

The State of Tax Justice 2021

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Foreword

It is a pleasure to pen this foreword for the State of Tax Justice 2021. The fight for tax justice is one I have long championed. This report is a valuable and important contribution to discussions on how to advance a fairer, safer, world.

As the Covid crisis has reminded the world, tax justice is essential for our health. To overcome AIDS, overcome Covid-19, and ensure health for all, countries need secure revenue, generated progressively. When unfair rules and practices prevent them from doing so, as they do right now, the consequences include preventable deaths, and a dangerous failure to beat pandemics.

This year, the report addresses the gross inequalities in vaccine access, which parallel those in taxation. In both cases, lower income countries face a deeply unfair situation. In both cases, it seems that international rules and policies favour the profits of multinational companies and their shareholders in rich countries, over the well-being of billions of people and the safety of us all. In both cases, the results include shocking levels of needless mortality among poorer women, men and children. If visitors from another planet were to observe this from a distance, they might conclude that we place a trivial value on each other's lives.

This report – from the Global Alliance for Tax Justice, Public Services International and the Tax Justice Network – brings together leading actors in the worldwide movement. Such strong civil society alliances are crucial, because the scale of change needed to tackle fiscal injustice will never be given, but can only be won through the power of people.

The UN is committed to fiscal justice. The Secretary-General in his Common Agenda has called for a major reform of the global financial architecture to tackle tax abuse and illicit financial flows. This must be a core element of the changes that we now urgently make together.

Let this be a watershed moment, where we recognise that we are not only interconnected, we are inseparable. Whether we defeat pandemics, or are defeated by them, is up to us. This report reminds readers of the urgency of doing so, but also, I hope, encourages us all that together, in a movement, we can prevail.

Winnie Byanyima

Executive Director of UNAIDS and Under-Secretary-General of the United Nations

Acknowledgements



The Global Alliance for Tax Justice is a global coalition of the tax justice movement, campaigning for progressive and redistributive taxation systems at the national level, and for a transparent, inclusive and representative global tax governance at the international level.

Created in 2013, GATJ comprises regional tax justice networks in Asia (Tax & Fiscal Justice Asia), Africa (Tax Justice Network Africa), Latin America (Red de Justicia Fiscal de América Latina y el Caribe), Europe (Tax Justice-Europe) and North America (Canadians for Tax Fairness & FACT Coalition), collectively representing hundreds of organisations.



Public Services International is a Global Union Federation of more than 700 trade unions representing 30 million workers in 154 countries. We bring their voices to the UN, ILO, WHO and other regional and global organisations. We defend trade union and workers' rights and fight for universal access to quality public services.



The Tax Justice Network believes our tax and financial systems are our most powerful tools for creating a just society that gives equal weight to the needs of everyone. But under pressure from corporate giants and the superrich, our governments have programmed these systems to prioritise the wealthiest over everybody else, wiring financial secrecy and tax havens into the core of our global economy. This fuels inequality, fosters corruption and undermines democracy. We work to repair these injustices by inspiring and equipping people and governments to reprogramme their tax and financial systems.

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Executive summary

The State of Tax Justice 2021 updates the findings of our inaugural 2020 report, which provided the first comprehensive, near-global statistics for revenue losses due to cross-border tax abuse by multinational companies and by individuals hiding assets and income streams offshore. **This year, we find annual tax losses of US\$483 billion worldwide.**

Corporate tax abuse

The largest element remains cross-border corporate tax abuse. Multinational companies are responsible for around a third of global economic output, half of world exports and towards a quarter of global employment. Their tax abuse is a first-order global economic issue, depriving governments of tax revenues, increasing inequalities between and within countries, and undermining smaller and domestic businesses that generate the majority of employment.

We use the second year of aggregate country by country reporting published by the OECD to demonstrate that multinational corporations are shifting US\$1.19 trillion worth of profit into tax havens a year, causing governments around the world to lose **US\$312 billion a year** in direct tax revenue. This compares to an estimate of US\$245 billion in the State of Tax Justice 2020; but the change largely reflects better coverage in the OECD data, and methodological improvements so that the revenue losses more accurately reflect what would have been paid were profit shifting to be eliminated.

These are the direct losses due to the misalignment between the location of profits and the location of productive economic activity. Indirect losses, or spillover costs, arise where governments reduce statutory and effective corporate tax rates to counter the direct losses of corporate tax abuse, with the mistaken belief that this will attract investment. Researchers at the International Monetary Fund estimate that, at a global level, indirect losses from global corporate tax abuse are at least three times larger than direct losses. A similar adjustment here would imply overall losses well beyond US\$1 trillion.

The UK and its dependent territories (the “UK spider’s web”) are responsible for a third of the corporate tax losses. The “axis of tax avoidance” (UK spider’s web, Netherlands, Luxembourg and Switzerland) are together responsible for half. In total, OECD member countries and their dependencies account for seven of every ten dollars lost.

Offshore tax abuse

As the Pandora Papers leaks have once again confirmed, financial secrecy remains a defining feature of offshore finance. Secrecy jurisdictions – countries that provide opportunities for non-residents to hide their identity and their wealth from the rule of law – attract an ever-rising volume of financial assets owned by wealthy individuals. Financial secrecy doesn’t just enable individuals to abuse their tax responsibilities and launder money - it keeps drug cartels bankable, human trafficking profitable and terrorist financing feasible.

We find that the world is losing US\$171 billion a year to offshore tax evasion related to financial wealth alone. The UK spider’s web is responsible for fully a half of the world’s offshore tax evasion losses. The axis of tax avoidance is responsible for two thirds. And in total, OECD member countries and their dependencies account for more than nine of every ten dollars lost.

Tax abuse and vaccine inequality

The devastating impact of the pandemic on life, well-being and livelihoods is unevenly borne and inequitably addressed. Our societies are organised in such a way that women and girls in particular, and the most marginalised in general, will be deeply impacted by vaccine inequity. Progress towards substantive equality and the elimination of discrimination will be obstructed and the loss of rights compounded. The tragedy of many millions dying and hundreds of millions infected is, and will continue to be, felt most keenly in lower income countries, and in the poorest communities where vaccination rates remain very low. Lower income countries' ability to manufacture their own vaccines has been hamstrung by the shameful application of World Trade Organisation patenting rules, and big pharma's failure to share technical knowledge on vaccine manufacture.

Even at the unfair prevailing prices of vaccines, however, the tax lost in a single year to cross-border tax abuse would have covered the cost of **fully vaccinating the world's entire population more than three times over**. Every single second, the wealthiest strip countries of enough tax to fully vaccinate 1000 people.

Policy recommendations

The State of Tax Justice 2021 puts forward three recommendations. First, governments should introduce **pandemic excess profits taxes**. These would ensure that companies like Amazon – which has benefited hugely from local competitors simply being shut down to protect public health – should be required to return up to 100 per cent of these unearned rents (that is, the unnecessary and socially damaging profits that are a result of their monopoly power). That would ensure a contribution to the much larger public spending that the pandemic has required (and which underpins these companies' exceptional growth in revenues).

Second, governments should introduce **wealth taxes**. There is much work to do to ensure that income tax systems operate more progressively and more effectively for the top earners who systematically manage to pay lower rates. But an important element of progress, possible immediately, is to begin to tax wealth directly, where again those at the top of the distribution have benefited entirely disproportionately during a pandemic which has imposed great suffering on so many.

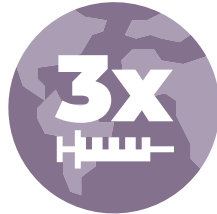
The third recommendation accompanies these immediate national measures with a global, architectural shift. The OECD continues to be responsible for setting international tax rules, despite growing momentum for a shift to the United Nations. The analysis here shows that OECD member countries and their dependent territories are responsible for 78.3 per cent of the losses suffered by countries around the world due to both forms of cross-border tax abuse, costing countries over US\$378 billion in lost tax every year.

The majority of the blame among OECD countries falls on a handful of extreme offenders, while many other OECD members themselves lose the largest amounts in absolute terms. But lower income countries continue to lose the largest share of their current tax revenues, and of their public health budgets. We all suffer - so change is urgently needed. Rather than hoping against hope that the OECD could deliver change when its imbalanced membership includes the greatest opponents, governments should begin negotiations on a **UN Framework Convention on Tax**, to establish a transparent and globally inclusive alternative.

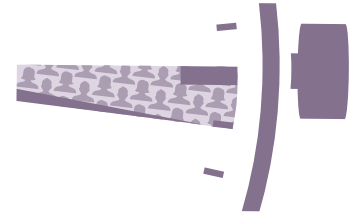
At a glance

\$483 billion is lost to tax havens a year

That's enough to fully vaccinate the global population against Covid-19 **3 times over**



Every second, countries lose enough tax to fully vaccinate **1000 people**



\$312 billion is lost to cross-border corporate tax abuse by **multinational corporations**

\$171 billion is lost to offshore tax evasion by **wealthy individuals**

Higher income countries lose more tax but their tax losses represent a smaller share of the money they have to spend



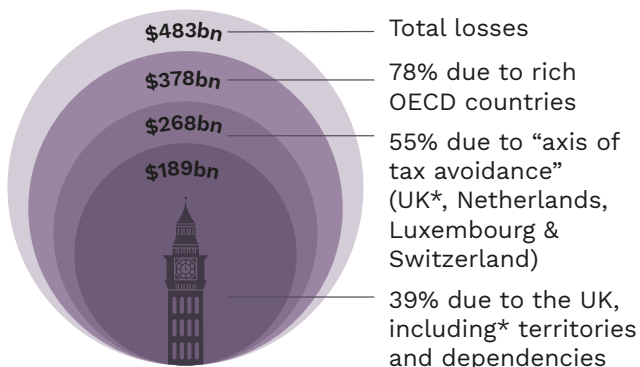
\$443 billion lost
10% of public health budgets

Lower income countries lose less tax but their losses represent a far larger share of the money they have to spend



\$40 billion lost
48% of public health budgets

Most of global tax abuse is made possible by abusive regulation in **rich countries**, not palm-fringed islands



Three solutions



Move rule-making on international tax from the OECD to the UN



Introduce an excess profits tax on multinational corporations that made excess profits off of pandemic lockdowns and interventions



Introduce wealth taxes on the wealthiest individuals to fund pandemic recovery

Introduction

Welcome to the second edition of the State of Tax Justice. The world continues to be gripped by a pandemic which exposes, over and over again, the inequalities that scar our societies – and the extraordinary human costs of our failure to tackle these.

Within countries, Covid-19 has distinguished brutally between those who can afford to protect themselves and their families, and those who cannot; and between those with the protection of an effective and responsive state, and those who lack it.

Between countries, the inequalities are if anything sharper, and even more clearly the result of policy decisions by those with power. Successive decisions by many governments in high income countries have prioritised vaccine access for their own populations, and the profits of multinational pharmaceutical companies.

Those decisions have been taken and maintained, despite full knowledge of the costs. Costs that include enormous and rising death tolls in lower income countries, and the inevitable proliferation of more dangerous variants of the virus. The decisions reveal the scant regard for lives in lower income countries, and actively contribute to future health risks for those in high income countries.

The parallels with global tax injustice are striking. As the Pandora Papers highlighted once again, the failure of international rules for taxing multinational companies and offshore income and wealth plays out in predictable ways. Within countries, these failures curtail the potential for progressive taxation and exacerbate tax abuse at the top end. This contributes to lower tax revenues and weaker public services, and encourages more regressive taxes instead. The overall effect is to worsen the position of the economically and socially disadvantaged. This both increases the likely tax rate and weakens the provision of public services, to those who are already disproportionately likely to be members of minoritised groups facing intersectional inequalities – including by gender, disability, race and indigenous identity.

Between countries, the failures of international tax rules also exacerbate inequalities. As the State of Tax Justice 2021 shows once again, higher income countries lose the most in absolute terms to the resulting cross-border tax abuse; but lower income countries lose a disproportionately high share of their current tax revenues. OECD countries and their dependent territories are responsible for facilitating by far the greatest share of the losses imposed on others.

This confirms the findings, also presented here, of the Financial Secrecy Index (first published in 2009) and the Corporate Tax Haven Index (first published in 2019). Between them, the indexes capture the two faces of tax havenry, and all the associated risks of illicit financial flows including offshore and corporate tax abuse. Both combine a global scale weight, to reflect the importance of jurisdictions in the world economy, and a secrecy score or haven score made up of multiple, detailed indicators. Both show that OECD countries and their dependent territories are responsible for the great majority of global risks.

The indexes are based on objectively verifiable criteria, and therefore provide a clear basis on which to assess the relative threats posed by different countries and jurisdictions. This reflects their design as a counter to the opaquely compiled “blacklists” of international organisations, that over the last few decades have tended to point the finger at smaller, weaker jurisdictions – while major financial centres including the US and other OECD member countries go somehow unnamed. The indexes also provide the basis for more granular assessments of illicit flows risks, which can support detailed policy measures at the national level (see chapter 4).

In total, the State of Tax Justice 2021 finds that countries lose US\$483 billion in revenues a year, composed of US\$312 billion due to cross-border corporate tax abuse (see chapter 2) and US\$171 billion due to offshore tax abuse by wealthy individuals (see chapter 3).

As we lay out in chapter 1, such sums of money could pay to fully vaccinate the global population against Covid-19 more than three times over. Addressing the structural inequalities embedded in international tax rules would thus allow an immediate response to the inequalities of the pandemic response to date.

Tax justice and human rights

Tax justice goes far beyond these conservative estimates of cross-border tax abuse. An effective tax system delivers the 4 Rs of tax: revenues to fund public services; redistribution to curb inequalities; repricing to address public harms such as fossil fuel extraction and tobacco consumption; and political representation – recognising the key role of tax in ensuring governments are held accountable. The 4 Rs are a powerful [tool for human rights](#), ensuring that governments have both the means and the motivation to deliver for their people.¹ They share and reinforce key principles for the advancement of human rights such as transparency, participation, accountability, sustainability, eradication of structural discrimination and promotion of substantive equality.

Cross-border tax abuse results directly in lost revenues. But it also undermines governments' ability to redistribute, by narrowing the scope for progressive taxation of wealth and income. That in turn drives a "[race to the bottom](#)". Investors and elites argue for lower tax rates and ever-greater tax "incentives", further weakening the state's capacity to deliver both revenues and redistribution.

This public evasion of social responsibilities by the most high profile actors also undermines tax morale and compliance throughout society. Smaller businesses see the unlevel playing field they face, when their larger and multinational competitors benefit from tax expenditures and cross-border tax abuse – and wonder why they should be the only ones who meet their responsibilities in full. Lower income households ask themselves the same question, looking at high income households with offshore holdings.

The measures to support tax justice worldwide are [manifold](#). Key elements include comprehensive transparency of the ownership of assets and income streams, including [the ABC](#): automatic exchange of financial account information to end bank secrecy; beneficial ownership transparency through public registers to end anonymous ownership of companies, trusts and foundations, and ultimately a global asset register; and public country by country reporting from multinational companies to deliver accountability for corporate tax abuse.

Effective use of information, however, depends on well-resourced and operationally independent [tax authorities](#) – and in far too many countries around the world, at all levels of per capita income, governments have pursued policies of under-resourcing tax authorities and limiting their independence. All too predictably, the effects are regressive. Audits and scrutiny fall for high income individuals and large companies, and governments turn to less progressive taxes on consumption for revenue – often encouraged by international institutions.

¹ Dayana Blanco and others, 'Principles for Human Rights in Fiscal Policy', CESR, 2021 <https://www.cesr.org/principles-human-rights-fiscal-policy> [accessed 20 June 2021].

In the extractive sector, effects of the failure of tax justice can be extreme. Natural resources are extracted far beyond the levels that would be consistent with planetary sustainability, with companies often even benefiting from tax subsidies. National wealth is extracted, too, and very often without a corresponding national benefit – including through pervasive bribery and corporate tax abuse in the sector.

The illicit financial flows that result from failures of transparency and tax rules constitute a first-order, global economic problem. The same financial secrecy that facilitates cross-border tax abuse by multinationals and wealthy individuals also provides the conditions for the laundering of the proceeds of crime including the trafficking of drugs and of people, and for bribery and other commercial criminal activity and for other forms of corruption. The continuing failure to challenge illicit financial flows – or even to recognise them as a major threat – has undermined human rights around the world for decades.

Growing global momentum

The African Union/Economic Commission for Africa High Level Panel on Illicit Financial Flows out of Africa worked between 2012 and 2015 to establish what is now an active global agenda. The Panel made three main contributions. First, it provided a definition of illicit flows that included the corporate tax abuse which is likely the largest single element. This was crucial to flipping the old narrative of corruption perceptions, which consistently – but without objective evidence – identifies lower income countries and their public sectors in particular as the loci of corruption. Understanding that the leading actors in illicit flows are more typically from the private sector of high income countries is a powerful step to ensuring substantive policy progress.

The second contribution of the High Level Panel was to confirm the broad scale of the phenomenon, with estimates for illicit flows out of Africa alone in the many tens of billions of dollars a year. Subsequent research has strongly backed this, including this State of Tax Justice report and multiple independent studies from academics, UN agencies and other international institutions.

The third contribution was political. The High Level Panel skilfully developed support across the continent, and then within the global setting of the United Nations. This led directly to the adoption of a target to curb illicit flows in the UN Sustainable Development Goals (SDGs) adopted in 2015. This Sustainable Development Goal, target 16.4, is joined by target 17.1 which establishes tax as the primary means of implementation for the entire framework.

The OECD and a number of its leading member countries sought to eliminate the element of corporate tax abuse from target 16.4, obstructing progress on defining the term and on setting indicators. But unusually, progress has been maintained despite this powerful opposition. The UN system has adopted a formal statistical definition, and proposed indicators are now being piloted at the country level. These include tax indicators closely related to the measures used here in the State of Tax Justice.

And rather than ending there, the political momentum borne out of the High Level Panel has continued to grow. In February 2020, Nigeria and Norway – then chairs of the UN General Assembly and the UN Economic and Social Council (ECOSOC), respectively – set up a similar global effort: the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, or FACTI Panel.

The FACTI Panel's final report in February 2021 set down as [specific proposals](#) the majority of the key elements of the tax justice agenda over the last two decades, including a major global architectural reform to set tax rules within a genuinely

inclusive UN setting rather than the rich countries' club, the OECD, and to establish a Centre for Monitoring Taxing Rights to lead on data and accountability. In September 2021, the UN Secretary General adopted the core of these proposals as a central piece of the new [UN Common Agenda](#):

“I also propose stronger international cooperation to tackle tax evasion and aggressive tax avoidance, money laundering and illicit financial flows, including through a new joint structure on financial integrity and tackling illicit financial flows, with membership centred around the United Nations, international financial institutions, OECD, major financial centres and expert civil society organizations. Its role could include promotion of transparency and accountability through the provision of data and other information, as well as fostering agreements to address illicit financial flows.”

This State of Tax Justice report represents an independent effort to strengthen the accountability of jurisdictions for their role in tax abuse, in line with the proposal for such a Centre for Monitoring Taxing Rights. And just as the momentum towards tax justice is strong here, so too there is room for optimism in respect of the international tax rules.


The OECD/G20 process has largely failed to deliver on its original ambition, but has nonetheless confirmed two major shifts that should guide policy over coming years – ideally within a UN context instead. The first is the aim of the OECD's Pillar 1 to move beyond the easily exploited arm's length principle. While only achieved for a small part of the profits of a handful of multinationals, this opens the way to the full shift towards unitary taxation with apportionment of taxable profits according to the location of real economic activity.

The second shift is the emergence of broad consensus on the idea of a global minimum tax rate, so that multinationals should not be able to avail of harmfully low tax rates in any jurisdiction regardless of where they may manage to shift their profits. The OECD proposals have introduced an egregious injustice, in allocating the right to “top up” tax on undertaxed profits to the headquarters countries – that is, overwhelmingly, to OECD member countries rather than to lower income countries which suffer more intensively from corporate tax abuse. But again, the principle of minimum tax has been established, and the agenda is no longer to create this possibility, but to ensure that it works fairly. Again, the UN offers the best opportunity by far for such a negotiation and rule-setting to take place.

An agenda for the year ahead

The three key priorities set out in the inaugural State of Tax Justice report remain central for the year ahead. Two relate to immediate tax measures to be introduced in the face of the pandemic and the huge public health costs and economic and social dislocation. Both would ensure that those with the broadest shoulders, and those who have benefited most from the extraordinary state measures in these extraordinary times, bear a more reasonable share of the social costs. Each, too, is related to one of the channels of cross-border tax abuse analysed in this report.

The first two priorities are the introduction of wealth taxes on the richest individuals, and of a pandemic excess profits tax on the companies that have made the highest unearned rents since 2020. While the international obstacles to progressive taxation remain, this cannot excuse a failure to take steps domestically now. These measures, even subject to the challenges of anonymous ownership and profit shifting, can raise



substantial revenues and curtail some of the gross inequalities that the pandemic has laid bare and, in many cases, exacerbated.

Low tax revenues should never be an excuse for governments to impose austerity, or for the deliberate failure to protect lower income households fully from the pandemic. Current policies are nowhere near adequate in ensuring that those most able to pay a fair share do so. Those that have actually benefited while all others have suffered, should expect to return those benefits fully to the society they are part of.

Amazon, for example, has seen its sales and profits rocket as lockdowns in country after country have simply shut down the majority of their offline competitors. It is reasonable that 100 per cent of those excess profits reaped off the back of public health interventions should contribute towards offsetting the public costs of those same interventions. Similarly, the documented expansion in billionaires' wealth in many countries does not reflect some valuable social contribution but rather being in the right place (financially) at the right time. The benefits of that good fortune, mirroring the global misfortune of the pandemic, should equally be taxed in full as a contribution to the wider social costs.

The third priority is to make robust progress towards a UN Framework Convention on Tax. As laid out by the FACTI Panel, building on analysis of the tax justice movement over the years, this should be the vehicle to establish a much more comprehensive UN role on tax. In particular it would: set the terms for inclusive international cooperation and ABC tax transparency; mandate a Centre for Monitoring Taxing Rights to raise national accountability for illicit financial flows and tax abuse suffered by others; and establish an intergovernmental UN forum for the urgent negotiation of further changes to the international tax rules, as the G77 group of countries has long demanded.

Delivering on this agenda at the global level will ultimately free up the policy space for much more progressive approaches domestically – by eliminating the scope for the wealthiest simply to escape their responsibilities. Crucially, it is also the means by which policymakers will curb the threat of illicit financial flows – and with it, the cross-border tax abuse documented here as costing US\$483 billion in lost tax revenues a year.

