MEPs urge European authorities to investigate Isabel dos Santos’ investments in Portugal

Brussels, 16 October 2015 - Four MEPs, including both Co-chairs of the Parliamentary Intergroup on Integrity and Transparency, Corruption and Organised Crime, sent letters to the European Commission, the European Banking Authority (EBA), the Financial Action Task Force (FATF) and written questions to the European Central Bank (ECB) requesting investigation on the legality of the purchase of the Portuguese company EFACEC by Ms. Isabel dos Santos, daughter of Angolan President José Eduardo dos Santos, in the face of European anti-money laundering legislation.

According to press reports, Isabel dos Santos acquired 65% of Efacec Power Solutions in partnership with the National Electricity Distribution Company (ENDE), a company owned exclusively by the Angolan State. In June 2015 new reports indicated that EFACEC, after the purchase, would become the supplier of electrical equipment for three dams under construction in Angola, namely Cambambe and Lauca.

In letters sent to the European institutions and the FATF, an intergovernmental organization that promotes norms and standards to combat money laundering, MEPs express concern that the acquisition has been made through Winterfell Industries, a shell company, headquartered in Zone Franca da Madeira, with a registered capital of only € 50,000. President Jose Eduardo dos Santos issued in August this year a presidential order authorising the purchase by the Angolan State of 40% of Winterfell, by an unknown price - operation that raises the possibility of the Angolan State is indirectly and illegally financing private investments of his daughter Isabel dos Santos.

MEPs emphasise also the fact that Isabel dos Santos is a PEP - Politically Exposed Person. Anti-money laundering legislation in the EU obliges financial institutions involved - in this case, Portuguese banks that financed operation CGD, BCP, BPI, Montepio and BIC - to take enhanced due diligence to determine the source of the funds and credit guarantees when PEPs are involved.

MEPs ask, therefore, the ECB, the European Commission and EBA, as supervisors of the integrity of the European financial system, to determine whether the Bank of Portugal - the national supervisory authority - and financial institutions are effectively complying with European legislation with regard to this acquisition, as well as other significant holdings of Isabel dos Santos in Portugal, particularly in the oil sector,
through GALP, in banking through BPI and BIC, and in telecommunications, through NOS operator, as well as other real estate investments.