

Tax Haven

Author:
Elena Iabanji

Supervisors:
Ing. Luděk Benada
Ing. Josef Nešleha

7 October 2016



Summary

- Introduction
- The way tax havens develop
- Facts about tax haven
- Financial and economic implications
- Fighting tax havens
- Conclusion

Literature sources

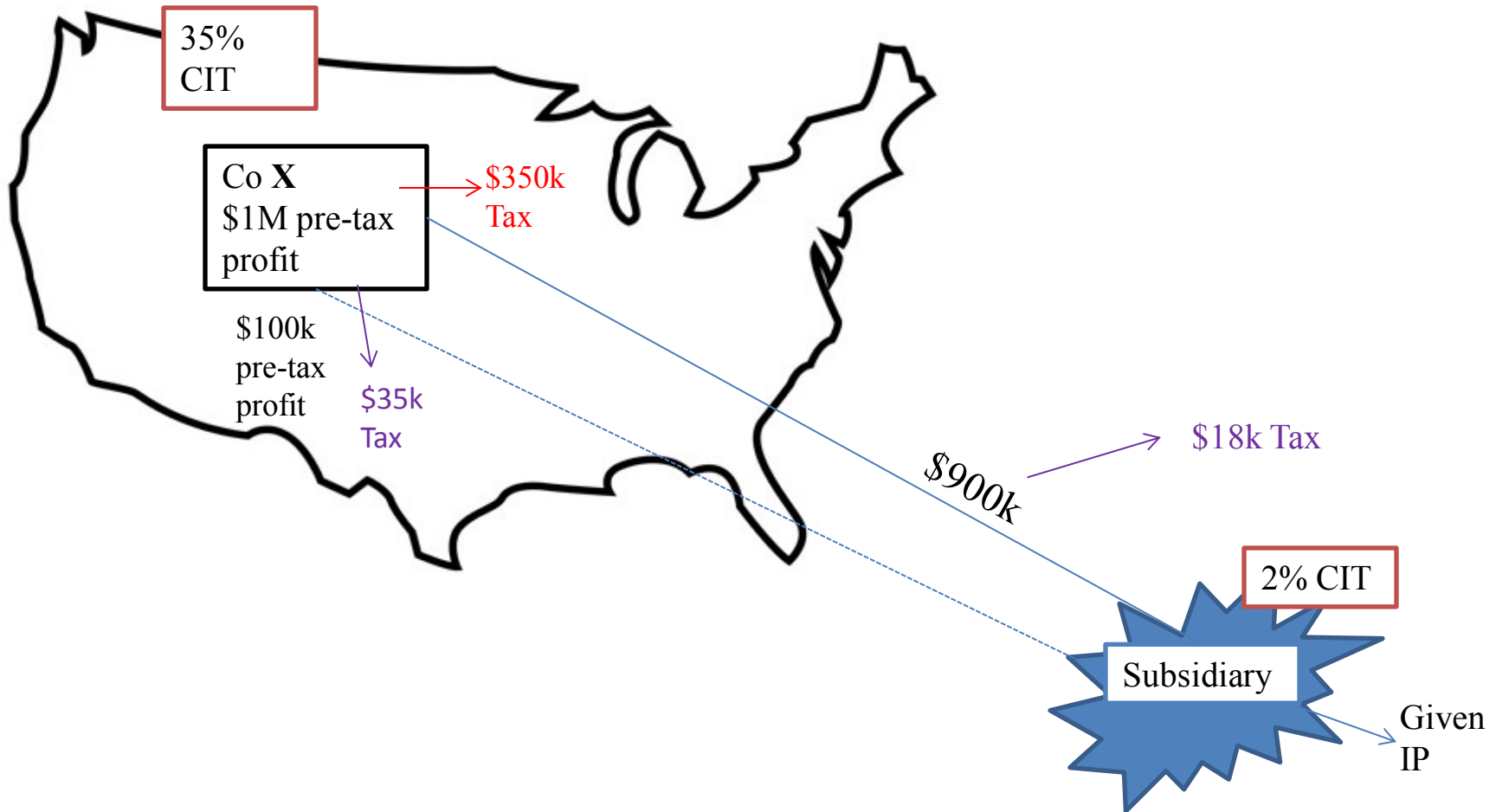
Definition and features



Place where people/ companies pay less tax than they would pay in their own country. Usually is called and “Offshore zones”.

