Cultivating Fiscal Inequality

The Socfin Report

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Bread for all
Bürenstrasse 12
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Netzwerk Steuergerechtigkeit
Verein zur Förderung der Steuergerrechtigkeit e.V.
Weidenweg 37
D-10249 Berlin

Alliance Sud
Monbijoustrasse 31
Postfach
CH-3001 Bern

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Summary

This report on the tax strategy of the agribusiness corporation Socfin reveals how multinational companies can shift profits from countries where they produce commodities directly to tax havens like Switzerland. These strategies are highly unjust, even if they may comply with OECD rules and therefore be legal.

The Socfin group is an agro-industrial corporation registered in Luxembourg, producing and trading rubber and palm oil for the global market. In ten countries of Africa and Asia, the company owns concessions for more than 383,000 hectares of land. On average, the Socfin Group made annually 41 million euros in profits (2014-2020).

Shifting Profits

Starting in 2010, Socfin established the group's management and several subsidiaries in Fribourg, Switzerland – reportedly for tax reasons. These subsidiaries in tax haven Switzerland make millions of profits. Also because the company shifts profits to Switzerland. This report explains how this is done and why it is a problem:

- One third of world trade takes place within corporations. Intra-company transactions between two jurisdictions can help corporations to shift profits from high tax to low tax jurisdictions.
- About 80 billion euros in profits are being shifted annually from developing countries to low tax jurisdictions like Switzerland.
- Profit shifting and tax avoidance, though not necessarily illegal, works against efforts to achieve global justice. It shrinks the fiscal space of states to fulfil their human rights obligations.

The report shows possible routes of profit shifting by analysing Socfin's financial reports, particularly geographical segment reporting. It corroborates findings by comparing profits per employees: profits are highest where taxes are lowest. In Switzerland, Socfin is taxed at less than 14%, in the African countries where the Group operates, taxes vary between 25% and 33%.

Demands

Using the example of Socfin, the report shows very clearly that the companies' structure and the global tax rules produce results that are strongly reminiscent of colonialization. We therefore demand:

- Socfin to respond to calls from local communities to return contested lands and ensure that living wages are paid to all workers on their plantations.
- The tax authorities in the jurisdictions where Socfin operates to scrutinize the group's intra-group profit allocation, in order to protect their country's legitimate tax revenues.
- Switzerland to end its role as tax haven and secrecy jurisdiction for corporations – both unilaterally and in new forms of coalitions with countries who are willing to move global tax justice forward, to push for reforms – especially under the umbrella of the UN.

1. Introduction

A Socfin worker carries palm oil fruits through the plantation in Sahn Malen, Sierra Leone. **© Maja Hiltij**

1.1 How a big share of Socfin's profits end up in low tax Switzerland

This report presents research on the tax strategies of the Socfin group, an agro-industrial corporation producing and trading rubber and palm oil from 10 countries in Africa and Asia. The report shows how a big share of Socfin's profits ends up in Switzerland where it is taxed at less than 14% (see 3.1). Based on a detailed analysis of Socfin's global and local financial reports it provides evidence on how it is possible to shift these profits from the production countries, avoiding much higher taxes there. Finally, the report compiles allegations of human and community rights violations in the global South illustrating a business model that puts the (Swiss) profits before the people in Africa and Asia. The profit shifting strategies described in the report are neither new nor uncommon. But because of the colonial background of its business and the fact that Socfin publishes detailed information on its operations – including country-by-country reporting – it is a particularly intriguing example demonstrating how the current tax system promotes global inequality.

Socfin ("Société Financière des Caoutchouc") was founded in 1909 in what is today the Democratic Republic of Congo and was then under colonial occupation by the Belgian king. Until today, Socfin has some management operations located in Belgium. But following investigations of corruption and tax evasion by Belgian authorities (see 2.1), Socfin established several subsidiaries in Fribourg in Switzerland starting in 2010 and reportedly moved its main operational seat there. The report focuses mainly on two of Socfin's Swiss subsidiaries, namely Sogescol FR, which is in charge of trading commodities, and Socfinco FR, which provides services to the affiliated plantation companies in Africa and

Asia. For these services Socfin charges intra-company fees that according to global rules set by the Organisation for Economic Co-operation and Development (OECD) need to be determined following the so-called Arm's Length Principle, i.e. as if the associated companies were trading with independent trading partners. Such intra-company transfers have become a common feature of the global economic system and tax authorities around the world struggle to make sure that the fees calculated by those multinationals are in line with the global rules set by the OECD (see 2.3). Very often they result in profit shifting. As a consequence, developing countries lose billions of taxes every year.

The Arm's Length Principle

When reviewing intra-group-transactions, tax authorities apply what is called the Arm's Length Principle. They thereby judge whether the related parties involved in the transaction kept each other at arm's length, meaning that they protected their individual commercial interests during the transaction. This concept is based on the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations[1] that were first published in 1995, and have been updated multiple times since.

Taxation plays an essential role in countries' capacity to provide the basic services for all, like education, infrastructure and healthcare. The OECD identifies taxes as a central factor in the promotion of sustainable development.[2] Several of the countries Socfin operates in are categorized by the UN as the world's Least Developed Countries, including the focus countries for this research: Cambodia, Liberia, and Sierra Leone.[3] This report focuses on these three countries because Swiss organisations are active regarding these plantations, i.e. *Bread for all* and FIAN Switzerland. It illustrates how the company is cutting expenses in their labour- and land-intensive core business operations while maximising its profits – with serious consequences for the local people.

By shifting the profits out of these countries, companies like Socfin deprive the local governments of the possibility of investing tax revenue in infrastructure and the public sector; shrinking the fiscal space of states to fulfil their human rights obligations. Therefore, tax policy reforms that contribute to strengthening public services in the countries of the South through increased tax revenues are specifically urgent for Least Developed Countries. As a consequence, tax avoidance, though not necessarily illegal, works against efforts to achieve global justice. It is an important global issue, in part because it keeps developing countries from collecting the revenues that they need to provide basic services to their people. Switzerland, as one of the countries that facilitates profit shifting by multinational corporations, bears a great responsibility for this deplorable situation. It urgently needs to make its tax policy more transparent and promote an international corporate tax system that taxes profits where they are generated and not where tax rates are lowest. Incidentally, Switzerland has promised to do so within the framework of the UN 2030 Agenda for Sustainable Development.

1.2 Methodology

The core research for this report – the analysis on potential profit shifting and tax avoidance by Socfin – was commissioned to the Centre for Research on Multinational Corporations (SOMO). SOMO is an independent, non-profit specialized in the analysis of business practices of multinational corporations, based in the Netherlands. Chapter 2 is partially based on their report. On account of the answers received from Socfin and further research, the report was revised and adapted by Netzwerk Steuergerechtigkeit Germany.

The analysis by SOMO and Netzwerk Steuergerechtigkeit used publicly available financial reports and further documentation published by Socfin. Because neither Switzerland nor most of the countries where Socfin is active make corporate financial reports publicly accessible, most information used in this report comes from the annual reports of Socfin and its subsidiaries Socfinasia and Socfinaf from Luxembourg. Those three holdings publish both consolidated and individual accounts and all three consolidated accounts contain detailed segment reporting including external and internal revenue and profits by country as well as detailed information on individual entities including unconsolidated profits. Due to the structure of the group, the consolidated report of Socfin, Socfinaf and Socfinasia are very similar but have one important difference. The European subsidiaries are only fully included in the report of Socfin. A comparison of the three reports therefore provides additional insights on their activities. The information obtained from the Luxembourg reports was complemented by detailed financial accounts of the Belgian and Nigerian subsidiaries as well as other sources, including corporate information databases like Reuters Eikon and Orbis, media reports, and academic literature.

Disclaimer on available data

Transfer pricing is an art with a blurry line between appropriate and abusive. Analysing transfer prices requires detailed insight into business structures and contractual arrangements. Proving that transfer prices are abusive is possible only with internal information made available to tax agencies or exposed by a whistle-blower – and even then, often only after appraisal in court. Publicly available information and particularly financial reports provide partial evidence on the allocation of profits as a result of transfer pricing and sometimes contain partial insights into intra-company transfers. For most of Socfin's subsidiaries, including some from Africa and Asia, detailed financial reports are available. Luxembourg, where Socfin has its main holding companies, requires detailed and up-to-date publication of financial information. But the information published by Socfin goes beyond what is legally required and common practice in several respects, including the publication of country-by-country data. For its investors, partners and stakeholders from small private shareholders to development banks and local activists, Socfin provides detailed reporting in addition to the financial reports. However, there is one major exception: Switzerland is one of very few European countries that doesn't require the publication of financial reports. Information on Socfin's Swiss subsidiaries can therefore only be inferred from what Socfin reports elsewhere.

For the research on land rights violations, precarious working conditions and unkept promises on the plantations in Cambodia, Liberia and Sierra Leone, the empirical basis is different. For these parts, the report relies on information already documented and published elsewhere. Socfin disputes most of the allegations in these publications.[4] Where they are relevant, this report takes Socfin's objections into account. In the case of Cambodia, it relies on reports by the Cambodian Centre for Human Rights, the FIDH, on a case study by the Mekong Region Land Governance and a case study submitted by the Indigenous People NGO Network to the UN Committee on the Elimination of Racial Discrimination.[5] In the case of Liberia, the information is based on an extensive report by *Bread for all*, published in 2019.[6] It has been updated through regular contacts with the affected people. In the case of Sierra Leone, the report is based on secondary data provided by other organisations, most notably FIAN Belgium who published a report on the situation in 2019.[7]

1.3 Socfin's reaction

The findings of SOMO's analysis were first shared with Socfin for review on April 14th 2021. The company was given two weeks to respond to the findings. To ensure the accuracy of the analysis, we asked Socfin to provide us with additional information and their understanding of the situation. In their first email response that we received on 4th May,[8] Socfin stated that all of its subsidiary companies respect the laws and regulations of the countries that they operate in. The company expressed doubts about the accuracy of the findings, but did not specify which specific reservations it has, nor did the company respond to the request for review of any potential factual inaccuracies.

On May 18th – merely a week before we initially planned to publish this report, a very detailed statement arrived via email, including some heavy-toned warnings not to publish this report, sent by Socfin's lawyer. Should we fail to comply, the lawyer made it clear that he is instructed by his client to hold "all those responsible for the publication personally liable for any damages my client may suffer as a result, using all available legal means, including criminal."[9] Whilst working on double checking the response of Socfin and incorporating their main points, with only a week left to the initial publishing date, a second email from the lawyer arrived on the May 22nd. Again, Socfin's lawyer warned us strongly not to publish the report.[10] As our intention always is to be as accurate as possible – wherefore we contact companies before a publication and ask them for comments or clarifications of the finding – we decided to postpone the publication and review and adapt the report according to the new information.

Socfin's lawyer nonetheless did not rest and on May 25th informed high-level officials of Swiss government agencies – including the publishing NGOs in the CC – warning them about the forthcoming report.[11] On June 7th, he added another email addressing them[12] and again on July 8th yet another email arrived in their inbox, including an analysis of our tax-related arguments by a third party, commissioned by Socfin.[13] Unsurprisingly, both Socfin and their tax experts have a different take on the situation on the plantations as well as on how to understand and evaluate Swiss tax policy. We clearly understand these emails as a strategy to intimidate and silence those who speak up against Socfin's practices. It is not the first time Socfin is using legal measures in such a hostile way. Socfin, the Bolloré Group (one of the two main shareholders of Socfin), and their subsidiaries have already sued over fifty journalists, photographers or NGO workers in total for defamation. Since 2009, they have initiated more than 20 legal procedures in

total.[14] Instead of winning these proceedings, the Bolloré Group was even convicted three times for abuse of justice. Bolloré appealed these rulings.[15] The behaviour of Socfin and its legal representatives should be seen in the context of strategic lawsuits against public participation (SLAPPS), a measure increasingly deployed by corporations and individuals against civil society actors. Socfin is an exemplary representative of this trend which needs to be countered. As civil society groups we should not let intimidation strategies affect our work, which relies on a strict due diligence process.

SLAPPs

Strategic lawsuits against public participation (SLAPP) can be defined as a legal action aimed at hindering political participation and activism. Most often, it is a civil defamation suit brought against an individual or an organization that has taken sides on a public issue. The concept also includes threats of prosecution, because the success of such an operation does not stem so much from a victory in court as from the process itself, aimed at intimidating the defendant (the one under attack). More information can be found here: www.the-case.eu/slapp-cases

2. Socfin's tax strategies

Tax regimes and tax rates vary widely from country to country. In the current global tax system taxes are levied at the level of each subsidiary according to the profits accruing there. This provides an incentive for companies to establish subsidiaries in low tax jurisdictions and shift as much profit there as possible. The following chapter shows that compared to the number of employees and activities, a relatively big part of Socfin's profits accrues in Switzerland where it is taxed at very low rates and offers possible explanations. The figures analysed stem primarily from the annual accounts of Socfin group holding companies Socfin, Socfinaf and Socfinasia.

2.1 Socfin's corporate structure

According to its website, Socfin was founded in 1909 in the Democratic Republic of the Congo which was at that time under Belgian colonial rule. The company was born out of the farming-activities of its Belgian founder Adrien Hallet who expanded his activities already in 1910 to Indochina, then ruled by France. Today Socfin owns concessions for more than 383,000 hectares of land, which equals nearly all the arable land of Switzerland.[16] From these territories in ten countries in Africa and Asia, the company exploits approximately 193,000 hectares of tropical palm oil plantations and rubber trees.[17] According to its financial report for 2020, Socfin employed 33,834 people and made a profit of 29.3 million euros.[18]

The group is structured around three holding companies – Socfin S.A., Socfinaf S.A. and Socfinasia S.A. – that are listed on the Luxembourg stock exchange. The majority of shares are directly or indirectly held by the Belgian long-time chairman Hubert Fabri (54.24% of Socfin S.A.) and the Bolloré group, the family business of the French billionaire Vincent Bolloré (38.75% of Socfin S.A.), who was its long-time director.[19] Several members of both families hold important management positions within Socfin. According to an analysis by Profundo, on top of the dividends they receive interest payments on loans provided to Socfin subsidiaries as well as a significant share of the remuneration paid to the board members and managers. In 2018 this remuneration added to nearly 10 million euros and reduced the profits accordingly.[20]

