

**To:** jeevacation@gmail.com[jeevacation@gmail.com]; Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Peter Mandelson  
**Sent:** Wed 3/30/2011 3:41:59 PM  
**Subject:** on [REDACTED]

A lawyer in Rio has pointed out two problems in Reinaldo purchasing the Rio flat by means of a cash transfer from me: we would be liable to taxes in both UK and Brazil, and the purchase itself would be liable for two forms of property taxation in Brazil, 4% and 6% respectively of the full purchase price. This would be prohibitively expensive.

The lawyer suggests the following scheme which he has operated for others. He would buy/create an offshore company in Panama and this company would open an account with HSBCPB in London. We would also create a Brazilian company which would have the Panamanian company as a partner (shares held by Reinaldo and me). The Brazilian company, managed by Reinaldo, would purchase the flat. The flat purchase would be financed by means of a loan from the Panamanian company's account in London to justify the offshore (non-taxable) origin of the money.

The lawyer proposes that I invest US\$50,000 to buy the shares of the Brazilian company (making a residence permit in Brazil also possible).

The company would be liable for tax at 2% on the property purchase (rather than 4% and 6%). The company would have a Brazilian bank account (Safra or HSBC ?). The lawyer would have power of attorney to sign legal documents etc.

As directors of the Brazilian company, Reinaldo and I would have joint control over the property.

--