Subscriber Only **Big Tech**

Inside Shopify: How a tech giant quietly axed a wave of Irish workers

Drip feed of redundancies provides a case study in risks to the Irish economy from tech downturn

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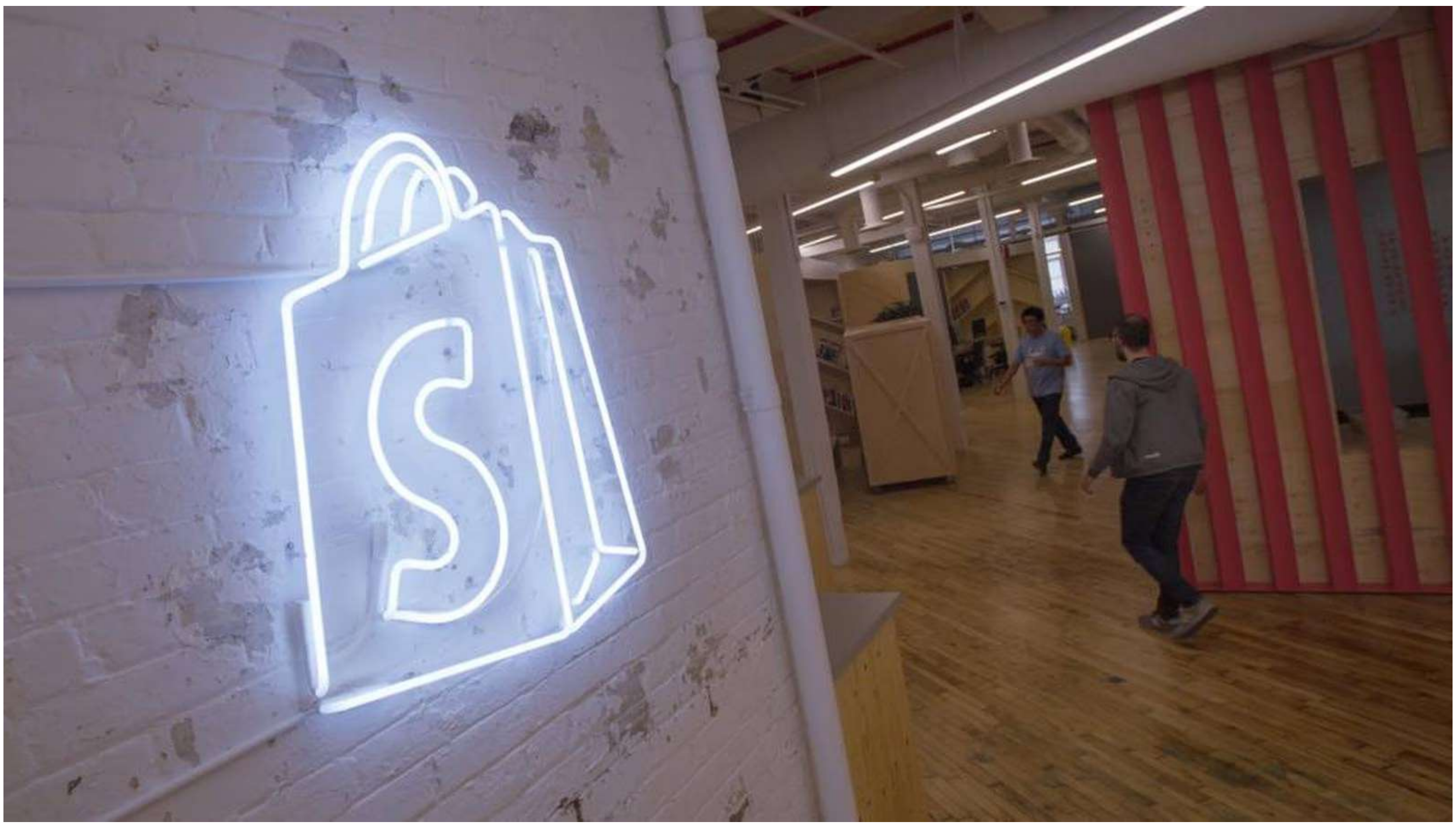

Many Shopify employees are based in Connacht and Munster, the legacy of the company's initial launch in Galway. Photograph: Kevin Van Paassen/Bloomberg

Naomi O'Leary
Fri Mar 31 2023 - 05:00

When John was reassured by management at the $56 billion (€51.6 billion) valued tech company Shopify that no more workers would be laid off after 10 per cent of staff worldwide were let go last summer, he believed them.

