

KEY FINANCIAL SECRECY INDICATORS

Key Financial Secrecy Indicator 5: Public Company Accounts

What is measured?

KFSI 5 shows whether a jurisdiction requires all types of companies with limited liability to file their annual accounts and makes them readily accessible online via the internet for free (full credit) or at a maximum cost of US\$ 10, € 10 or £10 (0.5 credit).¹

For practical purposes we consider ownership information to be publicly available when it is not necessary to establish complex payment or user-registration arrangements for accessing the data (e.g. registration of bank account, requirement of a local identification number or sending of hard-copy mails).² We performed a random search on each of the relevant corporate registries to ensure that the accounts are effectively available and that technical problems do not persistently block access to information. A precondition for awarding a credit is that all available types of companies with limited liability are required to keep accounting records, including underlying documentation.

If relevant data can only be accessed by paying a fee, it can be prohibitively expensive to import this data into an open data environment, even if the cost per record is low. This creates substantial hurdles for conducting real time network analyses, for constructing cross-references between companies and jurisdictions, and for new creative data usages.³ 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. Therefore, a full credit is only given if the access to the information is for free.

We have drawn this information from four principal sources⁴:

First, the 2010 OECD-report (Tax Co-operation 2010⁵) and 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.

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

Third, results of the TJN-Survey 2015 or older have been included.

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

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 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, accounts allow public assessment of potential risks they face in trading with limited liability 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 activities of companies. Unhindered access to foreign companies' and subsidiaries' accounts 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.

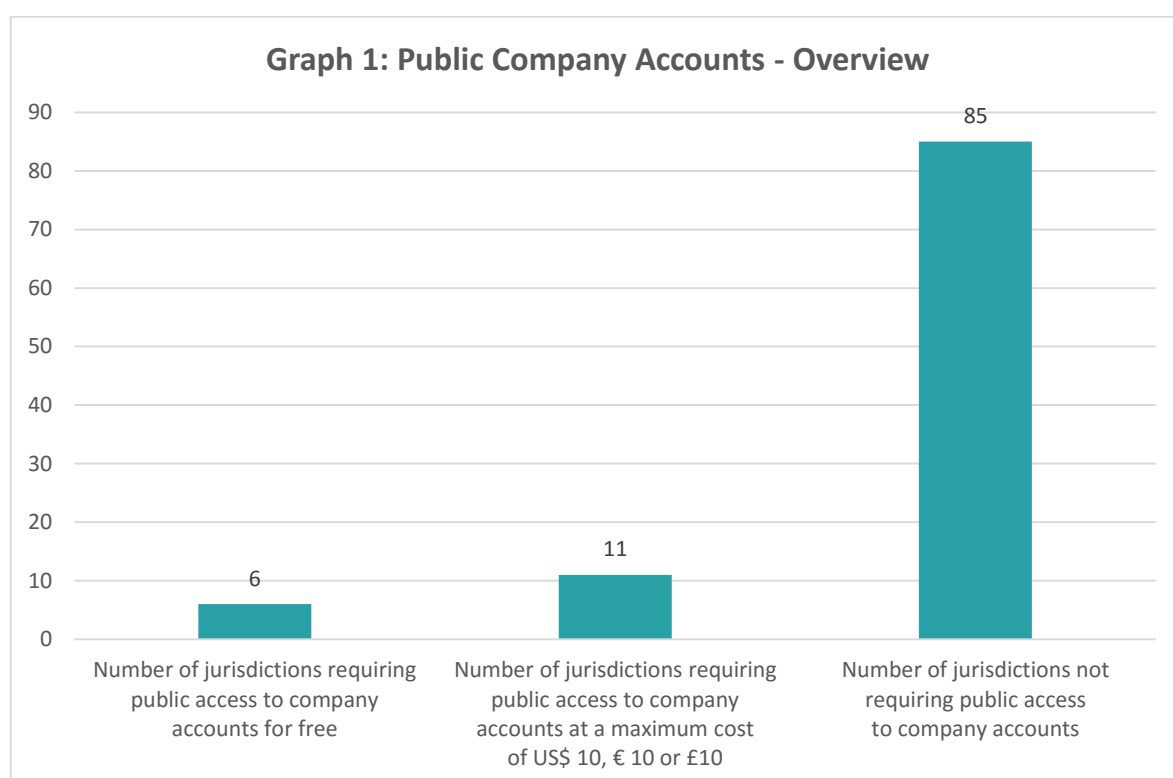
Many transnational corporations structure their global network of subsidiaries and operations in ways that take advantage of the absence of any requirement to publish accounts on public record. Secrecy jurisdictions enable and encourage corporate secrecy in this respect. If annual accounts were required to be placed online in every jurisdiction where a company operates, the resultant transparency would inhibit transfer pricing abuse and other tax avoidance techniques. 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?

