

The Financial Secrecy Index Review 2016

Report on the Stakeholder Survey



The Financial Secrecy Index Review 2016: Report on the Stakeholder Survey

Abstract

The Financial Secrecy Index (FSI) is the Tax Justice Network's flagship index, in effect a ranking of tax havens. The index aggregates multiple indicators of financial secrecy into a single secrecy score, and then combines this with a measure of each jurisdiction's global scale in order to capture the contribution to global financial secrecy. The FSI was conceived in 2007 and published every two years since 2009. While some methodological improvements have been made since then, 2016 has been chosen for the first full-scale review of the index.

In addition to a range of detailed discussions with key stakeholders, the review includes two major components: one, an independent statistical audit; the other, a stakeholder survey. It is the results of the survey that we present here. In combination with the statistical audit, these results will form the basis for a series of proposed reforms of the FSI, which will be developed and tested with tax and financial experts.

Acknowledgements

We warmly thank both the anonymous respondents and those who agreed to be publicly acknowledged, listed here. The answers have been enormously valuable, and of a high technical level. Without implication, we are grateful to: Nuno Barroso, Mathia Burton Kafunda, Kooshall Cheekhooree, Armando Fernández Steinko, María Luisa Gil Payno, Dominik Gross, Daniel Haberly, Christian Hallum, Karl-Martin Hentschel, Sigrid Klæboe Jacobsen, Matti Kohonen, Jose Ramon Mariño, Richard Murphy, Martina Neuwirth, Appolinaire Nishirimbere, Momodou Ouray, Toby Quantrill, Koen Roovers, Martin Saringer, Jason Sharman, Leonard Seabrooke, Joseph Stead, Khanyisile Tshabalala-Litchfield, Attiya Waris and Francis Weyzig.

Contents

1. Introduction 4

2. Summary of findings 6

 Secrecy indicators 6

 Global scale weighting10

 Presentation of the FSI and database11

 Broader comments.....12

3. Open questions and the next stage of FSI review13

Annex A: Text of the email sent to addressees15

Annex B: Full survey questionnaire.....17

Annex C: Analysis of the responses for each of the survey’s question..... 39

Annex D: Scope of open questions 110

1. Introduction

The threat of tax havens, and the financial secrecy they offer, has never been higher on the agenda of both national and international policymakers - from the African Union to the OECD, and from Argentina to Zambia. An enduring problem has been the difficulty of defining tax havens, and the susceptibility to political pressure of any lists of havens.

This is why the Tax Justice Network conceived in 2007, and published starting in 2009, the Financial Secrecy Index (FSI): a global ranking of 'tax havens', which combines objectively verifiable measures of both the secrecy on offer and the importance of the jurisdiction in the global provision of financial services.

Published on a biannual basis, the FSI is a tool for understanding global financial secrecy, tax havens (or secrecy jurisdictions) and illicit financial flows. As a challenge to the subjectively compiled lists of 'tax havens' which tend to penalise small financial centres, the FSI ranks some major economies ahead of the 'usual suspects' and reveals a spectrum of secrecy rather than a binary division between 'tax havens' and others.

In 2016, in order to adapt the FSI for the decade ahead, TJN is conducting an in-depth review process of the FSI methodology. This allows sufficient preparatory time for the next release, due to be published in November 2017. The review process comprises three main elements: **first**, an independent statistical audit by the [Joint Research Centre](#) (JRC) of the European Commission and the [Composite Indicators Research Group](#) (COIN) of the Econometrics and Applied Statistics Unit at Ispra, Italy; **second**, a survey with various stakeholder groups, including experts, users and officials of ranked jurisdictions; and **third**, proposals for reform which are based on survey results, internal consulting and semi-structured interviews with experts; and are written in accordance to the feasibility of data and availability of funding.

The following report describes the results of the second element mentioned above, i.e. the FSI survey, which was first disseminated to stakeholders groups in January 2016. The survey is based on suggestions which have been developed along the years by both TJN team members and external experts. It focuses on

possible changes and additions to the secrecy indicators, scale measurements, presentation and communication of the index.

The survey aims to draw in as full a range of views as possible, including critical expert voices, in order to achieve two objectives: learning about perceptions of the FSI and different ways to improve its methodology and expand its global reach; and identifying experts with which TJN can engage and consult throughout the third stage of the review process.

The stakeholder survey was conducted from January to March 2016, and promoted across TJN networks and to specific stakeholder groups through targeted emails (full text can be found in **Annex A**). Over 200 people responded to this detailed, technical questionnaire. Of these, however, 70 were screened out by an introductory question regarding knowledge of the FSI. The remaining 136 respondents come from 49 different countries, including developing countries, OECD member states and small island financial centres. Of these, 86 respondents completed the entire survey, so for each question we have 86-136 responses.

Respondents include professionals and academics in the fields of economics, accounting, law, political science and international relations; experts within civil society and at international institutions focusing on issues from tax evasion and tax avoidance to the abuse of anonymous companies and trusts, and wider illicit financial flows; representatives of NGOs; expert users of the FSI (e.g. rating agencies and other index creators); tax authorities' officials; and TJN supporters.

2. Summary of findings

The full survey questionnaire can be found in **Annex B**, with the detail of responses to each question, and further notes on the methodology, in **Annex C**. Here we summarise the main findings, with respect to the selection and construction of secrecy indicators; the scale measurement; presentation of the FSI and the underlying database; and broader comments on the index.

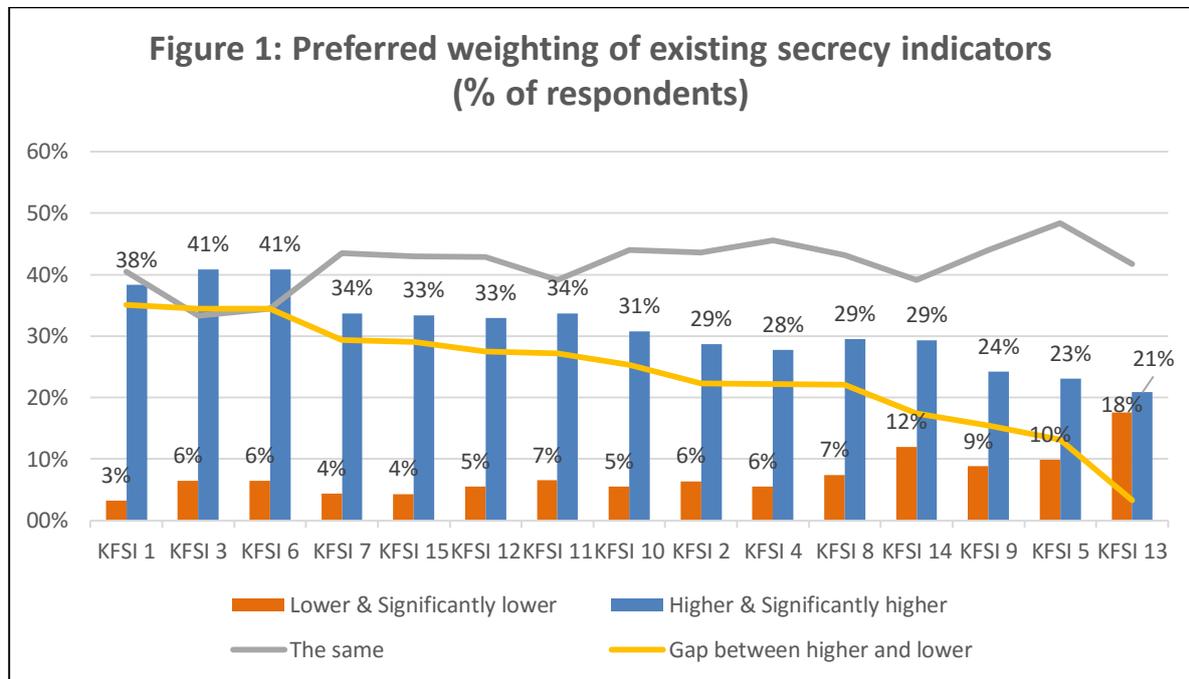
Secrecy indicators

The secrecy indicators are the primary focus; in part because they are the core of the index, and in part because the statistical audit addresses more of the broader questions such as the appropriate combination of indicators, and relative weighting of secrecy and scale. The questions address four main issues: the relative weighting of existing secrecy indicators; suggested changes to the substantive content of existing indicators; potential new indicators related to tax avoidance; and other potential new indicators.

First, the responses broadly favour maintaining the current approach of equal weighting. Respondents were asked to choose for each indicator whether the weighting should remain the same, or be made either somewhat lower or significantly lower, somewhat higher or significantly higher, some other response. Across the range of KFSIs, the most supported answer with around 40% of more than 90 respondents was that the equal weighting should be maintained.

