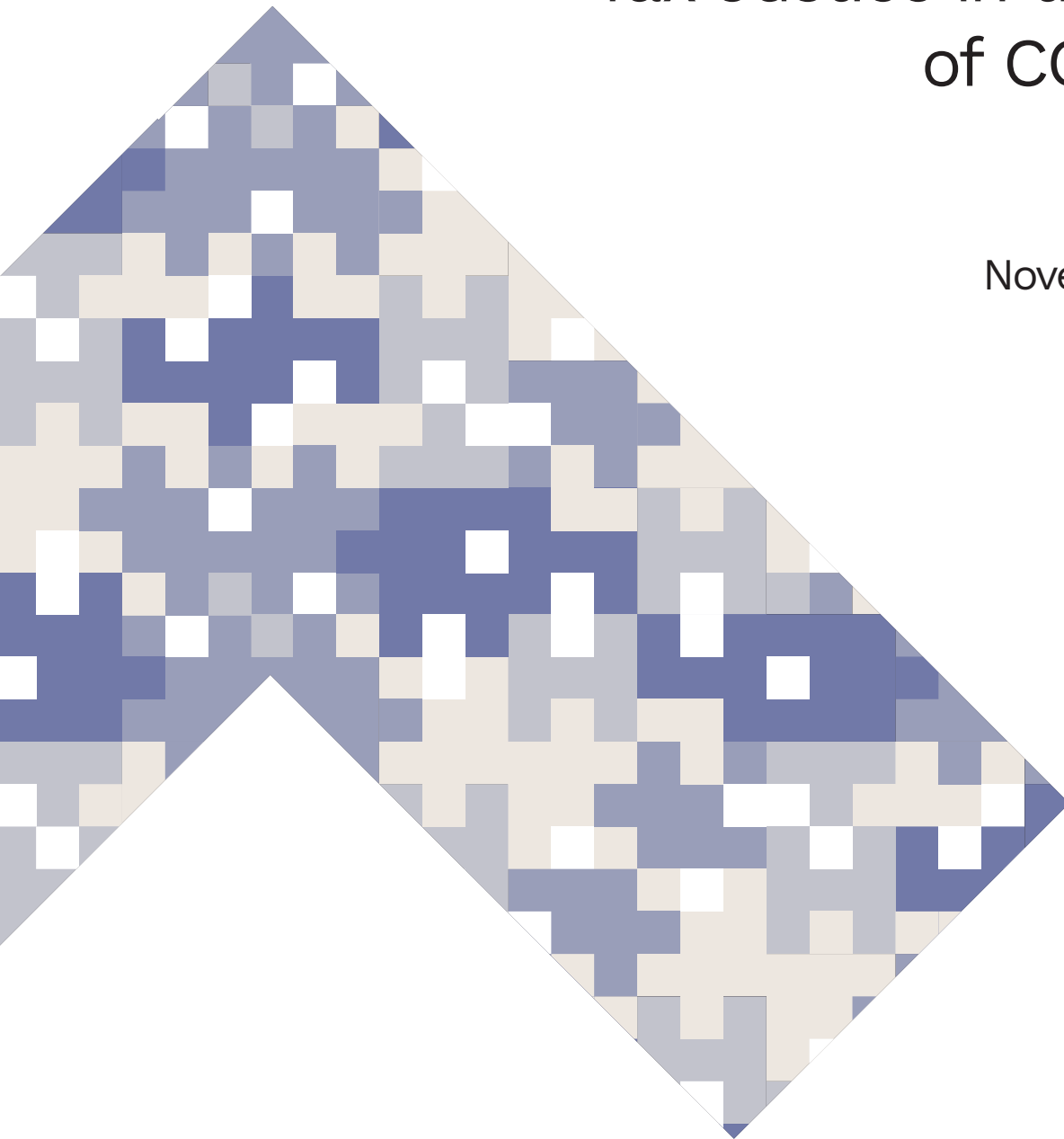




The State of Tax Justice 2020:

Tax Justice in the time of COVID-19

November 2020



EMBARGOED: 00:01hrs GMT 20 Nov 2020



Table of Contents

Acknowledgements	3
Introduction	4
Taking back control of a system programmed to prioritise the wealthiest	6
Reprogramming tax systems in the time of COVID	8
Practical actions now to take us closer to long term solutions	9
Conclusion	11
At a glance	12
Chapter 1: The scale of corporate tax abuse	13
Results	14
The UK spider's web is responsible for 29% of global tax loss	15
‘Axis of tax avoidance’ is responsible for 47% of global tax loss	16
Methodology	22
Chapter 2: Health and unpaid taxes	24
Unequal burdens under Covid-19	25
Good health and the 4 Rs of tax	25
Tax losses, health losses	27
Chapter 3: The Corporate Tax Haven Index	34
How it works	34
Rankings	35
The UK spider's web	38
The ‘Axis of Tax Avoidance’	38
Chapter 4: The scale of offshore tax evasion	39
Results	39
The UK spider's web and axis of tax avoidance on offshore evasion	39
OECD countries are responsible for nearly half of tax lost to offshore tax evasion	40
Methodology	40
Chapter 5: The Financial Secrecy Index	49
How it works	49
Rankings	50
Global financial secrecy is shrinking	54
Cayman is the world's greatest enabler of financial secrecy	54
OECD countries responsible for nearly half of financial secrecy in the world	54
Chapter 6: Vulnerability to illicit financial flows	56
Annexes	67
Country Data	67
Worst offenders	73
Regional summaries	74
Calendar outlook for the next year	81



Acknowledgements



The Global Alliance for Tax Justice is a growing movement of civil society organisations and activists, united in campaigning for greater transparency, democratic oversight and redistribution of wealth in national and global tax systems. We comprise the five regional tax justice networks of Africa, Latin America, Asia, North America and Europe, which collectively represent 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 a fair world, where everyone has the opportunities to lead a meaningful and fulfilling life, can only be built on a fair code of tax, where we each pitch in our fair share for the society we all want. Our tax systems, gripped by powerful corporations, have been programmed to prioritise the desires of the wealthiest corporations and individuals over the needs of everybody else. The Tax Justice Network is fighting to repair this injustice. Every day, we equip people and governments everywhere with the information and tools they need to reprogramme their tax systems to work for everyone.

This report and the associated data portal were envisaged and created by the Tax Justice Network team of Madelyn Brown, Mark Bou Monsour, John Christensen, Alex Cobham, Rachel Etter-Phoya, Javier Garcia-Bernardo, Naomi Fowler, Moran Harari, Layne Hofman, Luke Holland, Sioned Jones, Andres Knobel, Markus Meinzer, Lucas Millán, Liz Nelson, Miroslav Palanský, Helena Rose and Nick Shaxson.

For their generous expert advice and guidance on methodologies, objectives and overall approach, we gratefully acknowledge the contributions of Dereje Alemayehu (GATJ), Daniel Bertossa (PSI), Kim Clausing (Reed College/UCLA), Stephen Hall (University of Leicester), Bernadette O'Hare (St Andrews University), James Henry (Columbia University), and Petr Janský (Charles University, Prague).

For their important support including feedback on successive drafts of material, we gratefully acknowledge Hiroo Aoba (PSI), Susana Barria (PSI), Boubacar Bobaoua (PSI), Erika Beauchesne (Canadians For Tax Fairness), Gabriel Casnati (PSI), Jorge Coronado (PSI), Fatou Diouf (PSI), Jocelio Drummond (PSI), Adrian Falco (Red de Justicia Fiscal), Sarah Ganter (FES), Clark Gascoigne (FACT Coalition), Erica Hanichak (FACT Coalition), Leo Hyde (PSI), Najwa Hanna (PSI), Sigrid Jacobsen (Tax Justice Norway), Kate Lappin (PSI), Katharina Lepper (FES), Sandra Massiah (PSI), Arnold Merckies (TJN Netherlands), Paul Monaghan (Fair Tax Mark), Alvin Mosioma (TJN-Africa), Marcelo Netto (PSI), Daniel Oberko (PSI), Igor Ojeda (PSI), Paul Omondi (TJN-Africa), Steve Porter (PSI), Tove Maria Ryding (Eurodad), Luis Moreno (Latindadd), Robert Palmer (Tax Justice UK), Christoph Trautvetter (TJN Germany), Cynthia Umurungi (TJN-Africa), Toby Sanger (Canadians For Tax Fairness), Joanna Spratt (Oxfam New Zealand), Jason Ward (CICTAR) and Mark Zirnsak (Tax Justice Australia).

For financial support to the State of Tax Justice project and the underpinning technical materials, we gratefully acknowledge: Public Services International (PSI); Friedrich-Ebert-Stiftung (FES); Norad and the European Union (in relation to the results of the Financial Secrecy Index and Corporate Tax Haven Index, which benefited from funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 727145, COFFERS).





Introduction

This inaugural edition of the State of Tax Justice marks a number of major firsts. It is the first edition of a first-of-its-type annual report on the annual economic and social cost of international tax abuse. It is the first piece of research to present comprehensive estimates of the huge sums of tax each country in the world loses every year to corporate and private tax abuse – and what this means in terms of countries' health spending.

The State of Tax Justice 2020 reports that the world is losing over \$427 billion (USD) in tax a year to international tax abuse. Of the \$427 billion, nearly \$245 billion is lost to multinational corporations shifting profit into tax havens in order to underreport how much profit they actually made in the countries where they do business and consequently pay less tax than they should. The remaining \$182 billion is lost to wealthy individuals hiding undeclared assets and incomes offshore, beyond the reach of the law.


Countries around the world are on average losing the equivalent of 9.2 per cent of their health budgets to tax havens every year, with lower income countries losing much larger equivalent proportions than higher income countries. 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 lives 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.

Higher income countries lose more tax (\$382.7 billion) than lower income countries (\$45 billion), however, lower income countries tax losses are proportionally larger when compared to the tax revenue they typically collect. Lower income countries lose the equivalent of 5.8 per cent of their collected tax revenue whereas higher income countries lose 2.5 per cent. This pattern is driven by corporate tax abuse, where lower income countries lose the equivalent of 5.5 per cent of their collected tax revenue and higher income countries lose 1.3 per cent. The pattern is reversed for tax losses to private tax evasion, but these are smaller overall: higher income countries lose the equivalent of 1.2 per cent of their collect tax revenue whereas lower income countries lose 0.3 per cent. We recognise several potential reasons for this result. While there may simply be relatively fewer wealthy individuals from lower income countries who use offshore financial centres to hide their assets, this apparent finding could also result from weaknesses in the data available, or of our methodology (see the [full methodology for details](#)). Better data availability may allow future analyses to take a less conservative approach.

The disparity between the impact global tax abuse has on higher income counties and on lower income counties is much sharper when looking at health spending. The State of Tax Justice 2020 shows that lower income countries, on average, are losing tax equivalent to nearly 52 per cent of their health budgets, while higher income countries lose the equivalent of 8.4 per cent.

Globally, the equivalent of over 34 million nurses' annual salaries is lost to tax havens each year.

The State of Tax Justice also reveals that higher income countries are responsible for facilitating 98% of all global tax losses, while lower income countries are responsible for less than 2% of all global tax losses.



Almost every person in almost every country in the world foots the bill incurred by tax abusers. People suffer needlessly poor public services, needlessly deep inequalities, needlessly high rates of death, needlessly weak and corrupt governments and public administrations. Only tax abusers and the very wealthy in tax havens win, at the cost of everyone else.

The State of Tax Justice 2020 breaks from previous studies on global corporate tax abuse in two significant ways. First, it is the first study to use the OECD's recently published aggregate country by country reporting data to estimate corporate tax losses for all countries. The data collected and published by OECD members represents a culmination of nearly two decades of campaigning by the Tax Justice Network and makes it possible to directly observe and measure corporate tax abuse with more accuracy and certainty than ever before by analysing the misalignment between where multinational corporations declared their profits and where they conducted real economic activity.

Second, while previous studies estimated both direct losses and indirect losses of global corporate tax abuse, the State of Tax Justice 2020 focuses only on direct losses. 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, to attract multinational corporations and to ultimately raise tax revenue. This counter-intuitive approach to raising tax revenue and curtailing tax losses, often referred to as "tax competition", is a false economy which a wide body of evidence has shown leads to even lower tax revenue for all governments – hence why the practice is also referred to as the "race to the bottom".


While previous studies have been able to estimate indirect losses at a global level by multiplying direct losses by an appropriate factor, it is not possible to do so at the country level 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. This makes it difficult to estimate indirect losses for each country with the same level of certainty and accuracy with which direct losses are estimated for each country using country by country reporting data.

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 2020 focuses only on direct tax losses arising from global corporate tax abuse.

For this reason, the State of Tax Justice 2020's estimate for corporate tax abuse, at first glance, may appear lower than estimates provided in previous studies, but this is because previous estimates combine both direct and indirect losses. The State of Tax Justice 2020's estimate of direct losses is greater than previous studies' estimate of direct losses, hence implying a larger estimate of indirect and combined losses at a global level. In almost all cases, the State of Tax Justice 2020's estimates of countries' individual direct losses are higher than estimates of their direct losses provided in previous studies.

By providing both global and national level data, the State of Tax Justice 2020 allows us to identify the jurisdictions whose tax and financial systems have been most heavily used by tax abusers. The report also provides granular measures on how vulnerable to illicit financial flows each country is made by these jurisdictions.

Alongside the report, we are launching a publicly available online [data portal](#) that contains all the information in this report, plus a range of additional data series that extend the scope and coverage of the approaches and issues discussed in the following



chapters. The portal provides a full range of estimates of tax revenue losses, from the country level upwards, giving activists, journalists, researchers, and policymakers immediate access to the key facts.

Even before the coronavirus pandemic, the facts revealed in the State of Tax Justice 2020 would be scandalous. With the coronavirus pandemic shining a harsh light on the grave cost of underfunded health and public services around the world – which are both exacerbated by and exacerbating deep underlying structural injustices and inequalities – these figures represent a tragedy. Moreover, a shameful, needless tragedy brought about by the complicity of multinational corporations – that have gone to great lengths to abuse their tax responsibilities – and of the OECD and a number of national governments that have stalled meaningful reform of the broken, international tax system and have actively hid the scale and extent of international tax abuse from their populations.

The State of Tax Justice has become a necessity. With governments struggling to meet the immediate need for urgent spending and the longer-term requirement to build back better, robust data on tax revenue losses is paramount. Governments cannot build back better on top of a tax haven trapdoor.


The OECD has taken the commendable action this year of publishing members' aggregated country by country reporting data, revealing where multinational corporations are declaring profit and paying taxes, and making it possible for us to detect and expose in this report corporate tax abuse with unprecedented scope and accuracy. However, by aggregating that country by country reporting data before releasing it to the public, the OECD and the governments of Europe have chosen to conceal the identity of the corporate tax abusers, short-changing their populations and people around the world of hundreds of billions of tax revenue a year. The OECD and European governments should publish the disaggregated, company-level data they already have so that everybody can be informed equally and make their own assessment of who our current global tax system benefits and how it needs to change. Until that happens, the international tax arrangements we have in place will not only undermine our ability to tackle the coronavirus pandemic, but will also undermine trust in governments and the international institutions supporting them.

To most people, it will not come as a surprise to read in this report that some of the richest and most powerful people and corporations have been abusing their tax responsibilities for decades with grim consequences for the rest of the population. However, the data revealed in the State of Tax Justice 2020 puts to rest the misconceptions and falsehoods that tax abuse by the wealthiest corporations and individuals is too small to hurt or is a necessary grease that keeps the wheels of the global economy running to the benefit of all. Tax abuse is depriving countries of billions and billions in urgently needed tax and holding us all back from building better, healthier, fairer societies.

Taking back control of a system programmed to prioritise the wealthiest

Covid-19 has exposed the grave costs of an international tax system programmed to prioritise the interests of the wealthiest corporations and individuals over the needs of all members of society. It has shone a harsh light on the intersecting inequalities that scar our societies; how the “fortunes” of the most marginalised people continue to rest upon unjust structures, that reflect political elitism and the legacies of empire, including deeply embedded racism.

While the pandemic has also laid bare stark differences between states' willingness, and ability, to protect their citizens, the fundamental role of states – rather than markets – has been confirmed to all, regardless of political persuasion. More people



are now looking to and calling on their governments to make sensible, informed decisions about how public resources are best gathered, spread and invested to protect them from the virus and its social and economic fallout. And central to this renewed focus have been questions about tax. Who should our society be asking to contribute more tax in this time of need? Should we be putting our taxes towards funding people who cannot go to work, to protect public health, or should we use public funds to bailout corporations?

At the heart of these questions is a hard truth that is made all the more clear by the data reported in the State of Tax Justice 2020: over the past few decades, our governments, influenced by corporate giants and the super-rich, have programmed our tax systems to prioritise the desires of the wealthiest over the needs of all members of society.

Just as a programmer writes the lines of code that determine how a computer runs, the laws and policies that determine how our tax systems run – who pitches in, how much they pitch in and where that tax is invested – have been predominantly dictated to our governments by the wealthiest corporations and individuals pursuing their own interests. Decades of corporate tax cuts, deregulation and stalled tax reform have left health and public services around the world underfunded and underprepared for Covid-19.

And that same influence on the domestic level has also been exercised by the wealthiest at the international level. Our century-old international tax system is programmed to prioritise the desires of multinational corporate giants and the super-rich. Governments gripped by corporate interest at home have thrown their weight around abroad to stall and deter meaningful reforms of the global tax system that would clamp down on corporate tax abuse, expose private tax evasion and help low-income countries hold onto the billions in tax they urgently need.

The time to take back control is now. We must reprogramme our global tax system to prioritise equality over the desires of the wealthiest. That means reprogramming our global tax system to treat the needs of all people with equal weight, instead of giving preferential treatment to those seeking to abuse their tax responsibilities. The rules and policies on which our global tax system runs can and must be rewritten to make profit shifting obsolete, to bring transparency to the huge private fortunes held offshore and to protect low-income countries' rights to collect tax from the profits generated on their soil.

Making sure the wealthiest corporations and individuals pay what they owe in tax in turn provides countries with the tax revenue needed to help make sure everybody has the opportunities that make a good life possible. In other words, taxes provide countries with the capacity to curtail structural inequalities and fulfil their international obligations to realise human rights and, importantly, with the political legitimacy to do so.

Perhaps the most critical and damaging aspect of how the global tax system is currently programmed, and from which tax injustice stems, is the absence of clear-cut international rules and cooperation to support direct taxes on internationally mobile corporate profits, and on personal assets and income streams held offshore. Sometimes choosing to keep a line of code out of a computer programme can have just as much consequence as writing a line in.

Direct taxes are taxes on incomes, profits, capital gains and on assets. The lack of a clear way to tax directly corporate giants and super-rich individuals who can move their profits and wealth around the globe with a click of a button has three key harmful impacts on people, markets and countries around the world.

First, it undermines the ability of workers, communities and governments who create economic value to keep a fair share of that value within their communities. It takes



a village to make wealth: workers need educations and health services, factories need electric grids and waste disposal systems, products need roads and rails to be shipped and everybody needs law enforcement to protect their rights and uphold their commercial agreements. Abusing tax gives multinationals a free ride on all these contributions made by the economic village, and it robs a country of the funding needed to keep the economic village running and to produce more wealth.

Critically, when less of the benefits remain in a country, it's women and girls who are more likely to pay the price. When there is less funding for education, it's more often girls who miss out on going to school. When there is less funding for health services, it's girls and women who stay home to look after loved ones instead of going to school or work. And when there is less funding for upholding the rule of law and human rights, it is women and girls who are most likely to see their rights systematically abused and unprotected.

Despite the G20's ambition that tax should be contributed where economic activity takes place, the shortfalls of the current international rules on which the global tax system runs enable international tax abusers to capture the benefits for themselves and move it offshore, out of the reach of tax, regulation and workers' ability to bargain for wage rises.

Second, the lack of a clear way to directly tax multinational corporations and the offshore assets of individuals crushes innovation and development by putting local businesses at a competitive disadvantage. It creates perverse incentives to keep trillions worth of capital offshore, rather than being reinvested to create local jobs and boost productivity.


Finally, as multinational corporations shift profits offshore, they exacerbate inequalities between countries, with smaller and lower-income countries at a systematic disadvantage. These countries, who most need tax revenue to fund economic and social development, suffer the greatest relative losses.

Put simply, the current global tax system is programmed to militate against taxing profits, income and wealth at the top end of the distribution. Everybody stands to gain from fixing this situation – other than tax abusers. Even the people of the most aggressive tax havens, which undermine the taxing rights of other countries, typically do not benefit from the limited 'gains' made.

To reprogramme the global tax system to prioritise equality over the desires of the wealthiest, we propose ushering in international rules and guidance that make sure people who create the wealth share equally in it. These rules must give particular attention to the largely ignored role women have historically played as both wealth creators and essential "backstops" that enable others to enjoy the spoils of wealth. By re-empowering governments to collect what their populations are owed for the economic value they create, we can empower them to amass the needed resources to overcome the structural inequalities that people suffer and better pursue economic and social development. This will be particularly powerful for governments of poorer and smaller countries for whom the current global tax system reinforces existing inequalities rather than remedying them.

Reprogramming tax systems in the time of COVID

A fundamental reprogramming of the global tax system requires a comprehensive rewriting of the international rules and tax transparency measures it runs on. While this fundamental objective continues to underpin all our efforts, the immediate focus and priority for the tax justice movement in the year ahead is to make sure that new laws



and policies coded to raise the much-needed public funds to fight the pandemic and its socioeconomic fallout are based on three core principles.

First, the raising of additional tax revenues must be progressive. Where the pandemic itself has actively exacerbated inequalities, the response must mitigate these by ensuring that those most able to contribute more, do so – and that ultimately we build back better, rather than replicating the gross inequalities that currently characterise our societies.

Second, tax revenues should arise in the same place where the underlying economic activity takes place. Profit generated by workers and consumers in a country should be taxed in that country, where the health needs of those workers and consumers arise, not in a tax haven where the corporation only exists as a rented mailbox. The pandemic highlights the moral bankruptcy of allowing value to be captured far from where it is generated.

Third, the additional tax revenues should be raised above all from those who are profiting most in these difficult times, not from their own ingenuity or hard work but from sheer luck that enables them to benefit from the unprecedented state interventions in the economy. Enormous, unearned profits are accruing to the owners of businesses like Amazon, purely because most of their physical competition has been closed by order.


Practical actions now to take us closer to long term solutions

Despite notable progress towards the tax justice agenda first set out in the early 2000s, the threat of tax injustice remains grave. To reprogramme our global tax system to work for all members of society and not just the wealthiest, we need to code in rules and policies that provide governments with a clear-cut way to collect direct taxes from multinational corporations and wealthy individuals.

Corporate taxation continues to rest on the century-old “arm’s length principle”, insisting that multinational enterprises be treated as if each legal entity in the group trades with each other at an arm’s length (ie, trades at market prices), and maximises profits at the entity level rather than at the unit of the enterprise as an international group. This principle, introduced in the early 1920s when money was transferred by telegraph, large populations of the world lived and toiled under European colonial rule and credit cards didn’t exist, today results in hundreds of billions of dollars a year in profits being shifted from the location where corporations do real business to low or no tax jurisdictions.

Following the failure of the G20/OECD Base Erosion and Profit Shifting initiative (BEPS) from 2013 to 2015, the current iteration of BEPS has committed to move beyond the arm’s length principle. The G24 group of primarily lower-income countries has pointed the way clearly towards unitary taxation, which treats a multinational corporation as a group made up of all its local subsidiaries, instead of treating each local subsidiary as an individual entity. Under unitary taxation, the profit that the multinational corporation declares as a group is then apportioned to each country where it operates based on how much of the group’s real economic activity takes place in that country.

A unitary tax approach – long supported by the tax justice movement – aligns the places where multinational corporations contribute tax to the places where they employ workers and make sales, not where they rent mailboxes or park patents. However, with high income countries like the US and France blocking serious progress on OECD reforms to adopt a unitary tax approach, and instead insisting on a highly complex but ultimately unambitious alternative, there is little hope of a substantive outcome this year.



Any longer-term agenda to reprogramme the global tax system must include a comprehensive shift to unitary taxation. For now, policymakers should pursue measures to raise immediate tax revenues – but in a way that is consistent with the longer-term goal. This requires an **excess profits tax**, which can be introduced unilaterally based on companies’ global profits, in order to cut through profit shifting abuses. The identified excess profits at the global level would then be apportioned to countries as tax base, in line with their share of each multinational’s employment and sales. Such a tax would only hit those companies which are profitable, such as the digital giants whose profits have soared while so many domestic businesses have been forced to a halt. The failure of governments to tax digital companies, which are now the largest and most profitable in the world, further undermines confidence in the global tax system and must be urgently fixed.

Second, the continuing failure to publish multinationals’ country by country reporting data means that the public is blocked from seeing the information that corporations, accountants, governments and the OECD already have on where multinational corporations, including many household names, are reporting and shifting their profits. This prevents meaningful accountability of both multinational corporations and tax authorities – whether from states that procure profit shifting from elsewhere, or those that suffer it.


Third, taxation of offshore personal assets and associated income streams must be addressed. Many trillions of dollars, held disproportionately by the highest-income households in countries around the world, escape scrutiny and tax because of a lack of international transparency. Some progress towards automatic exchange of information between countries on the financial accounts of each other’s residents has begun the battle to end banking secrecy, but the continuing failure to require comprehensive public registers of the beneficial owners of companies, trusts and foundations makes tax evasion straightforward, and with it the denial of tax revenues to the societies where the assets originated or from where the incomes are generated.

Together, the “ABC” of tax transparency – automatic exchange of information, beneficial ownership registers and public country by country reporting – is central to ensuring secrecy cannot foil the public interest in tackling tax havens and taxing wealth and income where economic activity takes place. It is likewise fundamental to making sure tax authorities have the information they need to do their job.

Fourth, the longer-term agenda to reprogramme the global tax system must include the potential for wealth taxes and much more effective capital gains taxes in relation to offshore assets and income streams. The partial means to that end could involve the development of a global asset register, linking up registers of the beneficial owners of companies, trusts and other legal vehicles, with those for real estate and other major asset classes. The short-term measure consistent with this is the introduction of a **wealth tax** to fund the Covid-19 response, with punitive rates for opaquely owned offshore assets (and a commitment between governments to eliminate this opacity). The pandemic has already seen an explosion in the asset values of the wealthy, even as unemployment has soared to record levels in many countries.

A powerful feature of these measures is that, in combination, they would address all the core elements of the unearned income problem. Whether those benefiting do so in terms of excess profits, or, as in the Amazon model, as massive growth in share value, this twin approach will ensure that a fair contribution is made to the massive public costs of the interventions from which they have profited.

The combination of excess profits taxes and wealth taxes will set the path to the longer-term tax justice measures needed to make sure that we do not recreate the gross inequalities that the pandemic has laid bare – and instead truly build back better.



