

## Key Corporate Tax Haven Indicators

### 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. 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.

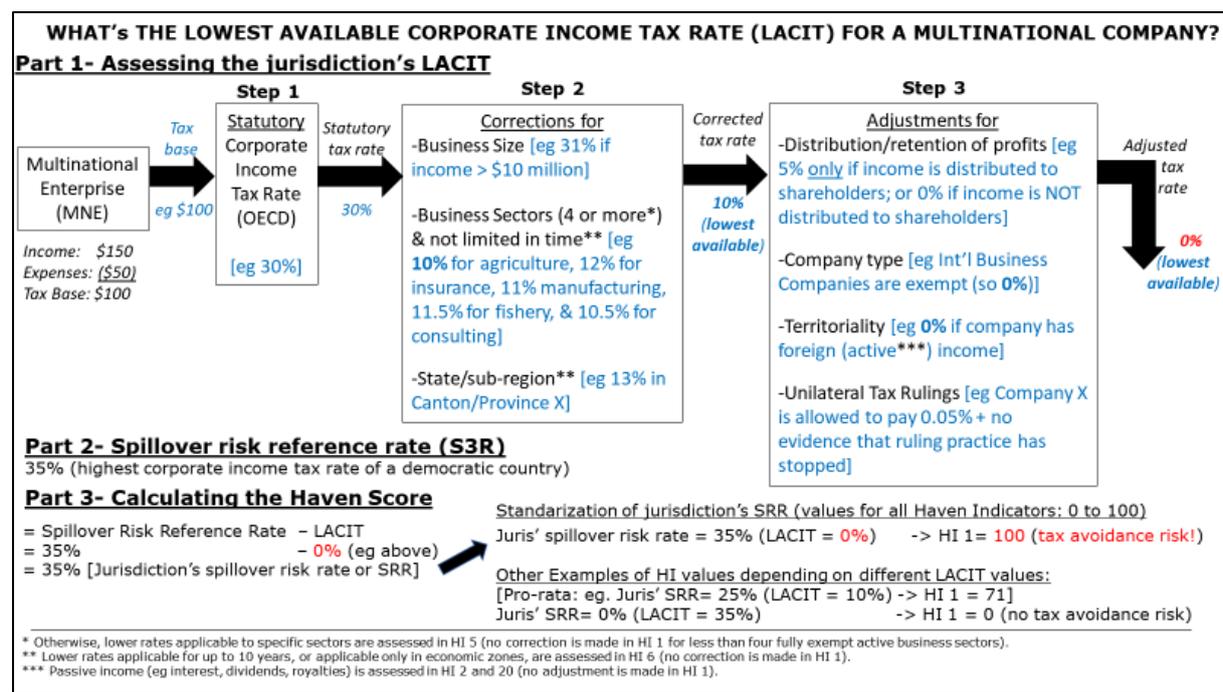
#### Part 1: Assessing a jurisdiction's LACIT

##### 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 Organisation for Economic Co-operation and Development (OECD) tax database.<sup>1</sup>

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), or upon issuance of unilateral tax rulings. 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 (access the Excel file with all the steps in one sheet [here](#)).<sup>2</sup>

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,<sup>3</sup> which covers OECD and non-OECD jurisdictions. For jurisdictions not covered by the OECD, we used the KPMG Corporate Tax Rates Table<sup>4</sup> or IBFD data<sup>5</sup>. IBFD data is used only when the other sources are not available or when the IBFD data is more up to date.

## 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?<sup>6</sup> The corrections are made as follows.

### 1. 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%.<sup>7</sup>

### 2. Correction – the sector in which the business operates

Sometimes CIT rates differ depending on the sector in which the business operates. For this indicator, first, the CIT rates applicable to unspecified sectors were considered. If the CIT rate is lower for only a few specific economic sectors

or activities, or if lower rates are applied for not more than 10 years, these rates are not considered here as they are picked up in other indicators as described below. For example, in Ghana, full or partial tax exemptions apply to the agriculture and farming sector (income from cocoa is exempt from income tax), the distribution sector (export of non-traditional goods is taxed at a reduced rate of 8% from the statutory 25%) and the accommodation, food and recreation sector (hotels have a reduced CIT rate of 22%).<sup>8</sup> Sectoral exemptions are analysed in [Haven Indicator 5](#). Similarly, tax holidays (exemptions granted for a limited time) and economic zones are covered under [Haven Indicator 6](#) and are not considered for LACIT. For example, in China, enterprises in certain areas (e.g. Xinjiang) receive a two-year tax holiday (full exemption) followed by a three-year partial exemption (i.e. 50% reduction of CIT).<sup>9</sup>

