Offshore tax abuse: Methodological note for the State of Tax Justice 2026

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This methodological note accompanies chapter 4 of the *State of Tax Justice 2026*, "What the world loses to tax abuse by individuals hiding wealth offshore". The chapter estimates how much tax revenue countries lose because wealthy individuals hold financial wealth in accounts abroad and do not pay tax on the returns from it at home.

We measure this loss in three steps. First, we take the estimates of the International Tax Observatory of the financial wealth households hold offshore, of the financial centres[1] where it is held and of the countries where its owners live (Faye et al. 2025). These estimates follow the method of Zucman (2013), who derives offshore wealth from the gap between the portfolio securities reported as liabilities and those reported as assets in international investment statistics. Securities that households hold through accounts in financial centres are missing from the assets, because neither the financial centres nor the owners' countries record them. The wealth is allocated to financial centres and owner countries following Alstadsæter et al. (2018). Second, for every owner country, financial centre and year, we estimate which part of this wealth the automatic exchange of information makes visible to the tax authority of the owner's country, and how much of the visible wealth is almost certainly not taxed. We draw on the records of the exchange relationships in place (OECD 2026a; Global Forum on Transparency and Exchange of Information for Tax Purposes 2025; Internal Revenue Service 2024), on the statistics of the reports tax authorities receive and match (Boas, Collin, et al. 2025; Boas, Collin, et al. 2026), on evidence on the reporting of trusts and investment entities (Bomare and Collin 2025), on Danish register data on what the reports lead to (Boas, Johannesen, et al. 2026), and on estimates of the share of offshore wealth that owners declared before any exchange of information (Johannesen and Zucman 2014; Alstadsæter et al. 2019). Third, we value the tax lost on the hidden wealth and on the part of the visible wealth that is almost certainly not taxed, by the country where the owners live (losses suffered) and by the financial centre where the wealth is held (losses caused) (Section 2.3). These losses are a lower bound, because tax authorities might not match

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[1]As these 'financial centres' enable individuals and companies to hide their assets, income or ownership from authorities in other countries, helping them circumvent tax rules and other legal obligations, we prefer to call them 'secrecy jurisdictions'. We use the term 'financial centres' in this note to adequately reflect the work we built on, in particular Faye et al. (2025), which calls them 'financial centres'.

all the information from the automatic exchange of information that could be matched, and might not enforce taxation on all visible wealth.

We report three measures:

- **Offshore wealth** is the financial wealth households hold in financial centres abroad, by owner country and financial centre (Section 2.1).
- **Visible and hidden wealth.** Visible wealth is the part of offshore wealth that the tax authority of the owner's country could know about, because it would potentially have enough information to match it to a taxpayer, or because the owner probably declared it. Hidden wealth is the rest (Section 2.2).
- **Tax revenue lost** is the tax lost on the hidden wealth and on the part of the visible wealth that is almost certainly not taxed, by the country where the owners live (losses suffered) and by the financial centre where the wealth is held (losses caused) (Section 2.3).

Conventions. The report gives its results in current US dollars, to match the offshore wealth estimates it builds on (Faye et al. 2025). The exceptions are the global loss of 2023 and the country results in its annex, which are at 2025 prices, converted with the GDP deflator of the US Bureau of Economic Analysis, to make them comparable with the report's estimates of corporate tax abuse. The estimates cover the years 2016 to 2023, about 170 owner countries and all household financial wealth held offshore. We call offshore wealth "visible" if the tax authority of the owner's country could know about it, because it would potentially have enough information to match it to a taxpayer, and "hidden" otherwise (Section 2.2.4).

The note first describes the data and sample (Section 1). It then explains the methodology (Section 2): how we take the estimates of offshore wealth and its allocation to financial centres and owner countries (Section 2.1), how we determine which part of this wealth is visible to the tax authority of the owner's country and which part is hidden (Section 2.2), and how we value the tax lost (Section 2.3). All code and non-confidential data are available in the accompanying replication package.

1 Data and sample

We cover the years 2016 to 2023 and about 170 owner countries. 2016 is the first year for which account data were exchanged under the CRS.

Offshore wealth. We take offshore wealth from the estimates of the International Tax Observatory (Faye et al. 2025), in the export of its Atlas of the Offshore World of 6 October 2026. They give the household financial wealth held offshore by owner country and by group of financial centres (Switzerland, other European, Asian and American centres), and the wealth booked in each of 21 financial centres (18 from 2018), for the years 2001 to 2023.

Bank deposits. We use the locational banking statistics of the Bank for International Settlements (BIS), downloaded on 18 February 2026. They give the cross-border positions

of each reporting financial centre vis-à-vis each counterparty country. We use them to split the wealth in each centre across owner countries (Section 2.1) and to measure each country's household share of cross-border deposits (Section 2.2.3).