“There was a kind of a promise from the company, as if you can make such a promise, that there wouldn’t be any further lay-offs,” recalls the tech worker based in the west of Ireland. “But of course, there were.”

He was let go weeks later.

The drip feed of redundancies and wider malaise within the ecommerce giant as it struggles with internal controversies and begins to incorporate artificial intelligence into its customer service underscore broader risks to the Irish economy from the tech downturn.

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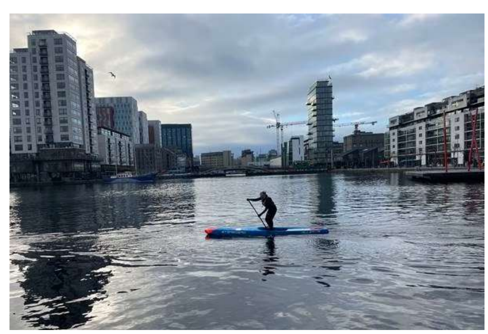

The bulk of the 651 employees of Shopify’s Dublin-based subsidiary Shopify International Limited in 2021 were in sales and marketing roles, according to its company accounts.

> ***It's like: two staff are gone this week. Three staff are gone next week. Five staff are gone the week after… it's a continuous drip feed of people being let go***
>
> — John, one of many redundant Shopify workers

When their jobs go, they are not always easily replaced: many Shopify employees are based in Connacht and Munster, some in small villages – the legacy of the company's initial launch in Galway and its fully remote working policy.

Despite the company's reassurances after it imposed the worldwide mass redundancy in July, people continued to be let go in Ireland in batches throughout autumn and winter as they were told their roles had been scrapped.

Clusters of long-time staffers were let go in October, December, and February, according to eleven statuses posted on LinkedIn by workers who wrote they had been abruptly made redundant by Shopify and were now looking for new roles, which have been confirmed by The Irish Times. Several stated that their whole teams had been axed.

Unexpected meeting

"It's like: two staff are gone this week. Three staff are gone next week. Five staff are gone the week after… it's a continuous drip feed of people being let go," John said.

Shopify did not respond when asked how many employees in Ireland had been made redundant and declined to make a representative available for interview.

"Since our July '22 reduction in force, there have been a small number of exits, which are commonplace in any large organisation and are a confidential matter concerning each individual employee," a spokesman said in an emailed statement.

Internally, employees have come to dread the appearance in their calendar of an unexpected meeting – the sign that they are about to join the ranks of those made redundant.

Ann realised something was wrong when a co-worker did not show up for a meeting, and she discovered her co-worker's profile had been "deactivated".

"Deactivated only meant one thing – deactivated meant not in the company any more," Ann explained.

With a growing sense of forboding, she then noticed that a meeting had been scheduled into her co-worker's calendar just before her disappearance.

"I was like: f**k," Ann remembers. "I told the guys: I think I'm going to be gone in half an hour. Because I have the same meeting."

Locked out

Former staff quoted in this article have used pseudonyms because they believe themselves to be forbidden from talking about the company by non-disclosure agreements. They were among the waves of people to be let go from Shopify over the winter, and many of them had been with the company for years.

John's years-long tenure at the company came to an end "very abruptly". He found himself instantly locked out of the company's systems and unable to say goodbye to his colleagues.

"I got a ping on Slack from a person I'd never heard of before. She informed me that that was going to be my last day at Shopify. My role had been made redundant. And that was that," he recalls.

Those still working within the multinational describe a tense and fearful atmosphere at the company as employees struggle to cope with the remaining workload and learn of new redundancies when co-workers disappear from messaging system Slack.

"Since those lay-offs, the culture there and the environment has completely changed. Everyone's anxious all the time," says Niamh, a former Shopify employee in a small town who abruptly found herself reliant on social welfare over the winter.

Shopify caught the updraft of the boom in online shopping caused by Covid-19, reporting an 'exceptional year of growth in revenue' in 2021

"You wonder: am I going to be let go today? Am I going to have a random meeting scheduled into my calendar, and will that be it? It affects your performance, and it affects your outside life as well, because you're thinking about it all the time."

