Haven Indicator 1: Lowest Available Corporate Income Tax Rate (LACIT)

What is measured?

The indicator measures the lowest available corporate income tax rate (LACIT) for any large for-profit company that is tax resident in the political subdivision or subnational authority with the lowest Corporate Income Tax (CIT) rate, and which can be a subsidiary of a multinational corporation.[1] The scoring of Haven Indicator 1 is computed by scaling that LACIT rate against the spillover risk reference rate of 35%, explained in detail in Part 2 below.

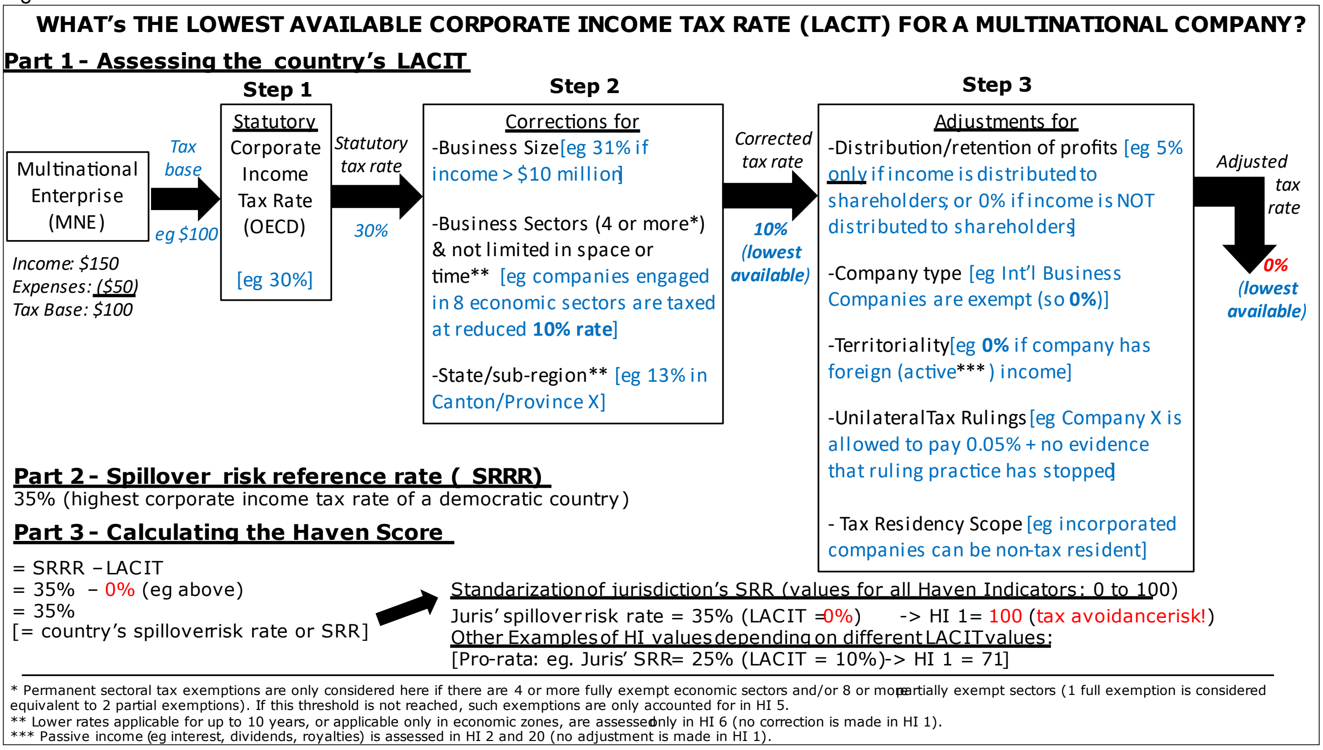
Part 1: Assessing a jurisdiction's LACIT

LACIT in a nutshell: 3 steps away from statutory rates

A jurisdiction's LACIT is calculated differently from existing datasets of statutory CIT rates because these tend to take the top statutory rate reported by jurisdictions at face value. In contrast, LACIT is determined in three steps, only the first of which relies on (top) statutory CIT rates as reported in the OECD's tax database.[2]

The first step consists of simply compiling the statutory rates for all reviewed jurisdictions. In the second step, we review the statutory rates and correct these if necessary. Corrections are made if there are different CIT rates available depending on the size of business, on the economic sector in which the business operates, or on the subnational regions where the business is tax resident. In the third step, we analyse, and adjust if necessary, the tax rates if tax treatment differs upon distribution or retention of profits, upon selection of a particular type of company, upon sourcing profits from inside or outside the jurisdiction (territorial tax regimes), upon issuance of unilateral tax rulings, or if a country provides loopholes in its tax residency rules. Each of the steps is explained in more detail below and presented in Figure 1.1. Each of the steps is made fully transparent and entirely documented, as detailed Table 1.4 in Results Overview below (access the Excel file with all the steps in one sheet here).[3]

Figure 1.1: Overview of Haven Indicator 1 - LACIT



Step 1: statutory rates as a point of departure

To rank jurisdictions according to their tax rate, we relied on the OECD statutory corporate income tax rates table,[4] which covers OECD and non-OECD jurisdictions. For jurisdictions not covered by the OECD, we used the KPMG Corporate Tax Rates Table[5] or IBFD data[6]. IBFD data is used only when the other sources are not available or when the IBFD data is more up to date.[7]

Step 2: review of and corrections to statutory rates

The reported statutory rates are checked alongside three main dimensions and corrected if deviating rates apply. We ask: are different rates available depending on the size of businesses, on the economic sector in which the business operates, or on subnational regions where the business is tax resident?[8] The corrections are made as follows.

First Correction – the size of business

CIT rates may differ depending on the size of the business. If this is the case, the CIT applicable for the highest level of corporate turnover or profit is analysed and chosen in this indicator. For example, the CIT rate in France is sometimes reported as 33.33%, yet given that a social surcharge of 3.3% applies to companies with a corporate income tax liability exceeding €763,000, we consider the CIT rate to be 34.43%.[9]

Second Correction – the sector in which the business operates

Sometimes CIT rates differ depending on the sector in which the business operates. For this correction, we consider that if a lower rate is broadly applicable across a wide range of economic sectors, then such rate is indeed the lowest tax rate available in the jurisdiction. This is because a jurisdiction can decide to "specialize" in a number of economic sectors, and provide very aggressive tax exemptions in those sectors, while formally keeping a higher tax rate for all other sectors. In effect, because most economic activity may occur across exempt sectors, the lowest tax rate that is broadly available is that applicable in such sectors.

In this assessment, we disregard tax exemptions that are temporary (10 years or less) and those that apply in specific economic zones, since these are covered under haven indicator 6. We focus on sectoral exemptions, as analysed in haven indicator 5. The latter indicator analyses permanent exemptions (10+ years) across 13 "active income" sectors, and the investment sector – a sector where the main income streams are passive, such as dividends, interests and capital gains.[10] Because the risks of aggressive tax policies in the investment sector are covered, directly or indirectly, in indicators 2, 4, and 5; we do not consider tax exemptions in the investment sector for the analysis of the Lowest Available Corporate Income Tax.

For sectoral exemptions to be considered to apply across a "wide range of economic sectors", we only consider situations where a country offers a high number of permanent tax exemptions: if a jurisdiction exempts fully four or more active economic sectors, and/or partially exempts eight or more active economic sectors, the lowest rate applicable to these economic sectors will determine LACIT. One full exemption is considered as equivalent to two partial exemptions. In these cases, economic sector exemptions will be accounted for both in LACIT and in haven indicator 5 on sectoral exemptions. When a jurisdiction does not reach the threshold, permanent tax exemptions are only covered in haven indicator 5.

