infrastructure of the EMEA region (Europe, Middle East and Africa) with Pcubed, a global leader in projects delivery. He set up the practice and developed major accounts with personal revenue amounting to GBP 5 million.”*

- xii) “I have declared the trust and company, provided full disclosure and have requested the Inland Revenue Department to investigate my financial affairs. This level of openness and disclosure is unprecedented in Maltese politics. No Maltese member of parliament has ever requested a tax audit...”

As was noted in the preliminary report which was disseminated to the police on 7<sup>th</sup> April 2016 in the section titled “Document referred to in Annex II”, one may note that through the copies of due diligence questionnaires which were compiled by Mr Karl Cini on behalf of his clients, the ROTORUA TRUST was set up for purposes of confidentiality and privacy and instructions were also given not to have the trust audited.

In light of this information Dr Mizzi’s claims of exercising an unprecedented level of openness to the PANA Committee by subjecting his set up to an independent audit which was carried out by Crowe Horwath New Zealand does not subsist.

#### **4.0 FATF Guidelines and Reports**

In a report published in June 2014, by the FATF in relation to High Risk and Non-Cooperative Jurisdictions the following was said of Panama;

*“In June 2014, Panama made a high-level political commitment to work with the FATF and GAFISUD to address its strategic AML/CFT deficiencies; including by: (1) adequately criminalizing money laundering and terrorist financing; (2) establishing and implementing an adequate legal framework for freezing terrorist assets; (3) establishing effective measures for customer due diligence in order to enhance transparency; (4) establishing a fully operational and effectively functioning financial intelligence unit; (5) establishing suspicious transaction reporting requirements for all financial institutions and DNFPBs; and (6) ensuring effective mechanisms for international co-operation. The FATF encourages Panama to address its AML/CFT deficiencies by implementing its action plan.”*

The full report can be accessed through the following link:

<http://www.fatf-gafi.org/media/fatf/documents/statements/Compliance-27-June-2014.pdf>

According to information obtained through <http://www.knowyourcountry.com/panama1111.html>, Panama is no longer on the FATF list of countries that have been identified as having strategic AML deficiencies however it is pertinent to note that at the time HEARNVILLE INC. was set up which was in July 2013, Panama was deemed to be partially or non-compliant for all 6 of the Core Recommendations. It was only in February 2016 that Panama's significant progress in improving its AML/CFT regime was recognized by the FATF.

In relation to New Zealand, which is the jurisdiction of choice for the ROTORUA TRUST, the country does not rate badly, however in the 2013 Asia Pacific Group on Money Laundering yearly Typologies Report it was noted that the use of shell companies has been a particular issue for New Zealand and remains an area of concern. Overall the country is considered to be a medium risk area due to the country's weakness in Government legislation to combat money laundering.

<http://www.knowyourcountry.com/newzealand1111.html>

## **5.0 Connections to other companies**

### **5.1 TORBRIDGE SERVICES INC. and Mr. Cheng Chen**

TORBRIDGE SERVICES INC. was incorporated in the British Virgin Islands on 29<sup>th</sup> May 2013 having the company number 1776114 (Appendix 8.20) and registered address Akara Bldg. 24 Dew Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

A declaration of beneficial ownership dated 27<sup>th</sup> February 2015 indicates that the company shares were held by ATC Administrators in favour of Mr Cheng Chen (Appendix 8.21). It is interesting to note that on this document Mr. Chen's name is not included unlike the equivalent document relating to Dr Konrad Mizzi whereby his name was included listing him as "The Client" (Appendix 8.15).

This further enhances the suspicion that while Mr Cheng Chen did in fact purchase a shelf company, namely TORBRIDGE SERVICES INC., the company HEARNVILLE INC. was in fact set up for Dr Mizzi from the start.

Information obtained by the FIAU indicates that a bank account bearing IBAN MT12PLTS0401900100972CACOEUR010 was opened with Pilatus Bank plc in the name of TORBRIDGE SERVICES INC. on 19<sup>th</sup> June 2015. Information obtained by the FIAU in relation to transactional activity indicates that no funds were ever credited to the account with Pilatus Bank plc. The only transactions which took place were debits due to bank charges as is evident in the following bank statement.





PILATUS BANK

**PILATUS BANK LTD**

Whitehall Mansions Level 2  
Ta'Xbiex Wharf Ta'Xbiex  
XBX 1026 Malta  
Tel. +356 27799999  
Fax +356 27799990  
[www.pilatusbank.com](http://www.pilatusbank.com)

**Account Statement**

19-Jun-15 to 12-Apr-16

Account Name: TORBRIDGE SERVICES INC  
Account Number: 100972CACOEUR010  
Account Currency: EUR  
IBAN: MT12PLTS0401900100972CACOEUR010  
SWIFT BIC: PLTSMTMT

**Account Summary**

Opening Balance	EUR	0.00
Payments In	EUR	0.00
Payments Out	EUR	250.00
Closing Balance	EUR	-250.00
Available Balance	EUR	-250.00

Trx Date	Trx Reference	Transaction Details	Debit Value	Credit Value	Balance
17-Nov-15	001SIPM153210008	E BANKING CHARGE	50.00		-50.00
17-Dec-15	001SIPM153210008	E BANKING CHARGE	50.00		-100.00
15-Jan-16	001SIPM153210008	E BANKING CHARGE	50.00		-150.00
17-Feb-16	001SIPM153210008	E BANKING CHARGE	50.00		-200.00
17-Mar-16	001SIPM153210008	E BANKING CHARGE	50.00		-250.00
End Balance					-250.00