Shopify caught the updraft of the boom in online shopping caused by Covid-19, reporting an "exceptional year of growth in revenue" in 2021 due to the fees merchants pay to build shops on its platform and the cut it takes from their sales.

The annual accounts of its Dublin-based subsidiary Shopify International Limited show a 2021 profit of $1.125 billion, almost double the previous year, and reported that staff numbers had growth to 651 from 442 the previous year.

Dramatic slide

In 2022, the turbulence hit. A dramatic slide in the company's share price spooked its senior executives. In May, it reported its slowest quarterly revenue growth since going public in 2015.

In June, shareholders voted to entrench the control of co-founder and CEO Tobias Lütke by approving his 40 per cent "founder share". The lay-offs came a month later, and were followed swiftly by a corporate shake-up.

Behind the scenes, company morale has also been sapped by a long-running internal controversy over whether Shopify should deny services to customers with controversial views, such as the influential account Libs of TikTok.

The account gained notoriety for instigating social media pile-ons on schools and teachers in the United States who include LGBT content in curriculums, and sold mugs and T-shirts reading "stop grooming our kids" on a Shopify-hosted online store.

In 2022, progressive media and advertising watchdogs publicly pressured Shopify to drop the client, arguing the account violated the company's acceptable use policy, which states that the company's services cannot be used to "promote or condone hate or violence" against people based on race, gender, sexual orientation or any other kind of discrimination.

[Coveney warns of challenges to maintaining foreign investment in Ireland]

[Revolut's board frustrated by fintech company's response to audit warning]

The company's position was that Libs of TikTok did not violate the policy, and in November Lütke accused "pressure groups" of trying to influence how the rules are applied.

Inside Shopify, internal staff LGBT chat groups lit up with posts from upset employees after this statement from the CEO, according to posts seen by The Irish Times.

"Why are the lives and safety of our community not more important to the company we are a part of?" one staffer wrote.

Damaged morale

The issue has damaged morale in a company once renowned for good benefits and an upbeat work culture that inspired employee loyalty, and some current employees are looking for options to leave.

A series of excited statements by company executives about the potential applications of artificial intelligence and the company's recent addition of language bot ChatGPT as a customer assistant have further alarmed some staff about potential replacement.

So has the company's use of external contracting services. Screenshots of external systems seen by The Irish Times show that even while the company was laying off staff, it was making multiple hires from the outsourcing and offshoring external contractors TaskUs and 24-7 Intouch.

In February, CEO Lütke posted a chart on Twitter showing the plunging number of employees required by the largest US firms to generate €100 million in revenue. "More with less," it read.

One long-time Shopify staffer recalled the moment he received a companywide email last July from the CEO.

In it, Lütke informed employees there would be a "reduction in workforce", whittling down duplicate or non-essential roles, and that 10 per cent of them would "leave by the end of the day". He signed off "Tobi".

The staffer remembers thinking he should escape the cuts, reasoning that his team was understaffed and had recently added a new hire who he assumed would be first in line to go.

But he realised his error when he discovered he could no longer access the software required to do his work.

"I started getting locked out. I thought okay, this is it. I'm one of them," he remembers.

Redress options

Under Irish employment law, companies with more than 300 staff that lay off 30 or more must engage in a consultation process with employees' representatives 30 days before letting anyone go, and must notify the Government of a "collective redundancy".

The company must also use a "fair and objective" method to select those who are laid off.

Several former Shopify employees say they believe that Shopify did not follow the correct procedure, and explored the option of redress through the Workplace Relations Commission.

In response to questions, a spokesman said that "Shopify has not had a collective redundancy in Ireland", indicating the company does not consider those rules to apply.

The company declined to disclose how many employees in Ireland were affected by the 10 per cent cut in global staff.

> ***Merchants seeking technical support to run their shops 'are waiting in support queues for far too long' and customer satisfaction was falling***

A spokeswoman for the Department of Enterprise, Trade and Employment said it had not received a collective redundancy notification from Shopify, and noted that it was "not required to be notified" if a company with more than 300 employees makes fewer than 30 people redundant within a 30-day window.

On March 1st came signs that the redundancies were beginning to hit the company's ability to manage its customers' demands.

In an update posted internally, seen by The Irish Times, chief revenue officer Bobby Morrison declared a "Code Yellow" due to customer service levels "that have deteriorated beyond acceptable ranges".