However, 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. These economic sector exemptions will still be accounted for in [Haven Indicator 5](#) on sectoral exemptions.<sup>10</sup>

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 is usually 25%. Among the qualifying activities are hotels, oil refineries, green energy projects, shipping companies, captive insurance, financial activities and more.<sup>11</sup> Given the tax rate for imputation payment companies applies to more than eight sectors, we consider the 10% tax rate applicable for imputation payment companies as the lowest available in Aruba under the LACIT.

### 3. 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](#)).

Companies that are not considered tax resident even when they take on domestic legal forms lie outside the scope of this indicator.<sup>12</sup> Therefore, the potential abuse of the gap between tax residency rules of different countries is

not assessed. The Irish rules which enabled abuses for example in the (in)famous cases of Apple's tax avoidance structure<sup>13</sup> and the Double Irish tax scheme<sup>14</sup> have been amended.

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.

### 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.

#### 1. 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%<sup>15</sup> 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%.<sup>16</sup>

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<sup>17</sup> and Estonia,<sup>18</sup> 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.<sup>19</sup>

## 2. 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.<sup>20</sup> 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<sup>21</sup>, Mauritius now allows so-called authorised companies to be effectively tax exempt.<sup>22</sup> While authorised companies are not technically tax exempt, they are considered non-resident for tax purposes.<sup>23</sup> 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,<sup>24</sup> but can otherwise operate in any economic sector.<sup>25</sup> Hence, the indicator would record Mauritius' CIT rate at 0%.<sup>26</sup>

## 3. 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,<sup>27</sup> Hong Kong<sup>28</sup> and Gibraltar<sup>29</sup> 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,<sup>30</sup> Monaco's CIT rate would accordingly be considered as zero for LACIT.<sup>31</sup>

## 4. 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](#),<sup>32</sup> 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.<sup>33</sup>

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, any rate offered through a ruling has legal backing by the administration and ultimately legislature of the assessed jurisdiction. 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](#)<sup>34</sup> 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-intensive nature.<sup>35</sup> As was documented in Apple's case, unilateral tax rulings made in the European Union also affect countries outside the region.<sup>36</sup> 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.<sup>37</sup>

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 indications that the ruling practice has changed 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.<sup>38</sup> Furthermore, the numbers of reported unilateral rulings is on the rise.<sup>39</sup> 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 or to provide evidence of the cessation of previous 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.

## 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 2017.<sup>40</sup> With a few exceptions for small population jurisdictions,<sup>41</sup> 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<sup>42</sup> 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<sup>43</sup> and the KPMG Corporate Tax Rates Table.<sup>44</sup> 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. Only in the case of India<sup>45</sup> we used more detailed information from the International Bureau of Fiscal Documentation (IBFD) database.<sup>46</sup>

As a result of this analysis, the spillover risk reference rate is set at 35%. In France,<sup>47</sup> India,<sup>48</sup> and Brazil,<sup>49</sup> capital gains are included in the corporate income and are thus taxed equally at a rate of approximately 35%. 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 2018 (%)	Democracy? (PolityIV Index 7 or above, green)
India	35	9
Suriname	36	5
Zambia	35	6
France	34.43	9
Venezuela	34	-3
Brazil	34	8
Colombia	33	7
Cameroon	33	-4
Mozambique	32	5
Namibia	32	6
Portugal	31.5	10
Gambia	31	4
Morocco	31	-4
Sources	<p>OECD Stats: Statutory Corporate Income Tax Rates, 2018, <a href="https://stats.oecd.org/Index.aspx?DataSetCode=TABL E_II1">https://stats.oecd.org/Index.aspx?DataSetCode=TABL E_II1</a> [9 April 2019]</p> <p>KPMG Corporate Tax Rates Online 2019, <a href="https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html">https://home.kpmg/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html</a> [9 April 2019]</p> <p>S. Shah, India - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, <a href="https://research.ibfd.org/#/doc?url=/document/cta_in_s_1">https://research.ibfd.org/#/doc?url=/document/cta_in_s_1</a> [9 April 2019].</p>	<p>Polity2 Score in Polity (IV) Index, 2017, <a href="http://www.systemicpeace.org/inscrdata.html">http://www.systemicpeace.org/inscrdata.html</a> [9 April 2019]</p>