Exchange of information. For each of the 20 financial centres that take part in the Common Reporting Standard (CRS),[2] we record the first year of account data it sent to each partner. We take this year from the centres' own partner lists, laws and decrees, from the OECD register of activated exchange relationships (OECD 2026a), and from the Global Forum's confidentiality clearances and peer reviews (Global Forum on Transparency and Exchange of Information for Tax Purposes 2025). For the United States, we use the reciprocal FATCA agreements (Internal Revenue Service 2024).

Reporting, matching and enforcement. We use the CRS statistics of Denmark, Germany and other receiving countries, as compiled by Boas, Collin, et al. (2025) and Boas, Collin, et al. (2026), the statistics that six further countries publish, and Danish register data on what the reports led to (Boas, Johannesen, et al. 2026). The rules of the financial centres on the registration of reporting institutions and on nil returns come from their laws, the guidance of their tax authorities and the Global Forum's peer reviews.

Tax rates. We take the top statutory personal income tax rates of OECD countries from the OECD Tax Database (OECD 2026b). For all other countries, we take the rates for 2016–2020 from KPMG's individual income tax rate tables. For the later years, for the countries these tables do not cover, and where we found their rate to be wrong, we researched the rate in force in each year in the edition of the EY Worldwide Personal Tax and Immigration Guide current in that year (EY 2016–2024), in official sources and in other dated professional guides. We apply three conventions. We use the rate of the tax on overall income where one exists, and otherwise the employment-income schedule. We include permanent national surcharges on top incomes.[3] Where taxpayers can choose, we use the default regime.

2 Methodology

We start from existing estimates of offshore wealth and its allocation to financial centres and owner countries (Section 2.1). We then determine, for each owner country, financial centre and year, which part of this wealth is visible to the tax authority of the owner's country and which part is hidden (Section 2.2). Finally, we estimate the tax revenue lost on the hidden wealth and on the part of the visible wealth that is almost certainly not taxed (Section 2.3).

[2] Under the CRS, designed by the OECD and peer-reviewed by the Global Forum on Transparency and Exchange of Information for Tax Purposes, financial institutions report the accounts of customers who are tax residents of another participating jurisdiction to their own tax authority, which passes the information on to the tax authority of the customer's country. The exchange is meant to be reciprocal, but jurisdictions that do not tax income may send information without receiving any, and others receive information only once the Global Forum has confirmed that they keep it confidential and secure. Box 4.1 of the report introduces the CRS and the US system, FATCA.

[3] For example India's surcharge and cess, and Bangladesh's net-wealth surcharge at its top band.

2.1 Offshore wealth and its allocation to financial centres and owners

The International Tax Observatory has estimated offshore household financial wealth up to 2023, including where it is held and who owns it (Faye et al. 2025). The estimates assign the wealth to the countries of its ultimate owners and to the financial centres where the accounts are booked, which is also where the accounts are reported under the automatic exchange of information. The financial centres of these estimates include the United States and the United Kingdom. We use these estimates and their allocation, and build our adjustment for the exchange of information on the same level.

We depart from them in how we attribute the wealth held in Asian financial centres to its owners. In the published figures of Faye et al. (2025), the owner distribution across Asian centres is based on confidential BIS shares of 2006–07 (Alstadsæter et al. 2018). Shares this old, combined with the strong growth of the Asian centres since then, might distort the owner totals by crediting too much of the wealth in Asian centres to owners in China and Taiwan and too little to owners in other countries, such as the United Kingdom. In the published figures, the offshore wealth of Taiwan's residents reaches about 100 per cent of its GDP in 2023. We instead apply the authors' own allocation formula centre by centre, on current public BIS data wherever centres report bilateral data, as their code does before pooling the centres into groups. Within each centre, owner countries take their share of the centre's household-adjusted deposits. This keeps the global total and the total of every centre as published, but moves some owner totals. The values for single owner–centre pairs are our allocation.

2.2 Adjustment for the automatic exchange of information

We adjust offshore wealth for the automatic exchange of information under the CRS and the Foreign Account Tax Compliance Act (FATCA)[4], for each owner country, financial centre and year. First, we determine whether exchange was in place (Section 2.2.1). Second, we estimate what the financial centre reports under the exchange of information regime and how much of the offshore wealth this covers (Section 2.2.2). Third, we estimate which part of the reported wealth the owner country is probably able to match to its taxpayers (Section 2.2.3). Together, these steps determine which part of offshore wealth is visible to the tax authority of the owner's country and which part is hidden (Section 2.2.4). Finally, we use existing estimates of how much of the visible wealth is almost certainly not taxed (Section 2.2.5).