'Lean in'

Merchants seeking technical support to run their shops "are waiting in support queues for far too long" and customer satisfaction was falling.

"Worst of all, we can't really tell what is happening because our data systems are broken and lacking real-time analysis," he wrote, calling on employees to "lean in" to help fix the problem.

The response was cutting. "Do you think some lay-off[s] might have had a negative impact on our product?" asked one employee in a reply that received dozens of likes.

"We are looking into everything," replied Glen Worthington, the company's vice-president and chief of staff.

Another employee disclosed in response that they had had "to go on medication from the anxiety and mental load" of the work.

"You're not the only one," a co-worker replied.

One of the most liked replies was by an employee who advised the chief revenue officer to hire more staff.

"When we weren't on back-to-back calls and three chats non-stop all day, our support queues were manageable and both sides of the interaction left happy and fulfilled. We have yet to find a healthy equilibrium since July of 2022... and we're burning out because of it," he warned in a reply that received over one hundred likes.

"As more people burn out and take [personal time]/leave, the queues get worse," he continued. "It's a vicious downwards spiral."

Shopify Department of Enterprise, Trade and Employment Covid-19 Workplace Relations Commission Tech Lay-Offs

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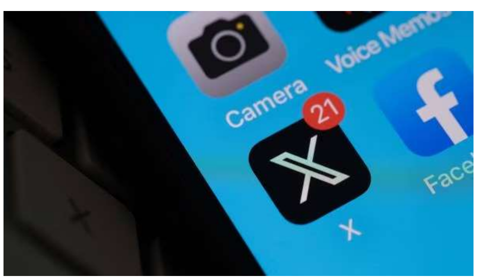

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Ireland

Uber files: Lobbyist joked about finding 'amazing' job for Irish EU official

Shane Sutherland was in the cabinet of then-commissioner Phil Hogan when top Uber figure suggested finding him 'something amazing'

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Irish-born whistleblower Mark MacGann pushed lobbyist Sebastian Vos to invite Shane Sutherland, a European Commission official who was a member of the cabinet of then-commission agriculture chief Phil Hogan, to join them at a lunch.

Naomi O'Leary
Wed Jul 13 2022 - 01:00

Uber's former top lobbyist for Europe joked about finding an "amazing" job for an Irish European Commission official at a time when the company was lobbying the institution for favourable policies, leaked files show.

The detail was contained in a cache of leaked documents leaked to The Guardian and shared with the International Consortium of Investigative Journalists (ICIJ), which includes The Irish Times, that have unveiled a vast lobbying operation by Uber to win the favour of officials and politicians.

The email reveals the casual attitude among some lobbyists towards the idea of offering lucrative positions to public officials, a sensitive issue for European institutions which have been hit by successive "revolving doors" scandals that raised conflict of interest concerns.

In the September 2016 email exchange, Mark MacGann, who had been Uber's top lobbyist for Europe until that February and a senior adviser to its board until August, organised a lunch with Sebastian Vos, a lobbyist with law firm Covington & Burling, which numbers Uber among its clients according to the EU Transparency Register.

Blue Thunder: Pungent chips and powerful emotions as a drama plays out in the back of a taxi

Mr MacGann pushed Mr Vos to invite Irishman Shane Sutherland, a European Commission official who was a member of the cabinet of then-commission agriculture chief Phil Hogan at the time, to join them at the lunch.

'Grow a pair'

"Force Shane to grow a pair and join us. He will be looking for a job soon and you and I are the best-placed to help him find something amazing :)" Mr MacGann wrote to Mr Vos. "Do NOT repeat that. Not before the first bottle anyway."

Mr Vos replied that he would be "a bit more sensible on the booze side" and suggested meeting at Brussels fine dining restaurant Villa Lorraine.

Mr Sutherland told The Irish Times he did recall meeting the two men for lunch, but that it was "just a social lunch", and he did not believe there was a need to register it on lobbying records.

"Sebastian is good friend, we play tennis, and it wouldn't have been out of the ordinary just to sit down and have a lunch and a chinwag. And if he was bringing Mark then it wouldn't have struck me that there was any agenda, hidden or otherwise," said Mr Sutherland, who remains a commission official.

He said he was "surprised" at the content of the email because he was very pleased to have passed the difficult Concours exam required to get a permanent civil servant position at the European Commission, and had no interest in job opportunities elsewhere.