For example, entities engaged in qualifying activities in Aruba can benefit from imputation payment company status to access a lower 10% profit tax rate, which would otherwise be 25%. Among the qualifying activities are hotels, oil refineries, green energy projects, shipping companies, captive insurance, financial activities and more.[11] Given the tax rate for imputation payment companies applies in more than eight sectors, we consider the 10% tax rate applicable for imputation payment companies as the lowest available in Aruba under the LACIT.

Third Correction – tax resident in a political subdivision or subnational authority with lowest CIT rate

Sometimes CIT rates are in fact compound rates combining federal and subnational CIT rates. Subnational CIT rates may vary across the territory of a jurisdiction. Therefore, the lowest available compound CIT rate in a jurisdiction may differ depending on the subnational region chosen for analysis (at state/cantonal level). For the computation of the compound CIT rate of the jurisdiction, we assessed and chose the lowest rate available in any of the subnational divisions (states/cantons/communes). However, differing CIT regimes with lower rates which are available in a specifically designated economic zone or in a subnational region are disregarded for this indicator as these will be analysed and assessed in another haven indicator (haven indicator 6).

Step 3: adjustments to CIT rates

After thorough, in-depth analysis of four main CIT policy dimensions in each jurisdiction, we further adjust the CIT rates where necessary in order to achieve the aim of the Corporate Tax Haven Index of indicating tax spillover risks. We apply four main adjustments, as explained below.

First Adjustment – a lower rate upon distribution or retention of profits

Whenever a jurisdiction has an imputation system which enables shareholders to claim a partial or full refund of the tax paid by the distributing company, the LACIT for this indicator would be derived by calculating the CIT rate after the imputation was made.

For example, Malta, with a statutory CIT ordinarily reported at 35%[12] operates a full imputation system. This system ensures that almost all tax paid is refunded upon distribution of profits and thus a much lower CIT rate applies. KPMG notes on Malta:

> Malta operates a full imputation system of taxation for both residents and non-residents [...]. On the distribution of taxed profits, the shareholders may opt to claim a partial/full refund of the tax paid by the distributing company. As a general rule, the tax refund amounts to six-sevenths of the tax paid. [...] The Malta tax suffered on distributed profits hence ranges between 0% and 10%.[13]

As a result of Malta's imputation system, we set Malta's LACIT at 5% and not at the often reported statutory rate of 35%.

A similar result can be achieved when the tax is imposed only upon distribution. For example, in both Latvia[14] and Estonia,[15] the profits of resident companies are taxed only upon distribution. Thus, given that a company which chooses not to distribute its profits does not pay any CIT, we assess Latvia's and Estonia's LACIT at zero.[16]

Second Adjustment – tax exempt specific types of companies

In cases where the tax system exempts a certain type of corporation from tax, the indicator assesses the CIT rate for the whole jurisdiction according to the provided tax exemption.

For example, Mauritius is reported as levying a 15% CIT rate.[17] Yet the jurisdiction provides for the establishment of a variety of tax-exempt companies. With Global Business License companies in the process of being amended[18], Mauritius now allows so-called authorised companies to be effectively tax exempt.[19] While authorised companies are not technically tax exempt, they are considered non-resident for tax purposes.[20] Thus, as long as these Mauritius-incorporated companies are only engaged in foreign operations, they are fully exempt from tax. These companies are barred from undertaking certain economic activity,[21] but can otherwise operate in any economic sector.[22] Hence, the indicator would record Mauritius' CIT rate at 0%.[23]

Third Adjustment – territorial tax system for active business income

In jurisdictions with a territorial CIT regime where some significant portions of active business income are taxed only on a territorial basis, regardless of a specific economic activity, the indicator assesses the CIT rate for the whole jurisdiction at zero per cent. This is because if a multinational company structures its corporate network appropriately, it may reap huge profits through exclusive sales/turnover with foreign customers only, and thus pay nil tax. For example, in Panama,[24] Hong Kong[25] and Gibraltar[26] foreign income received by companies is not taxed.

Similarly, countries which exclusively exempt the companies' domestic-source income are also considered to have a territorial corporate income tax regime for the purpose of this indicator. For example, Monaco's CIT rules determine that companies are only taxable if they derive more than 25% of their profits outside of Monaco. Otherwise, companies are not taxable in Monaco. As a result, Monaco operates a sort of inverse territorial corporate income tax base, and although 33% is the rate usually reported as Monaco's statutory tax rate,[27] Monaco's CIT rate would accordingly be considered as zero for LACIT.[28]

Fourth Adjustment – documented unilateral tax rulings

Unilateral tax rulings issued by tax administrations in some jurisdictions result in a fundamentally different and often much lower tax rate than the statutory corporate tax rate. As evidenced through the [LuxLeaks revelations](),[29] multinational corporate groups often gain access to tax administrations through specialist tax advisers. The subsequent European Union investigation into state aid has revealed that tax rulings have been used for large-scale tax avoidance in at least Belgium, Ireland, Luxembourg and the Netherlands.[30]

Where details of cases have been thoroughly investigated and published, allowing for an analysis of the tax outcomes of the rulings, including the deviating CIT rate, the deviating CIT rate has been used in this indicator. Because the ruling is a binding legal instrument or at least involves an element of administrative consent, administrations should be held responsible and accountable to the legislature and the public over any rate offered through a ruling. Considerations, such as whether the available CIT rate results from a (discretionary) narrowing of the tax base, an express alternative rate or method for computing the base or rate, were ignored for this indicator. Rather, the adjustment identifies the lowest rates offered through a documented tax ruling to a tax resident company which can be supported by ample evidence available in the public domain. Only official state aid investigations by the European Commission[31] into such rulings currently provide sufficiently ample and in-depth evidence to determine a deviating LACIT based on unilateral tax rulings.

These tax rulings result in tax avoidance risks in European Union member states. Yet they are only the tip of the iceberg. Hundreds and thousands of companies may never be investigated because of the sheer size and growing number of rulings along with the incommensurate slow pace of state aid investigations due to their resource-intense nature.[32] As was documented in Apple's case, unilateral tax rulings made in the European Union also affect countries outside the region, for example in Africa.[33] Tax rulings that imply tax avoidance risks only or mainly for non-European Union members are unlikely ever to be investigated by the European Commission because of a lack of mandate.[34]

Unilateral tax rulings continue to be available and are not yet a problem of the past. While the tax rulings investigated by the European Commission and assessed in this indicator were issued in the past, there are no reliable indications that the ruling practice has changed in substance since then. Rather to the contrary; not only have none of the relevant European Union member states agreed that these unilateral tax rulings constituted a violation of state aid rules, but also governments are appealing the European Commission's decision that these rulings were illegal state aid.[35] Jurisdictions that wish to challenge our assessment of the continuing availability of such low tax rates are welcome to publish any more recent tax rulings.

For each jurisdiction where the CIT was adjusted to the lowest rate offered by a unilateral tax ruling, an explanation is provided in the notes for the way the corresponding tax rate was calculated.

Fifth Adjustment – Deficient corporate tax residency scope

An important characteristic of multinational's tax avoidance is the circumvention of tax residency status. Various jurisdictions present clear loopholes in their corporate tax residency scope. In these countries, locally incorporated companies are not necessarily tax residents of the jurisdiction under whose laws they have been created. This allows a dangerous legal void, whereby companies may end up not being considered tax residents of any jurisdiction.[36,37] For instance, a company created under Mauritius law that is managed from Macao may not be considered a tax resident of neither of the two jurisdictions, potentially facilitating rampant tax avoidance.[38] While we consider that both effective management and place of incorporation should be independent triggers of tax residency, we believe that the very minimum standard should be that all locally incorporated companies are tax residents of a country. At a minimum, a country should take responsibility for companies created under its laws.

In this edition of the Corporate Tax Haven Index, we penalize countries whose definition of tax residency does not include, at least, all companies incorporated under its laws. Because the lowest tax applicable to non-residents is often 0% (commonly for foreign income), we consider such rate in the calculation of the Lowest Available Corporate Income Tax.

