

APPENDIX I. ADDITIONAL DETAILS OF RED FLAGS MENTIONED IN THE LITERATURE

This appendix provides the additional details of red flags that have been removed from the main text to increase readability.

Subsidiary located in a tax haven

A subsidiary located in a tax haven applies when one or more subsidiaries or the ultimate holding company are legally incorporated in a tax haven. In the 2020 edition of State of Tax Justice, the Netherlands ranked 4th in the Corporate Tax Haven Index. Garcia-Bernardo et al. (2017) perform a network analysis study to make a distinction between conduit and sink Offshore Financial Centers (OFCs). Sink OFCs are typical tax havens, with zero or low corporate tax rates, these jurisdictions are attractive for multinationals to place and hold their assets and capitals. Examples include the Cayman Islands and the British Virgin Islands. Conduit OFCs are countries with typically a low or zero tax rate on transfers of capital in combination with a well-functioning legal system. Conduit OFCs are intermediate countries for financial flows with a (high tax) country as the origin and a sink OFC as the destination. Garcia-Bernardo et al. (2017) conclude the Netherlands is a conduit offshore financial center. A feature of conduit OFCs that is present in the Netherlands is holding companies (see indicator 2). A subsidiary located in a tax haven is a common indicator for tax avoidance (Gelder Van et. al, 2016; Holland Quaestor, 2020; van Koningsveld, 2015; DNB, 2019; Savona et al., 2017).

Dutch holding or financing company

This red flag refers mostly to a situation in which a Dutch company with limited liability (B.V) is placed in a corporate structure. This structure can be used to channel dividend payments through the Dutch (holding) entity to lower the overall tax burden of the group. The structure can also be used to channel payments of interests and management fees, to lower the overall tax burden of the group (Gelder Van et. al, 2016).

Dutch cooperative company

A Dutch cooperative company can be used similarly to a Dutch holding or financing company (Gelder Van et. al, 2016).

Trust of Company Services Provider (TSCP) acting as a director

This is one of the tasks TSCPs can provide for their foreign clients. The TSCP is the (co) director of the entity and can manage the entity for the client (Gelder Van et. al, 2016; van Koningsveld, 2015; FAFT & Egmontgroup, 2018).

Undervaluing quality of gas and oil

Undervaluing the quality of the oil and gas can be especially important in the start-up phase when the company negotiates a tax ruling with a local government that is unaware of the actual value of the natural resources (Gelder Van, et al. 2016).

Payments to local governments

Payments to local governments can be used to negotiate better deals and reduce the tax burden or to obtain a specific license from a government (Gelder Van et. al, 2016; Savona et al., 2017).

A limited number of employees

This red flag applies to entities with very few employees at a certain office in combination with a relatively high turnover for that location. This is a characteristic of a shell company (Gelder Van et. al, 2016; Holland Quaestor, 2020, FAFT & van Egmont Group, 2021).

Tax efficiency reasons are indicated for corporate structure

Tax planning purposes can be given as reasons by corporate groups for why intermediate companies are set up in certain jurisdictions (Gelder Van et. al, Holland Quaestor, 2020).

Flow-through companies (Doorstroomvennootschappen)

Companies that are part of the same group as the trust office are referred to as flow-through companies. (Must be distinguished from companies that perform flow-through activities and are part of the group structure of a client of a trust office). A trust office can use flow-through companies to carry out transactions on behalf of their client, such as intellectual properties, consulting services, and loans (Holland Quaestor, 2020; FAFT & Egmontgroup, 2021; DNB, 2019; FAFT & Egmontgroup, 2018).

Flash entity

A flash entity is a corporate entity created to process a single transaction (whether or not composed), where the purpose of this transaction is to achieve a fiscal effect (Holland Quaestor, 2019; FAFT & Egmontgroup, 2021).

A closed limited partnership (besloten commanditaire vennootschap, C.V.)

A partnership in which, under Dutch law, the partners are taxable and not the C.V. itself. If partners do not live in the Netherlands and do not have a permanent establishment in the Netherlands, the Netherlands cannot levy tax on them on the income received by the C.V. (Holland Quaestor, 2019; DNB, 2019).

Excessively complicated structures

A structure with many layers, jurisdictions, or legal figures, without an obvious business, historical or legal reason. This indicator is applicable if the scope of research shows that the structure is tax-driven (Holland Quaestor, 2019; FAFT & Egmont group, 2021; DNB, 2019; Savona et al., 2017; FAFT & Egmont group; 2018).

Trade entity is registered in a jurisdiction with weak AML/CFT compliance.

Jurisdictions with weak Anti Money Laundering and Combating the Finance of Terrorism (AML/ CFT) regulations have less supervision and therefore less information for governments (FATF & Egmont Group, 2021).

Entity registered at a mass registration address

Entities registered at mass registration addresses do not use any office space, for example, post-box addresses. Specifically, when there is no reference to a specific unit. Mass registration addresses can be recognized when all holding companies are registered at the exact same address, often combined with zero or few employees (FATF & Egmont Group, 2021).

Name of trade entity is a copy/very similar of well know corporation.

Trade entities with a copied or very similar name could potentially be an effort to appear as part of the corporation, even though it is not (FATF & Egmont Group, 2021).

Lack of effective supervision and control mechanisms

This can be found in corporate entities where only one legal person has direct or indirect control over the company structure. Or when there is a lack of control from the board of offshore entities, or General Board of Shareholders (van Koningsveld, 2015).

A special purpose entity / vehicle (SPE or SPV) /Special Financial Institution

SPEs are corporate entities owned by foreign multinationals, the entities are registered in the Netherlands as holding or finance companies. SPEs are characterized by the fact they can only engage in financial activities and do not have any employees (DNB, 2020). The Netherlands is the largest recipient of Foreign Direct Investments (FDI) worldwide. These FDI are mainly received via Special Purpose Entities (SPEs). There is a significant relationship between bilateral tax treaties and the routes FDI follows via SPEs in the Netherlands (Weyzig, 2013). Moreover Lejour et al. (2021) report large tax savings when SPEs are involved, specifically for royalties. In 2018, there are 12,000 SPEs in the Netherlands with a total capital of 3,371 billion euros. Furthermore, there is a clear relation between SPEs and trust offices. Often SPEs, without employees in the Netherlands, could benefit from the services of trust offices. Of the SPEs in the Netherlands, 70% uses a trust office or other forms of shareholding (DNB, 2007; Koningsveld, 2015; Unger, 2007; DNB, 2019).

A STAK (Stichting Administratie Kantoor) in the company structure

A STAK is a foundation (stichting) set up to manage shares. Profits can flow to the company via certificates. A STAK can also contribute to the complexity of the corporate structure (DNB, 2019).

Unknown Ultimate Beneficial Owner (UBO)

If the UBO is not registered there is a lack of transparency and information (Eurodad, 2015; Holland Quaestor, 2020; FATF, 2006; Worldbank, 2011; OESO, 2009; Koningsveld, 2015).

Weak separation of ownership and control

Listed companies have a stronger separation between ownership (shareholders) and control (manager). This leads to more external control and checks and balances from the shareholders. Private companies lack this form of external control.

Bearer shares

Bearer shares are certificates where the owner of the certificate, is the owner of the share. Bearer shares have an inherently high risk of tax integrity and are not allowed anymore in the Netherlands (DNB, 2019).

An UBO (wrongly) claims tax residency and thereby frustrates the exchange of information.

Some jurisdictions hold out the prospect of a local passport to attract investors (see OECD). The UBO uses his passport to make it appear to relevant service providers that he resides in the golden passport country, while he is in fact not a resident there. Claiming tax residency in a golden-passport jurisdiction means that taxes in the country where the ultimate beneficiary is taxable are unfairly avoided (Holland Quaestor, 2020).

Nominee shareholders

Service providers (legal or natural persons) who hold shares in a professional or business capacity on behalf of a client. They are the legal owners, but the economic ownership lies with the client. Tax authorities are not easily able to recognize a nominee shareholder and subsequently find out on whose instructions he acts. Nominee shareholding can be provided by trust offices (Holland Quaestor, 2020; FATF & Egmont Group, 2021; Koningsveld, 2015; Unger, 2006; FATF, 2006; OECD, 2001; DNB, 2019; FATF & Egmont Group, 2018).

UBO is tax resident of a jurisdiction that does not participate in FACTA/CRS

The Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) are international agreements that combat tax evasion and promote the exchange of financial information between countries. If a jurisdiction does not take part in these agreements, it is easier for the UBO to stay unknown. (Holland Quaestor, 2020).

Recently adjusted ownership structures due to changes in fiscal laws or other causes.

Adjusting the corporate ownership structure often increases the complexity of the ownership structure (DNB, 2019).

Unrestricted use of legal persons as directors

Legal persons can be used to distance the beneficial owner from certain corporate assets. The more legal persons are involved in a corporate structure, the more complicated the structure (FATF & Egmont Group, 2018).

Business activity of an entity not appropriate for the type of address

It occurs if, for example, a trade entity uses residential properties, without commercial/industrial space and no explanation (FATF & Egmont Group, 2021).

Lacking online presence, or online presence suggests other activities than stated in reports

Online presence is lacking if, for example, the website takes standard material from other websites, or lacks the correct information about the offered services and products.

Entity shows noticeable lack of business activity

A lack of business activity could be suspicious. For example, when payroll transactions are not in line with the number of employees, operation costs, or tax remittances (FATF & Egmont Group, 2021).

Entity has unexplained periods of inactivity

If a business has unexplained periods of a lack of business activity, this is suspicious for money laundering (FATF & Egmont Group, 2021).

Trade activity not in line with stated line of business

For example, a car dealer starts selling clothes as well, this is an indicator of money laundering (FATF & Egmont Group, 2021).

Trade entity engages in transactions/shipping route inconsistent with standard business practices

If a trade entity engages in inconsistent standard business practices regarding transactions or shipping routes, this can be suspicious for money laundering (FATF & Egmont Group, 2021).

Unreasonably low profit margins in transactions

It can be suspicious if a corporation has an unreasonably low profit margin. For example, exporting commodities at retail value, or reselling at the same purchase price (or lower) (FATF & Egmont Group, 2021).

New trade entity engages in high volume/value activities

It can be suspicious if a new trade entity suddenly works in sectors with high barriers to entry (FATF & Egmont Group, 2021).

Purchasing commodities that exceed the economic capacities of the entity

This red flag refers to transactions financed via sudden influxes of cash deposits or third-party transfers (FATF & Egmont Group, 2021).

Payments for patents to a jurisdiction with a lower profit tax

Profits in the extraction country can be shifted to a lower tax jurisdiction by making the local company pay considerable amounts of royalties for the use of certain patents (Eurodad, 2015; Holland Quaestor, 2020).

Royalty payments to jurisdiction with lower profit tax

Royalty payments are deductible expenses, high royalty payments to a low tax jurisdiction can be a way to lower the taxable income in the original country (Weyzig, 2013; Holland Quaestor, 2020).

Intra group loans and payments

Intra-group loans result in interest payments between different entities belonging to the same corporate structure. Providing intra-group loans may be used to shift costs to high-tax jurisdictions and income to low-tax jurisdictions (Weyzig, 2013; Actionaid, 2015; Holland Quaestor, 2020; Koningsveld, 2015).