[Uber files: EU ombudsman Emily O'Reilly calls for 'culture change at the top']

[Uber Files: 'Unacceptable' for lobbyist to suggest avoiding official channels by contacting minister at home]

'First choice'

"The lunch was not about work. It may have been casually dropped in: what are you going to do next? But I would have always been clear that my first choice is to remain with the commission," he said.

Uber was heavily lobbying the European Commission at the time. Representatives of the cab-hailing company met with commissioners or their cabinet members on 12 declared occasions during the tenure of European Commission chief Jean-Claude Juncker from 2014 to 2019, the lobbying data shows.

Transparency records show 26 meetings between Mr Sutherland and various interest groups, including Ryanair, ExxonMobil and farmers' representatives during the period, but none for Uber.

A son of the former attorney general of Ireland and European commissioner Peter Sutherland, Shane Sutherland joined the commission in the cabinet of the former Fianna Fáil minister Charlie McCreevy in 2004, and worked under the subsequent Irish commissioner Máire Geoghegan-Quinn before joining Mr Hogan's cabinet.

A request to the European Commission as to whether the lunch should have been registered on lobbying records was not responded to in time for publication. In response to journalists' questions, a commission spokesman said officials were "analysing the various pieces of information that have been published" in the press about the Uber files and would examine whether action was required.

Mr MacGann has come forward as the whistleblower behind the leak of the files, which he said he had shared to make amends for pushing for what he now sees as a damaging business model.

Read more on The Uber Files

Naomi O'Leary

Naomi O'Leary is Europe Correspondent of The Irish Times

The Uber Files

IN THIS SECTION

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Subscriber Only **Ireland**

How the Luxembourg landlord who put flats on Airbnb after evicting tenants built an Irish property empire

Controversial landlord Marc Godart was backed by parental wealth

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Landlord Marc Godart with renters in Dublin

Naomi O'Leary in Hesperange, Luxembourg
Sat Apr 15 2023 - 05:00

A burgeoning Irish property empire headed by a controversial landlord who evicted tenants and put their flats on Airbnb leads back to this neat family home on an unassuming suburban street in Luxembourg.

Through a confusing constellation of Irish companies, landlord Marc Godart (34) manages a vast property portfolio encompassing flats in Borrisokane, land in Mangan and a range of Dublin properties including Reuben House, the apartment block from which tenants were evicted last year only to see their old rooms go up on Airbnb without planning permission not long after.

But one address occurs again and again in the company records as the headquarters of the various companies that own Godart's firms or provide them with cash.

It's this red-tiled cottage with a neat lawn in front, where I find Marc Godart's father, René, sweeping the driveway.

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The railway worker and the web of companies

Born where the western tip of landlocked Luxembourg meets Belgium and France, René Godart was a 48-year-old employee of the Luxembourg train company CFL when he established Marede Sci as a real-estate company in March 2001.

He took a majority stake in the fledgling firm and was allocated 51 shares while his wife Denise Wester, who was represented through power of attorney, was granted 49.

Marede Sci was to be the first of a string of companies registered to their comfortable cottage home in the Luxembourg district of Hesperange, which has developed over the years into a wealthy suburb of the capital that retains some rural charm.

A respectable local figure, René is the vice-president of a tourism syndicate dedicated to promoting the town campsite to visitors as a "haven of peace" amid nature close to Luxembourg city.

His son Marc was born in 1989.

Alongside the Godart-Wester surnames, the family postbox bears the titles of the various companies associated with this address which hold interests in property in Ireland and beyond: Itzig Sarl, Syren SA and Hesper SA.

What seem like random, anonymous names for companies in an Irish context suddenly come to make sense when walking the nearby streets.

Itzig is the name of a neighbouring village and the road that leads to it. A few paces away, Rue de Syren runs to the village of Syren off to the east.

Denise, from a local farming family made prominent when one of its members found love on a reality television show, was described as a housewife and her name given as Godart-Wester when she cofounded Hesper SA with René in 2001, equally splitting the shares 50/50.

The name they chose then appears to take after another local road name and the encompassing municipality of Hesperange or, as it's called in the family's native Luxembourgish, Hesper.

[Landlord used rooms for Airbnb with tenants still in house]

The young scion

Marc Godart was still a student when he was first named to a company role in family business Hesper SA in the summer of 2007, not long after his 18th birthday.