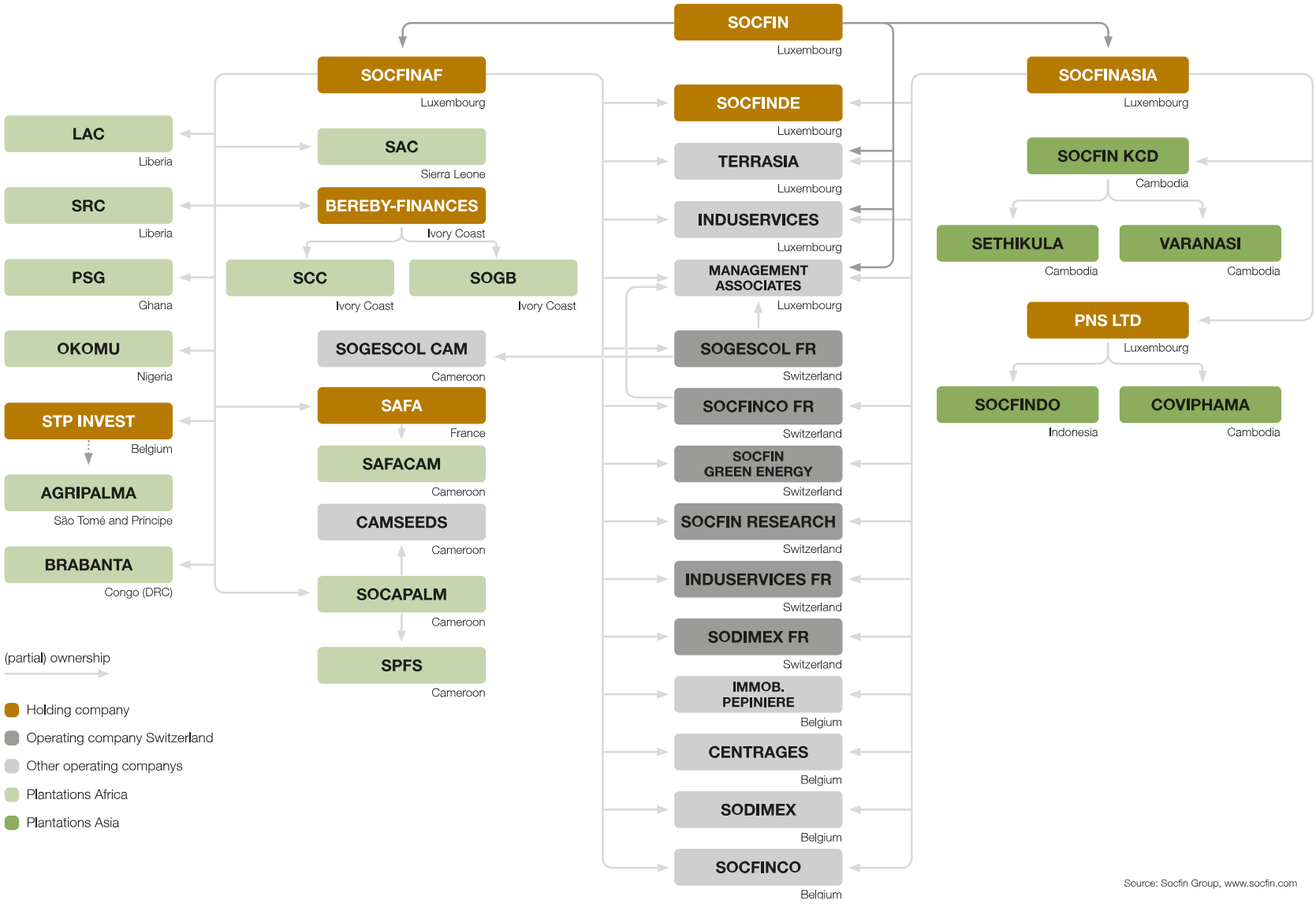
> "The tax pressure was at the origin of our gradual departure from Belgium for Switzerland. Here, our profit is taxed at 10%, against 34% in Belgium."
>
> **Phillippe de Traux, Socfin's then general secretary Socfin, La Liberté 2017[21]**

Starting in 2010, Socfin established the group's management and several subsidiaries such as Socfinco, Sogescol or Induservices in Fribourg/Switzerland. Central functions reportedly moved from Belgium to Switzerland for tax reasons, as Socfin's then general secretary Philipe du Traux explained in an article: "The tax pressure was at the origin of our gradual departure from Belgium for Switzerland. Here, our profit is taxed at 10%, against 34% in Belgium."[22]

According to news reports the offices in Belgium had been raided by Belgian officials investigating allegations of tax evasion and corruption one year earlier.[23] Besides Luxembourg and Switzerland, Socfin still maintains an office in Belgium and one minor subsidiary in France. But the main part of Socfin's assets and the majority of its employees are situated in Africa and Asia.

In 2020 Socfin had total revenues of 605.3 million euros, of which 346.5 million euros stemmed from palm oil and 182.7 million euros from rubber. Other agricultural products (4.5 million euros), trading activities (64.5 million euros) and other activities (7.1 million euros) made up the rest.[24] Most of the revenues with external customers originated in Africa (400 million euros) and Asia (126 million euros). Socfin further recorded 79 million euros in European revenues, mainly from trading the products from the plantations.[25] In addition, the European subsidiaries had intra-company revenues worth 34 million euros, most likely mainly related to services provided to the African and Asian subsidiaries.

Structure of Socfin Group



Source: Socfin Group, www.socfin.com

2.2 Indications of profit shifting

Intra-company transfers – such as payments for the services provided to the plantations by the European subsidiaries – have become a common feature of the global economic system. One third of world trade no longer takes place between independent companies, but within the structures of the same, often very large, multinational corporations.[26] Tax authorities around the world struggle to make sure that the fees calculated by those multinationals are in line with the global rules set by the OECD. Very often the fees set by multinationals result in profit shifting. In a 2019 study, Czech economists Peter Jansky and Miroslav Palansky estimated that about 80 billion euros in profits are being shifted annually from developing countries to low tax jurisdictions like Switzerland, leading to an annual loss of 27 billion euros in taxes.[27] This equals nearly one fifth of global development cooperation spending which amounted to approximately 133 billion euros in 2020.[28]

A comparison of profits and employees by country of Socfin's activity indicates that profits are highest were taxes are lowest – a typical sign of profit shifting. As the graph about pre-tax corporation profits shows, it is a typical pattern that foreign firms in tax havens have much higher profitability rates than local firms.[29] In the African countries where Socfin operates, taxes vary between 25 and 33%[30] and Socfin's profits per employee were as low as 1,642 euros.

This number does not even account for the contract and temporary workers that would nearly halve the profit per working person.[31] In contrast, we estimate that profits in Switzerland, where taxes were below 14%, were as high as 116,093 euros in the same year - more than 70 times higher. And this is the profit after the salaries and remunerations for traders, managers and board members, that are also much higher in Switzerland, are already deducted.

Even between the former headquarters in Belgium and the new seat in Fribourg, profitability varied by a factor of around 10 according to our estimates, while tax rates were less than half. However, even though Socfin provides very detailed information of its operations both at the level of countries and of individual subsidiaries, the numbers entering the comparison require some degree of interpretation and estimation. The results therefore have to be treated with some caution.

Allegations of Corruption and Tax Evasion

According to news reports,[32] Socfin majority shareholder Hubert Fabri was among 54 Belgians that had their bank accounts in Vaduz exposed by a leak in 2002. Most of his shares in Socfin are still held via companies from Liechtenstein. Liechtenstein was also at the centre of a scheme setup by Socfin that was investigated for tax evasion by the Belgian authorities. According to the judicial investigation, the former Socfin subsidiary in Liechtenstein evaded a total of 77.3 million euros of taxes between 2004 and 2009 by pocketing profits for activities that were actually managed out of Belgium. But the Belgian courts concluded that there was sufficient activity in Liechtenstein to justify the profit allocation there. Socfin was therefore acquitted of the criminal charges.

In another trial Socfin representatives were accused of paying commissions to the current minister of agriculture from Guinea for the commercialization of palm oil. According to court documents the payments were made via Socfin's subsidiary in Guernsey to accounts in France and Switzerland. In this case the long-time chairman Fabri has been found guilty and charged with 12 months of prison and a fine of 6,000 euros.[33] According to a statement issued by Socfin on 16th of December 2020 he was acquitted by the court of appeals on the ground of missing jurisdiction.[34]

Both the subsidiaries from Liechtenstein and from Guernsey are no longer operational.

Furthermore, even if the numbers provide an approximately correct picture, the difference in profitability per employee is not in itself proof of profit shifting. The current system of global taxation does not allocate taxing rights according to the number of employees but according to a certain interpretation of value-added represented through transfer prices. The huge difference in profitability therefore most likely results from a mix of profit shifting and the flawed rules of the global tax system. These rules allow companies to allocate big parts of the added value to central functions such as patents, financing or management that are often located in the global North rather than to the work performed in the global South. This reinforces inequality and, in the way it structurally transfers wealth from the global South to the global North, looks very much like colonialism.

Profits per Employee 2020[1]

	Profits[2]	Employees	Tax rate (previous rates)	Profit per employee (estimated)
Belgium	293,534 €	21[3]	25 % (29.58%)	13,978 €
Switzerland	5,340,287 €	46[4]	13.72 % (9.19–19.89%)	116,093 €
EUROPE	**5,995,542 €**	**67[5]**	**14–28 %**	**89,486 €**
AFRICA	**31,056,784 €**	**18,910[6]**	**25–33 %**	**1,642 €**

[1] Comparable averages for the years 2014 to 2020 could not be calculated because not all necessary information is available across all years. But profits in Switzerland in the previous years were even higher.
[2] Sum of non-consolidated net income of subsidiaries by country, converted to Euros. Source: Socfinaf S.A. Annual Report 2020 (en), p. 144.
[3] Not all Belgian subsidiaries issue detailed annual accounts. For 2019 the main Belgian subsidiaries (Centrages S.A. and Socfinco S.A.) reported 21 employees.
[4] Socfin doesn't publish information on the number of employees in Switzerland. Assuming, that the number of European staff from the Sustainability Report only includes employees from Belgium and Switzerland, the number of 46 is deducted from the sustainability report 2020. This is roughly in line with estimates of Orbis, a commercial database, that puts the number of employees at 35 for Socfinco FR and 15 for Sogescol FR. For Socfinco FR the profit per employee is 58,195 € and for Sogescol FR 218,835 €.
[5] The Sustainability Report 2020 has a detailed country-by-country headcount for the African and Asian countries. For Europe it mentions 67 staff.
[6] Permanent employees reported for Africa. The total number of workers (including contractors and temporary employees) was almost double, amounting Socfin's workforce in Africa to 37,112, according to the sustainability report 2020.

2.3 Possible avenues of profit shifting

There are various methods, utilized by multinational companies, to shift profits from high tax jurisdictions to low tax jurisdictions. They are referred to as Base Erosion and Profit Shifting (BEPS), and often involve intra-company transactions between two jurisdictions. Because of the tax impact of intra-group trading – and the clear risk for abuse by corporations – the OECD created guidelines that help governments to systematically judge whether a transfer price used by a corporation is a fair price.[35] These guidelines – known as the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations – were first published in 1995, and have been updated multiple times since.[36] Nevertheless profit shifting continues to be widespread and large. This is because, in determining the arm's length price applied to intra-group transactions, transfer pricing rules provide corporations with much leeway to either heighten or lower that price, based on what results in the optimal division of profits between subsidiaries in low- and high tax jurisdictions.[37]

The extent to which national tax authorities are able to evaluate the transfer pricing documentation of a multinational company depends, inter alia, on their resources. Tax authorities of high-income countries generally have more resources available to evaluate whether the Arm's Length Principle has been applied correctly, than developing countries do, but still struggle to stop profit shifting. It was noted in a recent research by the Institute for Mining for Development (IM4DC) that out of 26 countries surveyed in Africa, most do not have the requisite capacity to investigate and enforce effective transfer pricing rules.[38] Many of the countries where Socfin operates have implemented legislation on transfer prices very recently: Ivory Coast[39] in 2006, Indonesia[40] in 2009, Cameroon[41] and Nigeria[42] in 2012, Cambodia in 2017[43], Liberia in 2018[44]. Sierra Leone[45] is yet to come up with laws regarding transfer pricing and does therefore not even employ specific transfer pricing specialists and has no special transfer pricing unit.[46]

The major avenues of profit shifting and tax avoidance used by multinational corporations worldwide are:[47]

1. **Pricing of intra-group trading of goods**.
   Whenever the subsidiary in the low tax jurisdiction sells goods to the high tax jurisdiction subsidiary, the price of these goods will determine where the income occurs. Although intra-group trading of goods as such is often economically reasonable, prices may be set too high or too low in these transactions.

2. **Management and technical services fees**.
   Whenever the subsidiary in the low tax jurisdiction imposes a technical services fee to the high tax jurisdiction subsidiary, a deductible cost is created in the high tax jurisdiction. Although technical service fees are often charged for a genuine service that has taken place in the high tax jurisdiction, some fees may be inflated or charged without the occurrence of an actual technical service.

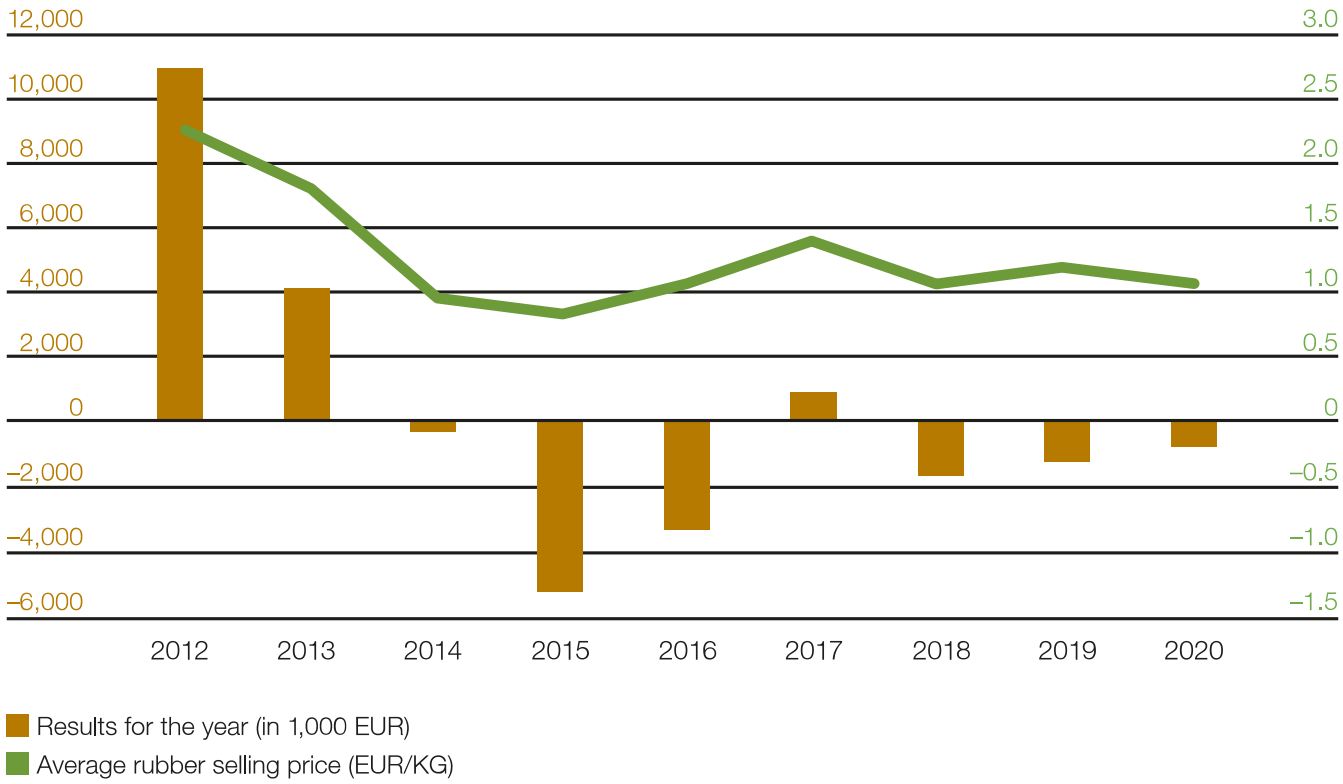
3. **Intra-group loans and cash pooling**.
   By providing a loan from a subsidiary located in a low tax jurisdiction, to a subsidiary in a high tax jurisdiction, interest payments can be generated. These interest payments can then be subtracted from the taxable income in the high tax jurisdiction, while creating a taxable income in the low tax jurisdiction.

