

**STATEMENTS OF WEALTH OF POLITICALLY EXPOSED PERSONS / "POTHEN ESCHES"**  
**EXAMPLE DEMONSTRATING THE INEFFECTIVENESS OF THE LEGISLATION CURRENTLY IN FORCE,**  
**AS A RESULT OF FOCUSING THE PROCESS SOLELY ON THE WEALTH OF THE PEP**



v0.9

< Communicating Vessels

**The yellow colour denotes an OBJECTIVE inability to allocate the aggregate family wealth between the PEP and his/her Spouse \***

**Assets:**

Joint (PEP & Spouse) bank account, at the Bank of Cyprus, in Nicosia  
 Bank account (Spouse's) at UBL Bank, in Zurich

Real estate in Nicosia (gift from spouse's parents)  
 Real estate in Athens (purchased in 2000, 50% PEP, 50% Spouse)

Spouse's loan, from a CoOp Bank

Motor car registered in PEP's name, mainly used by PEP  
 Motor car registered in PEP's name, mainly used by Spouse  
 Light motor cycle registered in PEP's name, used by his underage child

Works of Art (mainly paintings) located at PEP's office and in the family residence  
 Jewelry (mainly PEP's gifts to his spouse)  
 Furniture & Equipment (mainly picture & sound equipment and computers)

Capital loss (on used motor car sold in 2020)  
 Forgiven part of the Spouse's debt towards the CoOp Bank  
 Spouse's inheritance from deceased uncle in the USA

**Living Expenses:**

**Declared Income:**

**PEP**

Public Service salaries (after deduction of soc. ins. and pension contributions and taxes withheld)  
 Rent income arising in Athens (after deduction of maintenance expenses and of taxes paid) [50%]  
 Commissions on real estate deals [UNDECLARED - must be declared to complete the equation]

**Spouse**

Salaries received from a priv. co. (after deduction of soc. ins. and pension contributions and taxes)  
 Rent income arising in Athens (after deduction of maintenance expenses and of taxes paid) [50%]

| Valuation | 01/01/2020 |           | 31/12/2020 |           | Differentiation<br>2020 |                |
|-----------|------------|-----------|------------|-----------|-------------------------|----------------|
| Balance   | 125,200    |           | 94,500     |           | -30,700                 |                |
| Balance   | 322,320    |           | 602,000    |           | 279,680                 |                |
|           |            | 447,520   |            | 696,500   |                         | 248,980        |
| At cost   | 1          |           | 1          |           | 0                       |                |
| At cost   | 750,000    | 750,001   | 750,000    | 750,001   | 0                       | 0              |
| Balance   | -250,000   | -250,000  | -200,000   | -200,000  | 50,000                  | 50,000         |
| At cost   | 30,000     |           | 102,000    |           | 72,000                  |                |
| At cost   | 26,000     |           | 26,000     |           | 0                       |                |
| At cost   | 3,200      | 59,200    | 3,200      | 131,200   | 0                       | 72,000         |
| At cost   | 85,000     |           | 95,000     |           | 10,000                  |                |
| At cost   | 48,000     |           | 52,500     |           | 4,500                   |                |
| At cost   | 102,000    | 235,000   | 105,000    | 252,500   | 3,000                   | 17,500         |
|           |            | 1,241,721 |            | 1,630,201 |                         | 388,480        |
|           |            |           |            |           |                         | 20,200         |
|           |            |           |            |           |                         | -50,000        |
|           |            |           |            |           |                         | -62,500        |
|           |            |           |            |           |                         | <b>296,180</b> |
|           |            |           |            |           |                         | 120,000        |
|           |            |           |            |           |                         | <b>416,180</b> |
|           |            |           |            |           |                         | -125,000       |
|           |            |           |            |           |                         | -33,000        |
|           |            |           |            |           |                         | -197,180       |
|           |            |           |            |           |                         | -355,180       |
|           |            |           |            |           |                         | -28,000        |
|           |            |           |            |           |                         | -33,000        |
|           |            |           |            |           |                         | -61,000        |
|           |            |           |            |           |                         | <b>0</b>       |

**Total increase in wealth that needs to be justified 296,180**

**Total amount that needs to be justified 416,180**

**Must be ZERO [Increase (decrease) of net family wealth PLUS family expenses in the period LESS family income in the period = 0]**

**(\*) If you attempt to split THIS equation into TWO stand-alone, separate equations (the PEP's and his SPOUSE's), you will realise that this is IMPOSSIBLE.**