For example, in Montserrat, only companies with central management and control in Montserrat are considered tax residents therein. Montserrat-incorporated companies that do not have central management and control in Montserrat are not considered tax residents. Such non-residents are only taxed on their Montserrat-source income, when the income is transferred outside Montserrat (by way of withholding). For instance, a Montserrat-incorporate company with effective place of management in the British Virgin Islands or Macao would not be considered tax resident of either place, and (i) its foreign income would not be taxed in Montserrat, and (ii) its Montserrat-source income would only be taxed (WHT) in case of exit payment.[39]

Part 2: Deriving the spillover risk reference rate

Cross-jurisdiction differentials in tax rates on corporate profits drive profit shifting, and a race to the bottom in taxation. Without an internationally agreed or harmonised CIT rate, the spillover risk reference rate was determined by filtering a) all jurisdictions for democracies, and b) sorting for the highest corporate income tax rates observed. A hallmark of a functioning democracy is the right of citizens and the electorate of a jurisdiction to determine the tax mix of that jurisdiction. A jurisdiction’s decision for a high share of CIT in the tax mix and a high CIT rate is particularly vulnerable to being undermined by any other jurisdiction that implements lower rates. This is because under the current conditions of free investment flows and the arm’s length principle, profit shifting from high tax to low tax jurisdictions cannot be prevented.

Therefore, all CIT rates applied by jurisdictions are scaled against that highest observable CIT rate of a democracy in order to determine the extent of tax avoidance risks which undermine democratic choices elsewhere. Determining this spillover risk reference rate is a one-off process to be carried out afresh every two years with each edition of Corporate Tax Haven Index. The reference rate establishes the highest CIT rates observable where the electorate can be assumed to have exerted influence over the outcome of the tax mix and CIT rate, i.e. where democratic principles are adhered to.

To determine the spillover risk reference rate, we thus rely on two different data sources. For identification of democracies, we rely on the Polity Index and more specifically, the most commonly used Polity2 measure of 2018.[40] With a few exceptions for small population jurisdictions,[41] this measure considers any jurisdiction on a spectrum between full autocracy (-10) and full democracy (+10). In line with widespread practice, we filter all jurisdictions for a Polity2 value of 7 or more[42] to arrive at a sample of jurisdictions where the electorate can be assumed to influence the CIT rate.

Second, to rank jurisdictions according to their tax rate, we relied on the OECD Stats table for statutory corporate income tax rates,[43] the KPMG Corporate Tax Rates Table,[44] or information from the International Bureau of Fiscal Documentation (IBFD) database[45]. In general, we derived statutory CIT rates from OECD Stats database. When data from OECD was not available, we used KPMG Corporate Tax Rates Online and when this is not available, we use IBFD.

As a result of this analysis, the spillover risk reference rate is set at 35%. In Pakistan[46] and Brazil,[47] capital gains are included in the corporate income and are thus taxed equally at a rate of 35% and 34%, respectively.[48] The rate of 35% is also used a reference to calculate the scores for haven indicator 4 on capital gains taxation, and haven indicator 18, on withholding taxes on dividends[49]. The full results of the filtering and sorting exercise are shown in Table 1.1 below.

Table 1.1: Spillover Risk Reference Rate

Jurisdiction	Maximum CIT Rate 2020	Democracy? (Polity5 Index 7 or above, green)
Suriname	36	5
Pakistan	35	7
Zambia	35	6
Brazil	34	8
Venezuela	34	-3
Cameroon	33	-4
Colombia	32	7
Mozambique	32	5
Namibia	32	6
Portugal	31.5	10
Morocco	31	-4
Sources:	OECD Stats: Statutory Corporate Income Tax Rates, 2020, https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1, [24/11/2020][50] KPMG Corporate Tax Rates Online 2020, https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html, [24/11/2020][52]	Polity2 Score in Polity5 Index, 2018, http://www.systemicpeace.org/inscrdata.html, [24/11/2020][51]

Part 3: Calculating the haven score

A CIT rate of 35% results in a zero haven score while a zero tax rate resolves to a haven score of 100. The following steps are taken to calculate the haven score. First, we determine the jurisdiction's lowest available corporate income tax rate (LACIT) according to the corrections and adjustments explained above. Second, we subtract the LACIT from the spillover risk reference rate of 35%. Finally, we scale that differential on values between 0 and 100 by dividing the differential by 35.

The data for this indicator was collected primarily from the following source: 1) OECD database[53] which is updated to 2020; 2) KPMG database[54]; 3) the IBFD database (country analyses and country surveys)[55]; 4) In some instances, we have also consulted additional websites and reports of accountancy firms and other local websites.

Table 1.2. Scoring Matrix Haven Indicator 1

Regulation	**Haven Score Assessment** [Haven Score: 100 = maximum risk; 0 = minimum risk]
LOWEST AVAILABLE CORPORATE INCOME TAX RATE (LACIT) (100)	
<u>The corporate income tax imposed by the jurisdiction is scaled between zero and 35%</u> The jurisdiction's zero CIT is equal to a haven score of 100 while a 35% CIT is equal to a haven score of zero. The jurisdiction's LACIT is subtracted from the CIT of 35% and the haven score is then calculated by placing it on a scale of 0-100.	0-100

All underlying data can be accessed in the Corporate Tax Haven Index database[56]. To see the sources we are using for particular jurisdictions please consult the assessment logic in Table 1.5 and search for the corresponding info IDs (IDs 505-507 and 541-545) in the country profiles of the respective jurisdiction.

Why is this important?

Corporate tax revenues make up about ten per cent of total tax revenues in OECD countries, but in developing countries, conservatively measured, they amount also to around 15 per cent.[57] The CIT rates multinational corporations end up paying, however, have been pushed downwards, allowing multinationals increasingly to freeride on the public services that everyone else pays for. In the last few decades, corporate tax rates have been falling around the world, from an average of 50 per cent in OECD countries in 1980 to an average of about half that.[58]

Revenue losses due to rate cuts have at times been claimed to be (partially) compensated by a broadening of the tax base. Yet when the profit share of GDP is increasing, or when the share of domestically operating and/or of small and medium enterprises in total corporate tax revenue is increasing and the share of large multinational companies decreasing, the tax rate cuts are contributing to rising inequalities even if the share of corporate tax revenues in GDP is constant. Since smaller domestic businesses tend to account for a disproportionate share of employment, an unlevel tax playing field that disadvantages them not only gives rise to undue industry concentration and the associated problems of monopoly power, it is likely also to undermine inclusive economic development.

Lowering CIT rates has negative impacts on society. The CIT is one of the best ways to tax capital, and it can powerfully curb political and economic inequalities. It helps to boost economic growth by, among other things, raising trillions in revenue, which governments use as a basis for providing essential public services. It also protects developing countries by boosting their self-reliance and curbing their dependence on foreign aid or on more regressive taxes such as VAT.[59]

Lowering CIT rates significantly or even abolishing the CIT entirely are likely to result in decreasing personal income tax revenues. This is because people would rather leave their earnings inside a company and defer paying personal income tax on them indefinitely by handing out fake loans instead of distributing profits, or until the corporation pays out a dividend at a later stage, and taxing that dividend only at lower rates, for example, in cross-border situations. Furthermore, given that most corporate wealth is owned by wealthy people, in every country, CIT is ultimately paid by them. Therefore, it is one of the most progressive taxes a state can levy and a tool to reduce inequality within and between countries.[60] As it is usually easier to tax large companies than chasing after large numbers of individuals or microbusinesses, CIT makes up a much bigger share of taxes in developing countries (where tax administrations lack funding and human resources the most)[61] than in rich countries. Hence, lowering CIT rates would be more harmful for developing countries than for rich countries and would lead to a transfer of wealth from poor countries to multinational corporations and their shareholders in rich countries.