The challenges posed by globalisation to national sovereignty over taxing rights demonstrate the need for well-resourced national tax agencies with staff sufficiently paid to attract and retain the best talent, and trained and supported to enforce the laws against the wealthiest and most powerful corporations; and with operational independence to resist political interference. Ultimately, these challenges make clear the need for global governance – a **UN tax convention** to ensure a global and genuinely representative forum to set consistent, multilateral standards for corporate taxation, for the necessary tax cooperation between governments, and to deliver comprehensive, multilateral tax transparency - the “ABC”, in full. To reprogramme our global tax system to work for everyone, we must take the keyboard back from corporate giants and the super-rich and make sure the new codes on which our international tax system runs are determined by a democratic, globally representative process.

Conclusion

The organisations publishing the State of Tax Justice 2020 report call on the global community to take note of the evidence it contains and finally to make the changes needed to deliver on the promise of tax justice.

Each country context is of course powerfully different, including in respect of the underlying power imbalances. National and regional priorities must be set in, and by the people of, each given context. But the measures set out here reflect core propositions for progressive policy responses to the pandemic that are also consistent with the longer-term aims of tax justice.

By committing to support national progress towards these where we can, we will also build the broader international engagement and backing for those longer-term and global measures, and, ultimately, the reprogramming of the global tax system that is needed to address the structural inequalities the world has tolerated for too long.

At a glance

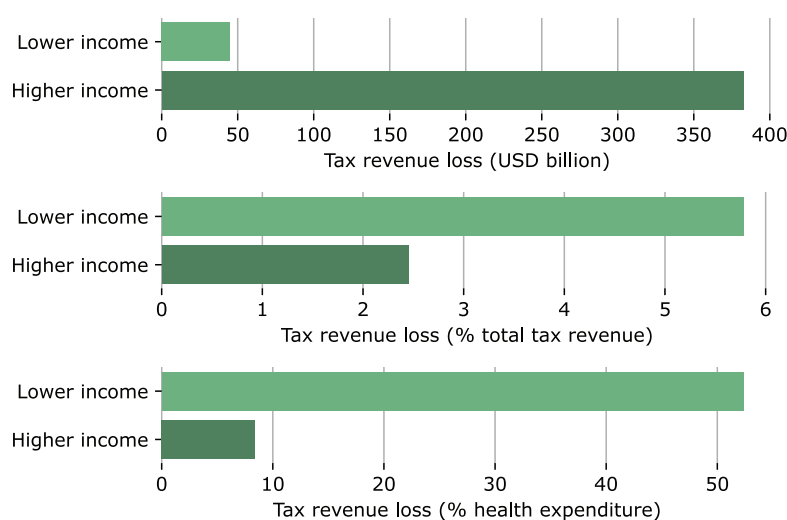


Of the \$427 billion:

\$245 billion is lost to **corporate tax abuse**

\$182 billion is lost to **private tax evasion**

Higher income countries lose more tax, but lower income countries lose more proportionally in comparison to the amount of tax they typically collect and to health expenditure



Biggest tax losers

1. United States
2. United Kingdom
3. Germany
4. France
5. Brazil

Biggest contributors to other countries tax losses

1. Cayman Islands
2. United Kingdom
3. The Netherlands
4. Luxembourg
5. United States

37.4% of global tax losses are enabled by the UK spider's web, ie the UK, with its Overseas Territories and Crown Dependencies.

55.4% of global corporate tax abuse are enabled by the "axis of tax avoidance", ie the UK, with its Overseas Territories and Crown Dependencies, the Netherlands, Luxembourg and Switzerland.



Chapter 1: The scale of corporate tax abuse

Corporate tax abuse¹ by multinational corporations deprives governments of tax revenues, privileges large multinational corporations over small and medium-sized ones, and increases inequality between and within countries. As discussed in the introduction, beyond undermining governments' capacity to address structural inequality and fulfil their human rights obligations, years of corporate tax abuse have left health and public services underfunded and underprepared to tackle the coronavirus pandemic, imposing disproportionate consequences on marginalised groups and lower income countries. While little doubt now remains on the prevalence and consequences of corporate tax evasion and avoidance, questions linger as to just how much tax is lost by each country. While a number of studies have been published on the global sum lost to corporate tax abuse each year (including by the Tax Justice Network), no study has been able to estimate global tax losses at the country level, until now. We present in this chapter the first comprehensive estimates on countries' national tax losses to corporate tax abuse.

Today, multinational corporations are responsible for 33 per cent of global economic output, 49 per cent of world exports and 23 per cent of global 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 \$600 billion to \$1,100 billion a year.² That corresponds to around 40 per cent of the profits made abroad by multinational corporations. The corresponding tax revenue losses range from [\\$90 to \\$280 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 [\\$500 to \\$650 billion a year](#).

In July 2020, the OECD made available for the first time aggregated data from country by country reporting. Country by country reporting is an accounting practice that requires multinational corporations to publish 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 government detect and deter corporate tax abuse.

1 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, will 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. (2020). *Estimating Illicit Financial Flows: A Critical Guide to the Data, Methodologies, and Findings*. Oxford, UK: Oxford University Press).

2 Clausing, K. (2016). The Effect of Profit Shifting on the Corporate Tax Base in the United States and Beyond. *National Tax Journal* 69(4): 905–34; Tørsløv, T., Wier, L. & Zucman, G. (2018). The Missing Profits of Nations. *National Bureau of Economic Research Working Paper 24071*; Janský, P. & Palanský, M. (2019). Estimating the Scale of Profit Shifting and Tax Revenue Losses Related to Foreign Direct Investment. *International Tax and Public Finance* 26(5): 1048–1103; 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.

The data published by the OECD in July 2020 consists of aggregate information on the country by country reporting data collected by 26 OECD members from multinational corporations based in their jurisdictions. While the process of aggregating the data collected by OECD members from corporations makes it impossible to identify which multinational corporations are shifting profit, the financial reports still provide watershed information on the locations and amounts of profits, employees, assets and other financial variables reported by multinational corporations.

Critically, 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 2020 reports that multinational corporations are shifting US \$1.38 trillion worth of profit into tax havens each year, causing governments around the world to lose US \$245 billion a year in direct tax revenue. Chapter four of this report estimates a further \$182bn in direct tax revenue is lost from private offshore tax evasion, all of which can be attributed to individual countries.


The State of Tax Justice 2020 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 aggregated country by country reporting data.

It is not possible, however, to estimate indirect corporate tax losses at country-level 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, to attract multinational corporations and to ultimately raise tax revenue. This counter-intuitive approach to raising tax revenue and curtailing tax losses, often referred to as "tax competition", is a false economy which a wide body of evidence has shown leads to even lower tax revenue for all governments – hence why the practice is also referred to as the "race to the bottom". The reduction of corporate tax rates effects both the operation of multinationals and domestic firms alike, and so decreases a government's the tax revenue overall.

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.³ If we were to multiply the State of Tax Justice 2020's estimate of direct tax losses by the IMF's factor of three, we would result with an estimate of indirect losses of at least \$735 billion, implying a total of \$980 billion in losses to corporate tax abuse when combined with direct losses. This exceeds both the IMF's original estimates for total losses (using 2013 data) of some \$600 billion, and the Tax Justice Network's more conservative estimate of \$500 billion.⁴ 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.

3 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 (García-Bernardo, J., Janský, P. & Tørsløv, T. (forthcoming). Multinational Corporations and Tax Havens: Evidence from Country-by-Country Reporting. *International Tax and Public Finance*).

4 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.



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 2020 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, at first glance, may appear lower than those provided in previous studies, but that's because previous estimates combine both direct and indirect losses. However, in almost all cases the State of Tax Justice's estimates of countries' direct losses are higher than estimates of their direct losses provided in previous studies.

The State of Tax Justice 2020 finds that higher income countries lose more direct tax revenue to corporate tax abuse (\$202 billion lost each year) than lower income countries (\$43 billion lost each 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 5.5 per cent of their collected tax revenue to corporate tax abuse each year, while higher income countries lose the equivalent of 1.3 percent of their collected tax revenue.


Meaning, 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 98 per cent of all tax lost around the world each year to corporate tax abuse. Lower income countries are responsible for 2 per cent.

Enabling corporate tax abuse deprives governments around the world of public funding, favouring multinationals, wealthy individuals and tax havens. Three-fourths off the \$245 billion corporate tax losses (\$182 billion) are lost to tax havens with an effective tax rate below 10 per cent – primarily the Netherlands, the Cayman Islands, Hong Kong, the United Kingdom, Singapore, Bermuda, BVI, Luxembourg and Puerto Rico – these countries collect only \$45 billion in tax revenue. For each dollar collected by one of these tax havens, the world loses \$4.04 dollars. Unsurprisingly, enabling corporate tax abuse is an extremely inefficient and wasteful way to raise tax revenue and results in a huge transfer of wealth from people and workers around the world to corporate giants.

The UK spider's web is responsible for 29% of global corporate tax loss

The UK together with its network of Overseas Territories and Crown Dependencies are often referred to as the "UK spider's web". This is because Overseas Territories and Crown Dependencies often serve as satellite 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 underreport profits elsewhere in the



world and consequently underpay tax. 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 2019, a ranking of countries' complicity in global corporate tax havenry (see chapter three), estimated the UK spider's web to be responsible for over a third of the world's corporate tax abuse risks as measured by the index in 2019.

The State of Tax Justice 2020 reveals that over \$393 billion in profit is shifted into the UK spider's web by multinational corporations every year, costing the world nearly \$70 billion in tax lost to corporate tax abuse. The UK spider's web is responsible for 29 per cent of the \$245 billion in tax the world loses to corporate tax abuse every year, which is in line with the Corporate Tax Haven Index 2019 estimate. When including tax losses to private tax evasion, the UK spider's web is responsible for 37.4 per cent of all tax losses suffered by countries around the world, costing countries over \$160 billion in lost tax every year.

'Axis of tax avoidance' is responsible for 47% of global corporate tax loss

The Tax Justice Network's Corporate Tax Haven Index 2019 also estimated the UK spider's web, along with the Netherlands, Luxembourg and Switzerland together to be responsible for half of the world's corporate tax abuse risks as measured by the index in 2019. This earned the group the name "axis of tax avoidance".

The State of Tax Justice 2020 reveals that over \$656 billion in profit is shifted into the axis of tax avoidance by corporations every year, costing the world nearly \$117 billion in tax lost to corporate tax abuse. The axis of tax avoidance is responsible for 47 per cent of the \$245 billion the world loses to corporate tax abuse every year, which is in line with the Corporate Tax Haven Index 2019's estimation. When including tax losses to private tax evasion, the axis of tax avoidance is responsible for 55 per cent of all tax losses suffered by countries around the world, costing countries nearly \$237 billion in lost tax every year.

Table 1 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. The column "Reporting country" indicates if the country makes country by country reporting data available on large multinational corporations headquartered in the country. We indicate "Non applicable" to all countries expected to have less than three large multinational corporations. The column "Data availability" shows the availability of country by country reporting data covering the country provided by other countries.

Table 1. Countries' profit and tax loss to global corporate tax abuse

Country	Tax lost to corporate tax abuse annually	Effective tax rate	Tax loss inflicted on other countries by enabling corporate tax abuse	Share of tax lost globally to corporate tax abuse responsible for	Reporting country	Data availability
Africa	\$23,242,133,255	33.12%	\$3,582,718,497	1.46%		
Algeria	\$434,750,000	25.00%	\$550,339,691	22.47%	No	Fair
Angola	\$2,050,800,000	60.00%	\$0	0.00%	Not applicable	Fair
Benin	\$51,284	0.02%	\$0	0.00%	Not applicable	Low
Botswana	\$13,442,927	6.37%	\$18,131,346	0.74%	Not applicable	Fair
Burkina Faso	\$230,294	2.30%	\$56,349,380	2.30%	Not applicable	Low
Cameroon	\$114,567,107	35.25%	\$0	0.00%	Not applicable	Fair
Central African Republic	\$36,300,000	30.00%	\$0	0.00%	Not applicable	Low
Chad	\$343,125,000	37.50%	\$0	0.00%	Not applicable	Low
Congo DRC	\$83,430,714	10.39%	\$51,727,665	2.11%	Not applicable	Low
Congo, Rep.	\$791,371	0.05%	\$4,799,474	0.20%	Not applicable	Fair
Cote d'Ivoire	\$217,087,199	32.35%	\$0	0.00%	Not applicable	Fair
Egypt	\$2,123,341,867	36.50%	\$3,910,683	0.16%	No	High
Eswatini	\$15,254,091	26.76%	\$0	0.00%	Not applicable	Low
Ethiopia	\$362,658,520	26.00%	\$0	0.00%	Not applicable	Fair
Gabon	\$132,813,891	19.36%	\$0	0.00%	Not applicable	Fair
Gambia	\$196,230,001	31.00%	\$0	0.00%	Not applicable	Low
Ghana	\$85,031,057	10.22%	\$96,167,239	3.93%	Not applicable	Fair
Guinea	\$309,762	0.00%	\$75,369,518	3.08%	Not applicable	Low
Guinea-Bissau	\$15,680,000	14.00%	\$0	0.00%	Not applicable	Low
Kenya	\$502,468,967	43.81%	\$0	0.00%	Not applicable	Fair
Lesotho	\$278,428,102	33.07%	\$0	0.00%	Not applicable	Low
Liberia	\$0	0.00%	\$53,505,248	2.18%	Not applicable	Low
Libya	\$1,600,000	20.00%	\$1,251,418,418	51.10%	Not applicable	Low
Madagascar	\$63,664,465	31.52%	\$0	0.00%	Not applicable	Low
Malawi	\$51,252,255	34.63%	\$0	0.00%	Not applicable	Fair
Mali	\$5,548,718	1.62%	\$0	0.00%	Not applicable	Low
Mauritania	\$12,434,212	46.05%	\$0	0.00%	Not applicable	Low
Mauritius	\$62,389,819	3.58%	\$960,961,359	39.24%	Not applicable	Fair
Morocco	\$451,611,585	20.23%	\$0	0.00%	No	Fair
Mozambique	\$452,639,265	35.50%	\$0	0.00%	Not applicable	Fair
Namibia	\$23,308,813	20.27%	\$1,955,341	0.08%	Not applicable	Fair
Niger	\$11,936,438	3.42%	\$98,655,855	4.03%	Not applicable	Low
Nigeria	\$10,576,472,971	57.83%	\$112,521,003	4.59%	No	Fair
Rwanda	\$69,973,247	14.61%	\$0	0.00%	Not applicable	Low
Senegal	\$141,300,006	30.00%	\$0	0.00%	Not applicable	Low
Seychelles	\$31,884,581	33.92%	\$0	0.00%	Not applicable	Low

Country	Tax lost to corporate tax abuse annually	Effective tax rate	Tax loss inflicted on other countries by enabling corporate tax abuse	Share of tax lost globally to corporate tax abuse responsible for	Reporting country	Data availability
Sierra Leone	\$75,258,750	10.31%	\$13,865,147	0.57%	Not applicable	Low
South Africa	\$2,708,824,608	15.83%	\$112,165,486	4.58%	Yes	High
South Sudan	\$7,148,217	2.59%	\$92,967,590	3.80%	Not applicable	Low
Sudan	\$643,999,989	35.00%	\$0	0.00%	Not applicable	Low
Tanzania	\$279,081,381	49.13%	\$0	0.00%	Not applicable	Fair
Togo	\$38,849,999	17.50%	\$0	0.00%	Not applicable	Low
Tunisia	\$257,400,000	60.00%	\$0	0.00%	Not applicable	Fair
Uganda	\$96,594,157	21.32%	\$14,398,422	0.59%	Not applicable	Fair
Zambia	\$100,120,640	23.50%	\$13,509,631	0.55%	Not applicable	Fair
Zimbabwe	\$72,356,746	36.18%	\$0	0.00%	Not applicable	Low
Asia	\$46,190,152,354	18.30%	\$67,520,067,437	27.57%		
Afghanistan	\$597,840	0.00%	\$33,240,802	1.36%	Not applicable	Low
Armenia	\$29,000,000	20.00%	\$0	0.00%	Not applicable	Low
Azerbaijan	\$7,801,624	1.99%	\$273,747,779	11.18%	Not applicable	Low
Bahrain	\$0	0.00%	\$31,285,460	1.28%	No	Low
Bangladesh	\$674,242,802	34.54%	\$888,791	0.04%	Not applicable	Fair
Bhutan	\$0	0.00%	\$28,796,844	1.18%	Not applicable	Low
Brunei	\$85,462,833	35.61%	\$0	0.00%	Not applicable	Low
Cambodia	\$7,199,820	9.47%	\$96,878,272	3.96%	Not applicable	Low
China	\$3,732,400,492	18.97%	\$20,045,803,268	818.50%	Yes	High
Georgia	\$68,400,003	15.00%	\$202,466,701	8.27%	Not applicable	Low
Hong Kong	\$552,026,614	8.26%	\$16,331,010,356	666.82%	No	High
India	\$10,117,529,292	29.73%	\$0	0.00%	Yes	High
Indonesia	\$4,785,952,836	21.18%	\$1,412,289,678	57.67%	Yes	High
Iran	\$0	0.00%	\$533,275	0.02%	No	Fair
Iraq	\$110,124	0.01%	\$427,330,948	17.45%	Not applicable	Fair
Israel	\$1,429,943,637	23.24%	\$711,921,984	29.07%	No	Fair
Japan	\$4,310,693,601	23.19%	\$1,286,970,078	52.55%	Yes	High
Jordan	\$87,000,001	16.57%	\$231,974,579	9.47%	Not applicable	Fair
Kazakhstan	\$191,530,946	10.27%	\$825,687,294	33.71%	No	Fair
Kuwait	\$29,178,454	1.94%	\$172,247,791	7.03%	No	Low
Kyrgyz Republic	\$10,600,000	10.00%	\$0	0.00%	Not applicable	Low
Laos	\$84,606,159	15.44%	\$0	0.00%	Not applicable	Low
Lebanon	\$144,303	0.03%	\$30,752,186	1.26%	Not applicable	Fair
Macao	\$348,788,886	8.74%	\$780,714,445	31.88%	Not applicable	Fair
Malaysia	\$902,583,156	15.69%	\$1,555,385,108	63.51%	No	High
Maldives	\$0	0.00%	\$154,649,719	6.31%	Not applicable	Low
Mongolia	\$38,800,000	10.00%	\$0	0.00%	Not applicable	Low
Myanmar	\$2,852,481	1.18%	\$247,795,067	10.12%	Not applicable	Fair
North Korea	\$520,650,000	32.50%	\$0	0.00%	Not applicable	Low

Country	Tax lost to corporate tax abuse annually	Effective tax rate	Tax loss inflicted on other countries by enabling corporate tax abuse	Share of tax lost globally to corporate tax abuse responsible for	Reporting country	Data availability
Oman	\$95,824,284	12.43%	\$53,327,489	2.18%	No	Fair
Pakistan	\$2,495,169,613	54.97%	\$4,799,474	0.20%	No	Fair
Philippines	\$1,877,619,568	19.44%	\$153,583,169	6.27%	No	High
Qatar	\$114,346,871	7.64%	\$338,985,074	13.84%	No	Fair
Saudi Arabia	\$2,258,491,538	18.91%	\$8,887,915	0.36%	No	Fair
Singapore	\$2,791,252,045	6.15%	\$12,221,060,747	499.01%	Yes	High
South Korea	\$3,416,073,121	19.81%	\$11,554,289	0.47%	Yes	High
Sri Lanka	\$97,351,980	12.32%	\$20,619,963	0.84%	Not applicable	Fair
Syria	\$4,973,931	4.74%	\$0	0.00%	Not applicable	Low
Taiwan	\$558,463,292	18.41%	\$4,371,609,823	178.50%	No	High
Tajikistan	\$188,400,000	60.00%	\$0	0.00%	Not applicable	Low
Thailand	\$425,131,220	15.90%	\$960,250,326	39.21%	No	High
Timor-Leste	\$571,022	1.14%	\$97,944,822	4.00%	Not applicable	Low
Turkey	\$2,241,324,997	21.06%	\$0	0.00%	No	High
United Arab Emirates	\$1,022,393,223	29.09%	\$349,472,814	14.27%	No	High
Uzbekistan	\$166,275,007	7.50%	\$0	0.00%	Not applicable	Low
Vietnam	\$367,192,577	12.87%	\$4,033,691,299	164.70%	No	High
Yemen	\$51,800,000	20.00%	\$11,909,806	0.49%	Not applicable	Low
Caribbean/American isl.	\$642,376,849	8.90%	\$58,123,586,045	23.73%		
Aruba	\$6,785,063	19.39%	\$5,154,991	0.21%	Not applicable	Low
Bahamas	\$0	0.00%	\$20,975,479	0.86%	Not applicable	Fair
Barbados	\$94,993	4.75%	\$4,452,667,607	181.81%	Not applicable	Fair
Bermuda	\$9,051,733	0.98%	\$10,860,143,218	443.44%	Yes	Fair
British Virgin Islands	\$1,079,398	0.07%	\$10,405,615,250	424.88%	No	High
Cayman Islands	\$166,760	0.22%	\$22,819,899,267	931.77%	No	High
Curaçao	\$0	0.00%	\$229,841,479	9.38%	Not applicable	Low
Guyana	\$285,723,634	33.26%	\$0	0.00%	Not applicable	Low
Haiti	\$80,400,000	30.00%	\$0	0.00%	Not applicable	Low
Jamaica	\$20,272,801	8.17%	\$0	0.00%	Not applicable	Low
Puerto Rico	\$5,660,502	1.51%	\$9,177,305,410	374.72%	Not applicable	Fair
St. Kitts and Nevis	\$0	0.00%	\$40,351,134	1.65%	Not applicable	Low
St. Lucia	\$2,400,000	0.00%	\$111,632,211	4.56%	Not applicable	Low
Trinidad and Tobago	\$233,141,965	28.16%	\$0	0.00%	Not applicable	Low
Europe	\$79,529,965,976	13.99%	\$99,803,107,457	40.75%		
Albania	\$43,486,591	16.92%	\$4,266,199	0.17%	Not applicable	Low
Austria	\$341,964,284	5.85%	\$716,721,458	29.26%	Yes	High
Belarus	\$65,763,199	22.07%	\$21,864,271	0.89%	Not applicable	Fair
Belgium	\$1,151,058,582	8.59%	\$1,282,703,879	52.37%	Yes	High
Bosnia and Herzegovina	\$17,458,580	5.15%	\$38,040,276	1.55%	Not applicable	Fair
Bulgaria	\$25,458,270	2.87%	\$195,356,370	7.98%	Not applicable	Fair

Country	Tax lost to corporate tax abuse annually	Effective tax rate	Tax loss inflicted on other countries by enabling corporate tax abuse	Share of tax lost globally to corporate tax abuse responsible for	Reporting country	Data availability
Croatia	\$11,853,046	3.09%	\$203,533,251	8.31%	No	Fair
Cyprus	\$19,535,548	1.86%	\$831,553,318	33.95%	No	Fair
Czechia	\$385,099,549	8.57%	\$629,086,617	25.69%	No	High
Denmark	\$696,039,350	15.61%	\$2,002,624,986	81.77%	Yes	Fair
Estonia	\$50,834,664	8.16%	\$0	0.00%	Not applicable	Fair
Faroe Islands	\$0	0.00%	\$29,685,636	1.21%	Not applicable	Low
Finland	\$324,744,135	9.13%	\$720,454,382	29.42%	Yes	High
France	\$14,351,950,377	16.76%	\$0	0.00%	Yes	High
Germany	\$24,394,593,521	22.92%	\$3,378,296,454	137.94%	No	High
Gibraltar	\$0	0.00%	\$3,868,731,598	157.97%	Not applicable	Fair
Greece	\$353,785,574	24.12%	\$16,353,763	0.67%	No	Fair
Guernsey	\$37,523,131	1.10%	\$69,859,011	2.85%	Not applicable	Fair
Hungary	\$350,975,069	17.16%	\$984,603,213	40.20%	No	High
Iceland	\$17,219,976	2.22%	\$0	0.00%	Not applicable	Low
Ireland	\$199,121,037	7.76%	\$6,068,846,053	247.80%	Yes	High
Isle of Man	\$0	0.00%	\$3,651,866,475	149.11%	Not applicable	Fair
Italy	\$8,804,628,006	18.55%	\$30,752,186	1.26%	Yes	High
Jersey	\$6,077,030	0.60%	\$4,465,999,479	182.35%	Not applicable	Fair
Latvia	\$36,338,947	4.86%	\$3,021,891	0.12%	Not applicable	Fair
Lithuania	\$90,652,973	8.68%	\$16,887,038	0.69%	Not applicable	Fair
Luxembourg	\$551,354,310	1.39%	\$9,283,427,114	379.06%	Yes	High
Malta	\$7,040,335	0.99%	\$74,836,243	3.06%	Not applicable	Fair
Moldova	\$28,439,999	12.00%	\$0	0.00%	Not applicable	Low
Monaco	\$424,826	0.87%	\$77,858,135	3.18%	Not applicable	Low
Montenegro	\$106,190,277	31.32%	\$0	0.00%	Not applicable	Low
Netherlands	\$935,184,630	5.42%	\$26,593,707,934	1085.87%	Yes	High
North Macedonia	\$24,838,941	6.10%	\$0	0.00%	Not applicable	Low
Norway	\$1,853,771,902	22.58%	\$2,092,570,684	85.44%	Yes	High
Poland	\$2,087,650,707	11.18%	\$274,281,054	11.20%	Yes	High
Portugal	\$494,051,357	12.10%	\$170,292,450	6.95%	No	High
Romania	\$861,946,120	11.21%	\$0	0.00%	No	High
Russia	\$4,702,453,352	19.71%	\$1,100,146,106	44.92%	No	High
Serbia	\$69,299,311	6.32%	\$2,310,858	0.09%	Not applicable	Fair
Slovakia	\$355,046,091	16.40%	\$138,651,472	5.66%	Not applicable	High
Slovenia	\$97,089,677	9.98%	\$61,148,855	2.50%	Yes	Fair
Spain	\$2,665,706,984	12.64%	\$2,069,106,589	84.49%	No	High
Sweden	\$1,141,020,813	12.77%	\$3,990,673,791	162.95%	Yes	High
Switzerland	\$881,258,779	7.14%	\$10,953,644,082	447.26%	No	High
Ukraine	\$621,313,724	10.40%	\$17,953,588	0.73%	Not applicable	High
United Kingdom	\$10,269,722,405	9.72%	\$13,671,390,701	558.23%	No	High