### 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<sup>50</sup> which is updated to 2018;2) KPMG database;<sup>51</sup> 3) the International Bureau of Fiscal Documentation (IBFD) database (country analyses

and country surveys);<sup>52</sup> 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**

<b>Regulation</b> [Haven Score: 100 = maximum risk; 0 = minimum risk]	<b>Haven Score Assessment</b>
<b>Lowest available corporate income tax (LACIT) (100)</b>	
<p><b><u>The corporate income tax imposed by the jurisdiction is scaled between zero and 35%</u></b></p> <p>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.</p>	0-100

All underlying data can be accessed freely in the CTHI [database](#).<sup>53</sup> To see the sources we are using for particular jurisdictions please consult the assessment logic in Table 1.4 and search for the corresponding info IDs (IDs 505-507 and 541-545) in the database report 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 to around 15 per cent.<sup>54</sup> 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.<sup>55</sup>

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.<sup>56</sup>

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.<sup>57</sup> 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)<sup>58</sup> 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.<sup>59</sup> Finally, fiscal equity – which is also perceived as a democratic rule<sup>60</sup> – is one of the most important attributes of any responsible tax system.<sup>61</sup>

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.<sup>62</sup> 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.<sup>63</sup> 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"<sup>64</sup>).

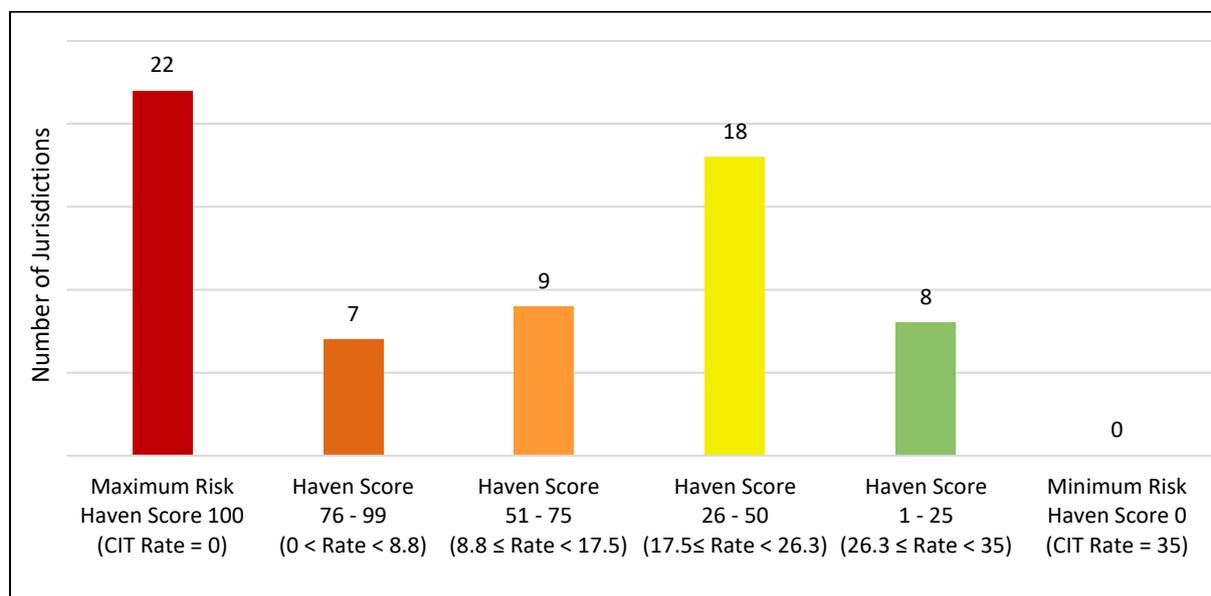
Another reason why it is important to establish a more credible alternative to the statutory CIT rates through LACIT is related to the integrity and robustness of research findings. The choice of data sources to determine the CIT rate is relevant for studies on the magnitude of tax avoidance. Broadly 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.<sup>65</sup>

Statutory tax rates can be far removed from reality as they usually take the jurisdiction's "flat or top marginal"<sup>66</sup> 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%.<sup>67</sup> 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.<sup>68</sup> Their estimates may well be compromised by this reliance.