- ➔ lack of effective exchange of information;
- ➔ lack of transparency;
- ➔ no substantial activities.


The way tax havens develop



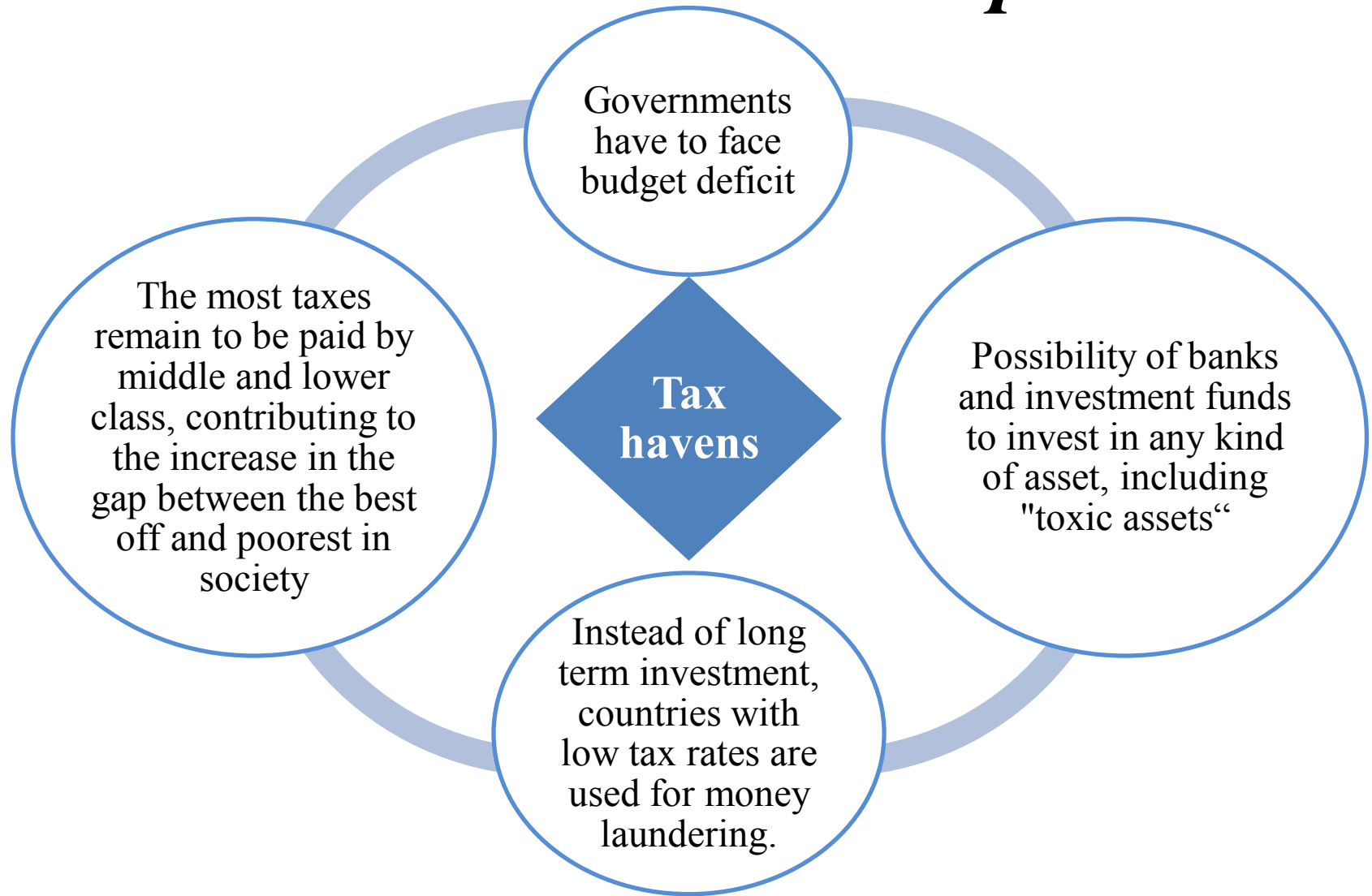
Facts about tax haven

Tax haven countries

- British Virgin Island,
- Bahamas,
- The Netherlands,
- Luxembourg, etc.


