

Haven Indicator 9: Public company accounts

What is measured?

This indicator considers whether a jurisdiction requires all available types of company with limited liability to file their annual accounts with a government authority or administration and makes them accessible online for free, in open data format, or at a maximum cost of US\$10, €10 or £10.¹

The haven scoring matrix is shown in Table 9.1, with full details of the assessment logic given in table 9.3 below.

Table 9.1: Haven Scoring Matrix Haven Indicator 9

Regulation	Haven Score [100 points = maximum risk; 0 points = minimum risk]
<u>Not online (at a small cost)</u> Companies do not always publish their annual accounts online either for free or for a cost of up to €10/US\$10/£10; or unknown.	100
<u>Online at a small cost</u> All types of companies file their annual accounts and publish them online at a cost of up to €10/US\$10/£10.	50
<u>Online for free, but not in open data</u> All types of companies file their annual accounts and publish them online for free, but not in open data format.	25
<u>Online, free & in open data</u> All types of companies file their annual accounts and publish them online for free and in open data format.	0

If not all types of limited companies publish their annual accounts online, then the haven score is 100 points. If the annual accounts are available online but there is a cost to access them, the haven score will be reduced to 50 points. In cases where the annual accounts are available online for free, the haven score will be further reduced to 25 points. To obtain a zero haven score, this data needs to be accessible online for free and in open data format. Even if the cost per record is low, it can be prohibitively expensive to import this information into an open data environment which limits the uses of the data. Access costs create substantial hurdles for conducting real time network analyses, for constructing cross-references between companies and jurisdictions, and for new creative data usages.² Complex payment or user-registration arrangements for accessing the data (e.g. registration of an account, requirement of a local identification number or sending a hard-copy request by post) should not be required.³

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Other requirements from an open data perspective for obtaining a zero haven score relate to the type of license for data use, and if the data is fully downloadable from the internet. Accounts are considered to be in open data only when they are available for download in non-proprietary formats, for example, XLSX, XBRL and XML. In addition, no license restrictions for downloading the data should be applied. Whenever in doubt, we have consulted the corresponding jurisdiction at the Open Company Data Index published by Open Corporates⁴, on a case by case basis to check their assessment against our findings. Data is considered open only if there is an open license or no license required for the reuse of the data and if the data was freely available for download.

We performed a random search of each of the relevant corporate registries to ensure that the accounts are effectively available online and that technical problems do not persistently block access. A precondition for a reduction of the haven score is that all available types of companies with limited liability are required to keep accounting records, including underlying documentation, for a period of at least five years and that they are required to submit accounts to a public authority. Given the risks involved in the absence of proper requirements for the retention of underlying documentation, we also apply these criteria for companies that are considered inactive or have ceased to exist for various reasons. An exception is made for cases of liquidation, where usually an external party, such as an insolvency practitioner, is involved and hence the risks posed by liquidated companies without sufficient records are fairly low. Further, if a jurisdiction makes exceptions for keeping or filing of company accounts for small companies, we disregard those exceptions for the purposes of the Corporate Tax Haven Index, because the focus of this index is on large multinational companies and not on small companies.

The threshold for small companies applied in the Corporate Tax Haven Index is €10m. Part of the reasons for why the Corporate Tax Haven Index uses a similar threshold to that of the EU's net turnover one, is because almost half of the jurisdictions included in the index are bound by it, but also given the index's focus on large companies, and the fact that some countries apply even higher thresholds.⁵ However, we have not applied the threshold's component of the number employees because in our view it can be easily circumvented by multinational companies and it is also difficult to find information for specific cases. For this indicator in the 2021 edition of the Corporate Tax Haven Index, there are two cases where small companies have been excluded from reporting requirements and thus have been disregarded in the assessment. For example, as of September 2020, Singapore and Denmark do not require small companies (with the highest threshold is approximately €2m annual turnover) to publish company accounts.