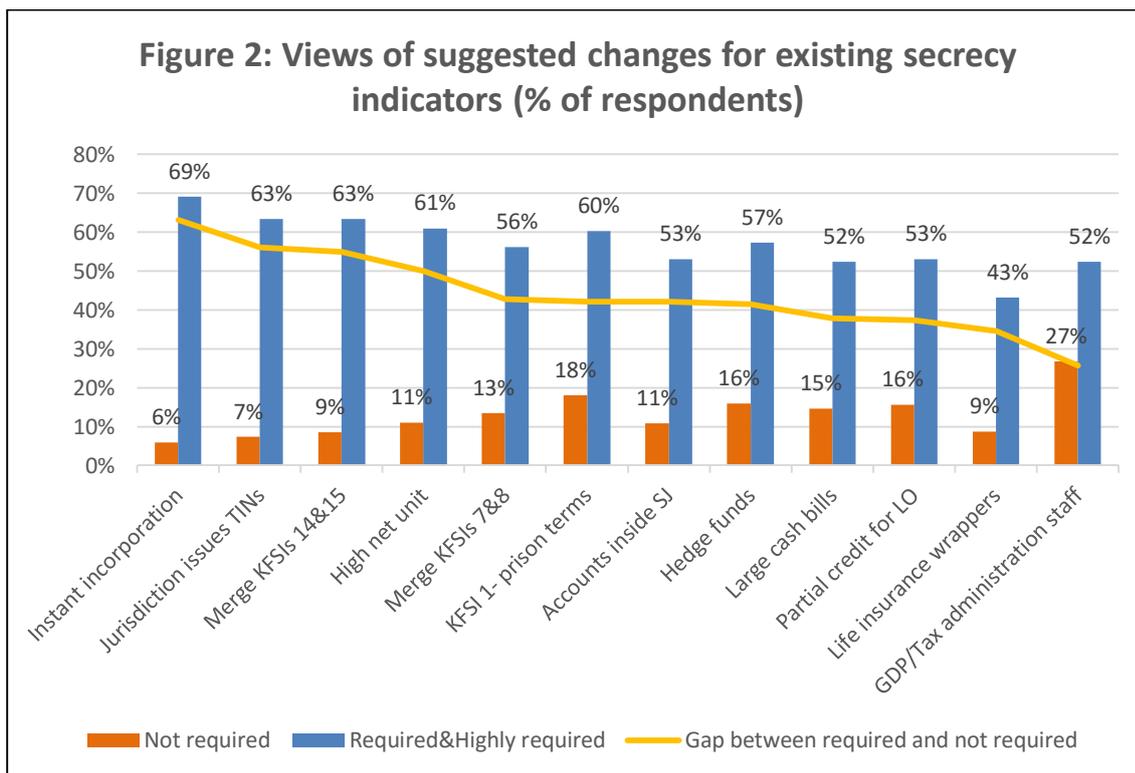
Figure 1 summarises the responses, ordered by the extent to which respondents preferred a higher weighting against a lower weighting. Compared with the other KFSIs, KFSI 13 (Bilateral treaties) was perceived as the least important indicator (due to highest number of respondents who thought its weight should be lower; and lowest number of respondents who thought its weight should be higher). In contrast, KFSI 1 (banking secrecy) was perceived as the most important one (given it received the highest support for the suggestion to be weighted higher than other KFSIs). Overall, there was net positive support for increasing the weighting for all indicators; but for only three of the 15 indicators does that net support exceed 30%. In only two cases does it marginally exceed the support for

maintaining equal weighting: KFSIs 3 (records of company ownership) and 6 (public country-by-country reporting from multinationals).



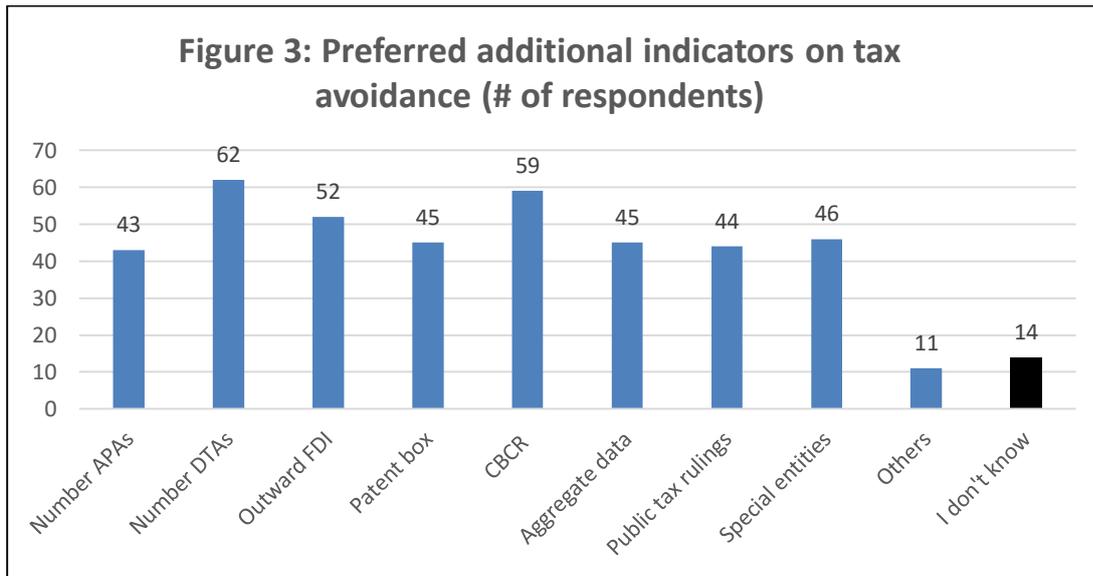
Second, the responses identify support for a number of possible changes to existing KFSIs. While there is a net positive support for introducing each of twelve suggested changes, as Figure 2 shows, most of the proposals attract support from a majority of respondents, and only three have a net majority support (i.e. more than 50% of respondents supporting the proposal after netting off those opposed).

Those three proposals are: to adapt KFSI 10 (on harmful legal vehicles) to assess also whether the jurisdiction provides instant incorporation processes; to adapt KFSI 7 (on information exchange) to include whether the jurisdiction issues taxpayer identification numbers (TINs); and to combine KFSIs 14 and 15 (respectively, on international transparency commitments and judicial cooperation). The most strongly opposed change for existing KFSIs was changing KFSI 7 (on fitness for information exchange) to include assessment of the ratio between the jurisdiction's GDP and the number of staff at the tax administration.

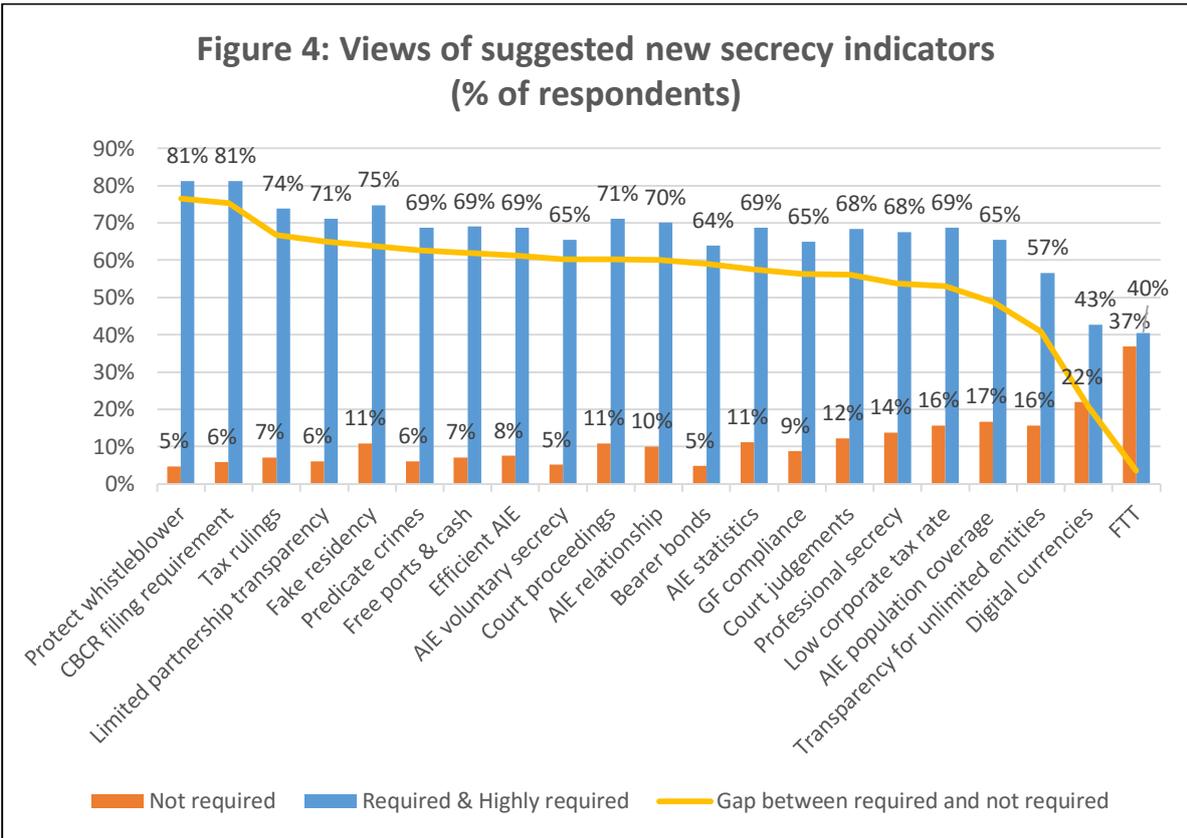


Third, respondents broadly favoured greater prominence for additional indicators on tax avoidance; although it was less clear if these should form a separate index or be included in the FSI. Amongst the specific tax avoidance indicators suggested, there was stronger support for including the number of DTAs the jurisdiction has signed with developing countries, and whether a jurisdiction sends CBCR data to other jurisdictions, while the least supported was the indicator regarding the number of non-disclosed Advanced Pricing Agreements. However, as Figure 3 shows, there is relatively limited variation among responses in this case.

Some respondents suggested alternative tax avoidance indicators, for example: the proportion of FDI flowing through SPEs; the existence of anti-abuse rules (CFC, hybrid-mismatch etc.); number of companies per capita; ratio between FDI and GDP; number of bilateral APA and bilateral audits; and whether or not SPE/SPVs can be established under domestic law.



Fourth, respondents identified a number of additional indicators with strong support for inclusion in the FSI. Figure 4 shows the results for 21 suggested new themes. While there was a net majority support for 17 out of the 21 new indicators suggested, strongest support was expressed for an indicator to assess whistleblower legal protection in case of violation of banking, tax or other secrecy rules; and for an indicator to assess whether the jurisdiction has implemented the obligation to submit global CBCR files. With regard to the latter, some respondents commented, however, that applying this indicator may penalize developing countries, and that if applied, it should be subject to the final version of the EU directive on CBCR. Least supported was the indicator which related to the levying of a Financial Transaction Tax. The main issue that was repeated in most of the respondents' comments in this regard was that this indicator is not a secrecy issue and therefore should be outside the scope of the FSI.



Global scale weighting

There were two main points raised here. **First, respondents did not express strong consensus on the question of the balance between secrecy and scale in the final FSI values.** The most supported answer by the respondents (after 'I don't know') was that the FSI formula is rightly balanced. However, out of the respondents who did not agree with this answer, slightly more thought that the formula is heavily weighted towards scale than towards secrecy. Some of the respondents mentioned that the cube root used in the formula seems to be a bit arbitrary; and that a better explanation is needed for the formula calculation including an example of calculation.