Chapter 1: Vaccines and unpaid taxes

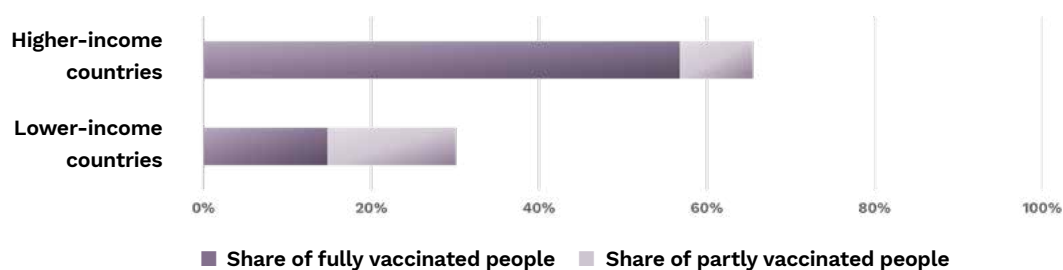
The Covid-19 pandemic had claimed over 1.2 million lives when the first edition of the State of Tax Justice report was published in November 2020. Covid-19 vaccines at the time were still under trial. It is shocking to now report, one year and seven WHO-approved vaccines later, that the number of deaths due to Covid-19 has quadrupled to **4,835,543 (as of 6 October 2021)**.

The State of Tax Justice 2021 estimates that the US\$483 billion the world loses to tax havens in a year would cover the cost of fully vaccinating (two doses) the global population more than three times over. This would cover the costs of both acquiring and delivering vaccine doses. The State of Tax Justice highlighted in 2020 how lower income countries are more severely impacted by global tax abuse, collectively losing the equivalent of half their public health budget to multinational corporations and wealthy individuals underpaying tax. That pattern of severe impact is seen again this year, with lower income countries where vaccination rates remain disastrously low missing out the most from tax lost to global tax abuse.

Inequalities under Covid-19

Covid-19 does not impact equally on all people as the word pandemic suggests. The devastating impact on life, well-being and livelihoods is unevenly borne and inequitably addressed. The tragedy of many millions dying and hundreds of millions infected is, and will continue to be, felt most keenly in low income countries and in the poorest communities where vaccination rates remain very low (see Figure 1).

Figure 1: Share of people vaccinated against Covid-19, as of October 6, 2021



The calamitous impact of Covid-19 on low income countries is unquestionable. Their ability to manufacture their own vaccines has been hamstrung by World Trade Organisation (WTO) patenting rules and big pharma's failure to share technical knowledge on vaccine manufacture.² While the struggle against that cruel injustice remains urgent, the State of Tax Justice 2021 focuses on how global tax abuse has deprived countries around the world of desperately needed revenues that could have purchased even these unjustly priced vaccines.³

² Public Services International, '#TRIPSWAIVER Waive WTO Copyrights on Covid-19 Medical Products!', Campaigns, 2021 <<https://publicservices.international/campaigns/waive-wto-copyrights-on-covid-19-medical-products?id=11380&lang=en>> [accessed 12 August 2021].

³ Anna Marriot and Alex Maitland, *The Great Vaccine Robbery* (29 July 2021) <<https://app.box.com/s/inqlaf8gwoy6cxutocs8kngu0g8regce>> [accessed 26 August 2021].

The ramifications of vaccine inaccessibility are immediate and devastating in terms of life and well-being for the poorest communities: “11 countries in Southeast Asia recorded 38,522 deaths from Covid-19” in a single fortnight in August 2021.⁴ Beyond the immediate devastation to life and livelihood, and where there is “no clear end in sight”, the inevitable social and economic rights failures will compound any sense of a just recovery.⁵

The International Labour Organisation similarly recognises the disproportionate harm levied by Covid-19 on the most marginalised in its analysis of the impact of the pandemic on labour and businesses. It finds that: the “equivalent of two hundred and fifty-five million full time jobs” were lost in 2020; US\$3.7 trillion wiped off labour income; and 108 million people pushed back into working poverty; the most vulnerable and already disadvantaged hit hardest – young people, women, informal workers, migrants.”⁶

Beyond the human and economic harm already inflicted by the pandemic, the economic cost of not achieving substantial vaccine coverage going forward is eye watering. The Economist Intelligence Unit estimates that countries vaccinating “less than 60% of their population by mid-2022 will register GDP losses totalling US\$2.3trn in 2022-25 (roughly equivalent to the annual GDP of France).”⁷ This forecast is compounded in low income countries especially by entrenched pre-existing inequalities born disproportionately by women and girls and those on no or low incomes. Forecasts by the Economist Intelligence Unit “show that the timelines for the economic recovery will be longer in poorer economies, compared to advanced ones.”⁸

The reality of vaccine inequality has many layers, but it follows orthodox patterns of global inequality. Low income countries of the global south face multiple barriers that obstruct fair, safe and equitable access to vaccines. Governments find themselves blocked by established and discriminatory systems and structures. These same systems, structures and policy architecture – “a toxic brew of global political economy, corporate power and interests” – that perpetuate economic inequality, food security inequality, climate inequality and tax injustice, compound health inequalities and their long term, intersecting and discriminatory impacts.⁹ In rich countries too, those most marginalised have been most unprotected under the Covid-19 pandemic, which laid bare health, social and economic inequalities at domestic and global levels.¹⁰

Women in general, and women from marginalised groups in particular, are burdened by Covid-19 related inequities. They predominantly occupy the frontline in health care roles – unprotected from Covid-19 and often without

4 Sarah Newey, ‘Red Cross Warns of “Tragic Toll” in Southeast Asia as Infections Skyrocket and Deaths Mount’, *The Telegraph*, 18 August 2021, Online edition <<https://www.telegraph.co.uk/global-health/science-and-disease/red-cross-warns-tragic-toll-southeast-asia-infections-skyrocket/>> [accessed 24 August 2021].

5 UN Human Rights Experts, ‘Universal Access to Vaccines Is Essential for Prevention and Containment of COVID-19 around the World’, 2020 <<https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=26484&LangID=E>>.

6 Guy Ryder, ‘Opening Remarks by Guy Ryder, ILO Director-General, at the 109th Session of the International Labour Conference’, 2021 <http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/ilo-director-general/statements-and-speeches/WCMS_799750/lang--es/index.htm> [accessed 8 September 2021].

7 The Economist Intelligence Unit Limited, *How Much Will Vaccine Inequity Cost?*, Global Forecast, 25 August 2021, <<https://www.eiu.com/n/delayed-vaccination-timelines-will-cost-the-global-economy-us2-3trn/>> [accessed 25 August 2021]

8 The Economist Intelligence Unit Limited, *How Much Will Vaccine Inequity Cost?*, Global Forecast, 25 August 2021, <<https://www.eiu.com/n/delayed-vaccination-timelines-will-cost-the-global-economy-us2-3trn/>> [accessed 25 August 2021]

9 DAWN and Third World Network, *Access to Medicines: Why Should Feminists Care?*, 5 January 2021 <https://dawnnet.org/wp-content/uploads/2021/06/FPV_Issue-Paper-1_Access-to-Medicines_-_Why-Should-Feminists-Care-2.pdf> [accessed 9 September 2021]

10 CDC, ‘Community, Work, and School’, *Centers for Disease Control and Prevention*, 2020 <<https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>> [accessed 8 September 2021]

social protections, welfare benefits, public health services or pensions. Women also typically take the responsibility of carer within the family on top of often low income or no income roles.¹¹

The disproportionately negative social and economic impact on women is set out in a joint briefing by the IMF, UNDP and UN Women. The briefing warns that the pandemic has turned the clock back by decades in terms of advancing gender equality:

“Women and girls are on the front line of the pandemic and are disproportionately impacted by poverty. Women account for 70 percent of the health and social care workforce responding to the pandemic, raising risk of infection and concerns over their health and safety. The pandemic is poised to push women and girls into extreme poverty with the poverty rates rising from 11.7 percent in 2019 to 12.5 percent in 2021 (and the rate for men and boys from 11.3 percent to 12.1 percent), and it may take until 2030 to revert to pre-pandemic levels”.¹²

The sentiment in this warning masks the underpinning political economy and policy architecture that, over decades, has failed and continues to fail women, girls and the poorest in our societies.¹³ For women on the front line of care at home and in health and social care settings, for women in informal work and for those living in poverty and/or with existing fragile health exposed and at risk to Covid-19, policy conditionality and debt burden has reinforced inequalities and the calamitous impact of the pandemic.¹⁴

The International Labour Organisation echoes similar concerns. It has found that women bore the brunt of the impact to employment under the pandemic. With Covid-19 more disruptively “affecting sectors of the economy with a large share of women workers such as retail, hospitality, food service, and the garment industry” and with the closure of childcare services due to the pandemic, “the female labor force participation rate declined more than for men in some countries”.¹⁵

The IMF, UNDP and UN Women joint briefing urges governments to implement “gender-responsive policies and budgeting to mitigate the short-term impacts of the pandemic, while also addressing long term structural drivers of gender inequality”.¹⁶

Additional resources are not a silver bullet for any government that strives to address the complexity of inequalities, but sustainable tax revenue creates the opportunity to establish a progressive economic and social policy framework which can redistribute wealth and income, provides for social goods and services and, more broadly, strengthens governance over the longer term.

11 Public Services International, ‘Frontline Health Workers Ask Rich Countries to Share the Vaccine, Support the TRIPS Waiver’, 2021 <<https://publicservices.international/resources/news/frontline-health-workers-ask-rich-countries-to-share-the-vaccine-support-the-trips-waiver?id=11790&lang=en>> [accessed 8 September 2021].

12 Vincent Tang and others, *Gender Equality and COVID-19: Policies and Institutions for Mitigating the Crisis*, Special Series on Covid 19, IMF Fiscal Affairs, 28 July 2021, <<https://www.imf.org/-/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-gender-equality-and-covid-19.ashx>> [accessed 7 September 2021].

13 DAWN and Third World Network, *Access to Medicines: Why Should Feminists Care?*, June 2021. <https://dawnnet.org/wp-content/uploads/2021/06/FPV_Issue-Paper-1_Access-to-Medicines_-_Why-Should-Feminists-Care-2.pdf> [accessed 9 September 2021]

14 Ramya Vijaya, ‘COVID-19 Further Exposes Inequalities in the Global Financial System’, *The Conversation*, 15 December 2020 <<http://theconversation.com/covid-19-further-exposes-inequalities-in-the-global-financial-system-150792>> [accessed 10 September 2021].

15 Tang and others, *Gender Equality and COVID-19: Policies and Institutions for Mitigating the Crisis*. IMF, 28 July 2021 <<https://www.imf.org/-/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-gender-equality-and-covid-19.ashx>>

16 Tang and others, *Gender Equality and COVID-19: Policies and Institutions for Mitigating the Crisis*. IMF, 28 July 2021 <<https://www.imf.org/-/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-gender-equality-and-covid-19.ashx>>

Yet despite the toll inflicted so far by the pandemic, and the damage still to come if vaccine equality is not realised, global coverage of vaccination remains disastrously low.

High income countries have seen the rate of infection drop in 2021 as vaccine development and production was rapidly executed and extensive vaccination programmes rolled out. The economic strength of global north countries has meant they have been able to fall back on established infrastructures, resources and technical capacity to ensure their vaccination programmes have targeted the most vulnerable but also to ensure high levels of coverage. With high income countries now rolling out booster shots amid such low global vaccine coverage, their governments are further exacerbating vaccine inequality and prolonging the global pandemic.

Disgracefully, some commentators have attempted to redirect responsibility for low global vaccine coverage by pointing to “vaccine hesitancy” – a phenomena apparently of marginalised communities and low income countries.¹⁷ The finger of responsibility and culpability must more emphatically point at those who abuse tax, and who deny the resources for inclusive and trustworthy public health systems.

The politics of paying for vaccines

As of October 4 2021, over 21 months since the coronavirus was first identified, only 2.3 per cent of people in low income countries have received at least one vaccine dose.¹⁸

The damage caused by the pandemic is both intense and pervasive. The extraordinary circumstances in which workers have continued to operate and people have continued to care and support families and communities justly demands extraordinary responses. The sacrifices made need to be matched by those who have benefited from the efforts of those who have, and continue routinely to, risk their lives and livelihoods as a consequence of the pandemic. In particular, the privileges made available to multinational corporations within existing trade rules, international tax rules and patenting rules need to be addressed.

Analysis of vaccine pricing tells a shameful story of pharmaceutical monopolies and vaccine millionaires enjoying the profit spoils of the pandemic – further stressing the need for a waiver on the TRIPS agreement. Using pre-pandemic prices of non-covid vaccines as a benchmark to compare the prices of Covid-19 vaccines, the People’s Vaccine Alliance found that Covid-19 vaccines are “unjustifiably” priced 4 to 46 times higher than non-covid vaccines. According to WHO data, developing countries paid a median price of US\$0.80 for non-covid vaccines in 2018, which is used as the benchmark price for non-covid vaccines. The lowest priced Covid-19 vaccine, Oxford/AstraZeneca at US\$3.00 a dose, is nearly four times this price. The Johnson & Johnson vaccine at a price of US\$10, which is claimed to be a non-profit price, is nearly 13 times the benchmark price. The Pfizer/BioNTech and Moderna vaccines were found to be up to 46 times more expensive.¹⁹

Tallying up the numbers, the People’s Vaccine Alliance confirms that Pfizer/BioNTech and Moderna alone are “charging governments as much as US\$41 billion above the estimated cost of production” under the COVAX initiative.²⁰

17 Sam Ball, *A Decade to Vaccinate: Hesitancy Slows Africa’s Covid-19 Inoculation Drive*, 2021 <<https://www.france24.com/en/video/20210506-a-decade-to-vaccinate-hesitancy-slows-africa-s-covid-19-inoculation-drive>> [accessed 9 August 2021].

18 Our World in Data, ‘Share of People Who Received at Least One Dose of COVID-19 Vaccine’, *Our World in Data*, 2021 <<https://ourworldindata.org/grapher/share-people-vaccinated-covid>> [accessed 6 October 2021].

19 Marriot and Maitland, *The Great Vaccine Robbery*, page 9.

20 Marriot and Maitland, *The Great Vaccine Robbery*, page 2.

Analysis of the cost of vaccines covers a wide range and is influenced by variables including a “one shot” price such as that produced by Johnson & Johnson. As a result, the Johnson & Johnson vaccine looks comparatively more affordable.²¹ Prices fluctuate depending on the pharmaceutical company producing the vaccine and the government purchasing. Research has shown how some vaccine offers have had to be turned down because the price is “unaffordable”.²² The high prices of Covid-19 vaccines also dramatically exceed the WHO’s analysis of the costs, not just of acquiring doses but also of delivering to people via the COVAX initiative. According to the analysis published in July 2021, the related costs associated with delivering two Covid-19 vaccine doses – excluding the price of doses - is US\$3.70:

“Total financial costs - including country, regional, and global level costs - amount to US\$2.018 billion, equivalent to US\$1.66 per dose supplied and US\$3.70 per person vaccinated with two doses (after accounting for vaccine wastage).”²³

The People’s Vaccine Alliance report also details the lowest costs that have been accepted by each company for large-scale country deliveries. Economies of scale suggest that lower prices are very likely to be profitable for global provision, so these can be considered as high-end estimates for break-even pricing. Table 1 shows the effect of combining these prices with WHO estimates for the total cost of delivery.

Table 1: Costs of Covid-19 vaccines

Vaccine	Cost per dose	Number of doses required	Cost of full vaccination including delivery
Pfizer/BioNTech	\$6.75	2	\$17.20
Moderna	\$12 - \$16.50	2	\$27.70 - \$36.70
Oxford/AstraZeneca	\$3	2	\$9.70
Johnson & Johnson	\$10	1	\$13.70

In this scenario Moderna presents itself as an outlier. For the purposes of demonstrating the impact of tax abuse on vaccine affordability and equity, we have therefore analysed the range US\$9.70 to US\$17.20 for the per person costs of full dosage and delivery including supply and infrastructure. At this range, the US\$483 billion annually underpaid by multinational corporations and wealthy individuals is enough to fully vaccinate the global population between three and six times over. The State of Tax Justice 2021 uses the highest price range in its calculation of vaccinations lost per country, as presented in Table 2.

In spite of some Big Pharma companies announcing they would “not make a profit from the pandemic”, vaccine accessibility is far from a level playing field and the price structuring underlines the monopoly big pharma holds over development and production.²⁴

21 Owen Dyer, ‘Covid-19: Countries Are Learning What Others Paid for Vaccines’, *BMJ*, 372 (2021), n281.

22 Marriot and Maitland, *The Great Vaccine Robbery*, page 3.

23 Ulla Griffiths and others, *Costs of Delivering COVID-19 Vaccine in 92 AMC Countries* (2 August 2021), 27 <https://www.who.int/docs/default-source/coronaviruse/act-accelerator/covax/costs-of-covid-19-vaccine-delivery-in-92amc_08.02.21.pdf> [accessed 9 September 2021].

24 Owen Dyer, ‘Covid-19: Countries Are Learning What Others Paid for Vaccines’, *BMJ*, 372 (2021), n281.

Simply, more lives can be protected, more frontline health workers safeguarded and deeper inequalities halted from Covid-19 if pharmaceutical giants exercise ethical imperative within their business model and sell vaccines at more affordable prices and corporate giants in general pay their fair share of tax. The abuse of direct corporate taxes haemorrhages much needed revenue from countries already burdened by inadequate health services and infrastructure.

The cost of the “first come, first served” approach to vaccination in an environment of inadequate public revenue means that people and countries already experiencing entrenched health inequalities, education inequalities and threatened livelihoods will be burdened by an additional level of inequity. Low income countries do not have revenue budgets to meet the highly inflated costs of Covid-19 vaccines. They have barely enough to pay health workers, equip storage facilities, train workers, transport vaccines quickly and efficiently, and provide for those who are infected or caring for others. The reality is that their pockets are not deep enough – and are regularly being picked by global tax abusers. The cost to governments is not simply a question of “lost economic opportunities” now and in the coming years but the loss of opportunity to advance development, human rights and wellbeing.²⁵

Vaccination and the 4 Rs of tax

One hundred and ninety-three countries have officially committed to achieving the UN Sustainable Development Goals, agreed in 2015. However, the inadequacy of the global response to the Covid-19 pandemic, exacerbated by flawed global tax rules, dramatically undermines governments’ commitments to the Goals. Wide scale tax abuse to the tune of US\$483 billion a year chokes governments’ capacities to provide critical public health services, putting front line health workers at risk, threatening vital jobs and denying many millions economic and social protection.²⁶ Curtailing tax abuse is a key imperative in averting further social and economic tragedy.

Tax losses in absolute numbers have been larger in higher income countries, but once again, tax losses in proportion to countries’ tax bases and health expenditure have been greater in lower income countries where tax revenue is more urgently needed. In 2020 the State of Tax Justice illustrated this loss of revenue in terms of nurses’ salaries – every second a nurse’s yearly salary is lost to a tax haven. This year, the report expresses this loss in terms of vaccines; every second, the wealthiest strip countries of enough tax to fully vaccinate 1000 people.

In its April 2021 statement on accessibility of affordable Covid-19 vaccines, the UN Committee on Economic and Social Rights drew attention to the particular failure in commitment to Sustainable Development Goal 3 (good health and well-being), Goal 10 (reduced inequalities) and Goal 17 (partnership for the goals).²⁷ More specifically the Committee reminded states who have ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) of their obligation

25 The Economist Intelligence Unit Limited, *How Much Will Vaccine Inequity Cost?*, Global Forecast, 25 August 2021, <<https://www.eiu.com/n/delayed-vaccination-timelines-will-cost-the-global-economy-us2-3trn/>> [accessed 25 August 2021]

26 Public Services International, ‘Global Call: Vaccines for All!’, 2021 <<https://publicservices.international/resources/news/global-call-vaccines-for-all?id=11710&lang=en>> [accessed 11 September 2021].

27 Committee on Economic, United Nations Social and Cultural Rights, *Statement on Universal Affordable Vaccination against Coronavirus Disease (COVID-19), International Cooperation and Intellectual Property* (United Nations Economic and Social Council, 23 April 2021) <https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E/C.12/2021/1&Lang=en> [accessed 30 August 2021]

“to take all the necessary measures, as a matter of priority and to the maximum of their available resources, to guarantee all persons’ access to vaccines against Covid-19, without any discrimination”.²⁸

Sustainable Development Goal 16 (peace, justice and strong institutions) also reflects the importance of sustainable revenue for the achievement of the full set of Sustainable Development Goals. Target 16.4 focuses on tax justice by seeking to curb illicit financial flows, including both individual and corporate tax abuse. The development of an agreed method of measuring illicit financial flows is critical to the achievement of the Sustainable Development Goals including that of ensuring good health and equal access to vaccines.²⁹ The findings presented by the chapters in this report are intended to contribute towards this need.

It is important that tax justice and the recognition of progressive tax reforms are reflected in the commitments and methodology of Sustainable Development Goals 16 and 17, in which tax is identified as the primary means of implementation for the entire framework. The ability of states to meet their responsibilities to the Sustainable Development Goals depends on their ability to meet funding needs, and on the political will to ensure universal provision and access. Central to all this are two of the four Rs of tax (see box below): revenue and representation. With enough tax revenues, funding is possible. With sufficiently strong political representation, government commitment to inclusive services becomes probable.

The 4 Rs of tax


Tax systems reprogrammed to prioritise the needs of all members of society can deliver:

- Revenue, to fund public and universal vaccination, infrastructure and administration
- Redistribution, to curb vertical and horizontal inequalities (those between individuals and those between groups)
- Repricing, to limit public “bads” such as overpriced drugs and vaccines
- Representation, to build healthier democratic processes, recognising that higher reliance of government spending on tax revenues is strongly linked to higher quality of governance and political representation

Tax drives political representation – or anger at its absence – and helps to make sure that governments are held accountable for their spending and broader decisions. The higher the share of government expenditure that comes from non-tax sources, the worse – over time – is progress towards better governance and strong institutions of state. High reliance on natural resource rents helps explain

²⁸ UN OHCHR, International Covenant on Economic, Social and Cultural Rights, *Human Rights OHRHC*, 1976 <<https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>> [accessed 8 September 2021]

²⁹ Enrico Bisogno and others, *Conceptual Framework for the Statistical Measurement of Illicit Financial Flows* (10 January 2020) <https://www.unodc.org/documents/data-and-analysis/statistics/IFF/IFF_Conceptual_Framework_for_publication_15Oct.pdf> [accessed 9 September 2021].



why many petrostates suffer from weak political representation and often incur high levels of illicit financial outflows.

In relation to the funding of public health in particular, it is difficult to draw causal conclusions because both tax and health involve separate sets of (broadly independent) policy decisions. However, research shows that in general, states that are more reliant on tax tend to spend higher shares of tax revenue on health; and this spending tends also to deliver better health outcomes and better health coverage. The results are typically stronger in relation to progressive, direct taxes such as those on incomes, capital gains and profits, suggesting at least a positive correlation with political preferences to curtail inequality.³⁰

The politics of the pandemic and the failure to ensure universal access to vaccines are sharpened when the public purse has contributed to the funding of vaccine research and development. Even in higher income countries, public health spending is very often the subject of political debate. For higher income countries, the pandemic has brought starkly into focus the need for greater spending, and for more fully inclusive health systems that ameliorate rather than exacerbate grave inequalities. For lower income countries, the pandemic has added even greater urgency to the need to protect lower income countries' rights and abilities to tax the profits and incomes generated on their soil by multinational corporations and the super-rich.