We have drawn the information for this indicator from five principal sources.⁶ First, the Global Forum peer reviews⁷ have been used to find out whether a company's financial statements are required to be submitted to a government authority, and if reliable accounting records

need to be kept by the company in the jurisdiction. The latter is important because if the accounts are kept outside the jurisdiction, it is much more difficult – and sometimes even impossible – to enforce this legal obligation. Second, private sector internet sources have been consulted, including Lowtax.net⁸ Third, results of the Tax Justice Network Survey of 2020 (or earlier) have been included.⁹ Fourth, in cases where the previous sources indicated that annual accounts are submitted and available online, the corresponding company registry websites have been consulted. Fifth, on a case by case basis, the Open Company Data Index published by Open Corporates has been consulted as well.¹⁰

According to the weakest link principle¹¹ for our Corporate Tax Haven Index research, a precondition for reducing the haven score in this component is that all available types of companies are required to publish the relevant information online and that the information is required to be updated at least annually. If any exceptions are allowed for certain types of companies, we assume that anyone intending to conceal information from public view will simply opt for establishing a company where these requirements do not apply. In line with the Corporate Tax Haven Index's focus on large multinational companies, the only exception for keeping or filing accounts relates to small companies.

All underlying data can be accessed in the Corporate Tax Haven Index [database](#)¹². To see the sources we are using for particular jurisdictions please consult the assessment logic in Table 9.3 and search for the corresponding info IDs (IDs 188, 189 and 201) in the database report of the respective jurisdiction.

Why is this important?

Access to timely and accurate annual accounts is crucial for every company with limited liability in every country for a variety of reasons.

First, public accounts make it possible to assess the potential risks of trading with limited liability companies. Public accounts thus help to protect the legitimate interests of a wide range of actors. These actors include consumers and clients, and business partners and creditors, as well as public officials dealing with public procurement and public–private partnerships.

Second, in times of financial globalisation, financial regulators, tax authorities and anti-money laundering agencies need to be able to assess cross-border implications of the activities of companies. Unhindered access to the accounts of foreign companies and subsidiaries empowers regulators and authorities to double check the veracity and completeness of locally submitted information and to assess the macro-consequences of corporate undertakings without imposing excessive costs.

Third, no company can be considered accountable to the communities where it is licensed to operate (and where it enjoys the privilege of limited liability) unless it places its accounts on public record. Journalists



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and civil society groups have legitimate reasons for accessing company accounts to assess them on matters of fair trade, environmental protection, human rights protection and charitable purposes. This can be done only when accounts are available for public scrutiny.

Many multinational corporations structure their global network of subsidiaries and operations in ways that take advantage of the absence of any requirement to publish accounts on public record. Corporate tax havens or secrecy jurisdictions enable and encourage corporate secrecy in this respect. If annual accounts were required to be placed online in every jurisdiction where a company operates, the resultant transparency would severely inhibit transfer mispricing and other tax avoidance techniques. We do not, however, regard this requirement as a substitute for a full country-by-country reporting standard (see [haven indicator 10](#)).

In 6 countries (Belgium, Denmark, Poland, Slovakia, Slovenia and the UK), all accounts are public and available online, for free and in open data format. This is double the number of countries in the previous 2019 edition of the Corporate Tax Haven Index.

