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# Ethics and data privacy statement for research conducted using data from the C4ADS Dubai Property Registry for the academic paper “Who Owns Offshore Real Estate? Evidence from Dubai”

Annette Alstadsæter  
Bluebery Planterose  
Gabriel Zucman  
Andreas Økland

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## 1. INTRODUCTION AND BACKGROUND

Tax and secrecy havens can bolster corruption and contribute to increase inequality. But the academic community is only just beginning to generate empirically founded knowledge into the magnitude and consequences of the use of tax havens, mostly due to the lack of good data. Knowledge of such use is important for the international debate on transparency, cooperation on information exchange, the fight against tax evasion, and the effectiveness of international sanctions.

Our project, “Who Owns Offshore Real Estate? Evidence from Dubai,” uses the C4ADS Dubai Property Registry, a dataset capturing about 800,000 properties in Dubai, to push forward knowledge in this area. These data were provided by confidential sources to the Center for Advanced Defense Studies (C4ADS), a nonprofit organization dedicated to analysis and reporting of conflict and security issues worldwide. This unique dataset contains property characteristics and in most cases information on the property owner’s nationality. After having corroborated the accuracy of an earlier version of these data, [C4ADS published case studies](#) of the use of Dubai real estate by a number of sanctioned individuals.

In our research, our objective is not to analyze individual cases, but to provide a quantitative, anonymized study of Dubai real estate. All data were anonymized prior to downloading from the server for final use in the project. Our main contribution is to estimate the value of aggregate real estate owned in Dubai by country, and to analyze country-level patterns. Only anonymized data serve as input to the research paper to analyze the patterns in offshore real estate wealth in Dubai. All the statistics presented in our paper aggregate numerous observations. No individual can be identified in our work.

This document describes our approach in ensuring data protection and making an ethical use of these data.

## 2. RESEARCH QUESTION AND PUBLIC INTEREST

Our work seeks to shed light on question of public interest: how much wealth is held in tax havens? And who owns this wealth?

A blind spot in the analysis of tax havens is the lack of information on the ownership of offshore real estate. Currently available estimates—both at the macro level and at the micro level—only include offshore financial assets (the bank deposits and portfolios of equities, bonds, and mutual fund shares held in offshore financial institutions). They typically disregard real assets, such as real estate, works of art, valuables, yachts, private planes, etc. There has long been a concern that offshore real estate might be used for money laundering and hiding wealth from tax authorities.

Moreover, most available estimates of offshore wealth and its distribution are for the 2000s or early 2010s, a period when there was little exchange of information across countries, i.e., when hiding wealth abroad required less efforts than today. Since then, tax havens have started exchanging bank information with OECD countries under the Common Reporting Standard. Since 2017, more than 100 countries automatically and bilaterally exchange financial information. In this context, the nature of the wealth held offshore may have evolved, away from financial assets (covered by the automatic exchange of bank information) and towards real assets, such as real estate and works of art held in “freeports” (not covered by the automatic exchange of bank information).

Our work pushes forward knowledge by analyzing contemporary data on the ownership of offshore real estate in a prominent offshore center, Dubai. Our methodology is mostly descriptive. As there is virtually no evidence on the size and distribution of offshore real estate, this type of descriptive analysis is essential.

## 3. NATURE OF THE LEAKED DATA

We use micro-level property data hosted on C4ADS servers that one team member accesses remotely. The dataset is based on private records compiled by UAE-based professionals in the real estate and property industry and provided to C4ADS by confidential sources.

### 3.1. Registered parties

The registered individuals own properties in Dubai, either directly or indirectly through companies or other legal entities.

### 3.2. Type and extent of personal information

The original records include information on ownership and property characteristics, including the property's size, details, location, and use of the property. Owners of properties are usually (though not always) recorded, including their names and nationality.

The dataset is not complete, so not all variables have values for all observations. Much of the processing before anonymization consists of using publicly available information to fill in missing values, such as property values.

The raw data contain more than a million observations, but as there are duplicates, the final data set is smaller.

The dataset does not contain special sensitive categories of personal data as defined under the General Data Protection Regulation of EU (GDPR, see section 6 in this document for more). But as these data originate from an offshore financial center, they may still be perceived to be sensitive for the registered parties.

### 3.3. Data sources

The data origin from different types of property registers in Dubai. C4ADS has received the data through one or more leaks. In addition, we have collected and added information from publicly available registers and sources online.

### 3.4. Reliability of the data

C4ADS assesses this dataset to be credible, with the caveat that it does not constitute evidence of the same legal standard as a property deed, a form of official documentation strictly controlled in the United Arab Emirates as confidential information. Independent journalists in several countries have used these data in investigations and corroborated their accuracy.

### 3.5. Contact with the registered parties

We have no contact with any of the registered parties. The raw data contains more than one million observations of different owners of properties (individuals and companies). There is no realistic way to contact all these parties to request consent. It is not unusual for researchers to use large register data covering individual information for research, without requesting consent from all parties involved, if all data are anonymized prior to publication.

As part of the requirements for gaining access to the data from C4ADS we have committed to not sharing the data or information on identifiable observations with other parties.