Redirected dividend payments

If the dividend payments in the corporate structure do not follow hierarchical lines but are redirected via entities in countries such as the Netherlands, which combines a participation exemption with a beneficial network of tax treaties, this can indicate tax avoidance (European Commission, 2016).

Dividend stripping

Dividend stripping is characterized by selling or lending shares as soon as a dividend payment is announced and buying them back after the dividend has been paid. The dividend to be received is included in the selling price and, after the dividend has been paid, the shares are repurchased at a lower price. The result is that the dividend has effectively not been paid and no dividend tax is owed, or dividend tax is paid at an excessively low rate (Holland Quaestor, 2020).

Management fee payments to jurisdictions with lower profit tax

Profits can be lowered in the local country by paying management fees to related entities in low-tax jurisdictions (Van Gelder et al., 2016).

Payment for commodities made by another entity without economic reason

Payments are usually done by the entity involved in the business transaction. If for example a new shell company suddenly makes these payments, this can be suspicious (FATF & Egmont Group, 2021).

Cash deposits are consistently just below reporting thresholds

Cash deposits consistently below the threshold could be used to hide flows of cash with an illegal origin (FATF & Egmont Group, 2021).

Payments go in circles

Payments go in circles when money is sent from country to country and ends up back in the same country (FATF & Egmont Group, 2021).

Via intermediate holding companies the corporate group could benefit from bilateral tax agreements

Also known as treaty shopping (Tweede Kamer, 2013; Van Gelder et al., 2016).

Advance tax ruling in a developing country

The corporate group can, especially in the negotiation phase, make favorable tax agreements with local government officials (van Gelder et al., 2016).

APPENDIX II. DESCRIPTION OF OIL AND GAS PRODUCTION AND REGULATION IN THE SELECTED COUNTRIES

Our sample includes the two largest oil-producing countries of Sub-Saharan Africa. Angola is the second-largest producer of oil in Sub-Saharan Africa, behind Nigeria. Angola holds almost 7.8 billion barrels of proven crude oil reserves and produces 1.4 million barrels of crude oil per day (Ferreira & Cunha, 2021). Oil production in Angola in 2018 amounted to 500.9 million compared to 2,6 billion barrels of oil for Africa as a whole.¹⁴ The right to produce and explore oil or natural gas is granted by either licenses or concession agreements, generally produced by public tender procedures. The state is the owner of all national resources and mineral rights are exclusively assigned to the National Concessionaire, ANPG, which can associate with Angolan or foreign entities in the following forms: corporation, consortium, production sharing agreements (PSA), or risk services agreements (RSA). All entities that carry out petroleum operations are subject to Petroleum Revenue Tax of 50 percent for PSAs or 65,75 percent for partnerships and RSAs (EY, 2019). Moreover, the government may grant an exemption from oil industry-related taxes whenever justified by economic conditions. The PSA, also, may override the general taxation regime and may set forth specific taxation rules (Ferreira & Cunha, 2021). One of the most spectacular illicit financial flows through the Netherlands was related to the "Luanda Leaks", where the daughter of the Angolan president Isabel Dos Santos was accused of evading taxes and laundering money from Angola amounting to more than one billion USD.¹⁵

The oil industry in Mozambique is relatively small compared to its gas sector. In 2015 an oil field was discovered which is currently operated by South African company Sasol. There is no information indicating that Mozambique has already started producing crude oil. The country is, however, one of the largest natural gas reserve holders in Africa with estimations of reserves up to 100 trillion cubic feet compared to 615 trillion cubic feet for Africa as a whole (Rocha & Mendes, 2021; EIA,2021). Mozambique is expected to become the world's third-largest natural gas exporter by 2023.¹⁶

¹⁴ <https://www.iea.org/data-and-statistics/data-browser?country=WEOAFRICA&fuel=Oil&indicator=OilProd>

¹⁵ <https://www.icij.org/investigations/luanda-leaks/luanda-leaks-dutch-newspaper-wins-against-dos-santos-advisers/>

¹⁶ <https://www.ran.org/the-understory/lng-destroys-villages/> March 18, 2019

The gas sector is in a very early stage with two well-established fields in the South of Mozambique operated by Sasol. Ever since gas was found in the Rovuma Basin off the coast of northern Mozambique in 2010, Anadarko, ExxonMobil, Eni, and Total— financed by China, France, Italy, South Korea, and other governments, as well as many private banks — are key companies involved in extracting and processing the gas.¹⁷

Production is expected to start only in 2023/2024, (Rocha & Mendes, 2021). The constitution of Mozambique provides that natural resources are the property of the State. The High Authority of the Extractive Industry was established in 2014 to supervise Petroleum Operations but is not operational yet. The Government created the Energy Regulatory Authority (ARENE) which is responsible for regulating, controlling, and supervising the energy sector (Rocha & Mendes, 2021). However, the members of ARENE have not yet been appointed. The State also participates in Petroleum Operations through the national oil company ENH, and any investor must associate with ENH through concession contracts. Entities in the oil and gas industry are subject to a corporate income tax of 32 percent (EY, 2019). Mozambique currently has 19 BITs in force, among them a BIT with the Netherlands, United Kingdom, France, Germany, and Italy. The BIT with the Netherlands is in force since 2004 to promote economic cooperation through the protection of investments on both sides (UNCTAD, 2021a). Mozambique does not have a DTA with the Netherlands. So, in our sample, Mozambique is an example where investment protection can be a more important driver than tax purposes. Its bad border controls and high corruption made it the highest risk country for money laundering out of 125 countries assessed by the Basel Institute Indicator BAMLII.¹⁸

Next to Mozambique, Egypt is one of the biggest gas producers in North Africa and holds 63 trillion cubic feet of gas reserves and 3.8 billion barrels of oil reserves (Africa Energy Series, 2020; EIA,2021). Egypt is ranked sixteenth of countries with the largest gas reserves worldwide, compared to the thirteenth place for Mozambique and the tenth place for Nigeria. The oil and gas sector accounts for 15 percent of GDP and 31 percent of FDI. The Egyptian gas market is controlled by Idku (operated by Chevron, Petronas, Total, and several Egyptian firms), Eni, and BP. The Egyptian constitution states that natural resources are owned by the state. The Egyptian General Petroleum Corporation (EGPC) is mainly responsible for implementing and overseeing the government’s petroleum policies and it holds shares in 41

¹⁷ <https://www.ran.org/the-understory/lng-destroys-villages/#easy-footnote-bottom-2-5903>

¹⁸ <https://allafrica.com/stories/201908300248.html> April 19, 2021

joint ventures and 87 private sector companies. The Egyptian Natural Gas Holding Company (EGAS) is mainly responsible for promoting and developing gas activities in Egypt (El-Shadid & Badawy, 2020). The state can award oil and gas exploration rights by virtue of concession agreements or PSAs. Companies pay an income tax of 40.55 percent (EY, 2019). Egypt has DTAs with more than 50 countries, among them the Netherlands, Italy, France, and the United Kingdom (PWC, 2021a). Next to these DTAs, Egypt also has many BITs adding up to 115 in total (UNCTAD, 2021b). In our sample, Egypt is an example for tax and investment protection purposes. In 2017 Egypt lost \$22.3 billion because of tax evasion, according to the Tax Authority.¹⁹

Nigeria is the largest oil producer in Africa and holds the largest natural gas reserves on the continent (EIA, 2020). Annual oil production in 2018 amounted to 665.1 million compared to 500.9 million in Angola.²⁰ The government of Nigeria relies heavily on crude oil and natural gas revenue which contributes to about 65 percent of government revenue, even though the sector forms less than ten percent of the country's GDP (Ajayi, 2019). Nigeria holds 37 billion barrels of oil and 200.79 trillion cubic feet of gas reserves (Shakur, 2018). At the end of 2018, 232 producing fields were operated by 47 oil-producing companies. Among them is Total E&P which is operating 7 oil fields (Shakur, 2018). Companies in Nigeria can operate under a license in the form of joint ventures between the federal government and either an international oil company or a sole risk operator. Other common arrangements are that companies operate under PSAs or RSAs (EY, 2019). The fiscal regime in Nigeria consists of income tax of 65.75 percent in the first five years and 85 percent after five years. Contractors in PSAs are subject to a tax rate of 50 percent under the Petroleum Profits Tax. Nigeria has DTAs with 13 countries, among them the Netherlands, Canada, France, Italy, and the United Kingdom (PWC, 2021b). All the treaties are comprehensive with a tax rate of 7.5 percent for dividend, royalties, interest, and services fees, except for the treaty with Italy which only applies to air and shipping (EY, 2021; FIRS, 2019). Next to these DTAs, Nigeria also has BITs in force with the Netherlands and thirty other countries (UNCTAD, 2021c). Like Egypt, Nigeria is an example of all potential possibilities to avoid taxes and protect the investment. Several scandals related to corruption, environmental scandals, and money laundering lead to the prosecution of Shell in the Netherlands and Eni in Italy. Eni and Shell jointly acquired the

¹⁹ <https://thearabweekly.com/bitter-options-egypt-tax-evasion-persists> Arab Weekly September 2, 2018

²⁰ <https://www.iea.org/data-and-statistics/data-browser?country=WEOAFRICA&fuel=Oil&indicator=OilProd>

OPL 245 field from a company owned by former Nigerian oil minister Dan Etete, who was convicted of money laundering in an unrelated case in France in 2007. Prosecutors in Italy allege that the two oil companies knew that around \$1.1 billion used for the acquisition of OPL 245 would be used to pay politicians, businessmen, and middlemen.²¹

Appendix III Description of corporations' activities in the selected countries

Total SE is headquartered in Paris, France. Total is the fourth largest international oil and gas major with a presence in more than 130 countries and consolidated sales of \$209 billion in 2018. Total has 14 subsidiaries in the Netherlands which are related to activities in Angola, Nigeria, Mozambique, or Egypt (see Appendix II for the organization structure). Total reported an adjusted net income of \$13.6 billion and paid income taxes of \$6.5 billion in 2018 (Total Annual Report, 2018). The company is the largest integrated major (plays across the entire petroleum value chain from oil exploration and production to transport, refining, and marketing) in Africa and the two main producing countries are Angola and Nigeria. In addition, the annual report of 2018 shows the payments made to governments. Taxes to the Dutch government in 2018 were negative, mostly as a result of the refund of taxes due to carry back of losses of 2017. In Mozambique no taxes were paid because production had not started yet, only \$2.2 million was paid for license fees due to activities in the Rovuma Basin Area 3 and 6. Total SE does not provide any information on revenues per country and corporate income taxes per country in their annual reports.

BP is a global energy group with as mother company, BP P.I.C., located in London, United Kingdom. BP has operations in 33 countries in Europe, North and South America, Australia, Asia, and Africa. BP has eight subsidiaries in the Netherlands which are related to activities in Angola and Egypt (see Appendix II for the organization structure). Operating revenues in Africa amounted to \$7.2 billion and profit before tax was \$2.1 billion. The country-to-country report (2018) shows payments made to governments in Angola and Egypt in 2018. These payments amount to \$668 million for income and withholding taxes and \$1,970 million for production entitlements in Angola. In Egypt, \$265 million was paid for income and withholding taxes, \$50.6 million for fees, and \$17.1 million for bonuses.