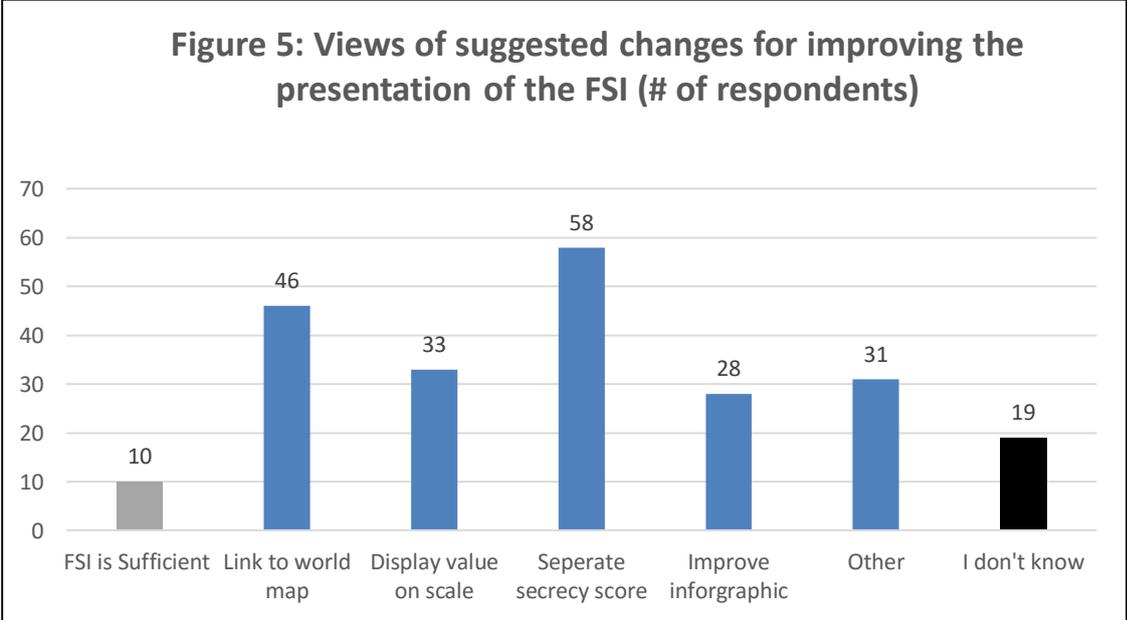
Second, while other possibilities were explored, there was relatively broad support for the current scale weight calculation. Almost half of the respondents thought the Global Scale Weight properly reflects the significance of the jurisdiction for the FSI (this was the most supported answer). Half of the respondents who answered negatively to this question thought the jurisdictions' share of global financial services exports should include FDI, trade or cross-

border banking data **in addition** to the current data (compared with only 2% who thought it should be **instead** of the current data).

Comments of the respondents included: that the Global Scale Weight is problematic because it partially reflects the size of international financial services unrelated to tax matters, while it does not capture international legal and administration services that are also key to secrecy structures; and that it relies too heavily on Coordinated Portfolio Investment data (CPIS), and could be improved by incorporating data from other sources such as the Coordinated Direct Investment Survey (CDIS), Bank for International Settlements (BIS), etc. which cover other types of international investment. The latter respondent argued that portfolio investment is probably a less important component of illicit offshore activity than FDI and conventional banking.

Presentation of the FSI and database

The main question regarding the **presentation of the FSI** asked the respondents to choose from various options what they would change in order to improve the presentation of the FSI and / or to suggest alternative ideas.



As Figure 5 shows, the most supported option by the respondents was 'better emphasising the secrecy score as a separate component to the FSI value', followed by to 'link each jurisdiction to its geographic location and display it on the world map'. Amongst other, the respondents suggested to communicate

better which of the full database questions are part of the KFSIs; and to show the way jurisdictions have moved up or down the index over time.

With regard to the FSI **database reports**, the respondents were asked if they have ever used the database reports and whether they found them easily on the website and useful for their needs. It was clear from the respondents' answers that the database reports are not visible enough nor easily found on the website. However, the vast majority of the respondents who did use the database reports found them very useful. A comment which was repeated by several respondents suggested to enable the download of the database reports in Excel format in order to make it easier to compare a single issue across countries (e.g. on tax treaties, including scoring on the subject) and /or to allow a bespoke scoring based on the respondent's own criteria. Others mentioned that the current format of the database report is difficult to read.

Broader comments

Finally, the respondents were asked to write down any comments they may have regarding the FSI and the survey. Here are some highlights from the comments we received for various questions:

- 1) There need to be a shorter timeframe between the cut-off date for the KFSIs assessment (which is generally relied on regulatory reports, legislation, regulation and news available as of 31 of December) and the launch of the FSI (usually scheduled for the beginning of November the following year). A related comment referred to Switzerland and argued that one of the reasons that Switzerland was rated first on the index also in 2015 is that the underlying data was outdated because it did not take into account the reforms that Switzerland has conducted during 2015;
- 2) A more in-depth explanation is needed for the way the secrecy score is calculated;
- 3) Report / link high-level corruption court cases, within the past 5 years, to indicate if and how corruption is being tackled;
- 4) It is not clear whether 'merely appearing' on the FSI is an indicator of some secrecy, and therefore bad; or whether being ranked very low on

the FSI is in fact good (e.g. would a country ever be taken off it if it has improved sufficiently? Are there any countries which are in fact good models for transparency?);

- 5) Emphasis should be placed on practices for which jurisdictions are scored high, medium or low on the index and to characterise each jurisdiction in accordance with its practice;
- 6) Use open data standards (you may be doing so already). On a world map, show also links between secrecy jurisdictions and directions of illicit financial flows;
- 7) Creating a feature that helps to keep trace of significant changes in offshore jurisdictions' laws/regulations would be a huge help. For example, email notification or even a quarterly / annual summary of major regulatory updates;
- 8) Overall Compliance Score of FATF - is too "aggregate". It would be good to have the ratings for each of the Recommendations, so that alternative weightings can be used. Not all recommendations are equally important.

3. Open questions and the next stage of FSI review

The survey results reveal a high degree of stakeholder support for the broad structure and content of the Financial Secrecy Index. In addition, it has generated a broad range of suggestions as to how to adapt the FSI in the future. Not all of these suggestions can be implemented, of course. Some are mutually exclusive, some may not be technically feasible due to a lack of data and others may be feasible only once and if significant additional resources for implementation are identified.

In order to make a decision on the actual changes for the FSI, the next step will consist in preparing an overview of the various suggestions and their respective feasibility, cost and interlinkages. Some of the suggestions may require follow up interviews with selected experts among the respondents (and possibly beyond)

or a further research (possible done by a third party) in order to obtain more information before a decision is made.

Several tables, detailed in **Annex D**, indicate the scope of questions to be addressed in the next stage of the FSI review, and may rather be indicative than comprehensive.

After this stage has been completed and suggestions which can be implemented have been identified, still there may be a certain incompatibility between various suggestions. The need for a coherent and statistically sound index will inevitably require choices to be made in order to maintain the conceptual and empirical robustness of the FSI.

All of these concerns will be discussed in detail in the next stage of the review.

Annex A: Text of the email sent to 3611 individual email addresses and additional group email addresses

Two versions of emails were sent to the addressees. Version A below was sent by Moran Harari on behalf of the FSI team to different types of NGOs, activists and experts. Version B below was sent by John Christensen to potential supporters and government officials in different countries.

Version A

Dear _____,

The Tax Justice Network is preparing to begin its research for the next Financial Secrecy Index (FSI), due to be published in November 2017.

We are launching an in-depth review process of the FSI methodology to be carried out throughout 2016, in light of the fast pace of change in international tax and finance, and in order to adapt the FSI for the decade ahead.

We want to know how the FSI could be improved. Therefore, we would be very grateful if you could take a bit of your precious time to answer the survey.

Answering the survey could take between 10 to 30 minutes, depending on how much detail you wish to provide.

Your answers will be treated in confidence and you can choose if you wish to be publicly acknowledged for the ideas you provided.

Click here to participate in the survey:

%link%

We would appreciate if you could kindly answer the survey no later than _____.

Thank you very much for your time and effort,

Yours Sincerely,

Moran – on behalf of the FSI team

.....

Version B

Dear _____,

The threat of tax havens, and the financial secrecy they offer, has never been higher on the agenda of both national and international policymakers - from the African Union to the OECD, and from Argentina to Zambia. An enduring problem has been the difficulty of defining tax havens, and the susceptibility to political pressure of any lists of havens.

This is why the Tax Justice Network designed and published, starting in 2009, the Financial Secrecy Index (FSI): the only global ranking of 'tax havens', which combines measures of both the secrecy on offer and the international importance of the jurisdiction. Every two years, the publication has grown in global media coverage, in practical usage and, increasingly, in academic research. Most importantly, the Tax Justice Network's underlying policy prescriptions - for specific measures of financial transparency and cooperation - have moved from the edges of debate to the heart of the policy agenda.

With the key issues now well established, and the situation still fluid, we are conducting an open review of the methodology, data and overall approach. An in-depth review process will be carried out during 2016.

A major part of the assessment is a survey of key stakeholders in the FSI. We would be delighted if you could take the time to contribute. Specifically, we would like to ask you to fill in the FSI survey. This could take around 20 minutes, depending on how much detail you wish to provide. We recognise your time is valuable; your views on the review of the Financial Secrecy Index are valuable too.

Your answers will be treated in confidence, but you can choose if you wish to be publicly acknowledged for the ideas you provided.

Click here to participate in the survey:

%link%

If you would like to participate in the survey, I would appreciate if you could kindly answer the survey no later than _____.

Thank you very much for your time and effort,

Yours Sincerely,

John Christensen

**Annex B: Full survey question details (as exported by
soSci Survey)**

1. Have you ever heard about the Financial Secrecy Index (FSI)?

RT38 

- Yes
- No

PHP code

```
// Screenout with individual text
if (value('RT38')==2){
    text('screenout');
    buttonHide();
}
```

text('screenout')

screenout

This survey focuses on details of the FSI. Therefore, familiarity with the FSI is essential to answer it. While we kindly appreciate your willingness to fill in the survey, we would suggest you familiarize yourself with the FSI first and then come back to participate in the survey.

Thank you!

