Where Are Tax Havens Really Located?

Policy briefing – 3 December 2022

Despite its centrality to the discussion on tax evasion and tax avoidance, there is no established and stable definition of a "tax haven". Two approaches coexist: (i) a legal approach aiming at identifying "non-cooperative" jurisdictions in international cooperation to curb tax evasion (OECD Global Forum, EU official list) and (ii) an economic significance approach primarily focussed on Offshore Financial Centres (OFCs) benefiting from tax avoidance flows (OECD, IMF & BIS lists of OFCs, Zucman study, Tax Justice Network index).

Comparing the two approaches and their respective lists and rating systems, the vast majority of "non-cooperative" jurisdictions on tax evasion have a marginal impact on tax avoidance flows. Conversely, around half of tax avoidance flows appear to benefit OFCs that otherwise are "fully cooperative" when it comes to curbing tax evasion.

International cooperation and exchange of information between tax authorities matter in their own right to help address tax evasion. But they are insufficient to account for the broader problem of tax avoidance, aggressive tax planning and Base Erosion and Profit Shifting practices by multinational enterprises, which require deeper tax reforms.

Regarding tax avoidance specifically, the matter definitely is not limited to small, distant island OFCs. OECD- and European based OFCs play a crucial role. In particular, the 'NILS' group – Netherlands, Ireland, Luxembourg and Switzerland – could well account for more than 40% of global tax avoidance flows.

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Defining a tax haven

Curbing tax evasion and tax avoidance ranks among the most visible global policy agenda in the past decade. The OECD has long exerted leadership on both topics with, respectively, the Global Forum on Transparency and Exchange of Information for Tax Purposes regarding tax evasion, and the Base Erosion and Profit Shifting (BEPS) Action Plan of 2015 and the on-going "Pillar 1 & 2" reform of corporate taxation to address the tax challenges of digitalisation. That leadership is contested since the OECD is less representative and inclusive of developing countries and emerging economies despite the BEPS Inclusive Framework gathering over 160 countries. On 24 November, the UNGA adopted a resolution laying the ground for a new UN convention on tax.

About tax evasion and tax avoidance

Tax evasion and tax avoidance practices are in principle distinct in nature. Tax evasion consists of dissimulating incomes and profits by fraud and hence deserves attention with respect to effective enforcement and exchange of information between tax administrations. Tax evasion concerns all forms of taxes, personal, corporate, wealth, consumption taxes. Tax avoidance lies in the grey area of compliance, exploiting regulatory gaps between jurisdictions to shift profits away from the economically relevant jurisdiction and hence requires more complex convergence between national tax systems than exchange of information. It is primarily an issue for corporate income taxes (CIT).

The impact in terms of losses in tax collection is difficult to measure especially for tax evasion. Regarding tax avoidance, based on 2016-2017 data, the OECD estimates the cost to USD100-240bn in lost revenue of CIT per year, equivalent to 4 to 10% of global corporate tax revenues.

Based on 2019 data, Wier & Zucman's (2022) estimates are slightly higher: USD247bn or 9-10% for 2019, resulting from the shift of USD969Bn or 36% of multinational profits to tax havens. OECD economies are the most impacted but with wide differences between countries: ranging from 3% losses for Japan and Korea, to 16% in the US and to 22% or more in France, Germany and the UK. The losses are disproportionately higher however for developing and emerging economies, given the importance of CIT in their government revenues - compared to other sources of taxation (personal income tax, consumption tax, etc) and revenue.

The legal and the economic significance approaches

Despite its centrality in the policy discussion on tax evasion and avoidance, there is no uniform definition of a "tax haven". The nominal and effective corporate income tax rates are first indicators, but they are insufficient to assess whether a given jurisdiction actively contributes to tax evasion and/or tax avoidance. There are many official and non-official lists of tax havens and "non-cooperative jurisdictions". They mostly use one of these two approaches or a combination of both:

(i) the legal approach primarily aiming at identifying "non-cooperative" jurisdictions that benefit from tax evasion,

(ii) the economic significance approach focussing Offshore Financial Centres (OFCs) as main beneficiaries of BEPS and tax avoidance flows.