²¹ <https://www.reuters.com/article/us-shell-nigeria-idUSKCN1Q13TZ>

The Eni S.p.A. group is headquartered in Rome, Italy. The group is active in 68 countries worldwide, including Angola, Mozambique, Egypt, and Nigeria (Annual report Eni, 2020). Eni has nine subsidiaries in the Netherlands which are related to activities in Angola, Nigeria, Mozambique, or Egypt (see Appendix II for the organization structure) The foreign subsidiaries in the exploration and production segment are organized by three international holding companies: Eni International B.V., incorporated in the Netherlands, Eni Investment P.l.c., incorporated in the United Kingdom and Eni Petroleum Co Inc., incorporated in the United States. In 2018 net sales from operations amounted to €75.8 million and annual oil production was equal to 1900 barrels of oil equivalent per day (Annual report Eni, 2018). The group reported an operating profit of €10 billion and a net profit attributable to Eni's shareholders of €4.1 billion. The company's revenues and corporate taxes paid in the Netherlands and the selected developing countries are summarized in Table 4.

Saipem S.p.A. is headquartered in Milan, Italy. Saipem is a leading company in engineering, drilling, and construction in the energy and infrastructure sector. Saipem differs from Total, Eni, and BP as it functions as a service provider for the oil- and gas industry. Saipem is present in 60 countries worldwide and is active in Angola, Egypt, Mozambique, and Nigeria. Saipem has four subsidiaries in the Netherlands which are related to activities in Angola, Nigeria, or Egypt (see Appendix II for the organization structure). No Dutch subsidiaries related to activities in Mozambique are found. In 2018, net sales from operations amounted to €8.5 billion. The result before income tax was a loss of €216 million, income taxes were €194 million, and the net result was a loss of €472 million (Saipem SpA, annual report 2018). Limited country-by-country data is available only for 2020 (Saipem Annual Report, 2020) (Table 4).

Equinor ASA (formerly Statoil) is a Norwegian partly state-owned multinational energy company headquartered in Stavanger. It is primarily a petroleum company, operating in 36 countries. The daily oil and gas production amounts to 2.07 million barrels of oil equivalent in 2020. The total revenue was \$45.7 billion. Equinor ASA is present in Angola and Nigeria. Moreover, Equinor supports and owns several projects from its office in Rotterdam. The company pays \$258 million in corporate income tax in Angola and \$71 million in Nigeria.

Table 4. Overview payments to governments

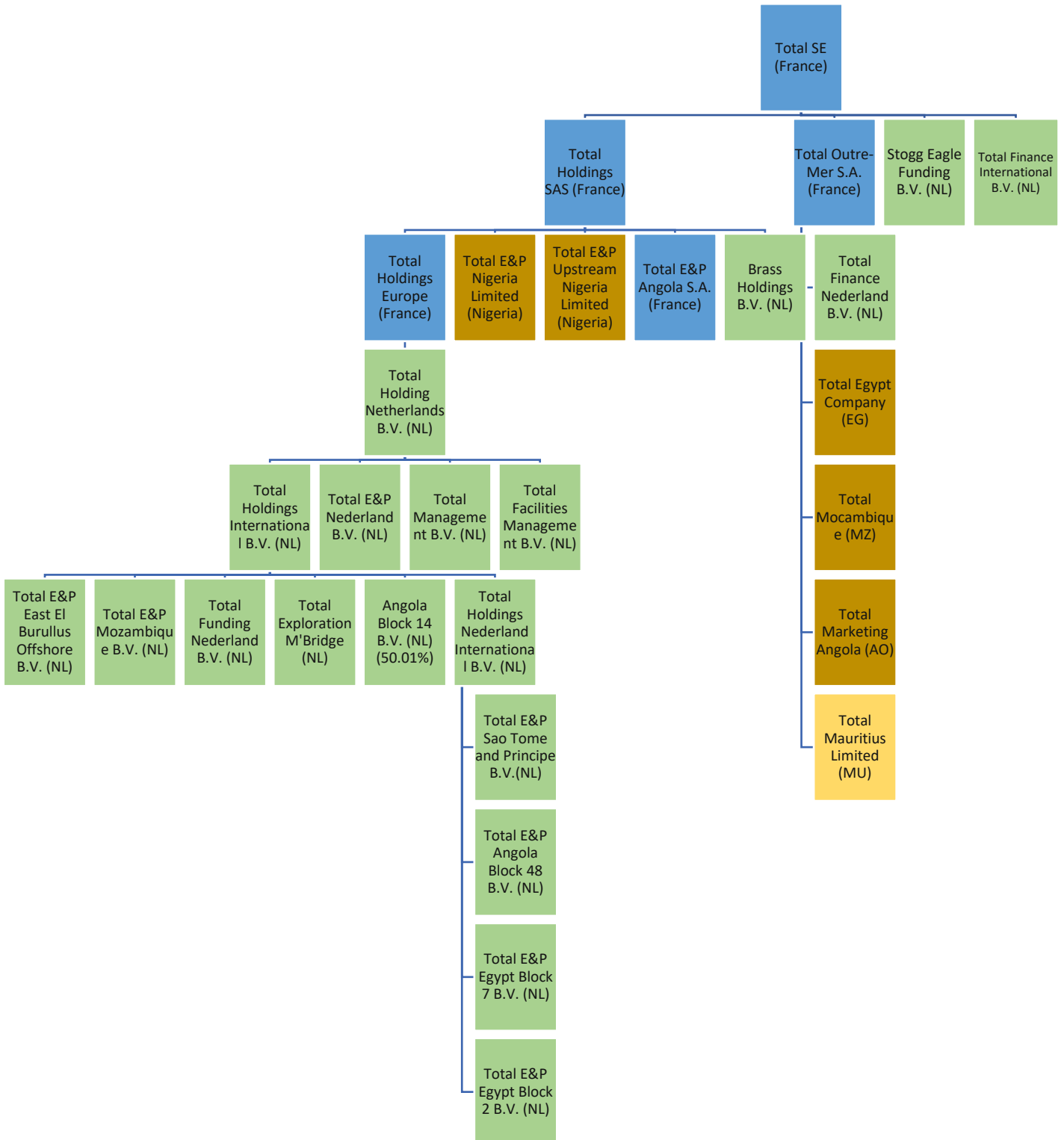
Company		Total revenues	Profit (loss) before tax	Corporate income tax
Total	Netherlands	n/a		
	Angola	n/a		
	Mozambique	n/a		
	Nigeria	n/a		
	Egypt	n/a		
BP P.L.C.	Netherlands	12.6	0.3	0.2
	Angola	2.8	1.0	0.4
	Mozambique	0.1	(0.01)	0
	Nigeria	0.0000007	(0.00006)	0.00009
	Egypt	n/a	n/a	0.5
Eni S.p.A.	Netherlands	1.6	(0.3)	0.007
	Angola	2.5	0.7	0.3
	Mozambique	0.005	(0.004)	0
	Nigeria	1.3	0.2	0.2
	Egypt	3.7	1.8	0.4
Saipem S.p.A.	Europe ¹	3.0	(0.3)	0.028
	North-Africa ²	1.00	0.02	0
	Sub-Saharan Africa ³	0.7	0.03	0.04

Equinor	Netherlands	0.9	0.8	0.008
AsA				
	Angola	1.3	0.4	0.3
	Nigeria	0.2	0.1	0.07

Source: Retrieved from annual reports and country-by-country reports 2018. For BP: report 2019. Amounts in billion USD. ¹ Includes: Norway, Switzerland, Italy, Netherlands, Austria. ² Includes: Egypt, Tunisia, Libya, Algeria. The income from this cluster was partially offset with tax losses from previous years and partially exempt. ³ Includes Senegal, Congo, Nigeria, Mozambique, Angola, Ghana. Taxes for this cluster are mainly withholding taxes (Angola, Ghana) applied on revenues and are therefore independent of the actual margin achieved from the activities.

APPENDIX IV. VISUAL REPRESENTATION OF THE STRUCTURES OF SELECTED CORPORATIONS

1. Total SE



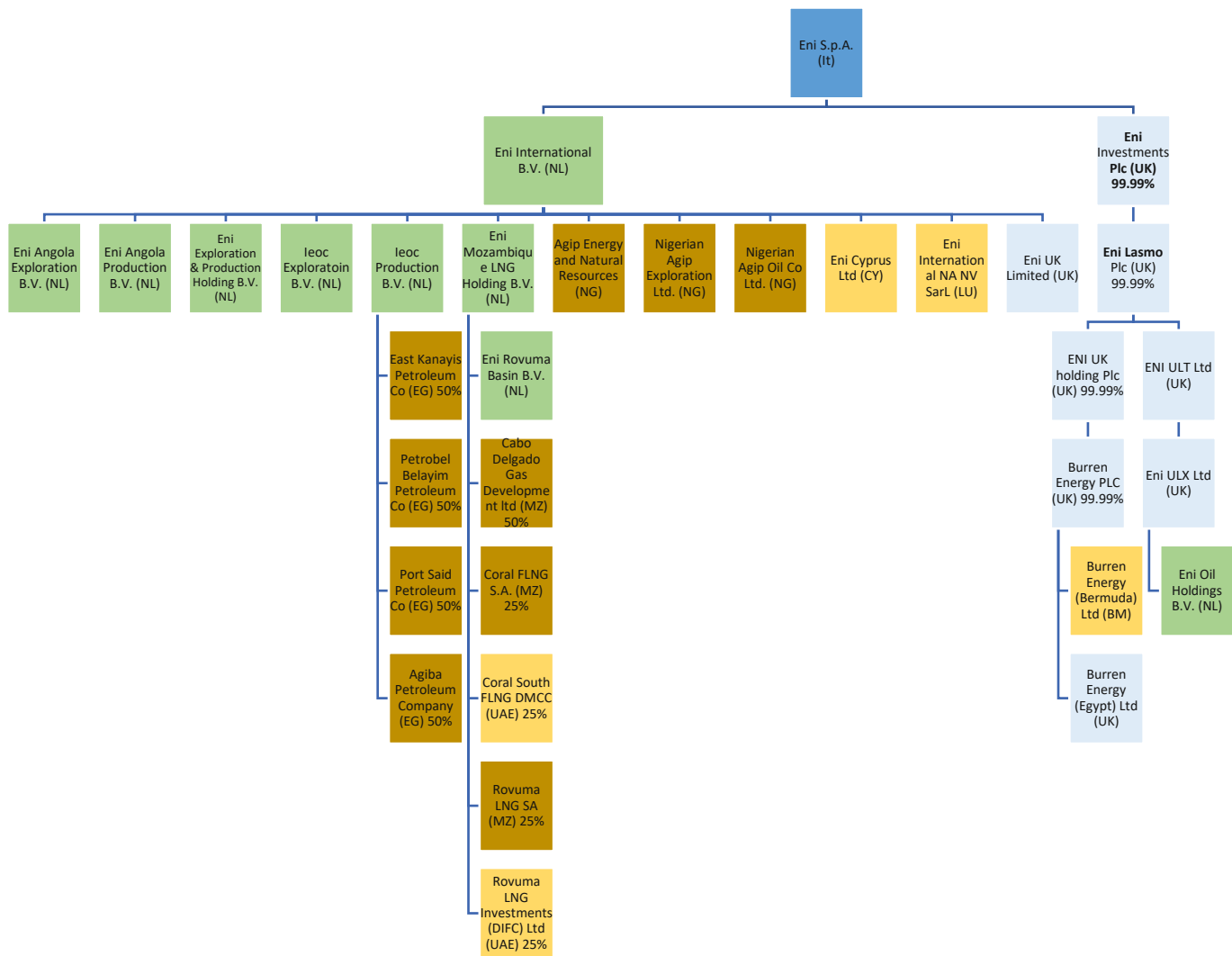
Source: Made by the authors. Dark blue: Parent company country, Green: Dutch subsidiary, Orange: Developing country, Yellow: Tax haven, Light blue: Other