³⁰ Paddy Carter and Alex Cobham, *Are Taxes Good for Your Health?*, (2016).

Table 2: Tax revenue losses and vaccinations

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Africa	17,117.5	0.7%	14,796.79	2,320.7	995.2	82.0%
Algeria	467.0	0.3%	413.8	53.3	27.2	66.9%
Angola	360.7	0.3%	180.3	180.4	21.0	72.6%
Benin	43.3	0.3%	40.9	2.4	2.5	23.1%
Botswana	12.5	0.1%	5.1	7.4	0.7	33.4%
British Indian Ocean Territory	-	0.0%	-	-	-	0.0%
Burkina Faso	2.2	0.0%	-	2.2	0.1	0.7%
Burundi	2.2	0.1%	0.6	1.6	0.1	1.2%
Cameroon	315.6	0.9%	288.1	27.5	18.4	76.6%
Cape Verde	1.2	0.1%	-	1.2	0.1	13.1%
Central African Republic	2.3	0.1%	1.2	1.1	0.1	2.9%
Chad	1,952.4	17.1%	1,947.0	5.4	113.5	778.6%
Comoros	0.3	0.0%	-	0.3	0.0	2.3%
Congo DRC	638.7	1.6%	615.7	23.0	37.1	47.0%
Congo, Rep.	472.9	3.4%	462.2	10.7	27.5	550.3%
Cote d'Ivoire	192.8	0.4%	170.8	22.1	11.2	46.9%
Djibouti	7.1	0.3%	3.0	4.1	0.4	44.7%
Egypt	928.5	0.3%	758.5	170.1	54.0	57.2%
Equatorial Guinea	43.9	0.3%	39.5	4.4	2.6	210.0%
Eritrea	2.3	0.0%	-	2.3	0.1	3.2%
Eswatini	15.0	0.3%	10.7	4.3	0.9	78.2%
Ethiopia	148.3	0.2%	137.4	10.9	8.6	8.3%
French Southern Territories	0.0	0.0%	-	0.0	0.0	3.9%
Gabon	248.7	1.5%	227.4	21.3	14.5	723.5%
Gambia	35.8	2.3%	33.5	2.4	2.1	96.7%
Ghana	166.9	0.3%	84.3	82.7	9.7	34.0%
Guinea	39.9	0.4%	31.1	8.7	2.3	19.6%
Guinea-Bissau	4.8	0.4%	3.5	1.3	0.3	15.7%
Kenya	558.8	0.8%	495.9	62.9	32.5	66.2%
Lesotho	0.7	0.0%	0.3	0.4	0.0	1.9%
Liberia	145.5	4.7%	-	145.5	8.5	184.3%
Libya	102.7	0.2%	47.6	55.1	6.0	91.5%
Madagascar	76.7	0.6%	65.2	11.5	4.5	17.9%
Malawi	60.2	0.8%	56.1	4.1	3.5	20.3%
Mali	49.7	0.3%	39.3	10.4	2.9	16.0%
Mauritania	26.5	0.4%	15.0	11.5	1.5	37.0%
Mauritius	450.5	3.6%	378.2	72.4	26.2	2074.6%
Morocco	876.6	0.8%	806.9	69.6	51.0	145.2%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Mozambique	333.5	2.2%	308.2	25.3	19.4	69.4%
Namibia	51.5	0.4%	47.4	4.2	3.0	126.8%
Niger	22.8	0.2%	21.6	1.2	1.3	6.4%
Nigeria	2,017.6	0.4%	1,767.6	250.0	117.3	63.0%
Rwanda	105.7	1.2%	103.2	2.5	6.1	52.5%
Saint Helena	0.2	0.4%	-	0.2	0.0	252.1%
Sao Tome and Principe	0.1	0.0%	-	0.1	0.0	3.4%
Senegal	259.4	1.3%	239.7	19.7	15.1	100.4%
Seychelles	151.1	11.0%	33.5	117.6	8.8	9339.1%
Sierra Leone	109.7	2.6%	108.6	1.1	6.4	86.9%
Somalia	0.5	0.0%	-	0.5	0.0	0.2%
South Africa	3,561.2	1.0%	2,912.6	648.6	207.0	368.8%
South Sudan	0.1	0.0%	-	0.1	0.0	0.0%
Sudan	277.0	0.6%	275.8	1.2	16.1	40.3%
Tanzania	212.8	0.4%	192.6	20.2	12.4	23.3%
Togo	23.0	0.4%	20.6	2.4	1.3	17.8%
Tunisia	413.0	1.0%	374.3	38.7	24.0	212.1%
Uganda	382.8	1.2%	365.4	17.4	22.3	55.8%
Zambia	635.3	2.6%	602.3	32.9	36.9	225.4%
Zimbabwe	106.6	0.6%	64.5	42.1	6.2	44.2%
Asia	76,946.7	0.3%	52,391.9	24,554.8	4,473.6	100.8%
Afghanistan	50.2	0.3%	48.8	1.4	2.9	8.3%
Armenia	32.2	0.3%	25.4	6.8	1.9	63.8%
Azerbaijan	14.0	0.0%	0.6	13.4	0.8	8.4%
Bahrain	-	0.0%	-	-	-	0.0%
Bangladesh	144.0	0.1%	118.3	25.7	8.4	5.3%
Bhutan	27.1	1.3%	27.0	0.1	1.6	213.8%
Brunei	13.1	0.1%	13.1	-	0.8	182.2%
Cambodia	145.0	0.7%	120.2	24.8	8.4	53.5%
China	13,902.1	0.1%	3,889.3	10,012.9	808.3	58.7%
Georgia	30.8	0.2%	25.1	5.7	1.8	48.1%
Hong Kong	1,214.5	0.4%	207.4	1,007.1	70.6	962.6%
India	16,830.3	0.7%	16,609.8	220.5	978.5	73.9%
Indonesia	2,275.0	0.2%	2,216.3	58.7	132.3	50.6%
Iran	7.0	0.0%	-	7.0	0.4	0.5%
Iraq	59.3	0.0%	52.1	7.2	3.4	9.5%
Israel	1,289.3	0.4%	512.9	776.5	75.0	876.4%
Japan	15,159.4	0.3%	10,094.0	5,065.4	881.4	694.7%
Jordan	137.2	0.3%	71.2	66.0	8.0	85.1%
Kazakhstan	212.5	0.1%	169.8	42.7	12.4	69.5%
Kuwait	-	0.0%	-	-	-	0.0%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Kyrgyz Republic	13.0	0.2%	7.6	5.4	0.8	12.4%
Laos	38.1	0.2%	36.7	1.4	2.2	32.3%
Lebanon	206.6	0.4%	18.0	188.6	12.0	185.4%
Macao	93.6	0.2%	4.3	89.3	5.4	892.2%
Malaysia	1,378.7	0.4%	1,048.6	330.1	80.2	261.1%
Maldives	3.2	0.1%	-	3.2	0.2	39.1%
Mongolia	31.1	0.3%	27.6	3.5	1.8	59.1%
Myanmar	103.4	0.2%	102.3	1.2	6.0	11.4%
Nepal	38.3	0.1%	28.6	9.7	2.2	8.1%
North Korea	4.6	0.0%	4.6	0.0	0.3	1.1%
Oman	124.8	0.2%	124.8	-	7.3	164.8%
Pakistan	759.0	0.3%	734.7	24.3	44.1	21.6%
Palestine	1.5	0.0%	-	1.5	0.1	2.0%
Philippines	4,148.6	1.3%	3,928.2	220.4	241.2	232.9%
Qatar	208.4	0.1%	208.4	-	12.1	465.4%
Saudi Arabia	1,170.6	0.2%	1,170.6	-	68.1	211.1%
Singapore	4,277.8	1.3%	2,492.7	1,785.1	248.7	4480.0%
South Korea	459.1	0.0%	60.7	398.4	26.7	52.2%
Sri Lanka	77.9	0.1%	67.2	10.7	4.5	21.4%
Syria	136.7	0.6%	133.0	3.7	8.0	44.0%
Taiwan	3,114.5	0.5%	147.1	2,967.5	181.1	767.7%
Tajikistan	24.4	0.3%	24.1	0.3	1.4	16.4%
Thailand	1,669.6	0.4%	1,033.4	636.2	97.1	140.9%
Timor-Leste	9.5	0.6%	9.3	0.2	0.5	45.0%
Turkey	1,648.2	0.2%	1,180.2	468.0	95.8	120.2%
Turkmenistan	2.6	0.0%	2.4	0.2	0.2	2.7%
United Arab Emirates	4,089.8	1.0%	4,089.8	-	237.8	2518.9%
Uzbekistan	50.3	0.1%	40.9	9.4	2.9	9.2%
Vietnam	1,503.5	0.7%	1,452.0	51.5	87.4	93.4%
Yemen	16.2	0.1%	13.2	3.0	0.9	3.5%
Caribbean and American islands	1,605.7	0.6%	943.5	662.2	93.4	401.3%
Anguilla	-	0.0%	-	-	-	0.0%
Antigua and Barbuda	1.5	0.1%	-	1.5	0.1	91.1%
Aruba	21.9	0.7%	5.8	16.1	1.3	1213.8%
Bahamas	-	0.0%	-	-	-	0.0%
Barbados	185.4	3.9%	36.0	149.4	10.8	3772.4%
Belize	81.9	4.7%	-	81.9	4.8	1293.8%
Bermuda	-	0.0%	-	-	-	0.0%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Bonaire, Sint Eustatius and Saba	2.5	0.0%	-	2.5	0.1	609.9%
Bouvet Island	0.0	0.0%	-	0.0	0.0	0.0%
British Virgin Islands	-	0.0%	-	-	-	0.0%
Cayman Islands	-	0.0%	-	-	-	0.0%
Curacao	305.9	9.8%	1.1	304.8	17.8	11340.3%
Dominica	7.5	1.4%	4.3	3.3	0.4	612.8%
Falkland Islands	3.1	1.4%	-	3.1	0.2	5723.2%
Grenada	2.8	0.3%	-	2.8	0.2	149.7%
Guadeloupe	0.0	0.0%	-	0.0	0.0	0.0%
Guyana	1.8	0.0%	-	1.8	0.1	13.4%
Haiti	8.7	0.1%	5.4	3.3	0.5	4.7%
Jamaica	137.9	0.9%	129.8	8.1	8.0	276.0%
Martinique	0.0	0.0%	-	0.0	0.0	0.0%
Montserrat	0.0	0.0%	-	0.0	0.0	9.3%
Netherlands Antilles	0.7	0.0%	-	0.7	0.0	13.3%
Puerto Rico	545.8	0.5%	545.6	0.2	31.7	934.8%
Sint Maarten	3.7	0.3%	-	3.7	0.2	555.1%
St. Kitts and Nevis	1.5	0.2%	0.3	1.2	0.1	167.1%
St. Lucia	7.4	0.4%	-	7.4	0.4	238.6%
St. Martin	0.0	0.0%	-	0.0	0.0	0.1%
St. Vincent & Grenadines	39.6	5.2%	18.5	21.1	2.3	2103.1%
Suriname	9.8	0.2%	-	9.8	0.6	101.0%
Trinidad and Tobago	221.3	0.9%	196.8	24.6	12.9	935.7%
Turks and Caicos Islands	14.9	1.6%	-	14.9	0.9	2367.4%
US Virgin Islands	0.1	0.0%	-	0.1	0.0	7.9%
Europe	225,221.0	1.1%	126,012.7	99,208.3	13,094.2	1764.0%
Albania	46.4	0.3%	44.9	1.6	2.7	93.9%
Andorra	9.3	0.3%	-	9.3	0.5	688.8%
Austria	1,684.2	0.4%	1,140.5	543.7	97.9	1125.9%
Belarus	70.9	0.1%	69.5	1.5	4.1	43.6%
Belgium	3,948.3	0.8%	1,122.0	2,826.3	229.6	2026.9%
Bosnia and Herzegovina	27.1	0.1%	25.6	1.5	1.6	46.2%
Bulgaria	152.5	0.3%	136.7	15.8	8.9	124.4%
Croatia	183.8	0.3%	163.8	20.0	10.7	256.7%
Cyprus	1,198.7	5.1%	78.5	1,120.2	69.7	5952.6%
Czechia	755.6	0.3%	654.0	101.6	43.9	415.1%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Denmark	2,154.3	0.6%	867.2	1,287.1	125.3	2190.3%
Estonia	98.2	0.4%	82.4	15.8	5.7	432.6%
Faroe Islands	0.7	0.0%	-	0.7	0.0	81.4%
Finland	830.4	0.3%	258.8	571.6	48.3	880.2%
France	41,336.8	1.6%	33,993.6	7,343.2	2,403.3	3605.5%
Germany	43,726.0	1.2%	34,188.8	9,537.2	2,542.2	3100.3%
Gibraltar	204.0	9.4%	-	204.0	11.9	35191.0%
Greece	1,617.1	0.8%	781.0	836.2	94.0	868.6%
Guernsey	422.4	12.3%	-	422.4	24.6	38663.5%
Hungary	1,607.4	1.1%	1,541.4	66.0	93.5	951.2%
Iceland	72.5	0.4%	45.8	26.7	4.2	1240.0%
Ireland	13,809.5	4.4%	80.9	13,728.6	802.9	16827.0%
Isle of Man	223.1	3.1%	-	223.1	13.0	15446.8%
Italy	6,417.8	0.3%	2,118.2	4,299.6	373.1	619.4%
Jersey	1,251.2	21.7%	102.2	1,149.0	72.7	71973.9%
Latvia	69.3	0.2%	35.4	33.9	4.0	205.4%
Liechtenstein	158.2	2.5%	54.9	103.3	9.2	24499.6%
Lithuania	88.0	0.2%	77.9	10.1	5.1	177.9%
Luxembourg	13,060.9	20.2%	2,768.7	10,292.2	759.4	130453.0%
Malta	412.3	3.3%	15.2	397.1	24.0	5182.9%
Moldova	30.1	0.3%	29.0	1.0	1.7	63.1%
Monaco	-	0.0%	-	-	-	0.0%
Montenegro	17.2	0.4%	16.3	0.9	1.0	161.0%
Netherlands	11,021.5	1.3%	2,592.0	8,429.5	640.8	3756.0%
North Macedonia	38.9	0.3%	37.1	1.8	2.3	108.7%
Norway	1,311.3	0.3%	761.3	550.0	76.2	1460.6%
Poland	2,837.3	0.5%	2,687.2	150.1	165.0	434.2%
Portugal	1,006.2	0.5%	471.9	534.4	58.5	564.7%
Romania	1,221.0	0.6%	1,209.3	11.7	71.0	360.6%
Russia	3,089.0	0.2%	2,677.4	411.6	179.6	124.7%
San Marino	7.4	0.5%	-	7.4	0.4	1292.4%
Serbia	239.6	0.5%	234.8	4.8	13.9	197.4%
Slovakia	559.7	0.6%	521.4	38.2	32.5	599.0%
Slovenia	311.3	0.6%	175.7	135.5	18.1	873.9%
Spain	7,222.3	0.5%	5,354.8	1,867.5	419.9	898.3%
Sweden	2,633.3	0.5%	1,040.2	1,593.1	153.1	1541.2%
Switzerland	5,568.3	0.8%	803.2	4,765.1	323.7	3879.2%
Ukraine	435.8	0.3%	406.4	29.4	25.3	56.4%
United Kingdom	52,029.3	1.9%	26,547.0	25,482.4	3,025.0	4616.5%
Vatican	4.3	1.0%	-	4.3	0.2	30967.4%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Latin America	35,583.1	0.6%	32,247.1	3,336.0	2,068.8	341.3%
Argentina	1,255.7	0.2%	956.9	298.8	73.0	167.5%
Bolivia	120.8	0.3%	93.3	27.5	7.0	63.7%
Brazil	8,165.0	0.4%	7,866.9	298.1	474.7	230.4%
Chile	1,738.5	0.6%	1,549.4	189.1	101.1	554.1%
Colombia	2,707.7	0.8%	2,405.8	301.9	157.4	325.7%
Costa Rica	391.7	0.7%	349.2	42.5	22.8	465.1%
Cuba	2.3	0.0%	-	2.3	0.1	1.2%
Dominican Republic	386.1	0.5%	295.7	90.5	22.4	216.0%
Ecuador	271.1	0.3%	161.7	109.4	15.8	95.4%
El Salvador	225.8	0.9%	186.6	39.2	13.1	206.4%
Guatemala	149.0	0.2%	130.3	18.7	8.7	54.7%
Honduras	307.4	1.4%	278.8	28.6	17.9	192.8%
Mexico	10,956.1	0.9%	10,191.0	765.1	637.0	516.9%
Nicaragua	156.9	1.3%	119.4	37.5	9.1	144.7%
Panama	840.7	1.5%	292.0	548.7	48.9	1209.9%
Paraguay	66.4	0.2%	60.9	5.5	3.9	57.0%
Peru	748.7	0.4%	637.8	110.9	43.5	140.1%
Uruguay	188.5	0.3%	72.5	116.0	11.0	320.0%
Venezuela	6,904.7	2.3%	6,599.1	305.7	401.4	1366.7%
Northern America	118,795.8	0.6%	80,390.6	38,405.2	6,906.7	1925.3%
Canada	5,305.7	0.3%	3,479.7	1,826.0	308.5	850.9%
Greenland	1.1	0.0%	-	1.1	0.1	112.4%
United States	113,489.0	0.6%	76,910.9	36,578.1	6,598.2	2046.4%
Oceania	7,641.1	0.5%	5,404.5	2,236.6	444.3	1100.0%
American Samoa	1.6	0.3%	1.6	-	0.1	169.4%
Australia	6,849.8	0.5%	5,029.8	1,820.0	398.2	1644.3%
Cocos Islands	0.0	0.0%	-	0.0	0.0	0.0%
Fiji	2.5	0.1%	1.8	0.7	0.1	16.3%
French Polynesia	8.9	0.2%	-	8.9	0.5	187.7%
Guam	43.1	0.7%	43.0	0.0	2.5	1530.1%
Kiribati	0.1	0.1%	-	0.1	0.0	7.6%
Marshall Islands	75.2	36.6%	-	75.2	4.4	7558.9%
Micronesia	0.4	0.1%	-	0.4	0.0	21.3%
Nauru	0.3	0.3%	-	0.3	0.0	175.4%
New Caledonia	10.6	0.1%	-	10.6	0.6	229.7%
New Zealand	369.9	0.2%	196.8	173.0	21.5	455.7%
Niue	0.0	0.2%	-	0.0	0.0	71.7%
Palau	0.0	0.0%	-	0.0	0.0	0.8%
Papua New Guinea	65.9	0.3%	63.9	2.0	3.8	46.3%
Samoa	206.0	25.8%	67.2	138.8	12.0	6169.5%

Country	Total annual tax loss (USD million)	Total annual tax loss (% of GDP)	Of which: Corporate tax abuse (USD million)	Of which: Offshore wealth (USD million)	Full vaccinations possible (millions)	Full vaccinations possible: Share of population
Solomon Islands	1.4	0.1%	0.3	1.1	0.1	12.9%
Tonga	0.1	0.0%	-	0.1	0.0	4.7%
Tuvalu	0.0	0.0%	-	0.0	0.0	0.6%
Vanuatu	5.2	0.6%	-	5.2	0.3	108.0%
Wallis and Futuna Islands	0.3	0.2%	-	0.3	0.0	154.0%

Chapter 2: Corporate tax abuse

Multinational companies are responsible for around a third of global economic output, half of world exports and towards a quarter of global employment. Their corporate tax abuse³¹ is a first-order global economic issue, depriving governments of tax revenues, increasing inequalities between and within countries, and undermining smaller and domestic businesses that generate the majority of employment.

By placing holding companies and important value-creating assets in corporate tax havens, large corporations can shift their profits to low tax or no tax jurisdictions, in order to artificially drive down their tax obligations elsewhere and pay little to no tax on the profits they shift into tax havens.

Leading studies on the extent of profit shifting have estimated multinational corporations to be shifting between US\$900 billion to US\$1,100 billion a year.³² That corresponds to around 40 per cent of the profits made abroad by multinational corporations. The corresponding tax revenue losses range from US\$90 to US\$307 billion a year from direct profit shifting. These manipulations also affect public finances indirectly by fostering a race to the bottom on corporate tax, whereby jurisdictions reduce corporate income tax rates in a typically self-defeating attempt to retain or attract subsidiaries of multinational corporations. These indirect effects (or strategic spillovers) increase the tax revenue losses to US\$500 to US\$650 billion a year.

In July 2020, the OECD made available for the first time aggregated data from country by country reporting, and this formed the basis for the estimates in the inaugural State of Tax Justice 2020 report. In July 2021, the second round of data was released, allowing these estimates to be updated here. Country by country reporting is an accounting practice that requires multinational corporations to report to tax authorities how much profits and costs they incur in each country in which they operate, instead of publishing all of these profits and costs as an aggregated, global sum. Country by country reporting, first proposed by the Tax Justice Network in 2003 and long opposed by the OECD before G20 countries mandated its introduction, is designed to expose profit shifting and helps governments detect and deter corporate tax abuse.

The OECD standard for country by country reporting contains significant flaws. Although it is based on the original Tax Justice Network proposal, some variables were excluded and the quality of the reporting requirements leaves substantial room for imprecision. The OECD's 2020 review of the standard has yet to yield fruit, but the public consultation saw an almost unanimous agreement between civil society respondents and investors with trillions of dollars of assets under management, that the OECD should simply converge to the much more technically robust and comprehensive standard developed by the Global Reporting Initiative (the leading sustainability standards setter).

In addition, the OECD data is not yet required to be public (although European Union legislation is now planned, and the US House of Representatives has passed an act in support also). For now, only highly aggregated data is made public; and without a full set of company-level data to compare, it is impossible to be certain of the distortions

31 See Crivelli, E., de Mooij, R. & Keen, M. (2016). Base Erosion, Profit Shifting and Developing Countries. *FinanzArchiv: Public Finance Analysis* 72(3): 268–301. Other work suggests indirect losses may be in a range of 4– 6 times larger (Cobham, A. & Janský, P. (2018). Global Distribution of Revenue Loss from Corporate Tax Avoidance: Re-Estimation and Country Results. *Journal of International Development* 30(2): 206–32.); or 2–15 times larger (Garcia-Bernardo, J., Janský, P. & Tørsløv, T. (forthcoming). Multinational Corporations and Tax Havens: Evidence from Country-by-Country Reporting. *International Tax and Public Finance*).

