Oxfam STATS: ParadisePapers

IMPACT OF TAX AVOIDENCE

Corporate tax dodging costs poor countries at least $100 billion every year - enough money to provide an education for the 124 million children who aren't in school and fund healthcare that could prevent the deaths of at least six million children every year.	Tax dodging costs developing countries $100 billion a year - UNCTAD World Investment Report http://unctad.org/en/PublicationsLibrary/wir2016_en.pdf (2016). Total annual domestic financing gap to achieve universal pre-primary, primary and secondary education in low and low middle-income countries is $39 billion per year - Education for All Global Monitoring Report http://unesdoc.unesco.org/images/0023/002321/232197E.pdf (July 2015). There are 124 million children out of school - UNESCO Data http://uis.unesco.org/ $32 billion would fund the key healthcare to save the lives of 6 million children across the world each year - The Lancet http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(13)62231-X.pdf (April 2014).
One third of the $100bn in tax that companies dodge in poor countries annually is enough to cover the bill for essential healthcare that could prevent the needless deaths of eight million mothers, babies and children,	The authors of this study 'Advancing social and economic development by investing in women's and children's health: a new Global Investment Framework' estimate that 147m child deaths, 32m stillbirths and 5m maternal deaths could be avoided if health expenditures increased by US$5 per capita per year between 2013 and 2035. The report examines 74 countries with large numbers of people living in poverty which experience 95 percent of global maternal and child mortality, such as India and Zambia. Oxfam's figures are annual averages based on the aggregate numbers i.e. a total spend of $678.1bn, or $29.48bn a year over 23 years, to prevent 7.78m child deaths and 217,000 maternal deaths annually. http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(13)62231-X.pdf The UN estimates that corporate tax avoidance costs developing countries at least $100bn a year, i.e. $8.3bn a month and $33.3bn every four months. http://unctad.org/en/PublicationChapters/wir2015ch0_KeyMessage_en.pdf
Tax dodging by wealthy individuals costs poor countries $70 billion a year- $14 billion for Africa, $21 billion for LAC and $34 billion for Asia.	Gabriel Zucman. The Hidden Wealth of Nations. http://gabriel-zucman.eu/hidden-wealth/
Studies analysing the Panama papers data show that the wealthiest 1 percent of people	Gabriel Zucman – Tax Evasion and Inequality

avoid 30 percent of the tax they owe.	https://via.hypothes.is/http://gabriel-zucman.eu/files/AJZ2017.pdf
The global network of tax havens allows the super-rich to hide $7.6 trillion dollars. More than the combined GDP of the UK and Germany. This is denying governments tax revenues of $200 billion (all governments – not just developing countries).	Gabriel Zucman: The Hidden Wealth of Nations http://gabriel-zucman.eu/hidden-wealth/
Costa Rica and Ecuador lose an estimated 65 percent of its tax revenues because of corporate tax dodging. Brazil loses 27 percent.	ECLAC-OXFAM. Time to tax for inclusive growth http://repositorio.cepal.org/bitstream/handle/11362/39950/S1600237_en.pdf?sequence=1
Almost a third (30%) of rich Africans' wealth – a total of $500bn – is held offshore in tax havens. It is estimated that this costs African countries $14bn a year in lost tax revenues. This is enough money to pay for healthcare that could save the lives of 4 million children and 200,000 mothers and employ enough teachers to get every African child into school.	Gabriel Zucman. The Hidden Wealth of Nations. http://gabriel-zucman.eu/hidden-wealth/
32 million people could be lifted out of poverty if the money hidden in offshore tax havens by wealthy LAC residents were taxed. This is equivalent to all the poor people in Bolivia, Colombia, Ecuador, El Salvador and Peru.	https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-lac-fiscal-justice-100914-en.pdf and http://www.oxfammexico.org/wp-content/uploads/2013/01/Oxfam-M%C3%A9xico-Comunicado-de-Prensa-Justicia-Fiscal.pdf
For every US dollar of tax multinationals pay in developing countries, they avoid about 45 US cents.	https://www.actionaid.org.uk/sites/default/files/publications/beps_-_patching_up_a_broken_tax_system_0.pdf
Corporate tax dodging costs the EU up to $76 billion a year and the US up to $135 billion a year.	www.europarl.europa.eu/RegData/etudes/STUD/2016/579002/IPOL_STU(2016)579002_EN.pdf and https://www.oxfamamerica.org/press/top-50-us-companies-stash-16-trillion-offshore/
Poor countries are twice as dependent as rich countries on corporate tax revenue as a proportion of their GDP then rich countries. The IMF says that corporate income tax contributes around 18 percent of GDP in poor countries compared to around 9 percent in rich countries.	https://www.imf.org/external/np/pp/eng/2014/050914.pdf