2.2.1 Is automatic exchange of information in place?

We treat an owner country as receiving information from a financial centre in a given year if the centre actually sent account data on the country's residents for that year. For each of the 20 financial centres in the data that take part in the CRS, we record the first calendar year of data

[4]FATCA, enacted by the United States in 2010, requires financial institutions worldwide to report the accounts of US citizens and residents, including accounts held through companies controlled by US persons, to the US Internal Revenue Service. It is enforced by a 30 per cent withholding tax on US payments to financial institutions that do not comply. The United States sends information to only 55 jurisdictions and does not tell them who owns the companies and trusts that hold accounts in the United States. Box 4.1 of the report introduces the CRS and FATCA.

sent to each partner. Where a centre publishes its own partner list, law or decree, we take the year from there.[5] Otherwise we use the OECD register of activated relationships, and failing both, the later of the two countries' first exchange years.

Non-reciprocal periods count as not receiving, as do owner countries that send but do not receive and periods in which the partners suspended their exchanges.[6]

The United States does not take part in the CRS. Instead, FATCA covers its residents in every financial centre throughout our period: foreign financial institutions have reported US account holders to the IRS since the 2014 data, including the US owners behind passive companies. In return, the United States sends information only to the jurisdictions with which it has agreed to exchange automatically, 55 at the end of 2024 (Internal Revenue Service 2024). Each of them counts as receiving information on the wealth that its residents hold in the United States from the first year of account data it received. All other countries receive no information on this wealth. The next two steps describe what the reports under FATCA cover and how much of it can be matched (Sections 2.2.2 and 2.2.3).

2.2.2 What does the financial centre report?

The studies of the CRS give estimates for individual receiving countries, most importantly Denmark (Boas, Collin, et al. 2025; Boas, Collin, et al. 2026; Boas, Johannesen, et al. 2026; Bomare and Collin 2025). In this step, however, we need information about the reporting financial centre. We assume that financial institutions of the same type in a given centre report with similar quality for all owner countries. We distinguish between reports filed by banks and reports filed by other financial institutions.

Reports by banks. Banks, including banks in financial centres, have strong reasons to report the accounts of their individual customers fairly diligently. What a bank gains from leaving out a single customer's account is small compared with the risk of being sanctioned by its supervisor, which could threaten its whole business. The authorities also know which banks operate in their jurisdiction, so they expect each of them to file and can check whether it has. Consistent with this, a bank in the Isle of Man whose data were leaked likely reported 89 per cent of the individuals that it had to report for 2016, the first year of the CRS, and 98 per cent for 2018, according to the authors' classification (Bomare and Collin 2025, p. 16). The bank thus came close to full reporting within three years.

Many wealthy individuals do not hold their bank account in their own name but through a company, such as a holding company whose income is mostly investment income. The bank reports such a company only if it is passive. It then also reports the company's controlling persons, that is, its true owner or, when nobody owns more than 25 per cent or the owner cannot be found, another relevant person, such as the senior managing official. Active companies, which

[5] This is the case for Switzerland, Hong Kong, Singapore, Luxembourg, the United Kingdom, Guernsey, Jersey, the Isle of Man, Austria, Belgium and Curaçao.

[6] For example, Ghana sent information for three years, from 2019, without receiving any, several Gulf states send but do not receive, and Russia's partners suspended their exchanges with it from its 2021 data. Box 4.1 of the report discusses why exchanges are not always reciprocal.

mainly run a business, are reported without their owners, and only to the country where the company itself is resident, not to the country where its owners live. For company accounts, the bank has more room and fewer reasons to report. Whether a company counts as active or passive is decided by the bank's staff, partly on the basis of the client's own declaration, and a passive company can be presented as active (Bomare and Collin 2025, pp. 7–8). The authorities can hardly check this classification. Reports on company accounts are therefore probably less complete than those on individual accounts, and when they are filed, they often do not name the true owner. At the Isle of Man bank, only 30 to 52 per cent of the assets that residents of reporting countries held through companies were reported in the first three years of the CRS, 2016–2018, without any upward trend. Up to 48 per cent were held through active companies that the bank did not have to report, and 16 to 23 per cent were not reported for reasons the authors could not determine (Bomare and Collin 2025, p. 17).

We assume that banks report all the accounts of individuals and of passive companies that they must report, once reporting is fully in place. How reporting built up until then is described in the next paragraph. For company accounts, this assumption is conservative for our loss estimate, given the evidence from the Isle of Man. The reports, however, are of decent quality only for individuals. Reports on individual accounts name the account holder, while many reports on company accounts name another person than the true owner. This becomes relevant in the next step, which asks how much of the reported wealth can be matched to its owner (Section 2.2.3). Wealth held through active companies is not reported with its owners, and companies that are themselves financial institutions report on their own (see below).