4. **Holding company structures**
   are often setup in countries with a favourable treaty network and generous rules helping to avoid source taxation on dividends and other payments from high tax jurisdictions or to avoid paying capital gains taxes when selling assets in high tax jurisdictions.

5. **Patents, software licences, trade names, etc.**
   Intellectual property is often hard to value and easy to shift to low tax jurisdictions. Subsidiaries in high tax jurisdictions are then charged outsized license fees for the use of those rights, shifting their profits to the low tax jurisdiction.

LAC Rubber Corporation Liberia – profits and average rubber prices

Results for 2012–2019 in 1,000 EUR and average rubber selling price in EUR per kilogram



Note: In their annual accounts, Socfinaf report "results for the year" for its subsidiaries. The definition for "results for the year" is not provided, and so these figures have been interpreted to mean the same as net profit, or profit after taxes.
When the original figures provided by Socfin were presented in USD, they were converted to EUR using the currency conversion rates in the respective Socfin annual accounts for each year.

2.3.1 Trade of goods and the role of Sogescol FR

Part of the rubber and possibly the palm oil produced by Socfin's subsidiaries in Africa and Asia is commercialized with the help of Sogescol FR, one of Socfin's Swiss subsidiaries. Most of the products never pass through Switzerland physically but Sogescol FR nevertheless charges a premium for its part of the trades. Socfin states that there can be legitimate reasons for charging such premiums such as scale effects, access to market or trading know-how.[48] However, such intra-company charges create an opportunity for profit shifting.

The African side of the story – an example

Socfin has two operational plantations in Liberia. One of them is the Liberian Agricultural Company (LAC). This plantation was first established in 1959 and was provided with numerous fiscal advantages, such as an exemption from Corporate Income Taxes for the first 15 or 20 years and the exemption from all other taxes during the entire 70-year period of the concession (1959-2029).[49] In the late 1990s LAC was taken over by the Socfin group, with financial support from the World Bank[50] and the French Development Agency.[51] With the cultivation of rubber trees, LAC has been able to steadily increase its production until 2020.[52] Besides cultivating rubber, LAC has established a rubber processing plant.

Over the past six years, LAC has made over 10 million euros in losses, while for the years 2012 and 2013 the company was still profitable, making over 14 million euros in profits. This turn in profitability can partly be explained by the fall of rubber prices between 2011 and 2016. Socfin further points to high social costs that must be borne by the plantation company, while they are borne by governments in other countries. Socfin also cites high minimum wages compared to other West African countries as well as long term investments in plantation infrastructure.[53] Another factor that distinguishes LAC from other Socfin subsidiaries can be found in Socfinaf's segment reporting. According to these numbers, Liberia is the only country that sells all its production to Europe, most likely to Sogescol FR for shipment to Asia.[54] This indicates that at least part of the losses could potentially be explained by profit shifting to Switzerland.

The second Liberian plantation of Socfin is the Salala Rubber Corporation (SRC). Socfin group took over the plantations damaged in the civil war in 2007.[55] In 2008 SRC received a 10 million US-dollar loan from the International Finance Corporation (IFC), the financing arm of the World Bank Group, to support the reconstruction of the plantation.[56] For the last eight years SRC has made losses adding up to a total of over 26 million euros. Unlike with LAC, a big part of these losses can be explained by the high share of immature trees.

Socfin in Liberia

Rubber is Liberia's most exported product,[57] Socfin is its second largest producer[58] with a production volume of 28,690 tons in 2020.[59] It holds control over two rubber plantations in Liberia that together make up for 18% of the company's total rubber production.

Salala Rubber Corporation
Concession size: 8,000 ha
Planted area: 4,445 ha
Production volume: 327
Workforce (direct and indirect): 736

Liberian Agricultural Company
Concession size: 121,407 ha
Planted area: 12,743 ha
Production volume: 28,363 tons of rubber
Workforce (direct and indirect): 4,195

Socfin in Sierra Leone

The whole palm oil value chain makes up about 14% of Sierra Leone's GDP. National production does not suffice the domestic need, as about 25% of its palm oil consumption is derived from imports.[60] Almost 18% of Sierra Leone's arable agricultural land is leased to large-scale (foreign) investors.[61] In 2020, Sierra Leone's contribution to the total palm oil production of Socfin made up 6%. Most of the palm oil Socfin produces in Sierra Leone is sold to consumers based either in Sierra Leone or in other African countries.

Socfin Agricultural Company
Concession size: 18,473 ha
Planted area: 12,349
Production volume: 30,700 tons of palm oil
Workforce (direct and indirect): 3,027

The Asian side of the story – an example

Socfin owns two rubber plantations in Cambodia. The first of them, Socfin-KCD, started in 2007 as a joint venture[62] with the Cambodian Khaou Chuly Development Co, Ltd. The joint venture obtained an economic land concession in 2009,[63] followed by a second one in 2010.[64] The plantation has been able to steadily increase its production until 2020 with the share of immature trees falling.[65] Besides cultivating rubber, Socfin has also established a rubber factory processing plant.[66] According to Socfin's reporting the plantation is scheduled to produce its first surplus in 2021.

Socfin in Cambodia

Rubber is an important product for Cambodia's economy. About 400,000 hectares of agricultural land is planted with rubber trees, while land concessions are limited to 10,000 hectares per concessionaire. Cambodia can export large quantities of rubber. During 2019, almost 300,000 tons of rubber were exported, mainly to countries in the region.[67] Cambodia's contribution to the total rubber production of Socfin made up 3%.

Socfin-KCD
Concession size: 6,659 ha
Planted area: 3,847
Production volume: 5,466 tons of rubber
Workforce (direct and indirect): 729

Coviphama
Concession size: 5,345 ha
Planted area: 3,280 ha
Production volume: not declared
Workforce (direct and indirect): 162

Unlike the Liberian subsidiaries Socfin-KCD trades its rubber on local markets.[68] In line with the description of the activities of Sogescol FR by Socfin[69] it is possible that Sogescol FR provides KCD with guidance on the marketing of its rubber. But because there is no international trade, the potential for profit shifting is somewhat lower than in some of the African subsidiaries.

The second Cambodian plantation, Coviphama, purchased a 70-year concession for its land, consisting of 5,345 hectares, in August 2013. Since 2016 it is fully owned through Socfin's Luxembourg-based subsidiary Plantations Nord-Sumatra Ltd. The company began harvesting rubber in 2018 but a big share of its trees is still immature.[70]

The Swiss side of the story

According to Socfin's website, Sogescol FR is responsible for the export and marketing of the group's palm oil and rubber.[71] For this report, research was done on the individual trades Socfin's subsidiaries are involved in, using trade database Panjiva.[72] In this database, information is collected regarding the trade of goods, as registered with customs authorities in selected countries, specifically those countries that release this information.[73] With regard to Socfin's trades, information could only be found on Sogescol FR. In 444 rubber sales between other Socfin subsidiaries[74] and third-party companies, Sogescol FR is mentioned in the text describing the trade as the trade's "price owner"[75] – the party that negotiates the selling price – or as the party that will likely receive payment for the transaction.[76] The traded goods typically go from Socfin's operational subsidiaries to ports in Europe and the United States of America, without entering landlocked Switzerland.

Unlike Socfin's operational subsidiaries in Liberia and Cambodia, Sogescol FR has been consistently profitable over the past seven years. From 2014 to 2020 it made an average annual profit of 5.2 million euros, with the profit in 2020 being comparably low with 3.3 million euros. Despite the fact that it employs a fraction of each of those subsidiaries' employees, it has been able to attain impressive profits.

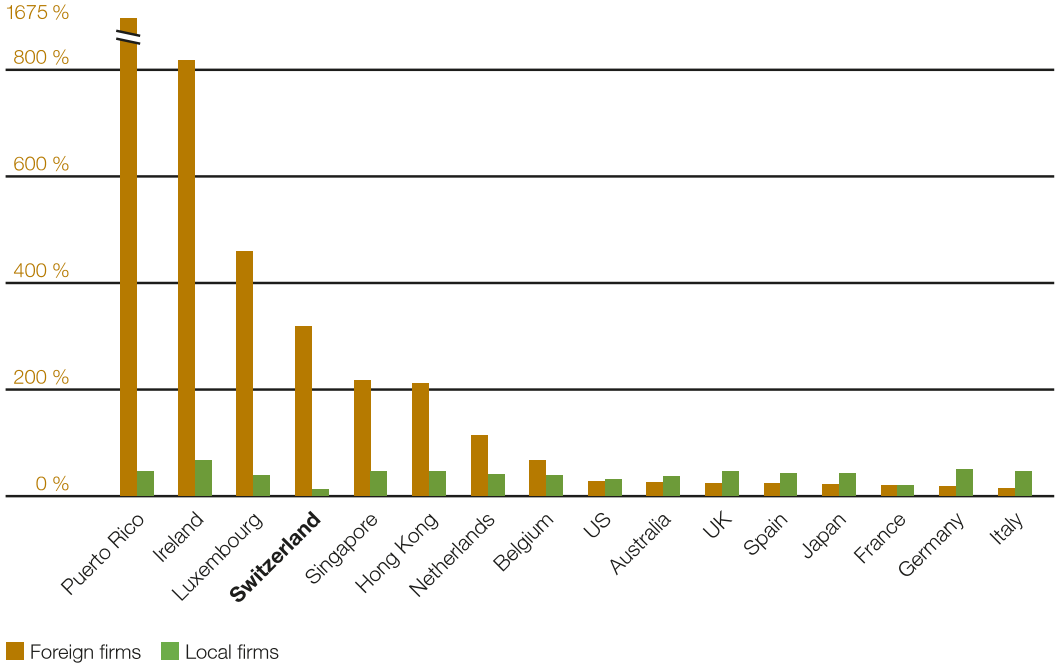
Conclusion

The results of Socfin's rubber producing subsidiaries appear linked to Sogescol's relative profitability. The premiums charged by Sogescol FR for its contribution to the commercialisation of the rubber, reduces the income of the subsidiaries responsible for the production. High profits for Sogescol FR and persistent losses, especially in mature plantations such as LAC, are clear indications of profit shifting.

The detailed geographical segment reporting of Socfin and Socfinaf provide further information on the structure and scale of such intra-company transactions. To understand how, let's assume an African subsidiary of Socfin – such as LAC – sells rubber to a Socfin subsidiary in Switzerland – i.e. Sogescol FR – and the rubber is then sold to Asia or the Americas. From the perspective of Socfinaf's reporting (that doesn't include the Swiss subsidiaries) this would logically count as an export from Africa to Europe. In contrast, from the perspective of Socfin (that does include the Swiss subsidiaries), this same sale would count as an export from Africa to Asia and a trading revenue for Europe. In line with this interpretation, exports from Africa to Europe from the segment reporting of Socfinaf (119.8 million euros) exceed those reported by Socfin (27.6 million euros) by 92.2 million euros. Furthermore, Socfin reports trading revenue of 64.5 million euros which approximately equals the gap between the revenues originating from Africa according to the reporting of Socfin (471 million euros) and the total revenues reported by Socfinaf (402 million euros).

Pre-tax corporate profits (2015)

Ratio of pre-tax profits to compensation in exemplary countries



Note: This figure shows the ratio of pre-tax profits to compensation of employees for local firms and foreign firms in 2015, in 8 tax havens and 8 large non-haven countries.

Source: Economists without Borders

Taken together, the numbers from the different sectoral reports lead to the conclusion that Socfin's European subsidiaries, including Sogescol FR, charged

a) premiums of about 11 million euros on 27.6 million euros of European sales originating in Africa

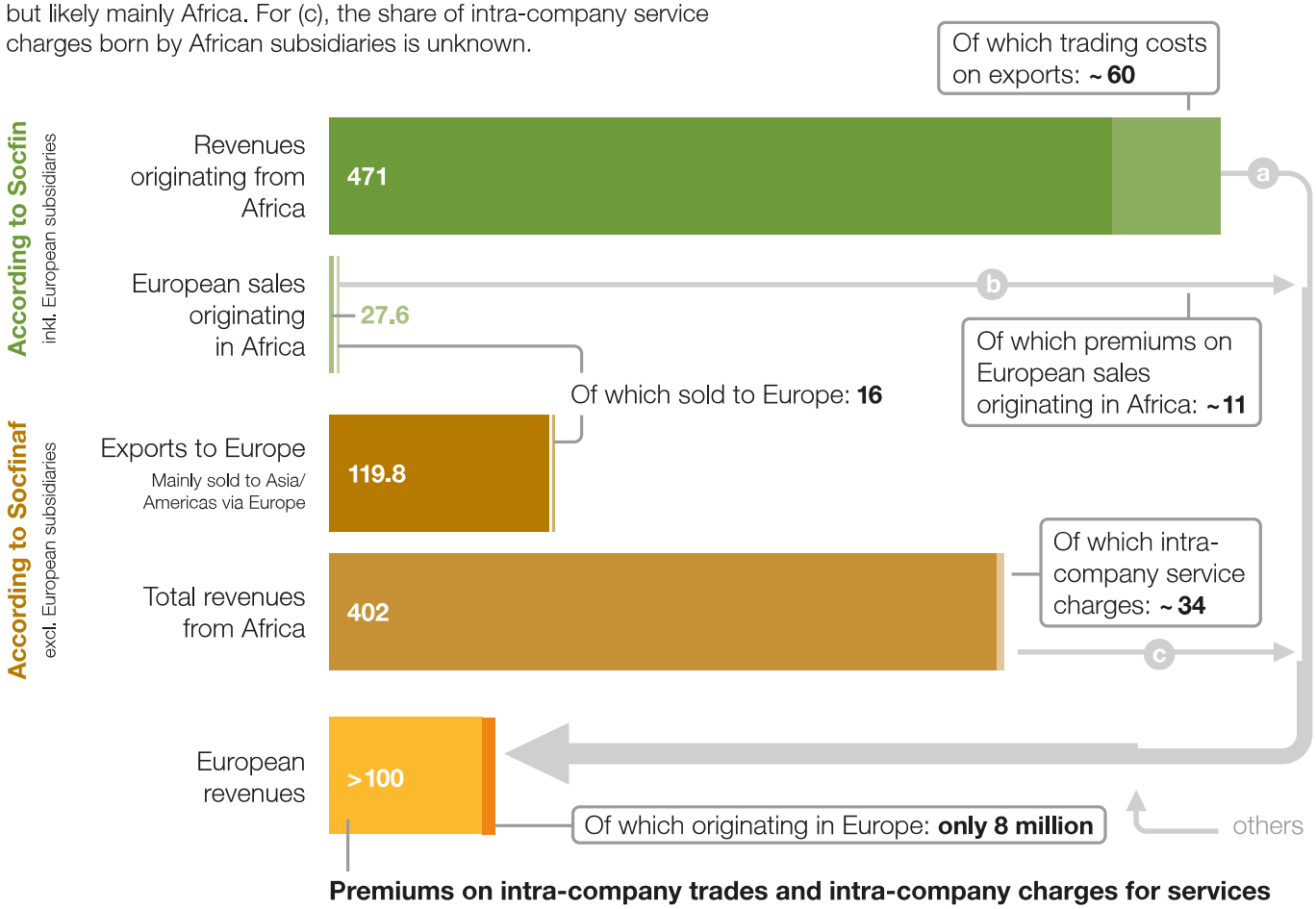
b) trading costs of about 60 million euros (a big share of the 64.5 euros) on exports of around 100 million euros mainly of rubber from Africa to Asia and the Americas passing Europe only on paper

c) intra-company charges mainly paid by the subsidiaries in Africa and Asia to the European subsidiaries totalling 34 million euros.