In an email communication between Mr Karl Cini and Neringa Figuriniute, Hamdireza Ghanbari and Linet Estiroti, (Appendix 8.22) Mr Cini advised that the initial funding to the account is expected in August (2015) was to be of €200,000. Mr Cini also advised that the expected size of the relationship by the end of 2015 would be of around €1 million. It is pertinent to note that in this email communication Mr Cini advised that he will be sending the requested documentation in a separate envelope, by hand addressed to Mr Hamidreza. This was deemed to be suspicious given that Hamidreza Ghanbari is the CEO of Pilatus Bank plc and would not usually be involved in any account opening procedures.

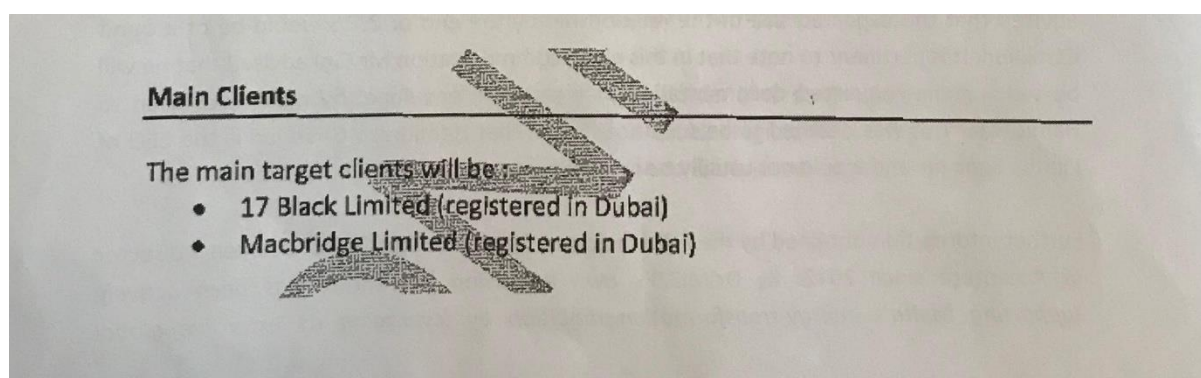
Further information obtained by the FIAU indicates that Mr Cheng Chen has been a director of Accenture since 2012. By Dr. Mizzi's own admission *"Accenture has been actively supporting Malta's energy –transformation ambition by leveraging its extensive global network and deep industry experience to meet our national demand for energy services, renewables, foreign investment and innovation. In our close collaboration with Shanghai Electric Power and Accenture, we are better positioned to shape a smarter and more sustainable energy future in Malta."*

<https://newsroom.accenture.com/news/accenture-helps-shanghai-electric-power-expand-into-european-energy-market.htm>

As indicated in the timeline earlier in the report, a number of contracts and agreements involving Enemalta plc and Electrogas Malta Limited were entered into during April 2015. This timeframe coincides closely with the period in which the account for TORBRIDGE SERVICES INC. was set up in June 2015, Mr Cini's communication stating that the first deposit into the account is to be expected in August 2015 and Dr Konrad Mizzi's visit to Whitehall Mansions on 3<sup>rd</sup> September 2015 which houses amongst others, the offices of Shanghai Electric and Pilatus Bank plc. Suspicion is also raised as to why at the same time that these deals were being entered into, Mr Cheng Chen required a company incorporated in the BVI having a bank account in Malta, both being countries which have very little nexus to Mr Chen who, as the Director of Accenture lives and works in China, holds a Chinese passport and has his official residential address as Room 2602, Building 18, Lane 9, Zhaojiabang Road, Shanghai 200032, China.

## 5.2 Information relating to 17 BLACK LIMITED and MACBRIDGE LIMITED

The FIAU obtained correspondence between Mr Karl Cini, Mr Juan Carlos Martinez and Mr Luis Quiel dated 10<sup>th</sup> December 2015 and 17<sup>th</sup> December 2015 respectively. In this communication, Mr Cini was asked to provide various information in relation to the Panamanian companies belonging to Dr Konrad Mizzi and Mr Keith Schembri. This information included the main clients of the companies TILLGATE INC. and HEARNVILLE INC. to which Mr Cini advised that the target clients will be *"17 Black Limited (registered in Dubai) and Macbridge Limited (registered in Dubai)"*. (Appendix 8.6).



The FIAU obtained information which indicate that the IBAN pertaining to 17 BLACK LIMITED is AE600520000110682060036. It is pertinent to note that transactions concerning 17 BLACK LIMITED were identified by the FIU of the United States as possible *"shell company activity, suspicious wire transfers and money laundering"*.