Banks took several years to report fully. To estimate what share of the wealth they hold banks reported in each year, we draw on Denmark, the one country where the reports received can be compared like for like with an estimate of its residents' offshore wealth (Boas, Collin, et al. 2025; Boas, Collin, et al. 2026). Denmark's data imply that the banks in the financial centres that report to Denmark reported 58 per cent of the wealth that Danes held with them for 2019, and all of it for 2022.[7] For 2020 and 2021, we assume that banks reported 73 and 88 per cent, interpolating between the two years, and for 2023 that they reported all of it, as for 2022. For 2016–2018, when banks had only started to report, we scale the 2019 level down in line with how completely foreign banks reported on their Danish customers. According to Boas, Johannesen, et al. (2026), foreign banks reported 26 per cent of these customers' account balances for 2016 and 75 per cent for 2017, against 83 per cent for 2019. For 2018, they reported 87 per cent, slightly more than for 2019, so we use the 2019 level. Banks in the financial centres therefore reported 19 per cent of the wealth for 2016, 54 per cent for 2017 and 59 per cent for 2018. We apply these shares to the banks in all financial centres, for all owner countries, and to the accounts of individuals and companies alike. Whether the owner country can match what banks

[7] The reports covered 51 per cent of Danes' offshore wealth in these centres for 2019 and 93 per cent for 2022 (DKK 127 and 248 billion of reports against DKK 249.5 and 267.4 billion of offshore wealth). About 12 per cent of this wealth for 2019 and 11 per cent for 2022 is held through other financial institutions that do not report (see below). The banks' share is the coverage divided by the rest. Boas, Collin, et al. (2026) report a coverage of 71 per cent for 2022, because they compare the same reports with Danes' offshore wealth in all jurisdictions that take part in the CRS. This includes the United Kingdom, whose reports are not among those from financial centres in the Danish statistics.

report to the true owner differs between individual and company accounts and between owner countries. This is the subject of the next step (Section 2.2.3).

Reports by other financial institutions. Some individuals hold their wealth through entities that are themselves financial institutions, for example investment companies or trusts whose assets are managed by a trust company or an asset manager. The bank where such an entity holds its account does not report its owners. The entity, or the firm that manages it, must report them itself. Its incentives are completely different from a bank's. It depends on one or a few owners, so that reporting comes close to self-reporting. There are also so many such entities that authorities, especially abroad, cannot establish whether a given one has reported. The Isle of Man, for example, had more than 9,000 financial institutions reporting under the CRS in 2021, but only 11 banks (Bomare and Collin 2025, p. 19). A large part of the wealth held through such entities therefore probably goes unreported. At the Isle of Man bank, these entities rather than the bank were responsible for reporting 81 per cent of the wealth of residents of reporting countries in 2018 (Bomare and Collin 2025, p. 19). No study measures how often they fail to report. We assume that 40, 60 or 80 per cent of their wealth goes unreported, depending on the rules of the jurisdiction where they are resident. A structure that never files stays invisible unless the jurisdiction knows which institutions have to report and hears from each of them every year. We therefore count the weaknesses of each jurisdiction's rules. A jurisdiction has one weakness if it does not require all reporting financial institutions to register, and another if it does not require nil returns from the institutions that have nothing to report. A rating of partially compliant by the Global Forum for the effectiveness of its exchange in practice counts as one further weakness, and a rating of non-compliant as two (first review, mostly in 2022). A rule counts from the first year of data to which it applies, and a rule that we could not establish counts as missing. With no weakness, we assume that 40 per cent of the structures' wealth goes unreported, with one weakness 60 per cent, and with two or more 80 per cent.

A structure reports in the jurisdiction where it is resident, which is not always the financial centre where its account is booked. In most centres, we assume that the structures are resident in the centre itself and use the centre's own share. In six centres (Switzerland, the United Kingdom, Luxembourg, Hong Kong, Singapore and Macao), however, many accounts belong to structures that are based elsewhere, for example a trust or company from the British Virgin Islands or Jersey with an account at a Swiss bank. Whether such wealth is reported depends on the rules of that jurisdiction, not on those of Switzerland. No data show how the structures' wealth in these centres is split between local and foreign structures, so we assume half each. For the foreign half, we use the average share of the other financial centres in which such structures are based, weighted by the deposits that non-banks from each of them hold with the centre's banks (BIS data for 2021).[8] In these six centres, the share that goes unreported therefore lies between the three levels. In Switzerland, for example, it is 52 to 59 per cent for 2017–2023, although Switzerland's own rules have no weakness in these years, because many of the structures with Swiss accounts are based in jurisdictions with weaker rules.

[8]The BIS data do not show the British Virgin Islands separately. We assume that they account for a quarter of the foreign half.

