

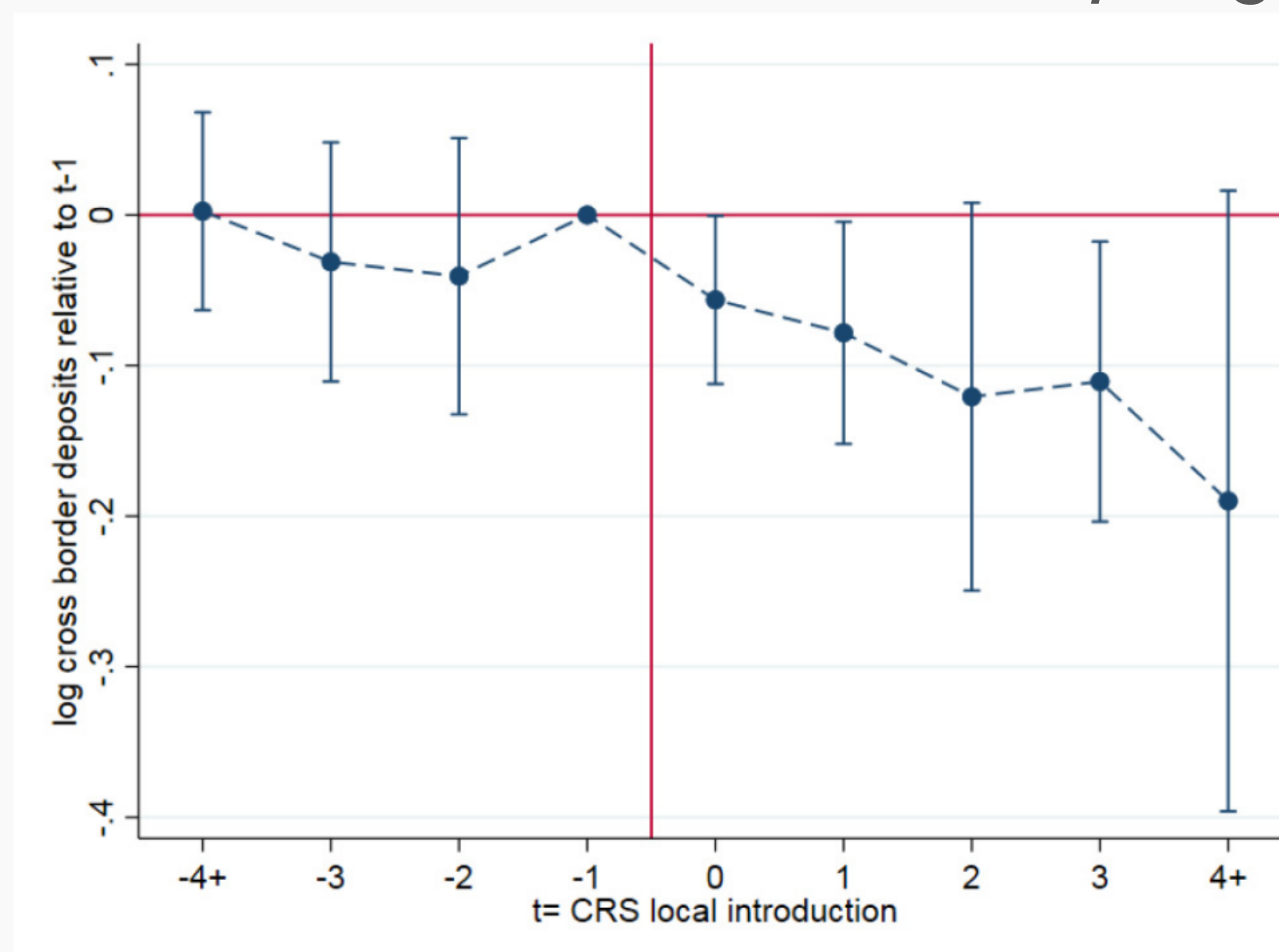
The background of the slide is a photograph of a sandcastle. Several golden, stick-like structures are stuck into the sand, forming a framework. The sand is a light, grainy texture. The title text is overlaid on a dark blue rectangular area on the left side of the image.

Tax transparency & offshore tax evasion/avoidance: a success story?