Notice

There are no items or options for this question, yet. To allow for an impression of the final question, the preview contains some exemplary items/options.

- First sample option
- Option no. 2 in the question
- Third option of this example
- Other, namely:

RT47

2. How have you first heard of FSI?

RT01 

Please note you can choose more than one answer

- Colleagues
- The press/media
- Internet search
- Academic article
- Other (please specify)

3. When have you first heard of FSI?

RT02 

- 4-7 years ago
- 2-4 years ago
- A year ago
- Less than a year ago

Page 04

FSI4

4. What is your country of residence?

RT39 

5. How old are you?

RT40 

- Between 15-24
- Between 25-34
- Between 35-44
- Between 45-54
- Between 55-64
- Between 65-74
- Older than 74

6. What is your professional background?

RT41 

- Academic / Professor
- Expert / professional (e.g. accountants, lawyers, tax / financial advisers)
- Media / Journalist
- NGOs / CSOs

- Public Official (at Tax Administration, Financial Intelligence Unit, Central Bank, Prosecution service, or similar)
- Student
- Other

7. Have you ever used the FSI?

RT03 

- Yes
- No

PHP code

```
if(value('RT03')==2){
goToPage('lookfeel');
}
```

8. Which parts?

RT04

Please note you can choose more than one answer

- Index rating results
- Country reports
- Database reports
- Report on each of the secrecy indicators
- Full methodology report
- FAQ
- Other

9. For what purpose?

RT05

Please note you can choose more than one answer

- Collecting data for work
- Academic research
- Journalistic research
- Other

10. What would you change in order to improve the presentation of the FSI?

RT07

Please note you can choose more than one answer

- The presented information is sufficiently visible and there is no need to make any changes
- Link each jurisdiction to its geographic location and display it on the world map
- Display the FSI value on a 0-100 scale
- Emphasise better the secrecy score of a jurisdiction (as a separate component to the FSI total value), both on the website and in the press releases
- Improve the infographics

Other (please write down any idea you may have)



-
- I don't know

Page 08

FSI13

11. Database Reports:

RT27

The FSI database reports include far more details than the Country Reports for each jurisdiction, and also provide the underlying sources and references for the Country Reports.

Are you aware of the FSI's database reports?

- Yes
- No

Page 09

FSI14

PHP code

```
if(value ('RT27')==2){
goToPage('Taxavoidance');
}
```

12. Have you ever used the database reports?

RT28

- Yes
- No

Page 10

databaseuse

PHP code

```
if(value ('RT28')==2){
goToPage('Taxavoidance');
}
```

13. Did you find them useful?

RT29

- Not at all Of little use Fairly useful Very useful I don't remember

14. Did you find them easily on the FSI website?

RT30

- Yes
 No

15. How do you think the database reports can be more visible?

RT31

- I don't think they are useful so no need to make them more visible
 Please specify any idea you may have

- I don't know

Page 11
adddata

PHP code

```
if(value ('RT31')==1){
goToPage('Taxavoidance');
}
```

16. Which information do you think can be deleted from the database? Switzerland database report is provided again [here](#) as an example.

RT32

Please note you can choose more than one answer.

- All the information in the database reports is superfluous. The Country Reports are absolutely sufficient
 A description of the development and role as a secrecy jurisdiction
 Overall compliance score with Insurance / Banking / Securities regulations according to IMF reports
 Others (please specify)
 No need to delete anything

I don't know

17. Which information do you think is required to be added to the database? Switzerland database report is provided again [here](#) as an example.

RT33

The database reports are already too detailed / detailed enough. There is no need to add anything else

Please specify any idea you may have

I don't know

Page 12

Taxavoidance

18. Tax Avoidance Indicators:

RT06

The FSI's indicators cover a broad range of issues, of which corporate tax avoidance is only one. Should it have more prominence through the inclusion of additional indicators?

No, additional indicators for tax avoidance should not be part of the FSI

Yes, but create the additional indicators for tax avoidance in a separate index and not as part of the FSI

Yes, but the additional indicators for tax avoidance should be added as an addendum to the FSI

Yes, additional indicators for tax avoidance should be part of the core indicators of FSI

Other (please specify)

I don't know

Page 13

Taxavoidance2

PHP code

```
if(value ('RT06')==1){
goToPage('FSI7');
}
```

19. Which of the following additional indicators would you like to see included for a better focus on tax avoidance?

RT42

Please note you can choose more than one answer

The number of non-disclosed APAs (Advanced Pricing Agreements)

- The number of DTAs (Double Tax Agreements) the jurisdiction has signed with developing countries which include very low or nil inward and outward withholding tax
- Outward FDI (Foreign Direct Investment)/ GDP (Gross Domestic Product), where disproportionate levels may indicate risk of tax avoidance activity
- The availability of patent boxes or innovation boxes
- The jurisdiction sends CBCR (Country by Country Reporting) to other jurisdictions according to BEPS Action 13
- Publication of aggregate data (e.g. regarding statistics on automatic information exchange, see [here](#))
- Publication of tax rulings and / or data on their impact
- The jurisdiction allows the creation of entities that are prevented from contracting with local residents and / or from owning domestic assets

Other (please specify)

I don't know

Notice

There are no items or options for this question, yet. To allow for an impression of the final question, the preview contains some exemplary items/options.

Weighting of the 15 Key Financial Secrecy Indicators (KFSIs):

RT08

Currently, the weights of all KFSI indicators are set to be equal (every one of 15 indicators has its weight equal to 1).

Jurisdictions are awarded points for each indicator according to their transparency. If a jurisdiction is awarded a point, it suggests that it is transparent. If a jurisdiction obtains 100% of points then it is 100% transparent in terms of these indicators. More details can be found in the [Methodology](#).

Please choose for each of the indicators, whether you think its weight should remain the same (equal to other indicators), or (significantly) lower/higher than other indicators.

Alternatively, you can assess concrete weights to each indicator. The sum of the weights can be random, e.g. if you think that the first indicator (Banking Secrecy) should be weighted twice as much as the second indicator (Trust and Foundation Register) you can choose the field 'other' and write "2" for the weights of the first one and respectively "1" for the second.

If you think that a particular indicator should be omitted, please enter 0 under the field "Other".

	Significantly lower	Lower	The same	Higher	Significantly higher	I don't know
Text sample for the first item	<input type="radio"/>					
Item no. 2 could have this text	<input type="radio"/>					
This is an example for the third item in	<input type="radio"/>					

the question

20. KFSI 1: Banking secrecy

RT68

The indicator assesses whether a jurisdiction provides banking secrecy. To obtain full credit, the jurisdiction must ensure that banking data exists, and that it has effective access to this data. More details can be found [here](#).

Significantly Lower Lower The same Higher Significantly higher Other I don't know

21. KFSI 2: Trust and Foundation Register

RT67

This indicator reveals whether a jurisdiction has a central register of trusts. All trusts and private foundations formed and administered in a jurisdiction must be required to register with a central agency. More details can be found [here](#).

Significantly Lower Lower The same Higher Significantly higher Other I don't know

22. KFSI 3: Recorded Company Ownership

RT66

This indicator assesses whether a jurisdiction requires all types of companies to submit beneficial ownership information to a governmental authority, and whether it requires this information to be updated, regardless of whether or not this information is made available on public record. More details can be found [here](#).

Significantly Lower Lower The same Higher Significantly higher Other I don't know

23. KFSI 4: Public Company Ownership

RT11

This indicator considers whether a jurisdiction requires all available types of company with limited liability to publish updated beneficial ownership or legal ownership information on public records accessible via the internet. More details can be found [here](#).

Significantly Lower Lower The same Higher Significantly higher Other I don't know

24. KFSI 5: Public Company Accounts

RT12

This indicator 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 at a maximum cost of US\$ 10 or € 10. More details can be found [here](#).

Significantly Lower Lower The same Higher Significantly higher Other I don't know

25. KFSI 6: Country by Country Reporting

RT13

This indicator measures whether the companies listed on the stock exchanges or incorporated in a given jurisdiction are required to publish worldwide financial reporting data on a CBCR (country by country reporting) basis. More details can be found [here](#).



26. KFSI 7: Fit for Information Exchange

RT14

This indicator asks whether resident paying agents (e.g. stock companies and financial institutions) are required to report to the domestic tax administration information on all payments (of dividends and interest) to all non-residents. More details can be found [here](#).



27. KFSI 8: Efficiency of Tax Administration

RT15

This indicator shows whether the tax administration of a given jurisdiction uses taxpayer identifiers for efficiently analysing information, and whether the tax administration has a dedicated unit for large taxpayers. More details can be found [here](#).



28. KFSI 9: Avoids Promoting Tax Evasion

RT16

This indicator shows whether a jurisdiction grants unilateral tax credits for foreign tax paid on certain foreign capital income when remitted home. The types of capital income included are interest and dividend payments. More details can be found [here](#).



29. KFSI 10: Harmful Legal Vehicles

RT17

This indicator has two components. It shows whether a jurisdiction allows the creation of “protected cell companies” (also known as “incorporated cell company” or “segregated account company”). Additionally, it measures whether the administration of trusts with flee clauses is prohibited. More details can be found [here](#).



30. KFSI 11: Anti Money Laundering

RT18

This indicator examines the extent to which the anti-money laundering regime of a jurisdiction is considered effective by the Financial Action Task Force (FATF), the international body dedicated to counter money laundering. More details can be found [here](#).



31. KFSI 12: Automatic Information Exchange

RT19

This indicator registers whether a jurisdiction participates in multilateral automatic information exchange on tax matters. Participation in the European Savings Tax Directive (EUSTD) is taken as a proxy for this indicator. More details can be found [here](#).



32. KFSI 13: Bilateral Treaties

RT20

This indicator examines the extent to which a jurisdiction has signed and ratified bilateral treaties conforming to the 'upon request' information exchange standard developed by the OECD and the Global Forum with 46 other countries, and/or whether the jurisdiction has signed and ratified the Amended Council of Europe / OECD Convention on Mutual Administrative Assistance in Tax Matters. More details can be found [here](#).



33. KFSI 14: International Transparency Commitments

RT21

This indicator measures the extent to which a jurisdiction has entered into international transparency commitments. We have checked whether a jurisdiction is party to five different international conventions. A credit of 0.2 points is awarded for each of the specified conventions. More details can be found [here](#).