2. BP P.L.C.



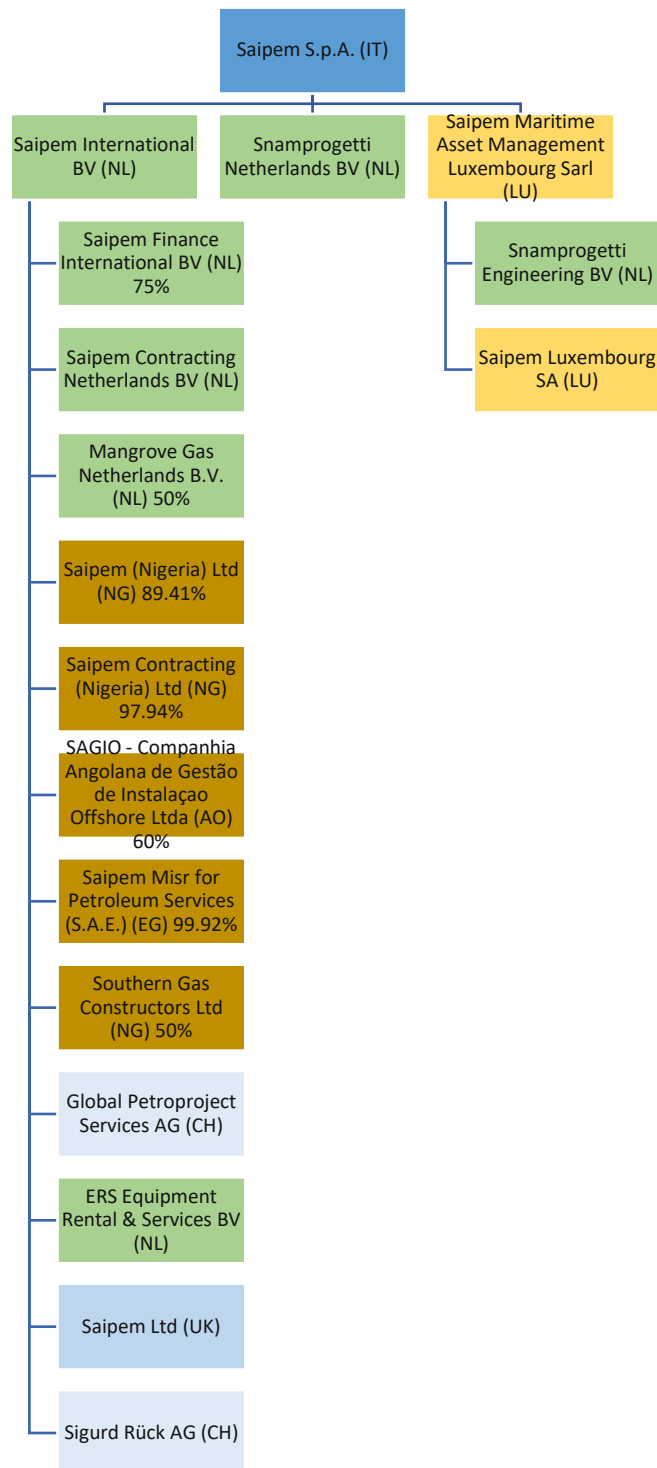
Source: Made by the authors. Dark blue: Parent company country, Green: Dutch subsidiary, Orange: Developing country, Yellow: Tax haven, Light blue: Other

3. ENI S.p.A.



Source: Made by the authors. Dark blue: Parent company country, Green: Dutch subsidiary, Orange: Developing country, Yellow: Tax haven, Light blue: Other

4. Saipem S.p.A.



Source: Made by the authors. Dark blue: Parent company country, Green: Dutch subsidiary, Orange: Developing country, Yellow: Tax haven, Light blue: Other

APPENDIX V. LIST OF DUTCH SUBSIDIARIES

Subsidiaries	Address	Group interest	Operating country	Link to selected countries
TOTAL SE				
Angola Block 14 B.V.	Bordewijklaan 18 Den Haag	50%	Angola	Yes
Total E&P Angola Block 48 B.V.	Bordewijklaan 18 Den Haag	100%	Angola	Yes
Total E&P Sao Tome and Principe B.V.	Bordewijklaan 18 Den Haag	100%	Angola	Yes
Total Exploration M'Bridge	Bordewijklaan 18 Den Haag	100%	Angola	Yes
Total E&P Aruba B.V.	Bordewijklaan 18 Den Haag	100%	Aruba	No
Total (BTC) B.V.	Bordewijklaan 18 Den Haag	100%	Azerbaijan	No
Total E&P Absheron B.V.	Bordewijklaan 18 Den Haag	100%	Azerbaijan	No
Total E&P Azerbaijan B.V.	Bordewijklaan 18 Den Haag	100%	Azerbaijan	No
Total E&P Three PI B.V.	Bordewijklaan 18 Den Haag	100%	Brazil	No
Total E&P Borneo B.V.	Bordewijklaan 18 Den Haag	100%	Brunei	No
Total E&P Bulgaria	Bordewijklaan 18 Den Haag	100%	Bulgaria	No

Total E&P Cote d'Ivoire B.V.	Bordewijklaan 18 Den Haag	100%	Cote d'Ivoire	No
Total E&P Cyprus B.V.	Bordewijklaan 18 Den Haag	100%	Cyprus	No
Total E&P Jutland Denmark B.V.	Bordewijklaan 18 Den Haag	100%	Denmark	No
Total E&P East El Burullus Offshore B.V.	Bordewijklaan 18 Den Haag	100%	Egypt	yes
Total E&P Egypt Block 2 B.V.	Bordewijklaan 18 Den Haag	100%	Egypt	Yes
Total E&P Egypt Block 7 B.V.	Bordewijklaan 18 Den Haag	100%	Egypt	Yes
Total E&P Greece B.V.	Bordewijklaan 18 Den Haag	100%	Greece	No
Total E&P Guyana B.V.	Bordewijklaan 18 Den Haag	100%	Guyana	No
Total Iran B.V.	Bordewijklaan 18 Den Haag	100%	Iran	No
Total E&P Kurdistan Region of Iraq (Harir) B.V.	Bordewijklaan 18 Den Haag	100%	Iraq	No
Total E&P Kurdistan Region of Iraq (Safen) B.V.	Bordewijklaan 18 Den Haag	100%	Iraq	No
Total E&P Kurdistan Region of Iraq (Taza) B.V.	Bordewijklaan 18 Den Haag	100%	Iraq	No
Total E&P Kurdistan Region of Iraq B.V.	Bordewijklaan 18 Den Haag	100%	Iraq	No
Total E&P Ireland B.V.	Bordewijklaan 18 Den Haag	100%	Ireland	No
Total E&P Kenya B.V.	Bordewijklaan 18 Den Haag	100%	Kenya	No

Total E&P Mauritania Block C18 B.V.	Bordewijklaan 18 Den Haag	100%	Mauritania	No
Total E&P Mauritania Block C9 B.V.	Bordewijklaan 18 Den Haag	100%	Mauritania	No
Total E&P Mauritania Block ta29 B.V.	Bordewijklaan 18 Den Haag	100%	Mauritania	No
Total E&P Mauritania Block DW B.V.	Bordewijklaan 18 Den Haag	100%	Mauritania	No
Total E&P Mozambique B.V.	Bordewijklaan 18 Den Haag	100%	Mozambique	Yes
Total E&P Namibia	Bordewijklaan 18 Den Haag	100%	Namibia	No
Total E&P Nederland B.V.	Bordewijklaan 18 Den Haag	100%	Nederland	No
Total Brazil Services B.V.>	Bordewijklaan 18 Den Haag	100%	Netherlands	No
Total Facilities Management B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	No
Total Gastransport Nederland B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	No
Brass Holdings B.V.	Bordewijklaan 18 Den Haag	100%	Nigeria	Yes
Stogg Eagle Funding B.V.	Hoogoorddreef 15 Amsterdam	100%	Nigeria	Yes
Total E&P Philippines B.V.	Bordewijklaan 18 Den Haag	100%	Phillippines	No
Total E&P South Africa B.V.	Bordewijklaan 18 Den Haag	100%	South Africa	No
Total E&P Suriname	Bordewijklaan 18 Den Haag	100%	Suriname	No

Total E&P Tajkistan B.V.	Bordewijklaan 18 Den Haag	100%	Tajkistan	No
Total E&P Uganda B.V.	Bordewijklaan 18 Den Haag	100%	Uganda	No
Total East Africa Midstream B.V.	Bordewijklaan 18 Den Haag	100%	Uganda	No
Total E&P Holdings UAE B.V.>	Bordewijklaan 18 Den Haag	100%	United Arab Emirates	No
Total E&P Lower Zakum B.V.	Bordewijklaan 18 Den Haag	100%	United Arab Emirates	No
Total E&P UAE Unconventional Gas B.V.	Bordewijklaan 18 Den Haag	100%	United Arab Emirates	No
Total E&P Umm Shaif Nasr B.V.>	Bordewijklaan 18 Den Haag	100%	United Arab Emirates	No
Total E&P Uruguay B.V.	Bordewijklaan 18 Den Haag	100%	Uruguay	No
Total E&P Uruguay Onshore B.V.	Bordewijklaan 18 Den Haag	100%	Uruguay	No
Total Oil and Gas Venezuale B.V.	Bordewijklaan 18 Den Haag	100%	Venezuela	No
Total E&P Yemen Block 3 B.V.	Bordewijklaan 18 Den Haag	100%	Yemen	No
Total Finance International B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	No
Total Finance Nederland B.V.	Bezuidenhoutseweg 273 Den Haag	100%	Netherlands	No
Total Funding Nederland B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	No

Total Holdings Nederland International B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	Yes
Total Holdings International B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	Yes
Total International NV	Bordewijklaan 18 Den Haag	100%	Netherlands	No
Total Holding Netherlands B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	Yes
Total Management B.V.	Bordewijklaan 18 Den Haag	100%	Netherlands	Yes

BP P.L.C.

