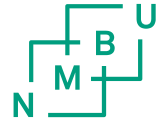


# Individuals' offshore tax evasion

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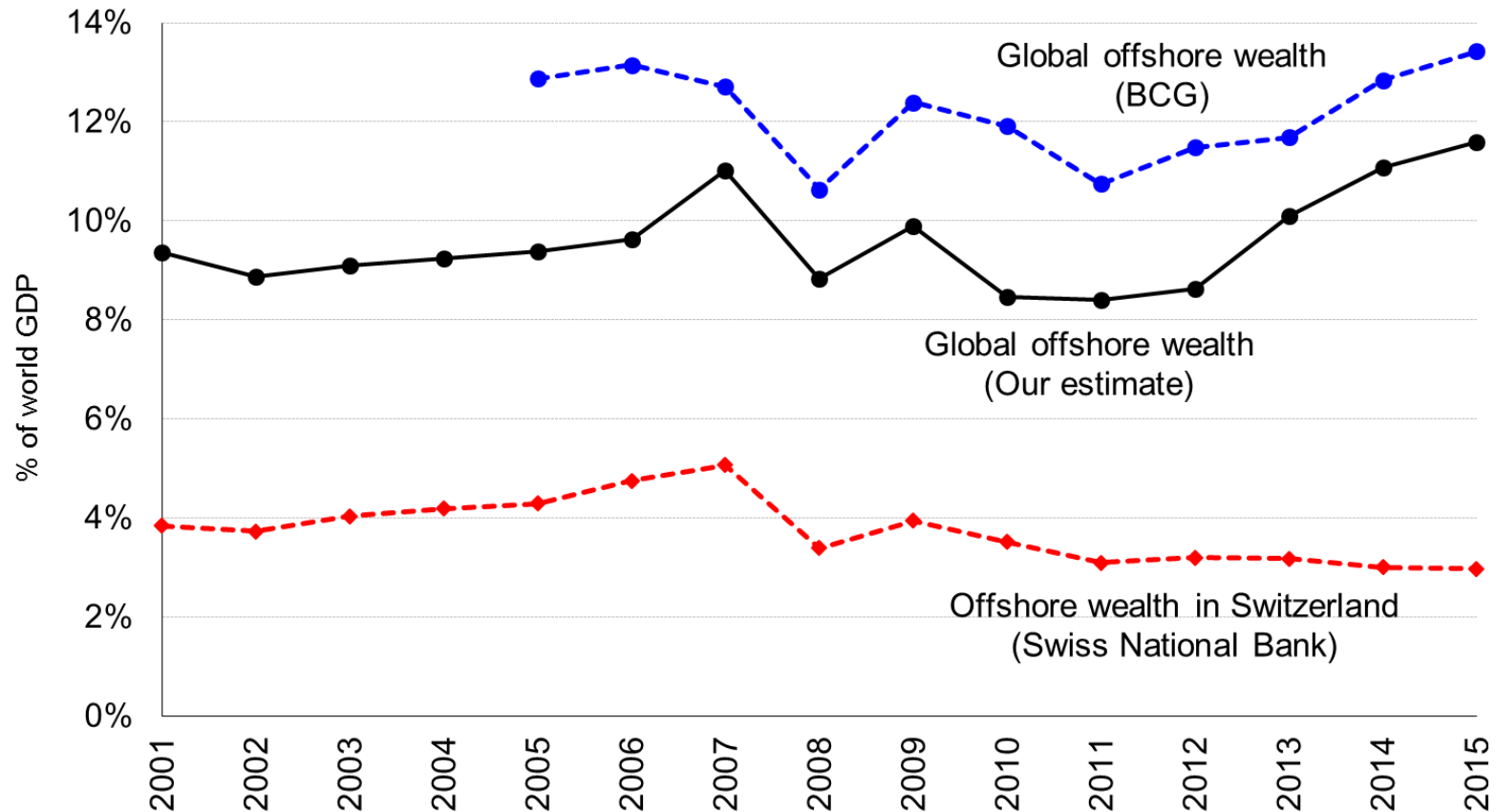
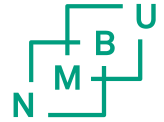
Hearing in the European Parliament  
TAX3 Special Committee on Financial  
Crimes, Tax Evasion and Tax Avoidance  
Brussels, January 24, 2019



# Tax gap estimates: How to measure the unobservable?

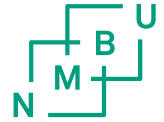
- Major challenge: data
- National tax administrations → How to observe residents' income and wealth abroad?
- New data sources shed light on the hidden world of offshore finance
- Constructive cooperation between tax administrations and researchers
- Can expand existing tax gap analysis with new techniques and data sources to give a more accurate estimate of the tax gap