This essentially means that of the total revenue of 605 million euros (largely from the 471 million euros originating in Africa) more than 100 million euros end up in Europe, mainly in Switzerland. According to Socfin's response, some of this European revenue covers the costs of shipment as well as other costs. But according to Socfin's segment reporting only 8 million euros of external revenues actually originated in Europe. This implies that the rest of the over 100 million euros is made up of premiums on intra-company trades and intra-company charges for services. According to Socfin these intra-company charges are determined in accordance with the OECD's Arm's Length Principle and are subject to review by the tax agencies concerned. But as already described these principles leave a wide margin of interpretation and tax agencies often fail to contest the results.

Segment Reporting

In million EUR. Flows (a) and (b) both come from Africa and Asia, but likely mainly Africa. For (c), the share of intra-company service charges born by African subsidiaries is unknown.



Disclaimer: The numbers are deducted from different reports and sources. The numbers cannot be understood from this graph alone. The graph is illustrative.

2.3.2 Management and service fees and the role of Socfinco FR

Besides Sogescol FR there are three other operational subsidiaries in Switzerland called Induservices FR, Sodimex FR, and Socfinco FR. Their annual accounts are not accessible due to Switzerland's legal corporate secrecy and information about their activities and financial results can therefore be obtained only indirectly. According to Socfin's website, Socfinco FR provides technical, agricultural, and financial support.[77] Induservices FR reportedly provides administrative and IT solutions to the corporate group, and employs 14 people.[78] Sodimex FR buys plantation equipment from external parties and then sells these to Socfin's operational subsidiaries.[79]

Socfin's Nigerian subsidiary, Okomu, publishes financial reports with details on intra-company transactions. According to the latest report, payments to Socfinco FR amounted to 2.1 million euros in 2020. This included technical fees equalling 3% of the company's net sales, and management fees equalling 3% of the company's profits before tax.[80] According to the reporting these fees are approved by the National Office for Technology Acquisition and Promotion. Okomu pays withholding taxes and VAT on the transfers. According to its financial reports for 2020, Okomu further paid in 2020 approximately 48,000 euros to Induservices FR for the provision of internet services, and approximately 513,000 euros to Sodimex FR for the purchase of equipment and spare parts.[81]

According to the annual report of Socfinaf, Socfinco FR reported sales and services income of 19.9 million euros in 2020 (20.9 million euros in 2019) and made a profit of 2 million euros in 2020 (4.2 million euros in 2019) with an estimated 35 employees. In contrast Socfinco in Belgium made profits of slightly more than 200,000 euros with 7 employees for 2019, during the latest available year.[82] Even though Okomu is profitable, those profits are reduced by payments to Switzerland. Thus, the high profits of Socfinco FR as the receiving subsidiary (and the much smaller profits in Belgium) are a clear indication of profit shifting.

2.3.3 Intra-group loans and the role of the Swiss finance branch

Intra-group loans are often used to shift profits. The so-called Swiss Finance Branch, a corporate practice of having a Luxembourg based subsidiary opening a branch in Switzerland, has become infamous for its use in tax avoidance structures.[83] In these structures the Luxembourg-based subsidiary provided loans to a subsidiary in a high tax jurisdiction through its Swiss branch. The corresponding interest payments reduced the taxable profits in the high tax country and produced a profit in Switzerland, where only a part of it was subject to taxation. As a result the effective tax rate was as low as 2%. This tax regime for intra-group banks was abolished in 2019.[84] The financial reports of Socfin, Socfinaf and Socfinasia show that the company uses intra-company loans extensively. In 2020 they reported intercompany loans worth respectively 90.6 million euros,[85] 308.8 million euros,[86] and 22.8 million euros.[87] According to their annual reports all three of them had branches in Switzerland. According to Socfin the conditions of the intracompany loans are in line with the Arm's Length Principle and it is impossible to say from the Luxembourg accounts whether Socfin profited from the Swiss Finance Branch rules in the past.[88]

Socfin's subsidiary in Sierra Leone, Socfin Agricultural Company (SAC) received a special treatment for outgoing interest payments. According to the Memorandum of Understanding and Agreement that SAC signed in 2012, SAC is conditionally exempt from withholding taxes on interest. Even if the conditions for being exempted do not apply, a fixed withholding tax of 5%[89] is to be applied, which is well below the country's statutory 15% rate for withholding tax on interest.[90] These kind of tax incentives have received much scrutiny in the past years, with researchers concluding that they lead to large domestic tax revenue reductions, while not significantly boosting foreign investment.[91] Whether SAC actually received intra-company loans and whether these resulted in profit shifting remains unclear. Until the Swiss Finance Branch was recently removed, profits shifted this way would have received a very beneficial treatment in Switzerland, with effect tax rates as low as 2%.

A consultancy, commissioned by Socfin, claims that no Swiss tax authority has ever rectified any of Socfin's financial reports for abusive profit shifting. Because tax audits are confidential we cannot verify this. Furthermore, it doesn't exclude that they might do so in future reviews concerning current tax years. But provided that Swiss tax agencies find no fault in Socfin's profit allocation this only illustrates a crux of the matter: the current transfer pricing rules often leave a wide margin of interpretation and tax agencies and the courts in tax havens (like Switzerland) have very little incentive and willingness to challenge profit allocation in their favour. Meanwhile the tax agencies in the source countries often lack the resources and access to information to do so. The next chapter will analyse the role of Switzerland and its tax policies.

Socfin's activities and profits worldwide

The Socfin group produces and trades rubber and palm oil. The disparity between Socfin's profits per employee in tax haven Switzerland and the subsidiaries in high-tax jurisdictions in the global South, but also in Belgium, is disconcerting. This report indicates that profits are highest were taxes are lowest – a typical sign of profit shifting.

SOCFIN COMPANIES

❶ Luxembourg: the holdings
> SOCFIN
> SOCFINAF
> SOCFINASIA

❷ Belgium
❸ France
Other subsidiaries

❹ Switzerland
> SOGESCOL
Trading
Average annual profit:
5,200,000 EUR [1]

> SOCFINCO
Technichal support
Average annual profit:
4,600,000 EUR [1]

Profit per employee (2020)

> AFRICA	1,642 EUR
> BELGIUM	13,978 EUR
> SWITZERLAND[2]	116,093 EUR

[1] from 2014 to 2020 [2] Estimates based on publicly available information

Over 41,000,000 EUR
Average annual profit Socfin Group, 2014–2020

SOCFIN RUBBER AND PALM OIL PLANTATIONS

❺ Sierra Leone
> SAC
Concession area:
18,473 ha

❻ Liberia
> LAC, SRC
Concession area:
129,407 ha

❼ Ivory Coast
> SOGB, SCC
Concession area:
34,712 ha

❽ Ghana
> PSG
Concession area:
18,303 ha

❾ Nigeria
> OKOMU
Concession area:
33,113 ha

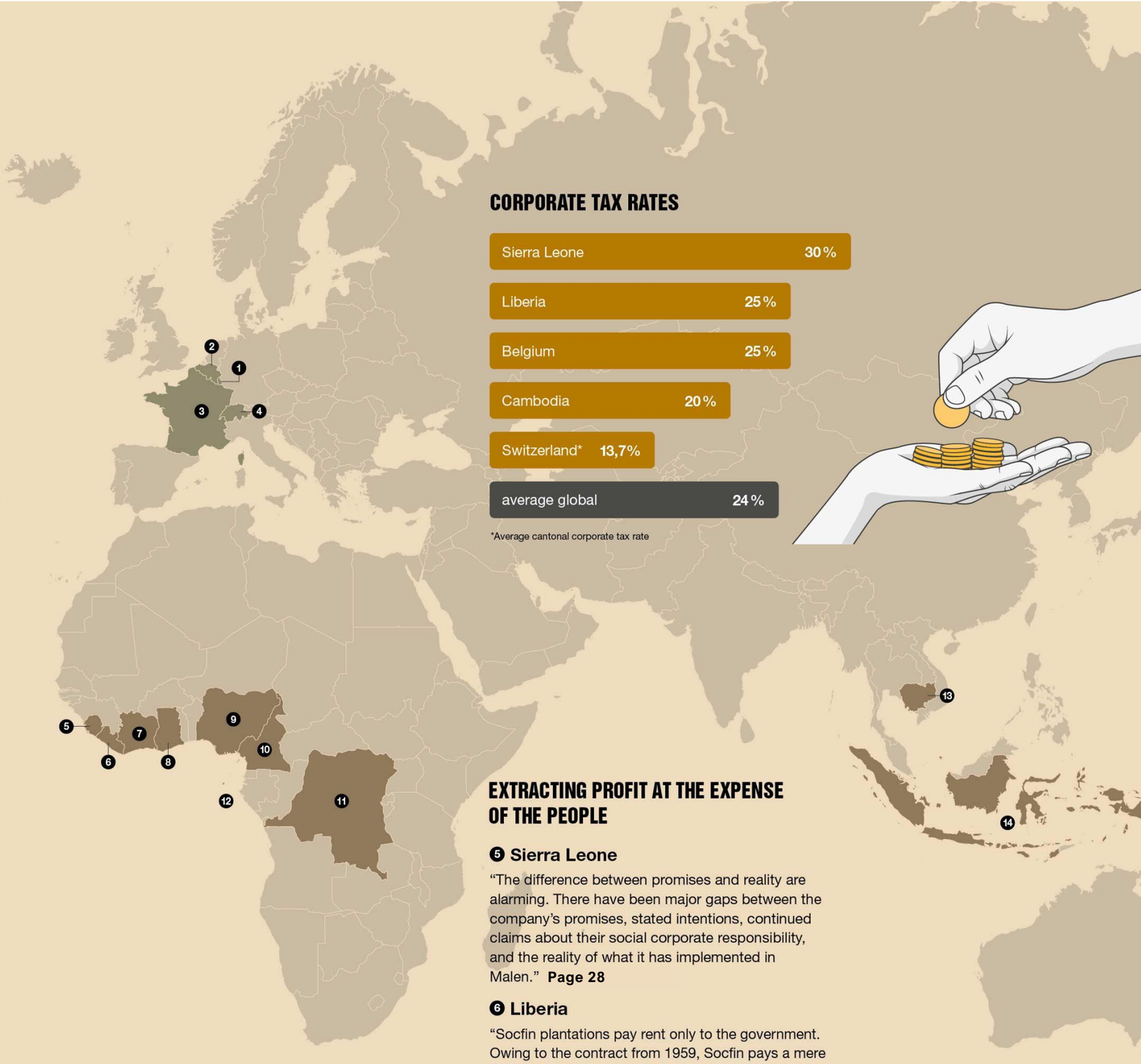
❿ Cameroon
> SAFACAM, SPFS, SOCAPLAM
Concession area:
75,753 ha

⓫ Congo (DRC)
> BRABANTA
Concession area:
8,689 ha

⓬ Sao Thome and Príncipe
> AGRIPALMA
Concession area:
4,917 ha

⓭ Cambodia
> KCD, COVIPHAMA
Concession area:
12,004 ha

⓮ Indonesia
> SOCFINDO
Concession area:
47,695 ha



CORPORATE TAX RATES

Sierra Leone	30 %
Liberia	25 %
Belgium	25 %
Cambodia	20 %
Switzerland*	13,7 %
average global	24 %

*Average cantonal corporate tax rate

EXTRACTING PROFIT AT THE EXPENSE OF THE PEOPLE

❺ Sierra Leone
"The difference between promises and reality are alarming. There have been major gaps between the company's promises, stated intentions, continued claims about their social corporate responsibility, and the reality of what it has implemented in Malen." **Page 28**

❻ Liberia
"Socfin plantations pay rent only to the government. Owing to the contract from 1959, Socfin pays a mere 3,863 euros lease fee per year for that entire land – an area half the size of Luxembourg." **Page 25**

⓭ Cambodia
"At the first meeting, people disagreed with the project. At the second, people still disagreed. At the third, they were told that if they persisted in their disagreement, the company would take their land because the government had given it as a concession." **Page 26**

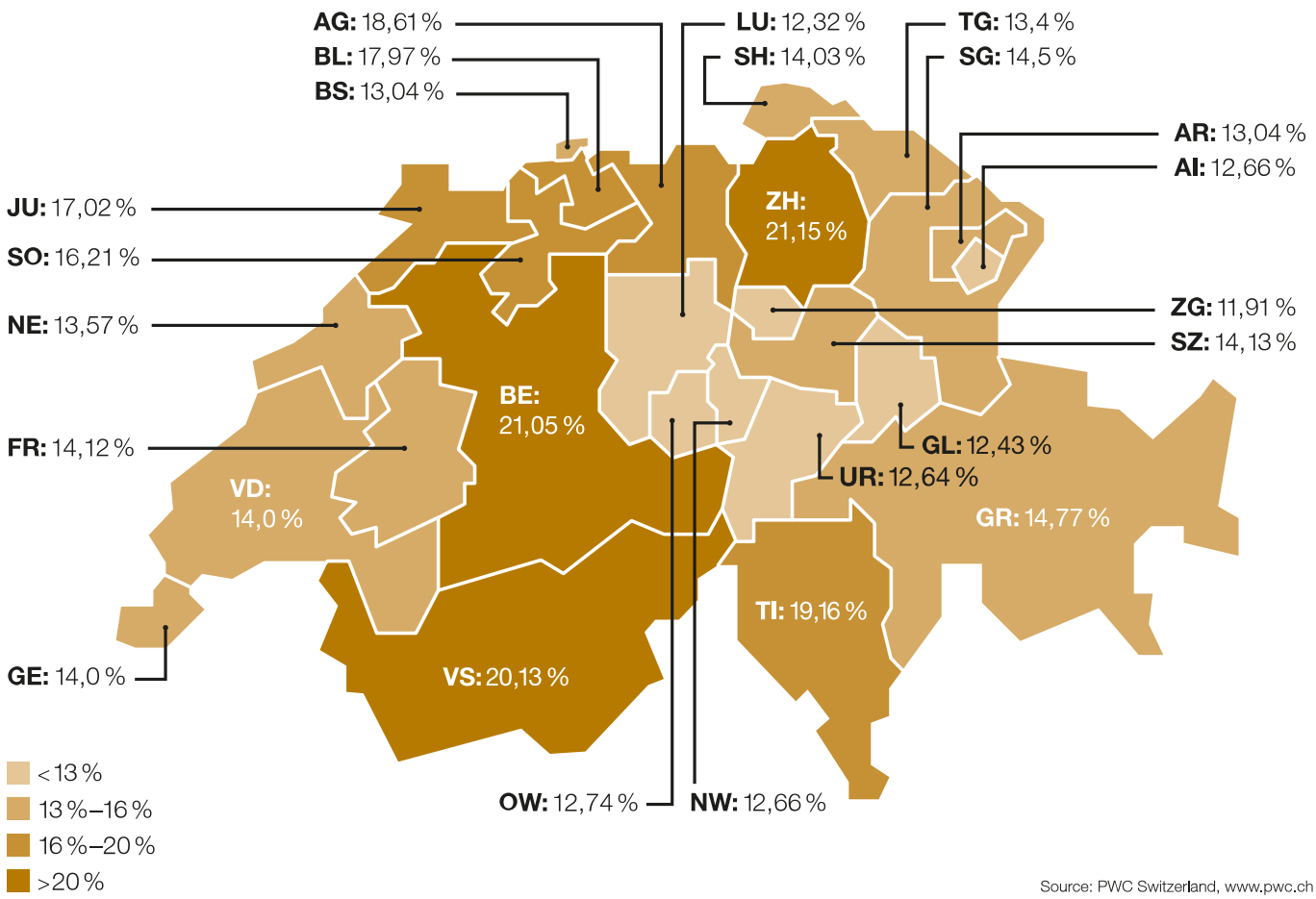
3. Role of Switzerland

3.1 Switzerland as a global tax dumping hub

The Tax Justice Network (TJN) is an independent organisation of international experts working on tax justice. It created the corporate tax haven index which ranks countries "according to how aggressively and how extensively each jurisdiction contributes to helping the world's multinational enterprises escape paying tax, and erodes the tax revenues of other countries around the world."[92] Both, Switzerland as well as Luxembourg are among the top ten. Not only the low statutory corporate income tax, but also other aspects of the fiscal environment (e.g. low or zero taxation over international capital transactions or specific allowances for specific income) create incentives for companies to locate subsidiaries in these jurisdictions.[93] In Switzerland, various cantons (member states of the Swiss confederation) offer corporations taxation models that place them among the most "attractive" corporate tax jurisdictions in the world.[94]

The recent reform of the Swiss corporate tax system, Tax Reform and AHV Financing (the acronyms in German and French STAF/RFFA are used in the further text), did not change Switzerland's status as a tax haven. Rather, the regular corporate income tax (CIT) rates for companies were again massively reduced in the majority of cantons,[95] resulting in an even sharper reduction in effective corporate tax rates in Switzerland. The Basel-based economic research and consulting institute BAK Basel estimated that due to these reforms the GDP-weighted Swiss average across all 26 cantons will fall from 16.8% pre-STAF/RFFA to 13.5% post-STAF/RFFA (by 2025).[96] While the tax reform is already implemented on the federal level, the cantons are currently in the process of implementation.