32 Cobham, A. & Janský, P. (2018). Global Distribution of Revenue Loss from Corporate Tax Avoidance: Re-Estimation and Country Results. *Journal of International Development* 30(2): 206–32; Garcia-Bernardo, J., & Janský, P. (2021). Profit Shifting of Multinational Corporations Worldwide, ICTD Working Paper 119, Brighton, Institute of Development Studies; Tørsløv, T.R., Wier, L.S., & Zucman, G. (2018), *The missing profits of nations* (No.w24701). National Bureau of Economic Research.

introduced in that aggregation process. Nonetheless, the data represents the most comprehensive picture yet of the geographic pattern of economic activity and profits of the biggest companies in the world.

Corporate tax abuse by multinationals is an element of the global problem of illicit financial flows and comprises criminal tax evasion; unlawful tax avoidance; and some avoidance which, while technically lawful within the weaknesses of international tax rules, nonetheless contributes to the socially objectionable outcome of misalignment between the location of companies' real economic activity and where their profits are declared for tax purposes (see discussion in chapter 1 of Cobham, A. & Janský, P.³³).

The data published by the OECD in July 2020 consisted of aggregate information on the country by country reporting data collected by 26 OECD members from multinational corporations based in their jurisdictions. In July 2021, the second release extended to data collected by 38 countries. In addition, many countries provided additional information on a problem of double-counting that stems from the weakness of the data standard, so this can now be addressed. Overall, this data makes it possible to move beyond previous methods and produce a far wider and more accurate picture of global and national levels of corporate tax abuse, particularly in developing countries.

Results

The State of Tax Justice 2021 reports that multinational corporations are shifting US\$1.19 trillion worth of profit into tax havens each year, causing governments around the world to lose US\$312 billion a year in direct tax revenue. Chapter three of this report estimates a further US\$171 billion in direct tax revenue is lost from offshore wealth tax evasion, all of which can be attributed to individual countries.

The State of Tax Justice 2021 estimates direct corporate tax losses by analysing the misalignment between the location of profits and the location of productive economic activity revealed in OECD members' published, aggregate country by country reporting data.

It is not possible, however, to estimate indirect corporate tax losses at country levels with the same certainty by using the OECD's country by country reporting data. Indirect losses, or spillover costs, arise as a knock-on effect from direct losses where governments reduce statutory and effective corporate tax rates to counter the direct losses of corporate tax abuse, with the mistaken belief that this will attract multinational corporations and even ultimately raise tax revenue. This belief, often referred to as "tax competition", is contradicted by a wide body of evidence that has shown instead that it leads to even lower tax revenue for all governments – hence the practice is more accurately referred to as the "race to the bottom". The reduction of corporate tax rates affects both the operation of multinationals and domestic firms alike, and so decreases a government's tax revenue overall. The US administration marked an important turning point in this discourse in 2021 by making explicit the goal of an end to the race to the bottom, as the motivation for their support for a global minimum tax rate.

33 Alex Cobham and Petr Janský, *Estimating Illicit Financial Flows: A Critical Guide to the Data, Methodologies and Findings* (Oxford, 2020) <<https://global.oup.com/academic/product/estimating-illicit-financial-flows-9780198854418?q=9780198854418&cc=gb&lang=en#>> [accessed 11 March 2020]

Researchers at the International Monetary Fund estimate that, at a global level, indirect losses from global corporate tax abuse are at least three times larger than direct losses.³⁴ If we were to adjust the State of Tax Justice 2021's estimate of direct tax losses accordingly, we would see overall losses well beyond US\$1 trillion. This would far exceed both the IMF's original estimates for total losses (using 2013 data) of some US\$600 billion, and the Tax Justice Network's more conservative estimate of US\$500 billion. While this extrapolation could be considered at a global level, it is not possible to multiply countries' individual direct losses by the IMF's global factor since the complex nature of global tax havenry and the varied movement of profit between jurisdictions imply greater levels of indirect losses for some countries and lower levels for others.

In order to be able to consistently assess the impact of international tax abuse at both the global and country level, and in order to make the most out of the unprecedented level of accuracy and certainty provided by the OECD's aggregated country by country reporting, the State of Tax Justice 2021 focuses only on direct tax losses arising from global corporate tax abuse. For this reason, the State of Tax Justice's estimate for corporate tax abuse might appear lower than some previous studies; but in almost all cases the State of Tax Justice's estimates of countries' direct losses are higher than previous estimates.

The State of Tax Justice 2021 finds that higher income countries lose more direct tax revenue to corporate tax abuse (US\$276 billion lost a year) than lower income countries (US\$36 billion lost a year). The World Bank classifies countries on the basis of gross national income per capita as either low, lower middle, upper middle or high income. Roughly half the world's population live in the two lower income groups, and roughly half in the higher income groups. Accordingly in this report, when referring to "higher income" countries, we refer to high income and upper middle-income countries grouped together, and when referring to "lower income" countries, we refer to lower middle income and low-income countries grouped together.

While higher income countries lost more direct tax revenue to corporate tax abuse than lower income countries, the latter lose more in proportional terms when looking at how their tax losses compare to the tax revenues they typically collect in a year. Lower income countries lose the equivalent of 4.2 per cent of their collected tax revenue to corporate tax abuse a year, while higher income countries lose the equivalent of 2.8 per cent of their collected tax revenue.

The results confirm once more that corporate tax abuse takes a greater toll on lower income countries where tax revenue is urgently needed. And vice versa: lower income countries have more to gain from reprogramming the global tax system to stamp out corporate tax abuse than higher income countries.

At the same time, higher income countries are responsible for 99.4 per cent of all tax lost around the world a year to corporate tax abuse. In other words, countries in this group receive almost every single dollar of profit shifted – although many are among the losers. Lower income countries are responsible for 0.6 per cent.

Enabling corporate tax abuse deprives governments around the world of public funding, favouring multinationals, wealthy individuals and tax havens. Nearly three-fourths of the US\$312 billion corporate tax losses (US\$223 billion) are lost to tax havens with an

34 See: Ernesto Crivelli, Ruudde Mooij and Michael Keen, 'Base Erosion, Profit Shifting and Developing Countries', *FinanzArchiv: Public Finance Analysis*, 72/3 (2016), 268–301. Other work suggests indirect losses may be in a range of 4–6 times larger Alex Cobham and Petr Janský, 'Global Distribution of Revenue Loss from Corporate Tax Avoidance: Re-Estimation and Country Results', *Journal of International Development*, 30/2 (2018), 206–32.; or 2–15 times larger Javier Garcia-Bernardo, Petr Janský and Thomas Tørsløv, 'Multinational Corporations and Tax Havens: Evidence from Country-by-Country Reporting', *International Tax and Public Finance*, 2021 <<https://doi.org/10.1007/s10797-020-09639-w>> [accessed 5 January 2021]

effective tax rate below 10 per cent – starting with the United Kingdom, British Overseas Territory Cayman Islands, Singapore, the Netherlands, Switzerland, Hong Kong, Luxembourg, British Overseas Territory Bermuda, US territory Puerto Rico, and British Crown Dependency Jersey. At the same time, these countries collect only US\$36 billion in tax revenue from large multinational corporations. For each dollar collected by one of these tax havens, the governments of the world lose US\$6.3 dollars. The continuing tolerance of this corporate tax abuse is extremely inefficient globally, and results in a major transfer of wealth from people and workers around the world to corporate giants and their shareholders among the world’s richest households.

Rule-setting OECD countries responsible for majority of global corporate tax loss

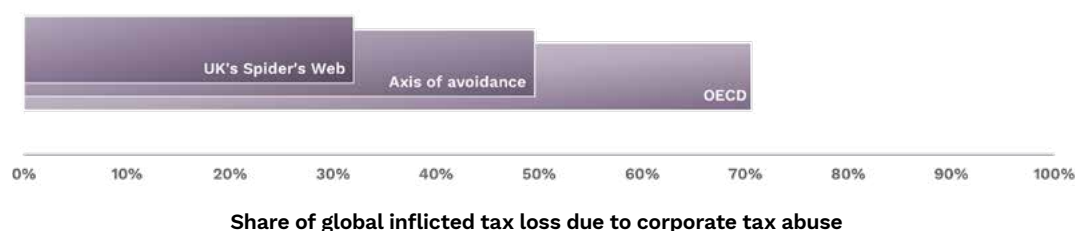
The Tax Justice Network’s Corporate Tax Haven Index 2021 made headlines this year by revealing that over-two thirds of global corporate tax abuse risks are enabled by OECD members, the de facto rule-makers on international tax for the past 60 years. The findings heightened worldwide calls for rule-setting on international tax to be moved from the OECD to the UN.

The Corporate Tax Haven Index assesses the risks of corporate tax abuse that each jurisdiction poses to the world, through the combination of conditions that facilitate abuse and the extent of their global activity. While this is a proxy measure based on objectively verifiable jurisdiction characteristics, the State of Tax Justice uses data based on corporate activity to provide a direct measure of the scale of abuse through and affecting each jurisdiction. Despite these differences in approach, the key findings are common.

The State of Tax Justice 2021 finds, in line with the Corporate Tax Haven Index 2021, that OECD countries and their dependencies are responsible for most global corporate tax abuse: 70.6 per cent in this case, costing the world US\$220.5 billion in lost corporate tax a year. When including tax losses to offshore wealth tax evasion, OECD countries and their dependencies are responsible for 78.3 per cent of all tax losses suffered by countries around the world, costing countries over US\$378 billion in lost tax every year.

The bulk of the harm dealt by OECD countries, however, stems from just four members: the United Kingdom, the Netherlands, Luxembourg and Switzerland. Many OECD members, including the more recent, also lose out – meaning that global progress can benefit the great majority. Even in the countries that “win”, any benefits are not well shared. The tax haven model tends to drive greater inequality, as well as undermining economic growth and the quality of governance over time.

Figure 2: Country groups responsible for global inflicted tax loss due to corporate tax abuse



The UK spider’s web is responsible for nearly a third of global corporate tax loss

The State of Tax Justice 2021 finds that the UK together with its network of Overseas Territories and Crown Dependencies is the biggest single actor. This “UK spider’s web” is responsible for 32 per cent of all corporate tax losses, making the UK the world’s greatest enabler of global corporate tax abuse.

The term “UK spider’s web” refers to the way the UK’s Overseas Territories and Crown Dependencies often serve as satellite offshore jurisdictions, or nodes in a world-spanning web for facilitating profit shifting and illicit financial flows. At the centre of the web sits the City of London, where corporations can shift their profits after rerouting them via the satellite jurisdictions in order to underpay tax elsewhere. The UK has full powers to impose or veto law-making in these Overseas Territories and Crown Dependencies, and the power to appoint key government officials in Overseas Territories and Crown Dependencies rests with the British Crown.

The Tax Justice Network’s Corporate Tax Haven Index 2021 found the UK spider’s web to be responsible for 31 per cent of the global corporate tax abuse risks documented by the index. The State of Tax Justice 2021 closely confirms this finding, based on the share of losses driven by profit shifting.

The State of Tax Justice 2021 reveals that over US\$362 billion in profit is shifted into the UK spider’s web by multinational corporations every year, costing the world over US\$101 billion in tax lost to corporate tax abuse. This makes the UK spider’s web responsible for 32 per cent of the US\$312 billion in tax the world loses to corporate tax abuse every year, which is in line with the Corporate Tax Haven Index 2021 estimate. When including tax losses to offshore wealth tax evasion, the UK spider’s web is responsible for 39.2 per cent of all tax losses suffered by countries around the world, costing countries over US\$189 billion in lost tax every year.

‘Axis of tax avoidance’ is responsible for half of global corporate tax loss

The UK spider’s web, along with the Netherlands, Luxembourg and Switzerland are collectively referred to as “axis of tax avoidance” for their role in enabling the lion’s share of global tax abuse. Tax Justice Network’s Corporate Tax Haven Index 2021 found the axis of tax avoidance to be responsible for 46 per cent of the world’s corporate tax abuse risks as measured by the index.

The State of Tax Justice 2021 reveals that over US\$556 billion in profit is shifted into the axis of tax avoidance by multinational corporations every year, costing the world nearly US\$155 billion in tax lost to corporate tax abuse. This makes the axis of tax avoidance responsible for 49.6 per cent of the US\$312 billion the world loses to corporate tax abuse every year, which is also in line with the Corporate Tax Haven Index 2021’s findings. When including tax losses to offshore wealth tax evasion, the axis of tax avoidance is responsible for 55.5 per cent of all tax losses suffered by countries around the world, costing countries over US\$268 billion in lost tax every year.

Table 3 details the amount of tax each country loses to corporate tax abuse and the amount of tax loss each country inflicts on other countries by enabling corporate tax abuse. The effective tax rate shows the tax rate (using cash tax payments) paid by corporations in the country, according to country by country reporting data.

Methodology

The State of Tax Justice’s analysis of corporate tax abuse is based on the aggregated country by country reporting data published by the OECD. The report estimates profit shifting using profit misalignment. Profit misalignment is the difference between reported profits and theoretical profits (p). The theoretical profits are calculated on the basis that they would be aligned with the location of real activity (the stated aim of the original Base Erosion and Profit Shifting initiative). We give 50 per cent of the weight to wages (W) and 50 per cent to employees (E)—alternative formulas are discussed in the online extended methodology.

$$\frac{p_i}{\sum_i p_i} = \frac{1}{2} \cdot \frac{E_i}{\sum_i E_i} + \frac{1}{2} \cdot \frac{W_i}{\sum_i W_i}$$

The OECD published aggregated country by country reporting data in July 2020 collected from a total of 26 OECD members on the location of profits and economic activities of multinational corporations with an ultimate owner resident in their country. In July 2021, the OECD published a further round of data from 38 OECD members. Despite the improvement, there remain many members that did not report.

In order to accurately estimate profit shifting, we take five steps, detailed in the online methodology paper. In the first step, we analyse the double-counting of profits in the data. Country by country reporting data double-count profits as a number of companies include intra-group dividends as profits both in the origin and in the destination country.³⁵ We use a highly conservative correction in which we correct the domestic profits of multinational corporations using the reports provided by the governments. As a result of our correction, the effective tax rates faced by foreign multinational corporations in a country are similar to the effective tax rates faced by domestic multinational corporations, something that is not the case in the original data. We correct the foreign operations of multinational corporations in two ways. Firstly, we remove stateless income. Secondly, we remove 10 per cent of foreign profits in all tax havens based upon the analysis of double-counting by Garcia-Bernardo, Jansky & Zucman³⁶.


In the second step, we estimate the number of domestic employees and the volume of sales of multinational corporations in every country present in the data. We do so by using a linear model based on the number of companies in the country, the GDP, population, the effective tax rates and the total consolidated banking claims on an immediate counter-party basis.³⁷ In the third step, we calculate the misalignment between where profit is generated and where it is reported, ie shifted to, by using the predicted domestic activities and the OECD data. In this step, the wages in each country were estimated using the average salary from the International Labour Organisation and multiplying it by the number of employees.

In the fourth step, we calculate the misalignment between where profits are reported and where economic activity is carried out, which forms the basis for the estimate of the shifted profit. Finally, in the fifth step, we perform a sensitivity analysis. Each model (the linear regression and the gradient boosting) was trained on a bootstrapped sample of the data, calculating profit misalignment in each

35 Thomas Horst and Alex Curatolo, ‘Assessing the Double Count of Pretax Profit In the IRS Summary Of CbC Data for Fiscal 2017’, *Tax Notes International*, 98/4 (2020), 427–32.

36 Javier Garcia-Bernardo, Petr Janský and Gabriel Zucman, ‘Did the Tax Cuts and Jobs Act Reduce Profit Shifting by US Multinational Companies?’, 2021 <<http://gabriel-zucman.eu/files/GBJZ2021.pdf>>.

37 See Table B4 of the Locational Banking Statistics published by the Bank for International Settlements.



sample. Since the sampling randomly removes information, samples without important dyads (eg US-Netherlands, or China-Hong Kong) will be heavily affected. This is a conservative strategy allowing us to partially understand how our results depend on the methodological choices. The 95 per cent confidence interval of total profit shifted was found to be US\$1,163 to US\$1,334 billion.

Full details of the approach can be found in the accompanying methodology paper.³⁸ The main changes, following consultation with global experts, are twofold. First, we have been able to adjust much more comprehensively at jurisdiction-level for the issue of double counting of profits which arises from weaknesses in the OECD country by country reporting standard. Second, we have recognised that shifted profits would normally be taxed at the statutory rate, all reliefs having been taken advantage of already (whereas we previously applied the existing effective rate). The first change has the effect of reducing the estimated losses; the second the effect of increasing them. We do not find evidence of a strong trend when comparing the results from 2020 to 2021.

³⁸ Tax Justice Network, *State of Tax Justice 2021 Methodology*, 2021 <<http://taxjustice.net/sotj2021/methodology.pdf>>.

Table 3: Countries' profit and tax loss to global corporate tax abuse

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
Africa	17,076	51,624	14,796.8	0.6%	4,534.2	1.5%
Algeria	3,806	1,655	413.8	0.2%	1,010.6	0.3%
Angola	-	601	180.3	0.2%	-	0.0%
Benin	-	211	40.9	0.3%	-	0.0%
Botswana	209	23	5.1	0.0%	55.5	0.0%
Burkina Faso	320	-	-	0.0%	85.0	0.0%
Burundi	-	2	0.6	0.0%	-	0.0%
Cameroon	-	873	288.1	0.8%	-	0.0%
Cape Verde	193	-	-	0.0%	51.2	0.0%
Central African Republic	-	4	1.2	0.1%	-	0.0%
Chad	-	5,563	1,947.0	17.0%	-	0.0%
Congo DRC	-	2,199	615.7	1.5%	-	0.0%
Congo, Rep.	-	1,422	462.2	3.4%	-	0.0%
Cote d'Ivoire	-	683	170.8	0.4%	-	0.0%
Djibouti	-	12	3.0	0.1%	-	0.0%
Egypt	-	3,371	758.5	0.3%	-	0.0%
Equatorial Guinea	1,256	113	39.5	0.3%	333.5	0.1%
Eswatini	-	39	10.7	0.2%	-	0.0%
Ethiopia	-	458	137.4	0.2%	-	0.0%
Gabon	-	758	227.4	1.4%	-	0.0%
Gambia	-	108	33.5	2.2%	-	0.0%
Ghana	1,026	337	84.3	0.1%	272.4	0.1%
Guinea	-	89	31.1	0.3%	-	0.0%
Guinea-Bissau	-	25	3.5	0.3%	-	0.0%
Kenya	-	1,653	495.9	0.7%	-	0.0%
Lesotho	-	1	0.3	0.0%	-	0.0%
Libya	1,943	238	47.6	0.1%	515.9	0.2%
Madagascar	-	326	65.2	0.5%	-	0.0%
Malawi	-	187	56.1	0.7%	-	0.0%
Mali	-	131	39.3	0.3%	-	0.0%
Mauritania	-	60	15.0	0.2%	-	0.0%
Mauritius	7,886	2,521	378.2	3.0%	2,094.0	0.7%
Morocco	-	2,603	806.9	0.7%	-	0.0%
Mozambique	-	963	308.2	2.0%	-	0.0%
Namibia	-	148	47.4	0.4%	-	0.0%
Niger	-	72	21.6	0.2%	-	0.0%
Nigeria	-	5,892	1,767.6	0.4%	-	0.0%
Rwanda	-	344	103.2	1.2%	-	0.0%

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
Senegal	6	799	239.7	1.2%	1.6	0.0%
Seychelles	-	134	33.5	2.4%	-	0.0%
Sierra Leone	-	362	108.6	2.6%	-	0.0%
South Africa	-	10,402	2,912.6	0.8%	-	0.0%
Sudan	-	788	275.8	0.6%	-	0.0%
Tanzania	-	642	192.6	0.4%	-	0.0%
Togo	-	118	20.6	0.4%	-	0.0%
Tunisia	-	1,497	374.3	0.9%	-	0.0%
Uganda	431	1,218	365.4	1.1%	114.4	0.0%
Zambia	-	1,721	602.3	2.5%	-	0.0%
Zimbabwe	-	258	64.5	0.3%	-	0.0%
Asia	295,780	193,276	52,391.9	0.2%	78,539.5	25.5%
Afghanistan	47	244	48.8	0.3%	12.5	0.0%
Armenia	6	127	25.4	0.2%	1.6	0.0%
Azerbaijan	-	3	0.6	0.0%	-	0.0%
Bahrain	389	278	-	0.0%	103.3	0.0%
Bangladesh	-	473	118.3	0.1%	-	0.0%
Bhutan	-	90	27.0	1.2%	-	0.0%
Brunei	16	71	13.1	0.1%	4.2	0.0%
Cambodia	-	601	120.2	0.6%	-	0.0%
China	51,230	15,557	3,889.3	0.0%	13,603.3	4.4%
Georgia	-	167	25.1	0.2%	-	0.0%
Hong Kong	69,321	1,257	207.4	0.1%	18,407.0	6.0%
India	-	55,366	16,609.8	0.7%	-	0.0%
Indonesia	2,005	8,865	2,216.3	0.2%	532.4	0.2%
Iraq	1,278	347	52.1	0.0%	339.4	0.1%
Israel	-	2,137	512.9	0.2%	-	0.0%
Japan	-	32,709	10,094.0	0.2%	-	0.0%
Jordan	-	356	71.2	0.2%	-	0.0%
Kazakhstan	-	849	169.8	0.1%	-	0.0%
Kuwait	282	776	-	0.0%	74.9	0.0%
Kyrgyz Republic	-	76	7.6	0.1%	-	0.0%
Laos	1	153	36.7	0.2%	0.3	0.0%
Lebanon	131	120	18.0	0.0%	34.8	0.0%
Macao	1,373	36	4.3	0.0%	364.6	0.1%
Malaysia	19,379	4,369	1,048.6	0.3%	5,145.8	1.7%
Maldives	-	3	-	0.0%	-	0.0%
Mongolia	-	276	27.6	0.2%	-	0.0%
Myanmar	415	409	102.3	0.2%	110.2	0.0%
Nepal	-	143	28.6	0.1%	-	0.0%