The FIAU is further informed that two transactions were also identified in favour of 17 BLACK LIMITED. These transactions were carried out on 19<sup>th</sup> and 26<sup>th</sup> November 2015 respectively for a total of 1,404,681. Although the FIAU does not hold the currency of this amount, the FIAU is

informed that the USD equivalent of this sum is \$1,495,203. The remitter of these transactions was MAYOR TRANS LIMITED, a company registered in the Seychelles which holds a bank account with ABLV Bank in Latvia. The ultimate beneficial owner of MAYOR TRANS LIMITED is Rufat Baratzada. These payments which were both made in favour of 17 BLACK LIMITED's account at Noor Islamic Bank, Dubai carried the following payment details: *"Partial Payment to the Commercial Invoice No. 009/2015 DD. Dubai 17<sup>th</sup> November 2015 for financial advisory services."*

- **Pending Auth from FINCen**

The FIAU noted that the aforementioned transactions could be deemed as suspicious due to the following reasons;

- i) The transactions appear to involve shell entities;
- ii) The transactions involved high-risk jurisdictions;
- iii) The remitter of the transactions was banking outside his jurisdiction;
- iv) The purpose of these payments could not be ascertained given that the term "advisory services" is a very generic term used frequently to move funds of illicit origin.

The FIAU was further informed that according to Noor Islamic Bank, Dubai, the banking activity of 17 BLACK LIMITED was deemed to be in line with the company's profile which is that of consultancy services. This activity is not in line with the information obtained by the FIAU through ORION ENGINEERING GROUP, which information is provided in section 5.3 of this report.

### **5.3 Information relating to the ORION ENGINEERING GROUP LIMITED**

The FIAU obtained information from Mr Mario Pullicino, holder of ID card number 43065M. The latter is the ultimate beneficial owner of the Maltese registered company ORION ENGINEERING GROUP LIMITED. Due to the aforementioned transaction which was identified by the FIAU, Mr Pullicino was asked for further information in relation to the purpose of this payment. Mr Pullicino claimed that the payment was due to 17 BLACK LIMITED for the provision of manpower.

The FIAU subsequently noted that Mr Mario Pullicino is the company secretary to the Maltese registered company, Armada Floating Gas Services Malta Limited. It was further noted that this company which was incorporated on 6<sup>th</sup> April 2015 entered into an agreement with Electrogas Malta Limited for the chartering of the LNG Tanker MV Armada Mediterrana. This vessel which bears IMO 8125868 was formerly flagged in the Bahamas and called "Wakaba Maru".

It is pertinent to note that the transaction which took place between Mr Pullicino's company ORION ENGINEERING GROUP LIMITED and 17 BLACK LIMITED (23<sup>rd</sup> July 2015) was carried out 3 months following the incorporation of Armada Floating Gas Services Malta Limited. The date

of the transaction also coincides with the time when Mr Karl Cini was trying to open a bank account for HEARNVILLE INC. as well as Dr Mizzi's trip to Dubai on 27<sup>th</sup> August 2015.

## **6.0 Information from foreign counterparts**

### **6.1 Information from FIU Bahamas**

The FIAU was informed that Dr Konrad Mizzi, HEARNVILLE INC., and the ROTORUA TRUST are not known to the FIU of the Bahamas. Checks carried out by the FIU of the Bahamas at Winterbotham Trust Company Limited also did not yield any additional information.

### **6.2 Information from the FIU of New Zealand – *Pending auth from FIU***

Information obtained from the FIU of New Zealand did not yield any negative information. Checks were also carried out in relation to any bank accounts which may have been opened in New Zealand however none were identified in the names of Dr Konrad Mizzi, HEARNVILLE INC.

The FIAU was also informed that the New Zealand resident director of Orion Trust New Zealand Limited is Mr Roger Thompson who has a number of bank accounts with different banks, however without an MLA of the FIU of New Zealand is unable to compel Mr Thompson in his capacity as Director of Orion Trust New Zealand to provide any information.

The FIU was also informed that Mr Thompson is employed as an accountant with Bentleys New Zealand.

### **6.3 Information from the FIU of Panama – *Pending auth from FIU***

Information from the Panamanian FIU confirmed that Dr Konrad Mizzi, HEARNVILLE INC and the ROTORUA TRUST were not known to the FIU. The FIAU was informed that ATC Administrators Inc. is an internal society of Mossack Fonseca which is used to provide secretarial services to the latter's clients.

The FIAU was also informed of the following:

*"Konrad Mizzi is the actual beneficial owner of HEARNVILLE INC., which was created on July 9, 2013. HEARNVILLE INC., in July 2015 made a change in its share structure and issued a shares certificate, in its entirety to the name of ORION TRUST (NEW ZEALAND LIMITED). Additionally, Mr Konrad Mizzi is the beneficial owner of a trust in the New Zealand jurisdiction, called ROTORUA TRUST."*

### **6.3 Information from the FIU of the United Arab Emirates**

Information obtained by the FIAU shows that the legal persons 17 BLACK LIMITED and MACBRIDGE LIMITED are not known to the database of the FIU of the United Arab Emirates (reference to these companies was made in section 5.2 of this report). Unfortunately, the FIU

of the United Arab Emirates was not forthcoming with any information relating to the beneficial ownership of these two companies.

Following further request for information from the FIAU in which the bank account pertaining to 17 BLACK LIMITED was provided, the FIAU was informed that transactions carried out on the respective bank account were deemed to be in line with the business activity of 17 BLACK LIMITED which is consultancy services.