Statutory corporate tax rates in Switzerland 2020



Source: PWC Switzerland, www.pwc.ch

At present, the average tax rate for corporate profits in Switzerland is an effective 15.4%. Some Swiss cantons compete directly with other low tax areas around the world for the lowest tax rates, which are currently at about 10%. These rates are very low compared to the global average corporate tax rate of around 24%.[97] In many poor countries of the South the tax rates are even higher than this average. In the countries central to this report, the tax rates are 25% for Liberia, 30% for Sierra Leone and 20% for Cambodia.[98] The regular corporate income tax rate of 13.72% of the Swiss canton Fribourg (since the beginning of 2020) is just about half of the regular corporate income tax rates in the plantation countries of Socfin examined in this report.[99] The incentive for Socfin to shift profits from the plantation countries to its offices in Fribourg are therefore evident. The Socfin subsidiaries in Fribourg were only taxed at a total of a mere 10% until 2019, according to Socfin general secretary Phillippe du Traux and the Socfin annual report of 2020.[100] Given that the tax rate in Fribourg was close to 20% before the reform, this indicates that Socfin's Swiss subsidiaries might have received some special tax benefit such as from the Swiss finance branch. With the recent removal of this special tax regime in the context of STAF/RFFA Socfins tax rate may have gone up to the new regular rate in the canton of 13.72%. As said, this is still very low with respect to the global average. In addition, individual tax rulings are common practice in Switzerland in order to attract corporations.

By providing such low tax rates and a tax system favourable to the interests of corporations, Switzerland deprives other countries of corporate income tax base amounting to more than 87 billion euros[101] annually, according to the transnational research group "Economists without Borders." This group, headed by French economist Gabriel Zucman, estimates that tax revenues of 6.5 billion euros or 38% of the total Swiss corporate income tax revenue (federal and cantonal level, in total 16.5 billion euros) derive from profit shifting – mostly from non-developing countries.[102] This is most likely an underestimation, as many alleged profit shifting schemes from African and Asian countries are not included in this calculation, due to a lack of available data.

This injustice becomes even more evident when one considers the profit generated per employee. "Economists without Borders" showed that subsidiaries of foreign corporations in Switzerland usually have a surprisingly high profit per employee, despite the comparably high Swiss salaries.[103] This raises the suspicion that these high profits were not generated by workers in Switzerland, but simply shifted to Switzerland as accounting profits.

Profitability gap between Africa and Switzerland (2020)

Plantation subsidiaries in Africa make a profit of about 1,642 euros per employee.

The Swiss subsidiaries make a profit of about 116,093 euros per employee.

Source: Estimates based on Socfin Sustainability report 2020 and Orbis database

3.2 New reforms needed

It is striking that Switzerland remains so attractive for tax dumping by global corporations, despite abolishing old special tax privileges for corporations in the beginning of 2020 as part of the Tax Reform and AHV Financing (STAF/RFFA). These old privileges were no longer compliant with new OECD rules[104] but the introduction of the STAF/RFFA basically coupled the abolition of these old privileges to the creation of new ones. In particular, the OECD countries no longer tolerated the fact that Switzerland taxed foreign profits at a lower rate than domestic profits and thereby withdrew profits from other countries.[105] The new tax regime is primarily accepted by the EU/OECD but at the same time allows the continuation of the previous tax policy business model of the Swiss low tax cantons. It focused on new tax optimization models, to cater especially to pharmaceutical, commodity trading, food and consumer goods groups present in Switzerland.

How Multinationals are taxed in Switzerland

The Swiss system for corporate income tax (CIT) is based on a three-tier approach. In principle, corporate profits are taxed on the federal, the cantonal and the municipal level. Every canton can independently determine its tax rate and the specific deductions and exemptions it wishes to apply out of a set of such tools defined by federal law. This means that the Swiss cantons enjoy a high degree of tax autonomy, which is comparable to the autonomy of nation states elsewhere. This is quite unique and causes an intense tax competition not only between Swiss cantons and foreign jurisdictions but also among the cantons within Switzerland. The statutory tax rate of 8.5% on the federal level is mandatory for all profits booked in Switzerland. On the cantonal and municipal level, certain exemptions and deductions are applicable that can reduce the effective corporate tax rate to considerably lower levels.

Renowned experts expressed clear criticism also about the situation after STAF/RFFA. Juan Pablo Bohoslavsky, the then official UN expert on foreign debt and human rights, made it clear: “Essentially the 'tax reform proposal 17' [now STAF] aims to keep taxation of multinational corporations and other businesses in Switzerland at low levels to attract establishing headquarters and businesses in the country. (…) However, excessive tax competition between countries is harmful, as it has resulted in a dramatic reduction of corporate tax payments of large corporations worldwide, contributed to the reduction of public revenues for investment, and the increase of unsustainable public debt in many countries, especially in the developing world. (…) Low tax regimes provide incentives for profit shifting and result in reduced tax revenues in those countries where most of the real business takes place, thus shrinking the fiscal space of States to fulfil their human rights obligations."[106]

Globally, there are significant efforts taking place to improve the international system of corporate taxation, to make it less vulnerable to base erosion and profit shifting (BEPS) and allocate a fairer share of the tax pie of multinational enterprises to places where value is created. This is happening at the levels of the UN, the G20, the International Monetary Fund and the OECD. The latter, still the exclusive club of the 34 richest nations in the world, is currently the dominant intergovernmental forum, when it comes to defining new global tax rules. Even though the current OECD reform process (BEPS 2.0) is taking place in a so called “Inclusive Framework on BEPS” [107] with 139 jurisdictions participating, from a development perspective this process is still likely to fail – mainly for two reasons.

First, the re-allocation of taxing rights, as proposed in this reform process, is likely only applicable to a very small group of the most profitable multinationals and only for a small part of their total profits.[108] It will remain possible to shift profit from the global south to Switzerland. In addition, it is very likely that the extractive industry as a whole, therefore including Socfin, will be excluded from this re-allocation of taxing rights.

The second reason is that the global minimum effective tax rate (GLOBE), as the OECD suggested in July 2021, is far too low. While the US secretary of treasury Janet Yellen proposed a rate of 21% at the beginning of April 2021, this rate was lowered to 15% in July as a result of the negotiations among G7-, OECD- and G20-countries. The global average is around 24%.[109] While a rate of 21 percent could have changed current tax avoidance strategies of multinational corporations, a rate of 15% would hardly be an incentive to stop shifting profits because the differences between the regular tax rates would remain significant.

Also for the efforts within the UN framework, substantial progress is not yet foreseeable. At the same time, global inequality is increasing in many countries – not least due to a lack of distribution of corporate profits to the benefit of public services such as health, education or transportation.[110] Low taxation of corporate profits equates redistribution of economic value created by labourers from the people towards the few wealthy shareholders of

multinational companies. This happens through dividends and other benefits which are then taxed at a very low level in many countries (i.e. in Switzerland).

Switzerland, as a driving force in the global tax avoidance game for decades, must take measures to support a fairer distribution of corporate profits around the globe either unilaterally or in new forms of coalitions with countries who are willing to move global tax justice forward – especially under the umbrella of the UN. A major paradigm shift would be the implementation of global unitary taxation with formulary apportionment that no longer defines the allocation of profits within multinational corporations on the basis of the Arm's Length Principle, but rather through a formula based on labour and other factors estimating real economic performance.[111] This would ensure that corporations register their profits not primarily where the tax rates are lowest, but where the main economic activity is taking place. This approach of taxing multinationals as unitary corporations has been pushed by Tax Justice NGOs, progressive thinktanks and academics around the globe already for several years.[112]

On a more immediate level, transparency needs to be massively improved. The first essential step would be the introduction of public country-by-country reporting and the publication of so-called tax rulings. These are taxation agreements between the cantonal authorities and the companies which result in much lower tax rates than the canton normally applies. In the European Union, a publication of such rulings might already be within sight.[113] In Switzerland, there are thousands of such rulings, but details are not publicly available. Although Switzerland has a Freedom of Information in the Administration Act,[114] in practice this is rarely applied to tax and finance policy. Finally, Swiss accounting regulations for companies lag behind the regulations of the EU. These lax regulations are partly responsible for the fact that evidence of financial flows within multinational corporations are lost – at the latest by the time the money leaves Switzerland again.

4. Extracting profits at people's expense

The 12,500 ha palm oil plantation belonging to Socfin Agricultural Company (SAC) in Sahn Malen, Sierra Leone. The trees in the background indicate the location of the villages within Socfin's concession area. **© Maja Hitij**

While this research indicates that Socfin transfers profits to Switzerland, the subsidiaries in the Global South where palm oil and rubber is cultivated manage their plantations by cutting the costs wherever possible. This report examines three particular countries where it shows: they pay very little for the land they lease, for the trees of local people they cut down, for the workers they hire, and for the Corporate Social Responsibility measures they promise. This has dire consequences for the people affected by the Socfin plantations in some of the world's poorest countries: Liberia, Sierra Leone and Cambodia. Judging from the available information – briefly documented at the end of this chapter – similar conditions are found in other countries where Socfin has plantations.

4.1 Land rent and compensation

The subsidiaries in Sierra Leone, Cambodia and Liberia, in the cases where this information is accessible, all pay surprisingly little rent for the huge areas of land they cultivate.

"LAC said 'if [you] don't agree, then the company will just destroy the crops.'"
Witness from Come Back Hill, Liberia

Due to favourable contractual conditions it is profitable for Socfin to run these plantations. Also, in all three countries examined in this report, local people report that they were not involved, or not adequately involved, in the process of granting land concessions to Socfin subsidiaries. The companies used various methods to get around the opposition of local people who had previously used the land to farm and live. Last but not least, crops and trees planted by the people who farmed the plantation areas before were inadequately compensated by Socfin. The company's approach to these compensations is too consistent for it not to be systematic. As an example, a man from Come Back Hill in Liberia told that "LAC said, 'If [you] don't agree, then the company will just destroy the crops.'"[115]

When the concession was granted in Sierra Leone in 2011, the paramount chief of the Malen Chiefdom and the company reportedly tried to divide the communities by asking only some people for consent. Many affected people report that they have merely been informed about decisions taken by the paramount chief of the Malen Chiefdom, without being asked for consent or even being consulted.[116]

Furthermore, the documentation related to the lease agreements was provided to the people only in English, even though most local people do not speak English and are often illiterate.[117] Socfin contests these allegations, arguing that "FPIC [free prior and informed consent] was done" as well as public disclosure and translation.[118] What is an undisputable fact, though, is that SAC has seen many contestations recently of people who do not consent with the plantation taking over their lands.[119]

A leaked investigative report commissioned by the Sierra Leone government on the Malen conflict in 2019 recommends that both the amount and distribution of annual payments to landowners by Socfin should be increased and distributed differently. Also, the report notes that many crop compensation payments have not been made to the people of Malen and that this needs to still be done.[120] A resident of Gandhorhun Town recounts, "We had 60 acres of palm trees but after the survey, they considered it was only 10. We got 10,000,000 Leones [approximately 1,000 euros] as compensation but we never received any annual rent." [121] One particular incident symbolizes the inequality inherent in compensation payments: after activists were accused of destroying 40 oil palms belonging to the plantation, Socfin demanded from them a staggering amount of compensations which was 100 times higher than Socfin itself had paid for farmer's oil palms they destroyed.[122]

"We had 60 acres of palm trees but after the survey, they considered it was only 10. We got 10,000,000 Leones [approximately 1,000 euros] as compensation but we never received any annual rent."

Resident of Gandorhun Town, Sierra Leone

In **Liberia**, the concession agreements of Socfin's subsidiaries SRC and LAC date back to 1959. These contracts were signed by the previous owners of the plantation and the government – without the participation or even knowledge of the people living on that land. It is still these dated contracts that allowed the recent plantation expansions under Socfin ownership: the latest expansions began in 2009 in SRC, and in 2004 in LAC concession areas. An extensive report by *Bread for all*[123] demonstrated that many community members, on whose customary lands the plantation companies encroached, had not been meaningfully consulted, let alone asked for their consent. Socfin claims that discussions were held with people and "their consent sought."[124] Notably, this is not exactly the same thing as saying that people had given consent.

Sala Rubber Corporation SRC in Liberia. ***© Bread for all***

In Liberia, SRC and LAC hold concessions of over 128,000 hectares of land and pay rent only to the government. Owing to the contract from 1959, Socfin pays a mere 3,863 euros[125] lease fee per year for that entire land – an area half the size of Luxembourg.[126] Based on information provided by the 2016 report of the Liberia Extractive Industries Transparency Initiative, this is around 300,000 euros less annually than it would be with an up-to-date contract.[127] Certainly, Socfin is not alone in benefiting from such so far legal, but highly unjust land contracts.

"To that we said absolutely NO, NO ... If they evict us from here, where do we go?
If I go to another county, I will remain a stranger until I die."

Elder in Zondo, Liberia

The customary land rights of communities to their ancestral lands have historically been violated by the government and the concession companies are willing partners to this,

profiting from these lands. An elder from Zondo shared what the loss of land means to him: "To that we said absolutely NO, NO … If they evict us from here, where do we go? If I go to another county, I will remain a stranger until I die." [128]

Until 2018, the Socfin owned Salala Rubber Corporation in Liberia has reportedly paid farmers around 2.5 euros[129] per mature rubber tree when people got evicted from their lands. According to Socfin, this compensation scheme was approved by the government in 2013.[130] To understand the reasons for the anger of many interviewees, however, this figure can be compared with guidelines provided by the Liberian Ministry of Agriculture in its document "Economic Crops Damaged during Development Projects," published in 2012. This particular document might not have been legally binding for SRC as it was signed two to three years after the land evictions, but it is still revealing: the ministry recommended a compensation for each rubber tree in production (100%) at 85.9 euros. If the crops "illegally occur" on the land, the recommended compensation is much lower, namely 4.80 euros.[131] Based on the contract from 1959, Socfin argues that the land belonged to them and local people are encroaching on it. However, assuming that the people have customary rights to their land,[132] the recommended price of 85.90 euros is more than 30 times what Socfin actually paid.