Country	Tax lost to corporate tax abuse annually	Effective tax rate	Tax loss inflicted on other countries by enabling corporate tax abuse	Share of tax lost globally to corporate tax abuse responsible for	Reporting country	Data availability
Latin America	\$40,123,746,097	26.87%	\$3,447,622,190	1.41%		
Argentina	\$2,341,815,852	33.22%	\$80,346,751	3.28%	No	High
Bolivia	\$103,282,857	20.05%	\$383,069,132	15.64%	Not applicable	Fair
Brazil	\$14,630,745,768	24.04%	\$95,811,723	3.91%	No	High
Chile	\$414,575,760	12.08%	\$1,850,641,641	75.56%	Yes	High
Colombia	\$11,639,160,039	41.90%	\$59,549,030	2.43%	No	High
Costa Rica	\$197,171,969	19.14%	\$0	0.00%	Not applicable	Fair
Dominican Republic	\$91,450,973	15.32%	\$53,149,731	2.17%	Not applicable	Fair
Ecuador	\$255,505,423	24.26%	\$17,598,072	0.72%	No	High
El Salvador	\$99,440,566	23.68%	\$0	0.00%	Not applicable	Fair
Guatemala	\$31,615,244	6.34%	\$144,517,496	5.90%	Not applicable	Fair
Honduras	\$319,499,841	28.05%	\$0	0.00%	Not applicable	Fair
Mexico	\$8,250,806,214	28.03%	\$0	0.00%	Yes	High
Nicaragua	\$71,899,999	28.76%	\$0	0.00%	Not applicable	Fair
Panama	\$91,211,031	7.64%	\$326,541,993	13.33%	No	High
Paraguay	\$93,996,101	2.93%	\$42,661,992	1.74%	Not applicable	Fair
Peru	\$1,081,602,109	31.36%	\$0	0.00%	No	High
Uruguay	\$26,147,692	2.84%	\$1,066,550	0.04%	Not applicable	High
Venezuela	\$383,818,660	5.92%	\$392,668,080	16.03%	Not applicable	Fair
Northern America	\$52,551,805,288	16.76%	\$7,557,038,524	3.09%		
Canada	\$3,310,466,008	9.04%	\$7,557,038,524	308.57%	Yes	High
United States	\$49,241,339,280	17.78%	\$0	0.00%	Yes	High
Oceania	\$2,623,439,745	15.80%	\$4,873,777,015	1.99%		
Australia	\$2,365,613,824	16.11%	\$4,064,087,968	165.94%	Yes	High
Fiji	\$3,556,054	11.11%	\$177,758	0.01%	Not applicable	Low
French Polynesia	\$0	0.00%	\$711,033	0.03%	Not applicable	Low
Marshall Islands	\$0	0.00%	\$119,453,576	4.88%	Not applicable	Low
New Zealand	\$225,286,361	20.08%	\$555,850,198	22.70%	No	High
Papua New Guinea	\$19,640,293	5.50%	\$122,830,984	5.02%	Not applicable	Fair
Solomon Islands	\$148,123	0.51%	\$3,555,166	0.15%	Not applicable	Low
Tonga	\$9,195,089	48.40%	\$0	0.00%	Not applicable	Low
Vanuatu	\$0	0.00%	\$7,110,332	0.29%	Not applicable	Low

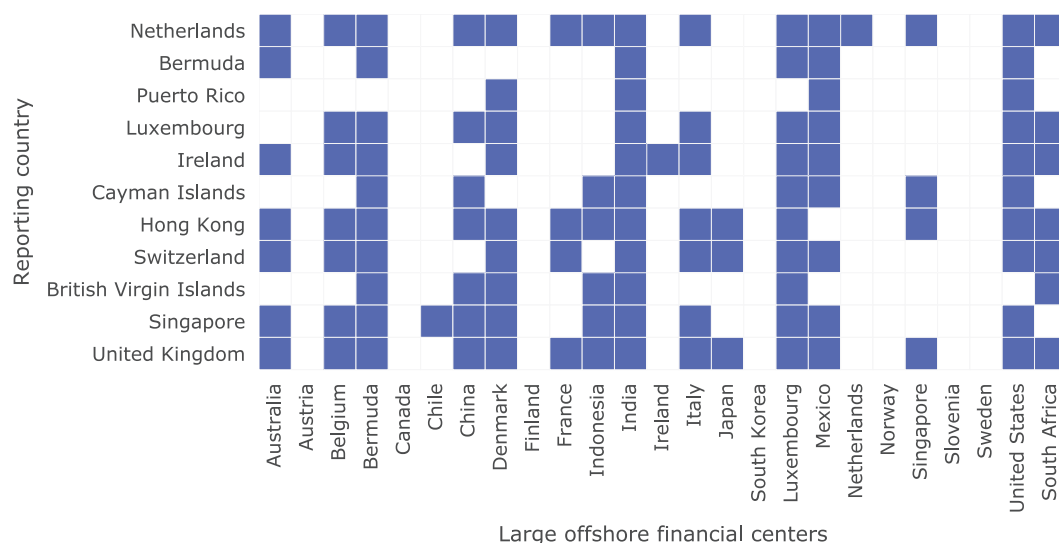
Methodology

The analysis of corporate tax abuse is based on the aggregated [country by country reporting data published by the OECD](#). We estimate profit shifting using profit misalignment. Profit misalignment is the difference between reported profits (p_i) and theoretical profits (p). The theoretical profits are calculated using a combination of labour (using wages and employees) and revenue (using unrelated party sales). We give 50 per cent of the weight to labour (25 per cent wages and 25 per cent to employees) and 50 per cent of the weight to unrelated party revenues.

$$\frac{p_i}{\sum_i p_i} = \frac{1}{4} * \frac{L_i}{\sum_i L_i} + \frac{1}{4} * \frac{W_i}{\sum_i W_i} + \frac{1}{2} * \frac{Rev_i}{\sum_i Rev_i}$$

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. However, the data collected by many OECD members does not include major offshore financial centres (figure 1 below), and many members did not report any data at all.

Figure 1. Coverage of countries' country by country reporting data



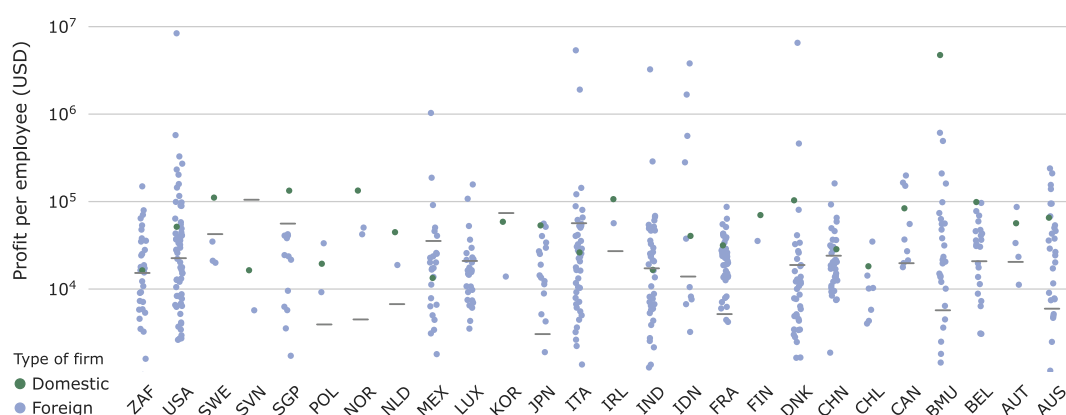
In order to accurately estimate profit shifting, we take five steps, detailed in the online [methodology paper](#).

In the first step we analyse the completeness of the data. The data from the United States, China (and potentially Denmark and Bermuda) is not complete. In the case of the United States (the only country that has publicly published country by country reporting data for 2016 and 2017), 1,101 companies were included in 2016 and 1,575 in 2017. In China, data was collected from only 82 companies. We use 2017 data for the United States, and corrected all other countries according to the ratio of observed number of companies versus predicted number of companies (using the Orbis dataset). In the case of China, the ratio is 7.1 and was reduced to 2.0 since the largest companies seem to be included.

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 (for both reporter countries and those that are only present as a partner jurisdiction). 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 counterparty basis (Table B4 of the BIS) (R-square 0.91, 0.98 respectively for employees and sales).

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 Organization](#) and multiplying it by the number of employees.

Figure 2. Plotting of countries' profit per employee



Fourth, we extrapolate the misalignment, including for non-reporting countries. In this step we use a Histogram-based Gradient Boosting Regression Tree, a type of gradient boosting based on decision trees that often outperforms other machine learning algorithms. Moreover, this regression tree can handle missing values, fully using the information available. We use this technique to predict the profits, sales and employee numbers for each pair of countries, using variables from the gravity dataset of CEPII, imports and exports from COMTRADE, foreign direct investment from WBD as well as other sources.

We obtain a median out-of-sample R-square of 0.49 and 0.50 respectively for employees and sales. We then sum the total employees and total sales for each partner country, and compare it with the number in step 3. The misaligned profits calculated in step 3 was scaled using the lowest of the two ratios (employees, sales and profits). Since the number of positive and negative misaligned profits may not add up to zero after step four, the average of the two numbers was taken. The latter adjustment typically increases total values of profit shifting by only 30 per cent, but it is key to account for missing data in countries underrepresented in the sample — usually developing countries.

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 sample. Since the sampling randomly removes information, samples without important dyads (eg USA-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 \$901 to \$1482 billion.

The detailed methodology can be found [here](#).



Chapter 2: Health and unpaid taxes

As this report goes to print in November 2020, the Covid-19 pandemic has claimed over 1.2 million lives around the world. The virus has not respected borders, and people have suffered in countries from all regions of the world. Countries at all levels of per capita income have been affected, but the effects have not been borne equally.

As this chapter shows, even before the pandemic hit the underlying patterns of health and tax had been deeply skewed. The State of Tax Justice 2020 reveals that the equivalent of nearly 34 million nurses' annual salaries is lost to tax havens each year.

While tax losses in absolute numbers have been bigger in higher-income countries, 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. Consequently, international tax abuse leads to harsher health impacts in lower-income countries than higher-income countries every year.

Unequal burdens under Covid-19

In country after country, analysis has confirmed disproportionate deaths from the coronavirus among poorer and marginalised groups. In the global north, the virus has exposed the extent of structural racism in many countries. Black people in the global north and other groups who have been consistently disempowered in particular contexts tend to work in more exposed sectors, tend to be less able to benefit from working remotely, tend to have less wealth and hence less financial flexibility, tend to live in segregated, more polluted settings with lower standards of living⁵ and so tend to suffer disproportionately from a range of underlying health conditions. All this has left black people and other disadvantaged groups in the global north more vulnerable to Covid-19.

In addition, the pattern of relative disregard for people with disabilities and for people living in care settings has been clear. These groups too have shouldered a share of mortality far higher than their corresponding share of populations. The cost to principle carers, whether in formal settings or informally within households, has been equally significant. These carers, often women or girls, frequently face realities without public services, or economic and social security, while their caring responsibilities expose their health to further risk.⁶ All of this has contributed to a varying but consistent pattern across countries, of structurally marginalised groups suffering excessively high mortality rates during the pandemic.

The unequal burden extends to the stark differences experienced by those living in the global south. While some high-income countries in the global north have managed to lock down their economies and stave off economic collapse by financially supporting their populations and local businesses, lockdown has meant economic decimation for countries in the global south dependent on demand for goods and services from higher-income countries, particularly those that rely heavily on the tourism industry.

5 Farha, L., 2018, Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, on her mission to Chile, United Nations Human Rights Council. <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G18/009/43/PDF/G1800943.pdf?OpenElement> UNDoc. A/HRC/37/53/Add.1. para's.32, 63 and 80 ('right to health').

6 UNDP, 2020, Rapid assessment of the Socio-economic impact of Covid-19 on persons with disabilities in Vietnam. https://www.vn.undp.org/content/vietnam/en/home/library/democratic_governance/ImpactPwDs.html. P.6 Main Findings



In many cases where tourism and manufacturing in countries in the global south significantly employ immigrant workers from other countries in the region, the deep drop in demand due to lockdowns in the global north has had knock-on effects. All too often, immigrant workers who are primary providers for their families at home have had to return home with no work and no financial support from their former host countries or former employers.

Burdens have also been unequal within countries in the global south, between rural and urban areas, and between black, minority ethnic and indigenous people and their white counterpart communities. Women, in particular, whose rights and needs are chronically subordinated to negative social norms,⁷ are required to shoulder responsibilities of childcare and other care duties, forgo income opportunities, rely on precarious jobs, and survive amidst unsafe and violent environments. The sum of these factors is inescapably poorer health. For poor people and the most marginalised, the paucity of public health and care services exacerbates inequalities and subverts the realisation of rights.

Good health and the 4 Rs of tax

The third of the UN Sustainable Development Goals, agreed in 2015, focuses specifically on health. Good health is not only a driver of development, but also a result. Public services that promote health also drive economic progress. Key determinants of health include universal access to essential health services and to clean water, sanitation and immunisation. These also constitute minimum human rights, and there is global agreement that states must meet these responsibilities in full.⁸ Target 3.8 of the Sustainable Development Goals requires that by 2030, every person will have access to universal health services.

The ability of states to meet these responsibilities 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 sufficient tax revenues, funding is possible. With sufficiently strong political representation, government commitment to inclusive services becomes probable.

7 UN Economic and Social Council. (2020). Review and appraisal of the implementation of the Beijing Declaration and Platform for Action and the outcomes of the twenty-third special session of the General Assembly Report of the Secretary-General. E/CN.6/2020/3. Para.3

8 WHO Commission on the Social Determinants of Health, 2008; O'Hare, 2016; Committee on Economic Social and Cultural Rights - UN, 2000; United Nations, 1976, International Covenant on Economic, Social and cultural Rights, <https://www.ohchr.org/Documents/ProfessionalInterest/cescr.pdf> Articles 11 and 12

The 4 Rs of tax

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

- Revenue, to fund public services, infrastructure and administration
- Redistribution, to curb vertical and horizontal inequalities (those between individuals and those between groups)
- Repricing, to limit public “bads” such as tobacco consumption and carbon emissions
- 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 why many petrostates suffer from weak political representation and often incur high levels of illicit financial outflows. The lower the share of government expenditure that comes from tax sources, the weaker or entirely absent the accountability of taxation.⁹

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.¹⁰

Even in higher income countries, public health spending is very often the subject of political debate. For higher income countries, the pandemic has brought sharply 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.

9 Prichard, W., P. Salardi & P. Segal, 2018, ‘Taxation, non-tax revenue and democracy: New evidence using new cross-country data’, *World Development* 109, pp.295-312: <https://doi.org/10.1016/j.worlddev.2018.05.014>.

10 Carter, P. & Cobham, A. (2016) Are taxes good for your health?. WIDER Working Paper 2016/171. Helsinki: UNU-WIDER; see also Reeves, A., Y. Gourtsoyannis, S. Basu, D. McCoy, M. McKee, and D. Stuckler (2015). Financing universal health coverage. effects of alternative tax structures on public health systems: cross-national modelling in 89 low-income and middle-income countries. *The Lancet* 386(9990), 274–280.

Tax losses, health losses

Table 1 on countries' tax losses in the in the previous chapter illustrates two important patterns. First, the losses to tax abuse are proportionally larger in relation to countries' tax bases in countries with lower per capita income levels. On average lower income countries lose \$45 billion in tax revenue each year and the equivalent of 5.8 per cent of the tax they typically collect. Higher income countries, on the other hand, on average lose \$382 billion in tax revenue each year but the equivalent of 2.5 per cent of their taxes. Second, the average spending on public health is proportionally higher in countries with higher per capita income levels.

This combination tells a troubling story: those countries with the greatest need for additional tax revenues to fund public health spending, are precisely the countries that suffer worse losses to international tax abuse. But nearly all countries lose out to tax abuse – and as the pandemic has made painfully clear, *all* countries need greater resources to protect public health.

Countries around the world are on average losing the equivalent of 9.2 per cent of their health budgets to tax havens every year, with lower income countries losing equivalent proportions more than triple the size of those lost by higher income countries. Lower income countries on average are losing tax equivalent to nearly 52.4 per cent of their health budgets, while higher income countries on average are losing tax equivalent to nearly 8.4 per cent health budgets.

Globally, the equivalent of nearly 34 million nurses' annual salaries is lost to tax havens each year.

Table 2: Comparison of different income groups tax and health expenditure losses

	Total revenue loss (USD million)	Average tax revenue loss as share of total tax revenue	Average tax revenue loss as share of health expenditure
Lower income countries	\$45,021	5.78%	52.36%
Higher income countries	\$382,745	2.45%	8.41%

Table 3: Countries' losses due to global tax abuse

Country	Total tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
Afghanistan	\$2,889,007	0.18%	3.05%	2,773 nurses
Albania	\$47,265,937	1.81%	7.81%	8,260 nurses
Algeria	\$492,739,460	1.94%	6.29%	97,342 nurses
Andorra	\$8,751,410	0.28%	5.74%	268 nurses
Angola	\$2,253,340,634	7.36%	146.52%	318,890 nurses
Argentina	\$2,684,956,110	2.23%	8.59%	421,431 nurses
Armenia	\$33,815,931	1.53%	17.79%	12,827 nurses
Aruba	\$31,466,692	5.28%	N/A	1,292 nurses
Australia	\$4,197,661,676	1.08%	4.87%	53,905 nurses
Austria	\$995,623,647	0.84%	3.14%	25,381 nurses
Azerbaijan	\$33,361,686	0.47%	5.70%	7,445 nurses
Bahamas	\$0	0.00%	0.00%	0 nurses
Bahrain	\$0	0.00%	0.00%	0 nurses
Bangladesh	\$703,397,195	3.46%	61.89%	392,398 nurses
Barbados	\$138,605,582	11.21%	82.81%	8,404 nurses
Belarus	\$66,719,057	0.43%	2.91%	9,605 nurses
Belgium	\$3,863,626,209	2.49%	9.44%	47,523 nurses
Belize	\$112,087,433	26.00%	168.14%	15,338 nurses
Benin	\$2,514,742	0.13%	1.99%	1,276 nurses
Bermuda	\$9,051,733	0.15%	N/A	121 nurses
Bhutan	\$88,818	0.03%	0.16%	21 nurses
Bolivia	\$135,745,614	1.21%	9.75%	25,215 nurses
Bonaire, Sint Eustatius and Saba	\$2,486,957	N/A	N/A	N/A nurses
Bosnia and Herzegovina	\$19,028,474	0.44%	1.54%	3,342 nurses
Botswana	\$23,810,640	0.57%	3.54%	2,868 nurses
Brazil	\$14,911,039,194	3.19%	20.06%	2,059,104 nurses
British Virgin Islands	\$1,079,398	0.11%	N/A	37 nurses
Brunei	\$85,462,833	0.57%	28.90%	4,313 nurses
Bulgaria	\$41,628,373	0.33%	1.62%	5,016 nurses
Burkina Faso	\$2,878,337	0.12%	1.00%	1,245 nurses
Burundi	\$1,987,018	0.51%	2.95%	4,000 nurses
Cambodia	\$23,957,865	0.80%	7.89%	10,876 nurses
Cameroon	\$140,343,297	3.01%	56.28%	42,238 nurses
Canada	\$5,743,156,682	1.24%	4.32%	102,490 nurses
Cape Verde	\$1,237,000	0.35%	2.15%	318 nurses
Cayman Islands	\$166,760	<0.01%	N/A	3 nurses
Central African Republic	\$36,718,947	24.65%	227.92%	37,578 nurses
Chad	\$348,472,562	22.35%	317.79%	248,927 nurses
Chile	\$574,829,727	1.25%	5.63%	17,817 nurses
China	\$14,886,392,679	0.61%	4.38%	1,463,876 nurses

Country	Tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
Colombia	\$11,774,915,838	18.20%	71.79%	2,465,001 nurses
Comoros	\$325,841	0.25%	2.69%	119 nurses
Congo DRC	\$115,900,570	3.06%	55.57%	118,770 nurses
Congo, Rep.	\$12,966,239	0.91%	9.46%	4,016 nurses
Costa Rica	\$209,088,114	2.79%	6.54%	18,748 nurses
Cote d'Ivoire	\$237,855,315	2.95%	45.33%	104,284 nurses
Croatia	\$31,227,339	0.24%	0.93%	1,853 nurses
Cuba	\$1,432,138	<0.01%	0.02%	176 nurses
Curaçao	\$390,876,251	12.51%	N/A	21,796 nurses
Cyprus	\$1,084,929,713	19.16%	154.87%	42,300 nurses
Czechia	\$460,947,518	1.10%	3.49%	21,622 nurses
Denmark	\$1,821,793,867	1.18%	6.33%	23,623 nurses
Djibouti	\$4,443,973	0.81%	6.85%	1,062 nurses
Dominica	\$4,804,869	3.81%	25.14%	507 nurses
Dominican Republic	\$123,208,277	1.17%	5.76%	32,384 nurses
Ecuador	\$302,647,631	2.09%	7.01%	61,678 nurses
Egypt	\$2,320,657,159	6.14%	51.26%	1,524,421 nurses
El Salvador	\$107,350,935	2.56%	8.95%	25,759 nurses
Equatorial Guinea	\$3,988,816	0.31%	4.78%	302 nurses
Eritrea	\$1,433,754	0.03%	4.79%	622 nurses
Estonia	\$65,575,777	1.16%	5.31%	3,306 nurses
Eswatini	\$17,757,992	1.57%	12.43%	4,760 nurses
Ethiopia	\$379,569,403	4.02%	56.42%	436,648 nurses
Falkland Islands	\$3,125,271	1.48%	N/A	58 nurses
Faroe Islands	\$1,068,400	0.04%	N/A	25 nurses
Fiji	\$4,169,275	0.33%	3.76%	651 nurses
Finland	\$919,705,621	1.14%	4.88%	20,304 nurses
France	\$20,236,181,334	2.66%	8.61%	529,329 nurses
French Polynesia	\$8,837,643	0.16%	N/A	465 nurses
Gabon	\$155,097,630	0.94%	55.89%	17,503 nurses
Gambia	\$198,524,896	122.67%	1326.02%	102,160 nurses
Georgia	\$73,863,494	1.71%	18.83%	14,601 nurses
Germany	\$35,063,677,505	4.15%	11.26%	640,975 nurses
Ghana	\$157,890,653	2.32%	15.72%	54,591 nurses
Gibraltar	\$251,039,215	11.90%	N/A	12,291 nurses
Greece	\$1,358,760,428	2.38%	11.77%	59,835 nurses
Greenland	\$1,788,354	0.06%	N/A	46 nurses
Grenada	\$3,053,744	1.43%	12.42%	273 nurses
Guatemala	\$36,640,992	0.50%	2.52%	8,817 nurses
Guernsey	\$488,294,340	14.37%	N/A	12,201 nurses
Guinea	\$3,932,536	0.26%	6.24%	2,414 nurses

Country	Tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
Guinea-Bissau	\$17,426,719	16.24%	229.45%	12,846 nurses
Guyana	\$287,543,395	35.93%	308.08%	52,087 nurses
Haiti	\$84,214,556	7.74%	115.95%	57,903 nurses
Honduras	\$329,418,842	8.45%	43.62%	91,679 nurses
Hong Kong	\$1,639,783,206	3.70%	N/A	70,713 nurses
Hungary	\$411,400,888	1.14%	6.03%	27,130 nurses
Iceland	\$54,472,734	0.80%	4.10%	628 nurses
India	\$10,319,683,940	0.41%	44.70%	4,230,656 nurses
Indonesia	\$4,864,783,876	4.39%	42.92%	1,098,974 nurses
Iran	\$9,641,223	0.04%	0.06%	1,578 nurses
Iraq	\$6,462,227	<0.01%	0.25%	1,003 nurses
Ireland	\$14,462,658,146	22.26%	73.01%	251,962 nurses
Isle of Man	\$267,988,373	3.96%	N/A	5,576 nurses
Israel	\$2,307,661,594	2.73%	15.67%	34,700 nurses
Italy	\$12,384,868,729	2.02%	9.00%	379,380 nurses
Jamaica	\$28,793,859	0.77%	5.60%	2,771 nurses
Japan	\$9,906,302,487	1.08%	2.11%	235,307 nurses
Jersey	\$1,572,394,779	26.95%	N/A	36,198 nurses
Jordan	\$145,089,707	2.39%	8.15%	17,413 nurses
Kazakhstan	\$263,726,831	0.61%	7.32%	47,502 nurses
Kenya	\$565,831,722	4.45%	36.02%	240,781 nurses
Kiribati	\$195,826	0.70%	1.36%	68 nurses
Kuwait	\$29,178,454	2.02%	0.69%	2,081 nurses
Kyrgyz Republic	\$16,492,755	1.07%	6.68%	7,909 nurses
Laos	\$86,830,245	4.13%	80.99%	25,339 nurses
Latvia	\$64,585,689	1.03%	6.28%	5,616 nurses
Lebanon	\$145,225,953	1.96%	7.38%	17,452 nurses
Lesotho	\$279,135,739	31.25%	213.34%	137,057 nurses
Liberia	\$193,892,151	52.67%	595.37%	143,675 nurses
Libya	\$54,644,346	7.78%	3.02%	6,921 nurses
Liechtenstein	\$61,647,583	0.98%	N/A	618 nurses
Lithuania	\$99,781,709	1.25%	4.93%	9,632 nurses
Luxembourg	\$11,242,651,185	65.11%	360.61%	103,345 nurses
Macao	\$409,219,638	2.59%	N/A	17,423 nurses
Madagascar	\$75,628,386	5.50%	26.77%	88,281 nurses
Malawi	\$56,666,998	5.29%	36.31%	67,298 nurses
Malaysia	\$1,227,188,045	2.57%	19.20%	133,675 nurses
Maldives	\$686,744	0.08%	0.27%	82 nurses
Mali	\$15,016,010	0.70%	10.78%	8,486 nurses
Malta	\$389,065,115	12.45%	56.89%	14,189 nurses
Marshall Islands	\$82,339,905	245.08%	663.46%	16,094 nurses

