



EUROPEAN PARLIAMENT

Ana Gomes

Member of the European Parliament

Michel Barnier
Commissioner for Internal Market and Services

Cecilia Malmström
Commissioner for Home Affairs

Brussels, February 11th 2014

Dear Commissioners,

Portuguese bank BANIF has recently communicated that it signed a memorandum of understanding, to allow an unknown company in Equatorial Guinea to inject EUR 133.5 million in the bank which was rescued in 2012 with a capitalization of € 1.1 billion by the Portuguese state.

Equatorial Guinea is a country ruled for more than three decades by Teodoro Obiang, regarded as one of the worst African dictators and one of the most corrupt world leaders. Equatorial Guinea is one of the largest oil producers in the continent, being one of the countries with the highest GDP per capita in the world. Oil revenues have been used, however, to fund the lavish lifestyles of the small elite surrounding the president, while most of the population lives in extreme poverty, without enjoyment of the most basic economic, social and cultural rights. The majority of the population does not have access to drinkable water, for instance.

According to Human Rights Watch, President Obiang "has sought to enhance its international standing and improve its image while continuing to disregard economic and social rights, harass civil society activists, impose severe restrictions on freedom of expression, undermine political rights, and carry out unfair trials." According to Freedom House, Equatorial Guinea is one of the 10 worst countries in the world to be a journalist. Recently, in fact, two journalists from the Financial Times were arrested and returned to the UK without their laptops, notebooks and other research materials.

On the other hand, an international arrest warrant was issued in 2012 by French judges against Teodorin Obiang, son of President Obiang, on suspicions of corruption and money laundering. His property in Avenue Foch in Paris and 11 luxury cars were seized by the French authorities, as well as properties worth 70 million U.S. dollars in the United States, on suspicion of the same crimes.

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There is thus sufficient evidence to suspect that the injection of capital into BANIF from Equatorial Guinea may constitute a scheme to launder money from a corrupt and criminal regime, which can harm the interests of depositors and shareholders of BANIF. This move is clearly part of Equatorial Guinea's strategy to gain leverage in Portugal to become a member of the Community of Portuguese speaking Countries(CPLP), despite the fact that Portuguese was imposed as official language by a decree of President Obiang, even though the language is not spoken by the people.

I am also submitting these concerns to Banco de Portugal and Comissão do Mercado de Valores Mobiliários, the entities in charge of the supervision of the implementation of the Anti-Money Laundering Directive by obliged entities in Portugal (according to transposition Law 25/2008 of 5th of June). I therefore urge the Commission to press the Portuguese Government (who is still a shareholder of BANIF) and the abovementioned institutions to not allow the operation and press the BANIF administration to ensure enhanced due diligence in this matter, given the very high risk it represents for the integrity of the Portuguese banking system.

Best regards,

Ana Gomes

Cc: Mario Draghi, President of the European Central Bank
Andrea Enria, Chairperson of the European Banking Authority

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