## **7.0 Conclusions**

After having reviewed the information available to the FIAU, the following facts are considered to be of relevance in the determination as to whether a reasonable suspicion of money laundering subsists in this case:

In relation to the involvement of Nexia BT, BT International Ltd, BT Advisory Service Ltd, Nexia BT Consulting Ltd, BTI Management Ltd, Mr Karl Cini and Mr Brian Tonna in the setting up of financial structures in offshore jurisdictions, which are known for their high levels of secrecy for the benefit of politically exposed persons:

- i) The email between Mr Karl Cini and Mr Luis Quiel in March 2013, in relation to details relating to a Panama company and possibly a trust. This information in this email is not in line with claims made during 2016/2017, that the companies which were sold at a later date. Given the costs associated with the setup and maintenance of a trust, it would make no financial sense to the company service provider (in this case Nexia BT et al) to place a non-operative, shelf company in a trust for an indefinite period of time.
- ii) The fact that, of the 2 BVI shelf companies purchased in June 2013, only one was retained for the benefit of Mr Brian Tonna which raises suspicion that WILLERBY TRADE INC. was the company for which the Panamanian bank account was intended. This in turn raises the suspicion beyond any reasonable doubt that WILLERBY TRADE INC. was being used as a test prior to setting up the Panamanian companies and respective bank accounts for Dr Konrad Mizzi and Mr Keith Schembri amongst possible others. This suspicion is substantiated further by the fact that email communication with references to HEARNVILLE INC., amongst others, commenced in July 2013.
- iii) The decision not to pursue the opening of a bank account in Panama for WILLERBY TRADE INC. and to use the recently incorporated domestic credit institution Pilatus Bank plc instead for both WILLERBY TRADE INC. and TORBRIDGE SERVICES INC.
- iv) The fact that Mr Cini asked for the 3 companies to be reserved for a number of days and subsequently also asked for an extension on this reservation. This indicates that Mr Cini likely needed time to communicate with the actual beneficial owners of the companies and therefore could not take certain decisions



himself, which would have been the case had Nexia BT been purchasing these companies as shelf companies which would have then been sold at a later date (as was the case with TORBRDIGE SERVICES INC.).

- v) The acknowledgment by Mr Karl Cini that *“from a commercially sensitive perspective they cannot appear as direct shareholders”* however in the same email Mr Cini states that *“under our legislation, PEPs are openly allowed to hold shareholdings in other businesses.”* This therefore begs the question as to why the need for secrecy given that under Maltese legislation, PEPs are openly allowed shareholdings.
- vi) The attempts made by Nexia BT to conceal from the FIAU the fact that the companies belonged to Dr Konrad Mizzi and Mr Keith Schembri from the start as is indicated in the following emails:
  - a. Mr Karl Cini and Mr Luis Quiel dated 21<sup>st</sup> March 2013
  - b. Mr Karl Cini and Ms Cristina Rios dated 25<sup>th</sup> March 2013
  - c. Mr Kark Cini and Mossack Fonseca dated 28<sup>th</sup> July 2014
  - d. Mr Karl Cini and unidentified 3<sup>rd</sup> party dated 8<sup>th</sup> August 2014
  - e. Mr Daniel Leon and Mr Karl Cini dated 23<sup>rd</sup> October 2014
  - f. Mr Karl Cini and Mossack Fonseca (NZ) dated 16<sup>th</sup> May 2015
  - g. Mr Karl Cini and Mossack Fonseca (NZ) dated 23<sup>rd</sup> May 2015
  - h. Mr Karl Cini and Mossack Fonseca (NZ) dated 16<sup>th</sup> May 2015
  - i. Mr Daniel Leon and Mr Karl Cini dated 7<sup>th</sup> July 2015
  - j. Mr Karl Cini and Mossack Fonseca (NZ) dated 17<sup>th</sup> October 2015
- vii) The alleged lack of email correspondence between Nexia BT, BT International Ltd, BT Advisory Services Ltd, Nexia BT Consulting Ltd and BTI Management Ltd, and the Clients and hence the claim that “All instruction and discussions with the Clients were verbal” is deemed to be suspicious given that when providing such a service, both the client and the provider are likely to resort to emails at least for parts of the process.
- viii) The fact that the Engagement Letter issued by BTI Management on 5<sup>th</sup> May 2015 indicates that this document may have been fabricated to coincide and substantiate requests and claims made following the revelations of the Panama Papers .This suspicion is raised given that by his admittance, Dr Konrad Mizzi claimed that he sought asset management advice in 2014 and an email communication dated 23<sup>rd</sup> October 2014 shows Mr Karl Cini communicating with Mossack Fonseca (New Zealand) with references being made to a sample trust deed and information relating to the opening of a bank account.
- ix) The fact that Mr Karl Cini, in his capacity as MLRO, withheld information from the FIAU which shows his clients’ reluctance to inform domestic banks of their foreign structures and as a result were unable to 2 bank reference letters as requested by Mossack Fonseca & Co. (New Zealand).

- x) Of further suspicion is the fact that Mr Karl Cini informed Mossack Fonseca & Co. (NZ) that “it is not common to have more than one bank” which is not the case, given that most people in Malta tend to bank at least 2 different credit institutions. So much so Dr Konrad Mizzi had been a long standing customer of 2 banks in Malta namely HSBC and BOV.
- xi) The incorporation of Mossack Fonseca & Co. (Malta) Limited in Malta in May 2013 through Brain Tonna company BT international. The firm Mossack Fonseca was later cited to be “a potential criminal organization that concealed and removed evidence related to criminal activity” by Panama’s Attorney General.
- xii) The overall lack of fees payable to Nexia BT et al from Dr Konrad Mizzi for the services provided until June 2016 when a payment of EUR4345.44 was made.
- xiii) The payment of EUR493.72 which was transferred from Dr Konrad Mizzi to BTI Management on 23<sup>rd</sup> August 2016 with reference to a letter dated 23<sup>rd</sup> August 2016.