Country	Tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
Mauritania	\$18,723,821	1.85%	17.92%	7,147 nurses
Mauritius	\$170,121,791	7.01%	57.92%	21,833 nurses
Mexico	\$9,067,461,243	6.45%	24.67%	581,552 nurses
Micronesia	\$268,019	0.58%	2.49%	57 nurses
Moldova	\$29,325,313	1.48%	6.92%	5,876 nurses
Monaco	\$424,826	0.01%	0.39%	4 nurses
Mongolia	\$42,360,157	1.61%	13.89%	8,363 nurses
Montenegro	\$107,096,593	8.34%	N/A	10,313 nurses
Morocco	\$521,534,833	2.08%	20.24%	130,186 nurses
Mozambique	\$477,698,230	15.36%	222.69%	464,523 nurses
Myanmar	\$3,951,997	0.07%	0.83%	3,057 nurses
Namibia	\$27,687,470	0.72%	5.66%	4,221 nurses
Nauru	\$1,114	0.01%	0.02%	0 nurses
Nepal	\$9,259,715	0.22%	3.48%	4,529 nurses
Netherlands	\$10,601,294,005	5.43%	17.89%	160,902 nurses
New Caledonia	\$10,679,101	0.11%	N/A	371 nurses
New Zealand	\$400,631,713	0.65%	2.88%	6,972 nurses
Nicaragua	\$78,887,760	3.79%	14.75%	21,778 nurses
Niger	\$13,170,333	0.79%	6.50%	7,257 nurses
Nigeria	\$10,825,786,952	2.40%	472.87%	3,532,455 nurses
North Korea	\$520,673,022	2.68%	N/A	377,490 nurses
North Macedonia	\$27,128,838	1.39%	5.58%	3,452 nurses
Norway	\$2,511,937,612	1.91%	6.98%	37,499 nurses
Oman	\$95,824,284	5.23%	4.33%	6,181 nurses
Pakistan	\$2,532,760,498	9.30%	127.45%	1,182,229 nurses
Palau	\$523	<0.01%	<0.01%	0 nurses
Palestine	\$1,847,307	0.01%	N/A	447 nurses
Panama	\$682,824,251	12.63%	29.19%	63,549 nurses
Papua New Guinea	\$21,050,973	0.54%	5.08%	5,599 nurses
Paraguay	\$99,406,359	2.78%	8.95%	15,580 nurses
Peru	\$1,205,921,239	3.72%	19.81%	237,894 nurses
Philippines	\$2,135,295,746	4.73%	50.71%	627,283 nurses
Poland	\$2,249,162,517	2.08%	9.46%	114,640 nurses
Portugal	\$1,046,072,964	1.88%	7.63%	49,651 nurses
Puerto Rico	\$5,660,502	0.01%	N/A	239 nurses
Qatar	\$114,346,871	0.06%	3.25%	3,119 nurses
Romania	\$874,432,845	2.12%	10.16%	65,922 nurses
Russia	\$5,100,791,212	1.18%	9.37%	642,326 nurses
Rwanda	\$72,016,601	5.44%	34.78%	88,061 nurses
Samoa	\$161,632,217	89.20%	483.45%	26,918 nurses
San Marino	\$5,300,595	1.94%	5.43%	136 nurses

Country	Tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
Sao Tome and Principe	\$155,405	0.27%	1.75%	51 nurses
Saudi Arabia	\$2,258,491,538	17.97%	9.29%	110,049 nurses
Senegal	\$168,252,207	5.16%	70.40%	76,387 nurses
Serbia	\$74,600,138	0.68%	2.90%	8,823 nurses
Seychelles	\$169,665,145	39.47%	350.55%	10,926 nurses
Sierra Leone	\$76,453,112	18.40%	143.78%	70,692 nurses
Singapore	\$4,776,999,238	10.73%	84.73%	121,017 nurses
Sint Maarten	\$4,981,002	0.58%	N/A	233 nurses
Slovakia	\$412,170,442	2.40%	7.65%	24,621 nurses
Slovenia	\$213,882,104	1.98%	7.10%	7,591 nurses
Solomon Islands	\$2,025,383	0.54%	4.51%	629 nurses
Somalia	\$291,652	0.46%	N/A	400 nurses
South Africa	\$3,391,890,587	3.43%	22.38%	1,068,770 nurses
South Korea	\$3,885,516,419	1.39%	6.56%	99,175 nurses
South Sudan	\$7,247,646	0.08%	9.46%	4,664 nurses
Spain	\$4,376,809,767	1.52%	5.04%	107,390 nurses
Sri Lanka	\$104,809,115	1.14%	7.93%	44,970 nurses
St. Lucia	\$8,237,108	2.04%	19.22%	697 nurses
St. Vincent & Grenadines	\$28,461,740	15.30%	132.21%	3,258 nurses
Sudan	\$645,033,468	30.37%	121.11%	423,342 nurses
Suriname	\$11,495,666	1.57%	10.13%	1,321 nurses
Sweden	\$2,698,394,836	1.48%	5.38%	47,385 nurses
Switzerland	\$5,681,097,158	4.00%	22.94%	74,699 nurses
Syria	\$9,091,255	0.04%	2.78%	4,743 nurses
Taiwan	\$3,944,474,034	0.66%	N/A	200,510 nurses
Tajikistan	\$188,922,989	11.74%	128.70%	117,253 nurses
Tanzania	\$299,485,211	4.98%	40.76%	135,577 nurses
Thailand	\$1,165,301,081	1.40%	8.77%	198,355 nurses
Timor-Leste	\$680,874	0.04%	2.78%	176 nurses
Togo	\$41,616,876	4.82%	62.01%	22,555 nurses
Tonga	\$9,207,640	11.62%	74.42%	1,115 nurses
Trinidad and Tobago	\$257,644,616	1.04%	35.82%	15,611 nurses
Tunisia	\$296,225,462	3.40%	18.30%	64,887 nurses
Turkey	\$2,686,228,531	1.84%	9.67%	175,501 nurses
Turkmenistan	\$488,939	<0.01%	0.09%	65 nurses
Turks and Caicos Islands	\$15,757,043	1.77%	N/A	683 nurses
Uganda	\$115,358,153	3.31%	31.43%	83,658 nurses
Ukraine	\$650,062,523	1.85%	13.93%	133,382 nurses
United Arab Emirates	\$1,022,393,223	1.63%	10.41%	34,797 nurses
United Kingdom	\$39,583,847,405	5.35%	18.72%	840,209 nurses
United States	\$89,354,366,624	2.47%	5.82%	1,150,436 nurses

Country	Tax revenue loss (USD)	Tax loss per collected tax revenue (%)	Tax loss per health expenditure (%)	Tax loss in # of nurses' annual salaries
United States Minor Outlying Islands	\$3,008,490	N/A	N/A	N/A nurses
Uruguay	\$142,998,400	1.32%	4.33%	12,047 nurses
Uzbekistan	\$175,402,110	1.44%	9.56%	64,714 nurses
Vanuatu	\$5,382,340	3.70%	32.85%	1,207 nurses
Vatican	\$6,168,646	1.50%	N/A	24 nurses
Venezuela	\$642,266,108	1.40%	11.68%	65,523 nurses
Vietnam	\$420,826,698	0.98%	7.23%	121,329 nurses
Wallis and Futuna Islands	\$302,492	0.16%	N/A	18 nurses
Yemen	\$55,671,403	2.93%	20.09%	14,933 nurses
Zambia	\$143,620,450	4.11%	37.30%	28,360 nurses
Zimbabwe	\$120,495,792	3.41%	21.35%	53,232 nurses

* Where data was not available on collected tax revenue, a comparison with GDP is provided instead.



Chapter 3: The Corporate Tax Haven Index

The tax loss figures revealed in this report provide the fullest and sharpest picture to date of the true cost of global tax abuse to our economies and our lives. But just as important as understanding the scale and impact of the toll of tax abuse is understanding how we got here.

Our tax systems are like programmes that are constantly being revised and updated. Over the past few decades, the lines of code that determine how our tax systems run – the laws and policies that determine who pitches in tax, how much they pitch in and when they do so – have been predominantly dictated to our governments by corporate giants chasing their own interests, while most of the public have been left out of the decision making process.

To understand how we got here is to understand the laws and policies – ie the codes – that make it possible, if not common practice, for tax abusers to short change the world of over \$427 billion in tax every year. To this end, the Tax Justice Network publishes two biennial indexes, the Corporate Tax Haven Index and the Financial Secrecy Index, that thoroughly evaluate and rank each country's tax and financial systems to determine how intensely the country's laws and financial systems have been programmed to enable global corporate tax abuse and global financial secrecy.

First published in 2019, the Corporate Tax Haven Index ranks each country based on how intensely the country's tax and financial systems serve as a tool for corporations to extract wealth from around the world and hide it in the country for the purposes of underpaying tax elsewhere in the world.


In the same way that our tax systems have been programmed to prioritise the desires of corporate giants seeking to abuse their tax responsibilities and the super-rich seeking to hide their wealth, we can reprogramme our tax and financial systems to prioritise the needs of all members of society with equal weight, over the desires of the wealthiest.

To take back control, we must rewrite the laws and policies on which our tax systems run. The Corporate Tax Haven Index and Financial Secrecy Index are not just report cards, they're troubleshooting manuals that identify the lines of code, the laws and policies, that must be deleted – or added – to reprogramme our tax systems to run on equality.

How it works

The Corporate Tax Haven Index ranks countries by first giving each country's tax and financial systems a score based on how intensely they've been programmed to enable corporations to abuse tax. The more a country's laws and policies programme a country's tax and financial systems to enable corporate tax abuse, the higher a Corporate Tax Haven Score a country gets.

For example, if a country provides several tax exemptions that allow corporations to not pay tax or pay a tax rate far lower than the country's standard, publicly announced corporate tax rate, these exemptions will factor into a higher Corporate Tax Haven Score for the country. Likewise, if the country allows corporations to park their intellectual property tax-free in their jurisdiction, a tactic often used to shift profit via royalty



fees and artificially drive down tax dues in other countries, the policy will contribute to a higher Corporate Tax Haven Score.

Countries' Corporate Tax Haven Scores are scored across 20 indicators, each composed of several sub-indicators that look at the presence or absence of specific laws and policies, as well as specific combinations of laws and policies, that enable corporate tax abuse. Much like the system health score you get after scanning your computer with anti-virus software, the Corporate Tax Haven Score indicates how much code has been programmed into – or deleted from – a country's tax and financial systems to enable corporations to abuse tax around the world.

Once a country's Corporate Tax Haven Score has been determined, the Corporate Tax Haven Index then combines that score with the country's Global Scale Weight, which is a measure of how much corporate activity takes place in the country, to determine the country's final rank on the index. A country's Global Scale Weight is an indicator of how heavily the country is used by corporations for corporate activity. The more a jurisdiction is used, the greater its Global Scale Weight. By combining a country's Corporate Tax Haven Score and its Global Scale Weight, the Corporate Tax Haven Index determines how big of a role the country plays in enabling global corporate tax abuse.

In other words, a country's Corporate Tax Haven Score indicates how efficient a tool for abusing corporate tax its tax and financial systems have been programmed to be. And a country's Global Scale Weight indicates how heavily the country is actually used as a tool by corporations. Combining these two measures together determines how important and harmful of a tool the country's tax and financial system serve as in corporations' global toolbox for abusing corporate tax.

What this ultimately means is that a country that is heavily used by corporations, ie has a high global scale weight, and has a tax and financial system that is “moderately” programmed to enable corporate tax abuse, ie has a moderately high Corporate Tax Haven Score, can serve as a far greater tool for corporate tax abuse – and so rank higher on the index – than a country that plays a small role in the global economy and is heavily programmed to enable corporate tax abuse.

For example, Luxembourg, with a Corporate Tax Haven Score of 72 out of 100 and Global Scale Weight of 10.5 per cent, ranks 6th on the Corporate Tax Haven Index, far higher than the Turks and Caicos Islands, which, with a Corporate Tax Haven Score of 100 out of 100 and Global Scale Weight of 0.002 per cent, ranks 32nd on the index.

Although not as extremely programmed to enable corporate tax abuse as the Turks and Caicos Islands, Luxembourg's tax and financial system serves as a far more significant tool for corporations to abuse tax with.

The Corporate Tax Haven Index teaches a key lesson: with greater economic power, comes greater economic responsibility.

Rankings

The first edition of the Corporate Tax Haven Index was published in 2019 and covered 64 jurisdictions. The Corporate Tax Haven Index found that 40 per cent of cross-border direct investments reported by the IMF at the time – \$18 trillion in value – were being booked in the top 10 countries ranked on the index, where the lowest available corporate tax rates were 3 per cent or less. The State of Tax Justice 2020 reveals that multinational corporations are shifting US \$1.38 trillion in profit into tax havens each year, resulting in \$245 billion in lost tax.

Table 4: Corporate Tax Haven Index 2019 ranking

Rank	Jurisdiction	CTHI Value ³	CTHI Share ⁴	Haven Score ¹	Global Scale Weight ²
1	British Virgin Islands	2769	7.29%	100	2.12%
2	Bermuda	2653	6.98%	100	1.87%
3	Cayman Islands	2534	6.67%	100	1.63%
4	Netherlands	2391	6.29%	78	12.77%
5	Switzerland	1875	4.94%	83	3.41%
6	Luxembourg	1795	4.73%	72	10.53%
7	Jersey	1541	4.06%	98	0.43%
8	Singapore	1489	3.92%	81	2.12%
9	Bahamas	1378	3.63%	100	0.26%
10	Hong Kong	1372	3.61%	73	4.38%
11	Ireland	1363	3.59%	76	3.12%
12	United Arab Emirates	1245	3.28%	98	0.22%
13	United Kingdom	1068	2.81%	63	7.30%
14	Mauritius	950	2.50%	80	0.65%
15	Guernsey	891	2.35%	98	0.09%
16	Belgium	822	2.17%	68	1.83%
17	Isle of Man	804	2.12%	100	0.05%
18	Cyprus	698	1.84%	71	0.73%
19	China	659	1.73%	58	3.67%
20	Hungary	561	1.48%	69	0.49%
21	Curacao	552	1.45%	72	0.32%
22	France	525	1.38%	56	2.81%
23	Malta	519	1.37%	74	0.22%
24	Germany	461	1.21%	52	3.32%
25	USA	408	1.07%	43	12.89%
26	Panama	405	1.07%	72	0.13%
27	Spain	403	1.06%	55	1.53%
28	Gibraltar	398	1.05%	66	0.28%
29	Sweden	365	0.96%	56	0.90%
30	Italy	302	0.79%	51	1.28%
31	Czech Republic	270	0.71%	59	0.23%
32	Turks and Caicos Islands	265	0.70%	100	0.00%
33	Austria	258	0.68%	52	0.66%
34	Finland	237	0.62%	55	0.29%
35	Anguilla	233	0.61%	100	0.00%
36	Denmark	226	0.60%	52	0.44%
37	Liechtenstein	224	0.59%	70	0.03%
38	Lebanon	221	0.58%	73	0.02%
39	Estonia	211	0.56%	67	0.04%
40	Monaco	207	0.54%	68	0.03%
41	Latvia	197	0.52%	68	0.02%
42	South Africa	184	0.48%	47	0.54%

Rank	Jurisdiction	CTHI Value ³	CTHI Share ⁴	Haven Score ¹	Global Scale Weight ²
43	Romania	178	0.47%	56	0.11%
44	Seychelles	163	0.43%	68	0.01%
45	Bulgaria	144	0.38%	56	0.06%
46	Macao	144	0.38%	57	0.05%
47	Slovakia	136	0.36%	53	0.08%
48	Croatia	127	0.33%	55	0.05%
49	Portugal	127	0.34%	46	0.23%
50	Taiwan	120	0.32%	47	0.16%
51	Andorra	109	0.29%	69	0.00%
52	Lithuania	107	0.28%	55	0.03%
53	Poland	98	0.26%	40	0.33%
54	Aruba	92	0.24%	64	0.00%
55	Slovenia	81	0.21%	50	0.03%
56	Botswana	74	0.20%	55	0.01%
57	Liberia	71	0.19%	49	0.02%
58	Kenya	60	0.16%	51	0.01%
59	San Marino	57	0.15%	62	0.00%
60	Ghana	56	0.15%	49	0.01%
61	Greece	54	0.14%	39	0.07%
62	Tanzania	40	0.11%	46	0.01%
63	Gambia	9	0.02%	48	0.00%
64	Montserrat	7	0.02%	65	0.00%

Note: The territories marked in Dark Blue are Overseas Territories (OTs) and Crown Dependencies (CDs) of the United Kingdom where the British Queen is head of state; powers to appoint key government officials rest with the British Crown; laws must be approved in London; and the UK government holds various other powers (see here for more details: www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf). Territories marked in light blue are British Commonwealth territories which are not OTs or CDs but whose final court of appeal is the Judicial Committee of the Privy Council in London (see here for more details: http://www.taxjustice.net/cms/upload/pdf/Privy_Council_and_Secrecy_Scores.pdf)

To compute a CTHI for the entire group of OTs and CDs (or also including the UK), we first need to calculate the group's joint Haven Score and joint Global Scale Weight. Calculating the joint Global Scale Weight is straightforward - we just sum up each jurisdiction's individual Global Scale Weight to arrive at 13.8% (or 6.5% excluding the UK). To combine the Haven Scores, we see at least three relevant options. All of them result in the UK and its satellite network of corporate tax havens to top the CTHI by a large margin (read more section 5.1 in: <https://www.corporatetaxhavenindex.org/PDF/CTHI-Methodology.pdf>). Note that our list excludes many British Commonwealth realms where the Queen remains head of state.

Table footnotes

1 The Haven Score is calculated based on 20 indicators. For full explanation of the methodology and data sources, please read our CTHI-methodology document, here: <https://www.corporatetaxhavenindex.org/PDF/CTHI-Methodology.pdf>

2 The Global Scale Weight represent a jurisdiction's share in global foreign direct investment (inward and outward). For full explanation of the methodology and data sources, please read our CTHI-methodology document, here: <https://www.corporatetaxhavenindex.org/PDF/CTHI-Methodology.pdf>

3 The CTHI Value is calculated by multiplying the cube of the Haven Score with the cube root of the Global Scale Weight. The final result is divided through by one hundred for presentational clarity.

4 The CTHI Share is calculated by summing up all CTHI Values, and then dividing each countries CTHI Value by the total sum, expressed in percentages.



The UK spider's web

While the UK ranks 13th on the index, its role in enabling global corporate tax abuse is heavily intertwined with its network of Overseas Territories and Crown Dependencies, which dominate the top of Corporate Tax Haven Index.

The UK together with its network of Overseas Territories and Crown Dependencies are often referred to as the “UK spider’s web”. This is because Overseas Territories and Crown Dependencies often serve as satellite 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 underreport profits elsewhere in the world and consequently underpay tax. The UK has full powers to impose or veto lawmaking 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 British Virgin Islands, Bermuda, Cayman and Jersey ranked 1st, 2nd, 3rd and 7th respectively. Bahamas, a British Commonwealth territory, ranks 9th. Of the 10 jurisdictions which received the highest Corporate Tax Haven Scores, in other words, of the 10 jurisdictions whose tax and financial are most extremely programmed to enable global corporate tax abuse, 8 are part of the UK spider’s web: the British Virgin Islands, Bermuda, Cayman, the Isle of Man, Turks and Caicos, Anguilla, Jersey, and Guernsey.

The UK with its network of Overseas Territories and Crown Dependencies together serve as the world’s greatest enabler of corporate tax abuse. The UK spider’s web accounts for over a third of the world’s corporate tax abuse risks as measured by the Corporate Tax Haven Index. That’s four times more than the next greatest contributor, the Netherlands, which accounts for less than 7 per cent.

The State of Tax Justice 2020 reveals that profit shifting by multinational corporations into the UK spider’s web costs the world nearly \$70 billion in lost corporate tax. The UK spider’s web is responsible for 28.5 per cent of the \$245 billion in tax the world loses to corporate tax abuse every year, which is in line with the Corporate Tax Haven Index 2019 estimate.

The ‘Axis of Tax Avoidance’

The Corporate Tax Haven Index 2019 revealed that the UK (with its network of Overseas Territories and Crown Dependencies), the Netherlands, Switzerland and Luxembourg together are responsible for half of the world’s corporate tax abuse risks, earning the group the name “axis of tax avoidance”.

The State of Tax Justice 2020 reveals that profit shifting by multinational corporations into the axis of tax avoidance costs the world over \$116 billion in lost corporate tax every year. The axis of tax avoidance is responsible for 47.6 per cent of the \$245 billion the world loses to corporate tax abuse every year, again in line with the Corporate Tax Haven Index 2019’s estimation.



Chapter 4: The scale of offshore tax evasion

The tax systems of most if not all countries around the world have been programmed to prioritise the interests of the wealthiest corporate giants and the super-rich, unbounded by geography, over the needs of all members of society. In more extreme cases, countries' tax systems have been programmed to extensively facilitate tax abuse by the wealthiest. These tax havens are often specialised towards facilitating one of two types of tax abuse - corporate tax abuse or private offshore tax evasion - however it is not uncommon for a tax haven to be heavily involved in both. To facilitate corporate tax abuse, tax havens' tax systems are programmed to allow multinational corporations to shift profit into their jurisdictions in order to artificially drive down the amount of profit corporations have to declare elsewhere, and so artificially decrease their overall tax contributions.

To facilitate private offshore tax evasion, secrecy laws and lack of transparency requirements are coded into tax havens' legislation, allowing wealthy individuals, including criminals, to hide their wealth from the rule of law. These tax havens are often referred to as "secrecy jurisdictions". 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 private 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 2020 reports that the world is losing over \$182 billion in tax a year to private offshore tax evasion related to financial wealth alone.

Higher income countries lose more tax revenue to offshore tax evasion (over \$180 billion lost each year) than lower income countries (over \$2.2 billion lost each year).

When it comes to looking at which countries, by facilitating private offshore tax evasion, are responsible for the tax losses other countries suffer, the State of Tax Justice 2020 finds higher income countries are responsible for almost all tax revenues lost to private offshore tax evasion. Higher income countries are responsible for over 98 per cent of all tax lost around the world each year to private offshore tax evasion. Lower income countries are responsible for less than 2 per cent.

The UK spider's web and axis of tax avoidance on offshore evasion

The State of Tax Justice 2020 reports that the UK spider's web is responsible for over 49 per cent of the \$182 billion in tax the world loses to private offshore tax evasion every year, costing the world over \$90 billion in lost tax.



The axis of tax avoidance is responsible for over 65 per cent of the \$182 billion the world loses to private offshore tax evasion every year, costing the world over \$120 billion in lost tax.

OECD countries are responsible for nearly half of tax lost to offshore tax evasion

The Tax Justice Network's Financial Secrecy Index 2020, a ranking of countries' complicity in global financial secrecy (see chapter five), estimated OECD countries to be responsible for 49 per cent of the world's financial secrecy risks as measured by the index in 2020. The State of Tax Justice reports that OECD countries are responsible for 59 per cent of the \$182 billion the world loses to private offshore tax evasion every year – just over \$106 billion a year.

Methodology

We build off of existing approaches, and develop a methodology which uses recent data to provide new estimates of tax revenue losses that arise from wealth hidden in high-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 relatively strong assumptions. But the orders of magnitude found consistently by quite different approaches confirm the importance of transparency in this area and a positive side-effect of progress will be increasingly accurate quantification.

Two main approaches to the scale of private 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, Tax Justice Network's James Henry¹¹ estimated that by 2010, investors from developing countries had accumulated \$7 to \$9 trillion offshore. In the same study, Henry provides an estimate for global private offshore wealth across all asset classes (ie including non-financial wealth) of \$21 to \$32 trillion, although with no country-level breakdown available due to lack of data.

In the second strand of literature, discrepancies in macroeconomic statistics have been used to estimate the scale of offshore wealth in a series of papers published in well-regarded academic journals.¹² 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.¹³ For a more detailed description of these methods, see recent reviews of this literature.¹³

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

11 Henry, J. S. (2012). The Price of Offshore Revisited: New Estimates for ‘Missing’ Global Private Wealth, Income, Inequality, and Lost Taxes. Tax Justice Network, London, UK. Available [here](#).

12 Zucman, G. (2013). The Missing Wealth of Nations: Are Europe and the US Net Debtors or Net Creditors? *The Quarterly Journal of Economics* 128(3): 1321–1364; Alstadsaeter, A., Johannesen, N. & Zucman, G. (2018). Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality. *Journal of Public Economics* 162: 89–100; Zucman, G. (2015). The Hidden Wealth of Nations: The Scourge of Tax Havens. Chicago, IL: University of Chicago Press

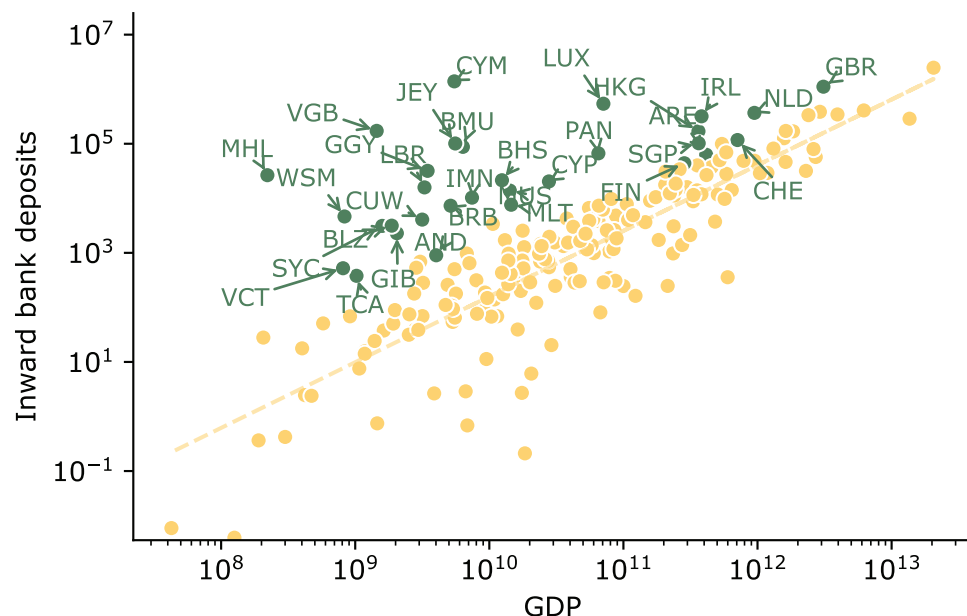
13 Cobham, A. & Janský, P. (2020). Estimating Illicit Financial Flows: A Critical Guide to the Data, Methodologies, and Findings. Oxford, UK: Oxford University Press; Johannesen, N. & Pirttilä, J. (2016). Capital Flight and Development: An Overview of Concepts, Methods, and Data Sources. UNU-WIDER Working Paper Series 2016/95; Vellutini, C., Casamatta, G., Bousquet, L. & Poniatowski, G. (2019). Estimating International Tax Evasion by Individuals. Working Paper 76. Taxation Papers. European Commission. Available [here](#).

asset classes means that relatively strong assumptions are required to attribute this 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. Our approach, similarly to Alstadsaeter, Johannesen, and Zucman¹⁴, makes use of this data to estimate the distribution of offshore wealth.

Our approach can be summarized in four steps.¹⁵ In the first step, we identify what we call “abnormal deposits”. We start by identifying jurisdictions that attract large amounts of bank deposits (compared to the size of their economy) and at the same time offer strong bank secrecy laws; for our purposes, we define these jurisdictions as those that score at least 20 (out of 100) on Banking Secrecy, the first Key Financial Secrecy Indicator of the Financial Secrecy Index 2018 (the relevant year from the Tax Justice Network’s biennial ranking of jurisdictions most complicit in financial secrecy). In the banks of some of these jurisdictions, foreign deposits are significantly higher than would be expected based on the size of the jurisdictions’ economies: for our purposes, we examine jurisdictions that report foreign bank deposits with a value of more than 15 per cent of their GDP. Using regression analysis, we estimate the expected deposits in each country, exploiting the strong relationship between GDP and bank deposits in countries that do not provide opportunities for secrecy arbitrage (ie those countries with lower scores for Banking Secrecy and a relatively low ratio of bank deposits to GDP); the R-squared for this regression using 2018 data is 0.79. “Abnormal deposits” are then defined as the difference between the actual deposits and the expected 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 3, we show the relationship between GDP and inward bank deposits, and highlight those jurisdictions that have both a ratio of bank deposits to GDP of more than 15 per cent and a Banking Secrecy score of at least 20.