Approach	Methodology	Indicative list of initiatives & research papers
Legal	• Assessing the current tax and legal framework and international commitments to exchange information between tax authorities; • Primarily focussed on tax evasion; • Explicitly denominated as tax havens ("non-cooperative jurisdictions").	• OECD: Global Forum on Transparency and Exchange of Information for Tax Purposes & BEPS Action 5 Forum on Harmful tax practices • EU Council list of non-cooperative jurisdictions
Economic significance	• Observing ex-post anomalies and inconsistencies (from a real economy perspective) in (i) the balance of payments accounts and/or (ii) firm-level profitability rates; • Primarily focussed on tax avoidance; • Implicitly associated to tax haven status (offshore/cross-border financial centres).	• OECD : List of "investment hubs" (2020) & Corporate Tax Statistics (2022) • IMF & BIS staff papers: Zoromé (2007), Damgaard & Elkjær (2018), Pogliani & Wooldridge (2022), • EU Tax Observatory-related : Tørsløv, Wier & Zucman (2019) & Wier & Zucman (2022)
Hybrid	• Combining both legal and economic significance approaches; • Explicitly denominated as tax havens.	• Tax Justice Network Corporate Tax Haven Index

The legal approach

The legal approach consists of assessing the current tax framework and international commitments to exchange information between tax authorities.

The Global Forum

The OECD-hosted Global Forum on Transparency and Exchange of Information for Tax Purposes gathers +160 jurisdictions and aims at "putting an end to offshore tax evasion"[1]. In 2009, the G20 Summit in London specifically requested the Forum to disclose a list of "non-cooperative tax jurisdictions". At the time, tax cooperation was limited to exchange of information "on request" (EOIR). Since, the Global Forum's standards have expanded to automatic exchange of information (AEOI). The two mechanisms are complementary and do not substitute one another. Once a tax administration receives information on potential tax evasion practices under the AEOI standard, it is common to follow-up with a specific request under the EOIR.

The Forum's country-specific legal assessments are based on 6 core requirements (4 on AEOI and 2 on EOIR) and classify those from "in place", and "in place but", to "not in place", "on track", "partially compliant", "non-compliant" etc. Looking at the latest report, 58 jurisdictions (out of 160) are failing at least one of the 6 core requirements, 28 are failing at least 2 core requirements.

Harmful tax practices and country-by-country reporting

Two other OECD instruments help defining tax havens under the separate BEPS Inclusive Framework:

- As part of BEPS Action 5, the OECD Forum on Harmful Tax Practices delivers a list of jurisdictions that hosts tax incentive schemes for MNEs that are at risk of feeding tax avoidance (such as special economic zones and patent boxes);
- As part of BEPS Action 13, the OECD keeps up to date the list of countries that have a mandatory country-by-country (CbC) reporting legal framework by MNEs.

The EU Council list and other nationally defined lists

The Global Forum rating system and the BEPS peer review processes are triggering more transparency. But they bear no consequence on other OECD legal instruments. Failing to meet to OECD tax standards indeed does not prevent a jurisdiction from benefiting from the OECD Codes of Liberalisation of Capital Movements and of Current Invisible Operations or the OECD Declaration on International Investment. That is not the case of the EU Council official list non-cooperative jurisdictions. The EU listing criteria almost exclusively rely on the above OECD instruments – Global Forum, Harmful tax practices and CbC reporting. Jurisdictions are grouped in two categories: Annex I for jurisdictions where there are multiple failures to comply (aka the "black list") and Annex II for jurisdictions that have one or two failures ("grey list").

Several EU countries are maintaining their own list with little consistency with the EU Council. The EU list has been criticised for the lack of ambition by NGOs such as Oxfam. Unlike the OECD however, the EU Council list comes with consequences for the targeted jurisdictions:

- EU member states are entitled to introduce national legislative "defensive tax measures" against these jurisdictions;
- The EU Directive on country-by-country reporting requires detailed reporting subsidiaries located in these jurisdictions;

[1] The Global Forum's cooperation framework consists of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and the Multilateral Competent Authority Agreement.

- The EU Sustainable Finance Disclosures Regulation requires reporting sovereign assets (bonds, equity and other investment) issued by these jurisdictions.

Table 1 recaps the list of jurisdictions that are currently (i) not fully complying with 2 or more of the 6 core requirements of the Global Forum, (ii) on the EU list of tax havens, annex I & II, and/or (iii) on the OECD list of harmful tax practices. The table also informs on the existence of a law requiring the filing of country-by-country reports by MNEs as defined by the OECD. The list of jurisdictions shows an overwhelming number of Caribbean, Central American and other small island jurisdictions, including several that fall under the sovereignty of either the UK or the Netherlands. It is also worth noting the presence of two OECD countries, Chile and Israel, in the top list, and two European countries, Croatia and Malta.

