

Key Financial Secrecy Indicators 5: Public Company Accounts

What is measured?

This indicator shows whether a jurisdiction requires all types of companies with limited liability to publish their annual accounts online and makes them readily accessible via the internetⁱ.

We have drawn this information from four principal sources:

First, table D6 of the OECD-report (Tax Co-operation 2010ⁱⁱ) indicates whether a company's financial statements are required to be submitted to a government authority.

Second, private sector internet sources have been consulted (Lowtax.net, Ocra.com, Offshoresimple.com, etc.).

Third, results of the TJN-Survey 2011 have been included.

Fourth, in cases where the previous sources indicated that annual accounts are submitted and/or available online, the corresponding websites have been consulted.

We assessed the information as being available on public record when download was possible at a fixed cost below US\$10 and did not impose complex payment arrangements (e.g. registration of bank account, sending of hard-copy mails)ⁱⁱⁱ.

A precondition for a positive assessment is that all available types of limited liability companies must be required to publish their annual accounts online. If any exceptions are allowed for certain types of limited liability companies we assume that anyone intending to conceal information from public view will simply opt for company types where no accounts need to be prepared or published.

Why is it 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, accounts allow society (the public) to assess any risk they face in trading with limited companies. This can only be done when accounts are available for public scrutiny.

Second, in times of financial globalisation, financial regulators and tax authorities need to be able to assess cross-border implications of the dealings of companies. Unhindered access to foreign companies' and subsidiaries' accounts empowers regulators and authorities to

double check the veracity 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.

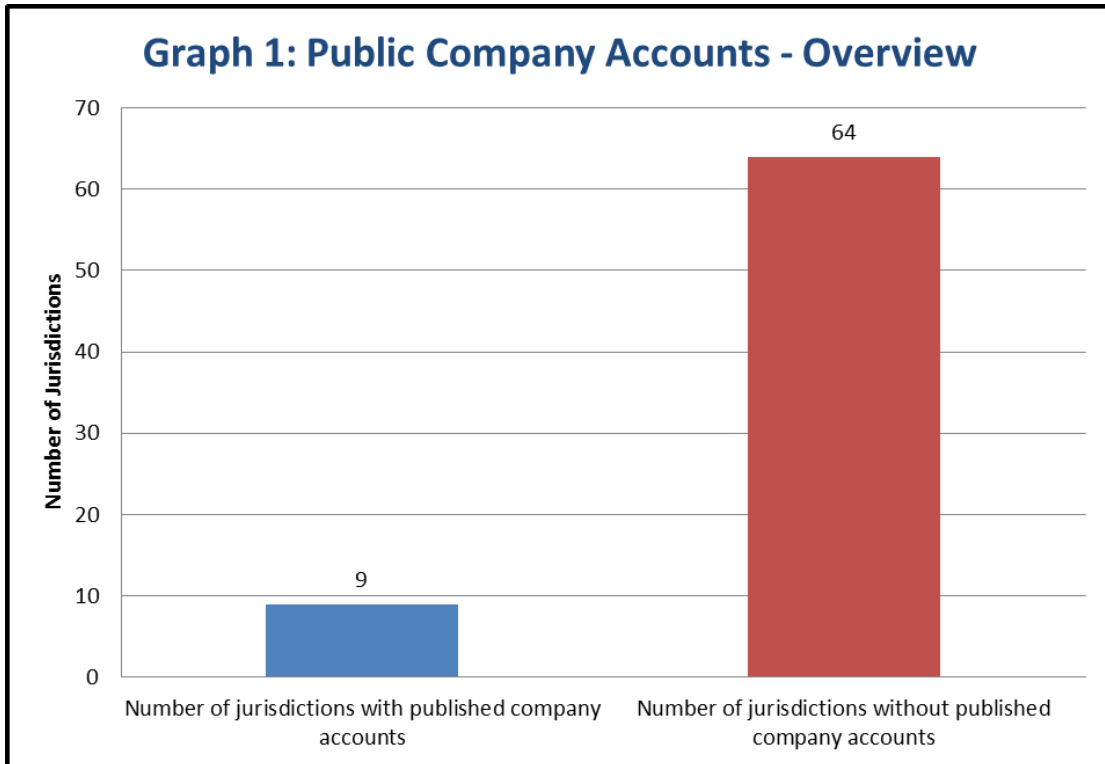
Many multinational corporations structure their global network of subsidiaries and operations in ways that take advantage of the absence of any requirement to publish accounts on public record. Secrecy jurisdictions enable and encourage corporate secrecy in this respect. If annual accounts were required to be placed online in every jurisdiction where a company operates, the resulting transparency would inhibit transfer pricing abuse. We do not, however, regard this requirement as a substitute for a full country-by-country reporting standard ([see indicator 6](#)).