Furthermore, when a country cuts its CIT rate, it may lead countries to a race to the bottom or to enter tax wars because other countries tend to follow suit. By having lower statutory CIT rates than other states, jurisdictions unwillingly enable or wittingly incite tax spillovers from other countries. These spillovers are leading to an erosion of not only the tax base in those other countries, but also the trust in democratic decision-making in those countries, as their tax policies adjust by shifting the tax mix onto less mobile factors, hitting more vulnerable people harder.

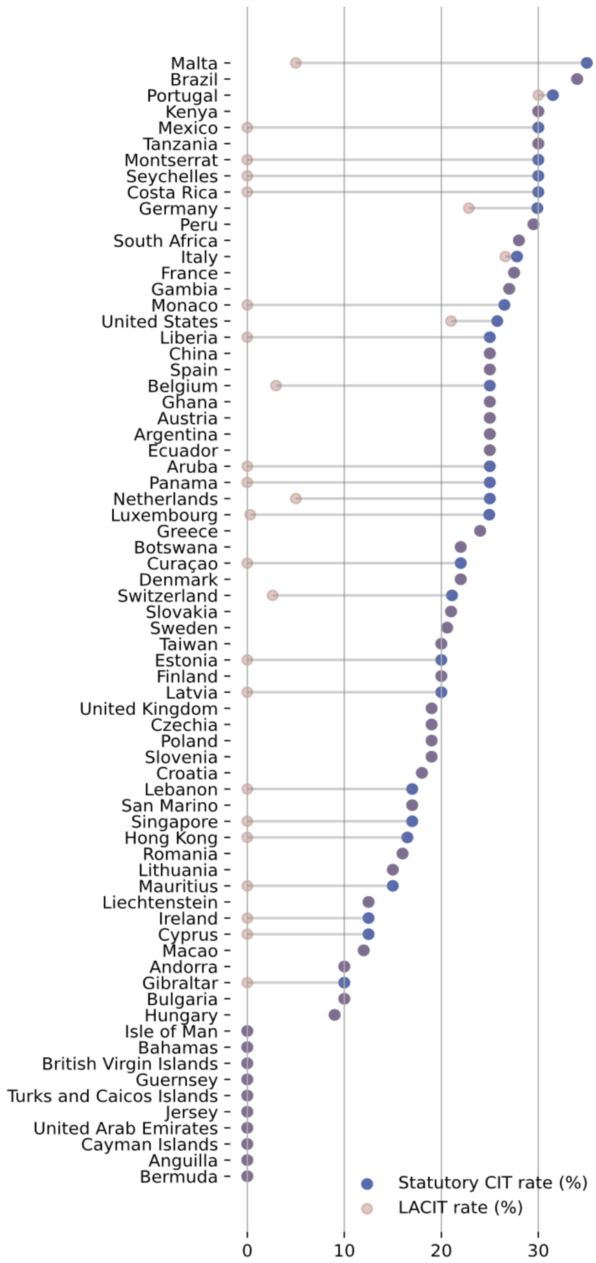
Equality before the law is a fundamental principle in democracies, one which unilateral tax rulings may undermine, especially if they are not transparent. Any democratic society is entitled to know how their tax administration deals with taxpayers and whether tax laws are abused. Secrecy in unilateral tax rulings may also bypass the democratic rule where the law should be decided by representatives of people for the common good.[62] Finally, fiscal equity – which is also perceived as a democratic rule[63] – is one of the most important attributes of any responsible tax system.[64]

One key shortcoming of the OECD's Base Erosion and Profit Shifting project is the lack of focus on corporate income tax rates. In the wording of the project's objectives, the goal of aligning "rights to tax" does not require actual taxation – a jurisdiction's choice not to tax or to tax at zero percent is treated mostly as equivalent to full taxation. This implies an endorsement, or at least condoning of, a continuous race to the bottom in CIT rates as long as the base attracting zero tax would be aligned to genuine economic activity or substantial activities. The decisive challenge thus becomes defining and quantifying "genuine economic activities" or substance.[65] This is a highly contested endeavour currently underway in OECD and European Union, with some European jurisdictions proposing to legislate "substance tests" that require as little as €100,000 payroll cost to be treated as acceptable substance for certain tax rules.[66] The indirect consequence of implicitly endorsing a race to the bottom in CIT rates is an acceptance of related spillover effects on the CIT rates of other jurisdictions elsewhere, and ultimately on their democratic choices over the tax mix (the IMF calls this strategic rate spillovers: "the impact on a country's policy choices of tax changes abroad: tax competition, in its broadest sense"[67]).

Another reason why it is important to establish a more credible alternative to the statutory CIT rates through LACIT is related to the integrity and robustness of research findings. The choice of data sources to determine the CIT rate is relevant for studies on the magnitude of tax avoidance. Broadly speaking, either statutory (nominal) corporate tax rates can be used or some variant of effective tax rates, and both are problematic. Between statutory and effective tax rates, there is often a substantial gap, which, by some measures, is shown as significantly larger on average for 28 European Union member states than for other jurisdictions.[68]

As can be seen in Figure 1.2, statutory tax rates can be far removed from reality as they usually take the jurisdiction's "flat or top marginal"[69] CIT rates at face value. For example, for Malta, OECD corporate tax statistics report a 35% CIT rate. Yet the note explains that for distributed profits, the rate may be as low as 5%.[70] A recent IMF meta study on tax avoidance confirmed that researchers usually rely on statutory corporate tax rates when estimating the extent of base erosion and profit shifting.[71] Their estimates may well be compromised by this reliance.

Figure 1.2: Comparison of statutory corporate income tax rates and LACIT



For economic studies researching (in their dependent variable) race to the bottom dynamics or the magnitude of tax avoidance, *effective* tax rates measures are not suitable as independent or explanatory variables. Jansky (2019) discusses thoroughly the various methodologies and data sources used to derive effective tax rates.[72] He differentiates between law-based (or *ex ante*/forward looking) and data-based (*ex post*, backward looking) approaches. As de Beer et al. (2016) note: "low levels of reported profits after shifting imply a low [data-based] effective tax rate, generating a spurious positive correlation between the two variables".[73] LACIT is a novel contribution, deriving law-based CIT rates *ex post* based on the transparent legal analysis of the CIT framework.