Elisa Casi (NHH Norwegian School of Economics)
Bruxelles – 21 March 2023

Taxpayers Reaction to the CRS

- Immediate **reduction of cross-border bank deposits in tax havens** (e.g., *Menkhoff & Miethe, 2019; Casi, Spengel & Stage 2020*)



Immediate decrease of USD 45 billion (lower bound) in cross-border deposits held in tax havens (Casi et al. 2020)

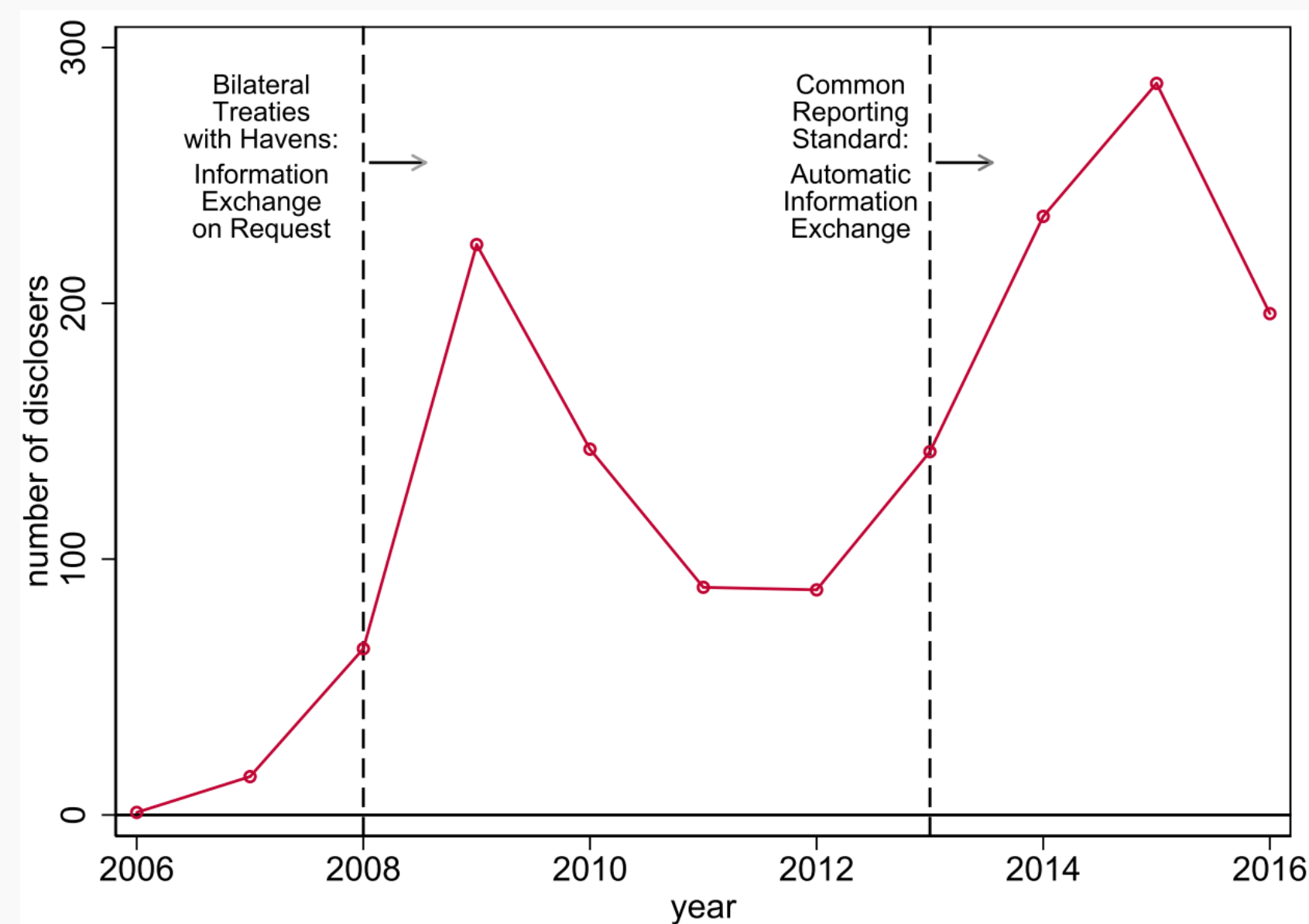
- Reactions varies depending on tax authority capacity of the receiving countries and on enforcement level of the sending countries (*Alstadsæter, Casi, Miethe & Stage 2023*)

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Increased Compliance or Reallocation?

