



ALCOGAL: Myths VS Facts

ALCOGAL has been following the publications related to the International Consortium of Investigative Journalists (ICIJ) and; although we are not surprised about the continued recycling of information that is outdated, taken out of context or simply generated to create confusion; out of consideration for our clients and the public, we will now demystify the main inaccuracies regarding our organization:

1. **Myth:** "The firm builds illegal offshore empires"

Fact: Companies are legal instruments, and their usage is recognized worldwide. They are used, among other reasons, to organize capital and are regulated in all jurisdictions where we operate.

The publications of the ICIJ and its allies show time and time again, how our compliance team requested the legal requirements and alerted the authorities whenever irregular information was detected. Additionally, in most of the published cases, Alcogal resigned as resident agent of the companies in due time.

2. **Myth:** "The firm advised clients to evade taxes".

Fact: Alcogal's activities are exclusively related to legal and corporate matters. We do not provide financial services or tax advice in relation to our international corporate services.

Generally, the companies incorporated by Alcogal are requested by professional intermediaries (banks, corporate service providers, trust companies, law firms, etc.), of whom the final beneficiaries of these companies are direct clients.

Alcogal does not intervene with and is not responsible for any of the financial transactions that may have been carried out by or through these companies.

In addition, in all cases, Alcogal complied with the due diligence requirements applicable at the time of incorporation or appointment as resident agent of the entities to which we provide this service, adapting the due diligence process to fit within the parameters of the new laws that have been implemented in this area.

3. Myth: "The firm worked for corrupt and investigated clients.

Fact: In all cases mentioned in the journalistic investigations, Alcogal's direct clients did not have any warning reports from the authorities at the time.

The review of their profiles was carried out as required by the applicable legislation at the time and it was precisely due to the constant auditing by Alcogal's compliance team that, in most of the published cases, situations were detected in which clarifications were requested from the client and alerts were raised to the corresponding authorities whenever necessary.

Precisely, this practice of reviewing and analyzing each case allowed us to make the timely decisions to resign as resident agents of many of the companies that today are mentioned in the publications by the ICIJ and its allies, who acknowledge this in their own writings.

In addition, these cases are more than seven years old, and in the cases in which there have been judicial investigations, Alcogal has fully cooperated with the competent authorities.

Of the companies mentioned in the publications, only 20 remain active with Alcogal, which as of this date have not registered any irregularities and are kept under supervision, as has always been the case.

4. Myth: "The firm hid information about its clients to the authorities".

Fact: The very same communications obtained by the ICIJ, possibly in illegal fashion, include e-mails and alerts sent to the authorities whenever adverse information was detected about a company in which we acted as resident agent.

In all cases where it was necessary, we proceeded to verify and/or report to the competent authorities.

In addition, the firm, as has always been its practice, has efficiently attended all international legal assistance requests from the authorities.

In none of the cases has Alcogal been investigated or convicted in any jurisdiction where it operates and is recognized for its prompt support to authorities and supervisors.

5. **Myth:** "The firm is part of a money laundering and corruption scheme".

Fact: As previously mentioned, Alcogal generally incorporates companies at the request of professional intermediaries (banks, corporate service providers, trust companies, law firms, etc.), of whom the final beneficiaries of these companies are direct clients. We do not advise those beneficial owners.

In no way has Alcogal continued to serve as resident agent of any company possibly related to these practices.

By stating these clarifications about the negative and ill-intended tone of the latest journalistic publications, we would like to reiterate the following:

1. Alcogal always acts in compliance with the law. We have more than 30 years of professional practice in six different jurisdictions in full compliance with all regulations of each market.
2. We reject the sensationalist view and angle that these publications continue to project about our role as lawyers and the role of the firm in the incorporation of companies, which are legal instruments used worldwide.
3. The publications mention and acknowledge how Alcogal conducted the corresponding audits, raised the alerts to the competent authorities and resigned as resident agent of the companies whenever any irregular situation was detected.
4. However, the very same journalistic reports contrast these real and verifiable facts with subjective and negative comments to create the perception that Alcogal did not act correctly. This is something that we reject categorically.
5. It is clear that this is not a matter of Administrative Compliance or the law, but instead we are facing a journalistic perception that seeks to demonize the industry in which we operate, and force conclusions based on events that occurred after the creation of companies where Alcogal had no involvement at all.
6. We reiterate that these publications continue to confuse current due diligence requirements with cases or situations that occurred before new due diligence laws came into effect. This lack of awareness or manifest ignorance only seeks to negatively frame Alcogal and create a perception of non-compliance. This is something that we categorically reject.
7. ALCOGAL reiterates its rejection of any insinuation about Administrative Compliance failures or irregular practices of our legal service, which is duly

regulated and based on the highest ethical standards that have been the core of this firm since its foundation in 1985.

We invite you to learn more about us at www.alcogalresponde.com