Results Overview

Figure 1.3: Lowest Available CIT Rate Overview

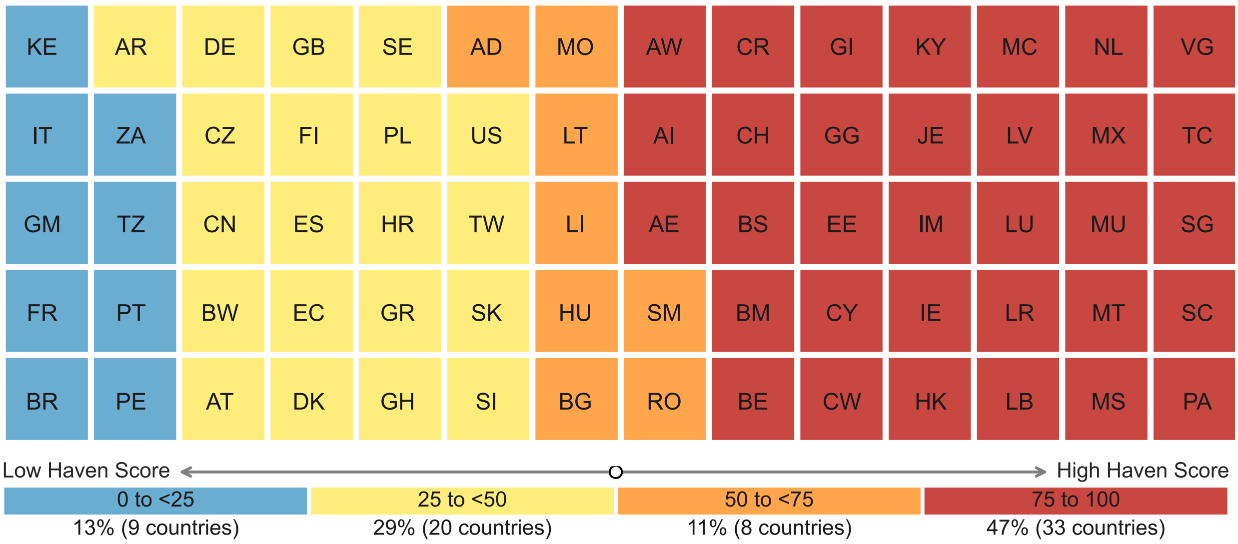


Figure 1.4: Scope of Corporate Tax Residency Overview

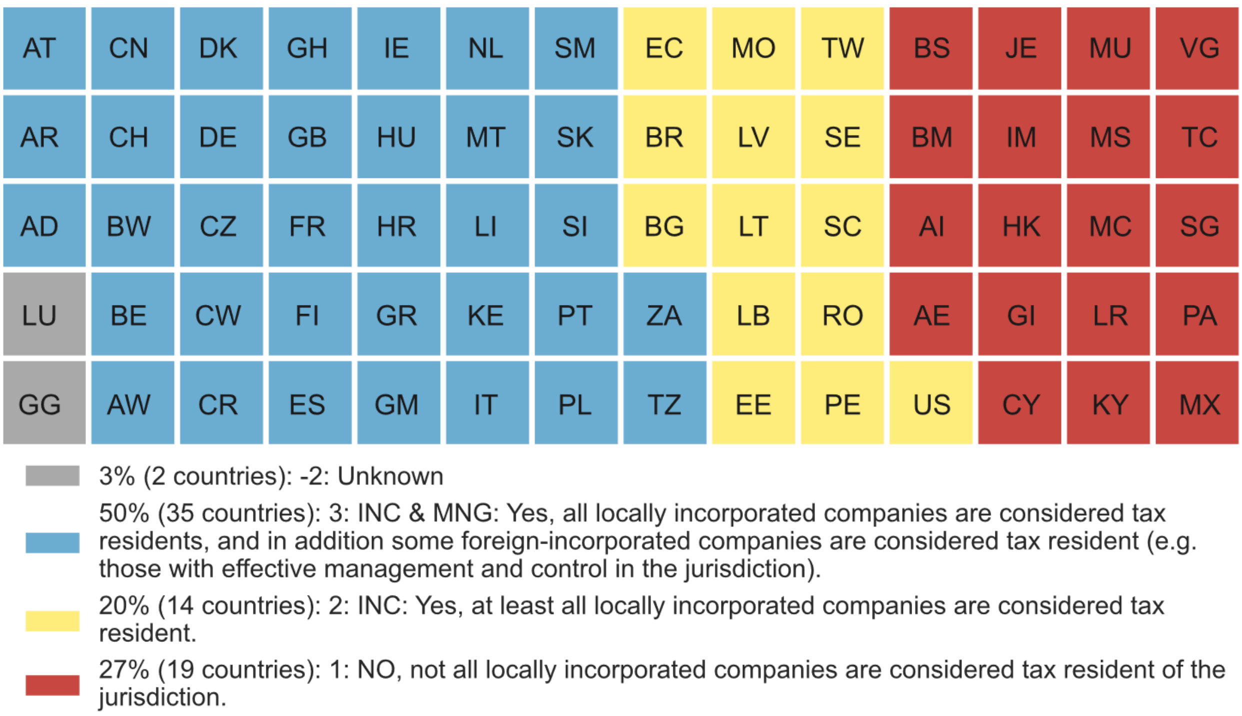


Table 1.3: Lowest available corporate income tax (LACIT) - Haven Indicator Scores

Haven Score	ISO2:	Country Name
100	AW:	Aruba
100	AI:	Anguilla
71	AD:	Andorra
100	AE:	United Arab Emirates
29	AR:	Argentina
29	AT:	Austria
92	BE:	Belgium
71	BG:	Bulgaria
100	BS:	Bahamas
100	BM:	Bermuda
3	BR:	Brazil
37	BW:	Botswana
93	CH:	Switzerland
29	CN:	China
100	CR:	Costa Rica
100	CW:	Curaçao
100	KY:	Cayman Islands
100	CY:	Cyprus
46	CZ:	Czechia
35	DE:	Germany
37	DK:	Denmark
29	EC:	Ecuador
29	ES:	Spain
100	EE:	Estonia
43	FI:	Finland
19	FR:	France
46	GB:	United Kingdom
100	GG:	Guernsey
29	GH:	Ghana
100	GI:	Gibraltar
23	GM:	Gambia
31	GR:	Greece
100	HK:	Hong Kong
49	HR:	Croatia
74	HU:	Hungary
100	IM:	Isle of Man
100	IE:	Ireland
24	IT:	Italy
100	JE:	Jersey
14	KE:	Kenya
100	LB:	Lebanon
100	LR:	Liberia
64	LI:	Liechtenstein
57	LT:	Lithuania
99	LU:	Luxembourg
100	LV:	Latvia
66	MO:	Macao
100	MC:	Monaco
100	MX:	Mexico
86	MT:	Malta
100	MS:	Montserrat
100	MU:	Mauritius
86	NL:	Netherlands
100	PA:	Panama
16	PE:	Peru
46	PL:	Poland
14	PT:	Portugal
54	RO:	Romania
100	SG:	Singapore
51	SM:	San Marino
40	SK:	Slovakia
46	SI:	Slovenia
41	SE:	Sweden
100	SC:	Seychelles
100	TC:	Turks and Caicos Islands
43	TW:	Taiwan
14	TZ:	Tanzania
40	US:	United States
100	VG:	British Virgin Islands
20	ZA:	South Africa

Haven Score

Low Haven Score ← → High Haven Score

0 to <25	25 to <50	50 to <75	75 to 100

Table 1.4: Overview of LACIT with corrections and adjustments to the statutory tax rate (in %)

	Country	Score	505: Statutory Rate	506: Correction Size	507: Correction Sector	541: Correction Regions	542: Adjustment Retention	543: Adjustment Type	544: Adjustment Territorial	545: Adjustment Rulings	587: All companies tax resident*	LACIT
AW	Aruba	100	25		0						INC & MNG	0
AI	Anguilla	100	0								NO	0
AD	Andorra	71	10								INC & MNG	10
AE	United Arab Emirates	100	0								NO	0
AR	Argentina	29	25								INC & MNG	25
AT	Austria	29	25								INC & MNG	25
BE	Belgium	92	25							2.958	INC & MNG	2.958
BG	Bulgaria	71	10								INC	10
BS	Bahamas	100	0								NO	0
BM	Bermuda	100	0								NO	0
BR	Brazil	3	34								INC	34
BW	Botswana	37	22								INC & MNG	22
CH	Switzerland	93	21.1			11.91		2.61			INC & MNG	2.61
CN	China	29	25								INC & MNG	25
CR	Costa Rica	100	30						0		INC & MNG	0
CW	Curaçao	100	22		0				0		INC & MNG	0
KY	Cayman Islands	100	0								NO	0
CY	Cyprus	100	12.5								NO	0
CZ	Czechia	46	19								INC & MNG	19
DE	Germany	35	29.9			22.83					INC & MNG	22.83
DK	Denmark	37	22								INC & MNG	22
EC	Ecuador	29	25								INC	25
ES	Spain	29	25								INC & MNG	25
EE	Estonia	100	20				0				INC	0
FI	Finland	43	20								INC & MNG	20
FR	France	19	27.5	28.4							INC & MNG	27.5