Table 1: List of jurisdictions with 2 or more failures to the Global Forum standards and/or on the EU lists

Jurisdiction	Failures to the GF	CbC law in place	EU Annex I	EU Annex II	OECD HTTP review
Trinidad and Tobago	6	No	x		
Panama	4	Partial	x		
Belize, Costa Rica, Seychelles	4	Partial		x	
Aruba (NL)	4	Partial			
Curaçao (NL)	4	Yes			
Anguilla (UK), Bahamas, Turks & Caicos Islands (UK)	3	Yes	x		
Vanuatu	3	n.a.	x		
Israel, Dominica	3	No		x	
Antigua & Barbuda, St Vincent & Grenadines	3	No			
Croatia, Chile	3	Yes			
Sint Maarten (NL)	3	n.a.			x
Montserrat (UK)	2	No		x	
British Virgin Islands (UK)	2	Yes		x	
Grenada	2	No			
Malta, Estonia, Argentina	2	Yes			
Ghana, Cook Islands, Guatemala, Kuwait	2				
Botswana	1	No		x	
Russia, Uruguay	1	Partial		x	
Barbados, Turkey	1	Yes		x	
Saint Lucia, Liberia, Brunei Darussalam	1	No			
Pakistan, Romania, India, Nigeria, Oman, Faroe Islands (DK)	1	Partial			x
American Samoa (US), Fiji, Guam, Palau, Samoa, US Virgin Islands (US)	0	n.a.	x		
Armenia, Eswatini	0	No		x	x
Jamaica, North Macedonia	0	No		x	
Jordan	0	Partial		x	x
Thailand, Vietnam	0	Partial		x	
Hong Kong (CN), Malaysia, Qatar	0	Yes		x	
Honduras	0	No			x
United States	0	Partial			x
Source	OECD	OECD	EU	EU	OECD

The economic significance approach

The economic significance approach focuses on the observation, ex-post, of "abnormal" financial statistics (from a real economy perspective) that are characteristically of tax avoidance and BEPS practices. These can be found in the balance of payments structure: an oversized financial sector relative to the domestic economy, or a stratospheric ratio of stocks of inward foreign direct investment (FDI) to GDP. They can also be found in firm-level accounting and performance – such as the difference in profitability between foreign and local firms. As an example of such anomalies, in 2019 US MNEs reported USD70bn in revenue in the Cayman Islands whose GDP barely reaches USD6Bn.

Financial service exports, SPEs, external assets / liabilities

Offshore financial centres (OFCs), including assets held by non-residents through special purpose vehicles (SPEs) are of particular interest. OFCs offer many advantages to non-resident corporations and investors beyond tax, some of which can be entirely legitimate (for example protecting creditors' rights in a large infrastructure project in a developing country where rule of law is fragile) or less legitimate (for example hedge funds escaping transparency over shareholder activist campaign, businesses at large escaping auditing and corporate governance rules). The footprint of OFCs in cross-border financial activities in the world economy has grown fast. In 2020, G20 economies accounted for a far bigger share of the global economy than of cross-border financial activity, about 80% versus 60%.

Both the IMF and the BIS have a long history in defining and reviewing OFCs. In 2000, the IMF defined them as jurisdictions that have (i) oversized financial services for non-residents (banking and non-bank services such as insurance, fund management, accounting & tax services, business registry), (b) oversized stock of external financial assets and liabilities relative to the needs of the domestic economy and (c) low or zero taxation, moderate or light financial regulation, banking secrecy and anonymity.

In 2007, an IMF staff paper by Ahmed Zoromé presented a comprehensive methodology for defining OFCs ("*An OFC is a country or jurisdiction that provides financial services to non-residents on a scale that is incommensurate with the size and the financing of its domestic economy*") and with that a first list of OFCs. The main indicator retained was the ratio of net financial service exports to GDP. Zoromé's methodology has been widely used since, including by the Tax Justice Network for its Financial Secrecy Index.

Measuring the flows and stock held via SPEs is another method. In 2018, an IMF staff paper by Damgaard & Elkjær singled out "*8 major pass-through economies*" that "*host more than 85% of the world's investment in SPEs, which are often set up for tax reasons*". In a more recent BIS staff paper, Pogliani & Wooldridge review the existing list of OFCs maintained by the BIS and single out 16 "cross-border financial centres" defined by (i) the size of their external assets and liabilities relative to GDP and (ii) by the marginal difference between the two stocks, which are indicators of pass-through OFCs that function as "financial entrepôts".