In May 2019, 22 communities affected by the SRC plantation filed a complaint at the International Finance Corporation (IFC), a World Bank subsidiary who gave a loan to the plantation. The complaint was accepted and the Ombudsman of the IFC published a situation report after a team of independent experts visited the site.[133] SRC then refused to enter into a dispute resolution process mediated by the IFC.[134] We are now awaiting the final report of the Ombudsman.

The lease contracts in Cambodia are not available for public inspection. The details of the arrangements are therefore unknown. The country's history of granting land concessions dates back to French colonial times when large-scale rubber plantations were allocated to concessionaires. In the 2000s the government put a renewed emphasis on the promotion of agro-industrial plantations.[135] This resulted in an uncontrolled privatization of state land, a veritable sell-out during which tailor-made contracts were not uncommon.[136] Economic Land Concessions allocated by political elites and foreign investors are estimated to cover an equivalent of more than 50% of the country's arable land.[137]

In June 2007 the UN Special Representative of the Secretary General for Human Rights in Cambodia published a report which stated: "Since 1996, successive Special Representatives of the Secretary-General for human rights in Cambodia have expressed concern about the impact of economic land concessions on the human rights and livelihoods of rural communities."[138] Socfin now states it "is following the procedures laid out by the government."[139] In no respect does this contradict the assessment made in this report, as governments do not necessarily act in the best interest of the people, specifically indigenous minorities.

"At the first meeting, people disagreed with the project. At the second, people still disagreed. At the third, they were told that if they persisted in their disagreement, the company would take their land because the government had given it as a concession."

Lon, Report 2010

Socfin established a fait accompli by starting to clear the land even before officially signing the concession contract in 2008.[140] Several reports document how local people were evicted of their land, without sufficient consultation or free, prior and informed consent (FPIC)[141]. Some families resisted and in response, they faced threats from representatives of both the government and the plantation company.[142] Socfin has a different view on this process and claims to have "engaged dialogue with the local population,"[143] even supposedly with the local representation of the United Nations present. This statement is only partially true.[144] Back in 2008, the meetings mentioned by Socfin were held to merely inform the local population instead of involving them; and back then they did not take place in the Bunong language.[145] Local authorities were present from the start, but independent observers only joined the process at a later state – after it became evident that the processes were ridden with conflict.[146] Lon, in a report from 2010 by the Indigenous Peoples' Network, tells how he perceived these meetings: "At the first meeting, people disagreed with the project. At the second, people still disagreed. At the third, they were told that if they persisted in their disagreement, the company would take their land because the government had given it as a concession."[147]

Socfin initially only offered a one-time payment of 170 euros per hectare.[148] This process has been documented in a detailed report in 2010.[149] In addition, Socfin also provided other ways of compensation. The second option was to offer

contracts to become a rubber smallholder within a company programme set up for this purpose. But partaking in this required to wait for five years until the trees matured, which made it impossible for most families to be included. A third option offered was relocation, but the designated areas were often unfit for the agricultural methods of the indigenous Bunong farmers.[150] Later, there was also a fourth so-called option. The people who fought back and refused to leave were not evicted but could stay.[151] Socfin later started to sell that as a fourth option, also in their statement towards us.[152] But this has not solved main problems such as scarcity of land[153] due to the large areas that had been taken by Socfin, forcing the Bunong to regress to forests and leading to insecurity of tenure for the most vulnerable.[154] Since 2016, Socfin is involved in a mediation process with local communities, but many people do not have confidence in this process, due to previous experiences with the company.[155]

The years of repeated criticism of this process bear witness to this initial lack of FPIC and peoples' dissatisfaction. Socfin claims that "Socfin-KCD, together with all 816 claimant families, amicably resolved all cases" in 2012. However, an ongoing mediation process[156] and a lawsuit brought to the court in Nanterre, France tell a different story. In the latter case, the court overruled the Bunong plaintiffs in the first instance, but they have already announced an appeal.[157]

Socfin denies such allegations and argues on its website that it would deal with the state as the "legal owner of the land." The company acknowledges that despite the fact that the land "is used by the villagers, and that they have certain traditional rights," it would "usually offer villagers a choice of several different forms of compensation" and that people had an FPIC.[158] This last part is not exactly the story people tell. Many of the people evicted by Socfin plantations had customary land rights and depended on these territories for farming. The loss of their agricultural land deprives them of the ground to grow their food and cash crops for the local markets. Furthermore, people depend on forests for much more than farming, but also for medicines, construction material and spiritual purposes. As shown above, the impacts on peoples' livelihoods are drastic if these lands are taken away. The only option left to make a living remains wage labour on the plantations.

4.2 Working conditions and empty promises

Big plantation projects are usually accompanied by the promise of development, good jobs and thus a reliable income and education for remote rural communities – in exchange for the land. Socfin is no exception. Luc Boedt, CEO of Socfinco, stated in an interview with AP press that the plantations, jobs and new markets would have transformed the area in rural Cambodia: "We brought wealth to a place where there was nothing. Bousra was a few huts. Now it's a little town."[159] But for most of the people who have lived there for a long time, the promise of good jobs and wealth never really materializes.

The subsidiaries in the three countries in focus rely on casual workers, employed on a temporary or even daily basis and hired through sub-contractors. In the plantations discussed in this chapter, actual wage payments are often linked to certain performance quotas – putting high pressure on workers and arguably making accidents more likely. If workers cannot fulfil these quotas, their wages are reduced. Sadly, this is a common model of payment on many plantations worldwide and it is very controversial. In Liberia for example, the SRC management argues that their quotas have been designed with care and according to the West African Industry Standards.[160] But contract workers report that they are too high, which make the quotas very difficult to meet.

Also, work on plantations is often dangerous work. In Sierra Leone, the number of work accidents on the plantation reported by Socfin exceeded 1,000 in 2019, meaning that on average more than one in three people employed by SAC was involved in an accident at work.[161] In their sustainability report, Socfin also writes that SAC had 374 work accidents in 2019, which is the number for "work-related injuries". In the same report, however, Socfin also states that the work accidents were 1,071, which is illustrated by a graph showing the types of accidents.[162] It is possible, of course, that not all accidents lead to what Socfin defines as injury, but the number is still very high. The company claims to allow access to its medical facilities for employees and their dependents, and to cover all medical costs in case of an accident at work and to guarantee continued payment of wages. Workers contradict these claims according to the report of FIAN Belgium.[163]

In **Liberia**, another issue came to the forefront. During *Bread for all s* visits to the LAC and SRC plantations, women shared their experiences about sexual violence. They reported sexual harassment and sexual violence on the plantations from security guards and particularly from the contractor heads. This supports reports about the reality of violence[164] that women who live or work on large-scale plantations face worldwide. The stigma associated with sexual abuse adds a significant amount of difficulty for women who have been assaulted, as well as their families. As a result, most cases of rape and sexual assault on plantations go unreported. Both SRC and LAC claim to have gender committees and other relevant grievance mechanisms in place. Considering the evidence collected in the earlier report by *Bread for all* (2019),

At the SAC plantation in Sierra Leone, road construction and maintenance was the only budget item of the CSR commitment that was met and even exceeded. **© Maja Hiltij**

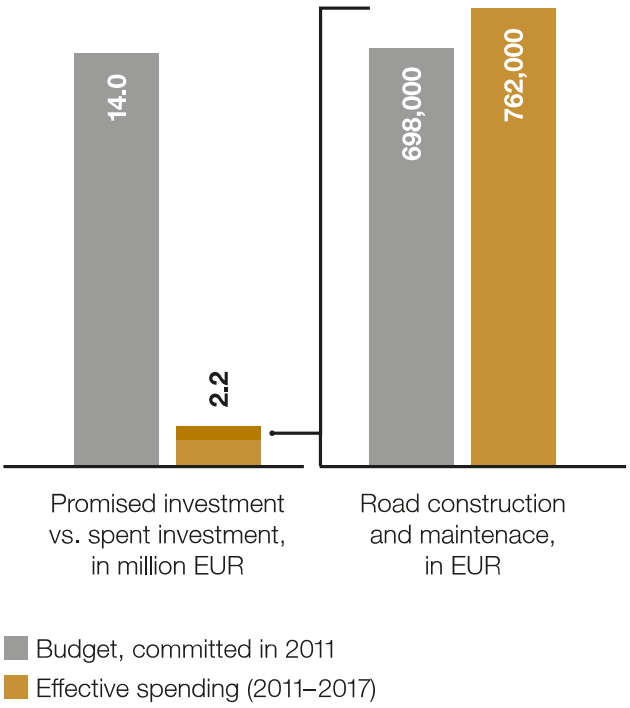
the high prevalence of sexual and gender-based violence in Liberia and the sensitivity of the issue, the fact that no case has been reported suggests that the grievance mechanisms do not work properly – not that sexual harassment is non-existent in those plantations. Without addressing the power relations, gender-based violence is very likely to remain persistent.

Socfin goes out of its way to illustrate that it takes its Corporate Social Responsibility (CSR) seriously, with plans to promote education, health and overall wellbeing in the areas affected, cushioning negative impacts of its business. Investigations at the subsidiaries, though, show that the actual implementation of these promises is somewhat at odds with Socfin's official commitment to CSR. This report is not the first one to mention this. A notable example is the report "Unsustainable Development" released in 2019 by Project ReAct. It counters claims made by Socfin in its official Sustainability Report and concludes that "despite the fact that Socfin claims to have spent considerable amounts of money on social infrastructures, many villagers explained that this spending was either invisible or inappropriate to their needs."[165]

While the grievances of people caused by these empty promises are similar on the three plantations, it is the Socfin Agricultural Company (SAC) in **Sierra Leone** where it has been studied most extensively by FIAN Belgium. The difference between promises and reality are alarming. When Socfin shared its spending accounts for the plan between the start of the company's operations in the Chiefdom in 2011 and the end of 2017, "major gaps between the company's promises, stated intentions, continued claims about their social corporate responsibility, and the reality of what it has implemented in Malen" became apparent.[166] Of the 14 million euros budgeted, a mere 2.2 million euros were actually spent during these years.[167] For a smallholder programme for example, the company earmarked 2 million euros. Not a single cent has been spent. Socfin makes its own arguments of why this underspending took place. That does not alter the fact that the CSR programme has never been implemented even though, according to testimonies collected by FIAN Belgium, it was a key factor in persuading the communities to accept the lease contract.

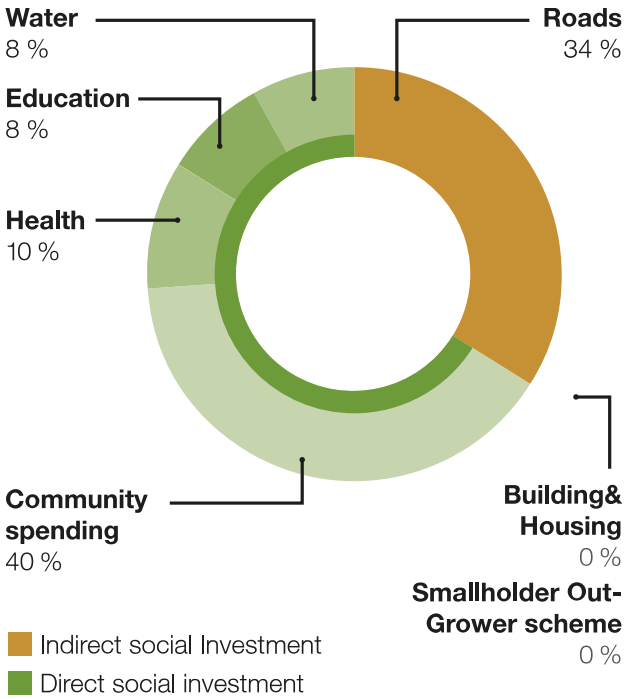
Promised vs. spent investment

For the period of 2011 to 2017



Distribution of the investment

Actually made in percentage per defined category, for the period of 2011 to 2017



Source: FIAN Belgium, Report 2019

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The only budget item of the CSR plan that was met and even exceeded by 2017 was the one appointed to road construction and maintenance within the plantation. These expenses mainly benefit the company itself.

The largest sum the company invested as part of their CSR plan falls into the category of "community spending," amounting to 912,505 euros. FIAN describes the spending objective of this money as vague. It apparently also includes spending that does not actually benefit the affected people, such as direct payments to the District and Chiefdom authorities adding up to nearly 70,000 euros.[168] Socfin argues that their payments to the latter would "indirectly" also benefit the communities.[169] There is, however, no way for the communities to verify what these budgets were spent on. This is symptomatic, as CSR activities are often reported on such a summarized level that it does not allow communities to verify them.

4.3 Socfin's other plantations

The Socfin group has been at the centre of a multitude of controversies regarding human and community rights violations throughout the past decades.[171] To demonstrate the wide scope of these conflicts, we briefly summarise a selection of them in the following paragraphs.

In **Nigeria** for example, the situation on the Okomu plantation, another Socfin subsidiary, is tense. In recent years there have been smouldering land conflicts in Edo State, accompanying the expansion of plantations. The local Friends of the Earth organization Environmental Rights Action estimates that in the entire process of land acquisition, about 60,000 rural farmers have been displaced and the area is becoming increasingly militarized.[172] In June 2020, the conflict flared up anew when Okomu was accused of having burnt down a village named Ijaw-Gbene.[173] The spokesperson of Okomu Kingdom claimed that this was not the first village surrounding the plantation that was burnt down, but rather the fourth. According to him, the attack was committed in a joint effort by the company's security forces and the Nigerian army.[174] The allegations are rejected by

Okomu Oil Palm Company. They claim that a village by the name Ijaw-Gbene is not known and that the company had never burnt down any houses.[175]

Already in 2015, the Edo State Government ordered the revocation of the land sale to Okomu, covering an estimated 13,750 hectares and spreading over forest reserves. The company, however, reportedly disregarded the government orders and continued bulldozing the forest to make room for their plantation.[176] In 2017, following new elections in Edo, residents together with civil society groups organized a protest demanding the new Edo State governor to put a stop on Okomu's continuous expansion.[177] In September 2020, following the alleged burning down of Ijaw-Gbene, members of local communities turned to the Nigerian president with an open letter. They urge him to investigate the claims brought forward by the affected people, to put a halt on the destruction of nature and to make sure the affected communities are being compensated for the losses inflicted on them.[178]

In **Cameroon**, disputes revolving around Socfin's subsidiary Socapalm have been ongoing for years. The plantation is accused of negatively affecting the livelihoods of the local population until today.[179] The raised allegations are contested by the company.[180] People living nearby the plantation have raised their voices repeatedly. For example, in 2015 villagers protested further expansion plans by the company. When confronted with the fact that the company doesn't engage with local communities, the CEO of Socfin Luc Boedt replied to the Guardian: "We deal with the real stakeholders. We speak with elected people and not some excited villagers."[181]

At the moment, there is an ongoing case of several organizations against the Bolloré group, one of the main Socfin shareholders. It started in 2010, when the French organization Sherpa referred to the OECD National Contact Point about Socapalm's activities concerning social, environmental and land issues, affecting local communities and workers. At the end of the mediation process, Bolloré and Sherpa agreed on the implementation of an action plan for the benefit of the victims.[182] In 2019, Sherpa and other organisations from Europe and Cameroon, among them *Bread for all*, went to court against Bolloré because it failed to implement the plan. The organisations now are forcing its implementation in court.[183]

Socfin is also, indirectly, involved in another OECD complaint against the Dutch bank ING, filed by numerous organizations in 2019. They alleged that ING had "breached the OECD Guidelines by contributing to specific adverse environmental, human rights, and labour rights impacts caused by ING's palm oil clients."[184] One of the clients in question is Socfin regarding its plantations SAC in Sierra Leone and Socapalm in Cameroon. In its first public response ING stated that it cannot always prevent environmental and social issues in its client's operations.[185]

"We deal with the real stakeholders. We speak with elected people and not some excited villagers."
Luc Boedt, CEO Socfin

In **Indonesia**, Socfin's subsidiary Socfindo has nearly 50,000 hectares of land concessions and made over 36 million euros in profits last year, being the company's most profitable subsidiary. In July 2020, representatives of five communities in Aceh filed a complaint[186] with the Environmental Agency of Naga district against three palm oil plantations, one of them being Socfindo, for allegedly polluting the Seumayan River with palm oil processing waste on a repeated basis. As of September 2021, the investigations are ongoing.[187]

At the same time, Socfin takes an effort to show its sustainability. For instance, the company has been awarded Roundtable for Sustainable Palmoil (RSPO) certification for plantations in Cameroon, Ivory Coast and Nigeria. In other plantations, the certification process is ongoing, despite well documented and unresolved land conflicts in several of these plantations.[188] New research by the Dutch organization Milieudefensie indicates that during the certification process in Africa, critical voices - including communities that have land disputes with the company - were not consulted. Several organisations and community members complained they were intimidated or manipulated during the consultation process. According to the research, there are issues about the independence of the audits as well.[189]

4.4 Profits before people

This chapter outlined the situation on plantations in different countries, with a special focus on Cambodia, Sierra Leone and Liberia. The examples given, as well as other reports and articles on Socfin plantations in different countries, show a business model based on a lack of appropriate land lease fees and empty promises of development. This model was not created for the benefit of local people, but to serve the company's business.