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Results Overview

Figure 9.1: Public Company Accounts – Overview

Country	Score	Accounts required	Accounts submitted	Accounts public
Aruba	100	No	Not applicable	Not applicable
Anguilla	100	No	Not applicable	Not applicable
Andorra	100	No	Not applicable	Not applicable
United Arab Emirates	100	No	Not applicable	Not applicable
Argentina	100	Yes	Yes	No
Austria	50	Yes	Yes	COST
Belgium	0	Yes	Yes	OPEN
Bulgaria	25	Yes	Yes	FREE
Bahamas	100	No	Not applicable	Not applicable
Bermuda	100	Yes	No	Not applicable
Brazil	100	Yes	Yes	No
Botswana	100	No	Not applicable	Not applicable
Switzerland	100	Yes	No	Not applicable
China	100	Yes	Yes	No
Costa Rica	100	No	Not applicable	Not applicable
Curaçao	100	No	Not applicable	Not applicable
Cayman Islands	100	No	Not applicable	Not applicable
Cyprus	100	Yes	Yes	No
Czechia	25	Yes	Yes	FREE
Germany	100	Yes	Unknown	No
Denmark	0	Yes	Except for small companies	OPEN
Ecuador	25	Yes	Yes	FREE
Spain	100	No	Not applicable	Not applicable
Estonia	50	Yes	Yes	COST
Finland	50	Yes	Yes	COST
France	50	Yes	Yes	COST
United Kingdom	0	Yes	Yes	OPEN
Guernsey	100	Yes	No	Not applicable
Ghana	100	Yes	Yes	No
Gibraltar	100	No	Not applicable	Not applicable
Gambia	100	Unknown	No	Not applicable
Greece	100	Unknown	No	Not applicable
Hong Kong	100	Unknown	No	Not applicable
Croatia	100	No	Not applicable	Not applicable
Hungary	50	Yes	Yes	COST
Isle of Man	100	Yes	No	Not applicable
Ireland	50	Yes	Yes	COST
Italy	50	Yes	Yes	COST
Jersey	100	Yes	No	Not applicable
Kenya	100	No	Not applicable	Not applicable
Lebanon	100	Yes	No	Not applicable
Liberia	100	No	Not applicable	Not applicable
Liechtenstein	100	Yes	No	Not applicable
Lithuania	100	Yes	Yes	No
Luxembourg	25	Yes	Yes	FREE
Latvia	100	Yes	Yes	No
Macao	100	No	Not applicable	Not applicable
Monaco	100	Yes	Yes	No
Mexico	100	Yes	Unknown	No
Malta	100	Unknown	No	Not applicable
Montserrat	100	Yes	No	Not applicable
Mauritius	100	Yes	Yes	No
Netherlands	100	Yes	Unknown	No
Panama	100	No	Not applicable	Not applicable

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Country	Score	Accounts required	Accounts submitted	Accounts public
Peru	100	No	Not applicable	Not applicable
Poland	0	Yes	Yes	OPEN
Portugal	100	Yes	Yes	No
Romania	100	Yes	Yes	No
Singapore	100	Yes	Except for small companies	No
San Marino	100	Yes	Yes	No
Slovakia	0	Yes	Yes	OPEN
Slovenia	0	Yes	Yes	OPEN
Sweden	50	Yes	Yes	COST
Seychelles	100	No	Not applicable	Not applicable
Turks and Caicos Islands	100	No	Not applicable	Not applicable
Taiwan	100	Yes	Yes	No
Tanzania	100	Yes	No	Not applicable
United States	100	No	Not applicable	Not applicable
British Virgin Islands	100	No	Not applicable	Not applicable
South Africa	100	Yes	No	Not applicable

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Table 9.2: Public Company Accounts – Haven Indicator Scores