Inward FDI stock

The ratio between the stock of inward FDI (including SPEs) and GDP is used by the Tax Justice Network for its Corporate Tax Haven Index but also by the OECD. Labelled as "investment hubs" by the latter, the list comprises 23 jurisdictions, including 7 OECD or EU member states, whose inward stock of FDI exceeds 150% of GDP. It first appeared in a footnote of an OECD impact assessment of the proposed tax reforms related to digitalisation in October 2020. The latest 2022 OECD Corporate Statistic Report reveals the pivotal role of these 23 investment hubs in BEPS and tax avoidance practices, based on 2018 data and the first batch of CbC reports shared with the OECD. Compared with high and middle income countries, the "Investment hubs" display:

- A much high share of profits declared by MNEs (29%) compared to their share of employees (4%) and tangible assets (15%);
- Much higher median revenues per employee of USD1.5m (compared with USD 485k for high income countries);
- Much higher share of (intra-MNE) related party transactions in total revenues (35%, compared with 15% average for other countries); and
- Far more financialised businesses ("holding shares" being the prevalent "activity" of the subsidiaries of MNEs, with very little share for real economy activities such as sales, manufacturing, services).

Firm-level measurement

Finally, there are a number of firm-level indicators that can help identify abnormal statistics that are typical for tax havens. In 2015, as part of BEPS Action 11, the OECD selected several MNE-level BEPS indicators including: the difference between the profit rates and effective tax rates of low-tax subsidiaries with those of the MNE group, the difference between the royalties from intellectual property rights and research and development (R&D) expenses in low-tax subsidiaries, and the ratio of debt burden to profit of high-tax subsidiaries. The main challenge with these indicators is the lack of publicly available data on a timely basis – a problem that will remain as long as public country-by-country reporting frameworks will not be mandatory on a global scale.

In The Missing Profits of Nations released in 2019, Tørsløv, Wier & Zucman (TWZ) use data from 2015 to trace the "excess profitability of foreign firms" drawn from tax avoidance practices. The authors draw a list of 42 jurisdictions[2] defined as tax havens based on two criteria (i) the substantial difference of profitability to wage ratio between foreign and local firms, and (ii) an effective corporate tax rate below 15%. From there, a top list of 17 jurisdictions attracting around 95% of all shifted profits from BEPS practices can be drawn. In an updated version, Wier & Zucman (2022) estimate the amount of shifted profits to be at USD969Bn in 2019.

Table 2 recaps the respective lists by the IMF and BIS economists as well as the OECD investment hub, showing a fairly good level of coherence between the three. The list of the top

[2]Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curaçao, Cyprus, Gibraltar, Grenada, Guernsey, Hong Kong (China), Ireland, Isle of Man, Jersey, Lebanon, Liechtenstein, Luxembourg, Macau (China), Malta, Marshall Islands, Mauritius, Monaco, Netherlands, Panama, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Seychelles, Singapore, Sint Maarten, Switzerland, Turks and Caicos Islands, Vanuatu.

destinations of shifted profits as estimated by TWZ in 2019 and updated in 2022 more or less corroborates the BIS-IMF-OECD lists. Unlike the latter, the TWZ list stresses the importance of four OECD countries, the "NILS" group including Netherlands, Ireland, Luxembourg, and Switzerland, which capture over 42% of the total amount of shifted profits arising from BEPS practices.

Table 2: List of OFCs, pass-through economies and shifted profit destinations

Jurisdiction	IMF's 8 pass-through	BIS Cross-border OFCs	OECD's "Investment Hubs"	TWZ 95% BEPS list
Bermuda (UK)	x	x	x	6%
British Virgin Islands (UK)	x	x	x	3,3%
Cayman Islands (UK)	x	x	x	7,9%
Hong Kong (CN)	x	x	x	6,4%
Ireland	x	x	x	13,4%
Luxembourg	x	x	x	6,6%
Netherlands	x	x	x	11,4%
Bahamas		x	x	2,2%
Malta		x	x	1,1%
Singapore	x		x	13,7%
Barbados			x	1,2%
Curaçao (NL)		x		1,4%
Cyprus		x	x	
Guernsey (UK)		x	x	
Isle of Man (UK)		x	x	
Jersey (UK)		x	x	
Marshall Islands		x	x	
Mauritius		x	x	
Puerto Rico (US)			x	3,3%
Switzerland			x	11,5%
Anguilla (UK)			x	
Belgium, Macau (CN) & Panama				3,9%, 1% & 1,7%
Gibraltar (UK), Hungary, Liberia, Mozambique			x	
source	IMF	BIS	OECD	WZ
Year of data collection	2016	2020	2018	2019

