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Tax Evasion Trial Looms For Spain's Princess Cristina, Trumps Lionel Messi Charges

Taxes have become a spectator sport, maybe even the sport of kings. A Spanish court has approved tax fraud charges against Princess Cristina de Borbón, sister to King Felipe VI. It should be an unprecedented criminal trial given the pending two counts of tax fraud. It is conceivable, though unlikely, that the princess could be allowed to settle her case by paying back taxes.

The case is more about Cristina's husband, Iñaki Urdangarin, charged with fraud, falsifying documents and embezzlement. The former Olympic handball player later ran the charitable Nóos Institute, which is accused of siphoning 5.8 million euros in public funds and funneling it into private companies and offshore tax havens. Princess Cristina was a board member of the institute and owned another company, Aizoon, with her husband.

Both Cristina and her husband have denied any wrongdoing. Cristina's brother, Felipe is [on the throne of Spain](#) and promised an "honest and transparent monarchy." Yet [corruption has dominated headlines](#).

In late October, 51 people including six mayors [were arrested for bribery and embezzlement](#). Another 86 politicians and bankers are being investigated over racking up personal charges from groceries to safaris. Still, the royals are a big catch, even bigger than [Lionel Messi](#) earning \$50 million a year and now [#4](#) on Forbes' list of the 100 highly paid athletes.

Messi was awarded a Golden Ball, but still faces tax evasion charges in Spain that could send him to jail. A key element in Messi's case is the clandestine nature of a tiered arrangement structured to keep his name hidden. The Spanish prosecutor alleges that money was routed through U.K. and Swiss companies and then to companies in Uruguay and Belize to make it opaque.

Mr. Messi denies the allegations and says his former agent did the deals without his knowledge. His father surely also had a larger role in the tax maneuvers than did the footballer. All of this comes at a time when secrecy itself is under attack. The U.K. has moved to make company ownership entirely transparent. If current proposals pass into law, that may be replicated elsewhere.

The topic of company ownership transparency is being discussed in Brussels too. Nominee ownership used to be common. Nominees are straw-men listed as owners or directors of a company, but who are acting on behalf of someone else. As secrecy itself as come under attack, this once extremely common device is now more likely to be viewed as a problem that triggers others.

All indications are that Lionel Messi and his father have tried to settle their tax case and to pay the money and move on. Surely Princess Cristina would like to do that too. But the message coming from Spanish authorities has been a stern one. Messi and his father have been accused of evading 4.2 million euros in tax on earnings from sponsors. Details appear in the [formal complaint](#) filed by the prosecutor.

As for Princess Cristina, the prosecutor thinks Mr. Urdangarin used his royal credentials to siphon off millions of euros from contract fees toward companies and offshore accounts he and his business associates controlled. Transparency is the new universal goal, and to achieve it, there will clearly be some fallout.

Contact me at Wood@WoodLLP.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.