34. KFSI 15: International Judicial Cooperation

RT22

This indicator measures the degree to which a jurisdiction engages in international judicial cooperation on money laundering and other criminal issues. We use the degree of compliance with the Financial Action Task Force recommendations 36 through 40 as the appropriate measure. More details can be found [here](#).



PHP code

```
question('RT25','combine=RT58');
```

question('RT25','combine=RT58')

RT25

RT58

35. Existing Key Financial Secrecy Indicators (KFSIs):

Which of the following changes would you recommend to implement in the current KFSI indicators?

Please choose whether you think each of the suggested changes is not required/ required/ highly required.

Please use the text boxes to provide any details for your choice and / or to suggest other changes that should be added to the current KFSI indicators.

	Not required	Required	Highly required	I don't know	
KFSI 1 (Banking Secrecy): Assessing whether the consequences of breaching banking secrecy may include prison terms and/or custodial sentencing (Instead of assessing the existence of statutory banking secrecy)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid #ccc; height: 50px; width: 100%;"></div>

	Not required	Required	Highly required	I don't know	
KFSI 3 (Recorded Company Ownership): Providing jurisdictions with partial credit for legal ownership registration of companies (instead of providing credit only for beneficial ownership)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid #ccc; height: 50px; width: 100%;"></div>

	Not required	Required	Highly required	I don't know	
KFSI 4 (Public Company Ownership): A jurisdiction that requires companies to publish their accounts will be credited only if it doesn't allow the companies to hold their accounts outside the jurisdiction (currently the credit is not conditional)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid #ccc; height: 50px; width: 100%;"></div>

	Not required	Required	Highly required	I don't know
KFSI 7 ('Fit for Information Exchange') is merged with KFSI 8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

('Efficiency of Tax Administration') into a new indicator named 'Tax Administration Capacity'

Not required Required Highly required I don't know

KFSI 14 ('International Transparency Commitments') is merged with KFSI 15 ('International Judicial Co-operation') into one indicator named 'International Legal Cooperation'

PHP code

```
question('RT26', 'combine=RT59');
```

question('RT26', 'combine=RT59')

36. Instead of assessing whether 'all payers required to automatically report to the tax administration information on payments to all non-residents', KFSI 7 or the new merged KFSI 7+8 (as suggested in the previous question) will assess the following elements:

RT26
RT59

Please choose whether you think each of the suggested elements is not required / required / highly required.

Please use the text boxes to provide any details for your choice and / or to suggest other changes that should be added to the current KFSI indicators.

Not required Required Highly required I don't know

The ratio between the jurisdiction's GDP and the number of staff at the tax administration

The jurisdiction issues TINs (Taxpayer Identification Numbers)

The tax administration has a special unit for high net worth individuals

PHP code

```
question('RT44', 'combine=RT60');
```

question('RT44', 'combine=RT60')

37. The following elements will be added to the list of harmful tax vehicles considered for

RT44
RT60

KFSI 10

Please choose whether you think each of the suggested elements is not required / required / highly required.

Please use the text boxes to provide any details for your choice and / or to suggest other changes that should be added to the current KFSI indicators.

	Not required	Required	Highly required	I don't know	
The jurisdiction facilitates the creation of life insurance wrappers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
The jurisdiction facilitates the creation and registration of hedge funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
The jurisdiction issues large cash bills (of value greater than 200 US\$ or equivalent)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
The jurisdiction provides instant incorporation process (e.g. by using shelf companies)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

PHP code

```
question('RT23', 'combine=RT55');
```

question('RT23', 'combine=RT55')

38. New Key Financial Secrecy Indicators (KFSIs):

RT23
RT55

(a) Which of the following themes would you like to see reflected as new KFSI indicators?

Please choose for each of the suggested new KFSI indicators, whether you think the indicator is not required/ required/ highly required.

Please note that by adding these indicators to the KFSI indicators it means they will feed into the secrecy score.

Please use the text boxes to provide any details for your choice and / or to suggest new indicators that should be added to the current KFSI indicators.

	Not required	Required	Highly Required	I don't know	
Freeports and Cash Vaults: The availability of freeports and cash vaults as places to store valuable assets and the legal obligation to identify the legal/beneficial owners of	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

the users.

	Not required	Required	Highly Required	I don't know	
Bearer Bonds: are bearer bonds available?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

	Not required	Required	Highly Required	I don't know	
Professionals Secrecy: Breaching professional secrecy (of lawyers, accountants, company service providers) may result in prison terms and/or custodial sentencing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

	Not required	Required	Highly Required	I don't know	
Limited Partnership Transparency: The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

	Not required	Required	Highly Required	I don't know	
Transparency For All Unlimited Entities: The jurisdiction requires all available types of unlimited partnerships and companies to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

	Not required	Required	Highly Required	I don't know	
Low Corporate Tax Rate: The average effective corporate tax rate in the jurisdiction is below 5%	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>

	Not required	Required	Highly Required	I don't know	
CBCR (Country by Country Reports) Filing Requirement: The jurisdiction has already implemented the obligation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

to submit global Country
by Country Reporting
(CBCR) files by domestic
MNCs and by foreign
MNCs with domestic
operations

PHP code

```
question('RT53', 'combine=RT56');
```

question('RT53', 'combine=RT56')

39. New Key Financial Secrecy Indicators (KFSIs):

RT53

RT56

(b) Which of the following themes would you like to see reflected as new KFSI indicators?

Please choose for each of the suggested new KFSI indicators, whether you think the indicator is not required/ required/ highly required.

Please note that by adding these indicators to the KFSI indicators it means they will feed into the secrecy score.

Please use the text boxes to provide any details for your choice and / or to suggest new indicators that should be added to the current KFSI indicators.

	Not Required	Required	Highly Required	I don't know	
Financial Transaction Tax: The jurisdiction levies a Financial Transaction Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

	Not Required	Required	Highly Required	I don't know	
Digital Currencies: The use /exchange of digital currencies (e.g. Bitcoin) is regulated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

	Not Required	Required	Highly Required	I don't know	
Fake Residency: The jurisdiction offers citizenship/residency in exchange of payments or financial investment in the jurisdiction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

	Not Required	Required	Highly Required	I don't know
Whistleblower Protection: The jurisdiction provides	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

whistle blowers with legal protection in case they violate banking, tax or other secrecy rules or laws

Not Required Required Highly Required I don't know

Global Forum Compliance: The jurisdiction has been rated fully compliant in Global Forum's phase two assessment cycle

Not Required Required Highly Required I don't know

Tax Rulings: The tax administration discloses all tax rulings either anonymised or named

Not Required Required Highly Required I don't know

Tax Court Secrecy 1: The court proceedings of a) criminal and b) civil tax matters are openly accessible for the public

Not Required Required Highly Required I don't know

Tax Court Secrecy 2: The text of all judgements issued by a) criminal and b) civil tax courts are published online for free

PHP code

```
question('RT54', 'combine=RT57');
```

```
question('RT54', 'combine=RT57')
```

Warning

The combined question shows Items with different IDs (8/5, 7/6) in the same line at position 5, 6. The items in the partial questions are probably sorted differently. If this is not done by intention, it may easily cause misinterpretation of data!

40. New Key Financial Secrecy Indicators (KFSIs):

(c) Which of the following themes would you like to see reflected as new KFSI indicators?

Please choose for each of the suggested new KFSI indicators, whether you think the indicator is not required/ required/ highly required.

Please note that by adding these indicators to the KFSI indicators it means they will feed into the secrecy score.

Please use the text boxes to provide any details for your choice and / or to suggest new indicators that should be added to the current KFSI indicators.

	Not Required	Required	Highly Required	I don't know	
AIE (Automatic Information Exchange) Population Coverage: What is the percentage of the world population with whom the jurisdiction has an AIE relationship?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

	Not Required	Required	Highly Required	I don't know	
AIE Relationships: With how many other jurisdictions does the current jurisdiction have effective AIE relationship (i.e. AIE actually takes place between them) pursuant to the CRS (Common Reporting Standard), either via bilateral CAAs (Competent Authority Agreements) or via MCAAs (Multilateral Competent Authority Agreements)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

	Not Required	Required	Highly Required	I don't know	
AIE Voluntary Secrecy: Is the jurisdiction listed under Annex A of the MCAAs (Model Competent Authority Agreements), which enables it not to receive information from other countries?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

	Not Required	Required	Highly Required	I don't know	
AIE Statistics: Does the Jurisdiction publish statistics on its use of automatic information exchange?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

	Not Required	Required	Highly Required	I don't know	
Efficient AIE: Does the jurisdiction require	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

domestic banks to automatically collect and send information to the domestic tax administration about all non-residents (instead of collecting information only about those who are residents in a participating jurisdiction)?

Not Required Required Highly Required I don't know

Predicate Crimes:
Several corruption offences (e.g. tax evasion, embezzlement, extortion) are legally classified as 'predicate offences' for money laundering purposes

RT34

41. The FSI Formula

The FSI formula combines secrecy and scale to give jurisdictions an overall score ("The FSI-Value"). The FSI Value for each jurisdiction is calculated by multiplying the cube of the Secrecy Score with the cube root of the GSW (Global Scale Weight). More information can be found on page 68 of the [Methodology](#).

What do you think of the current FSI formula?

- The formula is right as it is
- The formula is heavily weighted towards secrecy
- The formula is heavily weighted towards scale
- The formula is otherwise problematic (please explain)

- I don't know

RT46

42. The FSI weighs a jurisdiction's Global Scale Weight to incorporate how relevant its financial centre is to the jurisdiction's financial secrecy (the larger the financial centre is, the greater are the global consequences of its opaque legal framework).

Do you think the Global Scale Weight appropriately reflects the significance of the jurisdiction for the FSI?

Yes

No

Other

I don't know

Page 21

FSI20

PHP code

```
if(value('RT46')==1){
goToPage('maywecontact');
}
```

43. The FSI scale weighting uses data on jurisdictions' share of global financial services exports. RT35

Should it include FDI (Foreign Direct Investment) / Trade / Cross-border banking data as well or instead of the data that already in use?