Hybrid approach

The TJN Corporate Tax Haven Index combines the legal and the economic significance approaches to identify a top list of 70 jurisdictions contributing to "the global problem of corporate tax abuse". The index is composed of two sets of criteria: (i) a "haven score", akin to the Global Forum's legal approach, but going far beyond on substance and granularity[3] and (ii) a "global scale weight" based on the inward stock of FDI relative to GDP indicator.

[3] The "haven score" is scaled from 0 (strict and transparent tax framework) to 100 (tax haven friendly) and is composed of no less than 20 legal and tax indicators, including the calculation of a "lowest available corporate income tax rate", as well as specific indicators on preferential tax regimes (7), transparency and reporting (6), anti-avoidance and anti-BEPS rules and measures (5) and on international tax treaties.

Table 3 lists the jurisdictions which share of the TJN's Corporate Tax Haven Index is above 1%, as well as their respective TJN Haven score, and compares them with the Global Forum outcomes and the list of OFCs by the IMF, OECD and BIS. It shows that the TJN list is broadly similar to the other OFC lists and the TWZ list. However, the TJN methodology puts far more weight on "non-OFC large OECD economies" (including the UK, France, China, Spain, Germany, USA, Sweden and Italy) as well as the U.A.E.

Table 3: Top list of TJN's Corporate Tax Haven Index

Jurisdiction	TJN CTHI Share	TJN Haven Score	*TWZ 95% list*	*Global Forum failures*	*IMF's 8*	*BIS*	*OECD*
BVI (UK)	6,4%	100	*3,3%*	*2*	*x*	*x*	*x*
Cayman Islands (UK)	6,0%	100	*7,9%*	*0*	*x*	*x*	*x*
Bermuda (UK)	5,7%	100	*6,0%*	*0*	*x*	*x*	*x*
Netherlands	5,5%	80	*11,4%*	*0*	*x*	*x*	*x*
Switzerland	5,1%	89	*11,5%*	*1*			*x*
Luxembourg	4,1%	74	*6,6%*	*0*	*x*	*x*	*x*
Hong Kong (CN)	4,1%	78	*6,4%*	*0*	*x*	*x*	*x*
Singapore	3,9%	85	*13,7%*	*0*	*x*		*x*
Jersey (UK)	3,9%	100		*0*		*x*	*x*
U.A.E	3,8%	98		*0*			
Ireland	3,3%	77	*13,4%*	*0*	*x*	*x*	*x*
Bahamas	3,3%	100	*2,2%*	*3*		*x*	*x*
United Kingdom	3,1%	69		*0*			
Mauritius	2,3%	81		*0*		*x*	*x*
Belgium	2,2%	73	*3,9%*	*1*			
Guernsey (UK)	2,2%	98		*0*		*x*	*x*
France	2,1%	67		*0*			
China	2,0%	63		*0*			
Isle of Man (UK)	1,9%	100		*0*		*x*	*x*
Malta	1,7%	79	*1,1%*	*2*		*x*	*x*
Spain	1,6%	65		*0*			
Hungary	1,4%	72		*1*			*x*
Germany	1,4%	58		*0*			
United States	1,2%	47		*0*			
Sweden	1,1%	61		*0*			
Italy	1,0%	58		*0*			
source	TJN	TJN	WZ	OECD	IMF	BIS	OECD
Year of data collection	2019	2019	2019	2022	2016	2020	2018