What crimes might be hidden behind the absence of public company accounts?

Aggressive tax avoidance and evasion by multinational companies, commercial transfer mispricing, trade mispricing, double dipping / corporate fraud, money laundering, hiding of the proceeds of corruption and other crimes might be hidden behind the secrecy that the absence of published company accounts can provide.

Results Overview

Number of jurisdictions requiring public access to company accounts:	9
Number of jurisdictions not requiring public access to company accounts:	64



Results Details

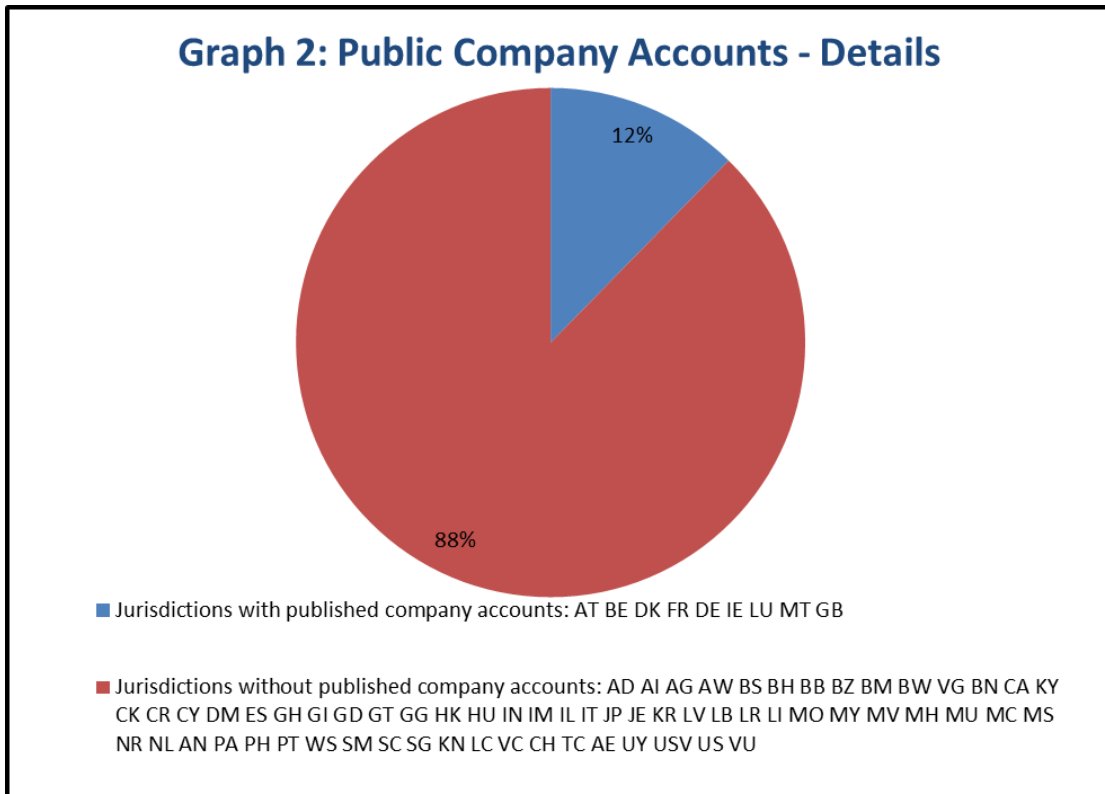


Table 2: Public Company Accounts

ID	Jurisdiction	ISO		ID	Jurisdiction	ISO	
1	Andorra	AD	No	38	Korea	KR	No
2	Anguilla	AI	No	39	Latvia	LV	No
3	Antigua & Barbuda	AG	No	40	Lebanon	LB	No
4	Aruba	AW	No	41	Liberia	LR	No
5	Austria	AT	Yes	42	Liechtenstein	LI	No
6	Bahamas	BS	No	43	Luxembourg	LU	Yes
7	Bahrain	BH	No	44	Macau	MO	No
8	Barbados	BB	No	45	Malaysia (Labuan)	MY	No
9	Belgium	BE	Yes	46	Maldives	MV	No
10	Belize	BZ	No	47	Malta	MT	Yes
11	Bermuda	BM	No	48	Marshall Islands	MH	No
12	Botswana	BW	No	49	Mauritius	MU	No
13	British Virgin Islands	VG	No	50	Monaco	MC	No
14	Brunei	BN	No	51	Montserrat	MS	No
15	Canada	CA	No	52	Nauru	NR	No
16	Cayman Islands	KY	No	53	Netherlands	NL	No
17	Cook Islands	CK	No	54	Netherlands Antilles	AN	No
18	Costa Rica	CR	No	55	Panama	PA	No
19	Cyprus	CY	No	56	Philippines	PH	No
20	Denmark	DK	Yes	57	Portugal (Madeira)	PT	No
21	Dominica	DM	No	58	Samoa	WS	No
22	France	FR	Yes	59	San Marino	SM	No
23	Germany	DE	Yes	60	Seychelles	SC	No
24	Ghana	GH	No	61	Singapore	SG	No
25	Gibraltar	GI	No	62	Spain	ES	No
26	Grenada	GD	No	63	St Kitts and Nevis	KN	No
27	Guatemala	GT	No	64	St Lucia	LC	No