Of the wealth of the structures that do report, the same share is reported as of banks' accounts. As for banks' reports, how much of it can be matched depends on whether the report names the true owner (Section 2.2.3).

How much of the wealth is held through banks and through other institutions. The share of each centre's offshore wealth that is held through other reporting institutions, that is, through structures that report on themselves, ranges from 2–5 per cent in bank-centred places to 30–45 per cent in trust hubs and Switzerland. We set these shares ourselves for each centre, according to its type: bank-centred centres, Asian and European private banking centres, custody and wealth hubs, corporate-structure hubs, and trust and company hubs.[9] The share of a centre's wealth that is reported is the weighted average of the share that banks report and the share that other financial institutions report, weighted by how much of the centre's wealth is held through each. In Switzerland, for example, 70 per cent of the wealth is held with banks and 30 per cent through other institutions. For 2022, banks report all of their part and other institutions 46 per cent of theirs, so 84 per cent of the wealth in Switzerland is reported. This reported share applies to the residents of every owner country that receives information from the centre.

Reports under FATCA. FATCA differs from the CRS in two ways that matter for our estimates. First, the reports on US residents abroad are probably more complete. Financial institutions that do not report face a 30 per cent withholding tax on their US income, and they have reported since the 2014 data. We therefore assume that banks in every financial centre report all the accounts of US residents from 2016, without the build-up that we assume under the CRS. Structures that report on themselves are as likely to fail to report under FATCA as under the CRS. FATCA also lets them report on their own owners, so it suffers from the same lack of incentives for good reporting (Bomare and Collin 2025, p. 8). The reported share of US residents' wealth in a centre is therefore the share of the centre's wealth that does not sit in structures that fail to report. For 2022, it is 71 per cent in Jersey, 84 per cent in Switzerland and 98 per cent in Macao, and 89 per cent of all their offshore wealth.

Second, the reports that the United States sends are much narrower. They cover only accounts held in the owner's own name, not the owners of companies and trusts. For a country that receives information from the United States, the share of its residents' wealth in the United States that is reported therefore depends on two things. The first is how much of this wealth is held in the owners' own names, since the wealth held through companies and trusts goes unreported. We take this own-name share from the CRS statistics, and it differs between owner countries (Section 2.2.3). The second is how completely US banks report the own-name accounts. We assume that they report as completely as banks under the CRS and use the share of Danes' offshore wealth that the reports to Denmark covered (51 per cent for 2019 and 93 per cent for 2022). The reported share is the product of the two. Of all the wealth booked in the United

[9] Bank-centred centres 2–5 per cent (Macao, Bahrain, the United Arab Emirates and Malaysia), Panama 9 per cent, Hong Kong 11 per cent, Cyprus 11 per cent, Austria and Belgium 15 per cent, Singapore 16 per cent, the United Kingdom 17 per cent, Luxembourg 21 per cent, Switzerland 30 per cent, and trust and company hubs 30–45 per cent (the Isle of Man, Curaçao, the Bahamas, Guernsey, Jersey, Bermuda and the Cayman Islands).

States, 50 per cent was reported for 2022, also because residents of countries that receive no information from the United States own about a quarter of it.

Table 1 summarises the assumptions of this section for 2019 and 2022.

Table 1: Share of offshore wealth that financial centres report, by reporting institution, 2019 and 2022 (per cent)

Wealth held	2019	2022
With banks		
In the owner's own name	58	100
Through a passive company	58	100
Through other financial institutions, in a jurisdiction whose rules have		
no weakness (40 per cent unreported)	35	60
one weakness (60 per cent unreported)	23	40
two or more weaknesses (80 per cent unreported)	12	20
All wealth in a financial centre		
Lowest share (Jersey)	41	71
Switzerland	48	84
Highest share (Macao)	57	98

The table shows the share of offshore wealth that we assume financial centres report to the tax authority of the owner's country, for 2019 and 2022. It applies to owner countries that receive information from the financial centre under the CRS. Banks report the same share of the accounts held in the owner's own name and of the accounts of passive companies, but the reports differ in quality (see Table 2). Other financial institutions are investment companies or trusts that are managed by a trust company or an asset manager and must report themselves. Depending on the weaknesses in the rules of the jurisdiction where they are resident, 40, 60 or 80 per cent of their wealth goes unreported, and the rest is reported in the same share as banks' accounts. In six centres, the unreported share lies between these three levels (see text). The share for all wealth in a financial centre is the weighted average of the shares for banks and for other financial institutions, weighted by how much of the centre's wealth is held through each. Between 2 and 45 per cent is held through other financial institutions, depending on the centre. US residents' wealth and wealth booked in the United States are reported under FATCA and follow the rules described in the text.