Comparing the lists

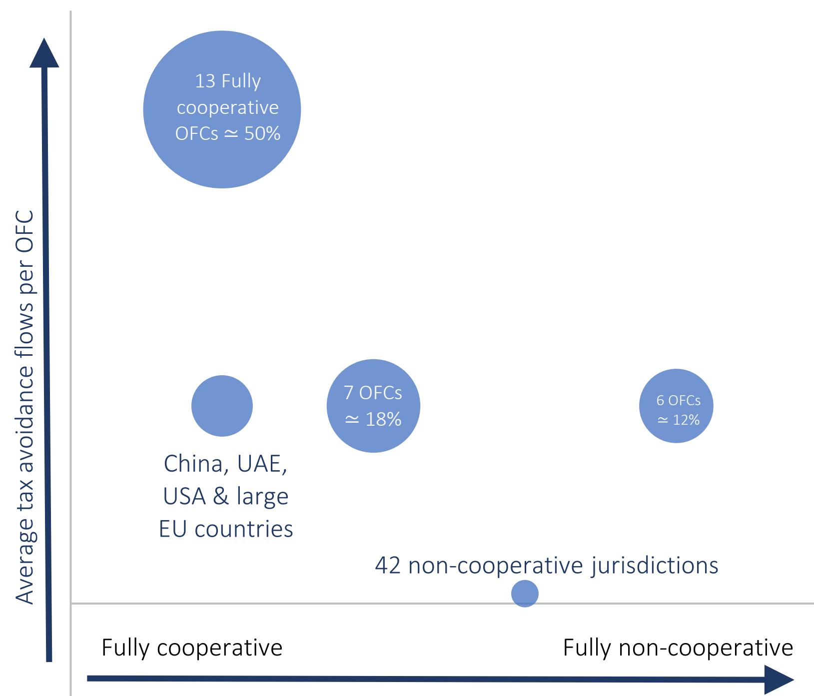
By comparing the two approaches – legal and economic significance – to tax havens, and their respective listings and rankings, several findings come up.

First, being listed as "non-cooperative jurisdictions", under the legal approach, does not presume at all any role in fuelling tax avoidance under the economic significance approach. For example:

- With the notable exception of Anguilla, the Bahamas and Panama, none of the jurisdictions listed on the EU Black and Grey lists can be considered as OFCs with impact on tax avoidance flows.

- With regard to the Global Forum rating, the 28 jurisdictions failing 2 or more of the 6 core requirements account for less than 10% of the global shifted profits, as defined by TWZ and for 17% of the TJN's index on the global "contributions to tax abuses". As listed in table 5, 42 jurisdictions having at least one failure to the Global Forum have collectively zero, or very residual impact on tax avoidance flows.

Figure 1: The three families of tax haven OFCs



Second, and conversely, OFCs that benefit tax avoidance and BEPS practices may, or may not, be complying with the standards of transparency under legal approach. Three categories of OFCs can in fact be identified as shown in table 4 and Figure 1:

- The "fully non-cooperative OFCs": 6 non-cooperative jurisdictions – Anguilla (UK), Bahamas, British Virgin Islands (UK), Curaçao (NL), Malta and Panama – cumulate both a very low level of cooperation on transparency and exchange of information on tax evasion (2 or more failures to meet the Global Forum and/or on the EU list of tax havens) and a high impact on BEPS flows. Collectively this group account for 13.7% of the TJN's global contribution to tax abuse, and for 9.6% of the global shifted profits according to TWZ study. On average, each jurisdiction account for 1-3% of tax avoidance flows;
- The "moderately non-cooperative OFCs": 7 jurisdictions – Barbados, Belgium, Gibraltar (UK), Hong Kong (CN), Hungary, Marshall Islands, Switzerland – feature a moderate level of non-cooperation (1 failure to the GF standard, or on the EU grey list) and have a substantial impact on BEPS and tax avoidance, with respectively 14% of the TJN index and 23.1% of TWZ defined globally shifted profits. On average, each jurisdiction account for 1-3% of tax avoidance flows;
- The "fully cooperative OFCs": 13 jurisdictions – Bermuda (UK), Cayman Islands (UK), Cyprus, Guernsey (UK), Ireland, Isle of Man (UK), Jersey (UK), Luxembourg, Macau

(CN), Mauritius, Netherlands, Puerto Rico (US), Singapore – have outstanding assessment regarding tax transparency and exchange of information, and yet account for circa half of the problem of tax avoidance and BEPS, according to the TJN (42% share) and the TWZ study (63%). On average, each jurisdiction account for 4-5% of tax avoidance flows.