Actomat B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Amoco Canada International Holdings B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Amoco Chemicals (FSC) B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Amoco Exploration Holdings B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Amoco Trinidad Gas B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
BP Angola (Block 18) B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Angola	Yes
BP Canada International Holdings B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
BP Commodity Supply B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No

BP Egypt East Tanka B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Egypt	Yes
BP Egypt Production B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Egypt	Yes
BP Egypt Ras El Barr B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Egypt	Yes
BP Egypt West Mediterranean (Block B) B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Egypt	Yes
BP Energy Solutions B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
BP Holdings B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
BP Holdings International B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
BP Management International B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	Yes
BP Management Netherlands B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
BP Muturi Holdings B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
BP Nederland Holdings BV	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
BP Netherlands Upstream B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	Yes
BP Raffinaderij Rotterdam B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No

BP Venezuela Investments B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
BPNE International B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	Yes
Castrol B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Castrol Holdings Europe B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
Castrol Nederland B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
Foseco Holding International B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	-	No
FreeBees B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
Windpark Energy Nederland B.V.	d'Arcyweg 76, Europoort Rotterdam	100%	Netherlands	No
ENI S.p.A.				
Agip Caspian Sea B.V.	Strawinskylaan 1725 Amsterdam	100%	Kazakhstan	No
Agip Karachaganak BV	Strawinskylaan 1725 Amsterdam	100%	Kazakhstan	No
Eni Abu Dhabi BV	Strawinskylaan 1725 Amsterdam	100%	United Arab Emirates	No
Eni Albania BV	Strawinskylaan 1725 Amsterdam	100%	Netherlands	No
Eni Algeria Exploration BV	Strawinskylaan 1725 Amsterdam	100%	Algeria	No

Eni Algeria Production BV	Strawinskylaan 1725 Amsterdam	100%	Algeria	No
Eni Angola Exploration BV	Strawinskylaan 1725 Amsterdam	100%	Angola	Yes
Eni Angola Production BV	Strawinskylaan 1725 Amsterdam	100%	Angola	Yes
Eni Australia BV	Strawinskylaan 1725 Amsterdam	100%	Australia	No
Eni Bahrain BV	Strawinskylaan 1725 Amsterdam	100%	Bahrain	No
Eni China BV	Strawinskylaan 1725 Amsterdam	100%	China	No
Eni Denmark BV	Strawinskylaan 1725 Amsterdam	100%	Greenland	No
Eni Energy Russia BV	Strawinskylaan 1725 Amsterdam	100%	Netherlands	No
Eni Exploration & Production Holding BV	Strawinskylaan 1727 Amsterdam	100%	Netherlands	No
Eni Gas & Power LNG Australia BV	Strawinskylaan 1725 Amsterdam	100%	Australia	No
Eni Iran BV	Strawinskylaan 1725 Amsterdam	100%	Iran	No
Eni Iraq BV	Strawinskylaan 1725 Amsterdam	100%	Iraq	No
Eni Ireland BV	Strawinskylaan 1725 Amsterdam	100%	Ireland	No
Eni Isatay BV	Strawinskylaan 1725 Amsterdam	100%	Kazakhstan	No

Eni JPDA 11-106 BV	Strawinskylaan 1725 Amsterdam	100%	Australia	No
Eni Kenya BV	Strawinskylaan 1725 Amsterdam	100%	Kenya	No
Eni Lebanon BV	Strawinskylaan 1725 Amsterdam	100%	Lebanon	No
Eni Maroc BV	Strawinskylaan 1725 Amsterdam	100%	Morocco	No
Eni Montenegro BV	Strawinskylaan 1725 Amsterdam	100%	Rep. Of Montenegro	No
Eni Mozambique LNG Holding BV	Strawinskylaan 1725 Amsterdam	100%	Netherlands	Yes
Eni Muara Bakau BV	Strawinskylaan 1725 Amsterdam	100%	Indonesia	No
Eni Myanmar BV	Strawinskylaan 1725 Amsterdam	100%	Myanmar	No
Eni North Africa BV	Strawinskylaan 1725 Amsterdam	100%	Libya	No
Eni Oil Holdings BV	Strawinskylaan 1727 Amsterdam	100%	Netherlands	Yes
Eni Oman BV	Strawinskylaan 1725 Amsterdam	100%	Oman	No
Eni Portugal BV	Strawinskylaan 1725 Amsterdam	100%	Portugal	No
Eni RAK BV	Strawinskylaan 1725 Amsterdam	100%	United Arab Emirates	No
Eni Rovuma Basin BV	Strawinskylaan 1725 Amsterdam	100%	Mozambiqu e	Yes

Eni Sharjah BV	Strawinskylaan 1725 Amsterdam	100%	United Arab Emirates	No
Eni South Africa BV	Strawinskylaan 1725 Amsterdam	100%	Republic of South Africa	No
Eni Tunisia BV	Strawinskylaan 1725 Amsterdam	100%	Tunisia	No
Eni Ukraine Holdings BV	Strawinskylaan 1725 Amsterdam	100%	Netherlands	No
Eni Utrkaine Shallow Waters BV	Strawinskylaan 1725 Amsterdam	100%	Ukraine	No
Eni Venezuela BV	Strawinskylaan 1725 Amsterdam	100%	Venezuela	No
Eni Vietnam BV	Strawinskylaan 1725 Amsterdam	100%	Vietnam	No
Ieoc Exploration BV	Strawinskylaan 1725 Amsterdam	100%	Egypt	Yes
Ieoc Production BV	Strawinskylaan 1725 Amsterdam	100%	Egypt	Yes
Eni International BV	Strawinskylaan 1725 Amsterdam	100%	Netherlands	Yes
Mellitah Oil & Gas BV	Strawinskylaan 1725 Amsterdam	50%	Lybia	No
Saipem S.p.A.				
ERS - Equipment Rental & Services BV	Nieuwe Waterwegstraat 29 Schiedam	100%	Netherlands	No
Saipem Contracting Netherlands BV	Strawinskylaan 1647 Amsterdam	100%	Netherlands	No

Saipem Finance International BV	Strawinskylaan 1647 Amsterdam	100%	Netherlands	Yes
Saipem international BV	Strawinskylaan 1647 Amsterdam	100%	Netherlands	Yes
Snamprogetti Engineering BV	Westfrankelandsedijk 7 Schiedam	100%	Netherlands	No
Snamprogetti Netherlands BV	Strawinskylaan 1647 Amsterdam	100%	Nigeria	Yes
Mangrove Gas Netherlands BV	Westfrankelandsedijk 7 Schiedam	50%	Nigeria	Yes
SaiPar Drilling Co BV	Westfrankelandsedijk 7 Schiedam	50%	Netherlands	No
Saren BV	Strawinskylaan 1647 Amsterdam	60%	Netherlands	No

Equinor

Equinor Argentina BV	Weena 760 Rotterdam		Argentina	No
Equinor Algeria BV	Weena 760 Rotterdam		Algeria	No
Equinor Australia BV	Weena 760 Rotterdam		Australia	No
Equinor International Netherlands BV	Weena 760 Rotterdam	100%	Canada	No
Statiol Colombia BV	Weena 760 Rotterdam		Colombia	No
Equinor Indonesia Aru Through I BV	Weena 760 Rotterdam		Indonesia	No
Statiol Middle East Services Netherlands BV	Weena 760 Rotterdam		Iraq	No
Equinor Nicaragua BV	Weena 760 Rotterdam		Nicaragua	No

Hollandse Kust Offshore Energy CV	Conradstraat 38 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Alfa BV	Weena 760 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Beheer BV	Weena 760 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Beta BV	Weena 760 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Delta BV	conradstraat 38 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Epsilon BV	Weena 760 Rotterdam		Netherlands	No
Equinor Offshore Energy Netherlands Gamma BV	Weena 760 Rotterdam		Netherlands	No
Equinor Energy Netherlands BV	Weena 760 Rotterdam		Netherlands	No
Carbon Clean Solutions Limited			Netherlands	No
Equinor Holding Netherlands BV	Weena 760 Rotterdam	100%	Netherlands	No
Equinor New Zealand BV	Weena 760 Rotterdam		New Zealand	No
Equinor Epsilon Netherlands BV	Weena 760 Rotterdam		Russia	No
Equinor South Africa BV	Weena 760 Rotterdam		South Africa	No
Equinor Suriname B54 BV	Weena 760 Rotterdam		Suriname	No

Equinor Suriname B59 BV	Weena 760 Rotterdam	Suriname	No
Equinor Suriname B60 BV	Weena 760 Rotterdam	Suriname	No
Equinor Turkey BV	Weena 760 Rotterdam	Turkey	No
Equinor Abu Dhabi BV	Weena 760 Rotterdam	UAE	No
Statoil Uruguay BV	Weena 760 Rotterdam	Uruguay	No
Equinor New Energy BV	Conradstraat 38 Rotterdam	Netherlands	No
Equinor Azerbaijan Karabagh BV	Weena 760 Rotterdam	Azerbaijan	No
Equinor Azerbaijan Ashrafi Dan Ulduza Aypara BV	Weena 760 Rotterdam	Azerbaijan	No
Equinor Global Projects BV	Weena 760 Rotterdam	Netherlands	No
Equinor Sincor Netherlands BV	Weena 760 Rotterdam	Venezuela	No
Total		174	Yes: 35

APPENDIX VI. EXTENSIVE TABLE APPLIED RED FLAGS

<i>Indicator</i>	<i>Tota</i>	<i>B</i>	<i>Eni</i>	<i>Saipe</i>	<i>Equinor</i>	<i>Most</i>	<i>Sources</i>
	<i>l</i>	<i>P</i>	<i>S.p.</i>	<i>m</i>	<i>ASA</i>	<i>relevant</i>	
			<i>A.</i>	<i>S.p.A.</i>		<i>for:</i>	
<i>Subsidiary located in tax haven</i>	+	+	+	-	-	Avoidance	ORBIS/ Corporate Annual report
<i>Dutch holding or financing company</i>	+	+	+	+	+	Avoidance	ORBIS/ Corporate Annual report
<i>Dutch cooperative company</i>	-	-	-	-	-	Avoidance	Company.Info: annual reports of Dutch subsidiaries
<i>Trust or Company Services Provider (TSCP) acting as director</i>	+	-	-	-	-	Avoidance Evasion	Company.Info/ Chamber of Commerce: annual reports of Dutch subsidiaries
<i>Under valuing quality of gas or oil / Prices on documents not in line with market value or previous comparable transactions</i>	?	?	?	?	?	Evasion Money laundering	Invoices and trade documents; insights into all transactions and bank accounts. Insight into negotiations of tax rulings in start-up phase.
<i>Payments to local government</i>	?	?	?	?	?	Evasion Money laundering	Corruption cases in Africa; court cases in Africa; annual reports of subsidiaries in Africa
<i>Limited number of employees in NL</i>	+	+	+	+	+	Avoidance	Company.Info: annual reports of Dutch subsidiaries
<i>Tax efficiency reasons are</i>	-	-	-	-	-	Avoidance	Corporate Annual reports

indicated for corporate structure

Flow-through companies

+	-	-	-	-	Evasion Money laundering	Company.Info: annual reports.
---	---	---	---	---	--------------------------------	-------------------------------

Flash entity

-	-	-	-	-	Evasion, Money laundering	Company.Info: annual reports
---	---	---	---	---	---------------------------------	------------------------------

A closed limited partnership (besloten commanditaire vennootschap) (CV)

-	-	-	-	-	Avoidance Evasion	Company.Info: annual reports
---	---	---	---	---	----------------------	------------------------------

Excessively complicated structures.