UNFAIR TAX SYSTEMS

Nigeria loses $2.9 billion a year because of unfair corporate tax incentives alone – equivalent to 13 times the countries total health budget in 2015.	https://www.oxfam.org/en/research/inequality-nigeria-exploring-drivers

Foreign corporations operating in Kenya pocket $1 billion a year in tax incentives – almost double their entire national health budget. World Bank research in 2013 showed that 93 percent of foreign investors in East Africa said they would have invested even if tax incentives had not been offered.	http://bit.ly/14B0AqE
The Brazilian government could raise 60 billion Brazilian reals ($19.1 billion) per year - almost three times the countries education budget— by ending tax breaks for the super-rich.	https://www.oxfam.org/en/pressroom/pressreleases/2017-09-25/brazil-decades-behind-other-countries-fighting-inequality
Indonesia's tax collection as a percentage of GDP is just 11.9 percent yet the IMF calculates Indonesia has a potential tax take of 21.5 percent. If it reached this target it could increase the countries health budget 9 times over. By comparison South Africa manages to collect over 27 percent.	https://www.oxfam.org/sites/www.oxfam.org/files/bp-towards-more-equal-indonesia-230217-en_0.pdf (2017).
Across the globe countries are slashing corporate tax rates as they compete for investment – this damaging tax competition is depriving countries of billions in taxes. The average corporate tax rate across G20 countries was 40 percent in1990 to less than 30 percent today.	https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp-race-to-bottom-corporate-tax-summ-121216-en.pdf
Taxes on the super-rich have been falling around the globe and much of it is never collected. In the US, the top rate of tax was 70 percent in 1980 – it is now 40 percent	Cited in 'An Economy for the 99 percent' – Original source of data link below as link in report not working: http://www.data360.org/dsg.aspx?Data_Set_Group_Id=475
When corporate tax bills are cut, governments balance their books by reducing public spending or by raising taxes such as VAT, which fall disproportionately on poor people. For example, a 0.8 percent cut in corporate tax rates across OECD countries between 2007 and 2014 was partially offset by a 1.5 percent increase in the average standard VAT rate between 2008 and 2015.	https://www.oxfam.org/en/pressroom/pressreleases/2016-12-12/worlds-worst-corporate-tax-havens-exposed-oxfam-report-reveals

POLITICAL INFLUENCE

The 50 biggest US companies spent $2.5 billion lobbying the US government between 2009 and 2015. An estimated $352 million was spent lobbying on tax issues – helping to secure over $423 billion in tax breaks. Oxfam estimates that for every $1 these companies spent lobbying on tax, they received an estimated $1,200 in tax breaks.	https://www.oxfamamerica.org/static/media/files/Rigged_Reform_FINAL.pdf
The 50 biggest US companies are members of at least two coalitions lobbying for more favourable tax treatment on average, with eight of the 50 companies being members of four or more coalitions.	https://www.oxfamamerica.org/static/media/files/Rigged_Reform_FINAL.pdf

Tax reforms proposed by President Trump and leaders in Congress could give the 50 biggest US companies a windfall of between $312 and $327 billion on the profits they hold offshore, in addition to massive financial benefits resulting from a dramatic cut in corporate rates and other more favourable tax treatments.	https://www.oxfamamerica.org/press/top-50-us-companies-stash-16-trillion-offshore/

TAX HAVENS

18,857 businesses are registered at just one address in the Cayman Islands. President Obama said it 'either the biggest building or the biggest tax scam on record'	http://www.taxjustice.net/cms/upload/pdf/FACT_110512_TH_abuse_by_numbers_Final1.pdf https://www.whitehouse.gov/the_%20press_office/Remarks-By-The-President-On-InternationalTax-Policy-Reform
Corporations pay no corporate income tax in the Cayman Islands	Full list of corporate tax rates for other countries given here https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-corporate-tax-rates.pdf (2017)
Banking assets in the Cayman Islands – home to less than 70,000 people - account for nearly a 15th of the world's $30trillion in banking assets	http://www.theguardian.com/business/2015/jun/19/tax-havens-money-cayman-islands-jersey-offshore-accounts
British Virgin Islands has 830,000 registered companies, despite a total population of just 27,000.	https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/cr-even-it-up-extreme-inequality-291014-en.pdf
217,000 companies are registered at 1209 Orange Street, Wilmington, Delaware	http://www.taxjustice.net/cms/upload/pdf/FACT_110512_TH_abuse_by_numbers_Final1.pdf
The United Kingdom accounts for around 17 per cent of the global market for offshore financial services	http://www.financialsecrecyindex.com/PDF/UnitedKingdom.pdf
In 2012, US multinational companies reported US$ 80 billion of profits in Bermuda - more than their profits reported in Japan, China, Germany and France combined.	https://www.oxfam.org/en/research/still-broken-governments-must-do-more-fix-international-corporate-tax-system
Oxfam identified the world's worst corporate tax havens: (1) Bermuda (2) the Cayman Islands (3) the Netherlands (4) Switzerland (5) Singapore (6) Ireland (7) Luxembourg (8) Curaçao (9) Hong Kong (10) Cyprus (11) Bahamas (12) Jersey (13) Barbados, (14) Mauritius and (15) the British Virgin Islands. The UK does not feature on the list, but four territories that the United Kingdom is ultimately responsible for do appear: the Cayman Islands, Jersey, Bermuda and the British Virgin Islands.	https://www.oxfam.org/en/pressroom/pressreleases/2016-12-12/worlds-worst-corporate-tax-havens-exposed-oxfam-report-reveals