28	Guernsey	GG	No	65	St Vincent & Grenadines	VC	No
29	Hong Kong	HK	No	66	Switzerland	CH	No
30	Hungary	HU	No	67	Turks & Caicos Islands	TC	No
31	India	IN	No	68	United Arab Emirates (Dubai)	AE	No
32	Ireland	IE	Yes	69	United Kingdom	GB	Yes
33	Isle of Man	IM	No	70	Uruguay	UY	No
34	Israel	IL	No	71	US Virgin Islands	USV	No
35	Italy	IT	No	72	USA	US	No
36	Japan	JP	No	73	Vanuatu	VU	No
37	Jersey	JE	No				

ⁱ We believe this is a reasonable criterion given a) the prevalence of the internet in 2011, b) international financial flows are transacted using modern technology, and c) the people affected by these cross border financial flows are likely to be in many jurisdictions, and hence *need* online access to public records in other jurisdictions.

ⁱⁱ The full title of this annual publication is “Tax Co-operation. Towards a Level Playing Field”. The OECD notes for table D6: “This table shows for each of the countries reviewed the legal requirements relating to the nature of the accounting records that must be created and retained, specific requirements with respect to their auditing and lodgement with a governmental authority and the rules regarding the retention of the records.” (OECD 2010: 245). “Financial statements” are synonymous to “annual accounts”. Column four and five are described as follows: “Column 4 shows whether jurisdictions require the preparation of financial statements. Column 5 shows whether a requirement exists to file financial statements with a governmental authority and/or to file a tax return” (ibid.).

ⁱⁱⁱ We consider that for something to be truly ‘on public record’ there should be an absence of prohibitive barriers to access, either in the form of high access fees or unnecessary bureaucracy.