Yes, the underlying data should also include FDI (Foreign Direct Investment) / Trade / Cross-border banking data (please specify which of the suggested options / or all of them you recommend to add)

Yes, instead of data on jurisdictions' share of global financial services exports, the underlying data should include FDI (Foreign Direct Investment) / Trade / Cross-border banking data (please specify which of the suggested options / or all of them you recommend to add)

No, using data on jurisdictions' share of global financial services exports is sufficient

Others (please specify)

I don't know

Page 22
maywecontact

44. Please write down any comments you would like to add regarding the survey.
If you wish, you may also upload any document you find relevant for the survey.

RT63

RT62

Choose File No file chosen

45. We are grateful for your assistance in filling in this survey.

RT52

May we contact you for further inquiries about your answers?

- Yes, and I would like to be publicly acknowledged for the ideas I provided in the survey
- Yes, but I would not like to be publicly acknowledged for the ideas I provided in the survey
- No

PHP code

```
if(value ('RT52')==4){  
goToPage('end');  
}
```

46. Please fill in the following details

RT37

Name	<input type="text"/>
Position/Affiliation	<input type="text"/>
Email address	<input type="text"/>
Phone number	<input type="text"/>
Address	<input type="text"/>

You have completed the survey!

We would like to thank you very much for helping us.

Your answers were transmitted. You may close the browser window or tab now.



Annex C: Analysis of the responses for each of the survey's question

Contents

Methodology	2
Findings	3
A. Introductory Questions.....	3
B. Use of the Financial Secrecy Index.....	7
C. Database Reports	13
D. Tax Avoidance Indicators.....	19
1.E Weighting of the 15 Key Financial Secrecy Indicators (KFSIs)	22
F. Suggested Changes for Existing KFSIs	34
G. Adding New Key Financial Secrecy Indicators (KFSIs)	45
H. The FSI Formula.....	64
I. Survey Last Comments	69

Methodology

The FSI Survey was implemented in English language and relied on 'soSci' Survey, a software designed for creating electronic surveys¹. The survey was sent via the system to 3611 individual email addresses which included a variety of people, predominantly professionals and academics the fields of economics, accounting, law, political science and international relations; experts within civil society and at international institutions; representatives of NGOs; tax authorities' officials; and TJN's supporters.

Once an addressee completed the survey, the program prevented the same addressee from submitting another survey response, in order to prevent duplicate survey responses from the same addressee.

In addition to the 3611 individual email addresses, the survey was disseminated via several group email lists including those of the Financial Transparency Coalition, Tax Justice - Europe, TJN Australia, TJN Africa, Canadians for tax fairness and Red de Justicia Fiscal. The first survey was sent on 18 January 2016, and the last date on which the survey was available to the public was 15 March 2016.

While the survey contains a maximum of 46 questions, several embedded filters may have led the respondents to skip some of the questions, subject to their answers. A number of questions were mandatory to answer in order to proceed in the survey, including five introductory questions and those that triggered the filters. All the other questions were optional, enabling the respondents to skip them and move to the following question if they did not want to answer them.

Some summary statistics and patterns of the survey reveal the following:

- The first page of the survey was opened 355 times during the period in which the survey was open to the public.
- 86 respondents have completed the survey, i.e. reached the last page of it.
- 124 other respondents have filled in only parts of the survey (at least clicked on the button 'next' once), of which 74 left the survey after the second question. We assume that many of these 74 respondents were addressees who accessed the survey and answered 'No' for the first question: 'Have you ever heard of the Financial Secrecy Index (FSI)?' In which case the first filter was triggered and the addressee was screened out of the survey with the following message:

¹ <https://www.soscisurvey.de/index.php?page=home&l=eng>; 22.4.2016.

This survey focuses on details of the FSI. Therefore, familiarity with the FSI is essential to answer it. While we kindly appreciate your willingness to fill in the survey, we would suggest you familiarize yourself with the FSI first and then come back to participate in the survey.

Out of the 124 respondents who partially filled in the survey, we considered only the data for those who filled in at least 3 questions. As a consequence, the following results take into account maximum of 136 respondents for each question.

The detailed analysis of the findings thus begins with question #2 because, as explained above, only those respondents who answered 'yes' for question 1 were allowed to move on to the next question and fill in the survey.

Findings

A. Introductory Questions

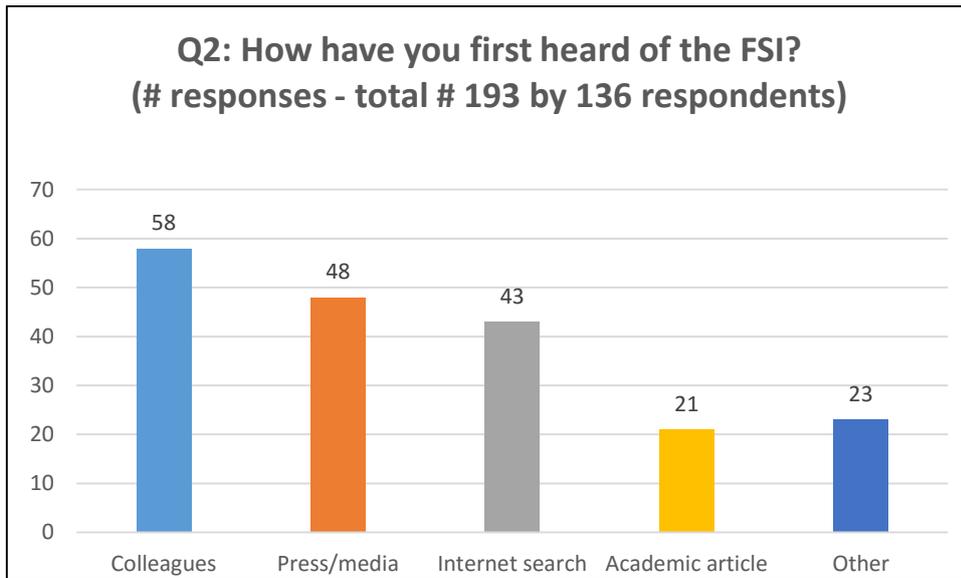
QUESTION 2: How have you first heard of the FSI?

OBSERVATION: The question was mandatory, offering a multiple choice of answers. In total, 136 addressees answered and 193 answers were provided checked.

RESULTS: 30% of the respondents said they heard about the FSI from colleagues; 25% from the press/media; 22% from an internet search; 11% read about it in academic articles and 12% answered 'other'.

The answers for 'other' are varied and they include:

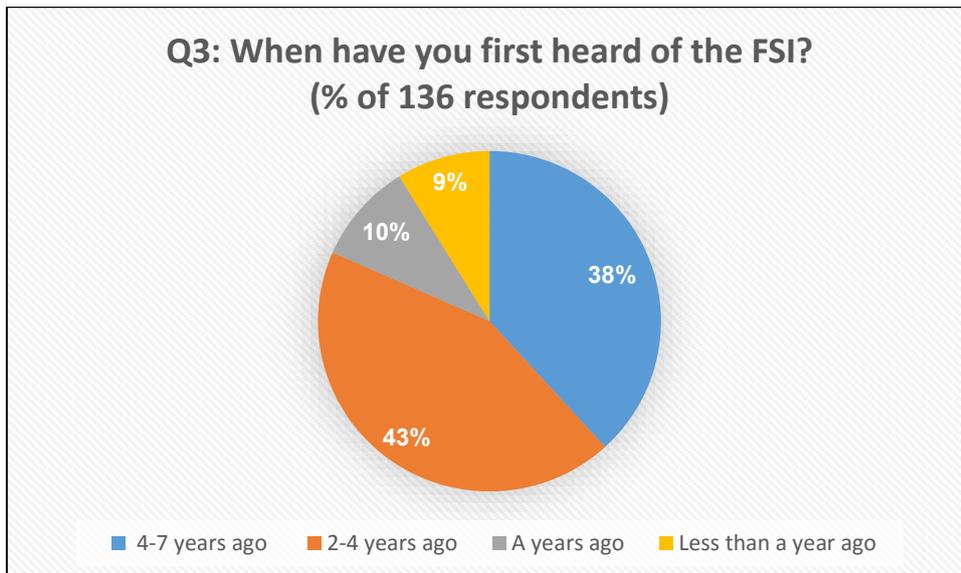
TJN newsletter, TJN mailing list, TJN website, TJN press release, word of mouth TJN; from other organisations: GFI, Global Alliance for Tax Justice, TJN Germany, CDI of Center for Global Development; books and GFI articles; workshops and individual research (e.g. history and development of the finance sector in Jersey: <http://www.archisle.org.je/masterplan/>); finally, some answered they were involved with the creation of the first FSI.



QUESTION 3: When have you first heard of the FSI?

OBSERVATION: The question was mandatory and included several mutually exclusive options of answers. In total, 136 addressees answered this question.

RESULTS: 38% of the respondents said they heard about the FSI between 4-7 years ago; 43% of them answered it was between 2-4 years ago; 10% answered they heard about the FSI a year ago; and 9% of the respondents answered they had heard about it less than a year ago, respectively.