Haven Indicator 1: Lowest available corporate income tax rate

	Country	Score	505: Statutory Rate	506: Correction Size	507: Correction Sector	541: Correction Regions	542: Adjustment Retention	543: Adjustment Type	544: Adjustment Territorial	545: Adjustment Rulings	587: All companies tax resident*	LACIT
GB	United Kingdom	46	19								INC & MNG	19
GG	Guernsey	100	0								Unknown	0
GH	Ghana	29	25								INC & MNG	25
GI	Gibraltar	100	10				0		0		NO	0
GM	Gambia	23	27								INC & MNG	27
GR	Greece	31	24								INC & MNG	24
HK	Hong Kong	100	16.5		0				0		NO	0
HR	Croatia	49	18								INC & MNG	18
HU	Hungary	74	9								INC & MNG	9
IM	Isle of Man	100	0								NO	0
IE	Ireland	100	12.5							0.005	INC & MNG	0.005
IT	Italy	24	27.8			26.6					INC & MNG	26.6
JE	Jersey	100	0								NO	0
KE	Kenya	14	30								INC & MNG	30
LB	Lebanon	100	17		0				0		INC	0
LR	Liberia	100	25								NO	0
LI	Liechtenstein	64	12.5								INC & MNG	12.5
LT	Lithuania	57	15								INC	15
LU	Luxembourg	99	24.94			23.59				0.3	Unknown	0.3
LV	Latvia	100	20				0				INC	0
MO	Macao	66	12								INC	12
MC	Monaco	100	26.5						0		NO	0
MX	Mexico	100	30								NO	0
MT	Malta	86	35				5				INC & MNG	5
MS	Montserrat	100	30		0		0				NO	0
MU	Mauritius	100	15		0			0			NO	0
NL	Netherlands	86	25							5	INC & MNG	5
PA	Panama	100	25		0				0		NO	0

Haven Indicator 1: Lowest available corporate income tax rate

	Country	Score	505: Statutory Rate	506: Correction Size	507: Correction Sector	541: Correction Regions	542: Adjustment Retention	543: Adjustment Type	544: Adjustment Territorial	545: Adjustment Rulings	587: All companies tax resident*	LACIT
PE	Peru	16	29.5								INC	29.5
PL	Poland	46	19								INC & MNG	19
PT	Portugal	14	31.5			30					INC & MNG	30
RO	Romania	54	16								INC	16
SG	Singapore	100	17		0				0		NO	0
SM	San Marino	51	17								INC & MNG	17
SK	Slovakia	40	21								INC & MNG	21
SI	Slovenia	46	19								INC & MNG	19
SE	Sweden	41	20.6								INC	20.6
SC	Seychelles	100	30					25	0		INC	0
TC	Turks and Caicos Islands	100	0								NO	0
TW	Taiwan	43	20								INC	20
TZ	Tanzania	14	30								INC & MNG	30
US	United States	40	25.77			21					INC	21
VG	British Virgin Islands	100	0								NO	0
ZA	South Africa	20	28								INC & MNG	28

*Note: As per Table 1.5: Assessment Logic, INC refers to jurisdictions where at least all locally incorporated companies are considered tax resident, and INC & MNG indicates that all locally incorporated companies are considered tax residents, and in addition, some foreign-incorporated companies are considered tax resident (e.g. those with effective management and control in the jurisdiction).

Table 1.5: Assessment Logic

Info_ID	Text_Info_ID	Answers (Codes applicable for all questions: -2: Unknown; -3: Not Applicable)	Valuation Haven Score
505	Statutory-CIT-Rate: What is the statutory CIT rate reported by the OECD (or alternatively by IBFD or KPMG)?	Lowest available CIT tax rate (between 0 and 35)	Haven score = If ID587=-2 Or >1: ((35 – answer)/35)*100 If ID587=1: 100
506	CIT-Rate-Correction-Size: What is the deviating CIT rate, if any, applicable to the largest companies in the jurisdiction?		
507	CIT-Rate-Correction-Sector: What is the lowest deviating CIT rate, if any, applicable to companies in jurisdictions exempting a broad range of sectors (at least four full and/or eight partial exemptions)?		
541	CIT-Rate-Correction-Regions: What is the lowest deviating CIT rate, if any, applicable in the political subdivision/subnational region with the lowest CIT rate?		
542	CIT-Rate-Adjustment-Retention: What is the lowest deviating CIT rate, if any, applicable to distributed or retained profits?		
543	CIT-Rate-Adjustment-Type: What is the lowest deviating CIT rate, if any, applicable to specific types of companies?		
544	CIT-Rate-Adjustment-Territorial: What is the lowest deviating CIT rate, if any, applicable to active business income from foreign sources?		
545	CIT-Rate-Adjustment-Rulings: What is the lowest deviating CIT rate, if any, derived from documented cross-border unilateral tax rulings issued by the authorities in the jurisdiction?		
587	Corporate tax residency scope: Do the domestic rules for corporate tax residency include as tax resident at least all locally incorporated companies?	-2: Unknown; 1: NO, not all locally incorporated companies are considered tax resident of the jurisdiction. 2: INC: Yes, at least all locally incorporated companies are considered tax resident. 3: INC & MNG: Yes, all locally incorporated companies are considered tax residents, and in addition some foreign-incorporated companies are considered tax resident (e.g. those with effective management and control in the jurisdiction).	

The data for all jurisdictions divided by each of the IDs with all the steps in one sheet can be accessed fully in one Excel file available here).[74]

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[1] We have excluded permanent establishments from the scope of this indicator for two main reasons. First, definitions of permanent establishment differ across domestic tax rules and not all countries provide a definition. Second, there are varying definitions of permanent establishment in tax treaties and even in cases where the definitions are similar, often different interpretations are adopted by local tax authorities. As a result, there is no harmonisation in the treatment of permanent establishment and no comparable rules can be assessed. Due to limited resources, we could not assess the treatment of permanent establishment for each country separately and decided to exclude it from the scope of this indicator.

[2] See Organisation for Economic Co-operation and Development, 'Table II.1. Statutory Corporate Income Tax Rate', 2021 <https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1> [accessed 5 March 2021].

[3] Steps used to calculate LACIT: https://cthi.taxjustice.net/en/cthi/data-downloads.

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[5] KPMG, 'Corporate Tax Rates Table - KPMG Global', *KPMG*, 2019 <https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html> [accessed 30 August 2019].

[6] IBFD, *Tax Research Platform: Country Surveys, Country Analyses, Country Key Features*, Accessed 2018-2019, 2019 <https://research.ibfd.org/> [accessed 30 September 2019].

[7] In cases where tax rates differ between the current year 2021 (of the CTHI launch) and the previous year, we select the most recent applicable CIT statutory tax rate.

[8] As part of Step 2, different tax rates applicable to for-profit and non-profit businesses are reviewed. However, these differences are not included as a key dimension in checking or correcting the rate for Step 2 in determining the LACIT. Therefore, in cases where the CIT rates differ by type of entity (i.e. charitable, non-profit, or for-profit), only the CIT applicable to for-profit companies is considered, given the focus of the Corporate Tax Haven Index.

[9] The OECD dataset we use in Step 1 already incorporates this analysis for the 64 countries in the CTHI. Therefore, at the moment no country's CIT is corrected through our analysis compared to the baseline dataset from the OECD. However, other data sources (such as KPMG's corporate tax rates table) do not always include this correction, and it is uncertain if the dataset of the OECD includes this analysis for all countries in its sample. See, for example, KPMG, 'Corporate Tax Rates Table - KPMG Global'. Like France, there's a similar example in Portugal. The general corporate tax rate in Portugal is 21%, yet it may be increased by a state surcharge of 9% on income exceeding €35m. Given this indicator focuses on large for-profit corporations, we consider the corporate income tax to be 30% (21% + 9%).

[10] This classification of economic activities across sectors derives from established sectorial classifications by the United Nations (Rev. 4) and Eurostat (Rev.2). Full details are available in haven indicator 5.

[11] Sandy van Thol, *Aruba - Corporate Taxation - 1. Corporate Income Tax* (24 September 2020) <https://research.ibfd.org/#/doc?url=/collections/gtha/html/gtha_aw_s_001.html> [accessed 5 March 2021].

[12] See, for example, Conrad Cassar Torregiani, *Malta - Corporate Taxation - 1. Corporate Income Tax* (16 September 2020) <https://research.ibfd.org/#/doc?url=/collections/cta/html/cta_mt_s_001.html> [accessed 5 March 2021]; KPMG, 'Corporate Tax Rates Table - KPMG Global'.