2.2.3 How much of the reported wealth can be matched to its owners?

How much of the reported wealth can be matched to its true owner depends on how the wealth is held. Some individuals own an account directly in their own name. The report on such an account names them, and matching should be straightforward for a tax authority.[10]

Others hold their wealth via a holding company that functions as the account owner. As described in Section 2.2.2, banks report such a company together with its controlling persons. The report therefore names the true owner only in part of the cases, and otherwise another person linked to the company, such as the senior managing official. Of the wealth held through holding companies, only about a third can be matched on average.[11] From the United States,

[10] Germany matched 87–95 per cent of the individual accounts reported from financial centres, and Spain 92–96 per cent of all the reports it received for 2019–2022 (Boas, Collin, et al. 2025).

[11] In the Danish reports, the true owner was named for 39 per cent of the wealth held through companies for 2016–2019, 32 per cent for 2020, 28 per cent for 2021 and 26 per cent for 2022–2023 (Boas, Collin, et al. 2025; Boas, Collin, et al. 2026). Reports that name only another person linked to the company are hardly used by the administrations. Germany matched only 36–52 per cent of entity accounts, and Belgium's Court of Audit found

countries receive reports only on accounts held in the owner's own name, not on companies (Section 2.2.2), so none of the wealth that companies hold there is reported in the first place.

We count all wealth whose report names the true owner as matchable, whether or not the administration actually matches the report. What is decisive is that the report can be linked to the owner at all. An owner who is named in a report must expect the administration to link it to them, and the mere threat of a match probably has a similar effect to an actual match.[12] We call the matchable part of the reported wealth the identified share.

The identified share of the reported wealth therefore depends on the ratio between wealth held individually and wealth held through holding companies. To assign the matchable part of the reports to each owner country according to this ratio, we draw on two countries for which estimates exist and in which the ratio differs a lot. In Denmark, most of the reported wealth is held through holding companies, and the true owner is named for 52 per cent of the reported wealth for 2019 and for 35 per cent for 2022. In Germany, by contrast, most of the reported wealth is held personally, and 91 per cent of it can be matched for 2019 and 83 per cent for 2022.[13] We use the two countries' values to estimate the identified share of each owner country, according to how similar the way its residents hold their offshore wealth is to the Danish or the German one. A country in between gets an identified share in between.

Eight countries publish CRS statistics from which the share of the reported wealth that is held in the owners' own names can be measured. We place each of them by this own-name share in 2022 (2018 for South Africa), between Denmark's 17.6 per cent and Germany's 71.9 per cent.[14] For all other countries, we cannot observe how their residents hold their offshore wealth. We use the household share of their cross-border bank deposits instead (households against households and non-financial corporations, BIS, average 2016–2023), which indicates how much of the wealth their residents hold abroad is held personally rather than through companies. A country with a household share of 8.2 per cent or less, Denmark's share, is assumed to hold its offshore wealth personally and through holding companies in a similar ratio as Danish residents, and is therefore expected to be able to match the same share of the reported wealth as Denmark (35 per cent for 2022). A country with a household share of 11.4 per cent or more is assumed to have a similar ratio as German residents, and is therefore expected to be able to match 83 per cent of the reported wealth for 2022. Countries with a household share in between are placed in between. Countries without BIS data are treated like Germany. In 2023, 160 of 169 owner countries are assumed to have a similar ratio as Germany, three a similar ratio as Denmark, and six lie in between.

about a quarter of entity reports unusable (Boas, Collin, et al. 2025). To use such reports, the tax administration would have to find the true owner itself.

[12] In Denmark, people started to bring hidden wealth home as soon as the automatic exchange of information was announced in 2013, before any report had been sent (Boas, Johannesen, et al. 2026).

[13] The Danish values are the accounts in the owners' own names plus the part of the company accounts for which the true owner is named. The German values combine the own-name share of the reports that Germany receives, from Germany's CRS statistics and corrected for double counting as in Denmark, with the Danish share of named true owners for the rest (Boas, Collin, et al. 2025; Boas, Collin, et al. 2026).

[14] Norway lies 66 per cent and Finland 74 per cent of the way from Denmark to Germany. The own-name shares of the United Kingdom, Slovenia and South Africa are at least as high as Germany's. Japan does not publish how much of its entity balances is passive. Assuming Germany's ratio, its own-name share is also above Germany's.

2.2.4 Visible and hidden wealth

The previous section describes which part of the reported wealth can be matched to its true owner. This wealth is visible to the tax authority of the owner's country: the authority could know about it, because it would potentially have enough information to match it to a taxpayer. For each owner country, financial centre and year, the visible wealth is the offshore wealth (Section 2.1) times the share that the centre reports (Section 2.2.2) times the identified share (Section 2.2.3). Wealth is also visible if the owner probably declared it without any exchange of information.