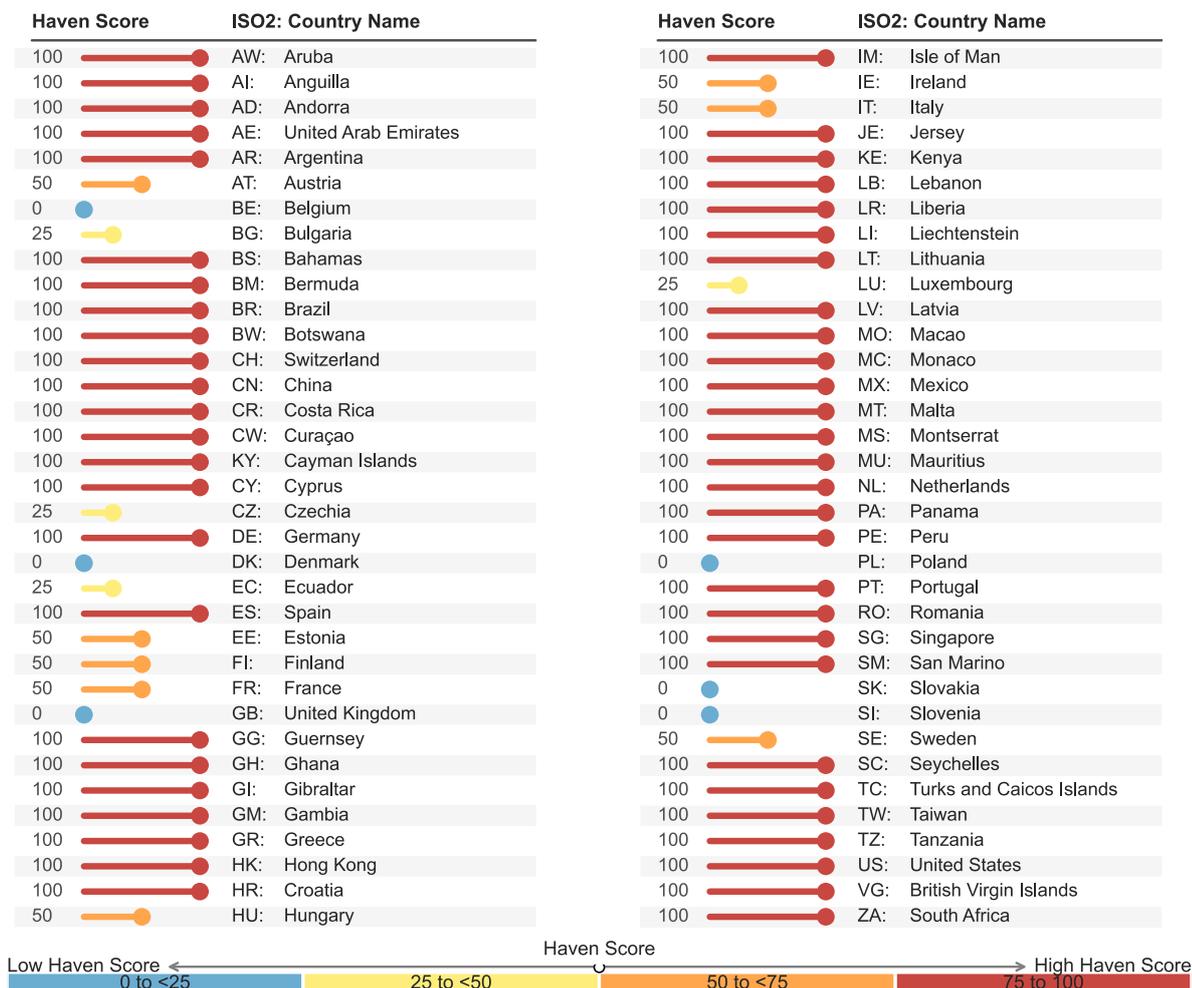


Table 9.3: Assessment Logic

Info_ID	Text_Info_ID	Answers (Codes applicable for all questions: -2: Unknown; -3: Not Applicable)	Valuation Haven Score
188	Is there an obligation to keep accounting data?	0: No; 1: Yes	0: 100 1: See below
189	Are annual accounts submitted to a public authority?	0: No, annual accounts are not always required to be submitted to a public authority; 1: Except for small companies, annual accounts need to be submitted to a public authority; 2: Yes, there is an obligation to submit annual accounts for all types of companies.	0: 100 1 & 2: See below
201	Are annual accounts available on a public online record (up to €10/US\$10/£10)?	0: No, company accounts are not always online (up to 10 €/US\$/£10); 1: COST: Yes, company accounts are always online but only at a cost of up to 10€/10\$/£10; 2 FREE: Yes, company accounts are always online for free, but not in open data format; 3 OPEN: Yes, company accounts are always online for free & in open data format.	0: 100 1: 50 2: 25 3: 0 (only if answers re accounting data and submission are not "no")