Figure 3: Bank deposits and GDP; 2018



14 Alstadsaeter, A., Johannesen, N. & Zucman, G. (2018). Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality. *Journal of Public Economics* 162: 89–100.

15 We describe our methodology in detail in the accompanying methodological [note](#).

We find that 39.3% 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 5 provides an overview of the top 15 jurisdictions with the highest value of abnormal deposits.

Table 5: Top 15 jurisdictions with the highest value of abnormal deposits

Country	Banking secrecy (FSI 2018; 100 = max.)	Total deposits (USD bn)	Abnormal deposits (USD bn)	Abnormal deposits (share of total)	BIS reporting
Cayman	40	1392	1391	99.97%	No
United Kingdom	43	1111	841	75.72%	Yes
United States	20	2477	691	27.87%	Yes
Luxembourg	60	542	535	98.86%	Yes
Netherlands	50	368	286	77.60%	Yes
Ireland	24	318	285	89.55%	Yes
British Virgin Islands	40	172	172	99.93%	No
Hong Kong	86	169	138	81.37%	Yes
France	54	385	131	34.08%	Yes
Italy	27	334	126	37.61%	Yes
Jersey	43	101	101	99.52%	Yes
Bermuda	67	88	87	99.37%	No
Singapore	40	102	70	69.00%	No
Panama	56	67	61	91.52%	No
Switzerland	73	117	55	47.25%	Yes

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 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 5, some of the most popular secrecy jurisdictions now do so, including Luxembourg, Netherlands, Hong Kong, Switzerland, and the Channel Islands. On the other hand, some secrecy jurisdictions that are important for offshore wealth still do not report the relevant data – most notably the Cayman Islands, British Virgin Islands, Bermuda, Singapore and Panama. Similarly to Alstadsaeter, Johannesen, and Zucman study, 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. The second column of Table 6 shows the share of global offshore wealth that is attributable to each country.

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 widely cited estimate of global offshore financial wealth of 11.6 per cent of global GDP, or \$10.9 trillion

in 2018, as provided by Alstadsaeter, Johannesen, and Zucman. 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 factor of 3-4 (Henry, 2012).¹⁶ The second column of Table 6 shows our estimates of the share of global offshore financial wealth, 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. 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 6 shows the estimates of tax revenue loss for each country.

In the sixth and last column of Table 6, 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 USA, UK, Ireland and Luxembourg, also impose major losses on others. Cayman is responsible for the largest share on this metric (at 26 per cent), alone causing a tax revenue loss of \$47.6 billion globally.

Table 6: 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	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
United States	20.4%	2,168.3	10.6%	40,113.0	12.9%	23,635.9
United Kingdom	12.2%	1,302.8	42.0%	29,314.1	15.7%	28,793.3
Ireland	5.6%	594.3	155.4%	14,263.5	5.3%	9,762.1
China	4.7%	495.7	3.6%	11,154.0	0.0%	-
Luxembourg	4.4%	467.1	658.9%	10,691.3	10.0%	18,324.2
Germany	4.5%	474.2	12.0%	10,669.1	0.0%	38.2
Netherlands	3.5%	372.1	39.3%	9,666.1	5.3%	9,777.8
France	2.3%	240.2	8.2%	5,884.2	2.5%	4,491.2
Japan	1.9%	200.0	3.2%	5,595.6	0.0%	-
Switzerland	2.3%	240.0	33.8%	4,799.8	1.0%	1,891.3
Italy	1.6%	166.5	6.9%	3,580.2	2.4%	4,305.1
Taiwan	1.6%	169.3	14.3%	3,386.0	0.0%	-
Belgium	1.0%	108.5	20.0%	2,712.6	1.0%	1,779.3
Canada	1.4%	147.4	8.0%	2,432.7	0.2%	290.0
Singapore	1.7%	180.5	49.6%	1,985.7	1.3%	2,412.8
Australia	0.8%	81.4	5.2%	1,832.0	0.0%	-
Spain	0.7%	76.0	4.7%	1,711.1	0.6%	1,036.9
Jersey	1.5%	156.6	4683.7%	1,566.3	1.9%	3,445.2

¹⁶ In our [data portal](#), we provide a country-level breakdown of estimates of offshore wealth across all assets classes, using a speculative assumption that non-financial wealth is geographically distributed in the same way as financial wealth.

Country	Share of global offshore wealth	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Sweden	0.5%	54.3	9.3%	1,557.4	0.4%	641.5
Denmark	0.4%	40.3	11.3%	1,125.8	0.2%	314.0
Hong Kong	1.4%	145.0	40.0%	1,087.8	2.6%	4,716.3
Cyprus	0.6%	60.9	218.6%	1,065.4	0.3%	614.7
Greece	0.4%	44.7	12.6%	1,005.0	0.0%	-
Israel	0.3%	35.1	9.5%	877.7	0.0%	-
Mexico	0.4%	46.7	3.5%	816.7	0.0%	-
Thailand	0.4%	42.3	8.4%	740.2	0.0%	-
South Africa	0.3%	30.4	7.3%	683.1	0.0%	-
Norway	0.3%	28.2	5.4%	658.2	0.1%	160.3
Austria	0.2%	23.8	5.2%	653.7	0.0%	-
Finland	0.2%	22.1	7.8%	595.0	0.4%	656.1
Panama	0.4%	47.3	72.8%	591.6	1.1%	2,089.3
Portugal	0.2%	23.0	8.8%	552.0	0.2%	382.9
South Korea	0.2%	22.4	1.4%	469.4	0.0%	-
Guernsey	0.4%	45.1	1836.9%	450.8	0.6%	1,080.2
Turkey	0.2%	25.4	2.7%	444.9	0.0%	-
Russia	0.6%	61.3	2.7%	398.3	0.0%	-
Curacao	0.2%	16.6	526.6%	390.9	0.1%	129.9
Malta	0.2%	21.8	150.0%	382.0	0.1%	217.4
Argentina	0.2%	19.6	3.1%	343.1	0.0%	-
Malaysia	0.2%	23.2	6.5%	324.6	0.0%	-
Brazil	0.2%	20.4	0.8%	280.3	0.0%	-
Isle of Man	0.3%	26.8	360.8%	268.0	0.2%	329.7
Venezuela	0.1%	15.2	3.2%	258.4	0.0%	-
Philippines	0.1%	14.7	4.4%	257.7	0.0%	-
Gibraltar	0.1%	12.6	614.1%	251.0	0.0%	72.4
Nigeria	0.2%	20.8	3.7%	249.3	0.0%	-
Angola	0.2%	23.8	16.4%	202.5	0.0%	-
India	0.1%	11.3	0.4%	202.2	0.0%	-
Egypt	0.2%	17.5	5.3%	197.3	0.0%	-
Liberia	0.1%	13.9	423.0%	193.9	0.3%	532.4
New Zealand	0.1%	10.6	5.2%	175.3	0.0%	-
Samoa	0.1%	12.0	1439.2%	161.6	0.1%	156.4
Poland	0.1%	10.1	1.7%	161.5	0.0%	-
Chile	0.1%	9.2	3.1%	160.3	0.0%	-
Lebanon	0.1%	14.5	25.6%	145.1	0.0%	-
Barbados	0.1%	6.9	134.6%	138.5	0.1%	234.8
Seychelles	0.1%	8.8	551.6%	137.8	0.1%	102.0
Colombia	0.1%	7.8	2.0%	135.8	0.0%	-
Peru	0.1%	8.3	3.7%	124.3	0.0%	-

Country	Share of global offshore wealth	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Uruguay	0.1%	6.5	10.9%	116.9	0.0%	-
Slovenia	0.0%	4.7	8.4%	116.8	0.0%	-
Belize	0.1%	9.6	511.6%	112.1	0.1%	102.3
Mauritius	0.1%	14.4	101.0%	107.7	0.2%	432.0
Marshall Islands	0.1%	13.7	6201.8%	82.3	0.5%	907.1
Indonesia	0.0%	5.3	0.5%	78.8	0.0%	-
Czechia	0.1%	6.9	2.8%	75.8	0.0%	-
Ghana	0.0%	4.2	6.4%	72.9	0.0%	55.4
Kazakhstan	0.1%	14.4	6.1%	72.2	0.0%	-
Morocco	0.0%	3.7	3.1%	69.9	0.0%	-
Kenya	0.0%	4.2	4.8%	63.4	0.0%	-
Liechtenstein	0.1%	5.5	81.0%	61.6	0.0%	13.0
Macao	0.1%	10.1	18.2%	60.4	0.0%	62.3
Hungary	0.1%	8.1	5.1%	60.4	0.0%	-
Jordan	0.1%	5.8	13.8%	58.1	0.0%	-
Algeria	0.0%	3.3	1.5%	58.0	0.0%	-
Slovakia	0.0%	4.6	4.3%	57.1	0.0%	-
Vietnam	0.0%	3.1	1.2%	53.6	0.0%	-
Libya	0.0%	4.5	5.2%	53.0	0.0%	-
Zimbabwe	0.0%	1.9	6.0%	48.1	0.0%	-
Ecuador	0.0%	2.7	2.5%	47.1	0.0%	-
Zambia	0.0%	2.3	8.3%	43.5	0.0%	-
Tunisia	0.0%	2.2	4.7%	38.8	0.0%	-
Pakistan	0.0%	3.8	1.2%	37.6	0.0%	-
Iceland	0.0%	1.6	6.2%	37.3	0.0%	-
Congo, Dem. Rep. of	0.0%	1.6	3.4%	32.5	0.0%	-
Bolivia	0.0%	2.2	5.5%	32.5	0.0%	-
Dominican Republic	0.0%	2.5	3.0%	31.8	0.0%	-
Bangladesh	0.0%	1.9	0.7%	29.2	0.0%	-
Ukraine	0.0%	3.2	1.7%	28.7	0.0%	-
St. Vincent and the Grenadines	0.0%	2.4	299.6%	28.5	0.0%	15.5
Latvia	0.0%	1.8	5.0%	28.2	0.0%	-
Senegal	0.0%	1.3	5.6%	27.0	0.0%	-
Cameroon	0.0%	1.8	4.5%	25.8	0.0%	-
Azerbaijan	0.0%	2.2	2.9%	25.6	0.0%	-
Mozambique	0.0%	1.6	8.8%	25.1	0.0%	34.5
Aruba	0.0%	0.8	26.1%	24.7	0.0%	0.1
Trinidad and Tobago	0.0%	2.0	7.0%	24.5	0.0%	-
Gabon	0.0%	1.9	10.5%	22.3	0.0%	-
Cote d'Ivoire	0.0%	1.4	3.3%	20.8	0.0%	-

Country	Share of global offshore wealth	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Tanzania	0.0%	1.4	2.3%	20.4	0.0%	-
Croatia	0.0%	1.1	1.5%	19.4	0.0%	3.0
Uganda	0.0%	0.9	3.4%	18.8	0.0%	-
Ethiopia	0.0%	1.0	1.1%	16.9	0.0%	-
Cambodia	0.0%	1.7	6.8%	16.8	0.0%	-
Bulgaria	0.0%	3.2	5.0%	16.2	0.0%	-
Turks and Caicos Islands	0.0%	1.0	98.1%	15.8	0.0%	9.9
Estonia	0.0%	1.5	4.8%	14.7	0.0%	-
Romania	0.0%	2.5	1.0%	12.5	0.0%	-
Congo, Rep. of	0.0%	0.8	5.6%	12.2	0.0%	-
Madagascar	0.0%	0.9	6.2%	12.0	0.0%	-
Costa Rica	0.0%	1.6	2.6%	11.9	0.0%	-
Suriname	0.0%	0.6	11.5%	11.5	0.0%	-
New Caledonia	0.0%	0.7	6.4%	10.7	0.0%	84.5
Botswana	0.0%	0.8	4.5%	10.4	0.0%	-
Honduras	0.0%	0.8	3.3%	9.9	0.0%	-
Iran	0.0%	0.8	0.1%	9.6	0.0%	-
Mali	0.0%	0.7	4.0%	9.5	0.0%	-
Nepal	0.0%	0.7	2.3%	9.3	0.0%	-
Lithuania	0.0%	1.2	2.3%	9.1	0.0%	-
Uzbekistan	0.0%	0.6	0.8%	9.1	0.0%	-
French Polynesia	0.0%	0.6	7.9%	8.8	0.0%	1.0
Andorra	0.0%	1.8	43.6%	8.8	0.0%	18.9
Jamaica	0.0%	0.6	3.6%	8.5	0.0%	-
El Salvador	0.0%	0.5	2.0%	7.9	0.0%	-
Sri Lanka	0.0%	0.6	0.7%	7.5	0.0%	-
Nicaragua	0.0%	0.5	3.4%	7.0	0.0%	-
Iraq	0.0%	0.8	0.4%	6.4	0.0%	-
Mauritania	0.0%	0.3	5.6%	6.3	0.0%	-
Vatican	0.0%	0.5		6.2	0.0%	-
Kyrgyz Republic	0.0%	0.4	5.0%	5.9	0.0%	-
St. Lucia	0.0%	0.5	25.9%	5.8	0.0%	-
Georgia	0.0%	0.5	3.1%	5.5	0.0%	-
Malawi	0.0%	0.4	4.5%	5.4	0.0%	-
Paraguay	0.0%	1.1	2.7%	5.4	0.0%	-
Vanuatu	0.0%	0.4	40.1%	5.4	0.0%	-
Chad	0.0%	0.4	2.8%	5.3	0.0%	-
Serbia	0.0%	1.1	2.0%	5.3	0.0%	-
San Marino	0.0%	0.3	12.3%	5.3	0.0%	-
Guatemala	0.0%	1.4	1.8%	5.0	0.0%	-
Sint Maarten	0.0%	0.2	19.4%	5.0	0.0%	-

Country	Share of global offshore wealth	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Armenia	0.0%	0.3	2.2%	4.8	0.0%	-
Dominica	0.0%	0.4	71.2%	4.8	0.0%	0.0
Djibouti	0.0%	0.3	10.2%	4.4	0.0%	-
Namibia	0.0%	0.2	1.6%	4.4	0.0%	-
Syria	0.0%	0.4	0.6%	4.1	0.0%	-
Equatorial Guinea	0.0%	0.3	1.5%	4.0	0.0%	-
Yemen	0.0%	0.5	1.2%	3.9	0.0%	-
Haiti	0.0%	0.3	2.8%	3.8	0.0%	-
Albania	0.0%	0.3	2.2%	3.8	0.0%	-
Guinea	0.0%	0.3	2.4%	3.6	0.0%	-
Mongolia	0.0%	0.7	5.4%	3.6	0.0%	19.6
Falkland Islands	0.0%	0.3	129.2%	3.1	0.0%	0.3
Grenada	0.0%	0.3	22.0%	3.1	0.0%	-
US Pacific Islands	0.0%	0.3		3.0	0.0%	-
Togo	0.0%	0.2	3.7%	2.8	0.0%	-
Burkina Faso	0.0%	0.2	1.3%	2.6	0.0%	-
Eswatini	0.0%	0.2	3.1%	2.5	0.0%	-
Bonaire, Sint Eustatius and Saba	0.0%	0.2		2.5	0.0%	-
Benin	0.0%	0.2	1.7%	2.5	0.0%	-
Gambia	0.0%	0.2	10.1%	2.3	0.0%	-
Afghanistan	0.0%	0.2	1.1%	2.3	0.0%	-
North Macedonia	0.0%	0.5	3.6%	2.3	0.0%	-
Laos	0.0%	0.2	0.8%	2.2	0.0%	-
Rwanda	0.0%	0.1	1.5%	2.0	0.0%	-
Burundi	0.0%	0.1	4.5%	2.0	0.0%	-
Solomon Islands	0.0%	0.1	9.2%	1.9	0.0%	-
Palestine	0.0%	0.2	1.0%	1.8	0.0%	-
Guiana	0.0%	0.2	4.0%	1.8	0.0%	-
Greenland	0.0%	0.1	3.7%	1.8	0.0%	14.4
Guinea-Bissau	0.0%	0.1	8.6%	1.7	0.0%	-
Bosnia and Herzegovina	0.0%	0.3	1.6%	1.6	0.0%	-
Eritrea	0.0%	0.1	1.5%	1.4	0.0%	-
Cuba	0.0%	0.1	0.1%	1.4	0.0%	-
Papua New Guinea	0.0%	0.1	0.3%	1.4	0.0%	-
Cape Verde	0.0%	0.1	4.3%	1.2	0.0%	-
Niger	0.0%	0.1	1.0%	1.2	0.0%	-
Sierra Leone	0.0%	0.2	3.2%	1.2	0.0%	-
Myanmar	0.0%	0.1	0.1%	1.1	0.0%	-
Faroe Islands	0.0%	0.1	2.4%	1.1	0.0%	9.8
Sudan	0.0%	0.1	0.1%	1.0	0.0%	-

Country	Share of global offshore wealth	Offshore wealth (USD billion)	Offshore wealth (% of GDP)	Tax revenue loss (USD million)	Share of global tax loss inflicted by country	Tax loss inflicted on other countries (USD million)
Belarus	0.0%	0.1	0.2%	1.0	0.0%	-
Montenegro	0.0%	0.2	3.7%	0.9	0.0%	0.8
Moldova	0.0%	0.1	0.9%	0.9	0.0%	-
Lesotho	0.0%	0.0	1.7%	0.7	0.0%	-
Maldives	0.0%	0.1	1.7%	0.7	0.0%	-
Fiji	0.0%	0.1	1.1%	0.6	0.0%	-
Tajikistan	0.0%	0.0	0.4%	0.5	0.0%	-
Turkmenistan	0.0%	0.0	0.1%	0.5	0.0%	-
Central African Republic	0.0%	0.0	1.2%	0.4	0.0%	-
Comoros	0.0%	0.0	1.9%	0.3	0.0%	-
Wallis and Futuna	0.0%	0.0		0.3	0.0%	-
Somalia	0.0%	0.0	0.4%	0.3	0.0%	-
Micronesia	0.0%	0.0	4.5%	0.3	0.0%	-
Kiribati	0.0%	0.0	7.0%	0.2	0.0%	-
Sao Tome and Principe	0.0%	0.0	2.5%	0.2	0.0%	-
Timor-Leste	0.0%	0.0	0.1%	0.1	0.0%	-
South Sudan	0.0%	0.0	0.0%	0.1	0.0%	-
Bhutan	0.0%	0.0	0.2%	0.1	0.0%	-
North Korea	0.0%	0.0	0.0%	0.0	0.0%	-
Tonga	0.0%	0.0	0.2%	0.0	0.0%	-
Nauru	0.0%	0.0	0.1%	0.0	0.0%	-
Palau	0.0%	0.0	0.0%	0.0	0.0%	-
Kuwait	0.6%	59.0	33.9%	-	0.0%	-
Oman	0.1%	10.5	12.9%	-	0.1%	91.9
Qatar	0.3%	30.2	14.6%	-	0.2%	443.3
Cayman Islands	8.3%	880.7	16055.0%	-	26.0%	47,621.8
United Arab Emirates	0.8%	80.8	19.5%	-	0.5%	916.9
Bermuda	0.9%	92.8	1461.4%	-	1.6%	2,983.0
Bahrain	0.1%	7.0	18.6%	-	0.0%	33.5
Bahamas	0.6%	61.0	491.0%	-	0.4%	696.8
Brunei	0.0%	2.2	11.8%	-	0.0%	-
Saudi Arabia	1.0%	101.4	12.9%	-	0.0%	-
British Virgin Islands	3.0%	318.6	22038.3%	-	3.2%	5,890.2



Chapter 5: The Financial Secrecy Index

The first Financial Secrecy Index was published in 2009. The index ranks each country based on how intensely the country's tax and financial systems serve as a tool for individuals to hide their finances from the rule of law, including other countries' laws. Financial secrecy doesn't just enable individuals to launder money and abuse their tax responsibilities - financial secrecy keeps drug cartels bankable, human trafficking profitable and terrorist financing feasible.

How it works

The Financial Secrecy Index works in a similar way to the Corporate Tax Haven Index. The Financial Secrecy index first gives each country's tax and financial system a Financial Secrecy Score based on how intensely they've been programmed to enable individuals to hide their finances from the rule of law. Similar to the Corporate Tax Haven Index, the more a country's laws and policies programme a country's tax and financial systems to facilitate the hiding of private finances, the higher a Financial Secrecy Score the country gets.

For example, if a country allows individuals to own a shell corporation anonymously, this policy - or the absence of a policy requiring the identities of owners to be registered - will factor into a higher Financial Secrecy Score for the country. Likewise, if the country has banking secrecy laws that prohibit bankers from disclosing information to authorities about the financial affairs of clients under criminal investigations, these laws will contribute to a higher Financial Secrecy Score.

Financial Secrecy Scores are evaluated across 20 indicators, each composed of several sub-indicators that look at the presence or absence of specific laws and policies, as well as specific combinations of laws and policies, that enable financial secrecy. Much like the system health score you get after scanning your computer with anti-virus software, the Financial Secrecy Score indicates how much code has been programmed into - or deleted from - a country's tax and financial system to enable financial secrecy.

Once a country's Financial Secrecy Score has been determined, the Financial Secrecy Index then combines that score with the country's Global Scale Weight, which is a measure of how much financial activity takes place in the country, to determine the country's final rank on the index. A country's Global Scale Weight is an indicator of how heavily the country is used by non-residents for financial services. The more a jurisdiction is used, the greater its Global Scale Weight. By combining a country's Financial Secrecy Score and its Global Scale Weight, the Financial Secrecy Index determines how big a role the country plays in enabling global financial secrecy.

In other words, a country's Financial Secrecy Score indicates how efficient of a tool for hiding finances from the rule of law its tax and financial systems have been programmed to be. And a country's Global Scale Weight indicates how heavily that country is actually used as a tool by individuals who reside abroad. Combining these two measures together determines how important and harmful of a tool the country's tax and financial system serve as in unscrupulous individuals' global toolbox for hiding and laundering money. What this ultimately means is that a country that is heavily used by wealthy individuals and criminals, ie has a high Global Scale Weight, and has a tax and financial system that is "moderately" programmed to enable financial secrecy, ie

has a moderately high Financial Secrecy Score, can serve as a far more powerful tool for hiding and laundering money – and so rank higher on the index – than a country that plays a small role in the global economy and is heavily programmed to enable financial secrecy.

For example, the United States, with a Financial Secrecy Score of 63 out of 100 and a Global Scale Weight of 21.4 per cent, ranks 2nd on the Financial Secrecy Index, far higher than Antigua and Barbuda, which, with a Financial Secrecy Score of 76 out of 100 and Global Scale Weight of 0.00007 per cent, ranks 122nd on the index.

Although not as extremely programmed to enable financial secrecy as Antigua and Barbuda, the United States' tax and financial system serves as a far more significant tool for individuals to hide and launder money.

The Financial Secrecy Index teaches the same key lesson as the Corporate Tax Haven Index: with greater economic power, comes greater economic responsibility.

Rankings

The 2020 edition of the Financial Secrecy Index saw Switzerland reduce its ranking to the third biggest enabler of financial secrecy in the world, marking the first time the country did not rank first on the index since 2011. Despite escalating its contribution to global financial secrecy since the publication of the 2018 edition of the index, the US remained the second biggest enabler of financial secrecy in the world after Cayman overtook both the US and Switzerland to the top of the 2020 index. This marks the first time Cayman ranked first on the Financial Secrecy Index.