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[15] Marek Herm, *Estonia - Corporate Taxation - 1. Corporate Income Tax* (24 August 2020) <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_ee_s_1.&refresh=1614929839069#cta_ee_s_1.> [accessed 5 March 2021].

[16] The accumulation of largely untaxed, undistributed profits offshore by US multinational companies prior to the US tax reform enacted end of 2017 has been a consequence of the US deferral rules. That has meant that the profits of US multinational companies from overseas operations remained untaxed as long as they were not distributed to US parent companies.

[17] Rajesh Ramloll, *Mauritius - Corporate Taxation, 1. Corporate Income Taxation Sec. 1.6,* (14 January 2021) <https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_mu_s_1.&refresh=1

614929950141#gtha_mu_s_1.6.> [accessed 5 March 2021]; and see also, KPMG, 'Corporate Tax Rates Table - KPMG Global'.

[18] While the Global Business Companies (GBC2) regime was abolished in 2018, GBC2 issued on or before 16 October 2017 will be valid until 30 June 2021. See OECD, *Harmful Tax Practices - 2018 Progress Report on Preferential Regimes: Inclusive Framework on BEPS: Action 5*, 2019 <https://doi.org/10.1787/9789264311480-en> [accessed 20 May 2019].

[19] PricewaterhouseCoopers (PWC), 'Mauritius - Corporate Tax Credits and Incentives', *PWC Worldwide Tax Summaries*, 2020 <https://taxsummaries.pwc.com/Mauritius/Corporate/Tax-credits-and-incentives> [accessed 1 March 2021].

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[21] Mauritius' Authorised Companies cannot engage in financial services, collective investment or business services.

[22] PricewaterhouseCoopers (PWC), 'Mauritius - Corporate Tax Credits and Incentives'.

[23] The full implications of tax exempt type of legal entities are covered through a number of additional indicators: Haven Indicator 1 captures exemptions applicable to active business income from domestic sources and from foreign sources (see third adjustment); haven indicator 5 covers exemptions that apply to passive investment income from domestic sources (and sectorial domestic active business income exemptions – see third correction); haven indicator 2 covers exemptions applying to passive investment income from foreign sources. Limited Liability Partnerships are out of scope of this indicator because they are not considered to be a company.

[24] Bernal Rodriguez, *Panama - Corporate Taxation - 1. Corporate Income Tax* (18 August 2020) <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_pa_s_1.&refresh=1614930107886#cta_pa_s_1.> [accessed 5 March 2021].

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[26] BDO, 'Doing Business in Gibraltar 2017', 14 <http://www.bdo.ie/getmedia/f6f9009e-aaa5-401f-a4b9-00f891c014d0/DBI-Gibraltar-2017.pdf.aspx> [accessed 28 November 2018].; BDO, 'Doing Business in Gibraltar 2017', 14.

[27] See, for example, Pierre Burg, *Monaco - Corporate Taxation - 1. Corporate Income Tax* (1 January 2021) <https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_mc_s_1.&refresh=1

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[30] European Commission, 'State Aid: Tax Rulings', 2021 <https://ec.europa.eu/competition/state_aid/tax_rulings/index_en.html> [accessed 26 February 2021].

[31] European Commission, 'State Aid: Tax Rulings'.

[32] In the case of LuxLeaks, the hundreds of tax rulings exposed in 2014 were only those designed by PricewaterhouseCoopers and it was clear that many others were granted by the tax authority through other accounting firms as well. For more details, see: ICIJ, 'Luxembourg Leaks'.

[33] In the case of Apple, the European Commission has explicitly mentioned that countries in Africa, the Middle East and India – where Apple recorded its sales – may have been affected by Apple's tax scheme and thus could require Apple to pay more tax in their country. See: European Commission, *Press Release - State Aid: Ireland Gave Illegal Tax Benefits to Apple Worth up to €13 Billion*, 30 August 2016 <https://europa.eu/rapid/press-release_IP-16-2923_en.htm> [accessed 30 August 2019].

[34] Given that the European Commission's mandate to investigate a breach of state aid rulings is limited to selective tax advantage which distorts competition within the European Union's single market, there is no doubt there are many other tax rulings that tax authorities have granted, and which are not subject to the European Commission's investigation

[35]'Luxembourg to Contest Amazon State Aid Decision in EU Court', *MNE Tax*, 15 December 2017 <https://mnetax.com/luxembourg-fight-amazon-state-aid-case-eu-court-25180> [accessed 3 February 2021].

[36] United States Senate - Permanent Subcommittee on Investigations, *Offshore Profit Shifting and the U.S. Tax Code - Part 2 (Apple Inc.)*, May 21, 2013 (Washington, DC, 2013), 3–4, 172–76, 201 <http://www.gpo.gov/fdsys/pkg/CHRG-113shrg81657/pdf/CHRG-113shrg81657.pdf> [accessed 6 December 2014].

[37] A notorious tax avoidance strategy known as the "Double Irish" recently ceased being available. The gap in the definitions of tax residency resulted from the following mismatch of tax rules: Ireland had taxed companies only if they were managed and controlled in Ireland, while the USA's definition of tax residency was and continues to be based on the jurisdiction of incorporation of the company. As part of the Double Irish, the US parent company formed a subsidiary under Irish law and put its intellectual property into the Irish-registered company ('Irish company A') that was controlled from a tax haven, such as Bermuda or the Cayman Islands. A second Irish company was formed ('Irish company B') which was used for sales to European and other customers

and could send its profit from royalty payments to Irish company A that was controlled from a zero tax jurisdiction. Given the gap in the definition of tax residencies, Ireland did not consider Irish company A as resident for tax purposes whereas the USA considered the company to be tax resident in Ireland. As a result, royalty payments that were sent to Irish company A remained untaxed. In October 2014, Ireland amended its tax law to determine that every company which is registered in Ireland would be considered tax resident in Ireland. Nonetheless, there is a long grandfathering provision allowing companies that have already used the scheme to continue doing so for additional five years (until 31 December 2020). For information on the grandfathering provision see: 'Looking to the Future: Life after the "Double Irish"', *International Tax Review* <https://www.internationaltaxreview.com/article/b1f9jmjpnptc8j/looking-to-the-future-life-after-the-double-irish> [accessed 5 March 2021]; and Deloitte, *Budget Announcement on Double Irish Structure*, 14 October 2014 <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-alert-ireland-101414.pdf> [accessed 5 March 2021]. Furthermore, there are indications that Ireland continues to enable stateless income and entities without tax residency through its double tax treaties that override domestic law, e.g. with Malta and with the United Arab Emirates. See Mike Lewis, *'Impossible' Structures: Tax Outcomes Overlooked by the 2015 Tax Spillover Analysis. Part Two* (2017) <https://www.christianaid.ie/sites/default/files/2018-02/impossible-structures-tax-report.pdf> [accessed 19 January 2021].

[38] Rajesh Ramloll, *Mauritius - Corporate Taxation - 1. Corporate Income Taxation - Residence* (14 January 2021) <https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_mu_s_1.2.&refresh=1614946829948#gtha_mu_s_1.2.1.> [accessed 5 March 2021]; Ying Zhang, *Macau - Corporate Taxation - 1. Corporate Income Tax - Residence*, 7 September <https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_mo_s_1.2.1.&refresh=1614946908561#gtha_mo_s_1.2.1.> [accessed 5 March 2021].

[39] Violette R. Silcott, *Montserrat - Corporate Taxation* (28 April 2020), sec. 1.2.1, 6.2.1 <https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_ms> [accessed 5 March 2021]; Zhang, *Macau - Corporate Taxation - 1. Corporate Income Tax - Residence*.

[40] We downloaded the dataset on 24 November 2020 from 'Center for Systemic Peace' <http://www.systemicpeace.org/inscrdata.html> [accessed 5 March 2021].