+	+	+	-	-	All 3	ORBIS/ Corporate annual reports. Checking for the organization layers/levels in the corporate structure and the distance between beneficial owner and subsidiary where operations take place (BO distance). Average distance in mining industry is 3,7. ^[1]
---	---	---	---	---	-------	--

Entity registered at a mass registration address

+	+	+	+	+	Avoidance	Company.Info: annual reports
---	---	---	---	---	-----------	------------------------------

Lack of effective supervision and control mechanisms

?	?	?	?	?	Avoidance	Information about activities of the managers
---	---	---	---	---	-----------	--

A special purpose entity / vehicle (SPE or SPV) /Special Financial Institution

+	+	+	+	+	Avoidance	Company.Info: annual reports
---	---	---	---	---	-----------	------------------------------

A STAK (Stichting Administratie

+	-	-	-	-	Avoidance	Company.Info: annual reports
---	---	---	---	---	-----------	------------------------------

<i>Kantoor) in the company structure</i>							
<i>Unknown Ultimate Beneficial Owner (UBO)</i>	+	+	+	+	+	All 3	Dutch UBO register
<i>No strong separation of ownership and control¹</i>	-	-	+/-	+/-	+/-	Avoidance	Corporate annual reports; percentage of stock owned by the managers. Stock listed companies.
<i>Bearer shares</i>	-	-	-	-	-	Evasion	Company.Info: annual reports / Not allowed anymore
<i>A UBO (wrongly) claims tax residency and thereby frustrates the exchange of information.</i>	?	?	?	?	?	Evasion	Dutch UBO register and other sources
<i>Nominee shareholders</i>	+	+	-	-	-	All 3	Company.Info: annual reports; but hard to identify, more data is needed on persons behind the companies. Trust offices should officially know their client's shareholder and UBO
<i>UBO is tax resident of jurisdiction that does not participate in FACTA/CRS</i>	?	?	?	?	?	Evasion	Dutch UBO register and other sources
<i>Recently adjusted ownership structures due to changes in fiscal laws or other causes</i>	?	?	?	?	-	Evasion	Overview of fiscal laws in country of operation, country of registration and mother country
<i>Unrestricted use of legal persons as directors</i>	-	-	-	-	-	Evasion, money laundering	Company.Info: and company data on company structure such as Orbis.

<i>Payments for patents to a jurisdiction with a lower profit tax</i>	?	?	?	?	-	Avoidance	Annual reports of subsidiaries in Africa and subsidiaries in low tax countries
<i>Other royalty payments to jurisdiction with lower profit tax</i>	?	?	?	?	-	Avoidance	Annual reports of subsidiaries in Africa and subsidiaries in low tax countries
<i>Intra-group loans and interest payments</i>	+	+	+	+	-	Avoidance Evasion	Company.Info: annual reports of Dutch subsidiaries
<i>Redirected dividend payments</i>	+	+	+	+	-	Avoidance	Company.Info: annual reports of Dutch subsidiaries
<i>Dividends stripping</i>	-	-	-	-	-	Avoidance	Company.Info: annual reports of Dutch subsidiaries
<i>Management fee payments to jurisdiction with lower profit tax</i>	-	-	+	-	-	Avoidance	Company.Info: annual reports of Dutch subsidiaries; (Unidentified: annual reports of subsidiaries in low tax countries)
<i>High committee fees</i>	?	?	?	?	?	Evasion	Company.Info: annual reports of subsidiaries in developing countries.
<i>Via intermediate companies the corporate group benefits from bilateral tax agreements</i>	+	+	+	+	-	Avoidance	Company.Info: annual reports of Dutch subsidiaries/ ORBIS
<i>Advance tax ruling in developing country</i>	?	?	?	?	?	Avoidance	Insight in documents and agreements with authorities in Africa

<i>Underreporting exports</i>	?	?	?	?	?	All 3	Annual reports. Between group entities: gross profit of corporate group stays the same, but net profits go up. Between unrelated entities: gross and net profits of corporate group go down, while the profits of external trading partner go up. Specified trade data between different countries is needed
<i>Overreporting imports</i>	?	?	?	?	?	Avoidance Evasion	Same as underreporting exports
<i>No country-by-country reporting</i>	-	-	-	-	-	Avoidance Evasion	Corporate Annual reports; Publicly available country-by-country reports
<i>Accelerated depreciation of assets</i>	?	?	?	?	?	Evasion	Profit and loss accounts of subsidiaries. Hard to measure when depreciation is accelerated. Legal tax rules in Africa; audit reports
<i>Many immaterial assets</i>	+	+	+	+	+	Avoidance Evasion	Company.Info: annual reports of Dutch subsidiaries
<i>Difference between reported and taxed income</i>	+	+	+	?	-	Evasion	Company.Info: annual reports of Dutch subsidiaries; Large amounts of deferred tax; (Unidentified: Tax fillings to tax authorities)
<i>Nicely rounded tax return in developing country</i>	?	?	?	?	?	Evasion	Insight in tax payments in Africa for each company separately

<i>Company is not in compliance with regular business obligations</i>	?	?	?	?	?	Evasion money Laundering	Access to documents provided to Dutch tax authorities
<i>Negative media attention</i>	+	+	+	+	+	All 3	ORBIS
<i>Owner or manager evades or avoids taxes</i>	+/-	+/ -	?	?	?	All 3	Tax fillings of managers to authorities. Use of Management B.V.
<i>Total identified indicators that have high risk of tax avoidance</i>	16	1 4	15	11	8		
<i>Total identified indicators that have high risk of tax evasion</i>	8	6	6	3	3		
<i>Total unidentified indicators</i>	15	1 5	16	17	13		

APPENDIX VII. DETAILS OF IDENTIFIED RED FLAGS PER CORPORATION

Total

We identify for Total sixteen red flags for tax avoidance and eight red flags related to tax evasion.

Dutch subsidiaries with overseas permanent establishments mostly govern the activities of Total in Angola, Egypt, and Mozambique. Most subsidiaries do not have employees and are located at the same address. The number of employees employed by all subsidiaries of Total Holdings Netherlands B.V. is 578, mainly working in Total E&P Nederland B.V. which has operations in the Netherlands. Most of the subsidiaries have a large number of intangible assets, due to bonuses paid to authorities, concessions, and production licenses. Although licenses and bonuses are susceptible to corruption, this cannot be shown with merely the annual reports of the companies. We find many intra-group loans and interest payments between related companies. Among them are loans from Total Holdings Netherlands B.V. to subsidiaries in Nigeria and one subsidiary in Angola. Some of these loans are interest-free, and as a result withholding taxes are avoided. However, this also means that interest is not deductible on profits. Intra-group loans which are not interest-free lower the effective tax rate in developing countries, as the interest payments to foreign countries lower the tax base in these countries. In the Netherlands, these profits are exempted from taxable income under the participation exemption or due to tax treaties in the case of Nigeria and Egypt. However, also tax treaties with France for both countries are in place. The Dutch-Nigeria and France-Nigeria DTAs do not differ much and as a result, cannot explain why subsidiaries were set up in the Netherlands. For Egypt, the DTA with the Netherlands has a zero percent tax rate on dividends, if the Netherlands holds more than 25 percent of the shares in any Egyptian company, and a 12 percent tax rate on interest and royalties. The DTA with France has a zero percent tax rate on dividends and a 15 percent tax rate on interest and royalties. This makes the Netherlands more attractive compared to France for activities related to Egypt.

The absence of employees for all the subsidiaries (except for Total E&P Nederland B.V.), the registration at the same address, and a large number of group receivables indicate that the subsidiaries mainly function as SPEs.

We do not find direct links between dividend or royalty payments to low-tax countries, but Total SE has subsidiaries in Bermuda, The Cayman Islands, Mauritius Island, Panama, Hong Kong, and Cyprus (Total SE, annual report 2020). This can mean that payments are transferred to low-tax countries, but more insight into the annual reports of the companies in these countries is necessary.

There is a trust corporation, namely Stogg Eagle Funding B.V. which has Stichting STOGG Eagle Funding as a shareholder and IQ EQ Management B.V. as director. The annual reports do not show why Stogg Eagle Funding B.V. was created. We find loans from Total Holdings Nederland B.V. to this company but it does not become clear who the beneficiary is. The annual report of Total reports that the company has operations in Nigeria, but provides no further information. This is a red flag for nominee shareholding and money laundering.

Total Management B.V. is the director of all subsidiaries of Total Holdings Nederland B.V., which results in fiscal benefits for the directors of Total Management B.V. (Overeem Van, 2021). If a director is directly employed by a company, it is likely that most of the salary falls in the highest tax box in the Netherlands (52 percent rate). If a Management B.V. is used, also income tax is paid on the salary but there is a tax advantage. Only 20 to 25 percent corporate income tax needs to be paid on the difference between the salary received and the salary paid to the director (i.e., the profit of the Management B.V.). Only if part of this profit is distributed to the director, income tax must be paid (in that case, 25 percent). So, directors prefer to receive a salary as low as possible and have a large part of the remuneration paid out as a dividend. Moreover, there are advantages for the companies of which Management B.V. is the director. No payroll taxes and social security contributions need to be paid. It is unclear to what extent salaries and dividends are paid out to the directors as no further information is available about Total Management B.V.. This construction indicates that, although legal, the managers of the Dutch companies are lowering their personal income taxes.

An explanation for the existence of subsidiaries in the Netherlands is a difference in tax rules in 2012. Capital gains resulting from selling interest of a subsidiary differ between the Netherlands and France. In the Netherlands, this is exempted due to the participation exemption. In France, this was taxed against a rate of 3.4 percent in 2012. Currently, capital gains and dividends received from foreign affiliates are completely exempted from Dutch

income taxes, but only 95 percent are exempted from income tax in France (Klemm, Hebous, & Waerzeggers, 2021). These capital gains can be especially relevant for Angola Block 14 B.V. if one of the two shareholders decides to sell the interest in the company. This scenario was likely considered in setting up the structure. Total E&P Egypt Block 2 B.V. transferred 50 percent of its interest to BP in 2016 in a farm-out and Total E&P Egypt Shorouk Offshore B.V. was liquidated in 2016 (Total Holdings Netherlands B.V., Annual Report 2019).

Also, the extensive BIT framework can play an important role to incorporate subsidiaries in the Netherlands. France also has BITs in place with the selected African countries. As tax and investment protection reasons do not provide a complete answer on why subsidiaries are incorporated in the Netherlands, other motivations are likely to play a role as well.

Some of the fifteen indicators that could not be identified surround the over- or underreporting of imports/exports, undervaluing the quality of natural resources, advance tax rulings in the developing countries, and local payments to government officials. Although it is hard to identify tax evasion, it is likely that subsidiaries of Total are incorporated in the Netherlands for tax reasons as large amounts of revenues are flowing through Dutch subsidiaries and exceeded €7.2 billion in 2018 (Table V.1).

Table V.1 Financial information on Dutch subsidiaries of Total in million US dollars.

<i>Subsidiary</i>	<i>Function</i>	<i>Number of employees</i>	<i>Revenue</i>	<i>Profit before tax</i>	<i>Net income</i>	<i>Intangible assets</i>	<i>Depreciation</i>	<i>Interest income</i>	<i>Dividend</i>	<i>Management</i>	<i>Incorporation</i>
<i>Angola Block 14 B.V.</i>	Financial holding	0	271.4	181.6	154.6	0.006	45.6	5.8	0	Vincent Dutel; Magali Pailhe; Yoshihiro Sakai; Shinya Tauchi	19-04-2012
<i>Total Holdings</i>	Financial	0 (578 *)	6,918	280.2	47.8	6,500	1,400	203.1	0	Charles Cury	28-11-1979

<i>gs</i>	holdi										Fernandes;	
<i>Nederl</i>	ngs										Jean	
<i>and</i>											Jaylet;	
<i>B.V.*</i>											Dimitri	
											Lobadows	
											ky ; Kevin	
											Mc	
											Lachlan;	
											Morten	
											Stage	
<i>Brass</i>	Fina	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a		Total	31-12-
<i>Holdin</i>	ncial										Manageme	2013
<i>gs B.V.</i>	holdi										nt B.V.	
	ngs											
<i>Stogg</i>	Trad	0	0.22	0.02	0.0	-	-	n/a	n/a		IQ EQ	05-05-
<i>Eagle</i>	e			2	18						Manageme	2017
<i>Fundin</i>	medi										nt B.V.	
<i>g B.V.</i>	ation											
	;											
	finan											
	cial											
	holdi											
	ngs											
Total		578	7,19	461.	202	6,500	1,446	208.	0			
			0	8	.4				9			

*Source: annual reports retrieved from Company.Info * All subsidiaries of Total Holdings Nederland B.V. are treated as one taxpayer and provide a consolidated financial statement, except for Angola Block 14 B.V. The employees are mainly active in Total E&P Nederland B.V which has operations in the Netherlands. The companies are managed by Total Management B.V.*

BP

We identify for BP fourteen red flags for tax avoidance, and six red flags related to tax evasion.