Table 7: Financial Secrecy Index 2020 ranking

Rank	Jurisdiction	FSI Value ¹	FSI Share ²	Secrecy Score ³	Global Scale Weight ⁴
1	Cayman Islands	1575.19	4.63%	76.08	4.58%
2	United States	1486.96	4.37%	62.89	21.37%
3	Switzerland	1402.10	4.12%	74.05	4.12%
4	Hong Kong	1035.29	3.04%	66.38	4.44%
5	Singapore	1022.12	3.00%	64.98	5.17%
6	Luxembourg	849.36	2.49%	55.45	12.36%
7	Japan	695.59	2.04%	62.85	2.20%
8	Netherlands	682.20	2.00%	67.40	1.11%
9	British Virgin Islands	619.14	1.82%	71.30	0.50%
10	United Arab Emirates	605.20	1.78%	77.93	0.21%
11	Guernsey	564.56	1.66%	70.65	0.41%
12	United Kingdom	534.65	1.57%	46.20	15.94%
13	Taiwan	507.57	1.49%	65.50	0.59%
14	Germany	499.72	1.47%	51.73	4.71%
15	Panama	479.51	1.41%	71.88	0.22%
16	Jersey	466.81	1.37%	65.53	0.46%
17	Thailand	448.86	1.32%	73.25	0.15%
18	Malta	442.20	1.30%	61.75	0.66%

Rank	Jurisdiction	FSI Value ¹	FSI Share ²	Secrecy Score ³	Global Scale Weight ⁴
19	Canada	438.38	1.29%	55.84	1.60%
20	Qatar	433.05	1.27%	77.00	0.09%
21	South Korea	411.06	1.21%	61.58	0.55%
22	Bahamas	407.28	1.20%	75.38	0.09%
23	Algeria	400.56	1.18%	79.63	0.05%
24	Kenya	398.19	1.17%	75.95	0.08%
25	China	397.25	1.17%	59.85	0.64%
26	Lebanon	385.52	1.13%	63.98	0.32%
27	Cyprus	383.38	1.13%	61.08	0.48%
28	Kuwait	369.17	1.08%	70.58	0.12%
29	Ireland	363.80	1.07%	48.15	3.46%
30	Gibraltar	359.89	1.06%	69.48	0.12%
31	Macao	356.53	1.05%	65.00	0.22%
32	Malaysia	352.69	1.04%	69.53	0.12%
33	France	350.53	1.03%	49.90	2.25%
34	Nigeria	348.53	1.02%	70.15	0.10%
35	Angola	345.45	1.01%	79.73	0.03%
36	Austria	317.00	0.93%	56.50	0.54%
37	Vietnam	299.30	0.88%	74.33	0.04%
38	Israel	291.49	0.86%	58.68	0.30%
39	Sri Lanka	290.64	0.85%	72.18	0.05%
40	Bermuda	289.07	0.85%	72.73	0.04%
41	Italy	287.80	0.85%	50.38	1.14%
42	Jordan	260.39	0.76%	78.30	0.02%
43	Isle of Man	258.34	0.76%	64.68	0.09%
44	Russia	256.35	0.75%	57.05	0.26%
45	Saudi Arabia	245.47	0.72%	66.68	0.06%
46	Egypt	241.93	0.71%	71.38	0.03%
47	India	238.68	0.70%	47.84	1.04%
48	Australia	238.07	0.70%	50.09	0.68%
49	Marshall Islands	236.43	0.69%	70.10	0.03%
50	Belgium	236.21	0.69%	45.05	1.72%
51	Mauritius	235.82	0.69%	71.53	0.03%
52	Liechtenstein	229.68	0.67%	74.98	0.02%
53	Cameroon	229.23	0.67%	71.48	0.02%
54	Bangladesh	228.79	0.67%	72.73	0.02%
55	Turkey	225.72	0.66%	59.50	0.12%
56	Romania	224.13	0.66%	62.63	0.08%
57	New Zealand	219.00	0.64%	59.20	0.12%
58	South Africa	218.59	0.64%	56.24	0.19%
59	Poland	212.10	0.62%	55.55	0.19%
60	Philippines	201.18	0.59%	62.85	0.05%

Rank	Jurisdiction	FSI Value ¹	FSI Share ²	Secrecy Score ³	Global Scale Weight ⁴
61	Venezuela	197.00	0.58%	69.03	0.02%
62	Anguilla	192.99	0.57%	78.20	0.01%
63	Barbados	192.86	0.57%	74.00	0.01%
64	Sweden	182.86	0.54%	45.65	0.71%
65	Latvia	182.83	0.54%	59.13	0.07%
66	Spain	164.30	0.48%	43.95	0.72%
67	Czechia	163.30	0.48%	55.40	0.09%
68	St. Kitts and Nevis	162.25	0.48%	75.18	0.01%
69	Guatemala	162.15	0.48%	73.50	0.01%
70	Ukraine	160.45	0.47%	64.90	0.02%
71	Norway	157.88	0.46%	44.30	0.60%
72	Morocco	157.49	0.46%	67.75	0.01%
73	Brazil	157.21	0.46%	51.68	0.15%
74	Maldives	155.39	0.46%	79.83	0.00%
75	Hungary	151.52	0.44%	53.80	0.09%
76	Portugal	151.18	0.44%	54.03	0.09%
77	Puerto Rico	150.53	0.44%	73.14	0.01%
78	Tunisia	147.48	0.43%	66.48	0.01%
79	Indonesia	143.84	0.42%	51.08	0.13%
80	Mexico	139.81	0.41%	52.75	0.09%
81	Bahrain	137.99	0.41%	62.40	0.02%
82	Chile	135.12	0.40%	55.79	0.05%
83	Costa Rica	132.24	0.39%	62.33	0.02%
84	Iceland	129.31	0.38%	57.38	0.03%
85	El Salvador	123.12	0.36%	64.10	0.01%
86	Samoa	120.86	0.35%	74.63	0.00%
87	Finland	119.34	0.35%	52.13	0.06%
88	Paraguay	117.59	0.35%	77.45	0.00%
89	US Virgin Islands	117.03	0.34%	73.89	0.00%
90	Uruguay	115.47	0.34%	57.00	0.02%
91	Bolivia	114.74	0.34%	79.10	0.00%
92	Turks and Caicos Islands	114.32	0.34%	77.83	0.00%
93	Croatia	112.33	0.33%	55.08	0.03%
94	Argentina	109.37	0.32%	54.98	0.03%
95	Seychelles	108.53	0.32%	70.44	0.00%
96	Curacao	103.60	0.30%	74.85	0.00%
97	Denmark	103.52	0.30%	45.33	0.14%
98	Tanzania	100.62	0.30%	70.78	0.00%
99	Rwanda	100.47	0.30%	63.00	0.01%
100	Pakistan	97.92	0.29%	55.05	0.02%
101	Peru	96.18	0.28%	57.00	0.01%
102	Colombia	92.25	0.27%	56.48	0.01%

Rank	Jurisdiction	FSI Value ¹	FSI Share ²	Secrecy Score ³	Global Scale Weight ⁴
103	Greece	91.65	0.27%	51.48	0.03%
104	Slovakia	91.29	0.27%	50.93	0.03%
105	Lithuania	89.83	0.26%	50.30	0.04%
106	Vanuatu	88.59	0.26%	76.30	0.00%
107	Dominican Republic	86.68	0.25%	58.73	0.01%
108	Kazakhstan	82.30	0.24%	64.48	0.00%
109	Monaco	79.90	0.23%	70.30	0.00%
110	Belize	78.07	0.23%	73.93	0.00%
111	Liberia	77.59	0.23%	78.24	0.00%
112	Aruba	76.65	0.23%	73.28	0.00%
113	Botswana	58.37	0.17%	62.24	0.00%
114	St. Vincent and the Grenadines	57.72	0.17%	65.65	0.00%
115	Bulgaria	57.53	0.17%	49.45	0.01%
116	North Macedonia	54.86	0.16%	64.05	0.00%
117	Ghana	54.47	0.16%	51.70	0.01%
118	Dominica	53.75	0.16%	73.65	0.00%
119	Montenegro	53.65	0.16%	60.03	0.00%
120	Ecuador	50.66	0.15%	47.21	0.01%
121	Estonia	46.03	0.14%	43.05	0.02%
122	Antigua and Barbuda	39.05	0.11%	76.08	0.000070%
123	Andorra	38.84	0.11%	58.33	0.00%
124	Gambia	37.72	0.11%	74.88	0.00%
125	Brunei	34.62	0.10%	78.30	0.00%
126	Grenada	34.56	0.10%	70.55	0.00%
127	Trinidad and Tobago	29.63	0.09%	64.65	0.00%
128	Slovenia	27.48	0.08%	37.55	0.01%
129	San Marino	20.82	0.06%	60.45	0.00%
130	Montserrat	15.43	0.05%	74.60	0.00%
131	Nauru	13.79	0.04%	59.95	0.00%
132	St. Lucia	12.25	0.04%	71.03	0.00%
133	Cook Islands	12.09	0.04%	70.30	0.00%

Note: The territories marked in dark blue are Overseas Territories (OTs) and Crown Dependencies (CDs) where the Queen is head of state; powers to appoint key government officials rest with the British Crown; laws must be approved in London; and the UK government holds various other powers (see here for more details: www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf). Territories marked in light blue are British Commonwealth territories which are not OTs or CDs but whose final court of appeal is the Judicial Committee of the Privy Council in London (see here for more details: http://www.taxjustice.net/cms/upload/pdf/Privy_Council_and_Secrecy_Scores.pdf).

Table footnotes

1 The FSI Value is calculated by multiplying the cube of the Secrecy Score with the cube root of the Global Scale Weight. The final result is divided through by one hundred for presentational clarity.

2 The FSI Share is calculated by summing up all FSI Values, and then dividing each countries FSI Value by the total sum, expressed in percentages.

3 The Secrecy Scores are calculated based on 20 indicators. For full explanation of the methodology and data sources, please read our FSI Methodology, [here: www.financialsecrecyindex.com/PDF/FSI-Methodology.pdf](http://www.financialsecrecyindex.com/PDF/FSI-Methodology.pdf)

4 The Global Scale Weight represents a jurisdiction's share in the global total amount of cross-border financial services. For full explanation of the methodology and data sources, please read our FSI Methodology, [here: www.financialsecrecyindex.com/PDF/FSI-Methodology.pdf](http://www.financialsecrecyindex.com/PDF/FSI-Methodology.pdf)



Global financial secrecy is shrinking

The Financial Secrecy Index 2020 revealed that financial secrecy around the world is decreasing as a result of recent transparency reforms. On average, countries on the index reduced their contribution to global financial secrecy by 7 per cent. However, a handful of jurisdictions accounting for a large share of global financial services have bucked the trend, most notably the US, Cayman and the UK.

The 7 per cent reduction in global financial secrecy is equivalent to erasing the combined contributions of Switzerland and the United Arab Emirates to global financial secrecy from the 2018 edition of the Financial Secrecy Index, on which the two jurisdictions had ranked 1st and 9th respectively. The reduction means less room for practices like secretive banking, anonymous shell company ownership or anonymous real estate ownership, which in turn means less room for money laundering, tax evasion and huge offshore concentrations of illicit and untaxed wealth.

Analysis of changes to countries' Financial Secrecy Scores showed that the biggest reforms have been in automatic exchange of information and beneficial ownership registration, whereas reforms in country by country reporting have been weak. These three areas of reform, also known as the "ABCs" of tax justice, have gained the most attention from campaigners, tax experts and policymakers in recent years.

However, the progress on curtailing financial secrecy is undermined by escalations of financial secrecy from Cayman, the US and the UK.

Cayman is the world's greatest enabler of financial secrecy

The Financial Secrecy Index 2020 found Cayman to have increased its supply of financial secrecy to the world by 24 per cent, moving it up from third on the 2018 index to first on the 2020 index. The deterioration is a result of Cayman increasing the volume of financial services it provides to non-residents as well Cayman's failure to keep up with methodological updates to the Financial Secrecy Index that reflect the evolving nature of the financial secrecy landscape. The growth of Cayman's global role pointed to major risks emanating from its hedge fund industry, which uses companies, trusts and limited partnerships that are cloaked in secrecy.

The State of Tax Justice 2020 confirms that the Cayman is the world's greater enabler of private tax evasion, alone causing a tax revenue loss of \$47.6 billion globally.

OECD countries responsible for nearly half of financial secrecy in the world

The Financial Secrecy Index 2020 also revealed that OECD countries are responsible for 49 per cent of all financial secrecy in the world, as measured by the Financial Secrecy Index in 2020. OECD countries directly supplied 35 per cent of global financial secrecy measured by the index and 14 per cent indirectly through their dependencies to which they outsource some of their financial secrecy, including dependencies like the US Virgin Islands and Curacao, and the dependencies that make up the UK spider's web.

The State of Tax Justice reports that OECD countries are responsible for over 59 per cent of the \$182 billion the world loses to private offshore tax evasion every year – just over \$106 billion each year. Adding in the OECD's dependencies takes the share of responsibility up to 92 per cent – a total of \$168 billion.



The secrecy scores of OECD countries and their dependencies reveal a hypocrisy in curbing financial secrecy. OECD countries had an average Financial Secrecy Score of 54 out of 100, however, their dependencies had an average score of 73. In comparison, non-OECD countries (excluding OECD dependencies) had an average secrecy score of 67 out of 100. By outsourcing financial secrecy to their dependencies, OECD countries enable some of the worst forms of financial secrecy in the world while exercising stricter regulations on financial secrecy within their own borders.



Chapter 6: 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.

A major challenge of illicit financial flows is the opaque channels and instruments through which they flow from one jurisdiction to another. The measurement of illicit financial flows is imprecise and a brighter light is needed to expose the existing, unfit global financial architecture of illicit financial flows and the underpinning policy and legal structures within and between jurisdictions programmed to make illicit financial flows possible.

In 2015, the High-Level Panel on Illicit Financial Flows from Africa, also known as the Mbeki Panel, published a report which provided an analysis of illicit financial flows and their significance for the African region.¹⁷ Tax justice campaigners saw this as a timely wake-up call alerting to the impact of illicit financial flows on human development, on rights and on inequalities throughout the world.

The report and its findings marked a political step-change in recognition of the malign nature of illicit financial flows. It gave both impetus and urgency for further necessary research and analysis. Most recently, only weeks before the Covid-19 pandemic took hold, the UN Secretary General warned of the dangers of leaving tax abuse and illicit financial flows unchecked.¹⁸

The report provided a compelling proxy for the exact scale, weight and risks generated by illicit financial flows. It proposed “analysing a country’s risk exposure to hidden elements in any given financial flow, whether these flows are through trade, investments or banking services”.¹⁹ The Tax Justice Network has taken a lead in developing a tool to measure channels of such flows.

The Illicit Financial Flows Vulnerability Tracker (2020) 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.

The State of Tax Justice reports that countries are losing over \$546 billion in tax every year to international tax abuse – much of which is facilitated via illicit financial flows. To reprogramme our tax systems to prioritise the needs of all members of society over the desires of wealthy corporations and individuals seeking to shirk their tax responsibilities, we must rewrite the laws and policies that make illicit financial flows possible. But 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 Illicit Financial Flows Vulnerability Tracker was built to help answer.

¹⁷ AU/ECA Conference of Ministers of Finance, Planning and Economic Development (2015) Illicit Financial Flows. Available [here](#).

¹⁸ United Nations Economic & Social Council (2020). Report of the Secretary-General. Available [here](#).

¹⁹ Abugre, C., Cobham, A., Etter-Phoya, R., Lépissier, A., Meinzer, M., Monkam, N. & Mosioma, A. (2019). Vulnerability and Exposure to Illicit Financial Flows risk in Africa. Available [here](#).

The vulnerability tracker is designed to support policy makers, journalists, academics and the general public to understand sources of financial secrecy and collective and country-specific relative vulnerability to illicit financial flows.²⁰ 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 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).

When measuring vulnerability for a given economic channel, the tracker captures how financially secretive the country's trade, investment or banking partners are for that channel. Vulnerability is the average financial secrecy level of all partners 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, the table below 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 J)
- **Level of vulnerability** – A measure of how vulnerable the country's most vulnerable channel is. The measure 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 K)
- **Regional vulnerability** – The (weighted) average level of vulnerability in the country's region for the country's most vulnerable channel (column L)
- 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 M, N and O).

The region averages are highlighted in light blue. Countries within each region are listed below the region and its average calculations.

²⁰ Abugre, C., Cobham, A., Etter-Phoya, R., Lépissier, A., Meinzer, M., Monkam, N. & Mosioma, A. (2019). Vulnerability and Exposure to Illicit Financial Flows risk in Africa. Available [here](#).

Table 8: Countries' vulnerabilities to illicit financial flows

Name	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	Inward Trade (Imports)	57	58	China (18.8%)	France (9.1%)	Italy (8.4%)
Angola	Outward Trade (Exports)	59	58	China (55.9%)	India (7.1%)	United States (4.4%)
Benin	Outward Trade (Exports)	61	58	Bangladesh (18.9%)	Vietnam (12.5%)	India (12.4%)
Botswana	Inward foreign direct investments	58	58	Mauritius (36.1%)	United Kingdom (29.2%)	South Africa (22.8%)
Burkina Faso	Inward foreign direct investments	65	58	Canada (38.7%)	Barbados (25.5%)	France (8.4%)
Burundi	Outward Trade (Exports)	67	58	United Arab Emirates (30.6%)	Switzerland (15.4%)	Pakistan (9.8%)
Cameroon	Inward Trade (Imports)	59	58	China (20.9%)	France (10.2%)	Nigeria (10.1%)
Cape Verde	Inward Trade (Imports)	55	58	Portugal (45.8%)	Spain (9.9%)	Netherlands (8.9%)
Central African Republic	Outward Trade (Exports)	61	58	France (63.2%)	China (9.9%)	Pakistan (5.9%)
Comoros	Inward Trade (Imports)	61	58	United Arab Emirates (30.0%)	Pakistan (14.2%)	France (13.9%)
Congo, Rep.	Outward Trade (Exports)	60	58	China (35.7%)	Angola (13.0%)	Spain (9.3%)
Cote d'Ivoire	Outward foreign direct investments	73	58	Luxembourg (23.5%)	Mauritius (20.2%)	France (19.0%)
Egypt	Outward Portfolio investments	62	58	Saudi Arabia (26.4%)	United States (18.9%)	France (6.1%)
Eswatini	Outward Trade (Exports)	59	58	South Africa (71.2%)	Kenya (6.8%)	Nigeria (6.0%)
Ethiopia	Outward Trade (Exports)	61	58	China (10.1%)	Saudi Arabia (9.9%)	Kuwait (9.7%)
Gabon	Inward Portfolio investments	56	58	United States (28.6%)	Luxembourg (27.6%)	Netherlands (9.9%)
Gambia	Outward Trade (Exports)	62	58	Vietnam (46.2%)	China (9.7%)	India (7.4%)
Ghana	Outward Trade (Exports)	59	58	Switzerland (16.0%)	India (15.9%)	China (15.2%)
Guinea	Inward Trade (Imports)	58	58	Netherlands (16.2%)	China (16.0%)	India (9.3%)
Kenya	Outward Trade (Exports)	61	58	Pakistan (12.6%)	Netherlands (11.3%)	United States (11.1%)
Lesotho	Inward Trade (Imports)	58	58	South Africa (74.8%)	China (15.7%)	India (2.1%)

Name	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
Liberia	Outward foreign direct investments	80	58	China (38.3%)	Hong Kong (38.0%)	Luxembourg (9.3%)
Madagascar	Inward Trade (Imports)	60	58	China (21.7%)	United Arab Emirates (10.9%)	France (6.7%)
Malawi	Inward Trade (Imports)	59	58	South Africa (18.5%)	China (15.7%)	United Arab Emirates (12.7%)
Mali	Outward Trade (Exports)	62	58	South Africa (48.0%)	Switzerland (24.9%)	United Arab Emirates (7.7%)
Mauritania	Inward Trade (Imports)	60	58	United Arab Emirates (13.0%)	South Korea (11.5%)	United States (8.1%)
Mauritius	Inward foreign direct investments	63	58	United States (19.4%)	Cayman Islands (17.0%)	Singapore (8.4%)
Morocco	Outward foreign direct investments	62	58	France (44.0%)	Mauritius (8.9%)	Luxembourg (8.7%)
Mozambique	Inward foreign direct investments	62	58	United Arab Emirates (25.4%)	Mauritius (17.4%)	South Africa (12.1%)
Namibia	Outward Trade (Exports)	59	58	South Africa (20.4%)	Botswana (17.5%)	Switzerland (14.8%)
Niger	Inward foreign direct investments	107	58	China (45.8%)	France (41.2%)	Mauritius (2.5%)
Nigeria	Inward foreign direct investments	63	58	Netherlands (30.4%)	Bermuda (16.8%)	France (8.7%)
Rwanda	Outward Trade (Exports)	69	58	Kenya (29.5%)	United Arab Emirates (20.2%)	Switzerland (16.4%)
Sao Tome and Principe	Inward Trade (Imports)	60	58	Portugal (50.8%)	Angola (26.4%)	China (4.8%)
Senegal	Inward Portfolio investments	62	58	United States (28.7%)	Luxembourg (26.7%)	Germany (8.9%)
Seychelles	Inward Trade (Imports)	62	58	United Arab Emirates (28.7%)	Cayman Islands (12.2%)	France (7.2%)
Sierra Leone	Inward Trade (Imports)	59	58	China (16.5%)	United Arab Emirates (14.3%)	United Kingdom (8.3%)
South Africa	Outward foreign direct investments	60	58	China (49.9%)	Mauritius (7.8%)	Hong Kong (7.7%)
Sudan	Outward Trade (Exports)	62	58	United Arab Emirates (35.0%)	China (28.6%)	Saudi Arabia (16.7%)
Tanzania	Inward Trade (Imports)	60	58	Saudi Arabia (21.1%)	China (16.8%)	India (10.6%)
Togo	Inward Trade (Imports)	59	58	China (23.8%)	France (8.7%)	Netherlands (5.4%)
Tunisia	Outward foreign direct investments	64	58	France (51.7%)	Mauritius (36.8%)	China (5.0%)
Uganda	Outward Trade (Exports)	66	58	Kenya (27.9%)	United Arab Emirates (21.3%)	Rwanda (9.7%)

Name	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
Zambia	Outward Trade (Exports)	64	58	Switzerland (53.9%)	China (17.2%)	Singapore (7.9%)
Zimbabwe	Inward Trade (Imports)	59	58	South Africa (40.6%)	Singapore (25.7%)	China (8.1%)
Asia						
Afghanistan	Inward Trade (Imports)	60	60	Pakistan (23.2%)	China (22.6%)	Kazakhstan (13.8%)
Armenia	Outward Trade (Exports)	59	61	Russia (27.8%)	Switzerland (14.6%)	Bulgaria (10.0%)
Azerbaijan	Outward foreign direct investments	60	63	Turkey (60.6%)	Switzerland (7.6%)	United Kingdom (5.0%)
Bahrain	Outward Portfolio investments	66	62	United Arab Emirates (17.8%)	United States (13.5%)	Cayman Islands (10.3%)
Bangladesh	Inward foreign direct investments	60	63	United States (23.4%)	United Kingdom (7.7%)	Singapore (7.0%)
Brunei	Inward Trade (Imports)	61	60	Malaysia (21.3%)	China (18.4%)	Singapore (17.8%)
Cambodia	Inward foreign direct investments	62	63	China (26.8%)	Vietnam (9.4%)	South Korea (7.5%)
China	Inward foreign direct investments	65	63	Hong Kong (49.0%)	British Virgin Islands (12.8%)	Japan (5.9%)
Georgia	Inward foreign direct investments	60	63	Netherlands (17.2%)	United Kingdom (12.7%)	Turkey (7.8%)
Hong Kong	Inward foreign direct investments	63	63	British Virgin Islands (37.3%)	China (22.5%)	Cayman Islands (7.8%)
India	Outward foreign direct investments	66	63	Mauritius (23.6%)	Singapore (17.2%)	Netherlands (11.2%)
Indonesia	Inward foreign direct investments	63	63	Singapore (23.6%)	Netherlands (15.5%)	Japan (11.2%)
Iran	Outward Trade (Exports)	61	61	United Arab Emirates (26.1%)	China (25.2%)	South Korea (10.6%)
Iraq	Outward foreign direct investments	72	63	Bahrain (60.5%)	Lebanon (13.0%)	Russia (7.1%)
Israel	Outward foreign direct investments	64	63	Netherlands (56.1%)	United States (14.1%)	Switzerland (3.3%)
Japan	Outward Portfolio investments	62	62	United States (40.5%)	Cayman Islands (24.4%)	France (5.2%)
Jordan	Outward foreign direct investments	63	63	Algeria (49.5%)	United Kingdom (14.8%)	Lebanon (6.1%)
Kazakhstan	Outward foreign direct investments	63	63	Netherlands (51.9%)	United Kingdom (10.9%)	Russia (8.0%)
Kuwait	Outward foreign direct investments	65	63	Bahrain (17.5%)	Saudi Arabia (13.6%)	Cayman Islands (13.5%)
Kyrgyz Republic	Outward Trade (Exports)	62	61	Switzerland (35.1%)	Kazakhstan (16.5%)	Russia (14.7%)

Name	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
Laos	Inward Trade (Imports)	65	60	Thailand (58.1%)	China (22.0%)	Vietnam (10.9%)
Lebanon	Outward Trade (Exports)	65	61	United Arab Emirates (16.9%)	South Africa (12.6%)	Saudi Arabia (12.2%)
Macao	Inward Portfolio investments	89	61	Hong Kong (33.0%)	China (24.2%)	Thailand (8.7%)
Malaysia	Inward foreign direct investments	63	63	Singapore (20.1%)	Japan (12.3%)	United States (10.5%)
Maldives	Outward Trade (Exports)	63	61	Thailand (43.5%)	United States (8.5%)	Sri Lanka (7.8%)
Mongolia	Outward Portfolio investments	62	62	Hong Kong (47.8%)	United States (13.9%)	Singapore (12.0%)
Myanmar	Inward foreign direct investments	62	63	Singapore (24.8%)	China (17.3%)	Thailand (16.4%)
Nepal	Inward foreign direct investments	55	63	India (20.6%)	China (13.0%)	Norway (12.0%)
Oman	Outward Trade (Exports)	64	61	United Arab Emirates (29.3%)	Saudi Arabia (12.3%)	Qatar (9.3%)
Pakistan	Outward foreign direct investments	67	63	United Arab Emirates (23.2%)	Bangladesh (11.4%)	Mauritius (8.3%)
Palestine	Inward foreign direct investments	76	63	Jordan (81.4%)	Qatar (6.9%)	Kuwait (2.4%)
Philippines	Inward foreign direct investments	64	63	Netherlands (24.8%)	Japan (23.2%)	United States (11.3%)
Qatar	Inward Portfolio investments	62	61	United States (26.6%)	Saudi Arabia (13.4%)	Bahrain (8.6%)
Saudi Arabia	Outward Trade (Exports)	62	61	United Arab Emirates (19.1%)	China (11.9%)	Singapore (6.2%)
Singapore	Inward foreign direct investments	63	63	United States (20.8%)	Cayman Islands (9.5%)	British Virgin Islands (7.9%)
South Korea	Inward foreign direct investments	61	63	Japan (23.9%)	United States (20.1%)	Netherlands (11.5%)
Sri Lanka	Outward foreign direct investments	64	63	Singapore (23.8%)	Bangladesh (18.9%)	Mauritius (14.3%)
Syria	Outward foreign direct investments	74	63	Lebanon (39.8%)	Cyprus (12.0%)	Romania (10.8%)
Taiwan	Inward Banking Positions	64	59	Hong Kong (32.1%)	Singapore (14.6%)	United Kingdom (8.0%)
Tajikistan	Inward foreign direct investments	59	63	China (46.4%)	Russia (16.0%)	United Kingdom (7.9%)
Thailand	Outward foreign direct investments	64	63	Hong Kong (26.1%)	Cayman Islands (9.7%)	Singapore (8.5%)
Timor-Leste	Inward Trade (Imports)	59	60	Indonesia (27.8%)	China (15.4%)	Singapore (14.5%)

Name	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
Turkey	Outward Portfolio investments	64	62	United States (27.9%)	Cayman Islands (26.9%)	Lebanon (13.3%)
United Arab Emirates	Inward Portfolio investments	61	61	United States (18.1%)	Saudi Arabia (10.4%)	Switzerland (9.5%)
Uzbekistan	Outward Trade (Exports)	60	61	Russia (26.3%)	China (24.9%)	Kazakhstan (21.1%)
Vietnam	Inward foreign direct investments	66	63	South Korea (26.9%)	Japan (25.8%)	Thailand (10.6%)
Yemen	Outward Trade (Exports)	65	61	Saudi Arabia (52.4%)	United Arab Emirates (8.8%)	Japan (8.4%)
Caribbean and American Islands						
Antigua and Barbuda	Inward Trade (Imports)	61	61	United States (54.2%)	China (5.3%)	Japan (4.9%)
Aruba	Outward Portfolio investments	61	68	United States (62.3%)	Netherlands (4.4%)	Japan (4.0%)
Bahamas	Outward Portfolio investments	91	68	Cayman Islands (25.5%)	United States (21.3%)	Brazil (20.8%)
Barbados	Outward foreign direct investments	76	63	Luxembourg (28.8%)	United Kingdom (26.2%)	China (22.7%)
Belize	Inward Trade (Imports)	62	61	United States (39.1%)	China (10.9%)	Mexico (9.5%)
Bermuda	Inward Portfolio investments	62	51	United States (44.3%)	Hong Kong (30.1%)	Luxembourg (4.1%)
British Virgin Islands	Inward foreign direct investments	64	61	Hong Kong (62.5%)	China (12.9%)	Netherlands (8.1%)
Cayman Islands	Inward Trade (Imports)	62	61	United States (87.3%)	Bahamas (3.6%)	Denmark (1.4%)
Curaçao	Outward foreign direct investments	76	63	Netherlands (89.0%)	Luxembourg (5.7%)	Spain (1.7%)
Guyana	Inward Trade (Imports)	62	61	United States (43.2%)	Trinidad and Tobago (25.2%)	China (6.7%)
Jamaica	Outward Trade (Exports)	61	59	United States (41.7%)	Netherlands (11.7%)	Canada (11.2%)
Netherlands Antilles	Outward Portfolio investments	69	68	Cayman Islands (54.6%)	United States (16.5%)	Venezuela (7.2%)
Puerto Rico	Inward Portfolio investments	46	51	Cayman Islands (39.8%)	Canada (17.7%)	United Kingdom (12.8%)
St. Kitts and Nevis	Outward Trade (Exports)	65	59	United States (67.2%)	Trinidad and Tobago (6.7%)	St. Lucia (5.5%)
St. Lucia	Inward Trade (Imports)	62	61	United States (49.4%)	Trinidad and Tobago (17.7%)	Barbados (3.9%)
St. Vincent & Grenadines	Outward Trade (Exports)	71	59	Barbados (17.6%)	St. Lucia (15.6%)	Antigua and Barbuda (14.5%)
Suriname	Outward Trade (Exports)	69	59	United Arab Emirates (35.5%)	Switzerland (33.7%)	Hong Kong (13.4%)