*In relation to the suspected ease with which documents were amended/altered:*

- i) Following an error made on the 1<sup>st</sup> share certificate dated 22<sup>nd</sup> July 2015, a subsequent share certificate and board meeting declaration were drawn up and both backdated to 21<sup>st</sup> July 2015. The ease with which documentation was amended and backdated is considered to be suspicious.

*In relation to the similarities between the structures belonging to Dr Konrad Mizzi and Mr Keith Schembri:*

- i) The suspicion is that Dr Konrad Mizzi and Mr Keith Schembri were setting up structures as a joint venture, the suspicion is further substantiated by the fact that the timing of the events indicates that the Panama/New Zealand structures created for Dr Mizzi and Mr Schembri were created simultaneously and both persons were working in tandem. This fact is in itself suspicious given that these structures are typically created on the basis of one’s individual circumstances and not with a one-size-fits-all approach.

*In relation to the attempts made at setting up bank accounts for HEARNVILLE INC:*

- i) Email communications indicates that Nexia BT first attempted opening accounts themselves for HEARNVILLE INC. and TILGATE INC, in the United Arab Emirates. Despite this, Mossack Fonseca & Co. (Panama) were still asked to assist in opening other accounts during the same time period. This indicates the intention of the companies to hold more than one account in different jurisdictions.
- ii) The communication from Mr Karl Cini dated 25<sup>th</sup> August 2015, stating that his client, in this case Dr Konrad Mizzi, will take documents directly in original format for the purpose of opening a bank account in Dubai to the respective bank. This

communication is substantiated by Dr Konrad Mizzi's credit card activity which places him in Dubai on 27<sup>th</sup> August 2015.

- iii) The numerous attempts made to open bank accounts in various jurisdictions, all of which have very little nexus with the beneficial owner, are deemed to be suspicious especially when one considers that contact was made with various banks and the only preoccupation with each request was whether the respective bank is willing to accept a high risk client. In fact contact was made with less than 8 banks namely:
  - Bank in Dubai (exact bank unknown)
  - Bank of St Lucia International (BOSIL)
  - Winterbotham Bank (Bahamas)
  - Banco Itauv(Miami)
  - BSI Bank (Panama)
  - Brichell Bank (Miami)
  - Cidel Financial Group
  - FPB Bank (Panama)
- iv) In addition it was noted that the email communications trail relating to account opening never refers to any other feature or perks which the different accounts have to offer. This was also deemed suspicious due to the fact that people usually consider having the offshore accounts due to certain advantages such as beneficial interest rates.
- v) In an email dated 17<sup>th</sup> September 2015, Mr Cini confirmed that the account will be the operating accounts of the Panamanian company and estimated yearly deposits of EUR350,000. This warrants the question as to how a minister with an annual income of approximately EUR100,000 was to fund deposits of EUR350,000 to an account held in the name of his Panamanian company.
- vi) It was noted that Mr Karl Cini was very timely in replying to communications from Mossack Fonseca & Co. Panama during the setting up of the companies as well as the arrangements to open bank accounts for the companies. Therefore it was deemed suspicious when a reminder was sent to him on 22<sup>nd</sup> September 2015 to provide information on the purpose of the bank accounts and the operations/activities of the companies and such information was then provided on the 17<sup>th</sup> December 2015.
- vii) The willingness to pay USD4,500 for a service that under normal circumstances can be obtained free of charge.
- viii) The reluctance of various banks in known high risk jurisdictions to open an account for a company whose ultimate beneficial owner is a PEP.
- ix) The fact that on the basis of information obtained by the FIAU the first time MR Cini gave any indications that the Panamanian companies will be used as holding companies for operations conducted in the sectors of recycling and remote gaming was in October 2015. This coincides with the time when 3 different banks

which were willing to consider opening accounts for these companies all requested an initial deposit of \$1million (15<sup>th</sup> September 2015). These events lead to the suspicion that Mr Cini mentioned the 2 sectors as being a source of funds given that both sectors are known to generate large sums of money. Whereas Dr Konrad Mizzi's statement of preservation of family assets would not justify the receipt of such large sums.

- x) The fact that in an email dated 15<sup>th</sup> December 2015 (Appendix 8.7) Mr Cini provided various details in relation to the operation of the Panamanian companies. In this communication Mr Cini stated that the companies are estimated to generate \$2million within a year and that the monthly amount of transaction was expected at circa EUR150,000.
- xi) The numerous and lengthy discussions showing attempts at opening a bank account for the Panamanian company came to a swift halt once the initial adverse media reports were published on 22<sup>nd</sup> February 2016. According to information obtained from the FIAU, arrangements to set up these accounts were still being made on the 17<sup>th</sup> February 2016.

