

Key Corporate Tax Haven Indicators

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 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 presented in table 9.3 below.

Table 9.1. Scoring Matrix Haven Indicator 9

Regulation	Haven Score [100 = maximum risk; 0 = minimum risk]
<u>Not online (at a small cost)</u> Not all types of companies publish their annual accounts online for a cost of up to €10/US\$10/£10, or unknown.	100
<u>Online at a small cost</u> All types of companies publish 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 companies publish their annual accounts online, then the haven score is 100. If the annual accounts are available online but there is a cost to access them, the haven score will be reduced to 50. In cases where the annual accounts are available online for free, the haven score will be further reduced to 25. To obtain a zero haven score, this data needs to be accessible

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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

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. In cases where data was found to be freely available, we have consulted the corresponding jurisdiction at the Open Company Data Index published by Open Corporates.⁴ 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 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; and that they are required to submit accounts to a public authority. However, if there are exceptions for 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.

We have drawn this information from five principal sources.⁵ First, the Global Forum peer reviews⁶ 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.net⁷ and Odra.com⁸. Third, results of the Tax Justice Network Survey of 2017 (or earlier) have been included.⁹ Fourth, in cases where the previous sources indicated that annual accounts are submitted or available online, or both, the corresponding company registry websites have been consulted. Fifth, in that case, the Open Company Data Index published by Open Corporates has been consulted as well.¹⁰

Following 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

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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 account filings relates to small companies.

All underlying data can be accessed freely in the CTHI [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.

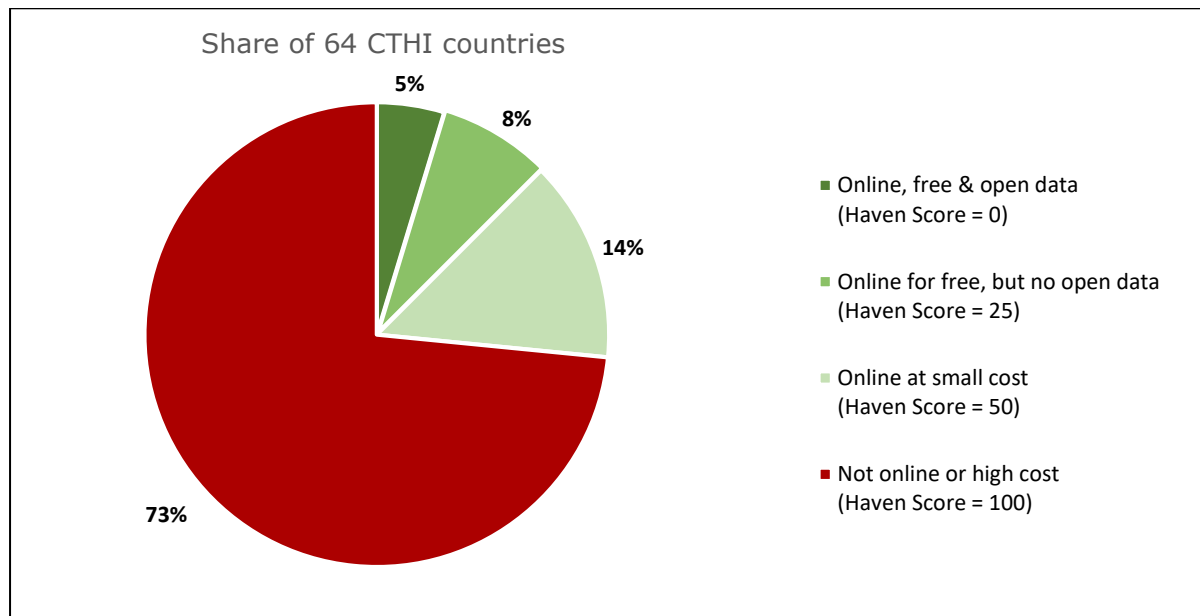
Third, no company can be considered accountable to the communities where it is licensed to operate (and where it enjoys the privilege of limited liability) unless it places its accounts on public record. Journalists and civil society groups have legitimate reasons for accessing company accounts to assess 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](#)).