Name	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
Trinidad and Tobago	Outward Trade (Exports)	60	59	United States (48.0%)	Argentina (6.8%)	Colombia (4.2%)
US Virgin Islands	Inward Portfolio investments	92	51	China (29.4%)	Cayman Islands (24.4%)	Luxembourg (14.3%)
Europe						
Albania	Inward Trade (Imports)	55	57	Italy (28.4%)	China (9.6%)	Turkey (9.5%)
Andorra	Inward Trade (Imports)	49	57	Spain (60.3%)	France (15.6%)	China (4.7%)
Austria	Outward foreign direct investments	61	58	Switzerland (27.0%)	Netherlands (14.1%)	Germany (9.3%)
Belarus	Inward Portfolio investments	66	56	United States (36.7%)	Russia (25.8%)	Luxembourg (24.2%)
Belgium	Inward foreign direct investments	58	58	Netherlands (26.3%)	France (20.0%)	Luxembourg (18.9%)
Bosnia and Herzegovina	Inward foreign direct investments	56	58	Austria (21.4%)	Croatia (18.5%)	Russia (9.3%)
Bulgaria	Outward foreign direct investments	58	58	Romania (15.5%)	North Macedonia (14.0%)	Austria (10.6%)
Croatia	Outward foreign direct investments	57	58	Netherlands (42.3%)	Slovenia (17.6%)	Marshall Islands (7.8%)
Cyprus	Outward Trade (Exports)	60	56	Cayman Islands (10.3%)	Greece (8.0%)	Marshall Islands (6.1%)
Czechia	Outward Banking Positions	58	54	Austria (32.7%)	Switzerland (17.2%)	Germany (13.3%)
Denmark	Outward Portfolio investments	57	56	United States (33.0%)	Germany (11.6%)	Luxembourg (7.5%)
Estonia	Outward foreign direct investments	56	58	Cyprus (19.0%)	Latvia (18.4%)	Lithuania (18.3%)
Faroe Islands	Inward Portfolio investments	48	56	United States (40.1%)	Denmark (15.5%)	Luxembourg (10.8%)
Finland	Outward Trade (Exports)	55	56	Germany (13.9%)	Sweden (9.1%)	Netherlands (8.5%)
France	Inward foreign direct investments	58	58	Netherlands (24.4%)	Luxembourg (16.5%)	Switzerland (11.5%)
Germany	Inward foreign direct investments	60	58	Netherlands (32.1%)	Luxembourg (13.3%)	United States (12.7%)
Gibraltar	Inward Portfolio investments	80	56	United Kingdom (31.9%)	United States (11.2%)	Luxembourg (9.9%)
Greece	Outward foreign direct investments	60	58	Cyprus (20.5%)	Netherlands (11.9%)	United States (10.0%)
Guernsey	Inward Banking Positions	69	55	Switzerland (61.1%)	Jersey (11.5%)	United Kingdom (6.7%)
Hungary	Outward foreign direct investments	64	58	Switzerland (33.9%)	United States (30.5%)	Luxembourg (8.9%)

Name	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
Iceland	Outward foreign direct investments	61	58	Netherlands (30.6%)	United States (24.3%)	Switzerland (10.0%)
Ireland	Inward foreign direct investments	60	58	Luxembourg (31.4%)	United States (27.3%)	Netherlands (13.8%)
Isle of Man	Inward Portfolio investments	56	56	United States (37.2%)	United Kingdom (15.6%)	Luxembourg (9.3%)
Italy	Outward foreign direct investments	58	58	Netherlands (19.5%)	United States (7.6%)	Germany (6.9%)
Jersey	Inward Banking Positions	62	55	Switzerland (25.3%)	United Kingdom (22.9%)	Guernsey (12.8%)
Kosovo	Outward foreign direct investments	58	58	Germany (14.7%)	Switzerland (10.9%)	North Macedonia (9.5%)
Latvia	Inward Portfolio investments	54	56	Germany (25.5%)	Austria (8.5%)	United States (6.1%)
Liechtenstein	Inward Portfolio investments	56	56	Austria (30.8%)	Luxembourg (27.1%)	Germany (19.6%)
Lithuania	Outward foreign direct investments	57	58	Netherlands (20.4%)	Latvia (20.2%)	Estonia (13.3%)
Luxembourg	Inward foreign direct investments	60	58	United States (18.5%)	Netherlands (12.1%)	Bermuda (10.0%)
Malta	Outward Trade (Exports)	59	56	Germany (12.8%)	United States (11.4%)	Egypt (11.1%)
Moldova	Inward Trade (Imports)	58	57	Romania (16.0%)	Russia (13.1%)	Ukraine (11.6%)
Montenegro	Inward foreign direct investments	58	58	Russia (23.9%)	Netherlands (11.4%)	Italy (9.7%)
Netherlands	Inward foreign direct investments	58	58	United States (21.8%)	Luxembourg (15.5%)	Switzerland (8.1%)
North Macedonia	Inward foreign direct investments	56	58	South Africa (32.8%)	Netherlands (9.2%)	Austria (8.7%)
Norway	Outward Portfolio investments	58	56	United States (35.8%)	Japan (8.4%)	United Kingdom (6.2%)
Poland	Outward foreign direct investments	59	58	Luxembourg (16.8%)	Netherlands (13.7%)	Cyprus (13.4%)
Portugal	Outward foreign direct investments	57	58	Netherlands (30.7%)	Spain (20.3%)	Angola (10.5%)
Romania	Outward foreign direct investments	61	58	Netherlands (43.4%)	Kazakhstan (16.8%)	Bulgaria (10.4%)
Russia	Inward foreign direct investments	62	58	Cyprus (26.3%)	Netherlands (23.3%)	Bahamas (7.5%)
Serbia	Inward foreign direct investments	58	58	Netherlands (23.2%)	Austria (11.7%)	Cyprus (8.5%)
Slovakia	Inward foreign direct investments	58	58	Netherlands (28.7%)	Austria (12.3%)	Czechia (10.4%)

Name	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
Slovenia	Outward foreign direct investments	58	58	Croatia (40.5%)	North Macedonia (10.6%)	Russia (8.8%)
Spain	Inward Trade (Imports)	57	57	Germany (12.4%)	France (10.1%)	China (9.4%)
Sweden	Outward Portfolio investments	57	56	United States (32.3%)	Luxembourg (14.8%)	United Kingdom (5.7%)
Switzerland	Inward foreign direct investments	59	58	Netherlands (33.2%)	Luxembourg (25.2%)	United States (16.0%)
Ukraine	Inward Portfolio investments	60	56	United States (47.5%)	Luxembourg (20.1%)	Cayman Islands (9.9%)
United Kingdom	Inward Banking Positions	61	55	United States (24.6%)	Cayman Islands (6.7%)	Germany (6.4%)
Latin America						
Argentina	Outward Banking Positions	63	59	United States (58.1%)	Switzerland (23.3%)	Spain (4.2%)
Bolivia	Inward Portfolio investments	69	59	Luxembourg (39.6%)	United States (19.9%)	Germany (5.9%)
Brazil	Outward foreign direct investments	66	61	Cayman Islands (25.6%)	British Virgin Islands (16.8%)	Bahamas (12.2%)
Chile	Outward foreign direct investments	62	61	Panama (15.1%)	United States (11.4%)	Brazil (10.8%)
Colombia	Outward Portfolio investments	61	62	United States (72.3%)	Luxembourg (11.3%)	Mexico (1.6%)
Costa Rica	Outward foreign direct investments	67	61	Guatemala (35.9%)	Panama (34.0%)	Spain (5.6%)
Dominican Republic	Inward Trade (Imports)	60	59	United States (45.8%)	China (13.9%)	Mexico (4.5%)
Ecuador	Outward Trade (Exports)	60	60	United States (35.5%)	Vietnam (7.6%)	Chile (6.2%)
El Salvador	Outward Trade (Exports)	64	60	United States (58.4%)	Guatemala (20.6%)	Costa Rica (5.7%)
Guatemala	Inward Portfolio investments	66	59	Bahamas (22.8%)	United States (21.2%)	Luxembourg (16.4%)
Honduras	Inward Trade (Imports)	60	59	United States (36.7%)	China (15.3%)	Guatemala (10.4%)
Mexico	Inward Banking Positions	62	62	United States (83.8%)	Germany (2.7%)	Canada (2.4%)
Nicaragua	Outward Trade (Exports)	61	60	United States (63.0%)	Mexico (8.4%)	El Salvador (6.3%)
Panama	Outward Trade (Exports)	62	60	United States (28.0%)	Colombia (13.4%)	Venezuela (8.7%)
Paraguay	Inward Portfolio investments	60	59	United States (36.5%)	Luxembourg (24.7%)	Germany (8.7%)
Peru	Outward foreign direct investments	66	61	Bolivia (26.2%)	Panama (12.0%)	Chile (10.5%)

Name	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
Uruguay	Outward Trade (Exports)	59	60	China (21.7%)	Brazil (17.2%)	United States (8.3%)
Venezuela	Inward Portfolio investments	59	59	United States (35.7%)	Luxembourg (15.5%)	Italy (7.0%)
Northern America						
Canada	Inward foreign direct investments	62	58	United States (41.3%)	Netherlands (21.0%)	Luxembourg (9.5%)
Greenland	Inward Trade (Imports)	49	58	Denmark (57.4%)	Sweden (13.7%)	Poland (3.3%)
United States	Inward Banking Positions	60	60	Cayman Islands (30.1%)	United Kingdom (19.8%)	Japan (5.9%)
Oceania						
Australia	Inward foreign direct investments	61	61	United States (26.3%)	Netherlands (13.5%)	Japan (11.5%)
Fiji	Outward Trade (Exports)	60	60	United States (26.8%)	Australia (17.4%)	New Zealand (8.9%)
French Polynesia	Outward Trade (Exports)	60	60	Japan (27.7%)	Hong Kong (27.5%)	United States (19.2%)
Kiribati	Inward Trade (Imports)	59	60	Australia (23.7%)	Singapore (13.3%)	Japan (12.9%)
Marshall Islands	Inward Portfolio investments	61	56	United States (82.0%)	Luxembourg (3.8%)	Mauritius (2.4%)
New Caledonia	Outward Trade (Exports)	59	60	China (40.8%)	Japan (19.1%)	South Korea (17.8%)
New Zealand	Outward Trade (Exports)	60	60	China (23.1%)	Australia (15.1%)	United States (12.0%)
Palau	Inward Trade (Imports)	62	60	United States (42.1%)	Singapore (16.9%)	Japan (13.2%)
Papua New Guinea	Inward Portfolio investments	57	56	United States (55.3%)	Australia (22.3%)	Luxembourg (5.4%)
Samoa	Inward Trade (Imports)	60	60	New Zealand (27.1%)	Singapore (19.1%)	China (12.1%)
Solomon Islands	Inward Trade (Imports)	60	60	Australia (19.3%)	Singapore (18.2%)	Malaysia (14.8%)

Annex A: Country data

Table 9: Country's tax losses and tax harm inflicted on others

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
Afghanistan	\$2,889,007	\$597,840	\$2,291,167	3.05%	2,773 nurses	\$33,240,802	0.01%
Albania	\$47,265,937	\$43,486,591	\$3,779,347	7.81%	8,260 nurses	\$4,266,199	<0.01%
Algeria	\$492,739,460	\$434,750,000	\$57,989,460	6.29%	97,342 nurses	\$550,339,691	0.13%
Andorra	\$8,751,410	\$0	\$8,751,410	5.74%	268 nurses	\$18,923,870	<0.01%
Angola	\$2,253,340,634	\$2,050,800,000	\$202,540,634	146.52%	318,890 nurses	\$0	0.00%
Argentina	\$2,684,956,110	\$2,341,815,852	\$343,140,259	8.59%	421,431 nurses	\$80,346,751	0.02%
Armenia	\$33,815,931	\$29,000,000	\$4,815,930	17.79%	12,827 nurses	\$0	0.00%
Aruba	\$31,466,692	\$6,785,063	\$24,681,629	N/A	1,292 nurses	\$5,271,458	<0.01%
Australia	\$4,197,661,676	\$2,365,613,824	\$1,832,047,852	4.87%	53,905 nurses	\$4,064,087,968	0.95%
Austria	\$995,623,647	\$341,964,284	\$653,659,363	3.14%	25,381 nurses	\$716,721,458	0.17%
Azerbaijan	\$33,361,686	\$7,801,624	\$25,560,062	5.70%	7,445 nurses	\$273,747,779	0.06%
Bahamas	\$0	\$0	\$0	0.00%	0 nurses	\$717,777,115	0.17%
Bahrain	\$0	\$0	\$0	0.00%	0 nurses	\$64,748,210	0.02%
Bangladesh	\$703,397,195	\$674,242,802	\$29,154,392	61.89%	392,398 nurses	\$888,791	<0.01%
Barbados	\$138,605,582	\$94,993	\$138,510,590	82.81%	8,404 nurses	\$4,687,487,889	1.10%
Belarus	\$66,719,057	\$65,763,199	\$955,859	2.91%	9,605 nurses	\$21,864,271	0.01%
Belgium	\$3,863,626,209	\$1,151,058,582	\$2,712,567,627	9.44%	47,523 nurses	\$3,062,033,835	0.72%
Belize	\$112,087,433	\$0	\$112,087,433	168.14%	15,338 nurses	\$102,257,675	0.02%
Benin	\$2,514,742	\$51,284	\$2,463,457	1.99%	1,276 nurses	\$0	0.00%
Bermuda	\$9,051,733	\$9,051,733	\$0	N/A	121 nurses	\$13,843,144,682	3.24%
Bhutan	\$88,818	N/A	\$88,818	0.16%	21 nurses	\$28,796,844	0.01%
Bolivia	\$135,745,614	\$103,282,857	\$32,462,757	9.75%	25,215 nurses	\$383,069,132	0.09%
Bonaire, Sint Eustatius and Saba	\$2,486,957	N/A	\$2,486,957	N/A	N/A nurses	\$0	0.00%
Bosnia and Herzegovina	\$19,028,474	\$17,458,580	\$1,569,894	1.54%	3,342 nurses	\$38,040,276	0.01%
Botswana	\$23,810,640	\$13,442,927	\$10,367,713	3.54%	2,868 nurses	\$18,131,346	<0.01%
Brazil	\$14,911,039,194	\$14,630,745,768	\$280,293,427	20.06%	2,059,104 nurses	\$95,811,723	0.02%
British Virgin Islands	\$1,079,398	\$1,079,398	\$0	N/A	37 nurses	\$16,295,774,429	3.81%
Brunei	\$85,462,833	\$85,462,833	\$0	28.90%	4,313 nurses	\$0	0.00%
Bulgaria	\$41,628,373	\$25,458,270	\$16,170,103	1.62%	5,016 nurses	\$195,356,370	0.05%

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
Burkina Faso	\$2,878,337	\$230,294	\$2,648,043	1.00%	1,245 nurses	\$56,349,380	0.01%
Burundi	\$1,987,018	N/A	\$1,987,018	2.95%	4,000 nurses	\$0	0.00%
Cambodia	\$23,957,865	\$7,199,820	\$16,758,045	7.89%	10,876 nurses	\$96,878,272	0.02%
Cameroon	\$140,343,297	\$114,567,107	\$25,776,190	56.28%	42,238 nurses	\$0	0.00%
Canada	\$5,743,156,682	\$3,310,466,008	\$2,432,690,674	4.32%	102,490 nurses	\$7,847,038,737	1.83%
Cape Verde	\$1,237,000	N/A	\$1,237,000	2.15%	318 nurses	\$0	0.00%
Cayman Islands	\$166,760	\$166,760	\$0	N/A	3 nurses	\$70,441,676,611	16.47%
Central African Republic	\$36,718,947	\$36,300,000	\$418,947	227.92%	37,578 nurses	\$0	0.00%
Chad	\$348,472,562	\$343,125,000	\$5,347,562	317.79%	248,927 nurses	\$0	0.00%
Chile	\$574,829,727	\$414,575,760	\$160,253,967	5.63%	17,817 nurses	\$1,850,641,641	0.43%
China	\$14,886,392,679	\$3,732,400,492	\$11,153,992,188	4.38%	1,463,876 nurses	\$20,045,803,268	4.69%
Colombia	\$11,774,915,838	\$11,639,160,039	\$135,755,798	71.79%	2,465,001 nurses	\$59,549,030	0.01%
Comoros	\$325,841	N/A	\$325,841	2.69%	119 nurses	\$0	0.00%
Congo DRC	\$115,900,570	\$83,430,714	\$32,469,856	55.57%	118,770 nurses	\$51,727,665	0.01%
Congo, Rep.	\$12,966,239	\$791,371	\$12,174,869	9.46%	4,016 nurses	\$4,799,474	<0.01%
Costa Rica	\$209,088,114	\$197,171,969	\$11,916,144	6.54%	18,748 nurses	\$0	0.00%
Cote d'Ivoire	\$237,855,315	\$217,087,199	\$20,768,116	45.33%	104,284 nurses	\$0	0.00%
Croatia	\$31,227,339	\$11,853,046	\$19,374,292	0.93%	1,853 nurses	\$206,581,863	0.05%
Cuba	\$1,432,138	N/A	\$1,432,138	0.02%	176 nurses	\$0	0.00%
Curaçao	\$390,876,251	N/A	\$390,876,251	N/A	21,796 nurses	\$359,700,351	0.08%
Cyprus	\$1,084,929,713	\$19,535,548	\$1,065,394,165	154.87%	42,300 nurses	\$1,446,227,757	0.34%
Czechia	\$460,947,518	\$385,099,549	\$75,847,969	3.49%	21,622 nurses	\$629,086,617	0.15%
Denmark	\$1,821,793,867	\$696,039,350	\$1,125,754,517	6.33%	23,623 nurses	\$2,316,671,494	0.54%
Djibouti	\$4,443,973	N/A	\$4,443,973	6.85%	1,062 nurses	\$0	0.00%
Dominica	\$4,804,869	N/A	\$4,804,869	25.14%	507 nurses	\$25,640	<0.01%
Dominican Republic	\$123,208,277	\$91,450,973	\$31,757,303	5.76%	32,384 nurses	\$53,149,731	0.01%
Ecuador	\$302,647,631	\$255,505,423	\$47,142,208	7.01%	61,678 nurses	\$17,598,072	<0.01%
Egypt	\$2,320,657,159	\$2,123,341,867	\$197,315,292	51.26%	1,524,421 nurses	\$3,910,683	<0.01%
El Salvador	\$107,350,935	\$99,440,566	\$7,910,369	8.95%	25,759 nurses	\$0	0.00%
Equatorial Guinea	\$3,988,816	N/A	\$3,988,816	4.78%	302 nurses	\$0	0.00%
Eritrea	\$1,433,754	N/A	\$1,433,754	4.79%	622 nurses	\$0	0.00%
Estonia	\$65,575,777	\$50,834,664	\$14,741,114	5.31%	3,306 nurses	\$0	0.00%
Eswatini	\$17,757,992	\$15,254,091	\$2,503,901	12.43%	4,760 nurses	\$0	0.00%
Ethiopia	\$379,569,403	\$362,658,520	\$16,910,883	56.42%	436,648 nurses	\$0	0.00%
Falkland Islands	\$3,125,271	N/A	\$3,125,271	N/A	58 nurses	\$343,203	<0.01%
Faroe Islands	\$1,068,400	N/A	\$1,068,400	N/A	25 nurses	\$39,454,508	0.01%
Fiji	\$4,169,275	\$3,556,054	\$613,221	3.76%	651 nurses	\$177,758	<0.01%

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
Finland	\$919,705,621	\$324,744,135	\$594,961,487	4.88%	20,304 nurses	\$1,376,575,354	0.32%
France	\$20,236,181,334	\$14,351,950,377	\$5,884,230,957	8.61%	529,329 nurses	\$4,491,183,105	1.05%
French Polynesia	\$8,837,643	N/A	\$8,837,643	N/A	465 nurses	\$1,699,932	<0.01%
Gabon	\$155,097,630	\$132,813,891	\$22,283,739	55.89%	17,503 nurses	\$0	0.00%
Gambia	\$198,524,896	\$196,230,001	\$2,294,895	1326.02%	102,160 nurses	\$0	0.00%
Georgia	\$73,863,494	\$68,400,003	\$5,463,491	18.83%	14,601 nurses	\$202,466,701	0.05%
Germany	\$35,063,677,505	\$24,394,593,521	\$10,669,083,984	11.26%	640,975 nurses	\$3,416,456,374	0.80%
Ghana	\$157,890,653	\$85,031,057	\$72,859,596	15.72%	54,591 nurses	\$151,610,885	0.04%
Gibraltar	\$251,039,215	\$0	\$251,039,215	N/A	12,291 nurses	\$3,941,092,690	0.92%
Greece	\$1,358,760,428	\$353,785,574	\$1,004,974,854	11.77%	59,835 nurses	\$16,353,763	<0.01%
Greenland	\$1,788,354	\$0	\$1,788,354	N/A	46 nurses	\$14,437,709	<0.01%
Grenada	\$3,053,744	N/A	\$3,053,744	12.42%	273 nurses	\$0	0.00%
Guatemala	\$36,640,992	\$31,615,244	\$5,025,748	2.52%	8,817 nurses	\$144,517,496	0.03%
Guernsey	\$488,294,340	\$37,523,131	\$450,771,210	N/A	12,201 nurses	\$1,150,100,344	0.27%
Guinea	\$3,932,536	\$309,762	\$3,622,774	6.24%	2,414 nurses	\$75,369,518	0.02%
Guinea-Bissau	\$17,426,719	\$15,680,000	\$1,746,719	229.45%	12,846 nurses	\$0	0.00%
Guyana	\$287,543,395	\$285,723,634	\$1,819,761	308.08%	52,087 nurses	\$0	0.00%
Haiti	\$84,214,556	\$80,400,000	\$3,814,556	115.95%	57,903 nurses	\$0	0.00%
Honduras	\$329,418,842	\$319,499,841	\$9,919,001	43.62%	91,679 nurses	\$0	0.00%
Hong Kong	\$1,639,783,206	\$552,026,614	\$1,087,756,592	N/A	70,713 nurses	\$21,047,358,012	4.92%
Hungary	\$411,400,888	\$350,975,069	\$60,425,819	6.03%	27,130 nurses	\$984,603,213	0.23%
Iceland	\$54,472,734	\$17,219,976	\$37,252,758	4.10%	628 nurses	\$0	0.00%
India	\$10,319,683,940	\$10,117,529,292	\$202,154,648	44.70%	4,230,656 nurses	\$0	0.00%
Indonesia	\$4,864,783,876	\$4,785,952,836	\$78,831,039	42.92%	1,098,974 nurses	\$1,412,289,678	0.33%
Iran	\$9,641,223	\$0	\$9,641,223	0.06%	1,578 nurses	\$533,275	<0.01%
Iraq	\$6,462,227	\$110,124	\$6,352,103	0.25%	1,003 nurses	\$427,330,948	0.10%
Ireland	\$14,462,658,146	\$199,121,037	\$14,263,537,109	73.01%	251,962 nurses	\$15,830,940,779	3.70%
Isle of Man	\$267,988,373	\$0	\$267,988,373	N/A	5,576 nurses	\$3,981,558,155	0.93%
Israel	\$2,307,661,594	\$1,429,943,637	\$877,717,957	15.67%	34,700 nurses	\$711,921,984	0.17%
Italy	\$12,384,868,729	\$8,804,628,006	\$3,580,240,723	9.00%	379,380 nurses	\$4,335,870,350	1.01%
Jamaica	\$28,793,859	\$20,272,801	\$8,521,058	5.60%	2,771 nurses	\$0	0.00%
Japan	\$9,906,302,487	\$4,310,693,601	\$5,595,608,887	2.11%	235,307 nurses	\$1,286,970,078	0.30%
Jersey	\$1,572,394,779	\$6,077,030	\$1,566,317,749	N/A	36,198 nurses	\$7,911,160,368	1.85%
Jordan	\$145,089,707	\$87,000,001	\$58,089,706	8.15%	17,413 nurses	\$231,974,579	0.05%
Kazakhstan	\$263,726,831	\$191,530,946	\$72,195,885	7.32%	47,502 nurses	\$825,687,294	0.19%
Kenya	\$565,831,722	\$502,468,967	\$63,362,755	36.02%	240,781 nurses	\$0	0.00%
Kiribati	\$195,826	N/A	\$195,826	1.36%	68 nurses	\$0	0.00%
Kuwait	\$29,178,454	\$29,178,454	\$0	0.69%	2,081 nurses	\$172,247,791	0.04%
Kyrgyz Republic	\$16,492,755	\$10,600,000	\$5,892,755	6.68%	7,909 nurses	\$0	0.00%