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.<sup>69</sup> 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".<sup>70</sup> LACIT is a novel contribution, deriving law-based CIT rates *ex post* based on the transparent legal analysis of the CIT framework.

## Results Overview

**Graph 1.1. Lowest Available CIT Rate Overview**



## Results Detail

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

Country Name	Score	ISO	Country Name	Score	ISO
Andorra	94	AD	Kenya	14	KE
Anguilla	100	AI	Latvia	100	LV
Aruba	71	AW	Lebanon	100	LB
Austria	29	AT	Liberia	29	LR
Bahamas	100	BS	Liechtenstein	64	LI
Belgium	92	BE	Lithuania	57	LT
Bermuda	100	BM	Luxembourg	99	LU
Botswana	37	BW	Macao	66	MO
British Virgin Islands	100	VG	Malta	86	MT
Bulgaria	71	BG	Mauritius	100	MU
Cayman Islands	100	KY	Monaco	100	MC
China	29	CN	Montserrat	100	MS
Croatia	49	HR	Netherlands	93	NL
Curacao	100	CW	Panama	100	PA
Cyprus	64	CY	Poland	46	PL
Czech Republic	46	CZ	Portugal (Madeira)	14	PT
Denmark	37	DK	Romania	54	RO
Estonia	100	EE	San Marino	51	SM
Finland	43	FI	Seychelles	100	SC
France	2	FR	Singapore	100	SG

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Country Name	Score	ISO	Country Name	Score	ISO
Gambia	23	GM	Slovakia	40	SK
Germany	35	DE	Slovenia	46	SI
Ghana	29	GH	South Africa	20	ZA
Gibraltar	100	GI	Spain	29	ES
Greece	17	GR	Sweden	37	SE
Guernsey	100	GG	Switzerland	93	CH
Hong Kong	100	HK	Taiwan	43	TW
Hungary	74	HU	Tanzania	14	TZ
Ireland	100	IE	Turks and Caicos Islands	100	TC
Isle of Man	100	IM	United Arab Emirates (Dubai)	100	AE
Italy	23	IT	United Kingdom	46	GB
Jersey	100	JE	USA	40	US

Maximum Risk (Haven Score 100)	Haven Score 76 - 100	Haven Score 51 - 75	Haven Score 26 - 50	Haven Score 1 - 25	Minimum Risk (Haven Score 0)
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**Table 1.4. 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 = $((35 - \text{answer})/35)*100$
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)?		

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<b>541</b>	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?		
<b>542</b>	CIT-Rate-Adjustment-Retention: What is the lowest deviating CIT rate, if any, applicable to distributed or retained profits?		
<b>543</b>	CIT-Rate-Adjustment-Type: What is the lowest deviating CIT rate, if any, applicable to specific types of companies?		
<b>544</b>	CIT-Rate-Adjustment-Territorial: What is the lowest deviating CIT rate, if any, applicable to active business income from foreign sources?		
<b>545</b>	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?		

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<sup>1</sup> See "Table II.1. Statutory corporate income tax rate", in:  
[https://stats.oecd.org/Index.aspx?DataSetCode=TABLE\\_II1](https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1); [accessed 23 May 2019].

<sup>2</sup> <http://www.corporatetaxhavenindex.org/EXCEL/CTHI-LACIT-Rate.xlsx>.

<sup>3</sup> [https://stats.oecd.org/Index.aspx?DataSetCode=TABLE\\_II1](https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1); [accessed 23 May 2019].

<sup>4</sup> <https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [accessed 23 May 2019].

<sup>5</sup> IBFD, *Tax Research Platform: Country Surveys, Country Analyses, Country Key Features*, Accessed 2018-2019, 2018 <<https://research.ibfd.org/>> [accessed 9 May 2019].

<sup>6</sup> 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

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checking or correcting the rate for Step 2 in determining the LACIT. Therefore, in cases where the CIT rates is different for different entities (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.

<sup>7</sup> 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, <https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [accessed 6 April 2018]. 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%).

<sup>8</sup> J. Amos, Ghana - Corporate Taxation sec. 1., Country Surveys IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/gtha\\_gh\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/gtha_gh_s_1). [accessed 23 May 2019].

<sup>9</sup> PricewaterhouseCoopers (PWC), 'Worldwide Tax Summaries Online' <<http://taxsummaries.pwc.com/ID/tax-summaries-home>> [accessed 8 March 2019].