All Dutch BP subsidiaries are registered at the same address and do not have employees in the Netherlands. Most of the Dutch companies seem to function as SPEs

because these companies only report financial assets, consisting of investments in other subsidiaries, and receivables from subsidiaries on the asset side of the balance sheet. Some of the Dutch subsidiaries operate through permanent establishments in Angola or Egypt, others have subsidiaries in Angola and Egypt.

As Angola does not have a DTA with the Netherlands, there is likely another reason for the incorporation of subsidiaries in the Netherlands. First, both Dutch subsidiaries work via permanent establishments in Angola. Before 2012, it was fiscally attractive to set up a Dutch subsidiary with a foreign permanent establishment instead of a foreign subsidiary, because foreign losses of permanent establishments could be credited with Dutch profits (until 2012 due to object exemption). As the subsidiaries were set up in 1995 and 2000 this might explain their legal form and why they were set up in the Netherlands.

In the case of Egypt, the DTAs cannot explain why the subsidiaries of BP were set up in the Netherlands in the first place. The Dutch-Egypt tax treaty only came into force in 2000, and most of the subsidiaries were already set up before 2000. Only BP Egypt Production B.V. was set up in 2000 and BPNE International B.V. was incorporated in 2004. The Netherlands-Egypt DTA is more beneficial compared to the United Kingdom-Egypt DTA because it has a 0-15 percent tax rate on dividends (the lower rate applies if the foreign company holds more than 25 percent of the capital in the company) and a 12 percent tax rate on interest and royalties. In comparison, the United Kingdom has a 20 percent tax rate on dividends and a 15 percent tax rate on interest and royalties.

There are many intragroup loans and payments between the subsidiaries, visible in the large values of finance receivables in the annual reports of BP Egypt Production B.V. (2018), BP Netherlands Upstream B.V. (2015), and BP Angola (Block 18) B.V. (2018). The average rate of interest on BP Group Finance receivables is 1.92 percent (based on LIBOR-11bp) for BP Angola (Block 18) B.V. and 1.89 percent for BP Egypt Production B.V. in 2018, which seems to be in line with the arms' length principle. Even if these loans are completely legal, the tax base in the African countries is lowered due to higher costs, and the income is exempted in the Netherlands due to the participation exemption.

We do not find direct links of dividend or royalty payments to low-tax countries, but BP has several sink-countries in the corporate structure. We find subsidiaries in the British Virgin Islands, Bahamas, Mauritius, Barbados, and Luxembourg (Annual Report BP, 2020).

However, financial information is limited, and the researched annual reports do not reveal detailed information about payments to these countries.

BP Netherlands Upstream B.V. functions as a flow-through company of dividends. This structure does not necessarily avoid taxes in Angola, but in the United Kingdom. For incoming dividends, the company benefits from the participation exemption and outgoing dividends between corporate groups in Europe are not taxed in the Netherlands.

In addition, we find large amounts of ‘deferred taxes’, which indicates a difference between fiscal and commercial incomes and functions as a red flag. This is allowed if differences between tax filings reported to the Dutch authorities and the shareholders are completely explained by the deferred tax assets. However, this cannot be determined as this study does not have access to the tax reports filed with the Dutch tax authorities.

BP Management International B.V. and BP Management Netherlands B.V. are providing management services to most of the Dutch subsidiaries. Ruben Beens is a director of both companies. As explained in the section about Total, a Management B.V. can be used by directors for income tax benefits.

Fifteen indicators could not be identified due to data constraints and mostly relate to tax evasion strategies.

Table V.2 Financial information on Dutch subsidiaries of BP in million US dollars.

<i>Subsidiary</i>	<i>Function</i>	<i>Number of employees</i>	<i>Revenue</i>	<i>Profit before tax</i>	<i>Net income</i>	<i>Intangible assets</i>	<i>Depreciation</i>	<i>Interest income</i>	<i>Dividend</i>	<i>Management ent</i>	<i>Incorporation</i>
<i>BP Netherlands Upstream B.V.²²</i>	Extracting petroleum ; oil and gas extraction services	0	273.1	272.5	272.7	0	n/a	167.6	1,016	BP Management International B.V.	18-07-1995

²² Data is not available for 2018, but for 2015.

<i>BP Angola (Block 18) B.V.</i>	Extracting petroleum ; oil and gas extraction services	602, all outside the Netherlands	n/a	167 .0	158 .8	171.2	364.7	7.1	570	BP Managem ent Internatio nal B.V.	28-12- 2000
<i>BP Egypt West Mediterr anean (Block B) B.V.²³</i>	Oil and gas extraction services	0	n/a	No pro fit	n/a	240.1	n/a	n/a	n/a	BP Managem ent Internatio nal B.V.	18-12- 1995
<i>BP Egypt Ras el Barr B.V.³</i>	Oil and gas extraction services	0	n/a	No pro fit	n/a	0	n/a	n/a	n/a	BP Managem ent Internatio nal B.V.	20-09- 1994
<i>BP Egypt Production on B.V.</i>	Oil and gas extraction services; Extracting oil and gas	0	113. 4	29. 3	1.8	13.8	92.2	14. 7	811 ⁴	BP Managem ent Internatio nal B.V.	28-12- 2000
<i>BPNE Internati onal B.V.</i>	Extracting petroleum ; Oil and gas extraction nservices; financial holdings	0	n/a	n/a	n/a	0	n/a	n/a	n/a	BP Managem ent Internatio nal B.V.	24-12- 2004
Total²⁴		0	386. 5	468 .8	433 .3	425.1	456.9	189 .4	2,39 7		

²³ Data is not available for 2018, but for 2017.

²⁴ This is a very rough estimation of amounts of money flowing through as data from different years is counted.

Source: annual reports retrieved from Company.Info

ENI

In total, we identify fifteen indicators for tax avoidance, and six indicators related to tax evasion.

For Angola the annual reports show that the Dutch subsidiaries have permanent establishments in Angola, as also is the case for Total and BP. These subsidiaries were incorporated in 1996, and at the time it was fiscally beneficial to set up a foreign entity through a permanent establishment instead of a subsidiary (until 2012). Tax rules between Italy and the Netherlands did not differ a lot at the time.

For Nigeria and Egypt there are DTAs with the Netherlands. However, the subsidiaries related to Egypt were set up before the DTA with the Netherlands became effective. The Dutch-Nigerian DTA is much more extensive than the Italian-Nigerian DTA (only applies to air and shipping), so this could explain why Nigerian subsidiaries are placed underneath a Dutch subsidiary.

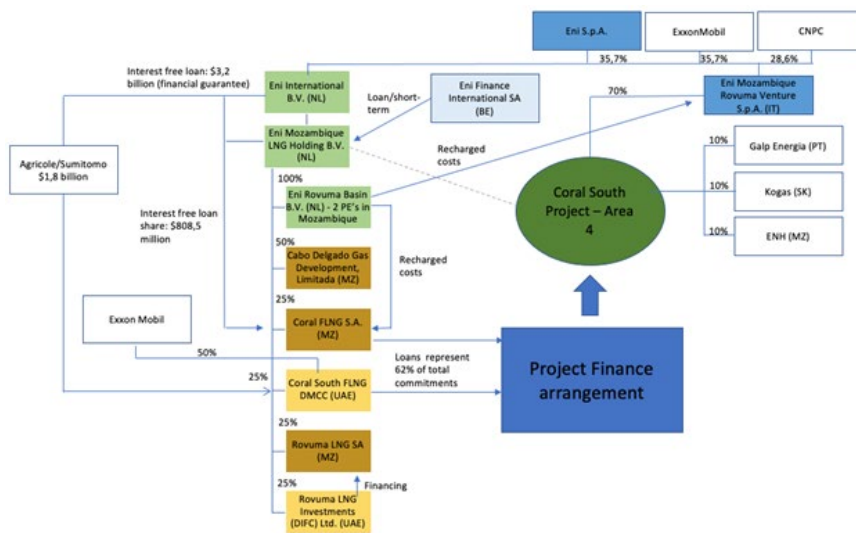
The Dutch subsidiaries do not have employees in the Netherlands, except for Eni International B.V. which is head of a fiscal unity in the Netherlands. The subsidiaries are located on the same address in Amsterdam.

Some subsidiaries report intangible assets, which refers to exploration bonuses, but many do not register any intangible assets in their annual reports for 2018. We cannot identify to what extent the intangible assets are valued at arms-length. Most of the subsidiaries only report financial assets and group receivables. We find large dividend payments indicating these subsidiaries function as SPEs.

We find many intra-group loans and interest payments between the subsidiaries including financial loans from subsidiaries in Bermuda and the United Arab Emirates. The activities in Mozambique are partly financed through a company in the United Arab Emirates (Figure V.1). This is a red flag because (future) profits are shifted to the United Arab Emirates. Corporate income taxes in the United Arab Emirates are zero and the DTA between the United Arab Emirates and the Netherlands can be used to avoid withholding taxes as well. Under this treaty, the withholding tax on dividends paid to United Arab Emirates entities

owned by the government is zero percent and five percent for non-government entities, and the withholding tax on interest and royalties is zero percent (EY, 2021). Debt financing in Mozambique lowers the effective tax rate in the country and government revenues as a result.

Figure V.1. Companies related to Coral South Project



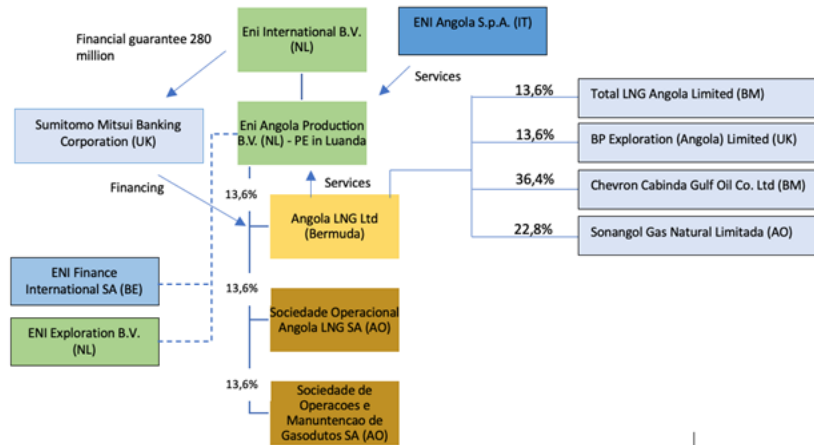
Source: annual reports in Company.Info

Eni Mozambique LNG Holding B.V. was in a loss position in 2018 and attributes these losses to Eni International B.V., as it merely is a flow-through company of loans and interests. Eni Mozambique LNG Holding B.V. joined the fiscal unity of Eni International B.V. in 2017 just after activities in the Coral South were started. By attributing the expenses for activities in the Coral South to Eni Mozambique LNG Holding, the profit base eroded in the Netherlands.