[41] Only jurisdictions with populations of above 500,000 are included in the Polity Index.

[42] Max Roser, 'Democracy', *Our World in Data*, 2013 <https://ourworldindata.org/democracy> [accessed 5 March 2021].

[43] Organisation for Economic Co-operation and Development, 'Table II.1. Statutory Corporate Income Tax Rate'.

[44] KPMG, 'Corporate Tax Rates Table - KPMG Global'.

45 'Tax Research Platform - IBFD', *International Bureau of Fiscal Documentation* <https://research.ibfd.org/#/> [accessed 5 March 2021].

[46] Ikramul Haq and Huzaima Bukhari, *Pakistan - Corporate Taxation* (31 October 2020), sec. 1 <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_pk> [accessed 5 March 2021].

[47] Vanessa Arruda Ferreira, *Brazil - Corporate Taxation - 1. Corporate Income Tax* (1 October 2020) <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_br_s_1.&refresh=1614934757595#cta_br_s_1.> [accessed 5 March 2021].

[48] In the CTHI 2019, the spillover risk reference rate was defined as 35% given the corporate income tax rates of India and France, which were both approximately 35%. However, the corporate income tax rates for both countries have decreased since the publication of CTHI 2019. India has recently introduced the Taxation Laws (Amendment) Ordinance 2019, according to which a domestic company can opt to pay a corporate income tax rate of 22% plus a surcharge of 10%, resulting in a combined final rate of 25.17%, inclusive of surcharge and cess. Companies that opt for this rate cannot claim any exemption or incentive (Shreyas Shah, *India - Corporate Taxation* (1 January 2021), sec. 1 <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_in> [accessed 5 March 2021].) France's corporate income tax rate has decreased to 27.5% for the year of 2021, as per the Finance Act 2020 introduced in December 2019 (Pierre Burg, *France - Corporate Taxation* (1 January 2021), sec. 1 <https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_fr> [accessed 5 March 2021].). However, Pakistan has increased its corporate income tax rate from 30% to 35% between 2019 and 2020 (KPMG, 'Corporate Tax Rates Table - KPMG Global'.), maintaining the spillover risk reference rate at 35%.

[49] The highest available unilateral rate on dividend withholding tax in a democracy amounts to 35%, in Chile, followed by 33.3% in Jamaica. We assume that any lower withholding rate creates risks for tax avoidance and spillovers by enticing the shifting of profits into lower taxed jurisdictions and for jurisdictions to lower their dividend withholding rates in response.

[50] Organisation for Economic Co-operation and Development, 'Table II.1. Statutory Corporate Income Tax Rate'.

[51] 'Center for Systemic Peace'.

[52] KPMG, 'Corporate Tax Rates Table - KPMG Global'.

[53] Organisation for Economic Co-operation and Development, 'Table II.1. Statutory Corporate Income Tax Rate'.

[54] KPMG, 'Corporate Tax Rates Table - KPMG Global'.

[55] IBFD, *Tax Research Platform: Country Surveys, Country Analyses, Country Key Features*.

[56] Corporate Tax Haven Index database: https://cthi.taxjustice.net/cthi21/data-downloads

[57] The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax', 2015 <https://www.taxjustice.net/wp-content/uploads/2013/04/Ten_Reasons_Full_Report.pdf> [accessed 29 November 2018]. And also International Monetary Fund, *Spillovers in International Corporate Taxation*, IMF Policy Paper (Washington, DC, 2014), 7

<http://www.imf.org/external/np/pp/eng/2014/050914.pdf> [accessed 26 June 2014].

[58] See, for instance, OECD, Corporate and Capital Income Taxes, as of January 2018, Table II.1, and Historical Table II.1 (1981) which produces an unweighted average 25.3% corporate tax rate for OECD countries in 2014, versus 50.0 percent in 1981, available at: 'OECD Tax Database', *Organisation for Economic Co-Operation and Development* <http://www.oecd.org/tax/tax-policy/tax-database/#C_CorporateCapital> [accessed 5 March 2021].

[59] See The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

[60] The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

[61] The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

[62] Jean-François Rougé, 'The Globar War: The EU's Apple Tax Case', *ECONOMICS*, 5/1 (2017), 27.

[63] Rougé, 'The Globar War', 19.

[64] Diana Scolaro, 'Tax Rulings : Opinion or Law? The Need for an Independent "Rule-Maker"', *Revenue Law Journal*, 2006.

[65] The lack of guidance in OECD's 2017 progress report on preferential regimes is notable in Annex D OECD, *Harmful Tax Practices - 2017 Progress Report on Preferential Regimes*, OECD/G20 Base Erosion and Profit Shifting Project (2017) <http://www.oecd-ilibrary.org/taxation/harmful-tax-practices-2017-progress-report-on-preferential-regimes_9789264283954-en> [accessed 12 April 2018]..

[66] Rachel Etter-Phoya, Shanna Lima and Markus Meinzer, 'Tax Base Erosion and Corporate Profit Shifting: Africa in International Comparative Perspective', Journal on Financing for Development, 1/2 (2020), 72; See *Dutch Government Releases Fiscal Policy Agenda*, Global Tax Alert (26 February 2018), 2 <https://web.archive.org/web/20180827083351/https://www.ey.com/Publication/vwLUAssets/Dutch_Government_releases_fiscal_policy_agenda/$FILE/2018G_01091-181Gbl_Dutch%20Government%20releases%20fiscal%20policy%20agenda.pdf> [accessed 5 March 2021].

[67]Ernesto Crivelli, Ruud De Mooij, and Michael Keen, *IMF Working Paper- Base Erosion, Profit Shifting and Developing Countries*, WP/15/118, 2015, 4 <https://www.imf.org/external/pubs/ft/wp/2015/wp15118.pdf> [accessed 24 May 2019].

[68] Petr Janský, *Effective Tax Rates of Multinational Enterprises in the EU*, 2019, 3 <https://www.greens-efa.eu/files/doc/docs/356b0cd66f625b24e7407b50432bf54d.pdf> [accessed 5 March 2019].

[69]Organisation for Economic Co-operation and Development, 'Table II.1. Statutory Corporate Income Tax Rate', 11.

[70] "In Malta there is one central rate that is 35%. However, Malta operates a full imputation system. Upon a distribution of profits by a company registered in Malta, its shareholders may claim a partial tax refund. Both resident and non-resident shareholders are entitled to tax refunds in respect of the underlying tax on distributed company profits. The amount of the tax refund varies depending on the type of profits that is taxed at the level of the company (e.g. in certain

cases no refund is possible while in others 5/7ths or 6/7ths of the tax paid by the company may be claimed).", in Organisation for Economic Co-operation and Development, 'OECD.Stat Metadata Viewer - Malta', 2021 <https://stats.oecd.org/OECDStat_Metadata/ShowMetadata.ashx?Dataset=CTS_CIT&Coords=%5BCOU%5D.%5BMLT%5D&ShowOnWeb=true&Lang=en> [accessed 5 March 2021].

[71] Sebastian Beer, Ruud A. de Mooij and Li Liu, *International Corporate Tax Avoidance: A Review of the Channels, Magnitudes, and Blind Spots*, IMF Working Paper No. 18/168, 2018, 16 <http://www.imf.org/~/media/Files/Publications/WP/2018/wp18168.ashx> [accessed 9 August 2018].

[72] Janský, *Effective Tax Rates of Multinational Enterprises in the EU*, 30–41.

[73] Sebastian Beer, Ruud A. de Mooij and Li Liu, *International Corporate Tax Avoidance: A Review of the Channels, Magnitudes, and Blind Spots*, IMF Working Paper No. 18/168, 2018, 16 <http://www.imf.org/~/media/Files/Publications/WP/2018/wp18168.ashx> [accessed 9 August 2018], 16.

[74] Steps used to calculate LACIT: https://cthi.taxjustice.net/en/cthi/data-downloads.