We do not provide any analysis at the individual level or in a way that could identify specific individuals.

### 3.6. Data flow

The property data were obtained by C4ADS in one or more deliveries. The raw data are owned by C4ADS and stored on a C4ADS administered server in the United States.

One team member accessed the data via remote access to conduct data cleaning, value assessments, and imputation of country of residency of the property owners.

As part of the data validation and cleaning process, the team member accessing the data also communicated with C4ADS and journalists regarding specific cases, on behalf of the data owner, C4ADS. Communications were conducted privately and confidentially.

All data were anonymized prior to downloading from the server for final use in the project. Only anonymized data serve as input to the research paper to analyze the patterns in offshore real estate wealth in Dubai and its country distribution.

Additionally, C4ADS shared the portion of the dataset containing Norwegian owners with a Norwegian journalist. The journalist merged these data with information from the Norwegian Tax Administration that is publicly available to Norwegian citizens and news organizations, then anonymized the merged dataset, and shared it with us after anonymization.

We use these anonymized observations of Norwegian tax residents who own properties in Dubai to contrast the wealth distribution in this sample with the wealth distribution of the entire Norwegian population.

### 3.7. Duration

The data processing activities on the C4ADS administered server will be limited to the period 03.11.2020 – 31.12.2023. After that, only fully anonymized data, tables, and results will be processed during the project.

## 4. PRESERVING DATA AND ANONYMITY OF SUBJECTS

Strict measures have been taken to ensure data security and preserve the anonymity of the natural persons registered in the data.

### 4.1. Ownership of data and non-disclosure agreements

The team members signed a Memorandum of Understanding and Non-Disclosure Agreements with C4ADS that regulate access, use, and ownership of C4ADS' data.

One project member only has remote access to the raw data for the purpose of cleaning, processing, and anonymization prior to use in the research paper, and no data are to be downloaded or shared without approval of the data owners.

The cleaned data remain the property of C4ADS, and access to these data is limited for the use on this project.

### 4.2. Security measures

The identifiable raw data are stored on a C4ADS administered server in the United States and subject to strict security measures.

The raw data are not moved, and the project member only has remote access to the raw data. To minimize the risk of human failure, only one project member has access to the raw data and can see non-anonymized information. The rest of the project members has only access to anonymized tables and results from analysis.

All communications between researchers for this project are conducted via encrypted channels.

#### 4.3. Presentation of results

All results are presented at an aggregated level (country or group of the wealth distribution), in an anonymized manner, and no individuals can be identified in the research paper.

### 5. ETHICAL IMPLICATIONS OF USING LEAKED DATA

We do not know the source of the data. It cannot be ruled out that the source, by handing over the data to C4ADS, has violated certain laws or regulations. This in itself could pose an ethical challenge.

However, a major problem with tax evasion is precisely that the location of capital is hidden in countries with limited public information about capital and its owners. Neither the owners of capital nor the authorities of tax havens have an interest in transparency regarding ownership. It is therefore difficult to obtain information about such matters.

The analysis of these data offers a unique opportunity to make progress on issues of general interest. The secrecy provided by tax havens can contribute to the erosion of the tax base. Knowledge about the size and distribution of offshore wealth can help understand the dynamics of the tax base, tax loss for various countries, and the implications for inequality. This in turn provides useful insights for policy makers, tax administrations, and researchers across the world.

### 6. DATA PROTECTION IMPACT ASSESSMENT UNDER GDPR

The project has been evaluated under the GDPR by the Data Protection Officer at the Norwegian University of Life Sciences (NMBU) and a Data Protection Impact Assessment (DPIA) has been drafted, approved, and updated in approved form by the Pro-Rector for Research at NMBU.

Norway complies with GDPR as any ordinary EU member state, as [described by the Norwegian Data Protection Authority](#): “Although not a member of the European Union, Norway is a member of the European Economic Area (EEA). The GDPR was incorporated into the EEA agreement and became applicable in Norway on 20 July 2018. Norway is thus bound by the GDPR in the same manner as EU Member States.” Thus, the DPIA approved for the current project is valid for the European Union.

The DPIA states that NMBU should be regarded as the controller for two types of processing activities regarding identifiable data on the C4ADS administered server:

- (1) Structuring, cleaning, compilation, value estimation, etc. related to raw data. These raw data are located on a C4ADS administered server. In the research group, only one person has access to these data. NMBU determines the method and principles for the treatments.
- (2) Anonymization of raw data. One project member carries out the process on behalf of NMBU, following instructions from the rest of the research group, who only have access to fully anonymized data.

Finally, the anonymous data are analyzed within the research group, but when it no longer contains identifiable personal information and the processing of this data set falls outside the scope of the GDPR.

Although the processing of personal data (cleaning and anonymization) is necessary to prepare the data, societal benefits can reasonably be seen as exceeding the privacy disadvantage for the individuals involved, since the analysis itself is performed on anonymized data sets.

The Data Protection Officer is of the opinion that privacy is adequately safeguarded in this project's processing of personal data and that the project can be implemented provided that the measures described above are implemented.