Table 4: The three families of OFCs with substantial impact on tax avoidance

	Legal approach (tax evasion)			Financial significance (tax avoidance)					Hybrid	
Jurisdiction	GF failures	EU Black list	EU Grey list	IMF's 8	BIS list	OECD list	WZ 95% share	TWZ List	TJN % share	TJN Score
Fully Non-Cooperative OFCs (6)							**9,6**		**13,7**	**87**
Anguilla (UK)	3	x				x		x	0,6	100
Bahamas	3	x			x	x	2,2	x	3,3	100
British Virgin Islands (UK)	2		x	x	x	x	3,3	x	6,4	100
Curaçao (NL)	4				x		1,4	x	0,8	72
Malta	2				x	x	1,1	x	1,7	79
Panama	4	x					1,7	x	0,9	72
Moderately Non-Cooperative OFCs (7)							**23,1**		**14**	74
Barbados	1		x			x	1,2	x		
Belgium	1						3,9	x	2,2	73
Gibraltar (UK)	1					x		x	0,8	66
Hong Kong (CN)	0		x	x	x	x	6,4	x	4,1	78
Hungary	1					x			1,4	72
Marshall Islands	1				x	x		x		
Switzerland	1					x	11,5	x	5,1	89
Fully Cooperative OFCs (13)							**63,3**		**42,3**	87
Bermuda (UK)	0			x	x	x	6,0	x	5,7	100
Cayman Islands (UK)	0			x	x	x	7,9	x	6,0	100
Cyprus	0				x	x		x	3,1	85
Guernsey (UK)	0				x	x		x	2,2	98
Ireland	0			x	x	x	13,4	x	3,3	77
Isle of Man (UK)	0				x	x		x	1,9	100
Jersey (UK)	0				x	x		x	3,9	100
Luxembourg	0			x	x	x	6,6	x	4,1	74
Macau (CN)	0						1,0	x	0,4	58
Mauritius	0				x	x		x	2,3	81
Netherlands	0			x	x	x	11,4	x	5,5	80
Puerto Rico (US)	0					x	3,3	x		
Singapore	0			x		x	13,7	x	3,9	85
Source	OECD	EU	EU	IMF	BIS	OECD	WZ	WZ	TJN	TJN

Tax avoidance definitely is not a matter limited to small island jurisdictions. Shifted profits by OFCs also, and perhaps primarily, concern OECD and EU economies. The 'NILS' group,

comprising Netherlands, Ireland, Luxembourg and Switzerland, account for more than 40% of tax avoidance flows according to the TWZ study. For the TJN index, other OECD and G20 economies have a role, including China, France, Germany, Italy, Spain, Sweden, United Kingdom, United States.

Assessing countries by their level of cooperation and transparency of the tax framework matters in its own right and to help address some specific aspects of tax evasion. But it is surely entirely insufficient to account for the broader problem of tax avoidance and BEPS practices, which requires domestic, yet internationally coordinated, tax reforms as was the ambition of the 2015 BEPS Action Plan and the on-going tax and digitalization negotiations at the G20/OECD level.

Table 5: Other jurisdictions

Fully Cooperative Large OECD & G20 countries with Potential BEPS Impact (9)	**WZ 95% share: 0,0% TJN CTHI share: 17,3%**
0 failure to the OECD / Global Forum standards and Listed on the EU Annex I & II	China, France, Germany, Italy, Spain, Sweden, United Arab Emirates, United Kingdom, United States
Non-Cooperative non-OFCs with Marginal BEPS Impact (42)	**WZ 95% share: 0% TJN CTHI share: 0%**
3 or more failures to the OECD / Global Forum standards and/or Listed on the EU Annex I & II	Antigua & Barbuda, Aruba (NL), Belize**, Chile, Costa Rica**, Croatia, Dominica**, Israel**, Saint Vincent & Grenadines, Seychelles**, Sint Maarten (NL), Trinidad & Tobago*, Turks & Caicos Islands (UK)*, Vanuatu*
1 or 2 failures to the OECD / Global Forum standards and/or Listed on the EU Annex I & II	Argentina, Botswana**, Cook Islands, Estonia, Ghana, Grenada, Guatemala, Kuwait, Liberia, Montserrat (UK)**, Russia**, Turkey**, Uruguay**
0 failure to the OECD / Global Forum standards and Listed on the EU Annex I & II	American Samoa (US)*, Armenia**, Eswatini**, Fiji*, Guam*, Jamaica**, Jordan**, Malaysia**, North Macedonia**, Palau*, Qatar**, Samoa*, Thailand**, US Virgin Islands (US)*, Vietnam**
Rest of the world (89)	**WZ 95% share: 4,0% TJN CTHI % share 9,8%**

EU Black List* EU Grey list **