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
Laos	\$86,830,245	\$84,606,159	\$2,224,087	80.99%	25,339 nurses	\$0	0.00%
Latvia	\$64,585,689	\$36,338,947	\$28,246,742	6.28%	5,616 nurses	\$3,021,891	<0.01%
Lebanon	\$145,225,953	\$144,303	\$145,081,650	7.38%	17,452 nurses	\$30,752,186	0.01%
Lesotho	\$279,135,739	\$278,428,102	\$707,637	213.34%	137,057 nurses	\$0	0.00%
Liberia	\$193,892,151	\$0	\$193,892,151	595.37%	143,675 nurses	\$585,953,002	0.14%
Libya	\$54,644,346	\$1,600,000	\$53,044,346	3.02%	6,921 nurses	\$1,251,418,418	0.29%
Liechtenstein	\$61,647,583	N/A	\$61,647,583	N/A	618 nurses	\$13,012,603	<0.01%
Lithuania	\$99,781,709	\$90,652,973	\$9,128,736	4.93%	9,632 nurses	\$16,887,038	<0.01%
Luxembourg	\$11,242,651,185	\$551,354,310	\$10,691,296,875	360.61%	103,345 nurses	\$27,607,634,145	6.45%
Macao	\$409,219,638	\$348,788,886	\$60,430,752	N/A	17,423 nurses	\$843,062,879	0.20%
Madagascar	\$75,628,386	\$63,664,465	\$11,963,921	26.77%	88,281 nurses	\$0	0.00%
Malawi	\$56,666,998	\$51,252,255	\$5,414,743	36.31%	67,298 nurses	\$0	0.00%
Malaysia	\$1,227,188,045	\$902,583,156	\$324,604,889	19.20%	133,675 nurses	\$1,555,385,108	0.36%
Maldives	\$686,744	N/A	\$686,744	0.27%	82 nurses	\$154,649,719	0.04%
Mali	\$15,016,010	\$5,548,718	\$9,467,292	10.78%	8,486 nurses	\$0	0.00%
Malta	\$389,065,115	\$7,040,335	\$382,024,780	56.89%	14,189 nurses	\$292,245,911	0.07%
Marshall Islands	\$82,339,905	N/A	\$82,339,905	663.46%	16,094 nurses	\$1,026,592,431	0.24%
Mauritania	\$18,723,821	\$12,434,212	\$6,289,609	17.92%	7,147 nurses	\$0	0.00%
Mauritius	\$170,121,791	\$62,389,819	\$107,731,972	57.92%	21,833 nurses	\$1,392,976,160	0.33%
Mexico	\$9,067,461,243	\$8,250,806,214	\$816,655,029	24.67%	581,552 nurses	\$0	0.00%
Micronesia	\$268,019	N/A	\$268,019	2.49%	57 nurses	\$0	0.00%
Moldova	\$29,325,313	\$28,439,999	\$885,314	6.92%	5,876 nurses	\$0	0.00%
Monaco	\$424,826	\$424,826	N/A	0.39%	4 nurses	\$77,858,135	0.02%
Mongolia	\$42,360,157	\$38,800,000	\$3,560,157	13.89%	8,363 nurses	\$19,601,250	<0.01%
Montenegro	\$107,096,593	\$106,190,277	\$906,315	N/A	10,313 nurses	\$802,114	<0.01%
Morocco	\$521,534,833	\$451,611,585	\$69,923,248	20.24%	130,186 nurses	\$0	0.00%
Mozambique	\$477,698,230	\$452,639,265	\$25,058,966	222.69%	464,523 nurses	\$34,468,014	0.01%
Myanmar	\$3,951,997	\$2,852,481	\$1,099,516	0.83%	3,057 nurses	\$247,795,067	0.06%
Namibia	\$27,687,470	\$23,308,813	\$4,378,657	5.66%	4,221 nurses	\$1,955,341	<0.01%
Nauru	\$1,114	N/A	\$1,114	0.02%	0 nurses	\$0	0.00%
Nepal	\$9,259,715	N/A	\$9,259,715	3.48%	4,529 nurses	\$0	0.00%
Netherlands	\$10,601,294,005	\$935,184,630	\$9,666,109,375	17.89%	160,902 nurses	\$36,371,503,832	8.50%
New Caledonia	\$10,679,101	\$0	\$10,679,101	N/A	371 nurses	\$84,524,498	0.02%
New Zealand	\$400,631,713	\$225,286,361	\$175,345,352	2.88%	6,972 nurses	\$555,850,198	0.13%
Nicaragua	\$78,887,760	\$71,899,999	\$6,987,761	14.75%	21,778 nurses	\$0	0.00%
Niger	\$13,170,333	\$11,936,438	\$1,233,895	6.50%	7,257 nurses	\$98,655,855	0.02%
Nigeria	\$10,825,786,952	\$10,576,472,971	\$249,313,980	472.87%	3,532,455 nurses	\$112,521,003	0.03%
North Korea	\$520,673,022	\$520,650,000	\$23,022	N/A	377,490 nurses	\$0	0.00%
North Macedonia	\$27,128,838	\$24,838,941	\$2,289,897	5.58%	3,452 nurses	\$0	0.00%

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
Norway	\$2,511,937,612	\$1,853,771,902	\$658,165,710	6.98%	37,499 nurses	\$2,252,916,799	0.53%
Oman	\$95,824,284	\$95,824,284	\$0	4.33%	6,181 nurses	\$145,234,838	0.03%
Pakistan	\$2,532,760,498	\$2,495,169,613	\$37,590,885	127.45%	1,182,229 nurses	\$4,799,474	<0.01%
Palau	\$523	N/A	\$523	<0.01%	0 nurses	\$0	0.00%
Palestine	\$1,847,307	N/A	\$1,847,307	N/A	447 nurses	\$0	0.00%
Panama	\$682,824,251	\$91,211,031	\$591,613,220	29.19%	63,549 nurses	\$2,415,797,853	0.56%
Papua New Guinea	\$21,050,973	\$19,640,293	\$1,410,681	5.08%	5,599 nurses	\$122,830,984	0.03%
Paraguay	\$99,406,359	\$93,996,101	\$5,410,259	8.95%	15,580 nurses	\$42,661,992	0.01%
Peru	\$1,205,921,239	\$1,081,602,109	\$124,319,130	19.81%	237,894 nurses	\$0	0.00%
Philippines	\$2,135,295,746	\$1,877,619,568	\$257,676,178	50.71%	627,283 nurses	\$153,583,169	0.04%
Poland	\$2,249,162,517	\$2,087,650,707	\$161,511,810	9.46%	114,640 nurses	\$274,281,054	0.06%
Portugal	\$1,046,072,964	\$494,051,357	\$552,021,606	7.63%	49,651 nurses	\$553,241,485	0.13%
Puerto Rico	\$5,660,502	\$5,660,502	N/A	N/A	239 nurses	\$9,177,305,410	2.15%
Qatar	\$114,346,871	\$114,346,871	\$0	3.25%	3,119 nurses	\$782,271,177	0.18%
Romania	\$874,432,845	\$861,946,120	\$12,486,725	10.16%	65,922 nurses	\$0	0.00%
Russia	\$5,100,791,212	\$4,702,453,352	\$398,337,860	9.37%	642,326 nurses	\$1,100,146,106	0.26%
Rwanda	\$72,016,601	\$69,973,247	\$2,043,355	34.78%	88,061 nurses	\$0	0.00%
Samoa	\$161,632,217	N/A	\$161,632,217	483.45%	26,918 nurses	\$156,433,502	0.04%
San Marino	\$5,300,595	N/A	\$5,300,595	5.43%	136 nurses	\$0	0.00%
Sao Tome and Principe	\$155,405	N/A	\$155,405	1.75%	51 nurses	\$0	0.00%
Saudi Arabia	\$2,258,491,538	\$2,258,491,538	\$0	9.29%	110,049 nurses	\$8,887,915	<0.01%
Senegal	\$168,252,207	\$141,300,006	\$26,952,202	70.40%	76,387 nurses	\$0	0.00%
Serbia	\$74,600,138	\$69,299,311	\$5,300,827	2.90%	8,823 nurses	\$2,310,858	<0.01%
Seychelles	\$169,665,145	\$31,884,581	\$137,780,563	350.55%	10,926 nurses	\$102,038,361	0.02%
Sierra Leone	\$76,453,112	\$75,258,750	\$1,194,362	143.78%	70,692 nurses	\$13,865,147	<0.01%
Singapore	\$4,776,999,238	\$2,791,252,045	\$1,985,747,192	84.73%	121,017 nurses	\$14,633,842,974	3.42%
Sint Maarten	\$4,981,002	N/A	\$4,981,002	N/A	233 nurses	\$0	0.00%
Slovakia	\$412,170,442	\$355,046,091	\$57,124,352	7.65%	24,621 nurses	\$138,651,472	0.03%
Slovenia	\$213,882,104	\$97,089,677	\$116,792,427	7.10%	7,591 nurses	\$61,148,855	0.01%
Solomon Islands	\$2,025,383	\$148,123	\$1,877,260	4.51%	629 nurses	\$3,555,166	<0.01%
Somalia	\$291,652	N/A	\$291,652	N/A	400 nurses	\$0	0.00%
South Africa	\$3,391,890,587	\$2,708,824,608	\$683,065,979	22.38%	1,068,770 nurses	\$112,165,486	0.03%
South Korea	\$3,885,516,419	\$3,416,073,121	\$469,443,298	6.56%	99,175 nurses	\$11,554,289	<0.01%
South Sudan	\$7,247,646	\$7,148,217	\$99,429	9.46%	4,664 nurses	\$92,967,590	0.02%
Spain	\$4,376,809,767	\$2,665,706,984	\$1,711,102,783	5.04%	107,390 nurses	\$3,105,968,772	0.73%
Sri Lanka	\$104,809,115	\$97,351,980	\$7,457,134	7.93%	44,970 nurses	\$20,619,963	<0.01%
St. Lucia	\$8,237,108	\$2,400,000	\$5,837,108	19.22%	697 nurses	\$111,632,211	0.03%

Country	Total annual tax loss	Annual tax loss due to corporate tax abuse	Annual tax loss due to offshore tax evasion	Total tax loss as percent of public health expenditure	Total tax loss in number of nurses' annual salaries	Tax loss inflicted on other countries	Share of global tax loss inflicted on other countries
St. Vincent & Grenadines	\$28,461,740	N/A	\$28,461,740	132.21%	3,258 nurses	\$15,464,137	<0.01%
Sudan	\$645,033,468	\$643,999,989	\$1,033,479	121.11%	423,342 nurses	\$0	0.00%
Suriname	\$11,495,666	N/A	\$11,495,666	10.13%	1,321 nurses	\$0	0.00%
Sweden	\$2,698,394,836	\$1,141,020,813	\$1,557,374,023	5.38%	47,385 nurses	\$4,632,125,939	1.08%
Switzerland	\$5,681,097,158	\$881,258,779	\$4,799,838,379	22.94%	74,699 nurses	\$12,844,985,635	3.00%
Syria	\$9,091,255	\$4,973,931	\$4,117,324	2.78%	4,743 nurses	\$0	0.00%
Taiwan	\$3,944,474,034	\$558,463,292	\$3,386,010,742	N/A	200,510 nurses	\$4,371,609,823	1.02%
Tajikistan	\$188,922,989	\$188,400,000	\$522,989	128.70%	117,253 nurses	\$0	0.00%
Tanzania	\$299,485,211	\$279,081,381	\$20,403,830	40.76%	135,577 nurses	\$0	0.00%
Thailand	\$1,165,301,081	\$425,131,220	\$740,169,861	8.77%	198,355 nurses	\$960,250,326	0.22%
Timor-Leste	\$680,874	\$571,022	\$109,852	2.78%	176 nurses	\$97,944,822	0.02%
Togo	\$41,616,876	\$38,849,999	\$2,766,876	62.01%	22,555 nurses	\$0	0.00%
Tonga	\$9,207,640	\$9,195,089	\$12,551	74.42%	1,115 nurses	\$0	0.00%
Trinidad and Tobago	\$257,644,616	\$233,141,965	\$24,502,651	35.82%	15,611 nurses	\$0	0.00%
Tunisia	\$296,225,462	\$257,400,000	\$38,825,462	18.30%	64,887 nurses	\$0	0.00%
Turkey	\$2,686,228,531	\$2,241,324,997	\$444,903,534	9.67%	175,501 nurses	\$0	0.00%
Turkmenistan	\$488,939	N/A	\$488,939	0.09%	65 nurses	\$0	0.00%
Turks and Caicos Islands	\$15,757,043	N/A	\$15,757,043	N/A	683 nurses	\$9,939,694	<0.01%
Uganda	\$115,358,153	\$96,594,157	\$18,763,996	31.43%	83,658 nurses	\$14,398,422	<0.01%
Ukraine	\$650,062,523	\$621,313,724	\$28,748,798	13.93%	133,382 nurses	\$17,953,588	<0.01%
United Arab Emirates	\$1,022,393,223	\$1,022,393,223	\$0	10.41%	34,797 nurses	\$1,266,413,793	0.30%
United Kingdom	\$39,583,847,405	\$10,269,722,405	\$29,314,125,000	18.72%	840,209 nurses	\$42,464,646,560	9.93%
United States	\$89,354,366,624	\$49,241,339,280	\$40,113,027,344	5.82%	1,150,436 nurses	\$23,635,935,547	5.53%
United States Minor Outlying Islands	\$3,008,490	N/A	\$3,008,490	N/A	N/A nurses	\$0	0.00%
Uruguay	\$142,998,400	\$26,147,692	\$116,850,708	4.33%	12,047 nurses	\$1,066,550	<0.01%
Uzbekistan	\$175,402,110	\$166,275,007	\$9,127,103	9.56%	64,714 nurses	\$0	0.00%
Vanuatu	\$5,382,340	N/A	\$5,382,340	32.85%	1,207 nurses	\$7,110,332	<0.01%
Vatican	\$6,168,646	N/A	\$6,168,646	N/A	24 nurses	\$0	0.00%
Venezuela	\$642,266,108	\$383,818,660	\$258,447,449	11.68%	65,523 nurses	\$392,668,080	0.09%
Vietnam	\$420,826,698	\$367,192,577	\$53,634,121	7.23%	121,329 nurses	\$4,033,691,299	0.94%
Wallis and Futuna Islands	\$302,492	N/A	\$302,492	N/A	18 nurses	\$0	0.00%
Yemen	\$55,671,403	\$51,800,000	\$3,871,403	20.09%	14,933 nurses	\$11,909,806	<0.01%
Zambia	\$143,620,450	\$100,120,640	\$43,499,809	37.30%	28,360 nurses	\$13,509,631	<0.01%
Zimbabwe	\$120,495,792	\$72,356,746	\$48,139,046	21.35%	53,232 nurses	\$0	0.00%

Annex B: Worst offenders

Table 10: Top 15 countries most responsible for global tax losses

Country	Tax loss inflicted on other countries	Tax loss inflicted by enabling corporate tax abuse	Tax loss inflicted by enabling private tax evasion	Share of global tax loss responsible for	Number of lost nurses's salaries responsible for
Cayman Islands	\$70,441,676,611	\$22,819,899,267	\$47,621,777,344	16.47%	5,584,460 nurses
United Kingdom	\$42,464,646,560	\$13,671,390,701	\$28,793,255,859	9.93%	3,366,503 nurses
Netherlands	\$36,371,503,832	\$26,593,707,934	\$9,777,795,898	8.50%	2,883,452 nurses
Luxembourg	\$27,607,634,145	\$9,283,427,114	\$18,324,207,031	6.45%	2,188,672 nurses
United States	\$23,635,935,547	\$0	\$23,635,935,547	5.53%	1,873,805 nurses
Hong Kong	\$21,047,358,012	\$16,331,010,356	\$4,716,347,656	4.92%	1,668,588 nurses
China	\$20,045,803,268	\$20,045,803,268	\$0	4.69%	1,589,187 nurses
British Virgin Islands	\$16,295,774,429	\$10,405,615,250	\$5,890,159,180	3.81%	1,291,893 nurses
Ireland	\$15,830,940,779	\$6,068,846,053	\$9,762,094,727	3.70%	1,255,042 nurses
Singapore	\$14,633,842,974	\$12,221,060,747	\$2,412,782,227	3.42%	1,160,139 nurses
Bermuda	\$13,843,144,682	\$10,860,143,218	\$2,983,001,465	3.24%	1,097,454 nurses
Switzerland	\$12,844,985,635	\$10,953,644,082	\$1,891,341,553	3.00%	1,018,322 nurses
Puerto Rico	\$9,177,305,410	\$9,177,305,410	N/A	2.15%	727,556 nurses
Jersey	\$7,911,160,368	\$4,465,999,479	\$3,445,160,889	1.85%	627,179 nurses

Table 11: Country groups most responsible for global tax losses

Group	Tax loss inflicted on other countries	Tax loss inflicted by enabling corporate tax abuse	Tax loss inflicted by enabling private tax evasion	Share of global tax loss responsible for	Number of lost nurses's salaries responsible for
OECD	\$207,467,510,260	\$101,187,311,324	\$106,280,198,936	48.50%	16,447,566 nurses
UK spider's web	\$160,039,436,737	\$69,813,504,998	\$90,225,931,739	37.41%	12,687,573 nurses
Axis of tax avoidance	\$236,863,560,350	\$116,644,284,128	\$120,219,276,222	55.37%	18,778,020 nurses

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Africa

\$25,775,160,683

lost in tax every year to global tax abuse


That tax loss is:

-  Equivalent to **6.96%** of region average tax revenue
Avg tax revenue: \$370,319,998,043
-  **Greater than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$21** per member of region's population
Population: 1,238,561,275

Breakdown of tax loss:

-  **\$23,242,133,255**
lost due to tax abuse committed by multinational corporations*
-  **\$2,532,717,666**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **52.46%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **10,130,883 nurses** in the region
-  Tax loss equivalent to **28.67%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via county by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.

Harm to other countries

-  **\$4,739,131,071**
in tax lost by other countries due to tax havens in the region
- \$3,582,718,497**
by enabling corporate tax abuse
- \$1,156,412,575**
by enabling private tax evasion
-  Responsible for **1.11%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **375,708 nurses**

Top five biggest losers

-  Nigeria
-  South Africa
-  Egypt
-  Angola
-  Sudan

Top five worst offenders

-  Mauritius
-  Libya
-  Liberia
-  Algeria
-  Ghana

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Asia

\$73,372,803,475

lost in tax every year to global tax abuse

That tax loss is:

-  Equivalent to **1.48%** of region average tax revenue
Avg tax revenue: \$4,973,877,712,037
-  **Smaller than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$16** per member of region's population
Population: 4,469,509,983

Breakdown of tax loss:

-  **\$46,190,152,354**
lost due to tax abuse committed by multinational corporations*
-  **\$27,182,053,281**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **6.48%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **11,371,221 nurses** in the region
-  Tax loss equivalent to **8.36%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via country by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.

Harm to other countries

-  **\$76,216,744,183**
in tax lost by other countries due to tax havens in the region
 - \$67,520,067,437**
by enabling corporate tax abuse
 - \$8,696,676,746**
by enabling private tax evasion
-  Responsible for **17.82%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **6,042,295 nurses**

Top five biggest losers

1.  China
2.  India
3.  Japan
4.  Indonesia
5.  Singapore

Top five worst offenders

1.  Hong Kong
2.  China
3.  Singapore
4.  Taiwan
5.  Vietnam

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI
PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE




Embargoed: 00.01hrs GMT 20 November 2020

State of tax justice 2020 Caribbean and American Isl



\$1,429,594,178

lost in tax every year to global tax abuse

That tax loss is:

-  Equivalent to **3.31%** of region average tax revenue
Avg tax revenue: \$43,218,692,326
-  **Greater than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$60** per member of region's population
Population: 23,670,956

Breakdown of tax loss:

-  **\$642,376,849**
lost due to tax abuse committed by multinational corporations*
-  **\$784,817,330**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **12.41%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **182,632 nurses** in the region
-  Tax loss equivalent to **12.97%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via country by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.



Harm to other countries

-  **\$115,808,151,640**
in tax lost by other countries due to tax havens in the region
 - \$58,123,586,045**
by enabling corporate tax abuse
 - \$57,684,565,595**
by enabling private tax evasion
-  Responsible for **27.07%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **9,181,014 nurses**

Top five biggest losers

-  Curaçao
-  Guyana
-  Trinidad and Tobago
-  Barbados
-  Belize

Top five worst offenders

-  Cayman Islands
-  British Virgin Islands
-  Bermuda
-  Puerto Rico
-  Barbados

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI
PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Europe

\$184,087,359,433

lost in tax every year to global tax abuse




That tax loss is:

-  Equivalent to **3.39%** of region average tax revenue
Avg tax revenue: \$5,434,473,156,912
-  **Greater than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$248** per member of region's population
Population: 742,922,009

Breakdown of tax loss:

-  **\$79,529,965,976**
lost due to tax abuse committed by multinational corporations*
-  **\$104,557,393,457**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **12.58%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **4,636,180 nurses** in the region
-  Tax loss equivalent to **17.58%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via county by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.

Harm to other countries

-  **\$187,962,465,805**
in tax lost by other countries due to tax havens in the region
 - \$99,803,107,457**
by enabling corporate tax abuse
 - \$88,159,358,348**
by enabling private tax evasion
-  Responsible for **43.94%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **14,901,249 nurses**

Top five biggest losers

-  United Kingdom
-  Germany
-  France
-  Ireland
-  Italy

Top five worst offenders

-  United Kingdom
-  Netherlands
-  Luxembourg
-  Ireland
-  Switzerland

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI
PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Northern America

\$95,099,311,659

lost in tax every year to global tax abuse


That tax loss is:

-  Equivalent to **2.33%** of region average tax revenue
Avg tax revenue: \$4,084,036,627,025
-  **Smaller than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$266** per member of region's population
Population: 357,220,168

Breakdown of tax loss:

-  **\$52,551,805,288**
lost due to tax abuse committed by multinational corporations*
-  **\$42,547,506,371**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **5.70%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **1,252,972 nurses** in the region
-  Tax loss equivalent to **9.41%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via county by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.

Harm to other countries

-  **\$31,497,411,993**
in tax lost by other countries due to tax havens in the region
- \$7,557,038,524**
by enabling corporate tax abuse
- \$23,940,373,469**
by enabling private tax evasion
-  Responsible for **7.36%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **2,497,045 nurses**

Top five biggest losers

-  United States
-  Canada
-  Greenland
-  N/A
-  N/A

Top five worst offenders

-  United States
-  Canada
-  Greenland
-  N/A
-  N/A

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Oceania



\$4,907,394,330

lost in tax every year to global tax abuse

That tax loss is:

-  Equivalent to **1.06%** of region average tax revenue
Avg tax revenue: \$461,937,422,611
-  **Smaller than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$122** per member of region's population
Population: 40,327,161

Breakdown of tax loss:

-  **\$2,623,439,745**
lost due to tax abuse committed by multinational corporations*
-  **\$2,283,954,586**
lost due to private tax evasion committed by individuals

Social impact of lost tax





-  Tax loss equivalent to **4.79%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **114,069 nurses** in the region
-  Tax loss equivalent to **5.62%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via county by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.





Harm to other countries

-  **\$6,022,862,769**
in tax lost by other countries due to tax havens in the region
- \$4,873,777,015**
by enabling corporate tax abuse
- \$1,149,085,754**
by enabling private tax evasion
-  Responsible for **1.41%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **477,479 nurses**

Top five biggest losers

-  Australia
-  New Zealand
-  Samoa
-  Marshall Islands
-  Papua New Guinea

Top five worst offenders

-  Australia
-  Marshall Islands
-  New Zealand
-  Samoa
-  Papua New Guinea

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE

Embargoed: 00.01hrs GMT 20 November 2020




State of tax justice 2020

Latin America



\$43,111,038,773

lost in tax every year to global tax abuse




That tax loss is:

-  Equivalent to **4.20%** of region average tax revenue
Avg tax revenue: \$1,027,361,113,068
-  **Greater than** the global average loss of 2.61% of tax revenue
-  Equivalent to a loss of **\$71** per member of region's population
Population: 610,075,510

Breakdown of tax loss:

-  **\$40,123,746,097**
lost due to tax abuse committed by multinational corporations*
-  **\$2,987,292,676**
lost due to private tax evasion committed by individuals

Social impact of lost tax

-  Tax loss equivalent to **20.41%** of region's combined health spending
-  Suffered tax loss equivalent to paying yearly salaries of **6,225,731 nurses** in the region
-  Tax loss equivalent to **15.75%** of region's combined education spending

* Corporate tax losses only include losses directly measurable via county by country reporting data (CBCR). Indirect losses due to a race to the bottom on corporate taxation are globally estimated to be at least 3 times larger. See full report for more info.

Harm to other countries

-  **\$5,536,878,049**
in tax lost by other countries due to tax havens in the region
- \$3,447,622,190**
by enabling corporate tax abuse
- \$2,089,255,859**
by enabling private tax evasion
-  Responsible for **1.29%** of global tax losses
-  Inflicted tax loss equivalent to paying yearly salaries of **438,951 nurses**

Top five biggest losers

-  Brazil
-  Colombia
-  Mexico
-  Argentina
-  Peru

Top five worst offenders

-  Panama
-  Chile
-  Venezuela
-  Bolivia
-  Guatemala

Note: The evaluation presented here is constrained by public availability of relevant data for each country, and therefore some findings are subject to greater uncertainty. For more information and methodology, please visit the online State of Tax Justice data portal. "Harm to other countries" figures are a quantification of the country's impact on tax revenue in other countries through its facilitation of both private tax evasion and multinational tax abuse through profit shifting.

tax justice
network

PSI
PUBLIC SERVICES
INTERNATIONAL

GLOBAL
ALLIANCE
FOR TAX
JUSTICE



Annex D: Calendar outlook for the next year

November

G20 Leaders' Summit, Riyadh, Saudi Arabia
21 November - 22 November 2020
<https://g20.org/en/Pages/home.aspx>

December

International Anti-Corruption Day
9 December 2020

International Human Rights Day
10 December 2020

International Universal Health Coverage day
12 December 2020

January

G20: International Financial Architecture Working Group Meeting
Riyadh, Saudi Arabia
31 January 2021
<https://g20.org/en/Pages/home.aspx>

February

Financial Action Task Force, Plenary and Working Group Meetings
Paris, France (TBC)
21 February – 26 February 2021
[https://www.fatf-gafi.org/calendar/eventscalendar/?hf=10&b=0&s=asc\(fatf_date1\)](https://www.fatf-gafi.org/calendar/eventscalendar/?hf=10&b=0&s=asc(fatf_date1))

G20 International Taxation Symposium
Riyadh, Saudi Arabia
22 February 2021
<https://g20.org/en/Pages/home.aspx>

FACTI Panel Final Report Published
February 2021



March

International Women's Day
8 March 2021

The 65th session of the Commission on the Status of Women
United Nations Headquarters, New York City, US
15 to 26 March 2021
<https://www.unwomen.org/en/csw>

April

World Bank / International Monetary Fund Spring Meetings
Washington DC, US
10 April – 13 April 2021
<https://www.worldbank.org/en/meetings/splash>

UNCTAD 15: Fifteenth Session of the UN Conference on Trade and Development
Barbados
25 April – 30 April 2021
<https://unctad.org/en/pages/MeetingDetails.aspx?meetingid=2324>

Special Meeting of the Council on International Cooperation in Tax Matters 2021
New York, US
29 April 2021
<https://undocs.org/en/E/RES/2021/1>

Financing for Development Forum
April 2021

June

G20 Financing for Sustainable Development Goals meeting
Riyadh, Saudi Arabia
16 June 2021
<https://g20.org/en/Pages/home.aspx>

Financial Action Task Force, Plenary and Working Group Meetings
Paris, France (TBC)
20 June – 25 June 2021
[https://www.fatf-gafi.org/calendar/eventscalendar/?hf=10&b=0&s=asc\(fatf_date1\)](https://www.fatf-gafi.org/calendar/eventscalendar/?hf=10&b=0&s=asc(fatf_date1))

WTO Ministerial Conference
Location TBC
7 June 2021
https://www.wto.org/english/thewto_e/minist_e/mc12_e/mc12_e.htm

July

UN High-level Political Forum on Sustainable Development (HLPF) 2021
New York, US
6 July – 15 July 2021
<https://sustainabledevelopment.un.org/hlpf>



Tax Justice Network, Registered in England and Wales, Registered Company No. 05327824, Registered Address: 38 Stanley Avenue, Chesham HP5 2JG, United Kingdom