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Results Overview

Graph 9.1. Public Company Accounts – Overview



Results Detail

Table 9.2. Public Company Accounts – Haven Indicator Scores

Country Name	Score	ISO	Country Name	Score	ISO
Andorra	100	AD	Kenya	100	KE
Anguilla	100	AI	Latvia	100	LV
Aruba	100	AW	Lebanon	100	LB
Austria	50	AT	Liberia	100	LR
Bahamas	100	BS	Liechtenstein	100	LI
Belgium	0	BE	Lithuania	100	LT
Bermuda	100	BM	Luxembourg	25	LU
Botswana	100	BW	Macao	100	MO
British Virgin Islands	100	VG	Malta	50	MT
Bulgaria	25	BG	Mauritius	100	MU
Cayman Islands	100	KY	Monaco	100	MC
China	100	CN	Montserrat	100	MS
Croatia	100	HR	Netherlands	100	NL
Curacao	100	CW	Panama	100	PA
Cyprus	100	CY	Poland	25	PL
Czech Republic	25	CZ	Portugal (Madeira)	100	PT
Denmark	100	DK	Romania	100	RO
Estonia	50	EE	San Marino	100	SM
Finland	50	FI	Seychelles	100	SC
France	50	FR	Singapore	100	SG

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Country Name	Score	ISO	Country Name	Score	ISO
Gambia	100	GM	Slovakia	0	SK
Germany	100	DE	Slovenia	25	SI
Ghana	100	GH	South Africa	100	ZA
Gibraltar	100	GI	Spain	100	ES
Greece	100	GR	Sweden	50	SE
Guernsey	100	GG	Switzerland	100	CH
Hong Kong	100	HK	Taiwan	100	TW
Hungary	50	HU	Tanzania	100	TZ
Ireland	50	IE	Turks and Caicos Islands	100	TC
Isle of Man	100	IM	United Arab Emirates (Dubai)	100	AE
Italy	50	IT	United Kingdom	0	GB
Jersey	100	JE	USA	100	US

Maximum Risk (Haven Score 100)	Haven Score 76 - 99	Haven Score 51 - 75	Haven Score 26 - 50	Haven Score 1 - 25	Minimum Risk (Haven Score 0)
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Table 9.3. Assessment Logic

Info_ID	Text_Info_ID	Answers	Valuation Haven Score
		(Codes applicable for all questions: - 2: Unknown; -3: Not Applicable)	
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\$/GBP)?	0: No, company accounts are not always online (up to 10 €/US\$); 1: COST: Yes, company accounts are always online but only at a cost of up to 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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¹ We believe online accessibility for free is a reasonable requirement given a) the prevalence of the internet in 2018 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 <http://opencorporates.com/>; [accessed 1 May 2019].

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 <http://opencorporates.com/>; [accessed 1 May 2019].

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 <http://registries.opencorporates.com/>; [accessed 1 May 2019].

⁵ To see the sources used for particular jurisdictions, please check the corresponding information in our database, available at <http://www.corporatetaxhavenindex.org/database/menu.xml>.

⁶ 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 others things, the requirement to keep underlying documentation and the retention period for keeping accounting records. The reports can be viewed at: <http://www.eoi-tax.org/>; [accessed 1 May 2019].

⁷ <https://www.lowtax.net/>; [accessed 1 May 2019].

⁸ <https://www.ocra.com/jurisdictions/>; [accessed 1 May 2019].

⁹ The survey was conducted by the Tax Justice Network in early 2017. The questionnaire sent out to Ministries of Finance and National Audit Offices can be viewed here: http://www.financialsecrecyindex.com/PDF/FSI2017_Questionnaire.pdf; and the questionnaire sent to Financial Intelligence Units can be downloaded here: <https://www.financialsecrecyindex.com/PDF/FSI2018-Questionnaire-FIU.pdf>

¹⁰ <http://registries.opencorporates.com/>; [accessed 1 May 2019].

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

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