	Amount held offshore (Million \$)	Estimated deferred tax bill (Million \$)
Apple	\$181,100	\$59,200
General Electric	\$119,000	\$34,510
 Microsoft	\$108,300	\$34,500
<i>Pfizer</i>	\$74,000	\$21,460
IBM	\$61,400	\$17,806
MERCK & CO., INC.	\$60,000	\$17,400
<i>Johnson & Johnson</i>	\$53,400	\$15,486
CISCO	\$52,700	\$15,283
ExxonMobil	\$51,000	\$14,790
Google	\$47,400	\$13,746
<i>Procter & Gamble</i>	\$45,000	\$13,050
citi	\$43,800	\$11,600

Financial and economic implications



Fighting tax havens

Identify a practical monitoring method of international transactions



Improve the public transparency of the companies' activity

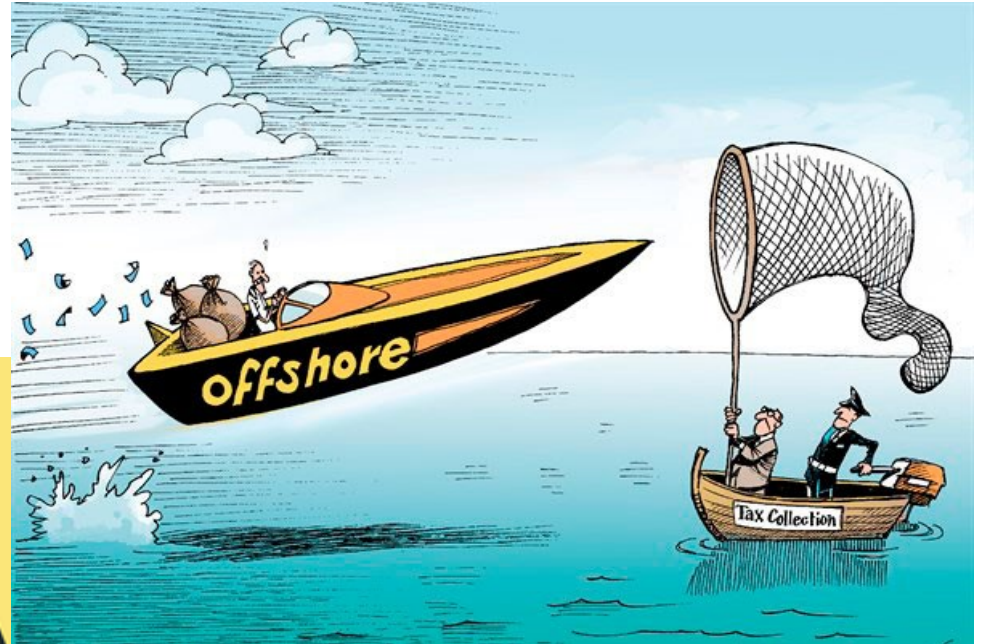


Develop the worldwide transfer pricing practice



Creating a better business environment in developing and developed countries, as well

Conclusion



Literature sources

1. Countering offshore tax evasion report, OECD, 28 September 2009. <https://www.oecd.org/ctp/harmful/42469606.pdf>
2. Buettner, Thiess. (2003), “Tax base effects and fiscal externalities of local capital taxation: Evidence from a panel of German jurisdictions.” *Journal of Urban Economics* 54:110- 128.
3. Gabriel Zucman, *La richesse cachée des nations. Enquête sur les paradis fiscaux*. Seuil 2013
4. [HowMuch, This Interactive Calculator Shows How Much Tax Havens Are Costing America, Article dated 27 July 2016](#)
5. <https://howmuch.net/articles/tax-havens>
6. Study on Structures of Aggressive Tax Planning and Indicators, European Commission, 23 December 2015.
7. http://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/gen_info/economic_analysis/tax_papers/taxation_paper_61.pdf

THANK
YOU!