<sup>10</sup> We classify active business income into 13 active business sectors, derived from established sectorial classifications by the United Nations (Rev. 4) and Eurostat (Rev.2). Full details of the sectorial classifications are available in [Haven Indicator 5](#).

<sup>11</sup> S. van Thol, Aruba - Corporate Taxation sec. 1., Country Surveys IBFD, 2018, [https://research.ibfd.org/#/doc?url=/document/gtha\\_aw\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/gtha_aw_s_1). [accessed 23 May 2019].

<sup>12</sup> For further information see: <https://www.ft.com/content/f7a2b958-4fc8-11e4-908e-00144feab7de>; and <https://medium.com/@icoservices/asset-protection-strategy-double-irish-dutch-sandwich-f89fdfb0cca>; <https://www.forbes.com/sites/robertwood/2014/10/14/ireland-corks-double-irish-tax-deal-closing-time-for-apple-google-twitter-facebook/>; [accessed 23 May 2019].

<sup>13</sup> 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].

<sup>14</sup> The gap in the definitions of tax residency resulted from the following mismatch of tax rules: Ireland had taxed companies only if they are 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: <https://www.internationaltaxreview.com/Article/3430276/Looking-to-the-future-Life-after-the-Double-Irish.html?ArticleId=3430276>; ; [accessed 23 May 2019], and here: [https://www.ey.com/Publication/vwLUAssets/Ireland\\_announces\\_improvements\\_to\\_IP\\_regime\\_and\\_phasing\\_out\\_of\\_double\\_Irish/\\$FILE/2014G\\_CM4787\\_Ireland%20announces%20improvements%20to%20IP%20regime%20and%20phasing%20out%20of%20double%20Irish.pdf](https://www.ey.com/Publication/vwLUAssets/Ireland_announces_improvements_to_IP_regime_and_phasing_out_of_double_Irish/$FILE/2014G_CM4787_Ireland%20announces%20improvements%20to%20IP%20regime%20and%20phasing%20out%20of%20double%20Irish.pdf); ; [accessed 23 May 2019].

<sup>15</sup> See, for example, C. Cassar Torregiani, Malta - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_mt\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_mt_s_1); 23.5.2019; <https://home.kpmg/bm/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [accessed 23 May 2019].

<sup>16</sup> <https://tpguidelines.com/pop-pages/malta/>; [accessed 23 May 2019].

<sup>17</sup> Z.G. Kronbergs, Latvia - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_lv\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_lv_s_1). [accessed 23 May 2019]

<sup>18</sup> M. Herm, Estonia - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_ee\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_ee_s_1). [accessed 23 May 2019].

<sup>19</sup> 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.

<sup>20</sup> R. Hamzaoui, Mauritius - Corporate Taxation sec. 1.6, Country Surveys IBFD, 2019, [https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha\\_mu\\_s\\_1.#gtha\\_mu\\_s\\_1.6](https://research.ibfd.org/#/doc?url=/linkresolver/static/gtha_mu_s_1.#gtha_mu_s_1.6). [accessed 23 May 2019]. Also, see [KPMG Corporate Tax Rates Table](#).

<sup>21</sup> 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].

<sup>22</sup> PricewaterhouseCoopers (PWC), 'Mauritius - Corporate Tax Credits and Incentives', *PWC Worldwide Tax Summaries*, 2018 <<http://taxsummaries.pwc.com/uk/taxsummaries/wwts.nsf/ID/Mauritius-Corporate-Tax-credits-and-incentives>> [accessed 21 May 2019].

<sup>23</sup> Ernst & Young, *Mauritius Enacts Changes to Tax Regime for Corporations with Global Business Licenses*, Global Tax Alert, 17 August 2018 <[https://www.ey.com/Publication/vwLUAssets/Mauritius\\_enacts\\_changes\\_to\\_tax\\_regime\\_for\\_corporations\\_with\\_global\\_business\\_licenses/\\$FILE/2018G\\_010429-18Gbl\\_Mauritius%20-%20Changes%20to%20tax%20regime%20for%20corps%20with%20global%20business%20licenses.pdf](https://www.ey.com/Publication/vwLUAssets/Mauritius_enacts_changes_to_tax_regime_for_corporations_with_global_business_licenses/$FILE/2018G_010429-18Gbl_Mauritius%20-%20Changes%20to%20tax%20regime%20for%20corps%20with%20global%20business%20licenses.pdf)> [accessed 1 April 2019].

