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Despite divestment, Cañete's conflicts of interests continue to concern

Web of family connections

On Tuesday last week (September 16), the Commissioner-designate for Climate Action and Energy Miguel Arias Cañete [announced](#) he would divest shares he held in two oil companies, both of which he used to be chairman of. [In his statement](#), Mr Arias Cañete explained his actions were aimed “to avoid even the slightest notion of potential conflict of interest”. Yet, Arias Cañete’s divestment does not address the vast majority of [the well-documented conflicts of interests of the Commissioner-designate](#). Now, Friends of the Earth Europe has uncovered more details of Arias Cañete’s connections to the oil sector and the problems these represent to his appointment.

In the case of the two oil companies, called Petrolífera Dúcar and Petrologis Canarias, Arias Cañete maintains very close family ties with the owners and management of these companies. His [son Miguel Arias Domecq was a board member of both of them](#) until this week, when it [was announced that he was stepping back from the position](#).^{*} His brother-in-law Miguel Domecq Solís replaced Arias Cañete as [chairman of both companies](#). His family connections go beyond leading positions in the companies and include a significant ownership of the companies’ shares.

Arias Cañete’s brother-in-law Miguel Domecq Solís is the second largest shareholder in Petrolífera Dúcar. The third and fourth largest shareholders are two companies, Arias y Domecq and Civisol, which were [founded by Arias Cañete and his wife respectively](#), although they are no longer the owners. Arias y Domecq is now partly controlled by Miguel Domecq Solís, Arias Cañete’s brother-in-law. The president of Civisol is another brother-in-law, Rafael Domecq Solís. Miguel Domecq Solís and Civisol are also two of the largest shareholders in the second oil company, Petrologis Canarias.

This web of family connections to the oil companies and their shareholders means much more than “the slightest notion of potential conflict of interests” remains, despite Mr Arias Cañete’s divestment.

Shareholders in Petrolífera Dúcar**	
Havorad BV	45.20%
Mr Miguel Domecq Solís	12.78%
Civisol SL	10.08%
Arias y Domecq SL	5.57%

Shareholders in Petrologis Canarias**	
Havorad BV	48%
Civilsol SL	20%
Mr Miguel Domecq Solís	11%

** Based on data from July 2014. The percentages in the table do not add up to 100%, because the ownership of the remaining shares is not listed in public records. The tables were updated for the fact that Miguel Arias Cañete divested from his shares in the two companies. The new owner(s) of his shares are not known.

The murky case of Havorad BV

The largest shareholder in Petrolífera Dúcar and Petrologis Canarias is a company called Havorad BV. [Registered in the Netherlands](#), Havorad [does not have a single employee](#). Spanish public prosecutors called it a [‘shell company’](#), a company that does not carry out any business activities and only exists for tax and other accounting reasons. Until 2003 Havorad was owned by a company called Gold Lion Corp registered in the Dutch Antilles, a group of islands in the Caribbean known for its [attractiveness to companies that want to avoid public scrutiny and transparency of their operations](#). In its latest annual report for 2013, the company evasively states that, “the Company’s shares are mainly owned by a Spanish individual”. However, the 2012 and 2011 annual reports state, “The Company considers Mr Domecq Solis and his (grand) children to be the shareholders”. No change in ownership is noted.

There is further evidence that Havorad is closely linked to Arias Cañete and his family. [According to media reports](#) Havorad became the largest shareholder in two companies that Cañete and his wife had founded. Arias Cañete continued to act as joint administrator of the two companies between 1996 and 2000, after Havorad had acquired the shares.* [Two companies currently owned by Havorad](#) are run by members of Miguel Domecq Solís’ family. Miguel Domecq Solís is also one of the four current directors of Havorad. Three other seats are held by trust officers and tax experts making Miguel Domecq Solis the only director with a personal interest in the company.

The multiple links between Havorad and Arias Cañete’s family have led Spanish newspapers to [conclude that Havorad is fully controlled by the family](#). If that is the case, Arias Cañete’s family controls 73% of the shares in Petrolífera Dúcar and 79% of the shares in Petrologis Canarias. Thus Arias Cañete’s personal divestment is by no means sufficient to change the fact that his family remains deeply involved in both companies.

The code of conduct for European Commissioners [states](#): “A Commissioner shall not deal with matters within his/her portfolio in which, she/he has any personal interest, in particular a family or financial interest which could impair her/his independence”. The clear and strong links between Miguel Arias Cañete’s family and the oil sector would exclude him from any decisions regarding the sector.

Friends of the Earth Europe does not believe that by divesting last week Mr Arias Cañete has resolved his conflicts of interests and remains highly concerned about his appointment as European Commissioner for Climate Action and Energy. The European Parliament should ensure that any candidate appointed for the job is free of conflicts of interest and demonstrates impartiality and convincing qualifications in the area of his/her appointment.

* The information has been updated on 1 October and 25 September respectively.

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