*In relation to the various contracts and agreements that the Government of Malta entered into:*

- i) The fact that negotiations of a wind power plant in Montenegro commenced in July 2010 between the Government of Montenegro and a Spanish Consortium. Once the required building permit was issued in December 2014, the Spanish Consortium transferred its shares in the subsidiary company Mozura Wind Park d.o.o. to Enemalta plc on 2<sup>nd</sup> February 2015, with open sources citing the reason for the transfer being a failure in talks between the Government of Montenegro and the Spanish Consortium. This raises suspicion given that the Consortium had been involved in this agreement since 2010 and allegedly was removed/relinquished its interest just when all systems were in place for the works to commence. Of further suspicion is the fact that the Consortium still commenced construction works on the 15<sup>th</sup> February despite having transferred its shares to Enemalta plc on 2<sup>nd</sup> February 2015.
- ii) Re: NAO Report – The fact that, as was noted in the NAO report dated March 2015; “In the AFC meeting date 12 March 2014, no targets for Q3 and Q4 were set” as well as the fact that, “this is further corroborated through an email exchange between Committee member dated 20 March 2014...”
- iii) Re: NAO Report – The fact that the dates identified above, namely the 12<sup>th</sup> and 20<sup>th</sup> March 2014 coincide with the date in which the “Heads of terms agreement with Shanghai Electric power to partial sale of Enemalta” was drawn up and the date in which Dr Konrad Mizzi travelled to Beijing presumably on official business given that the credit card he used was his official card.

- iv) Re: NAO Report – The allegations made through open sources which state that in 2014 Enemalta Corporation entered into a hedging agreement with Socar Trading SA following “ministerial direction”, the corroboration of these allegations with the findings of the NAO report dated March 2015, as well as the FIAU’s determination that the deals which took place on the 1<sup>st</sup> and 2<sup>nd</sup> April 2014 warrant further questioning.
- v) Re: NAO Report/Appendix 8.28 – The fact that in relation to the hedging agreement which took place on the 1<sup>st</sup> April 2014 the Advisory and Finance Committee had agreed on a price on \$905/MT for the commodity being diesel, however the hedge deal was agreed with a price of \$910/MT.
- vi) The fact that the Petroleum Procurement Committee was informed of the “ministerial direction” exercised in the hedge deals between Socar Trading SA and Enemalta Corporation during a meeting held on 3<sup>rd</sup> April 2014 which is just 1 day after Dr Konrad Mizzi’s portfolio was changed to that of Minister for Energy and Health.
- vii) The fact that there seems to be no rationale as to why the Enemalta Corporation purchased a commodity for USD14,720,000 in April 2014 when on the effective date which was 1<sup>st</sup> July 2014, the Corporation was to be acquired by Enemalta plc.
- viii) Re: Appendix 8.28.8.29/8.30 – The fact that the confirmation letters did not provide details for payment.
- ix) Re: NAO Report - The fact that the findings of the NAO report dated March 2015, beg the question as to why agreements with Socar Trading SA have a number of inconsistencies when compared to other contracts entered into with 3<sup>rd</sup> parties.
- x) Re: Nao Report – The fact that the NAO Report dated March 2015 also noted that these deals with Trading SA corresponded to “100 per cent of Enemalta Corporation’s Q3 and Q4 unleaded petrol and diesel requirements.”
- xi) Re: NAO Report - The NAO’s conclusion that the hedging policy-related shortcomings identified in the 2013 Report, wherein the Office reviewed Enemalta Corporation’s hedging function, largely persisted. As at March 2015, the Corporation did not have a formally documented hedging policy against which the Corporation may subsequently set its strategic orientation. One notable manifested change in terms of hedging policy was the Corporation’s decision to extend hedging operations to include unleaded petrol and diesel. Enemalta Corporation and Enemed stated that the rationale motivating policy decision was driven by efforts at ensuring price stability while more generally adopted a risk averse approach;
- xii) The general lack of terms and figures relating to fees, costs and charges on the published agreements.
- xiii) Re Appendix 8.36/8.37 - The fact that there is a conflict in the dates relating to the subscription agreement of D3 Power Generation Limited.



- xiv) Re Appendix 8.36/8.37 - The tampering with published version of the document relating to the subscription agreement of D3 Power Generation Limited.
- xv) Re Appendix 8.36/8.37 - The fact that the copy of the Subscription Agreement which was obtained by the FIAU does not include Schedules 3, 4 and 5.
- xvi) Re Appendix 8.43/8.44 - The apparent lack of transparency in relation to the agreements involving Enemalta plc, Electrogas Malta Limited, Armada Floating Gas Storage Malta Limited and/or Armada Floating Gas Services Limited and the involvement of Mr Mario Pullicino in one of these companies.

*In relation to the various company incorporations and changes made to enable for investments in Enemalta Corporation:*

- i) The enactment of Chapter 536 of the Laws of Malta which came into force in August 2014 which *inter alia* was “to make provision for the transfer of all the assets, rights, liabilities and obligations of Enemalta Corporation to Enemalta plc...” and “to repeal the Enemalta Act...”
- ii) The powers conferred to the Minister of Energy in Chapter 536 of the Laws of Malta significantly outweigh the powers conferred to the same minister under Chapter 272 of the Laws of Malta.
- iii) The incorporation of 13 companies from May 2013 to December 2015 in order to enable the privatisation of the Enemalta Corporation and allow for the involvement of various local and foreign shareholders, namely;