Marc Godart's LinkedIn profile suggests he began his university studies the following year at the University of Luxembourg, before switching to study economics at Maastricht University in the Netherlands. A student magazine shows him, then aged 23, earnestly dressed in a grey suit taking part in an event for undergraduates interested in finance.

A fellow alumnus described the finance club students as an "eager and ambitious" crowd who were focused on getting hands-on business experience alongside their studies.

Annual accounts suggest Marc Godart already had an in. In 2011 he was listed as the auditor of the annual accounts of Hesper SA. Its board of directors were listed as Denise Godart-Wester, Robert Godart, and Marede Sci, with assets of €1.5 million. Denise Godart-Wester was stated to have lent the firm €316,402.40.

When Ireland experienced its profound housing crash in the wake of the global financial crisis, the family heard through an Irish acquaintance that there might be good opportunities to buy.

This was a time when hundreds of distressed Irish properties were being sold at once in mass auctions at severe discounts to their previously estimated value, drawing in international investors attracted by slashed stamp duty rates. An apartment in Temple Bar was listed with a reserve price of €80,000 at one auction in 2011; a four-bed mews house in Ballsbridge sold for €550,000.

"It was like the Klondike gold rush. The Americans bought, private people, hedge funds," one international investor recalls of the time. "In Ireland nobody could buy, because the banks were not giving out any loans."

Marc Godart had done an internship and briefly worked at a Luxembourg embassy before he founded 'GL Invest' in Dublin 2014, according to his profile.

After pursuing a PhD qualification in Maastricht, over time he increasingly took charge of the family's Irish investments from his father, continuing to accumulate properties.

"I asked him: where are you getting all this money? Because I knew he was buying all these properties – I asked him is it institutional money or family money," a person who knew him recalls.

"And he said: it's family money."

The names of companies with interests in Irish and international property, Itzig Sarl, Hesper SA, and Syren SA, on the letter box of the Godart-Wester house (2)

Green Label Property Investment Limited, an Irish-registered company which lists Marc Godart and Denise Godart as its directors, was established in 2014. It declared Hesper SA as its “parent company” in its most recent accounts.

Those who met him in Dublin described him as a personable young guy with interests in music and an academic bent, conversant in several languages and with an unplaceable accent in English. He lives the life of a digital nomad while in Ireland, operating out of a co-working space in central Dublin, while maintaining his Luxembourg family home as the address used for his company positions as director.

The assets of Hesper SA grew from €1.5 million in 2011 to €4.3 million in 2021, according to filed accounts.

Some who know him credit the dogged manner in which Marc Godart built and maximised his Irish property portfolio to his academic background in financial engineering.

"His decisions… they're financial," one said. "The output of that could appear to be cruel to a tenant, but it's probably a very clinical business decision."

Watch now

@theirishtimesnews

Europe Correspondent @Naomi O'Leary investigates how Marc Godart, ...See more

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Trouble with tenants

Marc Godart wasn't long in Ireland when he began to be named as a party in property-related disputes.

In 2014 he secured a High Court injunction to prevent an anti-repossession activist entering the premises of a property he and two other Luxembourg-based individuals had bought on Merrion Square. The following year he was named as a party in a bitter dispute with another tenant that was heard by the Private Residential Tenancies Board.

In 2020, Marc Godart featured in an RTÉ Prime Time report that highlighted overcrowded housing during the pandemic. It revealed that an agent from Green Label Properties, who demanded cash payment without giving a receipt, had shown reporters a flat with just one toilet that would be shared by 12 people when full.

Records of the Residential Tenancies Board (RTB) show Marc Godart and a company of which he is a director, Green Label Short Lets Ltd, have been involved in various disputes with tenants. Tenants have told of abrupt evictions in which their belongings were packed up in their absence.

In 2022, tenants of Marc Godart complained that their north Dublin mid-terrace home had been put on Airbnb while they were still living there, with visitors arriving unannounced, cooking and doing laundry while they paid the utility bills. They were evicted before their case could be heard by the RTB.

The same year, tenants of Reuben House, a multistorey apartment building in Dolphin's Barn where bunk beds were packed four to a room, were issued notices of eviction by Green Label Properties and were informed that the landlord intended to sell the building.