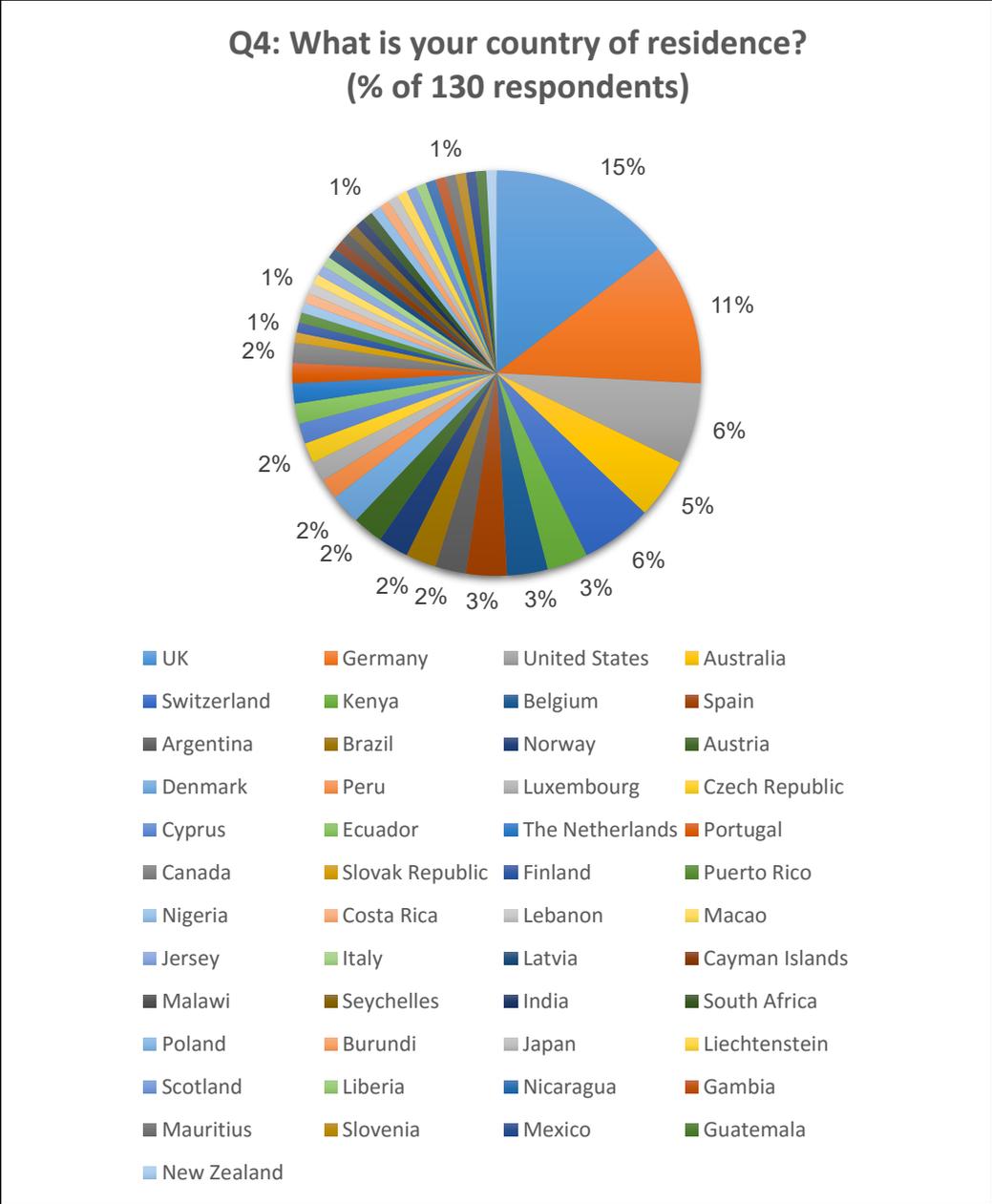


QUESTION 4: What is your country of residence?

OBSERVATION: This was a mandatory question which provided a free text box for the response. Answers were included in our final review for only 130 of the

addresses because 6 of these answers used numbers or punctuation marks and therefore were not considered valid.

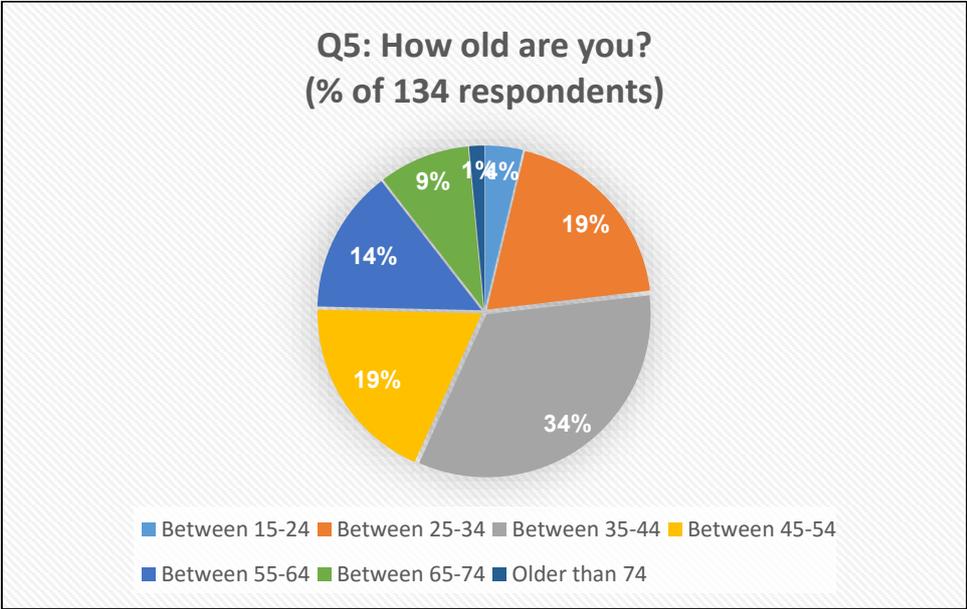
RESULTS: The 130 respondents were residents from 49 different countries scattered over 6 continents, including, among others, Burundi, Gambia, Macao, Mauritius, Seychelles, and Lebanon. Most of the respondents were residents of the UK, Germany and the United States (in decreasing order).



QUESTION 5: How old are you?

OBSERVATION: The question was mandatory and provided several options for responding. 136 addressees answered this question.

RESULTS: 34% of the respondents were between 15-24 years old; 19% were between 25-34 years old; 19% between 35-44 years old; 14% were between 55-64 years and 9% were between 65-74 years old; 1% of the respondents (which comprised 2 people) were over 74 years old.

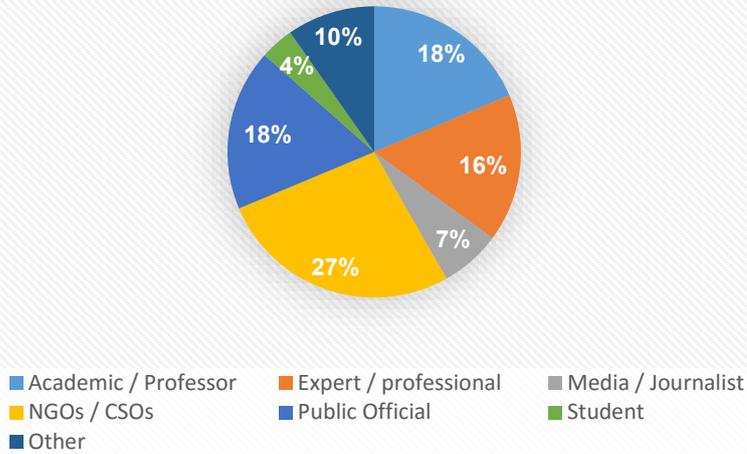


QUESTION 6: What is your professional background?

OBSERVATION: The question was mandatory and provided several options for responding. 134 addressees answered it.

RESULTS: 27% of the respondents were representatives of NGOs or CSOs; 18% were public officials (e.g. at Tax Administration, Financial Intelligence Unit, Central Bank, Prosecution service or similar); 18% were academics or professors; 16% were experts or professionals; 4% were students; and 10% had another professional background which included: managers, politicians, a computer engineer, a Think Tank policy analyst, a photographic archivist, and a Trade Union secretary.

Q6: What is your professional background?
(% of 134 respondents)



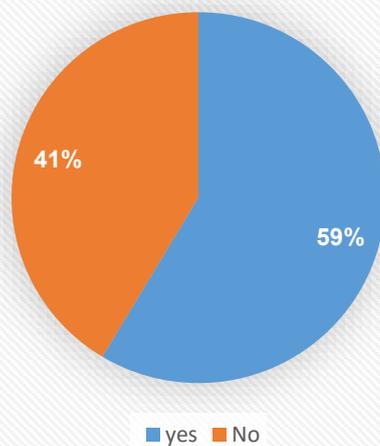
B. Use of the Financial Secrecy Index

QUESTION 7: Have you ever used the FSI?

OBSERVATION: The question was mandatory and acted as a filter for the follow-up question detailed below. It provided binary Yes/No answers. 130 addressees answered it.

RESULTS: 59% of the respondents (77 people) said they had used the FSI at least once and 41% of the respondents (53 people) said they have never used it before.

Q7: Have you ever used the FSI?
(% of 130 respondents)

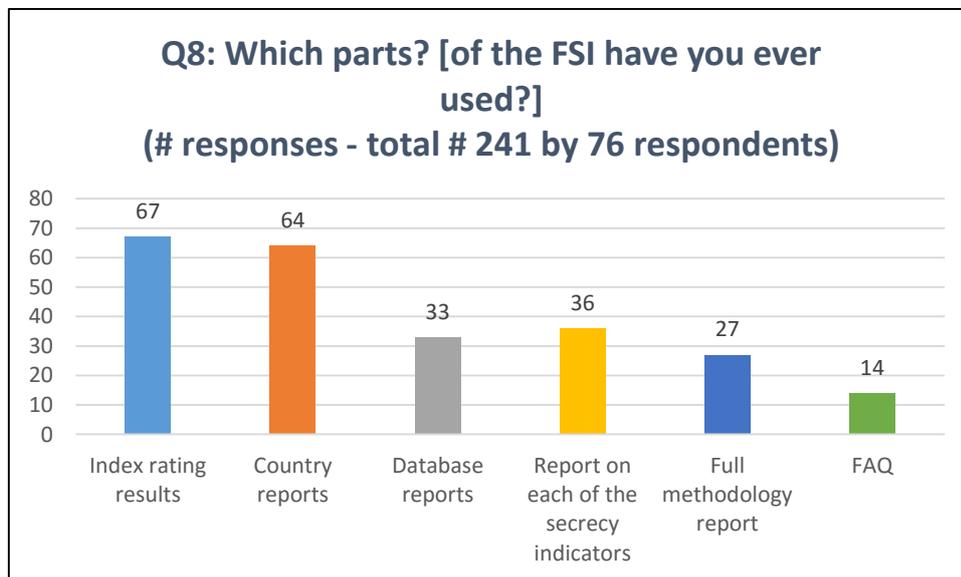


QUESTION 8: Which parts [of the FSI have you ever used]?

- 1) Index rating results**
- 2) Country reports**
- 3) Database reports**
- 4) Report on each of the secrecy indicators**
- 5) Full methodology report**
- 6) FAQ**
- 7) Other**

OBSERVATION: This question was optional and was presented as a follow-up question only to the 77 (59%) respondents who answered 'Yes' for the previous question, providing a multiple choice of answers. In total, 241 answers were checked for this question by 76 respondents.