Taken together, this paints the picture of a company cutting expenses in their labour-intensive and land-intensive core business operations while it maximises its profits at the same time. This business model has serious consequences for the local people struggling with loss of land, food insecurity and poverty. The jobs created by the plantations pay low salaries and are often connected to precarious working conditions. The promised development of rural areas does not consider the needs of people living in the area; in some cases, it even creates a sharp divide instead of improving the situation, leaving local people even further behind.

Moreover, by shifting the profits out of the countries where commodities like rubber and palm oil are produced to low tax Switzerland and other tax havens, companies like Socfin deprive the governments of the producing countries of the possibility to invest tax revenue in infrastructure and the public sector to provide services for all. At the same time, these companies make the governments of countries in the Global South more prone to attract new foreign direct investment at the expense of their own people.

5. Conclusion and recommendations

The analysis in this report provided insight into the distribution of profits within the Socfin group, in order to identify indications of profit shifting and tax avoidance. Thanks to the structure of Socfin's activities and the detailed data published by Socfin, this report goes beyond the level of analysis that is usually possible for external observers and civil society.

Even though Switzerland allows companies to keep their financial affairs out of public scrutiny, information published by Socfin in other countries clearly shows that compared to the number of employees a big share of the profits ends up in Socfin's Swiss subsidiaries where they benefit from effective tax rates significantly lower than 15%. These subsidiaries – the most prominent being Sogescol FR and Socfinco FR – were set up in the Swiss canton of Fribourg, relocated there from Belgium. This was motivated, according to Socfin's management, by the low taxes of Fribourg. These subsidiaries provide services to the group's operational subsidiaries such as commercialization and sale to third parties, or for the provision of knowledge and management tools. The payments for these services reduce the profits in the countries where the core business activity takes place and contributes to the losses accruing in several of the African and Asian subsidiaries.

The disparity between Socfin's profits per employee in tax haven Switzerland and the subsidiaries in high tax jurisdictions in the global South, but also in Belgium, is disconcerting. This report indicates that profits are highest where taxes are lowest – a typical sign of profit shifting. In the African countries where Socfin operates, taxes vary between 25 and 33%[190] and Socfin's profits per employee are much lower than in Europe and in Switzerland in particular. This raises the question whether Socfin's transfer pricing choices and the international transfer pricing system fairly allocate profits to where value is created.

This is even more disturbing when taking note of the drastic profit maximization in these countries, which comes at the cost of the local people – be it workers or people who have been deprived of their lands. Unfortunately, this profit shifting and profit extraction is not uncommon. Instead, it is one of the reasons why developing countries lack their own resources and why the promise of development has remained elusive for many since the end of colonialization.

Whether the profit shifting and tax avoidance observed in the case of Socfin is in line with global tax rules and the OECD's initiatives against base erosion and profit shifting is impossible to tell without detailed appraisal by tax authorities. And in the cases where tax agencies question the profit allocation – as the Belgian agency did with Socfin – this often leads to long disputes and becomes a case for the judge. But what becomes very clear with the example of Socfin is that the companies' structure and the global tax rules produce results that are strongly reminiscent of colonialization. This makes it more urgent that Socfin responds to calls from local communities, for example to return contested lands, respect the environment, ensure that living wages are paid to all workers on the plantations and end all rights abuses.

We further call on the tax authorities in the jurisdictions where Socfin operates to scrutinize the group's intra-group profit allocation, to protect their country's legitimate tax revenues. To support a fairer distribution of the global profits of multinational corporations and more specifically to tax profits in the country where workers generate them, rules must be adopted for a fair distribution of profits among the countries in which a group is active. One example is replacing the system of transfer pricing with one of unitary taxation.

And last but not least we call on Switzerland and the OECD to fix the broken tax system. To fulfil its commitments under the SDGs, Switzerland should end its role as a tax haven and secrecy jurisdiction – both unilaterally and in new forms of coalitions with countries who are willing to move global tax justice forward, especially under the umbrella of the UN. Switzerland needs to drastically improve transparency regulations concerning Switzerland-based companies, their often-tailor-made tax deals and to stop promoting special tax rules which work as an incentive for multinational corporations to shift their profits from countries of the global south to Switzerland. Following its European neighbours, new transparency regulations must be introduced. This must include the publication of financial accounts, Country-by-Country-Reports and tax rulings.

These would be first steps, but – as the case of Socfin shows – more fundamental changes to the global taxing rights system are necessary for a just and stable world.

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Tax Justice Network, "What is Transfer Pricing?", URL: https://www.taxjustice.net/faq/what-is-transfer-pricing/ (accessed on 01.04.2021).

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[41] TPA Global, (2018), "Transfer Pricing Country Summary – Cameroon", URL: http://www.tpa-global.com/wp-content/uploads/2020/05/180314-cameroon-transfer-pricing-country-summary-report.pdf

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[45] Bakertilly International, (2020), "Sierra Leone Fiscal Guide 2020", URL: https://www.bakertilly.global/media/7792/sierra-leone-fiscal-guide-2020.pdf

[46] Readhead, (2016)

[47] Beer, Sebastian & Ruud Mooij & Li Liu, (2019), "International Corporate Tax Avoidance: A Review of the Channels, Magnitudes, and Blind Spots: International Corporate Tax Avoidance: A Review", Journal of Economic Surveys, volume 34.

[48] Email received on 18th May 2021 by Socfin's lawyer, attached a Pdf with Socfin's comments

[49] van der Kraaij, F. P. M. (1983), *"The open door policy of Liberia: an economic history of modern Liberia",* self-published by the museum, p. 127.

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[50] International Finance Corporate, (2008), "Salala Rubber Corporation", URL: https://disclosures.ifc.org/project-detail/SPI/26510/salala-rubber-corporation

[51] World Rainforest Movement, (1999), "World Bank promotes oil palm and rubber plantations in Liberia and Côte d'Ivoire", URL: https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/world-bank-promotes-oil-palm-and-rubber-plantations-in-liberia-and-cote-divoire/

[52] Ibid.

[53] "Synopsis" by Socfin; received by email from Socfin's laywer, 18th May 2021.

[54] Socfinaf, (2020), "Annual Report (English)", p. 121.

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[56] International Finance Corporate, (2008), "Salala Rubber Corporation", URL: https://disclosures.ifc.org/project-detail/SPI/26510/salala-rubber-corporation

[57] On a world scale, this only presents 1.1% of total global exports of rubber. World's Top Exports, "Natural Rubber Exports by Country", (2020), URL: http://www.worldstopexports.com/natural-rubber-exports-country/

[58] The largest producer of rubber is the American company Bridgestone. Firestone, "Frequently Asked Questions", (2020), URL: https://www.firestonenaturalrubber.com/media/faqs/

[59] Socfin, "LAC", (2020), URL: https://www.socfin.com/en/locations/lac

[60] European Commission, "Palm oil value chain analysis in Sierra Leone", (2019), URL: https://europa.eu/capacity4dev/file/91605/download?token=o0PjNyLK

[61] Green Scenery, "Large Land Deals In Sierra Leone: A Brief Overview", (2011), URL: http://greenscenery.org/wp-content/uploads/2019/10/201204-Media-Briefing.pdf

[62] Although the most recent activities of SOCFIN in Cambodia started with the acquisition of this concession, SOCFIN has a longstanding history in Cambodia. At the start of the 20th century Socfin started its first activities in Cambodia. However, due nationalization programs by the Khmer Rouge in the late 1970s and the subsequent Cambodian involvement in the Vietnam war, most plantations were heavily damaged in the interim.

[63] The name of this concession is Varanasi.

[64] The name of this concession is Sethikula.

[65] Compare Socfin's Sustainability Reports 2018 to 2020.

[66] Socfin Cambodia, (2019), Sustainability Report 2019, p. 8.

[67] Khmer Times, "Cambodia's rubber export up 30 percent last year", (2020), URL: https://www.khmertimeskh.com/684115/cambodias-rubber-export-up-30-percent-last-year/

[68] Response of Socfin on 18th May 2021

[69] Socfin, "Sogescol FR", URL: https://web.archive.org/web/20180715120649/http://www.socfin.com/en/locations/companies/detail/sogescol-fr (2018 access through the Internet Archive Waybackmachince).

[70] Socfin, (2019), "Sustainability Report 2019", URL: https://www.socfin.com/sites/default/files/2020-09/2019%20-%20Socfin%20Cambodia%20-%20Sustainability%20report_1.pdf

[71] Until 16 October 2018 the website stated that Sogescol FR serves as a conduit through which the group sells all the rubber it produces (https://web.archive.org/web/20180715120649/http://www.socfin.com/en/locations/companies/detail/sogescol-fr) Since 18 October 2018 the website no longer specifies whether all Socfin rubber passes through Sogescol FR (https://www.socfin.com/en/marketing, accessed on 01.04.2021)

[72] Panjiva is a subscription-based website promoting access to import and export details on commercial shipments worldwide. Panjiva obtains data from several customs agencies and data partners worldwide and aggregates these different data souces to supply information on companies and other agents engaged international trade.

[73] Notable countries for which data is available in the Panjiva database are the US, China, India, Brazil, Indonesia, Mexico, Colombia, Peru, and Pakistan. An important exclusion with regards to this research on Socfin is data from EU Member states, which Panjiva does not provide access to.

[74] The suppliers listed for these shipments were Bollore PC Compagnie Des, Ccp, Liberia Agricultural Development, Sud Comoe Caoutchouc, SOGB, and Exploitation Agricole Tehui. The last of these appears to be an Ivory Coast based organization, but its ownership could not be identified. The other organizations all appear to be part of the Socfin group.

[75] The term "price owner" does not appear to be widely used, but instead appears to be limited to the shipping sector. A price owner appears to be a party that negotiates the price for a transaction from the seller's side of the deal. Therefore, it is not necessarily the seller or the party that gets paid in the transaction.

Maersk, "Introducing Maersk Spot", URL: https://www.maersk.com/transportation-services/maersk-spot (accessed on 01.04.2021); Safmarine, (undated), "Access Limits", URL: https://www.safmarine.com/-/media/saf/attachments/cross-trade/access-limits.pdf?la=en

[76] The text in the database is rather ambiguous, stating "ORIGIN: IVORY COAST FREIGHT PAYABLE ELSEWHERE ANTWERP BY SOGESCOL FRIBOURG." The trades where this is mentioned mostly take place between Socfin group companies selling rubber and external parties buying these goods. As such, it appears plausible that Sogescol is mentioned here as the controlling interest for Socfin's side of the transaction, and receives payment from the acquiring parties.

[77] Socfin, "Socfinco Fr", URL: https://www.socfin.com/en/investors/socfinco-fr (accessed on 01.04.2021).

Socfinco in Belgium also provides such support and in 2019 it made a profit of 1.5 million euros according to Socfinaf's annual reports.

[78] Socfin, "Induservices Fr", URL: https://www.socfin.com/en/investors/induservices-fr (accessed on 01.04.2021).

[79] Socfin, "Sodimex Fr", URL: https://www.socfin.com/en/investors/sodimex-fr (accessed on 01.04.2021).

[80] Okomu Oil Palm Company Plc, (2020), "Financial Statements", page 59, URL: https://www.okomunigeria.com/financials The figures were converted from Nigerian Naira, using the average currency exchange rates for 2020, found here: https://www.exchangerates.org.uk/NGN-EUR-spot-exchange-rates-history-2020.html

[81] ibid

[82] Socfinaf (2020), "Annual Report", p.23.

[83] Marc Schmitz and Philip J. Warner, (2015), "Luxembourg in International Tax", URL: https://www.ibfd.org/IBFDProducts/Luxembourg-International-Tax-Third-Revised-Edition;

Council of the European Union, (2019), "Switzerland's Practice of the Federal Tax Administration regarding finance branches (CH005)", 13206/19, FISC 394, URL: https://data.consilium.europa.eu/doc/document/ST-13206-2019-INIT/en/pdf

Alliance Sud, (2018), "Tax Proposal 17: Forward to the past", URL: https://www.alliancesud.ch/en/file/34430/download?token=CypuCcNz

[84] See https://www.efd.admin.ch/efd/de/home/das-efd/nsb-news_list.msg-id-75158.html

[85] Socfin, (2020), "Annual Report", p. 129.

[86] Socfinaf, (2020), "Annual Report", p. 136.

[87] Socfinasia, (2020), "Annual Report", p. 118.

[88] PWC, (2017), "Financing options: Debt versus equity - A country overview", p. 53, URL: https://www.pwc.nl/nl/assets/documents/pwc-financing-options-debt-versus-equity.pdf, p. 47ff

Due to the harming features of this regime, the OECD pressured Switzerland to abolish this tax privileged regime, which it did on from 1st January 2020.