Evicted tenants of Reuben House subsequently saw their old rooms appear on Airbnb, though no planning permission had been granted. Reuben Street Hot Desks Ltd, registered in 2019 with Marc Godart and Denise Wester as directors, applied to Dublin City Council for permission to convert Reuben House into an aparthotel in March.

Reuben Hot Desks Ltd is owned by Itzig Sarl, one of the companies registered to the same Luxembourg family home. Last year, Marc Godart ceded his stake in this company, leaving the ownership of Itzig equally split between René Godart and Denise Wester.

Though Denise Godart's name appears repeatedly as a director of various companies, those familiar with the family describe her as having little hand in the active running of the businesses and leaving matters to her husband and son.

Concerns about Marc's business dealings are brushed off. "The mother won't listen," a Luxembourg acquaintance said. "He's the only son - he can do no wrong."

But among others, news about the conditions in his flats in Dublin has raised eyebrows.

“They’re probably stricter about these bunk beds [in Luxembourg] than they are in Ireland,” another person who knows the family said.

A complex web

Over the years, the family business operations developed into a complex international web.

In 2019 Marc Godart became the director and shareholder of the Maltese-founded Green Label Finance Corp Ltd; René Godart was listed as the company secretary.

Its interests again point to Ireland: Cashel Lettings Ltd, a company of which Marc Godart is a director and which is registered to Reuben House and owns a property on Main Street, Cashel, Co Tipperary, owed €236,000 to the “connected party” Green Label Finance Corp Ltd in 2020, the latest accounts show.

Likewise, Hesper SA was the source of the funding for Green Label Property Investment Limited’s purchase of retail units at The Foundry, St Judes, Railway Street/Beaver Street, Dublin 1, according to its 2020 accounts, through an “interest-free loan”.

It declared €298,410 in director’s remuneration for Marc Godart for the 2020 year and stated that it held €2.7 million in investment properties and that it owed just over €2 million to “group companies” in interest-free loans. It posted a loss in both 2019 and 2020.

In August 2022, Marc Godart became the director of a British company, Limehouse Car Park Co Ltd. Three weeks later, the company filed statements to say that René Godart was relinquishing his control of the company and Syren SA was taking a controlling stake.

The sole administrator of Syren SA is René Godart, according to filings in Luxembourg; its assets amounted to €777,395.61 in 2021, the bulk of it in money owed. Again, it is registered to the Luxembourg home address.

The company name that Marc Godart used when he registered to attend the high-flying international real-estate conference Mipim in Cannes last month was GL Real Invest Ltd, attendance records suggest.

Marc Godart is known to work as a letting agent for others as well as for his own property. As of today ‘Marc’ of Green Label Properties, listed with the phone number that Marc Godart has previously provided to tenants and journalists, is advertising 13 commercial properties for rent on Daft.ie ranging from Cleary's pub in Inchicore to a cafe in Dolphin's Barn and a beauty salon space on Westmoreland Street.

He is a director or secretary of some 56 Irish companies, according to Companies House records.

'Ask my son'

Dressed in a denim shirt and jeans, René Godart's initial friendliness dissipates as I explain I am a journalist seeking to understand more about his investments in Ireland.

"I'm not interested," the grey-haired 70-year-old says with a wave of his hand. "No, no, no. Ask my son, he's in Ireland, not me."

Asked about payments that tenants say Marc Godart still owes them due to rulings in their favour by the RTB, Mr Godart says he is aware of the situation but not the right person to ask.

"Yes, I know all. You ask my son. He knows everything," he says. He declined to answer questions as to whether the Airbnb lettings at Reuben House, which are subject to enforcement proceedings by Dublin City Council due to a lack of planning permission, would be regularised.

"Unbelievable," Mr Godart muttered as he retreated into his garage. "You come from Ireland to talk to me… crazy." He pressed a button and the garage door descended. "Bye bye."

René Godart declined to answer questions about the companies he founded

A list of questions left in the letter box for him and Denise Godart/Wester did not receive a response.

Calls to Marc Godart's phone were unanswered.

There was no letterbox or doorbell at an address for Robert Joseph Godart, who is listed as a former director of Hesper SA and as holding roles at various companies over the years including Luxago Sarl and Real Estate International SA. An alternative address appeared to be a building site.

A property close to René Godart's birthplace by the French and Belgian border, given as the address of Hélène Godart-Wendel when she was registered as a company administrator of Hesper SA the year of its foundation, bore the name "Marc Godart" on its letterbox and doorbell when visited by The Irish Times.