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
North Korea	-	14	4.6	0.0%	-	0.0%
Oman	-	832	124.8	0.2%	-	0.0%
Pakistan	-	2,370	734.7	0.3%	-	0.0%
Philippines	-	13,094	3,928.2	1.2%	-	0.0%
Qatar	44	2,084	208.4	0.1%	11.7	0.0%
Saudi Arabia	-	5,853	1,170.6	0.2%	-	0.0%
Singapore	106,818	14,663	2,492.7	0.8%	28,363.7	9.2%
South Korea	23,509	276	60.7	0.0%	6,242.4	2.0%
Sri Lanka	261	240	67.2	0.1%	69.3	0.0%
Syria	-	475	133.0	0.6%	-	0.0%
Taiwan	18,789	865	147.1	0.0%	4,989.1	1.6%
Tajikistan	3	172	24.1	0.3%	0.8	0.0%
Thailand	200	5,167	1,033.4	0.2%	53.1	0.0%
Timor-Leste	250	93	9.3	0.6%	66.4	0.0%
Turkey	-	5,901	1,180.2	0.1%	-	0.0%
Turkmenistan	-	12	2.4	0.0%	-	0.0%
United Arab Emirates	-	7,436	4,089.8	1.0%	-	0.0%
Uzbekistan	6	545	40.9	0.1%	1.6	0.0%
Vietnam	-	7,260	1,452.0	0.7%	-	0.0%
Yemen	27	66	13.2	0.0%	7.2	0.0%
Caribbean and American islands	233,234	10,159	943.5	0.5%	61,931.4	20.1%
Anguilla	-	3	-	0.0%	-	0.0%
Antigua and Barbuda	-	-	-	0.0%	-	0.0%
Aruba	-	23	5.8	0.2%	-	0.0%
Bahamas	1,168	1,270	-	0.0%	310.1	0.1%
Barbados	10,633	144	36.0	0.8%	2,823.4	0.9%
Bermuda	40,983	497	-	0.0%	10,882.4	3.5%
Cayman Islands	141,976	5,380	-	0.0%	37,699.4	12.2%
Curaçao	3,443	5	1.1	0.0%	914.2	0.3%
Dominica	-	17	4.3	0.8%	-	0.0%
Haiti	-	18	5.4	0.0%	-	0.0%
Jamaica	-	519	129.8	0.9%	-	0.0%
Puerto Rico	34,763	1,399	545.6	0.5%	9,230.7	3.0%
St. Kitts and Nevis	109	1	0.3	0.0%	28.9	0.0%
St. Lucia	135	-	-	0.0%	35.8	0.0%
St. Vincent & Grenadines	6	57	18.5	2.4%	1.6	0.0%
Suriname	-	-	-	0.0%	-	0.0%
Trinidad and Tobago	18	787	196.8	0.8%	4.8	0.0%

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
Turks and Caicos Islands	-	39	-	0.0%	-	0.0%
Europe	514,347	512,134	126,012.7	0.6%	136,576.3	44.3%
Albania	15	299	44.9	0.3%	4.0	0.0%
Andorra	-	381	-	0.0%	-	0.0%
Austria	7,924	4,562	1,140.5	0.3%	2,104.1	0.7%
Belarus	-	386	69.5	0.1%	-	0.0%
Belgium	-	3,301	1,122.0	0.2%	-	0.0%
Bosnia and Herzegovina	-	256	25.6	0.1%	-	0.0%
Bulgaria	145	1,367	136.7	0.2%	38.5	0.0%
Croatia	16	819	163.8	0.3%	4.2	0.0%
Cyprus	3,689	628	78.5	0.3%	979.6	0.3%
Czechia	365	3,442	654.0	0.3%	96.9	0.0%
Denmark	10,973	3,942	867.2	0.3%	2,913.7	0.9%
Estonia	-	412	82.4	0.3%	-	0.0%
Finland	6,911	1,294	258.8	0.1%	1,835.1	0.6%
France	-	101,991	33,993.6	1.3%	-	0.0%
Germany	-	114,766	34,188.8	0.9%	-	0.0%
Gibraltar	12,461	192	-	0.0%	3,308.8	1.1%
Greece	-	2,693	781.0	0.4%	-	0.0%
Guernsey	513	1,573	-	0.0%	136.2	0.0%
Hungary	21	17,127	1,541.4	1.1%	5.6	0.0%
Iceland	16	229	45.8	0.2%	4.2	0.0%
Ireland	36,170	647	80.9	0.0%	9,604.3	3.1%
Isle of Man	13,215	1,449	-	0.0%	3,509.0	1.1%
Italy	1,739	8,826	2,118.2	0.1%	461.8	0.1%
Jersey	16,443	511	102.2	1.8%	4,366.2	1.4%
Latvia	215	236	35.4	0.1%	57.1	0.0%
Liechtenstein	119	439	54.9	0.9%	31.6	0.0%
Lithuania	107	519	77.9	0.2%	28.4	0.0%
Luxembourg	56,103	10,224	2,768.7	4.3%	14,897.2	4.8%
Malta	6,642	304	15.2	0.1%	1,763.7	0.6%
Moldova	-	242	29.0	0.3%	-	0.0%
Monaco	151	31	-	0.0%	40.1	0.0%
Montenegro	-	181	16.3	0.3%	-	0.0%
Netherlands	72,969	10,368	2,592.0	0.3%	19,375.7	6.3%
North Macedonia	-	371	37.1	0.3%	-	0.0%
Norway	19,823	3,172	761.3	0.2%	5,263.7	1.7%
Poland	-	14,143	2,687.2	0.5%	-	0.0%

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
Portugal	1,055	2,247	471.9	0.2%	280.1	0.1%
Romania	-	7,558	1,209.3	0.6%	-	0.0%
Russia	-	13,387	2,677.4	0.2%	-	0.0%
Serbia	36	1,565	234.8	0.5%	9.6	0.0%
Slovakia	-	2,483	521.4	0.5%	-	0.0%
Slovenia	74	925	175.7	0.4%	19.6	0.0%
Spain	9,107	21,419	5,354.8	0.4%	2,418.2	0.8%
Sweden	21,666	4,728	1,040.2	0.2%	5,753.0	1.9%
Switzerland	72,378	4,520	803.2	0.1%	19,218.8	6.2%
Ukraine	47	2,258	406.4	0.3%	12.5	0.0%
United Kingdom	143,239	139,721	26,547.0	0.9%	38,034.7	12.3%
Latin America	29,383	102,655	32,247.1	0.6%	7,802.2	2.5%
Argentina	-	2,734	956.9	0.2%	-	0.0%
Bolivia	-	373	93.3	0.3%	-	0.0%
Brazil	26,671	23,138	7,866.9	0.4%	7,082.0	2.3%
Chile	-	6,076	1,549.4	0.6%	-	0.0%
Colombia	-	7,076	2,405.8	0.7%	-	0.0%
Costa Rica	-	1,164	349.2	0.6%	-	0.0%
Dominican Republic	-	1,095	295.7	0.4%	-	0.0%
Ecuador	-	735	161.7	0.2%	-	0.0%
El Salvador	-	622	186.6	0.8%	-	0.0%
Guatemala	-	521	130.3	0.2%	-	0.0%
Honduras	-	1,115	278.8	1.3%	-	0.0%
Mexico	-	33,970	10,191.0	0.9%	-	0.0%
Nicaragua	-	398	119.4	1.0%	-	0.0%
Panama	1,944	1,168	292.0	0.5%	516.2	0.2%
Paraguay	239	609	60.9	0.2%	63.5	0.0%
Peru	-	2,162	637.8	0.3%	-	0.0%
Uruguay	527	290	72.5	0.1%	139.9	0.0%
Venezuela	2	19,409	6,599.1	2.2%	0.5	0.0%
Northern America	67,581	297,986	80,390.6	0.4%	17,945.0	5.8%
Canada	67,581	13,131	3,479.7	0.2%	17,945.0	5.8%
United States	-	284,855	76,910.9	0.4%	-	0.0%
Oceania	2,807	18,393	5,404.5	0.3%	745.4	0.2%
American Samoa	221	6	1.6	0.3%	58.7	0.0%
Australia	-	16,766	5,029.8	0.4%	-	0.0%
Fiji	-	9	1.8	0.0%	-	0.0%
Guam	5	123	43.0	0.7%	1.3	0.0%
New Caledonia	-	198	-	0.0%	-	0.0%

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
New Zealand	1,134	703	196.8	0.1%	301.1	0.1%
Palau	11	107	-	0.0%	2.9	0.0%
Papua New Guinea	1,406	213	63.9	0.3%	373.3	0.1%
Samoa	-	249	67.2	8.4%	-	0.0%
Solomon Islands	9	1	0.3	0.0%	2.4	0.0%
Vanuatu	21	18	-	0.0%	5.6	0.0%

Chapter 3: Offshore tax abuse

Financial secrecy remains a defining feature of offshore finance. Secrecy jurisdictions – countries that provide opportunities for non-residents to hide their identity and their wealth from the rule of law – attract an ever-rising volume of financial assets owned by wealthy individuals. Financial secrecy doesn't just enable individuals to abuse their tax responsibilities and launder money – it keeps drug cartels bankable, human trafficking profitable and terrorist financing feasible.

Financial secrecy also limits the ability to address inequalities through progressive taxation of top incomes and wealth, and weakens the social contract. The (accurate) perception that tax and regulation do not apply equally to all can have a corrosive effect on trust and compliance throughout society; and the ability of wealthy elites to abuse their tax responsibilities is also likely to be associated with weaker governance and political accountability. Identifying jurisdictions that host the offshore wealth of other countries, the scale of that wealth and the likely tax revenue losses is therefore of great importance to prioritising national and international policy responses.

Results

The State of Tax Justice 2021 reports that the world is losing US\$171 billion in tax a year to offshore wealth tax evasion related to financial wealth alone.

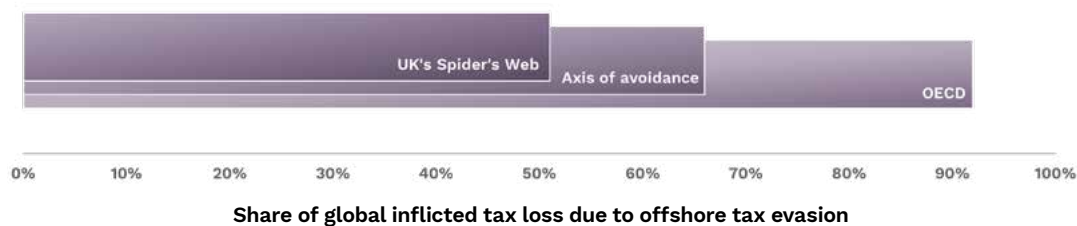
In absolute terms, higher income countries lose far more tax revenue to offshore tax evasion (over US\$168 billion lost a year) than lower income countries (over US\$2 billion lost a year). But higher income countries also bear almost all of the responsibility. Higher income countries are responsible for over 99 per cent of all tax lost around the world in a year to offshore wealth tax evasion. Lower income countries are responsible for less than 1 per cent.

OECD countries are responsible for most of the global tax losses to offshore wealth

The Tax Justice Network's Financial Secrecy Index 2020, a ranking of countries' complicity in global financial secrecy, assessed OECD countries and their dependencies to be responsible for enabling 49 per cent of the world's financial secrecy risks. But the State of Tax Justice 2021 reports that OECD countries and their dependencies are responsible for an overwhelming 92 per cent of the US\$171 billion the world loses to offshore wealth tax evasion every year – just over US\$157 billion a year.

As with corporate tax abuse, many OECD members lose out. The UK, Netherlands, Luxembourg and Switzerland are again collectively responsible for the bulk of the harm here. And as with corporate tax abuse, the gains are not well shared by their citizens – so almost everyone could be made better off by eliminating offshore evasion.

Figure 3: Country groups responsible for global tax loss inflicted on others



The UK spider's web and the axis of tax avoidance

The worst offenders among OECD countries are again the UK and its network of Overseas Territories and Crown Dependencies, often referred to as the UK spider's web, and the wider axis of tax avoidance, which consists of the UK spider's web along with the Netherlands, Luxembourg and Switzerland.

The State of Tax Justice 2021 reports that the UK spider's web is responsible for over 51 per cent of the US\$171 billion in tax the world loses to offshore wealth tax evasion every year, costing the world nearly US\$88 billion in lost tax.

The axis of tax avoidance is responsible for over 66 per cent of the US\$171 billion the world loses to offshore wealth tax evasion every year, costing the world over US\$113 billion in lost tax.

Methodology

The State of Tax Justice builds on existing approaches and develops a methodology which uses recent data to provide new estimates of tax revenue losses that arise from wealth hidden in secrecy jurisdictions, and to provide these estimates across all asset classes and for as many countries as possible. None of the existing approaches, including inevitably the one we are taking here, are perfect, because they all necessarily rely on the limited available data and some necessary assumptions. But the orders of magnitude found consistently by quite different approaches confirms confidence in the accuracy of approaches taken and confirms the importance of transparency in this area. A positive side effect of progress on transparency will be increasingly accurate quantification.

Two main approaches to the scale of offshore wealth have been developed in the literature on the subject. The first strand of literature uses the "sources-and-uses" method which is based on balance of payments statistics. The method measures the difference between recorded net capital inflows and outflows, and aggregates these over time to derive an estimate of offshore wealth. Using this method, James Henry³⁹ estimated that by 2010, investors from developing countries had accumulated US\$7 to US\$9 trillion of offshore wealth. In the same study, Henry provides an estimate for global offshore wealth across all asset classes (ie including non-financial wealth) of US\$21 to US\$32 trillion, although with no country-level breakdown available due to lack of available data.

39 James S. Henry, *The Price of Offshore Revisited*. New Estimates for Missing Global Private Wealth, Income, Inequality and Lost Taxes, Tax Justice Network (London, 2012) <www.taxjustice.net/cms/upload/pdf/Price_of_Offshore_Revisited_26072012.pdf> [accessed 12 November 2012]

In the second strand of literature, on which this analysis builds, discrepancies in macroeconomic statistics have been used to estimate the scale of offshore financial wealth in a series of papers published in highly-regarded academic journals.⁴⁰ Under this method, the difference between globally reported portfolio investment assets and liabilities is attributed to unrecorded offshore wealth. The estimates are then extended to cover other financial assets such as bank deposits, but not non-financial assets such as real estate, gold, luxury yachts or art. For a more detailed description of these methods, see recent reviews of this literature.⁴¹

In addition to estimating the scale of offshore wealth, a pressing question concerns its ownership. The lack of available data on privately held offshore wealth for most asset classes means that assumptions are required to attribute measured wealth to originating countries. In 2016, the Bank for International Settlements started publishing suitable data on one important asset class, cross-border bank deposits, for many countries, including some of the most important secrecy jurisdictions. The State of Tax Justice's approach, similar to the pioneering work by Alstadsaeter, Johannesen, and Zucman⁴² and several subsequent studies by other researchers⁴³, makes use of this data to estimate the distribution of offshore wealth.

The State of Tax Justice's approach can be summarized in four steps and the full details can be found in the accompanying methodology paper.⁴⁴ In the first step, we identify what we call "abnormal deposits". We start by identifying jurisdictions that (a) attract amounts of bank deposits that are disproportionately large in comparison to the size of their economy and (b) offer strong bank secrecy laws. For our purposes, we define these jurisdictions as those that have high Secrecy Scores on the Financial Secrecy Index 2020 for the category of ownership registration. Combining these two indicators (ie high score on financial secrecy and high intensity of inward bank deposits), we identify jurisdictions with significant abnormal deposits due to secrecy as follows: countries with an inward bank deposit intensity of 30 per cent of GDP and a secrecy score of more than 50, and those with an inward bank deposit intensity of 15 per cent of GDP and a secrecy score of more than 70. These countries are highlighted in Figure 4.

We have only slightly adjusted our approach in this step since the State of Tax Justice 2020 report, with the aim to better capture the jurisdictions in which secrecy is likely responsible for the abnormal deposits (previously, the criterion was inward bank deposit intensity of 15 per cent and a secrecy score of at least 20 on the first secrecy indicator on Bank secrecy). We do not find evidence of a strong trend in the results when comparing the results from 2020 to 2021.

40 Gabriel Zucman, 'The Missing Wealth of Nations: Are Europe and the US Net Debtors or Net Creditors?', *The Quarterly Journal of Economics*, 128/3 (2013), 1321–64; Annette Alstadsaeter, Niels Johannesen and Gabriel Zucman, 'Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality', *Journal of Public Economics*, 162 (2018), 89–100. *Journal of Public Economics*, 162 (2018)

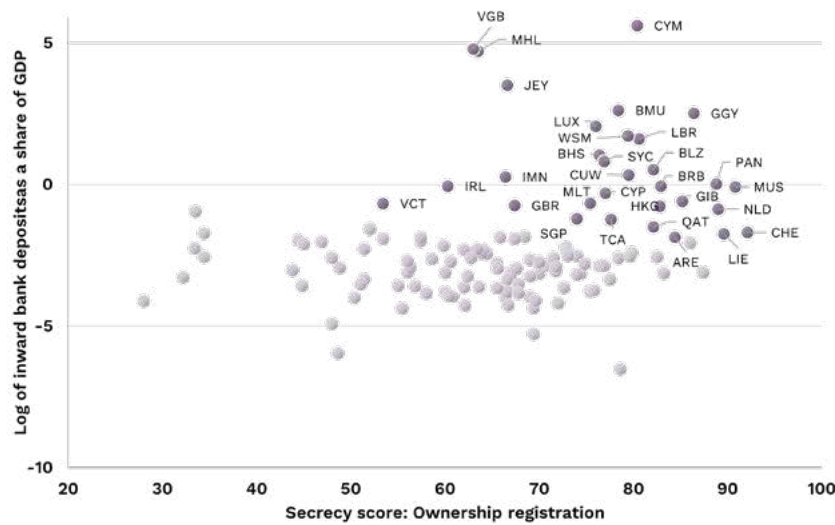
41 Cobham and Janský, *Estimating Illicit Financial Flows: A Critical Guide to the Data, Methodologies and Findings*; Niels Johannesen and Jukka Pirttilä, 'Capital Flight and Development An Overview of Concepts, Methods, and Data Sources', *UNU-WIDER Working Paper Series*, 2016/95 (2016) <<https://www.wider.unu.edu/sites/default/files/wp2016-95.pdf>> [accessed 7 September 2016]; Charles Vellutini and others, *Estimating International Tax Evasion by Individuals*, Taxation Papers (2019) <<https://op.europa.eu/en/publication-detail/-/publication/10854d45-f549-11e9-8c1f-01aa75ed71a1/language-en/format-PDF/source-120453070>>.

42 Alstadsaeter, Johannesen and Zucman, 'Who Owns the Wealth in Tax Havens?', 89–100.

43 Vellutini and others, *Estimating International Tax Evasion by Individuals*; ECORYS, *Monitoring the Amount of Wealth Hidden by Individuals in International Financial Centres and Impact of Recent Internationally Agreed Standards on Tax Transparency on the Fight against Tax Evasion* (Brussels, Belgium, 2021).

44 Tax Justice Network, *State of Tax Justice 2021 Methodology*.

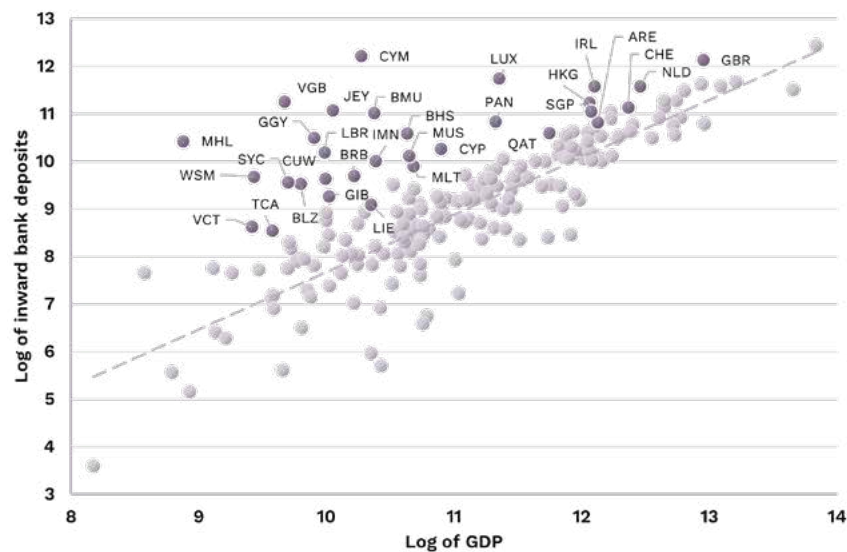
Figure 4: Intensity of inward bank deposits vs. secrecy score in ownership registration



Using regression analysis, we then estimate the expected amount of inward bank deposits in these jurisdictions based on the strong relationship between GDP and bank deposits in countries that do not provide opportunities for secrecy arbitrage (ie those countries with lower secrecy scores for banking secrecy and a relatively low ratio of bank deposits to GDP). “Abnormal deposits” are then quantified as the difference between the observed deposits and the expected proportional deposits in each jurisdiction. We argue that these abnormal deposits are located in these jurisdictions precisely due to the fact that these jurisdictions provide financial secrecy.

In Figure 5, we show the relationship between GDP and inward bank deposits, and highlight those jurisdictions that have significant intensities of inward bank deposits and at the same time offer large opportunities for individuals to hide their identity and wealth.

Figure 5: Inward bank deposits vs. GDP, 2019



We find that 51 per cent of global bank deposits can be considered abnormal as per our definition, meaning that they are located in secrecy jurisdictions in quantities that are higher than would be expected based on the size of these jurisdictions' economies. For each such jurisdiction, our approach allows us to quantify how much money is considered to represent abnormal bank deposits and how large a share of each jurisdiction's total bank deposits these abnormal deposits represent. Table 4 provides an overview of the top 15 jurisdictions with the highest value of abnormal deposits.

Table 4: Top 15 jurisdictions with the highest value of abnormal deposits

Country	Secrecy score: Ownership registration	Total deposits (USD bn)	Abnormal deposits (USD bn)	Abnormal deposits (share of total)	BIS reporting
Cayman Islands	80	1,627.7	1,627.2	99.97%	No
United Kingdom	67	1,349.1	1,080.3	80.08%	Yes
United States	86	2,747.8	712.7	25.94%	Yes
Luxembourg	76	555.0	548.2	98.78%	Yes
Ireland	60	376.4	338.5	89.94%	Yes
Netherlands	89	380.9	294.8	77.39%	Yes
British Virgin Islands	63	178.9	178.7	99.92%	No
France	66	424.0	166.1	39.19%	Yes
Hong Kong	83	170.4	136.0	79.78%	Yes
Jersey	67	119.0	118.7	99.72%	Yes
Italy	57	307.3	116.9	38.05%	Yes
Bermuda	78	102.9	102.2	99.31%	No
Singapore	74	112.7	77.2	68.47%	No
Switzerland	92	134.6	65.1	48.40%	Yes
Panama	89	68.4	62.1	90.73%	No

In the second step of our approach, we attribute these abnormal deposits to their origin countries. To do so, we broadly follow Alstadsaeter, Johannesen, and Zucman's approach and use the Bank for International Settlements' (BIS) Locational Banking Statistics. This dataset contains information on the origin of bank deposits in high-secrecy jurisdictions which report this data to the BIS. As indicated in the last column of Table 4, some of the most popular secrecy jurisdictions now do report to the BIS. Similarly to the study of Alstadsaeter, Johannesen, and Zucman, we evaluate the distribution of origin countries for deposits stored in the BIS-reporting jurisdictions and assume that this distribution also holds in the non-BIS-reporting secrecy jurisdictions.

