



Европейска инвестиционна банка
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeeringispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
Banca europea per gli investimenti
Eiropas Investīciju banka

Europos investicijų bankas
Európai Beruházási Bank
Bank Ewropew ta' l-Investment
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Banca Europeană de Investiții
Európska investičná banka
Evropska investicijska banka
Euroopan investointipankki
Europeiska investeringsbanken

Desislava Stoyanova
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EXP BEI - EIB
004044 21 AVR 09

Luxembourg, 21 April 2009

SCC/COM/CSO/CSU/OC n°

Subject: EIB Policy on fighting tax avoidance and the off-shore financial industry

Dear Mrs. Stoyanova,

We refer to your letter of 23 March 2009 addressed to President Maystadt on behalf of the networks Eurodad, Counter Balance and Tax Justice Network, and thank you for enclosing a copy of the activist kit "flight capital flight" produced by Eurodad. We also refer to our acknowledgement of receipt on 30/03/09.

Regarding your general queries on what is the precise EIB policy on ensuring that the companies which receive EIB support do not participate in tax evasion via offshore financial centres, and whether the EIB is planning to improve such policies, we should like to inform you that the EIB Group conforms to widely recognised international standards on the use of offshore financial centres.

It is important to bear in mind that the notion of "offshore centres" is different from that of "tax havens". In general, offshore centres may offer legitimate advantages for certain types of operations, which explains its use by some financial actors.

Both the EIB and the EIF have clear and vigilant policies in place regarding offshore centres, and only use this option under certain restricted conditions that aim, in particular, at full transparency of the relevant financial structure and its cash flows.

Compliance officers analyse and monitor potential activities in these centres very actively before a decision is taken, examining the concrete features of any proposed financing operation on a case-by-case basis, and informing the Board of Directors accordingly prior to approval.

The EIB policies are kept in line with the best international standards. The G20 summit of World Leaders in London in April 2009 made commitments with regard to offshore financial centres. In light of these conclusions, with the agreement and encouragement of the Bank's Board of Directors, a review will be undertaken in close cooperation with other international financial institutions to ensure that EIB continues to comply with the latest requirements and remains at the forefront of compliance in this respect.



On the basis of the above, and regarding your specific questions on several EIB operations approved in recent years by the EIB in ACP countries, we should like to inform you that:

1) According to the procedures in place at the Bank, all these projects have been subject to an enhanced control on behalf of the relevant services to ensure that EIB funds channeled through the project's borrowers are not used for prohibited practices.

2) This due diligence has been carried out by EIB staff, in certain cases also relying on information provided by other lenders.

3 & 4) The Bank will not publish the due diligence results on the basis of Articles 25, 26 and 34 of the Bank's Public Disclosure (<http://www.eib.org/about/publications/public-disclosure-policy.htm>) regarding protection of privacy and the integrity of the individual, in particular in accordance with EU legislation regarding the protection of personal data, and of the Bank's internal decision-making process.

We would be grateful for sending this reply to the other organisations signing your letter.

Yours sincerely,

EUROPEAN INVESTMENT BANK

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