The company name Lodu Sarl was also posted on its letterbox – a company registered to René Godart. A builder answered the door and said that questions should be directed to the owner. "His name is René."

Why Luxembourg?

Walking around the streets of Hesperange, it’s common to see postboxes outside quiet domestic buildings or apartment blocks that bear the names of multiple companies that are registered there, without much evidence of business activities taking place.

Luxembourg – like Ireland – has a history of being used by international companies for aggressive tax-planning purposes.

Corporations that have bases in more than one country can shop around for differences in national rules to reduce the amount of tax they have to pay – sometimes dramatically – perfectly legally, but not always ethically.

In recent years, real-estate companies based in Luxembourg that own large property holdings in Berlin became the subject of controversy amid the ongoing housing crisis in the German capital.

There, large institutional investors were blamed for rents and purchase prices that have soared since the global financial crisis, as the construction of homes failed to keep up with demand.

The International Rent Index found rents of newly-advertised properties in Berlin rose 39.5 per cent in a single year in 2021. That autumn, residents voted in favour of the idea of appropriating properties from landlords who own 3,000 apartments or more, reflecting public support for drastic measures – though it is unclear whether it will ever be put into action.

At the time, the tax justice researcher Christoph Trautvetter highlighted, in a series of reports, the role of Luxembourg in reducing tax liabilities for real-estate companies that owned large holdings in Berlin.

The method used to reduce taxes due was through intercompany lending. An entity in Luxembourg would lend money to a linked entity elsewhere, which could then write off the interest payments on the loan so that no corporation tax on profits was due in the jurisdiction where it operated. Profits could then be shifted on further to another linked entity in a low-tax offshore destination, such as the Cayman Islands.

This method was highlighted in the LuxLeaks reporting of 2014 when outlets including The Irish Times revealed how major multinational companies used Luxembourg’s rules to reduce their tax bill, thanks to whistleblowers who later faced prosecution in the Grand Duchy.

The revelations inspired the OECD's Base Erosion and Profit Shifting (BEPS) reforms and the international move to impose a global minimum corporate tax rate, and Luxembourg implemented reforms. But tax researchers say corporations can still find advantages in the current rules.

The company filings of the Godart-Wester group of companies do not suggest that such a method is in use. For one thing, the sums of money involved are small – revenues and assets go into the millions at most, and the corporations that use that structure have revenues on a far greater scale.

But perhaps more significantly, the loans from the Hesper SA in Luxembourg to Green Label Property Investment Limited is marked down in the accounts as "interest free".

But company structures involving family members as shareholders are commonly used in Luxembourg to avoid inheritance tax liabilities for assets held outside the country.

The family's establishment of Green Label Finance Corp in Malta may offer some tax benefits, too.

Malta is advertised as an attractive jurisdiction for tax purposes by multiple law firms online, who tell overseas investors that if they establish a Maltese company they can use a variety of tax credits, exemptions and refunds to reduce their effective corporation tax rate to 5 per cent.

[Controversial landlord owns range of properties bought with funding from Luxembourg]

The Godart-Wester family did not answer queries as to what is the source of their funding for their property interests in Ireland.

It is not unheard of for Luxembourgish families to develop substantial property portfolios simply through the accumulation of private wealth. Luxembourg is the richest country in the world by some measures. Salaries, even for unassuming jobs, can be substantial. And crucially, any land or property sold in Luxembourg would go significantly further in Ireland.

The average price of land in Hesperange was more than €100,000 an acre between 2015 and 2017; in Ireland the price per acre averaged €8,750 when the Institute of Professional Auctioneers & Valuers first began to issue a report on it in 2016.

The average price of a house in the Luxembourg canton where Hesperange is located was €1,450,000 in 2021, while in Dublin it was €427,000, according to Daft.ie.

When Marc Godart was born in 1989, green fields stretched around the family home and sheep grazed nearby.

The street is now nearly unrecognisable: the lots around the house are filled in with newer-built homes and apartments with ground floor retail space, stretching down to the village main street.

This local development boom, now cooling off in Luxembourg as higher interest rates bite, provides the answer to where the family's wealth comes from, locals say.

"The grandparents used to have a farm in the middle of the village there, and that's why they got into building, zoning land," an acquaintance said. "They were farmers and then they became building developers."

Housing Crisis Eviction ban

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