In the third step, we combine existing estimates of total global offshore wealth with our estimated country shares, to derive the value of offshore wealth originating from each individual country. In particular, we use the most recent estimate⁴⁵ of global offshore financial wealth of 11.4 per cent of global GDP, or US\$9.9 trillion in 2019. It is important to note that this estimate only includes financial assets and not non-financial wealth, which is likely to exceed financial wealth in value by a

45 ECORYS, *Monitoring the Amount of Wealth Hidden by Individuals in International Financial Centres and Impact of Recent Internationally Agreed Standards on Tax Transparency on the Fight against Tax Evasion*.

factor of 3 to 4.⁴⁶ The second column of Table 5 shows our estimates of the share of global offshore financial wealth owned by the citizens of each country, and the third column translates these shares into US dollars.

In the fourth and final step, we derive the tax revenue losses resulting from wealth being stored in secrecy jurisdictions. Following Zucman's approach in his 2015 study, we assume a 5 per cent return on offshore investment (which includes a combination of securities, bonds, bank deposits and other financial assets). We then multiply these returns by the personal income tax rates that would have been applied in the assets' origin countries, had these assets not been moved to secrecy jurisdictions. The fifth column of Table 5 shows the resulting estimates on tax revenue loss for each country.

In the sixth and seventh column of Table 5, we show the estimated contribution of each country to the problem of offshore wealth and the respective tax loss inflicted on other countries. Many of the countries with the biggest losses themselves, such as the US, UK, Ireland and Luxembourg, also impose major losses on others, emphasising the lose-lose nature of enabling global tax abuse. British Overseas Territory Cayman Islands is responsible for the largest share on this metric (at 8.14 per cent), alone causing a tax revenue loss of over US\$45 billion globally.

46 James S. Henry, *The Price of Offshore Revisited*. New Estimates for Missing Global Private Wealth, Income, Inequality and Lost Taxes, Tax Justice Network (London, 2012) <www.taxjustice.net/cms/upload/pdf/Price_of_Offshore_Revisited_26072012.pdf> [accessed 12 November 2012]

Table 5: Full results of estimated tax revenue losses due to offshore financial wealth and of tax loss inflicted on other countries

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Africa	1.60%	159.1	40.7%	2,320.5	0.5%	893.1
Algeria	0.03%	3.0	1.8%	53.3	0.0%	-
Angola	0.21%	21.2	23.7%	180.4	0.0%	-
Benin	0.00%	0.2	1.2%	2.4	0.0%	-
Botswana	0.01%	0.6	3.2%	7.4	0.0%	-
Burkina Faso	0.00%	0.2	1.0%	2.2	0.0%	-
Burundi	0.00%	0.1	3.7%	1.6	0.0%	-
Cameroon	0.02%	1.9	4.8%	27.5	0.0%	-
Cape Verde	0.00%	0.1	4.1%	1.2	0.0%	-
Central African Republic	0.00%	0.1	3.5%	1.1	0.0%	-
Chad	0.00%	0.4	3.4%	5.4	0.0%	-
Comoros	0.00%	0.0	1.9%	0.3	0.0%	-
Congo, Dem. Rep. of	0.01%	1.1	2.3%	23.0	0.0%	-
Congo, Rep. of	0.01%	0.7	5.6%	10.7	0.0%	-
Cote d'Ivoire	0.02%	1.5	2.6%	22.1	0.0%	-
Djibouti	0.00%	0.3	8.5%	4.1	0.0%	-
Egypt	0.15%	15.1	5.0%	170.1	0.0%	-
Equatorial Guinea	0.00%	0.4	3.3%	4.4	0.0%	-
Eritrea	0.00%	0.2	2.4%	2.3	0.0%	-
Eswatini	0.00%	0.3	5.8%	4.3	0.0%	-
Ethiopia	0.01%	0.6	0.6%	10.9	0.0%	-
Gabon	0.02%	1.8	10.8%	21.3	0.0%	-
Gambia	0.00%	0.2	9.2%	2.4	0.0%	-
Ghana	0.05%	4.7	7.0%	82.7	0.0%	18.5
Guinea	0.01%	0.6	4.6%	8.7	0.0%	-
Guinea-Bissau	0.00%	0.1	6.5%	1.3	0.0%	-
Kenya	0.04%	4.2	4.4%	62.9	0.0%	-
Lesotho	0.00%	0.0	1.2%	0.4	0.0%	-
Liberia	0.10%	10.4	339.7%	145.5	0.2%	423.6
Libya	0.05%	4.7	9.0%	55.1	0.0%	-
Madagascar	0.01%	0.8	5.8%	11.5	0.0%	-
Malawi	0.00%	0.3	2.5%	4.1	0.0%	-
Mali	0.01%	0.7	4.3%	10.4	0.0%	-
Mauritania	0.01%	0.6	7.6%	11.5	0.0%	-
Mauritius	0.10%	9.6	68.7%	72.4	0.2%	323.6
Morocco	0.04%	3.7	3.1%	69.6	0.0%	-
Mozambique	0.02%	1.6	10.3%	25.3	0.0%	31.0
Namibia	0.00%	0.2	1.8%	4.2	0.0%	-

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Niger	0.00%	0.1	0.7%	1.2	0.0%	-
Nigeria	0.21%	20.8	4.6%	250.0	0.0%	-
Rwanda	0.00%	0.2	1.7%	2.5	0.0%	-
Sao Tome and Principe	0.00%	0.0	1.9%	0.1	0.0%	-
Senegal	0.01%	1.0	4.2%	19.7	0.0%	-
Seychelles	0.08%	7.6	477.7%	117.6	0.1%	96.5
Sierra Leone	0.00%	0.1	3.5%	1.1	0.0%	-
Somalia	0.00%	0.0	0.7%	0.5	0.0%	-
South Africa	0.29%	28.8	8.2%	648.6	0.0%	-
South Sudan	0.00%	0.0	0.1%	0.1	0.0%	-
Sudan	0.00%	0.2	0.5%	1.2	0.0%	-
Tanzania	0.01%	1.3	2.2%	20.2	0.0%	-
Togo	0.00%	0.2	2.4%	2.4	0.0%	-
Tunisia	0.02%	2.2	5.6%	38.7	0.0%	-
Uganda	0.01%	0.9	2.5%	17.4	0.0%	-
Zambia	0.02%	1.8	7.5%	32.9	0.0%	-
Zimbabwe	0.02%	1.6	9.7%	42.1	0.0%	-
Asia	16.39%	1,630.0	16.1%	24,554.8	4.4%	7,478.4
Afghanistan	0.00%	0.1	0.7%	1.4	0.0%	-
Armenia	0.00%	0.4	2.8%	6.8	0.0%	-
Azerbaijan	0.01%	1.1	2.4%	13.4	0.0%	-
Bahrain	0.09%	8.9	23.1%	-	0.0%	41.4
Bangladesh	0.02%	1.7	0.6%	25.7	0.0%	-
Bhutan	0.00%	0.0	0.2%	0.1	0.0%	-
Brunei	0.01%	1.4	10.6%	-	0.0%	-
Cambodia	0.02%	2.5	9.2%	24.8	0.0%	-
China	4.48%	445.0	3.1%	10,012.9	0.0%	-
Georgia	0.01%	0.6	3.3%	5.7	0.0%	-
Hong Kong	1.35%	134.3	37.0%	1,007.1	2.2%	3,796.5
India	0.12%	12.3	0.4%	220.5	0.0%	-
Indonesia	0.04%	3.9	0.3%	58.7	0.0%	-
Iran	0.01%	0.6	0.2%	7.0	0.0%	-
Iraq	0.01%	1.0	0.4%	7.2	0.0%	-
Israel	0.31%	31.1	7.9%	776.5	0.0%	-
Japan	1.82%	181.1	3.6%	5,065.4	0.0%	-
Jordan	0.07%	6.6	14.8%	66.0	0.0%	-
Kazakhstan	0.09%	8.5	4.7%	42.7	0.0%	-
Kuwait	0.47%	46.8	34.3%	-	0.0%	-
Kyrgyz Republic	0.00%	0.4	4.1%	5.4	0.0%	-
Laos	0.00%	0.1	0.5%	1.4	0.0%	-
Lebanon	0.19%	18.9	36.3%	188.6	0.0%	-

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Macao	0.15%	14.9	27.0%	89.3	0.0%	-
Malaysia	0.24%	23.6	6.5%	330.1	0.0%	-
Maldives	0.00%	0.4	7.5%	3.2	0.0%	-
Mongolia	0.01%	0.7	4.9%	3.5	0.0%	9.1
Myanmar	0.00%	0.1	0.1%	1.2	0.0%	-
Nepal	0.01%	0.7	2.0%	9.7	0.0%	-
North Korea	0.00%	0.0	0.0%	0.0	0.0%	-
Oman	0.06%	6.3	8.3%	-	0.1%	111.6
Pakistan	0.02%	2.4	0.9%	24.3	0.0%	-
Palestine	0.00%	0.1	0.9%	1.5	0.0%	-
Philippines	0.13%	12.6	3.3%	220.4	0.0%	-
Qatar	0.39%	38.8	22.1%	-	0.4%	642.0
Saudi Arabia	1.30%	128.8	16.2%	-	0.0%	-
Singapore	1.63%	162.3	43.3%	1,785.1	1.3%	2,155.4
South Korea	0.19%	19.0	1.2%	398.4	0.0%	-
Sri Lanka	0.01%	0.9	1.1%	10.7	0.0%	-
Syria	0.00%	0.3	2.0%	3.7	0.0%	-
Taiwan	1.49%	148.4	24.3%	2,967.5	0.0%	-
Tajikistan	0.00%	0.0	0.3%	0.3	0.0%	-
Thailand	0.37%	36.4	6.7%	636.2	0.0%	-
Timor-Leste	0.00%	0.0	0.5%	0.2	0.0%	-
Turkey	0.27%	26.7	3.5%	468.0	0.0%	-
Turkmenistan	0.00%	0.0	0.0%	0.2	0.0%	-
United Arab Emirates	0.96%	95.4	22.7%	-	0.4%	722.3
Uzbekistan	0.01%	0.6	1.1%	9.4	0.0%	-
Vietnam	0.03%	2.9	1.1%	51.5	0.0%	-
Yemen	0.00%	0.4	1.7%	3.0	0.0%	-
Caribbean and American islands	12.66%	1,258.8	2703.8%	655.9	32.0%	54,655.0
Anguilla	0.00%	0.0	2.1%	-	0.0%	-
Antigua and Barbuda	0.00%	0.1	7.1%	1.5	0.0%	-
Aruba	0.01%	0.5	16.6%	16.1	0.0%	-
Bahamas	0.60%	59.5	438.5%	-	0.6%	1,034.8
Barbados	0.08%	7.5	143.4%	149.4	0.1%	123.7
Belize	0.07%	7.0	352.9%	81.9	0.1%	89.2
Bermuda	0.76%	76.0	1015.4%	-	1.7%	2,854.2
British Virgin Islands	2.80%	278.0	18669.9%	-	2.9%	4,990.2
Cayman Islands	8.14%	809.5	13638.0%	-	26.6%	45,433.3
Curaçao	0.13%	13.0	418.1%	304.8	0.1%	113.5
Dominica	0.00%	0.3	48.7%	3.3	0.0%	-
Grenada	0.00%	0.2	20.0%	2.8	0.0%	-

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Guiana	0.00%	0.2	2.9%	1.8	0.0%	-
Haiti	0.00%	0.2	1.6%	3.3	0.0%	-
Jamaica	0.01%	0.5	3.4%	8.1	0.0%	-
Montserrat	0.00%	0.0	1.2%	0.0	0.0%	-
Puerto Rico	0.00%	0.0	0.0%	0.2	0.0%	-
Sint Maarten	0.00%	0.2	12.7%	3.7	0.0%	-
St. Kitts and Nevis	0.00%	0.1	7.1%	1.2	0.0%	-
St. Lucia	0.01%	0.6	29.7%	7.4	0.0%	-
St. Vincent and the Grenadines	0.02%	1.8	218.6%	21.1	0.0%	9.6
Suriname	0.01%	0.5	12.2%	9.8	0.0%	-
Trinidad and Tobago	0.02%	2.0	8.5%	24.6	0.0%	-
Turks and Caicos Islands	0.01%	1.0	79.7%	14.9	0.0%	6.5
US Virgin Islands	0.00%	0.0	0.2%	0.1	0.0%	-
Europe	44.94%	4,468.0	288.6%	99,204.0	49.3%	84,115.3
Albania	0.00%	0.1	0.9%	1.6	0.0%	-
Andorra	0.02%	1.9	58.9%	9.3	0.0%	7.5
Austria	0.20%	19.8	4.4%	543.7	0.0%	-
Belarus	0.00%	0.2	0.4%	1.5	0.0%	-
Belgium	1.14%	113.1	21.2%	2,826.3	1.0%	1,677.5
Bosnia and Herzegovina	0.00%	0.3	1.5%	1.5	0.0%	-
Bulgaria	0.03%	3.2	4.6%	15.8	0.0%	-
Croatia	0.01%	1.1	1.8%	20.0	0.0%	11.8
Cyprus	0.64%	64.0	256.6%	1,120.2	0.3%	444.6
Czechia	0.09%	9.2	3.7%	101.6	0.0%	-
Denmark	0.46%	46.1	13.2%	1,287.1	0.1%	205.7
Estonia	0.02%	1.6	5.0%	15.8	0.0%	-
Faroe Islands	0.00%	0.0	1.4%	0.7	0.0%	8.2
Finland	0.21%	21.3	7.9%	571.6	0.3%	471.2
France	3.01%	299.7	11.0%	7,343.2	2.7%	4,639.0
Germany	4.26%	423.9	11.0%	9,537.2	0.3%	467.8
Gibraltar	0.10%	10.2	309.1%	204.0	0.0%	42.5
Greece	0.37%	37.2	18.1%	836.2	0.0%	-
Guernsey	0.42%	42.2	1671.1%	422.4	0.5%	863.5
Hungary	0.09%	8.8	5.4%	66.0	0.0%	-
Iceland	0.01%	1.2	4.7%	26.7	0.0%	-
Ireland	5.75%	572.0	143.5%	13,728.6	5.5%	9,452.6
Isle of Man	0.22%	22.3	289.1%	223.1	0.2%	261.3
Italy	2.01%	200.0	10.0%	4,299.6	1.9%	3,265.2
Jersey	1.16%	114.9	3238.7%	1,149.0	1.9%	3,313.5

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Latvia	0.02%	2.2	6.3%	33.9	0.0%	-
Liechtenstein	0.09%	9.2	130.9%	103.3	0.0%	15.7
Lithuania	0.01%	1.3	2.5%	10.1	0.0%	-
Luxembourg	4.52%	449.6	632.4%	10,292.2	9.0%	15,307.4
Malta	0.23%	22.7	149.1%	397.1	0.1%	179.9
Moldova	0.00%	0.1	1.0%	1.0	0.0%	-
Monaco	0.00%	0.0	0.5%	-	0.0%	-
Montenegro	0.00%	0.2	3.7%	0.9	0.0%	-
Netherlands	3.26%	324.5	35.8%	8,429.5	4.8%	8,230.7
North Macedonia	0.00%	0.4	2.9%	1.8	0.0%	-
Norway	0.24%	23.6	5.8%	550.0	0.3%	505.0
Poland	0.09%	9.4	1.6%	150.1	0.0%	-
Portugal	0.22%	22.3	9.3%	534.4	0.2%	357.6
Romania	0.02%	2.3	0.9%	11.7	0.0%	-
Russia	0.64%	63.3	3.8%	411.6	0.0%	-
San Marino	0.00%	0.5	29.4%	7.4	0.0%	1.2
Serbia	0.01%	1.0	1.9%	4.8	0.0%	-
Slovakia	0.03%	3.1	2.9%	38.2	0.0%	-
Slovenia	0.05%	5.4	10.0%	135.5	0.0%	-
Spain	0.83%	83.0	6.0%	1,867.5	0.9%	1,606.1
Sweden	0.56%	55.6	10.5%	1,593.1	0.5%	796.4
Switzerland	2.40%	238.3	32.6%	4,765.1	1.1%	1,819.1
Ukraine	0.03%	3.3	2.1%	29.4	0.0%	-
United Kingdom	11.39%	1,132.5	40.0%	25,482.4	17.7%	30,164.2
Latin America	2.23%	221.3	18.2%	3,336.0	1.0%	1,733.4
Argentina	0.17%	17.1	3.8%	298.8	0.0%	-
Bolivia	0.02%	1.9	4.6%	27.5	0.0%	-
Brazil	0.22%	21.7	1.2%	298.1	0.0%	-
Chile	0.11%	10.8	3.9%	189.1	0.0%	-
Colombia	0.17%	17.3	5.3%	301.9	0.0%	-
Costa Rica	0.06%	5.7	8.9%	42.5	0.0%	-
Cuba	0.00%	0.2	0.2%	2.3	0.0%	-
Dominican Republic	0.07%	7.2	8.1%	90.5	0.0%	-
Ecuador	0.06%	6.3	5.8%	109.4	0.0%	-
El Salvador	0.03%	2.6	9.7%	39.2	0.0%	-
Guatemala	0.05%	5.3	6.9%	18.7	0.0%	-
Honduras	0.02%	2.3	9.1%	28.6	0.0%	-
Mexico	0.44%	43.7	3.4%	765.1	0.0%	-
Nicaragua	0.03%	2.5	19.8%	37.5	0.0%	-
Panama	0.44%	43.9	65.7%	548.7	1.0%	1,733.4
Paraguay	0.01%	1.1	2.9%	5.5	0.0%	-

Country	Share of global offshore wealth owned by citizens of country	Offshore wealth owned by citizens of country (USD billion)	Offshore wealth owned by citizens of country (% of GDP)	Tax revenue loss: Offshore wealth (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Peru	0.07%	7.4	3.2%	110.9	0.0%	-
Uruguay	0.06%	6.4	10.5%	116.0	0.0%	-
Venezuela	0.18%	18.0	8.4%	305.7	0.0%	-
Northern America	21.00%	2,087.9	8.9%	38,405.2	12.1%	20,649.5
Canada	1.11%	110.7	6.4%	1,826.0	0.4%	734.5
Greenland	0.00%	0.1	2.2%	1.1	0.0%	14.5
United States	19.89%	1,977.2	9.2%	36,578.1	11.7%	19,900.5
Oceania	1.17%	116.1	727.3%	2,236.2	0.7%	1,199.3
Australia	0.81%	80.9	5.8%	1,820.0	0.1%	209.2
Fiji	0.00%	0.1	1.2%	0.7	0.0%	-
French Polynesia	0.01%	0.6	9.1%	8.9	0.0%	7.1
Guam	0.00%	0.0	0.0%	0.0	0.0%	-
Kiribati	0.00%	0.0	5.2%	0.1	0.0%	-
Marshall Islands	0.13%	12.5	5232.8%	75.2	0.4%	742.5
Micronesia	0.00%	0.0	6.7%	0.4	0.0%	0.5
Nauru	0.00%	0.0	22.8%	0.3	0.0%	1.0
New Caledonia	0.01%	0.7	6.5%	10.6	0.0%	63.6
New Zealand	0.11%	10.5	5.0%	173.0	0.0%	45.4
Palau	0.00%	0.0	0.1%	0.0	0.0%	-
Papua New Guinea	0.00%	0.1	0.4%	2.0	0.0%	-
Samoa	0.10%	10.3	1206.0%	138.8	0.1%	130.0
Solomon Islands	0.00%	0.1	4.7%	1.1	0.0%	-
Tonga	0.00%	0.0	1.4%	0.1	0.0%	-
Tuvalu	0.00%	0.0	0.2%	0.0	0.0%	-
Vanuatu	0.00%	0.4	37.8%	5.2	0.0%	

Chapter 4: Vulnerability to illicit financial flows

Illicit financial flows are transfers of money from one country to another that are forbidden by law, rules or custom. Illicit financial flows deprive public budgets of available resources, compelling low income countries in particular to rely on foreign investment and loans to support their national budgets.

The unchecked channels of illicit financial flows, and the policies and structures which underpin them, are an established major threat to the realisation of human rights and to developing greater equality within and between countries.

In their foreword to the seminal 2021 report by the UN High Level Panel on International Financial Accountability, Transparency and Integrity (FACTI Panel), former Niger Prime Minister Ibrahim Mayaki and former Lithuania President Dalia Grybauskaitė described illicit financial flows as “a double theft: an expropriation of funds that also robs billions of a better future.”

A major challenge of tackling illicit financial flows is the opaque channels and instruments through which they flow from one jurisdiction to another. Where do countries begin? Which of their economic channels are most vulnerable to illicit financial flows? Where can the biggest gains be made the fastest? These are the questions the Tax Justice Network’s Illicit Financial Flows Vulnerability Tracker was built to help answer.

The Illicit Financial Flows Vulnerability Tracker⁴⁷, first published in 2020 and updated in October 2021, measures and visualises the most important economic channels used for illicit financial flows and each country’s vulnerability to various forms of illicit financial flow over different periods of time. It does so by combining publicly available data on various financial flows with information on how much the partner jurisdictions act as tax havens or secrecy jurisdictions. The latter is operationalised by the haven scores from the Tax Justice Network’s Corporate Tax Haven Index⁴⁸ and the secrecy scores from the Financial Secrecy Index⁴⁹.

The two indexes were created in response to the repeated failures by international bodies to create “tax haven” blacklists and to rank jurisdictions according to the opportunities they provide to foreigners to hide their identity and underpay tax, and according to the scale of their offshore financial activities. Providing politically neutral rankings, the two indexes together represent a tool for understanding global financial secrecy, corporate tax abuse and illicit financial flows.

Combining data from the indexes with data on bilateral transactions forms part of the illicit financial flows risk analysis presented in the Illicit Financial Flows Vulnerability Tracker. The central idea behind this approach, pioneered in work for the High Level Panel on Illicit Financial Flows out of Africa⁵⁰ is that since illicit financial flows are by definition hidden, the likelihood of an illicit component will increase with the degree of financial secrecy offered by the partner jurisdiction in any given transaction.

The assumption is that all else being equal, the easier it is to hide something, the more likely it is that something will be hidden. This means that, for example, trading with Switzerland, or accepting investment from the British Virgin Islands, both highly secretive jurisdictions, exposes a country to a greater risk of illicit financial flows than trading with South Africa or accepting investment from France. This does not

47 <https://iff.taxjustice.net/#/about>

48 <http://cthi.taxjustice.net/>

49 <http://fsi.taxjustice.net/>

50 United Nations Economic Commission for Africa and African Union, *Report of the High Level Panel on Illicit Financial Flows from Africa* (“Mbeki Report”), 2015 <www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf> [accessed 21 July 2015].

of course imply that all trade with Switzerland is illicit (or that none with South Africa is), nor that all multinationals with subsidiaries in the British Virgin Islands (and none with French subsidiaries) are committing tax abuses. However, the greater the transparency of a partner jurisdiction in a given bilateral transaction, the lower the risk of something being hidden - and vice versa.

The illicit financial flows risk analysis presented in the Illicit Financial Flows vulnerability tracker is designed to support policymakers, journalists, national authorities, academics and the general public to understand sources of financial secrecy and both collective and country-specific vulnerability to illicit financial flows.⁵¹ Critically, it helps to pinpoint the economic channels and trading partners that pose the greatest risks of illicit financial flows to a country, and thereby support policy development and administrative decisions to prevent illicit financial flows.