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<sup>24</sup> Mauritius' Authorised Companies cannot engage in financial services, collective investment or business services.

<sup>25</sup> PricewaterhouseCoopers (PWC), 'Mauritius - Corporate Tax Credits and Incentives'.

<sup>26</sup> 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.

<sup>27</sup> A.Y. Rodriguez, Panama - Corporate Taxation sec. 1., Country Analyses IBFD, 2018, [https://research.ibfd.org/#/doc?url=/linkresolver/static/cta\\_pa\\_s\\_1.#cta\\_pa\\_s\\_1.2](https://research.ibfd.org/#/doc?url=/linkresolver/static/cta_pa_s_1.#cta_pa_s_1.2). [accessed 23 May 2019]

<sup>28</sup> Y. (Ying) Zhang, Hong Kong - Corporate Taxation sec. 7., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_hk\\_s\\_7](https://research.ibfd.org/#/doc?url=/document/cta_hk_s_7). [accessed 23 May 2019].

<sup>29</sup> 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.

<sup>30</sup> See, for example, P. Burg, Monaco - Corporate Taxation sec. 1., Country Surveys IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/gtha\\_mc\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/gtha_mc_s_1). [accessed 23 May 2019] and <https://home.kpmg/bm/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [23 May 2019].

<sup>31</sup> <https://www.healyconsultants.com/monaco-company-registration/>; <http://gardetto-monaco-lawyers.com/taxation-monaco.html>; [accessed 28 November 2018].

<sup>32</sup> <https://www.icij.org/investigations/luxembourg-leaks/leaked-documents-expose-global-companies-secret-tax-deals-luxembourg/>; [accessed 20 January 2019].

<sup>33</sup> [http://ec.europa.eu/competition/state\\_aid/tax\\_rulings/index\\_en.html](http://ec.europa.eu/competition/state_aid/tax_rulings/index_en.html); [accessed 28 November 2018].

<sup>34</sup> [http://ec.europa.eu/competition/state\\_aid/tax\\_rulings/index\\_en.html](http://ec.europa.eu/competition/state_aid/tax_rulings/index_en.html); [accessed 28 November 2018].

<sup>35</sup> 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: <https://www.icij.org/investigations/luxembourg-leaks/leaked-documents-expose-global-companies-secret-tax-deals-luxembourg/>; [accessed 20 January 2019].

<sup>36</sup> 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: [http://europa.eu/rapid/press-release\\_IP-16-2923\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2923_en.htm); [accessed 20 January 2019].

<sup>37</sup> 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

<sup>38</sup> <https://mnetax.com/luxembourg-fight-amazon-state-aid-case-eu-court-25180>; [accessed 23 May 2019]

<sup>39</sup> Note for example the high and even growing numbers of unilateral tax rulings in use in the European Union, and the absence of any meaningful data in countries such as the Netherlands. See, European Commission, *EU Joint Transfer Pricing Forum: Statistics on APAs in the EU at the End of 2016*, 8 March 2018 <[https://ec.europa.eu/taxation\\_customs/sites/taxation/files/2016\\_jptf\\_apa\\_statistics\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/2016_jptf_apa_statistics_en.pdf)> [accessed 23 May 2019]. See also, OECD, *Harmful Tax Practices – Peer Review Results on Preferential Regimes*, January 2019 <<https://www.oecd-ilibrary.org/docserver/9789264311480-en.pdf?expires=1552638135&id=id&accname=guest&checksum=C4EEE3F55F4E6C17D62674F36049D20F>> [accessed 15 March 2019].

<sup>40</sup> We downloaded the dataset on 09 April 2019 from: <http://www.systemicpeace.org/inscrdata.html>.

<sup>41</sup> Only jurisdictions with populations of above 500,000 are included in the Polity Index.

<sup>42</sup> <https://ourworldindata.org/democracy>; [accessed 9 April 2019].

<sup>43</sup> [https://stats.oecd.org/Index.aspx?DataSetCode=TABLE\\_III1](https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_III1); [accessed 9 April 2019].

<sup>44</sup> <https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [accessed 9 April 2019].