# Estimates of households' global offshore financial wealth

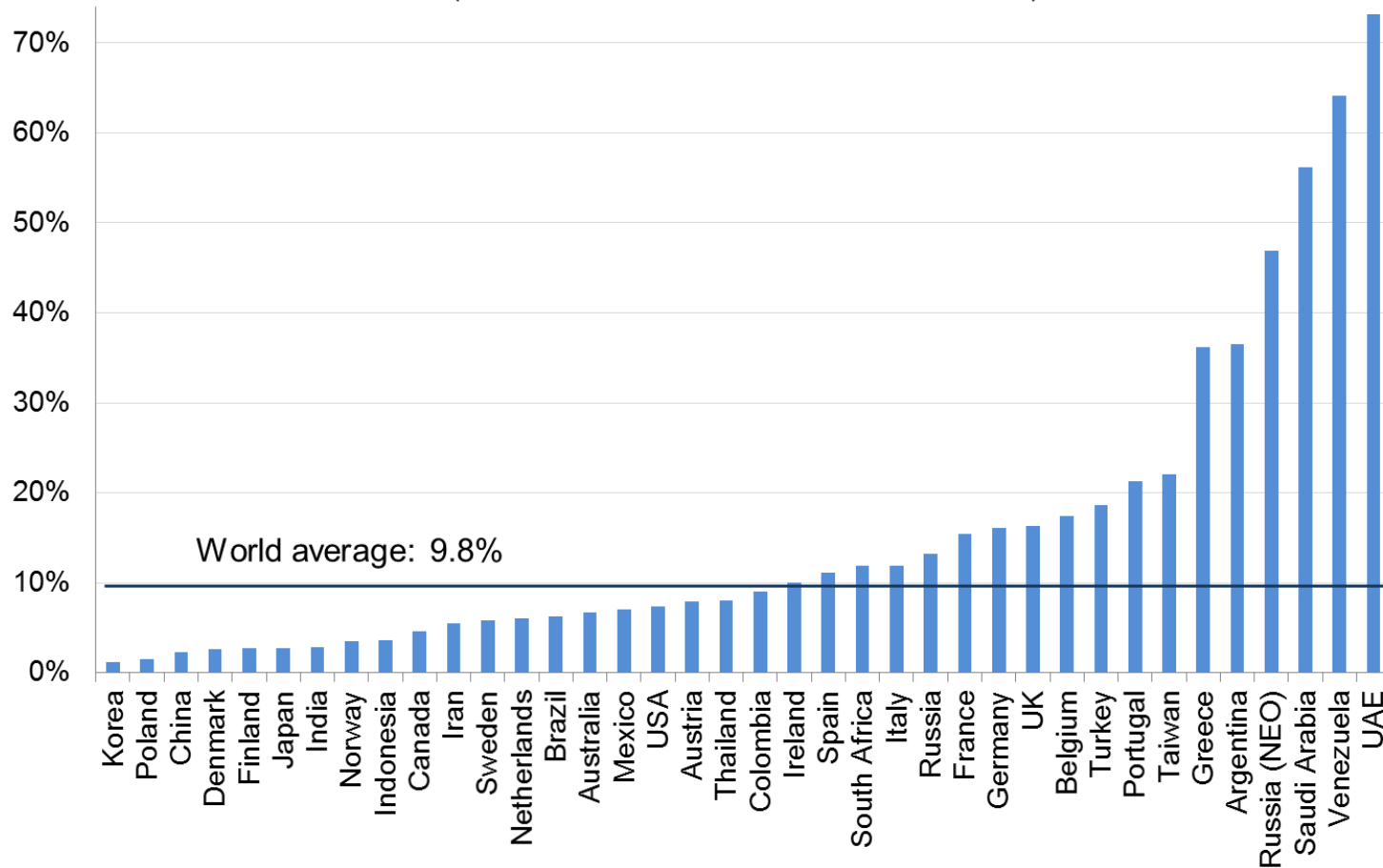


Source: Alstadsæter, Johannesen, Zucman (2018): Who owns the wealth in tax havens? Macro evidence and implications for global inequality. *Journal of Public Economics* 162, 89-100. <http://gabriel-zucman.eu/offshore/>

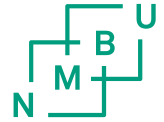
# Who owns the wealth in tax havens?



