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Andrea Enria
Chairperson of the European Banking Authority (EBA)

Brussels, 16 October 2015

Subject: Investment from Isabel dos Santos in EFACEC (Portugal)

Dear Mr. Enria,

In June 2015 it was announced that Ms. Isabel dos Santos, daughter of José Eduardo dos Santos, President of Angola, bought EFACEC, an engineering and electricity company financed by Portuguese capital, which employs over 2500 people and is present in more than 65 countries.

According to news reports, Ms. Isabel dos Santos purchased 65% of Efacec Power Solutions in partnership with the National Electricity Distribution Company (ENDE), a company owned exclusively by the Angolan State. The deal, valued at EUR 200 million, allowed Ms. Isabel dos Santos to enter a new market in Portugal (she already has significant stakes in the oil sector, via GALP, in banking through banks BPI and BIC, and in telecommunications through the NOS operator, besides other investments in real estate), assuming the majority of the capital of a major Portuguese company and controlling its management.

In June 2015 further reports indicated that EFACEC, after the purchase, would become the supplier of electrical equipment for three dams in construction in Angola, namely Cambambe and Lauca.

The purchase made by Ms. Isabel dos Santos was made through a shell company headquartered in the Free Zone of (Zona Franca da) Madeira - Winterfell Industries. Winterfell is a limited liability company created in late December 2014, whose purpose is the practice of consulting activities for business, as well as the management of non-financial shareholdings. Its capital is merely €50,000.

On the 18th of August 2015 it became public that President José Eduardo dos Santos had issued a presidential order, according to which an Angolan public electricity company would buy 40% of Winterfell, for an unknown price - all suggesting a "cascade operation".

Since the amount of the purchase ordered by President José Eduardo dos Santos is not known, legitimate doubts arise on whether the Angolan State might be indirectly financing "private" major acquisitions of Ms. Isabel dos Santos, incurring in numerous illegalities under Angolan law.



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Furthermore, since Ms. Isabel dos Santos is clearly a Politically Exposed Person (PEP) as defined by Anti-Money Laundering regulation in the EU, Portugal's obliged entities, namely the financial institutions involved in the operation, have a legal duty to perform enhanced due diligence - namely, the duty to establish the source of funds of foreign PEPs, having a clear picture of how the PEP acquired wealth, either generally or for the particular business they are involved in. A consortium of Portuguese banks have financed the acquisition through Malta - Caixa Geral de Depósitos, BCP, BPI, Montepio and BIC: including, therefore, a public bank and two private banks of which Ms. Isabel dos Santos is, herself, a major shareholder.

Angola is considered by the Financial Action Task Force to be a high-risk country and a non-cooperative jurisdiction. These operations, which increase the already pervasive political and economic control by the Angolan kleptocratic regime in Portugal, pose, in our view, high risks to the stability and integrity of the Portuguese and European financial system.

In this context, and since the Bank of Portugal, the competent supervisory entity under the Portuguese law, has not publicly demonstrated opposition to this purchase (or to any other significant investments in Portugal of Ms. Isabel dos Santos, of other dos Santos' children and Angolan top officers and government members, in alliance with Angolan state companies), we would request the European Banking Authority, under the terms and limits allowed by its legal mandate, to inquire the Bank of Portugal and, if possible, all financial institutions involved in this operation to verify that this particular operation and all Isabel dos Santos's investments in Portugal are being carefully scrutinized and that European laws in the field of anti-money laundering are being duly respected.

Best regards,

Ana Gomes (S&D)
Benedek Jávor (Greens/EFA)
Dennis de Jong (GUE/NGL)
Elly Schlein (S&D)
Ignazio Corrao (EFD)



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