- Increase reporting of previously unreported income and wealth around the CRS, for example through tax amnesty programs (*Alstadsæter, Johannesen, Herry & Zucman 2022*)

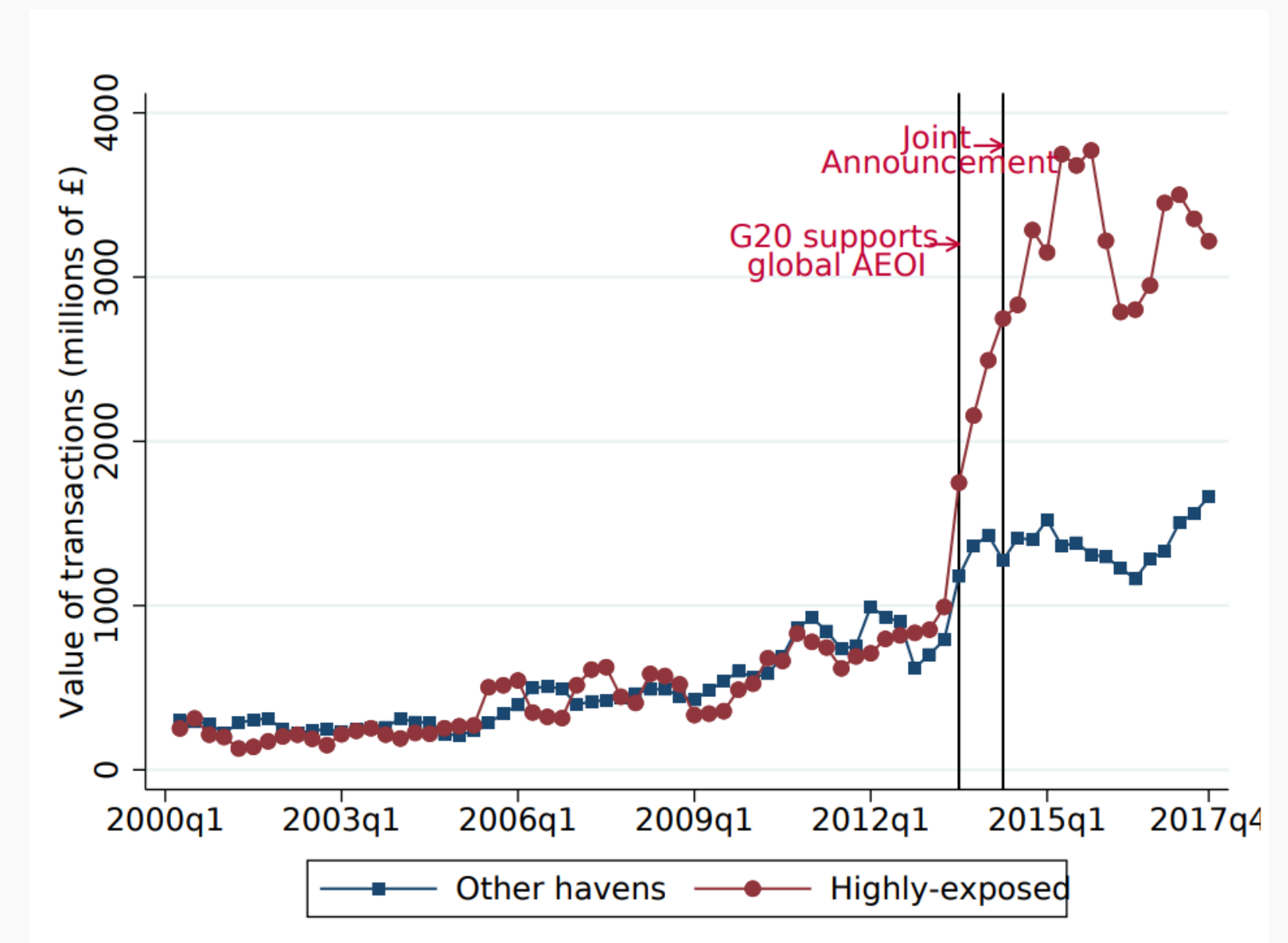


“We find that the taxes paid by these individuals rise 30% at the time of disclosure and that the rise is sustained over time” (Alstadsæter et al. 2022)

- Yet, increased reporting mainly from small amounts held by taxpayers in non-tax havens (*Boas, Johannesen, Kreiner, Larsen, Zucman, 2023*)

Increased Compliance or Reallocation?

- Cross-border tax evasion is not over:
 - Reallocation to **non-participating jurisdictions** (*Casi, Spengel & Stage 2020*)
 - Reallocation to **non-reportable assets** (*Bomare and Herry, 2022; De Simone, Lester, Markle 2020*)
 - Exploitation of **citizenship and residence by investment programs** (*Langenmayr & Zyska, 2021; Casi, Mardan & Muddasani, 2022*)
 - Conversion of third-party reporting in **self-reporting** (*Noked, 2018; Bénétrix, Emter & Schmitz, 2021*)



From Bomare and Herry, 2022

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