Tax avoidance and evasion by transnational companies, commercial transfer mispricing, trade mispricing, double dipping/corporate fraud, money laundering, hiding of the proceeds of bribery and other crimes might hide behind the secrecy that the absence of published company accounts can provide.

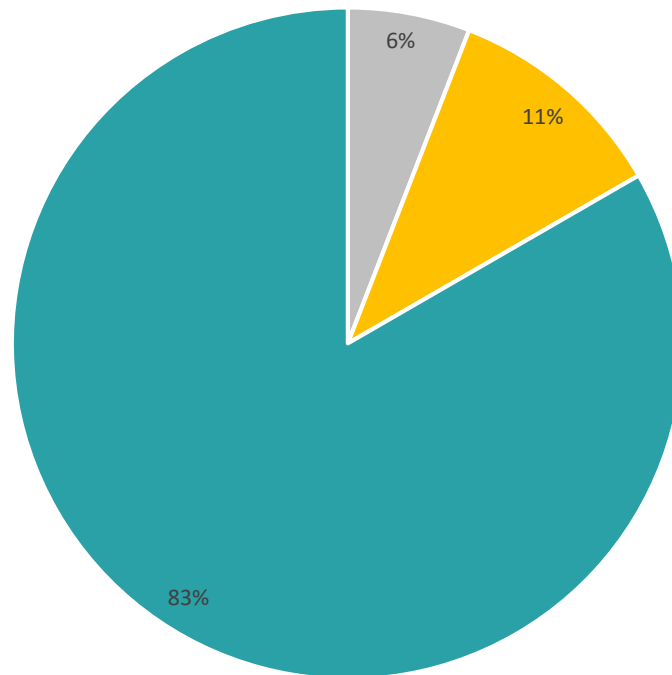
Results Overview

Table 1: Public Company Accounts – Overview	
Number of jurisdictions requiring public access to company accounts for free	6
Number of jurisdictions requiring public access to company accounts at a maximum cost of US\$ 10, € 10 or £10	11
Number of jurisdictions not requiring public access to company accounts	85



Results Detail

Graph 2: Public Company Accounts - Details



- Number of jurisdictions requiring public access to company accounts for free: BE, CZ, DK, GB, SI, SK
- Number of jurisdictions requiring public access to company accounts at a maximum cost of US\$ 10, € 10 or £10: AT, FI, FR, EE, HU, IE, IT, LU, MT, NO, SE
- Number of jurisdictions not requiring public access to company accounts: All other jurisdictions