The Tax Justice Network has partnered in 2021 with several government authorities around the world to help implement the geographic risk analysis approach to mitigate illicit financial flows. More specifically, the methodology allows to identify and red-flag suspicious observations in transaction level data, enabling a more efficient auditing process and ultimately enhancing domestic revenue mobilization.


The vulnerability tracker reports the level of vulnerability to illicit financial flows each country faces in relation to eight main channels: trade (exports and imports), banking positions (claims and liabilities), foreign direct investment (outward and inward) and portfolio investment (outward and inward).

The tracker captures, for each channel, how much each country's partner jurisdictions act as tax havens or secrecy jurisdictions. Vulnerability is the average haven/secrecy score of all partners, sourced from the latest editions of the Corporate Tax Haven Index and the Financial Secrecy Index, with which the country trades with or invests in for that channel, weighted by the volume of trade or investment each partner is responsible for.

Using the eight different economic channels described above, Table 6 calibrates each jurisdiction's average vulnerability in the last five years. It also calculates for each jurisdiction:

- **Most vulnerable channel** – The channel through which the country is most vulnerable to illicit financial flows. (column 2)
- **Level of vulnerability** – A measure of how vulnerable the country's most vulnerable channel is. The measure can take values between 0 (no vulnerability) and 100 (full vulnerability) and captures the average financial secrecy level of all partners with which the country trades or invests in via this channel, weighted by the volume of trade or investment each partner is responsible for. (column 3)
- **Regional vulnerability** – The (weighted) average level of vulnerability in the country's region for the country's most vulnerable channel. (column 4)
- The **top three country partners** that are most responsible for the vulnerability that the country is exposed to via its most vulnerable channel. The share of vulnerability contributed by each trading partner is indicated as a percentage. (columns 5, 6 and 7).

⁵¹ Charles Abugre and others, *Vulnerability and Exposure to Illicit Financial Flows Risk in Africa*, 2019 <https://www.taxjustice.net/wp-content/uploads/2019/08/Vulnerability-and-Exposure-to-Illicit-Financial-Flows-risk-in-Africa_August-2019_Tax-Justice-Network.pdf> [accessed 20 August 2019].



The other side of this coin is the responsibility of countries and jurisdictions for the illicit financial flows vulnerabilities to which others are exposed. In Table 7, we present a series of indicators of this responsibility, which together broadly summarise the potential for harm.

The countries are presented in order of their share of responsibility for the total of global revenue losses due to cross-border tax abuse, as assessed in this report. This is shown in the first column of data. The next three columns relate to the Financial Secrecy Index. “Rank” shows the rank of each jurisdiction in the final index, which reflects the share of total FSI Value (a measure of the overall contribution of each to the global risks). Lastly, the Secrecy Score (where 0 indicates perfect transparency and cooperation, and 100 indicates total secrecy), provides a proxy measure of the illicit financial flows risks inherent in any given transaction with the jurisdiction. The final three columns provide equivalent indicators from the Corporate Tax Haven Index, where the CTHI Share column reflects responsibility for the overall risks of corporate tax abuse, and the Haven Score (from 0 to 100, the worst) is a proxy measure of the related risks inherent in transactions with the jurisdiction.

Table 6: Countries' vulnerabilities to illicit financial flows

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Africa						
Algeria	Imports (trade inward)	53	54	China (18.7%)	France (9.7%)	Italy (7.7%)
Angola	Exports (trade outward)	57	53	China (59.4%)	India (7.1%)	United States (4.4%)
Benin	Exports (trade outward)	63	53	Bangladesh (21.3%)	Vietnam (13.0%)	India (12.6%)
Botswana	Imports (trade inward)	53	54	South Africa (71.7%)	Canada (8.5%)	India (3.0%)
British Indian Ocean Territory	Exports (trade outward)	60	53	United States (46.6%)	Singapore (35.8%)	Ghana (9.1%)
Burkina Faso	Imports (trade inward)	55	54	China (17.4%)	United States (9.1%)	France (8.4%)
Burundi	Exports (trade outward)	61	53	United Arab Emirates (34.1%)	Switzerland (12.5%)	Pakistan (9.1%)
Cameroon	Imports (trade inward)	55	54	China (25.1%)	France (9.7%)	Nigeria (6.7%)
Cape Verde	Direct investment (inward)	50	52	Portugal (33.8%)	United Kingdom (28.7%)	Spain (18.1%)
Central African Republic	Exports (trade outward)	54	53	France (40.0%)	China (21.8%)	United Arab Emirates (5.4%)
Chad	Exports (trade outward)	60	53	United States (43.9%)	Netherlands (13.5%)	India (12.3%)
Comoros	Imports (trade inward)	62	54	United Arab Emirates (30.3%)	Pakistan (13.8%)	France (13.3%)
Congo DRC	Exports (trade outward)	59	53	China (53.8%)	South Korea (8.6%)	Saudi Arabia (8.4%)
Congo, Rep.	Exports (trade outward)	58	53	China (49.7%)	United Arab Emirates (11.5%)	Italy (5.4%)
Cote d'Ivoire	Direct investment (inward)	58	52	France (26.1%)	Morocco (10.2%)	Canada (10.0%)
Djibouti	Imports (trade inward)	59	54	China (42.5%)	United Arab Emirates (15.5%)	India (7.7%)
Egypt	Portfolio investment (outward)	62	57	Saudi Arabia (30.4%)	United States (21.3%)	France (8.9%)
Equatorial Guinea	Exports (trade outward)	54	53	China (27.6%)	India (11.1%)	South Korea (9.3%)
Eritrea	Exports (trade outward)	64	53	China (46.8%)	United Arab Emirates (34.4%)	South Korea (10.6%)
Eswatini	Exports (trade outward)	59	53	South Africa (70.9%)	Kenya (7.6%)	Nigeria (6.0%)
Ethiopia	Imports (trade inward)	56	54	China (32.1%)	United States (10.4%)	India (6.1%)
French Southern Territories	Imports (trade inward)	48	54	France (24.1%)	United States (13.5%)	Germany (10.1%)
Gabon	Exports (trade outward)	56	53	China (44.9%)	Australia (7.1%)	South Korea (6.6%)
Gambia	Imports (trade inward)	48	54	China (13.6%)	Brazil (13.0%)	Spain (7.7%)
Ghana	Portfolio investment (inward)	58	55	United States (32.7%)	Luxembourg (30.2%)	Netherlands (6.8%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Guinea	Exports (trade outward)	64	53	United Arab Emirates (47.1%)	China (25.7%)	India (5.5%)
Guinea-Bissau	Imports (trade inward)	51	54	Portugal (34.0%)	China (10.3%)	Gambia (9.3%)
Kenya	Portfolio investment (inward)	58	55	United States (32.8%)	Luxembourg (22.9%)	Ireland (5.7%)
Lesotho	Imports (trade inward)	56	54	South Africa (83.6%)	China (9.7%)	India (2.1%)
Liberia	Portfolio investment (inward)	62	55	United States (83.8%)	Luxembourg (2.9%)	Japan (2.8%)
Libya	Imports (trade inward)	55	54	China (11.5%)	United Arab Emirates (10.4%)	Turkey (10.3%)
Madagascar	Imports (trade inward)	58	54	China (21.9%)	United Arab Emirates (11.4%)	France (7.0%)
Malawi	Imports (trade inward)	58	54	South Africa (21.5%)	China (15.0%)	United Arab Emirates (10.4%)
Mali	Exports (trade outward)	56	53	Switzerland (33.6%)	United Arab Emirates (27.6%)	South Africa (26.7%)
Mauritania	Imports (trade inward)	57	54	China (16.5%)	United Arab Emirates (10.4%)	South Korea (7.9%)
Mauritius	Direct investment (inward)	64	52	United States (19.1%)	Cayman Islands (17.4%)	Singapore (8.1%)
Morocco	Direct investment (inward)	61	52	United Arab Emirates (37.8%)	France (28.1%)	Spain (5.1%)
Mozambique	Direct investment (inward)	62	52	United Arab Emirates (24.4%)	Mauritius (18.5%)	South Africa (13.2%)
Namibia	Imports (trade inward)	56	54	South Africa (57.0%)	Botswana (6.8%)	China (5.5%)
Niger	Exports (trade outward)	61	53	United Arab Emirates (24.0%)	France (22.6%)	China (15.3%)
Nigeria	Direct investment (inward)	63	52	Netherlands (27.0%)	Bermuda (17.9%)	United States (9.1%)
Rwanda	Exports (trade outward)	68	53	United Arab Emirates (58.7%)	Kenya (7.0%)	United States (6.0%)
Saint Helena	Exports (trade outward)	50	53	United States (54.3%)	Japan (15.0%)	Belgium (8.5%)
Sao Tome and Principe	Imports (trade inward)	53	54	Portugal (50.7%)	Angola (26.2%)	China (5.5%)
Senegal	Exports (trade outward)	61	53	Switzerland (27.7%)	India (10.6%)	China (8.5%)
Seychelles	Imports (trade inward)	61	54	United Arab Emirates (26.9%)	Cayman Islands (14.6%)	France (7.2%)
Sierra Leone	Imports (trade inward)	54	54	China (19.4%)	United States (8.0%)	United Arab Emirates (7.5%)
Somalia	Exports (trade outward)	67	53	Saudi Arabia (41.9%)	United Arab Emirates (37.1%)	China (3.2%)
South Africa	Direct investment (outward)	60	57	China (48.9%)	Mauritius (8.8%)	Hong Kong (8.6%)
South Sudan	Imports (trade inward)	63	54	Kenya (33.9%)	United Arab Emirates (19.9%)	China (16.1%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Sudan	Exports (trade outward)	67	53	United Arab Emirates (46.2%)	China (14.5%)	Saudi Arabia (14.3%)
Tanzania	Imports (trade inward)	57	54	China (21.0%)	India (13.1%)	United Arab Emirates (11.5%)
Togo	Exports (trade outward)	65	53	Angola (39.0%)	United Arab Emirates (12.2%)	India (9.5%)
Tunisia	Portfolio investment (inward)	59	55	United States (38.3%)	Japan (22.0%)	Germany (7.6%)
Uganda	Exports (trade outward)	64	53	Kenya (27.2%)	United Arab Emirates (25.1%)	Rwanda (8.6%)
Zambia	Exports (trade outward)	67	53	Switzerland (53.8%)	China (18.3%)	Singapore (8.0%)
Zimbabwe	Exports (trade outward)	60	53	South Africa (72.4%)	United Arab Emirates (22.1%)	Belgium (1.4%)
Asia						
Afghanistan	Imports (trade inward)	57	55	Pakistan (19.4%)	United Arab Emirates (18.7%)	China (16.1%)
Armenia	Exports (trade outward)	60	54	Russia (29.7%)	Switzerland (19.4%)	Bulgaria (9.9%)
Azerbaijan	Direct investment (outward)	60	64	Turkey (60.8%)	Switzerland (7.7%)	United Kingdom (5.0%)
Bahrain	Direct investment (inward)	67	63	Saudi Arabia (30.0%)	Kuwait (26.4%)	United Arab Emirates (10.1%)
Bangladesh	Direct investment (inward)	61	63	United States (23.1%)	Singapore (8.0%)	United Kingdom (7.7%)
Bhutan	Imports (trade inward)	51	55	India (72.5%)	Thailand (8.6%)	United States (6.2%)
Brunei	Imports (trade inward)	57	55	China (25.9%)	Malaysia (19.2%)	Singapore (17.7%)
Cambodia	Direct investment (inward)	64	63	China (26.2%)	Vietnam (9.1%)	South Korea (7.4%)
China	Direct investment (outward)	65	64	Hong Kong (58.7%)	Cayman Islands (9.4%)	United States (4.8%)
Georgia	Direct investment (inward)	60	63	Netherlands (18.8%)	United Kingdom (13.7%)	United Arab Emirates (7.9%)
Hong Kong	Portfolio investment (outward)	66	63	Cayman Islands (35.5%)	China (19.5%)	Bermuda (10.9%)
India	Direct investment (outward)	66	64	Mauritius (24.0%)	Singapore (16.5%)	Netherlands (11.1%)
Indonesia	Direct investment (inward)	64	63	Singapore (24.1%)	Netherlands (15.6%)	Japan (11.5%)
Iran	Imports (trade inward)	60	55	China (25.7%)	United Arab Emirates (21.3%)	South Korea (6.6%)
Iraq	Imports (trade inward)	62	55	United Arab Emirates (27.9%)	Turkey (19.5%)	China (18.6%)
Israel	Direct investment (outward)	64	64	Netherlands (57.5%)	United States (14.2%)	Switzerland (3.5%)
Japan	Bank deposits (outward)	66	59	Cayman Islands (47.6%)	United States (10.9%)	Singapore (8.1%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Jordan	Portfolio investment (inward)	61	61	United States (66.2%)	Bahrain (9.2%)	Luxembourg (5.3%)
Kazakhstan	Direct investment (inward)	63	63	Netherlands (45.7%)	United States (18.6%)	France (7.0%)
Kuwait	Direct investment (outward)	66	64	Saudi Arabia (14.8%)	Bahrain (13.8%)	Cayman Islands (11.0%)
Kyrgyz Republic	Direct investment (inward)	58	63	China (28.3%)	Russia (21.1%)	Canada (20.9%)
Laos	Imports (trade inward)	68	55	Thailand (58.9%)	China (21.0%)	Vietnam (10.2%)
Lebanon	Portfolio investment (outward)	60	63	United States (31.9%)	United Kingdom (8.7%)	France (8.3%)
Macao	Direct investment (inward)	67	63	Hong Kong (29.2%)	Cayman Islands (20.8%)	British Virgin Islands (18.8%)
Malaysia	Direct investment (inward)	63	63	Singapore (19.8%)	Japan (11.8%)	Hong Kong (10.0%)
Maldives	Imports (trade inward)	62	55	United Arab Emirates (22.1%)	Singapore (14.0%)	China (13.7%)
Mongolia	Portfolio investment (outward)	62	63	Hong Kong (48.3%)	United States (13.7%)	Singapore (11.3%)
Myanmar	Direct investment (inward)	64	63	Singapore (23.5%)	Thailand (17.2%)	China (16.9%)
Nepal	Direct investment (inward)	57	63	India (22.7%)	China (17.0%)	Mauritius (12.5%)
North Korea	Exports (trade outward)	60	54	China (90.4%)	India (2.1%)	Pakistan (1.2%)
Oman	Imports (trade inward)	60	55	United Arab Emirates (45.2%)	China (8.4%)	United States (4.9%)
Pakistan	Direct investment (outward)	68	64	United Arab Emirates (23.5%)	Bangladesh (10.9%)	Mauritius (9.1%)
Palestine	Portfolio investment (outward)	75	63	Jordan (82.9%)	United Arab Emirates (5.0%)	United States (1.7%)
Philippines	Direct investment (inward)	64	63	Japan (24.3%)	Netherlands (22.6%)	United States (11.9%)
Qatar	Portfolio investment (inward)	62	61	United States (30.4%)	Saudi Arabia (11.5%)	Luxembourg (5.8%)
Saudi Arabia	Portfolio investment (outward)	61	63	United States (31.2%)	Japan (16.3%)	United Kingdom (4.4%)
Singapore	Direct investment (inward)	64	63	United States (20.1%)	Cayman Islands (10.1%)	British Virgin Islands (8.2%)
South Korea	Bank deposits (outward)	62	59	China (23.8%)	United States (15.2%)	Hong Kong (12.3%)
Sri Lanka	Direct investment (outward)	66	64	Singapore (24.7%)	Mauritius (16.8%)	Bangladesh (14.4%)
Syria	Exports (trade outward)	64	54	Egypt (16.3%)	Saudi Arabia (14.3%)	Jordan (12.7%)
Taiwan	Bank deposits (inward)	64	55	Hong Kong (32.3%)	Singapore (14.6%)	Samoa (7.7%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Tajikistan	Direct investment (inward)	59	63	China (48.5%)	Russia (14.5%)	United Kingdom (7.8%)
Thailand	Direct investment (outward)	65	64	Hong Kong (25.1%)	Cayman Islands (8.8%)	Singapore (8.8%)
Timor-Leste	Imports (trade inward)	57	55	Indonesia (33.3%)	China (25.0%)	Singapore (11.0%)
Turkey	Portfolio investment (outward)	64	63	United States (31.8%)	Cayman Islands (26.7%)	Lebanon (15.2%)
Turkmenistan	Exports (trade outward)	59	54	China (85.0%)	Turkey (4.5%)	Russia (2.3%)
United Arab Emirates	Portfolio investment (inward)	61	61	United States (19.6%)	Switzerland (9.7%)	Saudi Arabia (9.6%)
Uzbekistan	Imports (trade inward)	54	55	China (22.3%)	Russia (20.7%)	South Korea (11.2%)
Vietnam	Portfolio investment (inward)	60	61	United States (21.5%)	South Korea (14.5%)	Luxembourg (9.8%)
Yemen	Exports (trade outward)	65	54	China (37.5%)	United Arab Emirates (25.8%)	Saudi Arabia (9.2%)
Caribbean and American islands						
Anguilla	Imports (trade inward)	39	51	United States (77.0%)	France (5.5%)	Japan (3.0%)
Antigua and Barbuda	Exports (trade outward)	48	52	Poland (56.2%)	Cameroon (15.2%)	United Kingdom (5.8%)
Aruba	Portfolio investment (outward)	61	62	United States (61.7%)	Netherlands (6.3%)	Japan (4.1%)
Bahamas	Portfolio investment (outward)	61	62	United States (22.7%)	Brazil (22.2%)	Cayman Islands (20.4%)
Barbados	Exports (trade outward)	56	52	United States (39.3%)	Trinidad and Tobago (10.7%)	St. Lucia (6.4%)
Belize	Imports (trade inward)	62	51	United States (41.0%)	China (11.9%)	Mexico (9.4%)
Bermuda	Portfolio investment (inward)	63	53	United States (44.6%)	Hong Kong (29.4%)	Luxembourg (4.1%)
Bonaire, Sint Eustatius and Saba	Imports (trade inward)	18	51	Colombia (38.3%)	Netherlands (30.0%)	Canada (25.3%)
British Virgin Islands	Direct investment (inward)	64	62	Hong Kong (62.4%)	Netherlands (10.6%)	China (5.7%)
Cayman Islands	Exports (trade outward)	63	52	Netherlands (43.9%)	Malta (21.4%)	Seychelles (14.2%)
Curaçao	Portfolio investment (inward)	64	53	United States (64.3%)	Cayman Islands (16.7%)	France (4.2%)
Dominica	Exports (trade outward)	61	52	Saudi Arabia (25.7%)	Egypt (19.5%)	Indonesia (9.6%)
Falkland Islands	Exports (trade outward)	45	52	Spain (76.8%)	United States (8.4%)	United Kingdom (2.1%)
Grenada	Exports (trade outward)	53	52	United States (40.2%)	St. Lucia (7.6%)	Germany (6.9%)
Guyana	Imports (trade inward)	55	51	United States (46.1%)	Trinidad and Tobago (25.0%)	China (6.8%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Haiti	Imports (trade inward)	53	51	United States (40.6%)	China (15.9%)	Dominican Republic (12.0%)
Jamaica	Exports (trade outward)	52	52	United States (39.9%)	Canada (9.4%)	Netherlands (8.7%)
Montserrat	Exports (trade outward)	54	52	Mexico (32.3%)	Antigua and Barbuda (26.6%)	United States (12.1%)
Netherlands Antilles	Portfolio investment (outward)	69	62	Cayman Islands (62.5%)	United States (19.1%)	Luxembourg (3.6%)
Saint Barthélemy	Exports (trade outward)	33	52	Cameroon (38.0%)	France (24.0%)	Finland (14.1%)
Sint Maarten	Imports (trade inward)	48	51	United States (80.4%)	Netherlands (8.0%)	France (3.4%)
St. Kitts and Nevis	Imports (trade inward)	49	51	United States (69.5%)	South Korea (3.4%)	Japan (3.0%)
St. Lucia	Exports (trade outward)	57	52	United States (39.0%)	Colombia (8.9%)	Trinidad and Tobago (6.9%)
St. Vincent & Grenadines	Exports (trade outward)	68	52	Jordan (50.2%)	Switzerland (6.7%)	Bahrain (5.0%)
Suriname	Imports (trade inward)	51	51	United States (30.4%)	Netherlands (18.4%)	Trinidad and Tobago (9.2%)
Trinidad and Tobago	Exports (trade outward)	50	52	United States (42.4%)	Chile (7.6%)	Peru (3.9%)
Turks and Caicos Islands	Exports (trade outward)	53	52	United States (62.7%)	France (7.4%)	Netherlands (5.4%)
Europe						
Albania	Direct investment (inward)	56	59	Italy (35.3%)	Switzerland (13.9%)	Netherlands (11.1%)
Andorra	Exports (trade outward)	47	51	Spain (48.7%)	France (16.6%)	United States (12.4%)
Austria	Direct investment (outward)	61	58	Switzerland (27.3%)	Netherlands (14.6%)	Germany (11.5%)
Belarus	Direct investment (inward)	57	59	Russia (48.8%)	Cyprus (17.7%)	Italy (5.7%)
Belgium	Direct investment (inward)	58	59	Netherlands (26.3%)	France (20.5%)	Luxembourg (18.2%)
Bosnia and Herzegovina	Direct investment (inward)	56	59	Austria (21.2%)	Croatia (18.3%)	Russia (9.3%)
Bulgaria	Direct investment (inward)	58	59	Netherlands (19.9%)	Austria (9.2%)	Germany (7.6%)
Croatia	Direct investment (outward)	56	58	Netherlands (30.6%)	Slovenia (20.9%)	Marshall Islands (10.2%)
Cyprus	Direct investment (inward)	60	59	Russia (32.2%)	Luxembourg (17.3%)	Switzerland (11.2%)
Czechia	Direct investment (inward)	57	59	Netherlands (21.5%)	Germany (17.1%)	Luxembourg (11.9%)
Denmark	Portfolio investment (outward)	57	56	United States (32.3%)	Germany (13.5%)	Luxembourg (7.5%)
Estonia	Direct investment (outward)	56	58	Latvia (18.5%)	Lithuania (18.3%)	Cyprus (17.7%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Faroe Islands	Exports (trade outward)	46	51	Russia (23.8%)	United Kingdom (16.8%)	United States (12.4%)
Finland	Portfolio investment (outward)	55	56	United States (19.5%)	Luxembourg (12.2%)	Ireland (12.1%)
France	Direct investment (inward)	58	59	Netherlands (23.5%)	Luxembourg (16.3%)	Switzerland (11.4%)
Germany	Direct investment (inward)	60	59	Netherlands (31.6%)	Luxembourg (13.2%)	United States (12.7%)
Gibraltar	Direct investment (outward)	56	58	Luxembourg (87.9%)	United States (7.6%)	Singapore (2.0%)
Greece	Direct investment (outward)	60	58	Cyprus (21.9%)	United States (11.3%)	Hong Kong (10.4%)
Guernsey	Bank deposits (inward)	69	52	Switzerland (65.3%)	Jersey (10.9%)	United Kingdom (6.5%)
Hungary	Direct investment (outward)	64	58	United States (38.2%)	Switzerland (33.9%)	Luxembourg (5.2%)
Iceland	Direct investment (outward)	62	58	Netherlands (34.0%)	United States (27.7%)	United Kingdom (7.0%)
Ireland	Direct investment (inward)	60	59	Luxembourg (33.5%)	United States (26.7%)	Netherlands (13.7%)
Isle of Man	Portfolio investment (inward)	56	56	United States (37.5%)	United Kingdom (16.1%)	Luxembourg (9.9%)
Italy	Direct investment (outward)	58	58	Netherlands (17.5%)	Germany (8.5%)	United States (7.7%)
Jersey	Bank deposits (inward)	61	52	Switzerland (31.4%)	United Kingdom (20.6%)	Guernsey (11.3%)
Kosovo	Direct investment (outward)	58	58	Germany (14.6%)	Switzerland (10.9%)	Cyprus (9.4%)
Latvia	Portfolio investment (inward)	54	56	Germany (31.8%)	Austria (8.5%)	United States (5.1%)
Liechtenstein	Direct investment (outward)	57	58	Luxembourg (40.5%)	Singapore (14.4%)	Chile (10.7%)
Lithuania	Direct investment (outward)	56	58	Latvia (21.7%)	Netherlands (20.0%)	Estonia (14.1%)
Luxembourg	Direct investment (inward)	61	59	United States (17.6%)	Bermuda (11.4%)	Netherlands (11.3%)
Malta	Exports (trade outward)	58	51	Germany (17.1%)	United States (11.2%)	Italy (9.5%)
Moldova	Direct investment (inward)	57	59	Russia (22.3%)	Netherlands (14.7%)	Cyprus (8.8%)
Montenegro	Direct investment (inward)	57	59	Russia (27.1%)	Italy (11.2%)	United Arab Emirates (9.5%)
Netherlands	Direct investment (inward)	58	59	United States (21.8%)	Luxembourg (15.4%)	United Kingdom (8.3%)
North Macedonia	Direct investment (inward)	55	59	South Africa (14.0%)	Austria (11.7%)	United Kingdom (9.0%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Norway	Portfolio investment (outward)	58	56	United States (36.1%)	Japan (8.2%)	Germany (7.2%)
Poland	Direct investment (outward)	59	58	Luxembourg (17.0%)	Netherlands (16.0%)	Cyprus (9.8%)
Portugal	Direct investment (outward)	56	58	Netherlands (29.5%)	Spain (20.9%)	Angola (9.8%)
Romania	Direct investment (outward)	61	58	Netherlands (47.1%)	Kazakhstan (16.3%)	Bulgaria (10.6%)
Russia	Direct investment (inward)	63	59	Cyprus (26.0%)	Netherlands (23.6%)	Bahamas (7.4%)
San Marino	Exports (trade outward)	52	51	Switzerland (11.0%)	Romania (10.0%)	Austria (8.4%)
Serbia	Direct investment (inward)	58	59	Netherlands (22.8%)	Austria (11.2%)	Cyprus (7.9%)
Slovakia	Direct investment (inward)	58	59	Netherlands (28.3%)	Austria (11.8%)	Czechia (11.1%)
Slovenia	Direct investment (outward)	57	58	Croatia (41.6%)	North Macedonia (10.3%)	Russia (9.1%)
Spain	Direct investment (inward)	57	59	Netherlands (27.7%)	Luxembourg (12.2%)	Germany (9.3%)
Sweden	Portfolio investment (outward)	57	56	United States (32.2%)	Luxembourg (14.6%)	Germany (5.7%)
Switzerland	Direct investment (inward)	59	59	Netherlands (34.1%)	Luxembourg (24.3%)	United States (16.3%)
Ukraine	Portfolio investment (inward)	61	56	United States (47.8%)	Luxembourg (19.5%)	Cayman Islands (8.3%)
United Kingdom	Direct investment (inward)	59	59	United States (21.2%)	Luxembourg (19.7%)	Netherlands (19.5%)
Vatican	Exports (trade outward)	46	51	United States (29.8%)	Italy (14.2%)	Germany (11.9%)
Latin America						
Argentina	Portfolio investment (outward)	62	62	United States (96.6%)	Brazil (1.5%)	Luxembourg (1.1%)
Bolivia	Direct investment (inward)	54	57	Spain (18.4%)	Sweden (14.0%)	Netherlands (12.1%)
Brazil	Bank deposits (outward)	69	61	Cayman Islands (50.0%)	United States (21.9%)	Bahamas (13.5%)
Chile	Direct investment (outward)	62	61	Panama (16.5%)	United States (11.3%)	Brazil (11.2%)
Colombia	Portfolio investment (outward)	60	62	United States (72.3%)	Luxembourg (11.5%)	Mexico (1.7%)
Costa Rica	Direct investment (outward)	67	61	Guatemala (37.6%)	Panama (36.3%)	Spain (5.4%)
Cuba	Imports (trade inward)	52	54	China (23.6%)	Spain (13.0%)	Mexico (5.4%)
Dominican Republic	Portfolio investment (inward)	59	59	United States (38.4%)	Luxembourg (22.7%)	Netherlands (8.0%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Ecuador	Portfolio investment (inward)	56	59	United States (27.5%)	Luxembourg (24.9%)	United Kingdom (17.5%)
El Salvador	Exports (trade outward)	64	56	United States (57.0%)	Guatemala (21.6%)	Costa Rica (5.7%)
Guatemala	Exports (trade outward)	61	56	United States (43.9%)	El Salvador (14.0%)	Mexico (4.8%)
Honduras	Direct investment (inward)	60	57	United States (21.4%)	Panama (12.3%)	Mexico (10.9%)
Mexico	Exports (trade outward)	62	56	United States (83.1%)	Canada (2.8%)	Germany (1.6%)
Nicaragua	Imports (trade inward)	52	54	United States (27.5%)	China (15.6%)	Mexico (10.2%)
Panama	Bank deposits (outward)	66	61	Switzerland (40.6%)	United States (26.1%)	Japan (13.0%)
Paraguay	Portfolio investment (inward)	58	59	United States (36.0%)	Luxembourg (24.3%)	Germany (10.7%)
Peru	Portfolio investment (inward)	58	59	United States (34.3%)	Luxembourg (14.2%)	Germany (12.2%)
Uruguay	Portfolio investment (outward)	59	62	United States (40.2%)	Luxembourg (7.1%)	Netherlands (7.0%)
Venezuela	Portfolio investment (inward)	59	59	United States (33.5%)	Luxembourg (16.6%)	Switzerland (8.4%)
Northern America						
Canada	Bank deposits (outward)	62	57	United States (39.0%)	United Kingdom (14.1%)	Cayman Islands (9.5%)
Greenland	Imports (trade inward)	37	58	Denmark (56.0%)	Sweden (13.2%)	Poland (4.1%)
St. Pierre and Miquelon	Exports (trade outward)	11	58	Canada (41.4%)	France (18.6%)	Portugal (15.0%)
United States	Portfolio investment (outward)	59	60	Cayman Islands (18.2%)	Japan (10.6%)	United Kingdom (9.1%)
Oceania						
American Samoa	Imports (trade inward)	61	55	Singapore (26.0%)	New Zealand (13.8%)	Samoa (12.4%)
Australia	Direct investment (inward)	61	61	United States (25.8%)	Netherlands (14.3%)	Japan (11.4%)
Christmas Island	Exports (trade outward)	59	54	Malaysia (60.1%)	Indonesia (10.4%)	New Zealand (10.3%)
Cocos Islands	Exports (trade outward)	48	54	United States (54.2%)	Singapore (9.8%)	Mexico (7.5%)
Cook Islands	Exports (trade outward)	54	54	Japan (37.7%)	Thailand (14.8%)	France (11.3%)
Fiji	Imports (trade inward)	56	55	Singapore (20.9%)	New Zealand (16.7%)	China (16.4%)
French Polynesia	Exports (trade outward)	49	54	Japan (49.3%)	United States (23.8%)	France (11.1%)
Guam	Imports (trade inward)	57	55	Singapore (31.4%)	Japan (23.6%)	Malaysia (15.6%)
Kiribati	Exports (trade outward)	69	54	Thailand (79.5%)	Philippines (5.1%)	Japan (4.4%)
Marshall Islands	Portfolio investment (inward)	61	56	United States (84.0%)	Luxembourg (4.1%)	South Korea (2.0%)