• GEM Holding Limited	(C60349)	08/05/2013
• Electrogas Malta Limited	(C60775)	12/06/2013
• Tumas Energy Limited	(C64888)	28/04/2014
• New Energy Supply Limited	(C64971)	02/05/2014
• Petromal Company Limited	(C65288)	23/05/2014
• Enemalta plc	(C65836)	01/07/2014
• Enemed Co. Limited	(C66404)	19/08/2014
• D3 Power Generation Ltd	(C66510)	29/08/2014
• SEP (Malta) Holding Ltd	(C67784)	26/11/2014
• Int. Renewable Energy Development Ltd	(C68860)	02/02/2015
• Armada Floating Gas Service Malta Ltd	(C69888)	06/04/2015
• Armada Floating Gas Storage Malta Ltd	(C69887)	06/04/2015
• Int. Energy Service Centre Ltd	(C73682)	22/12/2015

These points were deemed to be suspicious given that cap 272, Art 16(1) enabled Enemalta Corporation to raise funds through debentures. This therefore raises the question as to why such an elaborate structure of companies as well as a thorough change in legislation was necessary in order to enable the Enemalta investment.

It has also been noted that seven of these companies were incorporated prior to the date of when chapter 536 came into force.

*In relation to the various inconsistencies/suspicious circumstances noted in the case of Dr. Konrad MIZZI:*

- i) The inconsistency in the intended operations of the Panamanian Company HEARNVILLE INC. communications show the said activity to the range from preservation of family assets, management of inheritance, management consultancy and brokerage as well as being used as a holding company for operations conducted in sectors of Recycling and Remote Gaming.
- ii) Upon his return from Montenegro (ie. 16th June 2015) Dr. Mizzi signed the Source of Funds/Wealth Declaration Form. (Appendix 8.3). This declaration form identified Dr. Mizzi's source of funds/wealth as being personal assets and proceeds from business trade.
- iii) The time in which the UK Company GASOL, sold its interests in Electrogas Malta Ltd. (22/07/2015) coincides with the time when HEARNVILLE INC. was placed under trust and steps were being taken to open an offshore account/s for HEARNVILLE INC.
- iv) Dr. Mizzi's presence in Serbia in October, 2015 five days prior to the date an agreement was signed between the state of Montenegro State Consortium Fersa and Celebic, Mozura Wind Park d.o.o and Enemalta plc.
- v) Dr. Mizzi's presence in Montenegro in November 2015, which is just two days after an agreement was signed between the government of Montenegro and Enemalta plc. in relation to a 1.5 million Euro bank guarantee. Of further suspicion is the fact that the only transactions which appear to have been carried out using bank cards during this trip are on Dr. Mizzi's personal credit card and are only for 0.01 euros which means that these were carried out in order to ensure that the card is valid. This therefore raises the question as to why Dr. Mizzi refrained from using his official card during this trip.
- vi) Dr Konrad Mizzi's visit to Shanghai 2 days after the incorporation of SEP (Malta) Holding Limited in Malta, a company whose sole shareholder is Shanghai Electric Power and Energy Power and Energy Development Limited.
- vii) On the basis of information obtained through Dr Konrad Mizzi's credit card activity, Dr Mizzi travelled to China 17 times during the period 10/09/2013 to 24/03/2016. It was noted that despite having family in China he stayed in hotels for at least 16 of these trips. This fact combined with the use of his official card indicates that these trips to China were State related visits. It was also noted that no transactions were noted on Mr Mizzi's accounts in relation to the purchase of flight tickets. The volume of trips to China at a time when Malta and China were already signing deals in relation to Enemalta raises suspicion.

viii) The reluctance to name the company carrying out the independent audit in relation to Dr Konrad Mizzi's offshore structures citing that the audit was still in progress when documentation shows that the audit was in fact completed two weeks prior to the statement being made.

ix) Email correspondence between Mr Karl Cini and Mossack Fonseca shows sudden and persistent attempts in setting up a bank account for HEARNVILLE INC. during 2015. This was deemed suspicious given that the company had been incorporated since 2013 and the only measures taken since then were to have the company placed under trust. This sudden persistence in opening a bank account for the Panamanian company at significant costs coincides with the time when the required domestic company corporations, deals and agreements in relation to the privatization of the Enemalta Corporation were nearing completion/completed.

x) The fact that the costs associated with setting up a structure involving a Panamanian company which is held under trust in New Zealand are not justified when one takes into consideration the fact that Dr Mizzi's 2014 declaration of assets consisted of:

- A house in London which includes a garage (which has a potential rental value of GDP 20K per year)
- An apartment in Sliema (which still has an outstanding bank loan attached to it and therefore cannot be placed under trust or used to generate further income such as rent)
- Bank deposits totaling €310,279 (It is pertinent to note that the analysis carried out by the FIAU failed to corroborate this amount. Information obtained by the FIAU identified bank deposits totaling just over €92,000 which are held in joint accounts with Ms Sai Mizzi Liang);
- 4,000 shares in Malta International Airport plc (the dividends in these shares are being credited to Dr Mizz's domestic accounts. It is interesting to note that the amount of dividends being paid out would be minimal and therefore not worth concealing in an offshore set up such as the one mentioned earlier).

In addition to this information, it is worth noting that in Dr Mizzi's 2015 declaration, bank deposits of €389,440 were declared. Again this is not in line with the sums identified in this analysis.