KFSI 5: PUBLIC COMPANY ACCOUNTS

Table 2: Public Company Accounts - Details										
ID	Country	ISO	Credits	Public	ID	Country	ISO	Credits	Public	
1	Andorra	AD	0	No	52	Latvia	LV	0	No	
2	Anguilla	AI	0	No	53	Lebanon	LB	0	No	
3	Antigua & Barbuda	AG	0	No	54	Liberia	LR	0	No	
4	Aruba	AW	0	No	55	Liechtenstein	LI	0	No	
5	Australia	AU	0	No	56	Luxembourg	LU	0.5	Yes	
6	Austria	AT	0.5	Yes	57	Macao	MO	0	No	
7	Bahamas	BS	0	No	58	Macedonia	MK	0	No	
8	Bahrain	BH	0	No	59	Malaysia (Labuan)	MY	0	No	
9	Barbados	BB	0	No	60	Maldives	MV	0	No	
10	Belgium	BE	1	Yes*	61	Malta	MT	0.5	Yes	
11	Belize	BZ	0	No	62	Marshall Islands	MH	0	No	
12	Bermuda	BM	0	No	63	Mauritius	MU	0	No	
13	Bolivia	BO	0	No	64	Mexico	MX	0	No	
14	Botswana	BW	0	No	65	Monaco	MC	0	No	
15	Brazil	BR	0	No	66	Montenegro	ME	0	No	
16	British Virgin Islands	VG	0	No	67	Montserrat	MS	0	No	
17	Brunei	BN	0	No	68	Nauru	NR	0	No	
18	Canada	CA	0	No	69	Netherlands	NL	0	No	
19	Cayman Islands	KY	0	No	70	New Zealand	NZ	0	No	
20	Chile	CL	0	No	71	Norway	NO	0.5	Yes	
21	China	CN	0	No	72	Panama	PA	0	No	
22	Cook Islands	CK	0	No	73	Paraguay	PY	0	No	
23	Costa Rica	CR	0	No	74	Philippines	PH	0	No	
24	Curacao	CW	0	No	75	Poland	PL	0	No	
25	Cyprus	CY	0	No	76	Portugal (Madeira)	PT	0	No	
26	Czech Republic	CZ	1	Yes*	77	Russia	RU	0	No	
27	Denmark	DK	1	Yes*	78	Samoa	WS	0	No	
28	Dominica	DM	0	No	79	San Marino	SM	0	No	
29	Dominican Republic	DO	0	No	80	Saudi Arabia	SA	0	No	
30	Estonia	EE	0.5	Yes	81	Seychelles	SC	0	No	
31	Finland	FI	0.5	Yes	82	Singapore	SG	0	No	
32	France	FR	0.5	Yes	83	Slovakia	SK	1	Yes*	
33	Gambia	GM	0	No	84	Slovenia	SI	1	Yes*	
34	Germany	DE	0	No	85	South Africa	ZA	0	No	
35	Ghana	GH	0	No	86	Spain	ES	0	No	
36	Gibraltar	GI	0	No	87	St Kitts and Nevis	KN	0	No	
37	Greece	GR	0	No	88	St Lucia	LC	0	No	
38	Grenada	GD	0	No	89	St Vincent & Grenadines	VC	0	No	
39	Guatemala	GT	0	No	90	Sweden	SE	0.5	Yes	
40	Guernsey	GG	0	No	91	Switzerland	CH	0	No	
41	Hong Kong	HK	0	No	92	Taiwan	TW	0	No	
42	Hungary	HU	0.5	Yes	93	Tanzania	TZ	0	No	
43	Iceland	IS	0	No	94	Turkey	TR	0	No	
44	India	IN	0	No	95	Turks & Caicos Islands	TC	0	No	
45	Ireland	IE	0.5	Yes	96	United Arab Emirates (Dubai)	AE	0	No	
46	Isle of Man	IM	0	No	97	United Kingdom	GB	1	Yes*	
47	Israel	IL	0	No	98	Uruguay	UY	0	No	
48	Italy	IT	0.5	Yes	99	US Virgin Islands	VI	0	No	
49	Japan	JP	0	No	100	USA	US	0	No	
50	Jersey	JE	0	No	101	Vanuatu	VU	0	No	
51	Korea	KR	0	No	102	Venezuela	VE	0	No	

Note: Yes* indicates "Jurisdictions requiring public access to company accounts for free"

¹ We believe this is a reasonable criteria given a) the prevalence of the internet in 2015, b) as international financial flows are now completely relying on the use of 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 criteria is now also in line with 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/>; 15.05.2015.

² 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.

³ For more information about this see <http://opencorporates.com/>; 26.05.2015.

⁴ To see the sources we are using for particular jurisdictions please check the corresponding information in our database, available at www.financialsecrecyindex.com/database/menu.xml.

⁵ The full title of this annual publication is "Tax Co-operation: Towards a Level Playing Field". Table D6 is the main source in the OECD report. 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). 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.).

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, among others, to the requirement to keep underlying documentation as well as to the retention period for keeping accounting records. The reports can be viewed at: <http://www.eoi-tax.org/>; 15.5.2015