<sup>45</sup> In India, the rate given by OECD includes, besides the main rate, a surcharge, an education cess and a tax on dividends distributed by companies, which resulted in a rate of 48.3%. In India, companies are taxed upon the distribution of dividends and these dividends are exempt for shareholders. However, taxes on the distribution of dividends were not included in the statutory CIT rate of the other countries accessed. Using information provided by IBFD, we calculated a CIT rate of 34.94%, including the surcharge and the educational cess. This rate is similar to the ones given by other sources, such as PWC Tax summaries (<http://taxsummaries.pwc.com/ID/India-Corporate-Taxes-on-corporate-income>), KPMG and Trading economics (<https://tradingeconomics.com/country-list/corporate-tax-rate>); [accessed 9 April 2019].

<sup>46</sup> S. Shah, India - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_in\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_in_s_1) [accessed 9 April 2019].

<sup>47</sup> P. Burg, France - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_fr\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_fr_s_1) [accessed 23 May 2019].

<sup>48</sup> S. Shah, India - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_in\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_in_s_1) [accessed 9 April 2019].

<sup>49</sup> V. Arruda Ferreira, Brazil - Corporate Taxation sec. 1., Country Analyses IBFD, 2019, [https://research.ibfd.org/#/doc?url=/document/cta\\_br\\_s\\_1](https://research.ibfd.org/#/doc?url=/document/cta_br_s_1) [accessed 23 May 2019].

<sup>50</sup> [https://stats.oecd.org/Index.aspx?DataSetCode=TABLE\\_II1](https://stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1); [accessed 5 April 2019].

<sup>51</sup> <https://home.kpmg.com/xx/en/home/services/tax/tax-tools-and-resources/tax-rates-online/corporate-tax-rates-table.html>; [accessed 23 December 2018].

<sup>52</sup> IBFD, *Tax Research Platform: Country Surveys, Country Analyses, Country Key Features*.

<sup>53</sup> <http://www.corporatetaxhavenindex.org/database/menu.xml>

<sup>54</sup> 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](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].

<sup>55</sup> 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: [http://www.oecd.org/tax/tax-policy/tax-database.htm#C\\_CorporateCapital](http://www.oecd.org/tax/tax-policy/tax-database.htm#C_CorporateCapital); [accessed 23 May 2019].

<sup>56</sup> See The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

<sup>57</sup> The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

<sup>58</sup> The Tax Justice Network, 'Ten Reasons to Defend the Corporation Tax'.

<sup>59</sup> Jean-François Rougé, 'The Global War: The EU's Apple Tax Case', *ECONOMICS*, 5/1 (2017), 27.

<sup>60</sup> Rougé, 'The Global War', 19.

<sup>61</sup> Diana Scolaro, 'Tax Rulings: Opinion or Law? The Need for an Independent "Rule-Maker"', *Revenue Law Journal*, 2006.

<sup>62</sup> 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](http://www.oecd-ilibrary.org/taxation/harmful-tax-practices-2017-progress-report-on-preferential-regimes_9789264283954-en)> [accessed 12 April 2018].

<sup>63</sup> See page 2 at:

[https://www.ey.com/Publication/vwLUAssets/Dutch\\_Government\\_releases\\_fiscal\\_policy\\_agenda/\\$FILE/2018G\\_01091-181Gbl\\_Dutch%20Government%20releases%20fiscal%20policy%20agenda.pdf](https://www.ey.com/Publication/vwLUAssets/Dutch_Government_releases_fiscal_policy_agenda/$FILE/2018G_01091-181Gbl_Dutch%20Government%20releases%20fiscal%20policy%20agenda.pdf); [accessed 23 May 2019].

<sup>64</sup> 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].

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<sup>65</sup> 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].

<sup>66</sup>[https://stats.oecd.org/OecdStat\\_Metadata/ShowMetadata.ashx?Dataset=CTS\\_CIT&Coords=&Lang=en](https://stats.oecd.org/OecdStat_Metadata/ShowMetadata.ashx?Dataset=CTS_CIT&Coords=&Lang=en); [5 March 2019].

<sup>67</sup> “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: [http://stats.oecd.org/OecdStat\\_Metadata/ShowMetadata.ashx?Dataset=CTS\\_CIT&Coords=&Lang=en](http://stats.oecd.org/OecdStat_Metadata/ShowMetadata.ashx?Dataset=CTS_CIT&Coords=&Lang=en); [accessed 5 March 2019].

<sup>68</sup> 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].

<sup>69</sup> Janský, *Effective Tax Rates of Multinational Enterprises in the EU*, 30–41.

<sup>70</sup> 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.