Country	Most vulnerable trading channel	Vulnerability score for this channel	Avg. vulnerability in region to this channel	Trading partner most responsible for vulnerability	Trading partner second most responsible for vulnerability	Trading partner third most responsible for vulnerability
Micronesia	Exports (trade outward)	64	54	Thailand (65.0%)	China (12.5%)	Japan (10.2%)
Nauru	Exports (trade outward)	52	54	Japan (22.0%)	Australia (19.1%)	South Korea (18.0%)
New Caledonia	Exports (trade outward)	55	54	China (51.2%)	South Korea (19.1%)	Japan (12.5%)
New Zealand	Exports (trade outward)	59	54	China (25.5%)	Australia (14.4%)	United States (11.3%)
Niue	Exports (trade outward)	52	54	Indonesia (91.8%)	Japan (4.8%)	United States (1.0%)
Norfolk Island	Exports (trade outward)	42	54	United States (23.2%)	Belgium (13.4%)	Singapore (12.4%)
Northern Mariana Islands	Exports (trade outward)	60	54	South Korea (40.2%)	Singapore (22.9%)	Hong Kong (15.6%)
Palau	Imports (trade inward)	57	55	United States (42.5%)	Singapore (17.0%)	Japan (13.5%)
Papua New Guinea	Imports (trade inward)	56	55	Australia (28.9%)	China (18.1%)	Singapore (12.2%)
Pitcairn	Exports (trade outward)	48	54	Mexico (16.7%)	France (13.4%)	Czechia (10.6%)
Samoa	Imports (trade inward)	52	55	New Zealand (26.5%)	Singapore (19.2%)	China (12.4%)
Solomon Islands	Imports (trade inward)	59	55	Singapore (17.9%)	Australia (17.7%)	Malaysia (15.4%)
Tokelau	Exports (trade outward)	52	54	Indonesia (38.5%)	Germany (17.5%)	United States (12.1%)
Tonga	Imports (trade inward)	50	55	New Zealand (35.5%)	China (19.0%)	United States (13.4%)
Tuvalu	Exports (trade outward)	69	54	Thailand (80.0%)	Japan (7.0%)	Philippines (6.2%)
United States Minor Outlying Islands	Imports (trade inward)	43	55	Canada (43.0%)	Ireland (21.7%)	Philippines (5.5%)
Vanuatu	Imports (trade inward)	57	55	China (21.1%)	Australia (16.8%)	Singapore (11.1%)
Wallis and Futuna Islands	Imports (trade inward)	31	55	France (54.7%)	New Zealand (14.6%)	Australia (10.9%)

Table 7: Largest contributors to the global problem of tax havens and financial secrecy

Country	Share of total global inflicted tax loss	FSI 2020 rank	FSI 2020 share	Secrecy Score in FSI 2020	CTHI 2021 rank	CTHI 2021 share	Haven Score in CTHI 2021
Cayman Islands	17.21%	1	4.63%	76.1	2	5.99%	100.0
United Kingdom	14.12%	12	1.57%	46.2	13	3.12%	69.2
Singapore	6.32%	5	3.00%	65.0	9	3.87%	84.6
Luxembourg	6.25%	6	2.49%	55.5	6	4.10%	74.0
Netherlands	5.72%	8	2.00%	67.4	4	5.54%	79.9
Hong Kong	4.60%	4	3.04%	66.4	7	4.08%	77.9
Switzerland	4.36%	3	4.12%	74.1	5	5.11%	88.6
United States	4.12%	2	4.37%	62.9	25	1.16%	46.9
Ireland	3.95%	29	1.07%	48.2	11	3.30%	77.1
Canada	3.87%	19	1.29%	55.8			
Bermuda	2.84%	40	0.85%	72.7	3	5.67%	100.0
China	2.82%	25	1.17%	59.9	19	2.03%	62.5
Puerto Rico	1.91%	77	0.44%	73.1			
British Virgin Islands	1.76%	9	1.82%	71.3	1	6.45%	100.0
Jersey	1.59%	16	1.37%	65.5	8	3.89%	100.0
Brazil	1.47%	73	0.46%	51.7	64	0.12%	29.3
Sweden	1.36%	64	0.54%	45.7	26	1.05%	60.7
South Korea	1.29%	21	1.21%	61.6			
Norway	1.19%	71	0.46%	44.3			
Malaysia	1.07%	32	1.04%	69.5			
Taiwan	1.03%	13	1.49%	65.5	55	0.22%	43.5
France	0.96%	33	1.03%	49.9	18	2.05%	66.9
Spain	0.83%	66	0.48%	44.0	22	1.55%	64.8
Isle of Man	0.78%	43	0.76%	64.7	20	1.92%	100.0
Italy	0.77%	41	0.85%	50.4	27	1.00%	57.6
Gibraltar	0.69%	30	1.06%	69.5	30	0.79%	66.4
Denmark	0.65%	97	0.30%	45.3	34	0.67%	56.4
Barbados	0.61%	63	0.57%	74.0			
Mauritius	0.50%	51	0.69%	71.5	15	2.29%	81.4
Finland	0.48%	87	0.35%	52.1	32	0.69%	59.8
Panama	0.47%	15	1.41%	71.9	28	0.93%	72.2
Austria	0.44%	36	0.93%	56.5	33	0.68%	55.7
Malta	0.40%	18	1.30%	61.8	21	1.72%	79.1
Belgium	0.35%	50	0.69%	45.1	16	2.20%	72.8
Cyprus	0.29%	27	1.13%	61.1	14	3.12%	85.3
Bahamas	0.28%	22	1.20%	75.4	12	3.28%	100.0
Curaçao	0.21%	96	0.30%	74.9	29	0.80%	72.5
Algeria	0.21%	23	1.18%	79.6			
Guernsey	0.21%	11	1.66%	70.7	17	2.16%	98.3
Marshall Islands	0.17%	49	0.69%	70.1			

Country	Share of total global inflicted tax loss	FSI 2020 rank	FSI 2020 share	Secrecy Score in FSI 2020	CTHI 2021 rank	CTHI 2021 share	Haven Score in CTHI 2021
United Arab Emirates	0.15%	10	1.78%	77.9	10	3.76%	98.3
Qatar	0.14%	20	1.27%	77.0			
Portugal	0.13%	76	0.44%	54.0	50	0.35%	48.9
Indonesia	0.11%	79	0.42%	51.1			
Germany	0.10%	14	1.47%	51.7	23	1.43%	58.0
Liberia	0.10%	111	0.23%	78.2	46	0.42%	67.7
Macao	0.08%	31	1.05%	65.0	47	0.39%	58.1
New Zealand	0.07%	57	0.64%	59.2			
Ghana	0.06%	117	0.16%	51.7	61	0.15%	51.7
Australia	0.04%	48	0.70%	50.1			
Bahrain	0.03%	81	0.41%	62.4			
Uruguay	0.03%	90	0.34%	57.0			
Samoa	0.03%	86	0.35%	74.6			
Czechia	0.02%	67	0.48%	55.4	37	0.61%	58.3
Seychelles	0.02%	95	0.32%	70.4	49	0.37%	68.5
Belize	0.02%	110	0.23%	73.9			
Kuwait	0.02%	28	1.08%	70.6			
Sri Lanka	0.01%	39	0.85%	72.2			
Paraguay	0.01%	88	0.35%	77.5			
Latvia	0.01%	65	0.54%	59.1	42	0.54%	73.1
Botswana	0.01%	113	0.17%	62.2	59	0.18%	54.9
Thailand	0.01%	17	1.32%	73.3			
Liechtenstein	0.01%	52	0.67%	75.0	35	0.66%	70.7
Monaco	0.01%	109	0.23%	70.3	44	0.46%	67.4
Bulgaria	0.01%	115	0.17%	49.5	48	0.38%	58.4
St. Lucia	0.01%	132	0.04%	71.0			
Lebanon	0.01%	26	1.13%	64.0	43	0.50%	75.1
St. Kitts and Nevis	0.01%	68	0.48%	75.2			
Lithuania	0.01%	105	0.26%	50.3	54	0.28%	56.6
US Virgin Islands	0.00%	89	0.34%	73.9			
Slovenia	0.00%	128	0.08%	37.6	58	0.21%	51.9
Croatia	0.00%	93	0.33%	55.1	53	0.30%	55.7
Ukraine	0.00%	70	0.47%	64.9			
St. Vincent & Grenadines	0.00%	114	0.17%	65.7			
Andorra	0.00%	123	0.11%	58.3	62	0.15%	61.3
Turks and Caicos Islands	0.00%	92	0.34%	77.8	36	0.66%	100.0
Hungary	0.00%	75	0.44%	53.8	24	1.35%	72.0
Vanuatu	0.00%	106	0.26%	76.3			
Trinidad and Tobago	0.00%	127	0.09%	64.7			
Brunei	0.00%	125	0.10%	78.3			

Country	Share of total global inflicted tax loss	FSI 2020 rank	FSI 2020 share	Secrecy Score in FSI 2020	CTHI 2021 rank	CTHI 2021 share	Haven Score in CTHI 2021
Iceland	0.00%	84	0.38%	57.4			
San Marino	0.00%	129	0.06%	60.5	67	0.09%	60.5
Nauru	0.00%	131	0.04%	60.0			
Venezuela	0.00%	61	0.58%	69.0			
Angola	0.00%	35	1.01%	79.7			
Cameroon	0.00%	53	0.67%	71.5			
Egypt	0.00%	46	0.71%	71.4			
Gambia	0.00%	124	0.11%	74.9	69	0.03%	49.8
Kenya	0.00%	24	1.17%	76.0	63	0.14%	49.7
Morocco	0.00%	72	0.46%	67.8			
Nigeria	0.00%	34	1.02%	70.2			
Rwanda	0.00%	99	0.30%	63.0			
South Africa	0.00%	58	0.64%	56.2	45	0.45%	49.4
Tanzania	0.00%	98	0.30%	70.8	65	0.11%	47.8
Tunisia	0.00%	78	0.43%	66.5			
Bangladesh	0.00%	54	0.67%	72.7			
India	0.00%	47	0.70%	47.8			
Israel	0.00%	38	0.86%	58.7			
Japan	0.00%	7	2.04%	62.9			
Jordan	0.00%	42	0.76%	78.3			
Kazakhstan	0.00%	108	0.24%	64.5			
Maldives	0.00%	74	0.46%	79.8			
Pakistan	0.00%	100	0.29%	55.1			
Philippines	0.00%	60	0.59%	62.8			
Saudi Arabia	0.00%	45	0.72%	66.7			
Turkey	0.00%	55	0.66%	59.5			
Vietnam	0.00%	37	0.88%	74.3			
Anguilla	0.00%	62	0.57%	78.2	39	0.58%	100.0
Antigua and Barbuda	0.00%	122	0.11%	76.1			
Aruba	0.00%	112	0.23%	73.3	56	0.21%	70.1
Dominica	0.00%	118	0.16%	73.7			
Grenada	0.00%	126	0.10%	70.6			
Montserrat	0.00%	130	0.05%	74.6	70	0.01%	65.3
Estonia	0.00%	121	0.14%	43.1	38	0.58%	70.0
Greece	0.00%	103	0.27%	51.5	57	0.21%	46.5
Montenegro	0.00%	119	0.16%	60.0			
North Macedonia	0.00%	116	0.16%	64.1			
Poland	0.00%	59	0.62%	55.6	52	0.33%	46.4
Romania	0.00%	56	0.66%	62.6	41	0.56%	61.9
Russia	0.00%	44	0.75%	57.1			
Slovakia	0.00%	104	0.27%	50.9	51	0.35%	55.2

Country	Share of total global inflicted tax loss	FSI 2020 rank	FSI 2020 share	Secrecy Score in FSI 2020	CTHI 2021 rank	CTHI 2021 share	Haven Score in CTHI 2021
Argentina	0.00%	94	0.32%	55.0	68	0.08%	32.1
Bolivia	0.00%	91	0.34%	79.1			
Chile	0.00%	82	0.40%	55.8			
Colombia	0.00%	102	0.27%	56.5			
Costa Rica	0.00%	83	0.39%	62.3	40	0.57%	67.5
Dominican Republic	0.00%	107	0.25%	58.7			
Ecuador	0.00%	120	0.15%	47.2	66	0.10%	42.7
El Salvador	0.00%	85	0.36%	64.1			
Guatemala	0.00%	69	0.48%	73.5			
Mexico	0.00%	80	0.41%	52.8	31	0.73%	54.1
Peru	0.00%	101	0.28%	57.0	60	0.15%	42.5
Cook Islands	0.00%	133	0.04%	70.3			

State of Tax Justice 2021 Calendar

November

[UN Intergovernmental working group of experts on international standards of accounting and reporting, 38th session, 9 - 12 November 2021](#)

[WTO Ministerial Conference, 30 November to 3 December 2021, Geneva.](#)

December

International Anti-Corruption Day, 9 December 2021

International Human Rights Day, 10 December 2021

International Universal Health Coverage Day, 12 December 2021

February

[UN ECOSOC Partnership Forum, 2 February 2022.](#)

[Financial Action Task Force, Plenary and Working Group Meetings Paris, France \(TBC\) 27 February – 4 March 2022](#)

March

[Africa Environment Day/World Wildlife Day, 3 March 2022](#)

[The 66th Session of the Commission on the Status of Women, 14 - 25 March 2022, New York.](#)

April

[World Health Day, 7 April 2022](#)

Sixteenth Session of the UN Conference on Trade and Development, Barbados Dates TBC

[Fourth Session Committee of Experts on International Cooperation in Tax Matters, 25 - 28 April 2022](#)

[World Bank / International Monetary Fund Spring Meetings, 22 - 24 April 2022, Washington DC](#)

June

[World Environment Day, 5 June 2022.](#)

[FATF Plenary and Working Group Meetings, Berlin, 12 - 17 June 2022](#)

July

[UN High-Level Political Forum on Sustainable Development, 5 - 15 July 2022, New York](#)

September

UN General Assembly 77th Session, 13-27 September 2022, New York

October

[World Bank Group/International Monetary Fund Annual Meetings, 14-16 October 2022, Morocco](#)

[FATF Plenary and Working Group Meetings, Paris, 17 - 21 October 2022](#)

25th Session of the Committee of Experts on International Cooperation in Tax Matters, 18 - 21 October 2022, Geneva

November

G20 Leaders Summit, Bali, Indonesia (Date TBC)

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