

Polly Peck share deals: Tax probe

045. 12 AUG 1996

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INLAND Revenue and Customs investigators are probing share deals worth up to £20 million carried out in Polly Peck International shares over the past four years. The investigation focuses on deals done in the names of up to 10 offshore companies, mostly Swiss registered.

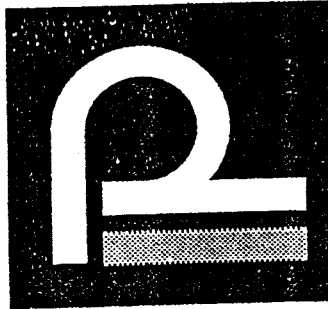
The Polly Peck shares were bought and sold through up to a dozen stockbrokers, including AJ Bekhor (now closed) and Kitcat & Aitken (also closed). Payment was regularly made through a Finnish bank in London.

A number of brokers and companies have already received requests for information from the Revenue which, with the Customs, is concerned to discover whether any of the beneficial owners of the shares were UK residents. If so, there could be liability for capital gains tax and VAT, which are not paid by offshore clients.

There is speculation that certain of these Swiss companies, though not necessarily the share deals, may have links to South Audley Management, a Jersey-owned company with offices across Berkeley Square from Polly Peck.

Elizabeth Forsyth, a director of South Audley Management, is described as an adviser to Polly Peck chairman Asil Nadir, assisting with his personal affairs. On Friday she was said to be unavailable in Switzerland. Her secretary said: 'We do not deal in Polly Peck shares.'

Another founding SAM



director in 1987 was chartered accountant Arseven Gumush, a director of Noble Raredon, the leisure company controlled by Nadir's sister, Bilge Nevzat. Gumush resigned last year. A further founding director, since resigned, was Armagen Tekvar, a Polly Peck senior executive.

It is not suggested that any directors of Polly Peck or Noble Raredon have been involved in these share dealings.

The Revenue/Customs probe developed in the wake of inquiries by the Stock Exchange authorities.

The Serious Fraud Office, in a liaison capacity, and the Department of Trade and Industry are understood to have reviewed the situation.

Yesterday Polly Peck finance director David Fawcus said: 'I am not aware of any investigation by the Inland Revenue.' There had been no request to examine the company's share register and no approach from either the Revenue or the Customs. 'This has nothing to do with the company. I have no reason to believe there is any truth in these rumours.'