Table 2 adds the matching to the reported shares of Table 1 and shows the visible share that results, as well as the share that we assume to be taxed (Section 2.2.5). How much of an owner country's reported wealth is held in the owners' own names or through companies differs between countries (Section 2.2.3).

Table 2: From reported to visible and taxed offshore wealth, 2019 and 2022 (per cent)

	Reported (Table 1)		Matchable, of reported		Visible		Assumed to be taxed	
Wealth held	2019	2022	2019	2022	2019	2022	2019	2022
With banks								
In the owner's own name	58	100	100	100	58	100	55	95
Through a passive company	58	100	39	26	23	26	21	25
All wealth in Switzerland, by owner country								
Owner country like Denmark (most reported wealth held via holding companies)	48	84	52	35	25	29	24	28
Owner country like Germany (most reported wealth held in the owners' own names)	48	84	91	83	44	70	42	66

The table shows how much of the reported offshore wealth can be matched to its true owner, which share of offshore wealth is visible to the tax authority of the owner's country as a result, and which share we assume to be taxed, for 2019 and 2022. The reported share is taken from Table 1. The matchable share is the share of the reported wealth whose report names the true owner (the identified share, Section 2.2.3). The visible share is the reported share times the matchable share. The share assumed to be taxed is the visible share less the 4.9 per cent of it that is almost certainly not taxed (Section 2.2.5). This share is an upper bound, which makes our loss estimate conservative, since we assume that every tax authority matches all the reports that name the true owner and enforces taxation as effectively as Denmark's. Reports by other financial institutions are matched in the same way as banks' reports. In the lower part of the table, we choose the example of Switzerland to illustrate how the shares vary between owner countries. The reported share differs between financial centres (Table 1). The matchable share of an owner country applies to all the reported wealth of its residents, in every financial centre. In 2022, 18 per cent of the wealth reported to Denmark and 72 per cent of the wealth reported to Germany was held in the owners' own names. Other owner countries lie between the two. Wealth that owners probably declared themselves is not included. All shares are calculated from unrounded values.

Wealth that owners probably declared themselves. Where no reports are received, we assume that only 5–10 per cent of offshore wealth is declared, and therefore visible to the tax authority. This follows the assumption in the literature that 90–95 per cent of offshore wealth was undeclared before 2010 (Johannesen and Zucman 2014; Alstadsæter et al. 2019).[15] We

[15] No data measure how much offshore wealth was declared before the automatic exchange of information. The assumption rests on indirect evidence. In Denmark and Norway, tax authorities found that 90–95 per cent of the clients on the customer list leaked from HSBC Switzerland had not reported the income earned on their account (Alstadsæter et al. 2019, p. 2078). When financial centres agreed to exchange information on request from 2009, owners moved their deposits to centres without such agreements instead of bringing them home or declaring them

use 7.5 per cent as a floor for each owner country and year. Where reports are received, the self-declared wealth is part of the reported wealth, so the two are not added up. Where the visible wealth of an owner country, summed over all centres and less the part that is almost certainly not taxed (Section 2.2.5), falls short of the floor, we add the difference as wealth that owners probably declared themselves. We spread it across the owner country's financial centres in proportion to the wealth there that is hidden or almost certainly not taxed. All other offshore wealth is hidden.

The categories of the report's figures. Figures 4.2 and 4.4 of the report split offshore wealth into six categories. The first two are visible and the other four are hidden.

- **Revealed, owner identified** (visible): the financial centre reports the wealth and the report names its true owner. This is the visible wealth described above.
- **Probably self-declared despite no exchange** (visible): the owner probably declared the wealth although no report naming them reached the tax authority. This is the wealth added to reach the floor of 7.5 per cent of the owner country's offshore wealth.
- **Reported without identified owner** (hidden): the financial centre reports the wealth, but the report names another person than the true owner.
- **Exchange in place, not reported** (hidden): the owner country receives information from the financial centre, but the wealth is not in the reports. This has three reasons. Banks did not yet report fully in the first years of the exchange, until 2021. Part of the wealth is held through other financial institutions that do not report. And the United States reports only accounts held in the owner's own name (Section 2.2.2).
- **Country chooses not to receive information** (hidden): the owner lives in a country that sends information but does not receive any, mostly because it does not tax income.
- **No information received** (hidden): the owner country receives no information on the wealth from the financial centre for any other reason. Mostly, the owner country does not take part in the CRS, or it takes part but does not receive information from the financial centre, for example because the exchange between the two has not been activated or because the country has not yet been confirmed to keep the information confidential and secure. Box 4.1 of the report discusses why countries that take part do not always receive information.

The last three categories do not include the wealth that owners probably declared themselves although their country received no information on it, which is counted in the second category. The percentage printed in the bottom band of the two figures ("no information received") is therefore larger than the last category: it gives all the offshore wealth of the owner countries that receive no information, that is, the last two categories together with the part of this wealth that owners probably declared themselves.