In addition, we find specific royalty payments by Eni Angola Production B.V. in the Netherlands for Block 0 with a value of \$117 million. Eni Angola Production B.V. paid for services to Angola LNG Limited in Bermuda, so untaxed incomes are shifted to Bermuda and the effective tax rate of Eni Angola Production B.V. is lowered due to higher costs (Figure V.2). Angola LNG Limited is also partly owned by Total, BP and Chevron, which likely means that these corporate groups are all shifting the related profits of the LNG project to Bermuda. Also, a loan was provided by Eni International B.V. to Angola LNG Limited with a banking corporation in the United Kingdom in between. No clear reason has been found

why the loan was not directly paid by Eni International B.V. to Angola LNG Ltd. By putting a bank corporation in between, this is not recognized as an intra-group loan.

Figure V.2 Companies related to Angola LNG Ltd.



Source: annual reports in Company.Info and <https://www.angolalng.com>

Also worth mentioning is that Eni Angola Production B.V. acquired 13.7 percent of Angola LNG Ltd. in 2007 but increased its participation in 2008 by extra cash payments for construction activities. Such payments are not uncommon in the oil and gas industry, but to determine whether these payments were in line with regular business activities, it should be determined whether the other shareholders also paid extra amounts of money. The structure is extremely complicated, and no clear reasons are provided why.

Using the fiscal unity structure, Eni International B.V. has been making losses for years in a row and is not paying any taxes in the Netherlands. According to the annual report of 2018, the effective tax rate in 2019 was 0.9 percent, compared to 0.6 percent in 2018. Fiscal losses of operations are carried forward for nine years via interest and operating income. This large amount of deferred taxes increases the difference between fiscal and commercial taxes. Deferred taxes are legal in the Netherlands if these are in line with the difference between reports filed to the Dutch tax authorities and reports filed to shareholders. It is impossible to see if this is the case without access to accounts provided to the Dutch tax authorities. What can be seen is that Eni Mozambique LNG B.V. and Eni Exploration &

Production Holding B.V., placed under the fiscal unity, both were in a loss position in 2018. These losses were attributed to Eni International B.V.

The UBO of ENI S.p.A. seems to be the Italian government, as 30 percent of the shares are held by the government (25.96 percent through CDP S.p.A. and 4.27 percent through the Ministry of Economy and Finance). ENI, however, has not registered any UBO yet in the Dutch register.

All in all, multiple indicators that point to tax avoidance are identified. 16 indicators could not be identified and mostly apply to tax evasion. It is likely that structures in the Netherlands are set up for tax purposes, and investment protection purposes in the case of Mozambique. As activities in Mozambique are in the start-up phase and Eni is not making any profits yet it is likely that investment protection plays a large role, as investments are huge. Moreover, tax reasons play a role as well as payments are linked to a subsidiary in United Arab Emirates which has a DTA with the Netherlands. In total an amount of 6.1 billion dollars in revenues was flowing through the researched Dutch subsidiaries in 2018 (Table V.3).

Table V.3. Financial information on Dutch subsidiaries of Eni in million US dollars.

<i>Subsidiary</i>	<i>Function</i>	<i>Employees</i>	<i>Revenue</i>	<i>Profit before tax</i>	<i>Net income</i>	<i>Intangible assets</i>	<i>Depreciation</i>	<i>Interest income</i>	<i>Dividend</i>	<i>Management</i>	<i>Incorporation</i>
<i>Eni International B.V.</i>	Oil and gas extraction service; Holdings	47	19,1	5.001	5.031	0	0,54	23,7	4.269	Marco Bollini; Francesco Esposito; Caterina Quaranta; Francesca Zarri	22-12-1994
<i>Eni Angola Explor</i>	Extraction of oil and gas	0	1.067	313,6	264,7	44,5	388,3	1,9	660	Matteo Bacchini; Marco Bollini;	13-05-1996

<i>Eni B.V.</i>										Lorenzo Fiorillo; Caterina Quaranta; Cristiana Zwartepoorte-Buini	
<i>Eni Angola Production B.V.</i>	Extract ion of oil and gas	0	711,9	162,1	19,9	0	197,3	1,3	0	Matteo Bacchini; Marco Bollini; Lorenzo Fiorillo; Caterina Quaranta; Cristiana Zwartepoorte-Buini	02-08-1996
<i>Eni Mozambique LNG Holding B.V.</i>	Holdings; extract ion of oil; distribution of electricity and fuels	0	0	0,28	0,28	0	0	9,7	0	Marco Bollini; Lorenzo Fiorilli; Caterina Quaranta; Giorgio Vicini; Cristiana Zwartepoorte-Buini; Marco Bollini	18-02-2013
<i>Eni Rovuma Basin B.V.</i>	Oil and gas extract ion service s; extract	0	5,6	(0,73)	(0,73)	0,45	0,39	0	0	Marco Bollini; Lorenzo Fiorilli; Caterina Quaranta; Giorgio Vicini;	07-11-2017

	ion of oil									Cristiana Zwartepo orte- Buini; Marco Bollini	
<i>IEOC Produ ction B.V.</i>	Extract ion of oil and gas	0	4.317	2.1 09	1.4 72	23,5	943,5	7,6	1.780	Marco Bollini; Antonio Panza; Caterina Quaranta; Marco Rotondi; Cristiana Zwartepo orte-Buini	02-08- 1996
<i>IEOC Explor ation B.V.</i>	Extract ion of oil and gas; oil and gas extract ion service s	0	17,1	1,8	1,4	0	7,2	0	0	Marco Bollini; Antonio Panza; Caterina Quaranta; Marco Rotondi; Cristiana Zwartepo orte-Buini	13-05- 1996
Total		47	6.138	7.5 87	6.7 89	68,45	1.537	44,2	6.709		

Source: annual reports of 2018, retrieved from Company.Info

Saipem S.p.A

In total, we identify eleven indicators for tax avoidance and three indicators for tax evasion.

The Netherlands has DTAs with both Nigeria and Egypt, which helps to explain why subsidiaries were set up underneath Saipem International B.V. The Netherlands-Nigeria and Netherlands-Egypt tax treaties are more favorable than the treaty between Italy-Nigeria and

Italy-Egypt. For Nigeria the treaty with the Netherlands is comprehensive with a tax rate of 7.5 percent for dividend, royalties, interest, and services fees. The treaty with Italy only applies to air and shipping. For Egypt, the treaty with the Netherlands has a 0-15 percent tax rate on dividends (the lower rate applies if the foreign company holds more than 25 percent of the capital in the company) and a 12 percent tax rate on interest and royalties. In comparison, Italy has a 20 percent tax rate on dividends and interest, and a 15 percent interest rate on royalties. Saipem can use these treaties to lower its effective tax rate. However, this cannot explain why an Angolan subsidiary is placed beneath Saipem International B.V.; there are no investment or tax treaties between the Netherlands and Angola. The Dutch exemption rule does ensure that taxed income in Angola is not taxed again in the Netherlands.

Most of the Dutch subsidiaries are engaged in financial holding activities and have little to no employees. Many of the subsidiaries only have financial assets and receivables on their balance sheet, which means these subsidiaries are SPEs. As we do not find links to sink-countries. Conduit companies are not used to channel profits to lower tax countries.

Saipem Finance International B.V.'s operating income mainly consists of handling fees, which also indicates that the company is a flow-through company but of a different type. Saipem Finance International B.V. raises money in the market and lends it within the group to other companies. This financing vehicle may be used to avoid withholding tax on interest in the developing country.

The annual reports show zero effective tax rates for Saipem International B.V. as it did not pay income taxes in the Netherlands in 2014, 2015, 2018, and 2019 because profits were offset against losses. Snamprogetti Netherlands B.V. did not pay income taxes either in 2014 and 2015 and stated in the annual reports that it did not expect profits in the years to come.

In total, seventeen indicators cannot be identified.

Table V.4. Financial information on Dutch subsidiaries of BP in million US dollars.

<i>Subsidiary</i>	<i>Function</i>	<i>Number of employees</i>	<i>Revenue</i>	<i>Profit before tax</i>	<i>Net income</i>	<i>Intangible assets</i>	<i>Depreciation</i>	<i>Interest income</i>	<i>Dividend</i>	<i>Management</i>	<i>Incorporation</i>
-------------------	-----------------	----------------------------	----------------	--------------------------	-------------------	--------------------------	---------------------	------------------------	-----------------	-------------------	----------------------

				<i>ore</i>		<i>asset</i>						
				<i>tax</i>		<i>s</i>						
<i>Saipe</i>	Financ	8	n/a	-	n/a	0.59	n/a	n/a	n/a	Moscarda,	27-07-	
<i>m</i>	ial			13.						G.;	1994 –	
<i>Intern</i>	holdin			1						Siracusa,	current	
<i>ational</i>	gs									E.;	location	
<i>BV</i>										Snnerton,	since	
										N.;	2015	
										Aalbrecht,		
										J.		
<i>Saipe</i>	Financ	12	1.2	7.0	2.1	0	n/a	144.	5.2	Almandoz,	21-09-	
<i>m</i>	ial							7		G.;	2015	
<i>Financ</i>	holdin									Bellamoli,		
<i>e</i>	gs									V.;		
<i>Intern</i>										Moscarda,		
<i>ational</i>										G.;		
<i>BV</i>										Philipse-		
										Lemmens;		
										Siracusa,		
										E.;		
										Torenvliet-		
										Schoop, O.		
<i>Mangr</i>	Engine	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Farhan, M.;	29-03-	
<i>ove</i>	ers									Stranieri,	2005	
<i>Gas</i>	and									R.;		
<i>Nether</i>	other									Sutorius-		
<i>lands</i>	techni									Feijen, M.;		
<i>BV</i>	cal									Uberti, R.		
	design											
	and											
	advice											
	;											
	organi											
	zation											
	al											
	consul											
	tancy											
<i>Snamp</i>	Financ	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Maselli	25-11-	
<i>rogetti</i>	ial									Campagna,	1994	
<i>Nether</i>										V.;		

Table V.5. Financial information on Dutch subsidiaries of BP in million US dollars.

<i>Subsidiary</i>	<i>Function</i>	<i>Number of employees</i>	<i>Revenue</i>	<i>Profit before tax</i>	<i>Net income</i>	<i>Intangible assets</i>	<i>Depreciation</i>	<i>Interest income</i>	<i>Dividend</i>	<i>Management</i>	<i>Incorporation</i>
<i>Equinor Energy Netherlands BV</i>	Whole sale, refiner	0	89.4	89.9	67.4	n/a	n/a	0.47	56.6	Hans Skjolas, David Vanrolleghem, Helge Vatn.	Weena 760, Rotterdam
<i>Equinor Holding Netherlands BV</i>	Whole sale, service provider, oil extract ion	14	1,275	1,429	n/a	0,054	n/a	n/a	n/a	Hans Skjolas, David Vanrolleghem, Helge Vatn.	Weena 760, Rotterdam

Source: annual reports of 2018, retrieved from Company.Info