CORPORATE STATS

Facebook has stashed $5.1 billion offshore as of December 31, 2016 (1) Facebook will receive at least $1.27 billion from President Trumps proposed tax reforms (2) Facebook spent over $3.9 million lobbying the US government on tax issues alone between 2009 and 2016 (3) Facebook currently discloses 7 subsidiaries in tax havens (4)	(1) As shown under "Liquidity and capital resources" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" pg. 48, on the Company's 10-K. (2) Amount calculated for illustrative purposes. We assume a 10% rate as a reference because although it has not been officially announced, it has been repeatedly referred to by White House Officials, like Gary Cohn, National Economic Director (see https://www.bloomberg.com/news/articles/2017-10-01/cohn-says-repatriation-tax-rate-will-be-in-10-percent-range and https://www.cnbc.com/2017/08/25/trump-and-cohns-plan-for-overseas-profits-tax-break-could-boost-these-10-stocks.html). The repatriation tax resulting from applying the 10% to the cash and cash equivalents reported to be held offshore is $510,000,000. The benefit is the difference between the tax due under the current tax rate and the proposed repatriation rate. (3) Result of adding each year's tax expenditure. Multiplying the percentage of tax issues by the total lobbying expense does not give the same result because the dollar cost per issue varies from year to year. (4) See Appendix of ITEP "Offshore Shell Games 2017". The identification of a country as a tax haven is based on lists from four sources compiled by the Congressional Research Office: Organisation for Economic Cooperation and Development (OECD), National Bureau of Economic Research (NBER), a U.S. District Court, and a GAO report. The subsidiaries considered were the ones listed in Exhibit 21 of the Company's 10-K.
Apple has stashed $216 billion offshore as of September 24, 2016 (1) Apple will receive at least $54 billion from President Trumps proposed tax reforms (2) Apple spent over $3.7 million lobbying the US government on tax issues alone between 2009 and 2016 (3) Apple currently discloses 3 subsidiaries in tax havens (4)	(1)As shown under "Liquidity and capital resources" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" pg. 30, on the Company's 10-K. (2) Amount calculated for illustrative purposes. We assume a 10% rate as a reference because although it has not been officially announced, it has been repeatedly referred to by White House Officials, like Gary Cohn, National Economic Director (see https://www.bloomberg.com/news/articles/2017-10-01/cohn-says-

	repatriation-tax-rate-will-be-in-10-percent-range and https://www.cnbc.com/2017/08/25/trump-and-cohns-plan-for-overseas-profits-tax-break-could-boost-these-10-stocks.html). At a 10% rate, the tax liability on cash and cash equivalents held offshore would be $21,600,000,000. The result shows the benefit of having a 10% repatriation tax and not having to pay the 35% corporate income tax rate. (3) Result of adding each year's tax expenditure. Multiplying the percentage of tax issues by the total lobbying expense does not give the same result because the dollar cost per issue varies from year to year. (4) See Appendix of ITEP "Offshore Shell Games 2017". The identification of a country as a tax haven is based on lists from four sources compiled by the Congressional Research Office: Organisation for Economic Cooperation and Development (OECD), National Bureau of Economic Research (NBER), a U.S. District Court, and a GAO report. The subsidiaries considered were the ones listed in Exhibit 21 of the Company's 10-K.
Nike has stashed $5.8 billion offshore as of May 31, 2017. Nike will receive at least $1.45 billion from President Trumps proposed tax reforms. (2) Nike spent over $844,315 lobbying the US government on tax issues alone between 2009 and 2016. (3) Nike currently discloses 54 subsidiaries in tax havens (4)	(1)See Item 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations", pg. 38 on Company's 10-K. (2) Amount calculated for illustrative purposes. The 10% rate has not been officially announced yet but has been repeatedly referred to by White House Officials, like Gary Cohn, National Economic Director (see https://www.bloomberg.com/news/articles/2017-10-01/cohn-says-repatriation-tax-rate-will-be-in-10-percent-range and https://www.cnbc.com/2017/08/25/trump-and-cohns-plan-for-overseas-profits-tax-break-could-boost-these-10-stocks.html). The taxes due on a 10% repatriation tax would be 580,000,000. The benefit is the difference between the taxes due at a 35% rate and the taxes due at the proposed rate. (3) Result of adding each year's tax expenditure. Multiplying the percentage of tax issues by the total lobbying expense does not give the same result because the dollar cost per issue varies from year to year. (4) See Appendix of ITEP "Offshore Shell Games 2017". The identification of a country as a tax haven is based on lists from four