See: Delloite, (2020), "International Tax – Switzerland Highlights 2020", URL: https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-switzerlandhighlights-2020.pdf

[89] General withholding tax on interest is 10%. National Revenue Authority Sierra Leone, "Withholding Tax", URL: https://www.nra.gov.sl/businesses-and-organisations/withholding-tax (accessed on 01.04.2021)

[90] OpenLand Contracts, (2012), "Socfin Agricultural Company (S.L) Limited", Memorandum of Understanding, paragraph 13, URL: https://www.openlandcontracts.org/contract/ocds-591adf-9401554361/view#/pdf

Baker Tilly, (2020), Sierra Leone Fiscal Guide 2020, URL: https://www.bakertilly.global/media/7792/sierra-leone-fiscal-guide-2020.pdf

[91] Tax Justice Network, (2015), "The West African Tax Giveaway: new report", URL: https://www.taxjustice.net/2015/08/25/the-west-african-tax-giveaway-new-report/

ActionAid, (2015), "The West African Giveaway: Use & Abuse of Corporate Tax Incentives in ECOWAS", URL: https://resourcecentre.savethechildren.net/node/9405/pdf/full_report_-_the_west_african_giveaway.pdf

Tax Justice Network, (2019), "Comparing tax incentives across jurisdictions: a pilot study", URL: https://www.taxjustice.net/wp-content/uploads/2018/12/Comparing-tax-incentives-across-jurisdictions_Tax-Justice-Network_2019.pdf

International Monetary Fund, (2008), "Kenya, Uganda, and United Republic of Tanzania: Selected Issues", URL: https://www.imf.org/external/pubs/ft/scr/2008/cr08353.pdf

[92] Tax Justice Network, (2019), "Corporate Tax Haven Index", URL: https://www.corporatetaxhavenindex.org/en/introduction/cthi-2019-results

[93] Beer, Sebastian & Ruud Mooij & Li Liu, (2019), "International Corporate Tax Avoidance: A Review of the Channels, Magnitudes, and Blind Spots: International Corporate Tax Avoidance: A Review", Journal of Economic Surveys, volume 34.

[94] PricewaterhouseCoopers, "PwC's international tax comparison", URL: https://www.pwc.ch/en/services/tax-advice/tax-calculator.html, (accessed on 01.04.2021).

[95] BDO Schweiz, "STAF-Umsetzung in den Kantonen», URL: https://www.bdo.ch/de-ch/microsites-de/staf/staf-uberblick/kantonale-umsetzung, (accessed on 01.04.2021)

[96] BAK, (2020), "Steuerreform (STAF) stärkt den Schweizer Wirtschafts- und Innovationsstandort", URL: https://www.bak-economics.com/fileadmin/documents/medienmitteilung/BAK_Medienmitteilung_BAK_Taxation_Index_2020_Update_CH_23.07.2020.pdf

[97] Financial Times, (2018), "Multinationals pay lower taxes than a decade ago", URL: https://www.ft.com/content/2b356956-17fc-11e8-9376-4a6390addb44

[98] Tax Foundation, (2020), "Corporate Tax Rates around the World, 2020", URL: https://taxfoundation.org/publications/corporate-tax-rates-around-the-world/#Rates

[99] Etat de Fribourg/Staat Freiburg, (2020), "SV17: Ausgewogene kantonale Reform mit starken sozialen Ausgleichsmassnahmen", URL: https://www.fr.ch/de/institutionen-und-politische-rechte/oeffentliche-finanzen/sv17-ausgewogene-kantonale-reform-mit-starken-sozialen-ausgleichsmassnahmen

[100] La Liberté, (2017), "Un empire très exotique à Fribourg", p. 9, URL: https://www.socfin.com/en/un-empire-tres-exotique-fribourg

Socfin, (2020), "Rapport Annuel", p. 111.

In the interview in La Liberté Philippe du Traux talks about a corporate income tax rate of 10% for the companies in Fribourg. In the annual report 2020 then, Socfin reveals that the subsidiaries Socfinco FR, Sogescol FR, Socfin Green Energy, Socfin Research and Sodimex FR in Fribourg paid a corporate income tax rate of 9.2% until 2019 that increased to 14% in 2020. The tax rate of Induservices FR, also in Fribourg, was 19.86% until 2019 (effective tax rate in Fribourg) and decreased now to 14%. 13.72 % is the effective tax rate in Fribourg since 2020. These numbers suggest that Socfin enjoyed tax privileges before STAF/RFFA that have now been abolished. However, this higher rate doesn't change Socfin's ability to shift profits to Fribourg: Shifted profits are now just more efficiently taxed in Fribourg, because the cuts to the cantonal statutory tax rate in Fribourg rank it now among the jurisdictions with the lowest corporate income tax rates in the world.

[101] This figure was converted to euros using the currency exchange rate for 27.09.2021, found here: https://www.exchangerates.org.uk/

[102] Tørsløv, Thomas, Ludvig Wier, Gabriel Zucman, (2020), "The Missing Profits of Nations", URL:https://missingprofits.world/

[103] Alliance Sud, (2018)

[104] Swiss Federal Department of Finance, (2017), Vernehmlassungsverfahren zur Steuervorlage 17 (SV17), Erläuternder Bericht, p. 9; URL: https://www.newsd.admin.ch/newsd/message/attachments/49582.pdf

[105] Human Rights Council, (2018), Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, on his visit to Switzerland, p.9, URL : http://www.ohchr.org/Documents/Issues/Development/IEDebt/A_HRC_37_54_Add3_EN.docx

Dominik Gross, (2019), Referendum zum Bundesgesetz über die Steuerreform und die AHV-Finanzierung (STAF, ehemals SV17), p.2, URL: https://www.alliancesud.ch/de/file/40576/download?token=Ads-AnGK

[106] Human Rights Council of the UN, (2018), Report of the Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, on his visit to Switzerland; Thirty-seventh session; URL: http://www.ohchr.org/Documents/Issues/Development/IEDebt/A_HRC_37_54_Add3_EN.docx

[107] The Inclusive Framework on BEPS at the OECD, URL: https://www.oecd.org/tax/beps/beps-about.htm/

[108] BEPS monitoring group, (2021), "Statement on a two-pillare solution to address the tax challenges arising from the digitalization of the economy", URL: https://www.bepsmonitoringgroup.org/news/2021/7/31/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy

[109] Financial Times, (2018), "Multinationals pay lower taxes than a decade ago", URL: https://www.ft.com/content/2b356956-17fc-11e8-9376-4a6390addb44

[110] United Nations Department of Economic and Social Affairs (DESA), (2020), World Social Report 2020, Inequality in a rapidly changing world, p. 3ff., URL: https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/01/World-Social-Report-2020-FullReport.pdf

[111] Gross, Dominik, (2019), "Eine Steuer für alle", URL: https://www.alliancesud.ch/de/politik/steuer-und-finanzpolitik/steuerpolitik/eine-steuer-fuer-alle.

See also: National Council Postulate 13.3289, (2013), "Unitary Tax. Imposer les multinationales comme une unité", URL: https://www.parlament.ch/en/ratsbetrieb/suche-curia-vista/geschaeft?AffairId=20133289

[112] Picciotto, Sol (ed.), (2017), Taxing multinational enterprises as Unitary Firms, URL: https://www.ictd.ac/publication/taxing-multinational-enterprises-as-unitary-firms-2/

[113] International Tax Review, (2021), "This week in tax: Public CbCR gets go-ahead in EU", URL: https://www.internationaltaxreview.com/article/b1qqqmc1dz34xp/this-week-in-tax-public-cbcr-gets-go-ahead-in-eu

[114] Swiss Federal Department of Justice and Police, (2006), "Öffentlichkeitsgesetz ab 1. Juli 2006 in Kraft", URL: https://www.humanrights.ch/de/ipf/archiv/schweiz/nachrichten/oeffentlichkeitsprinzip-verwaltung; SR 152.3 Federal Act on Freedom of Information in the Administration, URL: https://www.fedlex.admin.ch/eli/cc/2006/355/en

[115] Bread for all (2019), p. 53

[116] Welthungerhilfe, (2012), "Increasing Pressure for Land: Implications for Rural Livelihoods and Development Actors. A Case Study in Sierra Leone", p. 12, URL: www.fian.be/IMG/pdf/whh_study_land_investment_sierra_leone_october_2012.pdf

[117] FIAN Belgium, (2019)

[118] "Synopsis" by Socfin; received by email from Socfin's laywer, 18th May 2021.

[119] See FIAN Belgium (2019). More recently, see the case of Aminata Fabba, the Deputy Chairlady and and founding member of the Malen Land Owners and Users Association (MALOA). She has been brought to court for her efforts to mobilize women not to sell their lands. The court has ruled in her favour (see her profile by Frontline Defenders, https://www.frontlinedefenders.org/en/profile/aminata-fabba). In August 2021, there has been a press release by MALOA, criticising a meeting held by a project sponsored by the UNDP and aimed at solving the land crisis in Malen. MALOA states that they had not been invited to that meeting and were not present, but members of another organisation sponsored by Socfin had been passed off as MALOA representatives (press release see https://www.farmlandgrab.org/post/view/30455)

[120] Government of Sierra Leone, (2019), "Report of the technical committee on the Malen Chiefdom land dispute in Pujehun district", URL: https://www.fian.be/IMG/pdf/2019_report_malen_tc_final_september.pdf

[121] FIAN Belgium, (2019), p. 63-64.

[122] FIAN Belgium, (2019), p.53 and 63.

[123] Bread for all, (2019)

[124] "Synopsis" by Socfin; received by email from Socfin's laywer, 18th May 2021.

[125] This figure was converted to euros using the currency exchange rate for 01.04.2021, found here: https://www.exchangerates.org.uk/USD-EUR-01_11_2018-exchange-rate-history.html

[126] For SRC and LAC, the yearly rent was set in the concession agreement at 0.06 USD per acre (0.15 USD per ha) for developed land. Each company must pay a minimum annual rent (20,000 acres (8094 ha) at 1,200 USD for SRC and 50,000 acres (20,234 ha) at 3,000 USD for LAC) even if less land is developed. This is also approximately what they pay (LAC a little more, i.e. 3,351 USD) to the government according to the Liberia Extractive Industries Transparency Initiative (LEITI 2016).

[127] This calculation assumes – in favor of SRC and LAC – that their concessions are now 19,768 acres (8,000 ha) and 300,000 acres (121,406 ha), respectively. 2016 the rates of the LEITI were 2 USD per acre (4.94 USD per ha) for developed land and 1 USD per acres (2.47 USD per ha) for undeveloped land. The calculation's result was converted to euros using the currency exchange rate for 01.04.2021, found here: https://www.exchangerates.org.uk/USD-EUR-01_11_2018-exchange-rate-history.html

[128] Bread for all, (2019), p. 55

[129] This figure (3 USD) was converted from USD to euros using the currency exchange rate for November 1st, found here: https://www.exchangerates.org.uk/USD-EUR-01_11_2018-exchange-rate-history.html

[130] Socfin Synopsis 05/2021, received by email.

[131] Ministry of Agriculture of the Government of Liberia, (2012), "Price for economic crops damaged during development projects", In: West African Power Pool, (2013), "Environmental and Social Impact Assessment and Resettlement Action Plan for the Rehabilitation of the 64 MW Mount Coffee Hydropower Plant, Liberia"

These figures (97.92 USD and 6 USD) was converted from USD to euros using the currency exchange rate for November 1st 2018 and July 1st 2012, respectively, found here: https://www.exchangerates.org.uk/USD-EUR-01_11_2018-exchange-rate-history.html

[132] For a detailed analysis of the land right situation and the concession contract of SRC and LAC, please see Bread for all (2019).

[133] Case of the Complicance Advisor Ombudsman of the IFC, http://www.cao-ombudsman.org/cases/case_detail.aspx?id=3282

[134] For more information, see Public Trust Media, 5. October 2021, Power dynamics of multinational corporations in Liberia, https://newspublictrust.com/special-report-power-dynamics-of-multinational-corporations-in-liberia/

[135] Diepart, Jean-Christophe and Laura Schoenberger, (2016), "Concessions in Cambodia: Governing Profits, Extending State Power and Enclosing Resources from the Colonial Era to the Present." In The Handbook of Contemporary Cambodia, edited by Katherine Brickell and Simon Springer, 1 edition., London ; New York: Routledge, p. 157-68.

[136] Diepart, Jean-Christophe (2015), "The fragmentation of land tenure systems in Cambodia: peasants and the formalization of land rights", URL: https://www.foncier-developpement.fr/wp-content/uploads/Country-profile-6_Cambodia_VF.pdf

[137] Neef, Andreas, Siphat Touch, Jamaree Chiengthong, (2013), "The Politics and Ethics of Land Concessions in Rural Cambodia", Journal of Agricultural and Environmental Ethics, volume 26, URL: https://link.springer.com/article/10.1007/s10806-013-9446-y

[138] OHCHR, (2007), Economic land concessions in Cambodia: A human rights perspective, Special Representative of the Secretary-General for human rights in Cambodia, p. 3; URL: https://cambodia.ohchr.org/sites/default/files/Thematic-reports/Thematic_CMB12062007E.pdf

[139] "Synopsis" by Socfin; received by email from Socfin's laywer, 18th May 2021.

[140] Indigenous Peoples Network (2010), Case study submitted to the United Nations, p. 2.

FIDH, (2011), Appendix 2, p. 57-68.

[141] Indigenous Peoples Network (2010), Case study submitted to the United Nations.

[142] Action Aid NL, (2019) " Resist, engage, change: Rural communities in Cambodia bravely stand up for their rights against the impacts of forced evictions and corporate abuse. " p. 8, URL: https://actionaid.nl/wp-content/uploads/2020/09/ActionAid_Magazine_Cambodia.pdf;

Cambodian Center for Human Rights, (2020)

FIDH, (2011)

[143] Socfin Synopsis 05/2021, received by email.

[144] Indigenous Peoples Network, (2010), Case study submitted to the United Nations.

[145] FIDH, (2011) and Indigenous Peoples Network, (2010), Case study submitted to the United Nations

[146] Sophal et al., (2020), MRLG report, p.11

[147] Indigenous Peoples Network, (2010), Case study submitted to the United Nations, p 32.

[148] This figure (200 USD) was converted from USD to euros using the currency exchange rate for November 1st, found here: https://www.exchangerates.org.uk/USD-EUR-01_11_2018-exchange-rate-history.html

[149] Indigenous Peoples Network, (2010), Case study submitted to the United Nations.

[150] Sophal et al., (2020), MRLG report, p.12.

Porée, Anne-Laure and Guillaume Suon, (2014), The last refuge, documentary movie, URL: https://www.letemps.ch/monde/cambodge-bunong-essaient-resister-contre-vol-leurs-terres

FIDH, (2011)

[151] The reports published around the time the land was being taken, all talk only about three options not about four. The MRLG report says that Socfin "adopted" the fourth option.

FIDH, (2011), p. 38

Indigenous Peoples Network, (2010), Case study submitted to the United Nations, p. 3.

Sophal et al., (2020), MRLG report, p.11

[152] This is the so-called "Leopard-Skin Policy", for more information see:

Dwyer, Michael B., Emily Polack and Sokbunthoeun So (2015), "'Better-practice' Concessions? Some Lessons from Cambodia's Leopard Skin Landscape, in: Large-Scale Land Acquisitions: Focus on South-East Asia, International Development Policy series No. 6, Geneva: Graduate Institute Publications, Boston: Brill-Nijhoff, p. 205-228.

Milne, Sarah (2013), Under the leopard's skin: Land commodification and the dilemmas of Indigenous communal title in upland Cambodia, Asia Pacific Viewpoint, Vol 54, No. 3, p. 323-339.

[153] Sophal et al., (2020), MRLG report, p.12.

[154] See also the above literature on Leopard-Skin Policy, and:

Indigenous Peoples Network, (2010), Case study submitted to the United Nations.

[155] Sophal et al., (2020), MRLG report, p.11/12.

Poch, Sophorn, (2018), "Alternative Land Conflict Transformation: A Cambodia Innovation", paper for the "2018 World Bank Conference on Land and Poverty", Washington DC, March 19-23 2018.

[156] Sophal et al., (2020), MRLG report.

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