**Offshore wealth / GDP**  
(All countries with GDP > \$200 billion in 2007)



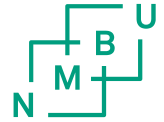
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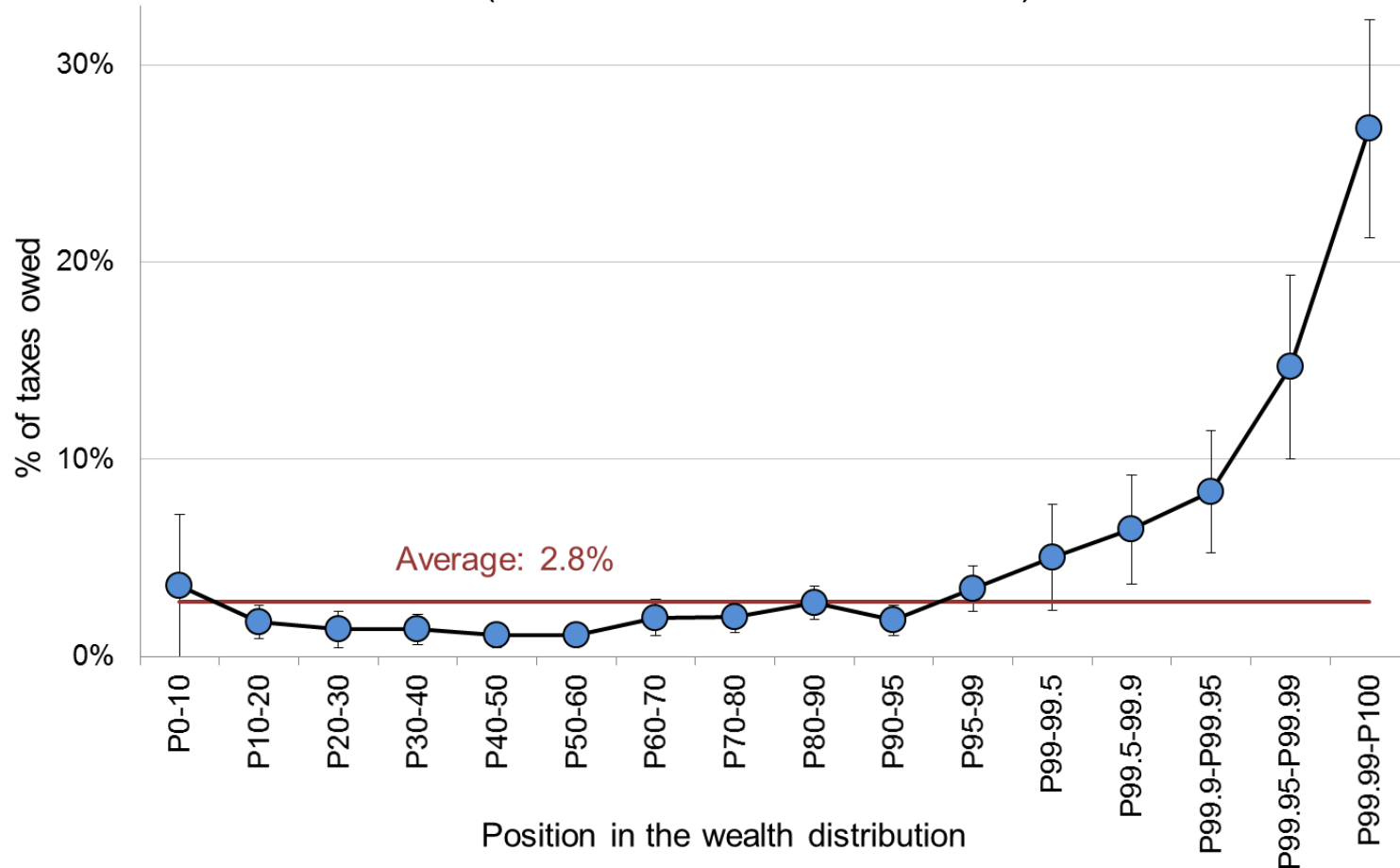
## Hidden wealth is concentrated at the top

- **Swiss Leaks:** 1% of the wealthiest Scandinavian households had an unreported bank account at HSBC Switzerland. They hid more than 40% of their wealth. This is only one of many banks.
- **Panama Papers:** More than 1% of the wealthiest households in Norway and Sweden appear in Panama Papers. This is only one of many providers of secrecy services.
- **Amnesties:** 14% of the wealthiest households in Norway and Sweden voluntarily *admit* having evaded taxes.

# Personal income tax gap in Scandinavia: small overall but high at the top



**Taxes evaded, % of taxes owed**  
(stratified random audits + leaks)



Source: Alstadsæter, Johannesen, Zucman: Tax evasion and Inequality.  
*American Economic Review*, forthcoming. <http://gabriel-zucman.eu/leaks/>