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Reference list

- OpenCorporates, 'Open Company Data Index', 2021
<<http://registries.opencorporates.com/>> [accessed 4 March 2021]
- Organisation for Economic Co-operation and Development, 'Exchange of Information', 2021 <<https://www.oecd.org/tax/exchange-of-tax-information/>> [accessed 4 March 2021]
- Wolters Kluwer, 'Lowtax - Global Tax & Business Portal', 2021
<<https://www.lowtax.net/>> [accessed 4 March 2021]

¹ We believe online accessibility for free is a reasonable requirement given a) the prevalence of the internet in 2021 and b) the complete reliance of international financial flows on modern technology. It would be an omission not to use that technology to make information available worldwide especially as c) the people affected by these cross border financial flows are likely to be in many jurisdictions, and hence need information to be on the internet to get hold of it. This requirement is informed by the open data movement according to which all available company registry information, including accounts, should be made available, for free, in open and machine-readable format. For more information about this, see OpenCorporates, 'Open Company Data Index', 2021 <<http://registries.opencorporates.com/>> [accessed 4 March 2021].

² These innovative ways to exploit the data are both widespread in the open data community and would greatly increase the likelihood of identifying illicit activity hidden behind corporate vehicles. For more information about this, see OpenCorporates, 'Open Company Data Index'.

³ We consider that for something to be truly 'on public record' prohibitive cost constraints must not exist, be they financial or in terms of time lost or unnecessary inconvenience caused.

⁴ OpenCorporates, 'Open Company Data Index'.

⁵ The Corporate Tax Haven Index does not however apply the component of the number employees included in the EU's net turnover threshold because in our view it can be easily circumvented by multinational companies and it is also difficult to find information for specific cases.

⁶ To see the sources used for particular jurisdictions, please check the corresponding information in our database, available at <https://cthi.taxjustice.net/cthi21/data-downloads>.

⁷ The Global Forum peer reviews refer to the peer review reports and supplementary reports published by the Global Forum on Transparency and Exchange of Information for Tax Purposes. Section A.2. in the reports refers to, among other things, the requirement to keep underlying documentation and the retention period for keeping accounting records. The reports can be viewed at: Organisation for Economic Co-operation and Development, 'Exchange of Information', 2021 <<https://www.oecd.org/tax/exchange-of-tax-information/>> [accessed 4 March 2021].

⁸ Wolters Kluwer, 'Lowtax - Global Tax & Business Portal', 2021 <<https://www.lowtax.net/>> [accessed 4 March 2021].

⁹ The survey was conducted by the Tax Justice Network in June 2020. The questionnaire sent out to the Ministries of Finance can be viewed here: <http://cthi.taxjustice.net/cthi2021/TJNSurvey2020.pdf>; and the preliminary assessment of the data assessed by the Tax Justice Network was sent in November 2020 to the Ministries of Finance and can be viewed here: <http://cthi.taxjustice.net/cthi2021/TJNSurvey2020a.pdf>

¹⁰ OpenCorporates, ‘Open Company Data Index’.

¹¹ The “weakest link” research principle is used synonymously with the “lowest common denominator” approach. During the assessment of a jurisdiction’s legal framework, the review of different types of legal entities each with different transparency levels might be necessary within one indicator. For example, to ascertain the haven score, a choice between two or more types of companies might have to be taken. In such a case, we choose the least transparent option available in the jurisdiction. This least transparent option will determine the indicator’s haven score.

¹² Corporate Tax Haven Index database: <https://cthi.taxjustice.net/cthi21/data-downloads>