(Johannesen and Zucman 2014, pp. 88–89). Faye et al. (2025) likewise conclude that about 90–95 per cent of offshore financial wealth went unreported to tax authorities in 2007–08.

2.2.5 Visible wealth that is almost certainly not taxed

Visible does not mean taxed. The Danish register data show what happens once the tax authority has the reports (Boas, Johannesen, et al. 2026). Of the wealth that was reported and matched, 4.9 per cent stayed undeclared and was not found in audits.[16] We apply the 4.9 per cent to all wealth reported with an identified owner, whether or not the administration matches the report to a taxpayer. This part of the visible wealth is almost certainly not taxed.

This share comes from Denmark, and enforcement is weaker in many other countries. We nevertheless use the Danish share for all countries. The goal of our estimate is not to assess how well enforcement works in each country, but whether the exchange of information can work: whether countries would have the possibility to tax the wealth that their residents hold abroad.

Figure 4.3 of the report shows three categories. **Visible to tax authorities** is the sum of the first two categories of Figures 4.2 and 4.4, and **Hidden** is the sum of the other four. **Visible, but almost certainly not taxed (minimum)** is a part of the visible wealth: the 4.9 per cent of the wealth reported with an identified owner. We calculate the tax losses on the hidden wealth and on this part of the visible wealth.

2.3 Estimating tax losses

In the final step of our methodology, we derive the tax revenue lost on the hidden wealth and on the part of the visible wealth that is almost certainly not taxed. The losses could be much higher if a large part of the visible wealth is not taxed either.

2.3.1 Returns on hidden wealth

We assume that all investments made in financial centres yield an average of a 5 per cent return. This is the nominal return also used by Boas, Johannesen, et al. (2026), and lower than the 6–8 per cent assumed by Zucman (2015). The assumption of a 5 per cent return is conservative, as large fortunes in particular usually obtain a higher return on their wealth. The results of Fagereng et al. (2020), for instance, imply an average return of about 8 per cent a year for the top 0.1 per cent of the wealth distribution in Norway.[17] Offshore wealth is held mostly by the very wealthiest (Alstadsæter et al. 2019).

2.3.2 Tax lost on hidden returns

We then multiply these returns by the top-bracket personal income tax (PIT) rates that would have been applied in the assets' origin countries, had these assets not been moved to financial

[16] 7 per cent stayed undeclared (DKK 3.6 of 53.1 billion, Table 5 of Boas, Johannesen, et al. (2026)), and audits found about 28 per cent of it (DKK 1.0 billion).

[17] Fagereng et al. (2020, p. 164) show that one dollar invested in 2004 had grown to 2.4 dollars by the end of 2015 for individuals in the top 0.1 per cent of the net worth distribution, against 1.5 dollars at the 75th percentile (before tax and after inflation). This corresponds to an average return of about 8 per cent a year for the top 0.1 per cent and of just under 4 per cent at the 75th percentile (geometric mean over the eleven years). These returns are after inflation, while the 5 per cent that we assume is a nominal return. Across the whole distribution, moving from the 10th to the 90th percentile of net worth increases the return on wealth by 18 percentage points before tax.

centres.[18]

Using the top PIT rate might overstate the tax lost on the returns, because governments would in reality tax part of this income at lower rates, for example under the capital gains tax (CGT). We nevertheless use PIT rates, for three reasons. First, although in theory we are considering a full range of assets, in practice the numbers are driven by financial account holdings, to which PIT rather than CGT would often apply. Second, we measure the tax that is due on the hidden income as it stands today, and this income would be subject to PIT. If owners had to declare it, some would probably rearrange their income to pay less, for example by turning it into capital gains. We leave such reactions aside, because we estimate the tax that is evaded, not the revenue that governments would collect once owners have adapted. Third, the very existence of the offshore wealth is the result of an income stream that was originally not declared. Applying the PIT rate to the income generated by the offshore wealth, rather than to the original income that generated the wealth itself, therefore understates the total tax losses substantially, even where a lower rate than the PIT would apply to income from declared offshore assets. Our estimates also leave out wealth and inheritance taxes, which are also avoided by hiding wealth offshore and add to the tax losses from offshore wealth.

[18] Four Gulf states (Qatar, Saudi Arabia, Oman and Kuwait) and Brunei tax neither wages nor investment income and have a rate of zero. Their residents' large offshore wealth therefore causes no tax loss in our estimates. Valuing it instead at the rates that three of them apply to some residents' business income (10 per cent in Qatar, 20 per cent in Saudi Arabia and 15 per cent in Oman) would raise the global loss of 2023 by about 2.5 per cent.

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