The apparent lack of these bank deposits, which would be one of the most significant assets Dr Mizzi holds, further begs the questions as to why such a structure was required, given that the costs of setting up and maintaining such a structure would outweigh any financial benefit derived solely from the property in the UK.

xiii) The fact that Dr Konrad Mizzi's assets in Malta, namely the bank deposits as well as the apartment in Sliema (which has an outstanding bank loan attached to it and is therefore hypothecated in favour of BOV) are all assets which are held jointly with his wife Mrs Sai Mizzi Liang. In view of this Dr Mizzi would not be able to transfer any of these assets to a trust of which he alone is the settlor.

xiv) The fact that the passport numbers provided for the last 4 beneficiaries listed in the Trust Questionnaire and the Due Diligence Sheet are diplomatic passport numbers. This was deemed suspicious given that the document is not assigned to an individual on a permanent basis and should therefore not be used for personal affairs.

xv) Dr Konrad Mizzi's claims that he "did not sign any bank opening forms, nor did I give a Power of Attorney to the service provider to open an account." is not in line with the Power of Attorney he signed on 16<sup>th</sup> June 2015 in which he granted absolute discretionary powers to granted to Mr Cini and Mr Tonna to carry out any actions necessary with the set-up of the trust structure (which inter alia includes the Panamanian company and related bank account), including the authorization to sign all the necessary documentation.

xi) On the basis of the information available to the FIAU, this whole set-up cost Dr Mizzi at least:

- €4,839.16 to BTI Management (as per K Mizzi's BOV bank statement)
- USD 5,235 to set up Roturua Trust with the underlying company (as per independent audit)

Such costs totaling approx. €9,700, which do not include the annual fee charged by the trust services provider, again show that such a setup is too costly to justify it being used simply to hold a property in the UK which is expected to generate rental income of approximately GBP 20K per year and average bank deposits of €92,000 which are not even held in Dr Mizzi's sole name.

It is also pertinent to note that other fees may have been due to Mossack Fonseca & co. (Panama) for the services provided since 2013 as is evidenced in the lengthy communications with Mr Karl Cini. The FIAU does not have any information which may indicate the cost of said fees except that the cost to open a bank account was USD4,500 per account.

In addition, it has also been noted that during the stage were account were being made to set up a bank account for HEARNVILLE INC., Dr Konrad Mizzi personally travelled to Dubai in order to present the bank with the relevant documentation. The FIAU is also unaware of the costs incurred during this trip.

xii) In addition to the lack of proportionality to in the size of the asset and the structure set up to manage it, one also begs the question as to why the house in London was not placed in the trust immediately rather than leaving such a costly structure with no assets.

xiii) The fact that Rotorua Trust was initially set up for purposes of confidentiality and privacy and instruction were given not to have the trust audited (Appendix 8.8). This is not in line with Dr Konrad Mizzi's subsequent claim to the PANA Committee that he had subjected his set-up to an independent audit which was an unprecedented level of openness.

In relation to the UAE company 17 Black Limited:

i) The provision of "consultancy services" by 17 Black Limited, a company registered in the United Arab Emirates coupled with Mr Karl Cini's claim that this company together with Macbridge Limited, another company registered in the United Arab Emirates, are the target clients of Tillgate Inc. and Hearnille Inc.

ii) The involvement of Mr Mario Pulicino as company secretary to Armada Floating Gas Services Limited, a company which was incorporated 3 months prior to the transaction from Orion Engineering Group to 17 Black Limited.

iii) The difference in the references for the transaction which was attempted on 10<sup>th</sup> July 2015 and the transaction which was carried out successfully on 23<sup>rd</sup> July 2015.

iv) The inconsistencies in alleged business activity of 17 Black Limited with one source stating that the company provides man power, whereas information obtained indirectly from Noor Islamic Bank Dubai states that the company provides consultancy services.

In relation to the BVI company Torbirdge Services Inc:

- i) The fact that Mr Karl Cini advised that he will be sending the requested documentation in relation to Torbridge Services Inc in a separate envelope, by hand, addressed to Hamidreza, who being the CEO of Pilatus Bank would not usually be involved in any account opening procedures.
- ii) The fact that Mr Cini advised that the initial funding to the account of Torbridge Services Inc was expected in August 2015 and that the expected size of the relationship by end of 2015 would be around €1million, however following initial adverse media reports in February 2016, no such activity ever took place on the account.

Finally, and most importantly, an explanation will need to be provided for:

- i) The fact that Dr Konrad Mizzi, who claims to be a well-off individual looking to safeguard his assets, opted to set up a complex structure shortly after he was



- appointed as a government minister, a role which carried a financial package that was significantly less than his previous employment;
- ii) The fact that the set-up of these structures also coincided with the time when the Government of Malta was entering into numerous agreements directly concerning Dr Konrad Mizzi's ministry. This is suspicious given that, in the event that Dr Konrad Mizzi wished to protect his assets for his family's benefit, it would have been logical to do so shortly after the birth of his children in 2007 and 2010 respectively, and during a time when he was earning significantly higher salaries as well as living in a country which is known to have a higher tax rate than Malta.

In view of the above circumstances, the information available to the FIAU is deemed to be sufficient to conclude that a reasonable suspicion of money laundering and/or the existence of proceeds of crime subsists. It is therefore being recommended that this report be transmitted to the Police in terms of Article 31 (1) of the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta) for any action the police may consider appropriate.

Analysis conducted and report drawn up by:

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Ruth Gauci

Senior Financial Analyst