	sources compiled by the Congressional Research Office: Organisation for Economic Cooperation and Development (OECD), National Bureau of Economic Research (NBER), a U.S. District Court, and a GAO report. The subsidiaries considered were the ones listed in Exhibit 21 of the Company's 10-K.
In 2012, US multinational companies reported US$ 80 billion of profits in Bermuda - more than their profits reported in Japan, China, Germany and France combined.	https://www.oxfam.org/en/research/still-broken-governments-must-do-more-fix-international-corporate-tax-system
Oxfam analysed 200 top companies and found that 9 out of 10 companies analysed have a presence in at least one tax haven.	https://www.oxfam.org/en/research/economy-1
Corporate investment in tax havens almost quadrupled between 2000 and 2014.	https://www.oxfam.org/en/research/economy-1
98 of the 100 FTSE100 have a presence in tax havens - collectively the FTSE100 now has more companies registered in Jersey than in China; more in the Cayman Islands than in India.	https://www.actionaid.org.uk/sites/default/files/publications/how_tax_havens_plunder_the_poor_2.pdf
Malawi has lost out on US$43 million in tax revenue between 2009 and 2014 from the Australian mining company Paladin. The money - lost through a combination of unfair tax incentives and a tax dodge known as treaty shopping – could pay for 17,000 annual nurses salaries or 39,000 annual teachers' salaries. Treaty shopping is the practice of structuring a multinational business to take advantage of more favourable tax treaties available in certain countries.	https://www.actionaid.org.uk/sites/default/files/tax_report_-_an_extractive_affair.pdf (2015)
The 50 biggest US companies, including Facebook, Amazon and Apple, stashed $1.6 trillion offshore in 2015 using a secretive network of 1751 subsidiaries in tax havens.	https://www.oxfamamerica.org/press/top-50-us-companies-stash-16-trillion-offshore/
EU requirements for European banks to publish financial reports for every country where they do business revealed that Europe's biggest banks are registering a disproportionate amount of profit in tax havens. Tax havens account for 26 percent of the profits made by the biggest European banks but only 12 percent of banks' turnover and 7 percent of the banks' employees.	https://www.oxfam.org/en/research/opening-vaults
In 2015 European banks posted millions of profits in tax havens where they employ nobody. For example, the French bank BNP Paribas made €134 million tax free profit in the Cayman Islands despite having no staff based there.	https://www.oxfam.org/en/research/opening-vaults
Amazon was ordered to repay €250m by the European Commission over 'illegal tax advantages' granted it by the Luxembourg government. The sweetheart tax deals granted to Amazon allowed it to pay four times less tax than local companies.	http://europa.eu/rapid/press-release_IP-17-3701_en.htm https://www.bloomberg.com/news/articles/2017-10-04/amazon-hit-with-294-million-bill-amid-renewed-eu-tax-crackdown

The European Commission ordered Apple was ordered to repay €13 billion in back-taxes to Ireland because of the illegal tax advantages granted it by the government. The Irish government is appealing a ruling.	http://europa.eu/rapid/press-release_IP-16-2923_en.htm
A European Commission investigation concluded that Ireland granted illegal tax benefits to Apple, which enabled it to pay substantially less tax than other businesses over many years. This selective treatment allowed Apple to pay an effective corporate tax rate of 1 per cent on its European profits in 2003 down to 0.005 per cent in 2014.	*http://europa.eu/rapid/press-release_IP-16-2923_en.htm*

INTERNATIONAL FINANCE INSTITUTIONS

Fifty-one of the 68 companies that were lent money by the World Bank's private lending arm – the International Finance Corporation - in 2015 to finance investments in sub-Saharan Africa use tax havens	https://www.oxfam.org/en/pressroom/pressreleases/2016-04-11/majority-world-banks-private-investments-go-companies-have
The World Bank's lending arm – the International Finance Corporation - more than doubled its investments in companies that use tax havens in just 5 years - from $1.20 billion in 2010 to $ 2.87 billion in 2015.	https://www.oxfam.org/en/pressroom/pressreleases/2016-04-11/majority-world-banks-private-investments-go-companies-have