

Iceland PM Sigmundur David Gunnlaugsson resigns over Panama Papers scandal

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Reykjavik: Iceland's Prime Minister Sigmundur David Gunnlaugsson has resigned amid the controversy over his offshore holdings in the recently leaked Panama Papers.

Agriculture Minister Sigurdur Ingi Johannsson told Icelandic broadcaster RUV that Gunnlaugsson was stepping down as leader of the country's coalition government.

Opposition lawmakers say Gunnlaugsson's offshore holdings amounted to a major conflict of interest with his job.

Gunnlaugsson is the first major scalp from a leak of more than 11 million documents from a Panamanian law firm showing tax-avoidance arrangements of the rich and famous around the world.

The impact in Iceland has been most dramatic, but officials in Russia, Ukraine, China and other countries also face questions about possibly dubious offshore schemes. The document leak is sparking calls for transparency and reform as the scope of tax avoidance is revealed.

The leaked financial documents allege that the Prime Minister and his wife set up a company called Wintris in the British Virgin Islands with the help of Panamanian law firm Mossack Fonseca. Mr. Gunnlaugsson is accused of a conflict of interest for failing to disclose his involvement in the company, which held interests in failed Icelandic banks that his government was responsible for overseeing.

Arni Pall Arnason, leader of the opposition Social Democratic Alliance, said Mr. Gunnlaugsson's position is not tenable.

- (With AP inputs)