



10 Things You Need To Know About Tax Havens

Canadians for
Tax Fairness



Canadiens pour une
fiscalité équitable

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#1

Tax havens offer **minimal regulation**; little or **no taxation on income or capital** of non-residents; legally-enforced secrecy; non-disclosure of beneficial ownership of offshore corporations, trusts and foundations; and no effective exchange of information with other countries. These characteristics make such jurisdictions susceptible to a wide range of **criminal and corrupt practices**.

#2

Research by the Tax Justice Network estimates **global tax losses of \$280 billion annually**.

#3

There is an **estimated \$21 to \$32 trillion invested virtually tax free** in offshore havens. This equivalent to the annual output of the USA and Japan combined.

#4

In 139 low and middle income countries, **the amount of private offshore assets is substantially larger than the net external debt**.

#5

Multinational corporations, finance and banking institutions routinely use tax havens to avoid regulation and lower or eliminate their tax obligations.

#6

Half of all international bank lending and **at least half of all global trade on paper is conducted through tax havens**.

#7

Multinationals regularly **"paper transfer" profits** made in one country **to a country with low or no tax**. Then they **"paper transfer" costs** to countries with a higher tax rate.

#8

Resources from some of the world's poorest countries have disappeared offshore, depriving them of the means to invest in schools, health services and essential public infrastructure. **Many countries currently receiving economic aid would not require it — if the system was fixed**.

#9

Every year, **more than US \$1 trillion of criminal money is laundered** through secrecy jurisdictions.

#10

The OECD has promoted bilateral tax information exchange agreements as a solution. However, **because of lack of planning and manpower, the Canadian government can't make use of all the data** that is provided. Bilateral tax information exchange agreements are also difficult to negotiate, especially for less developed countries. Automatic tax information exchange would be a much better way to ensure all governments have the information they need to go after tax cheats.