RESULTS: Out of the 241 answers, the index rating results was the part the respondents had used the most of the FSI (67 respondents checked this answer); the second most used were the country reports (64 respondents); 36 respondents used the reports on each of the secrecy indicators; 33 respondents used the database reports; 27 respondents used the full methodology report and 14 respondents said they had used the Frequently Asked Questions section. None of the respondents checked the option 'Other'.



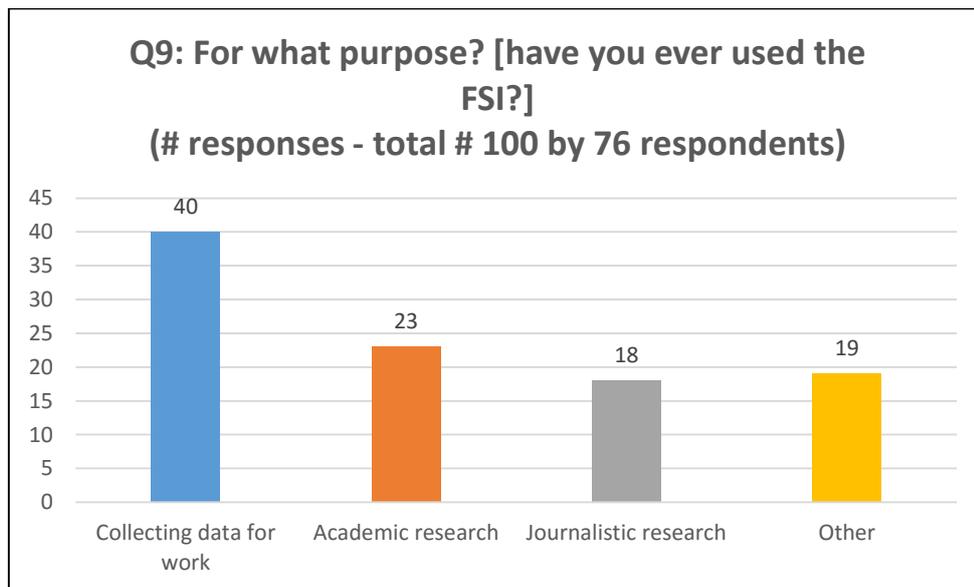
QUESTION 9: For what purpose [have you ever used the FSI]?

- 1) Collecting data for work**
- 2) Academic research**
- 3) Journalistic research**
- 4) Other**

OBSERVATION: This question was also optional and was presented only to 77 (59%) of the respondents who answered 'Yes' for question 7, providing a

multiple choice of answers. In total, 100 answers were checked for this question by 76 respondents.

RESULTS: Most of the respondents who answered this question (40 out of 76 respondents) used the FSI in order to collect data for their work; 23 respondents used it for academic research and 18 respondents used it for journalistic research; 19 respondents used the FSI for other purposes, of which the following were mentioned: national presentations, advocacy purposes, social media, corporate blogging, political work, NGO reports, teaching, research for local activism, assisting journalists with their research and personal interest.

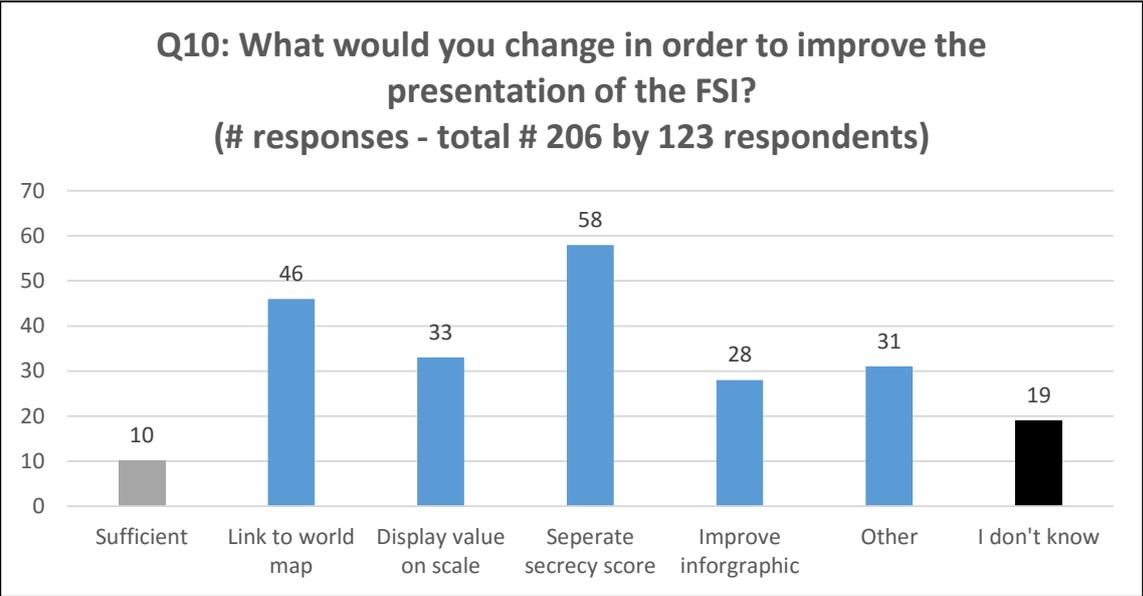


QUESTION 10: What would you change in order to improve the presentation of the FSI?

- 1) The presented information is sufficiently visible and there is no need to make any changes** ['Sufficient' in the chart below]
- 2) Link each jurisdiction to its geographic location and display it on the world map** ['Link to world map' in the chart below]
- 3) Display the FSI value on a 0-100 scale** ['Display value on scale' in the chart below]
- 4) Emphasise better the secrecy score of a jurisdiction (as a separate component to the FSI total value), both on the website and in the press releases** ['Separate secrecy score' in the chart below]
- 5) Improve the infographics** [option 'Improve infographic' in the chart below]
- 6) Other (please write down any idea you may have)**
- 7) I don't know**

OBSERVATION: This question was optional and provided a multiple choice of answers. It was presented to all addressees. In total, 206 answers were checked by a total of 123 respondents.

RESULTS: 58 respondents thought there is a need to emphasise the secrecy score of a jurisdiction better; 46 of the respondents thought there is a need to link each jurisdiction to its geographic location and display it on the world map; 33 respondents thought it would be useful to display the FSI on a 0-100 scale; 28 respondents thought there is a need to improve the infographics; 19 respondents answered they didn't know; only 10 respondents thought the information is sufficient and there is no need to make any changes; and 31 respondents checked the option 'other' .



As part of the option 'Other', the following ideas/comments for improving the presentation of the FSI were mentioned:

- 1) Make it easier to download data - cut out all the flags in Excel!!!!
- 2) Shape argumentation: 1. better coherence between country reports (partly put together with help of national partners) and dataset (put together by FSI research team) 2. Especially in case of non-"usual suspects" (like Germany): better link between the arguments made in the report and the actual scores, so that the reasons for their ranking is clear at first glance.
- 3) Report /link high-level corruption court cases, within the past 5 years, to indicate if and how corruption is being tackled.
- 4) Try and incorporate tax avoidance/corporate profit shifting, as this is where a lot of the energy in terms of new legislation is going to, and to which also a lot of citizens react strongly to.
- 5) Try to expand the indicator to other topics than secrecy. Tax havens and NCJs are not only about secrecy it would be interesting to have an overview.
- 6) One feedback from the journalist who covered the FSI 2015 in Norway was this: It was a challenge for him to communicate in the article that the countries on the top were the worst ones. In other indexes the first place typically goes to the "winner" in a positive sense. Not sure I agree, since the FSI is rightly puts focus on the worst offenders - and

the countries who will inevitably get the most focus are typically "top 10", but wanted to mention it in any case.

- 7) Visualize some of the data from database.
- 8) More granular detail on US states re: Delaware, Nevada, etc.
- 9) It's clear that not all countries are on the FSI - and that's fair enough, it would be a lot of work to do it for each country. But I am sometimes confused about whether 'merely appearing' on the FSI is an indicator of some secrecy, and therefore bad; or whether being ranked very low on the FSI is in fact good. E.g. would a country ever get taken off it if it improved sufficiently? Are there any countries in there which are in fact good models for transparency?
- 10) Relate FSI to depth of financial sector in jurisdiction under study, this will clearly demarcate developing countries from developed
- 11) Se debe hacer énfasis en las prácticas que tiene las jurisdicciones a partir de sus puntuaciones segmentadas en poco, algo, mucho y a partir de estas caracterizar a cada una [Free translation: Emphasis should be placed on practices for which jurisdictions are scored high, medium or low on the index and to characterise each jurisdiction in accordance with its practice].
- 12) Make it easier to search different parts of the FSI and compare countries, e.g. on tax treaties (including scoring on the subject)
- 13) All further specifications are most welcome. The most important is the absolute reliability of the information and good footnotes which declare your sources.
- 14) Use open data standards (you may be doing so already). On a world map, show also links _between_ secrecy jurisdictions and directions of illicit financial flows. Make the link between FSI and other useful indexes (insufficient on their own), like TI's corruption perception index.
- 15) Maintain the same set of indicators to ensure longitudinal comparison.
- 16) Break down secrecy scores of subnational jurisdictions (ex. - London, individual US states). Clarify the significance of the highlighting for jurisdictions under the Judicial Committee of the Privy Council. Note when a jurisdiction's highlighted status changes during the course of the index's creation (ex. - Dominica is no longer a member of JCPC.)
- 17) Some way of showing how different jurisdictions have moved up or down over time would be interesting, and specifically in terms of the secrecy score (and perhaps also the relationship between secrecy score and whether the size of financial activity increases or decreases). So for instance I was very interested in Mauritius and its effort to develop as the offshore centre for Africa. It looks like it actually increased its secrecy score over time, one of the few places to do so and I would have liked to see a clear picture of whether or now that related to it increasing its share of offshore business related to Africa.
- 18) Country report denoted as footnote '2' should be highlighted more. Amazing resource that on quick glance at FSI will not necessarily be picked up on by casual reader.
- 19) It's OK as it is.
- 20) Explain calculation for FSI total value better with an example calculation.

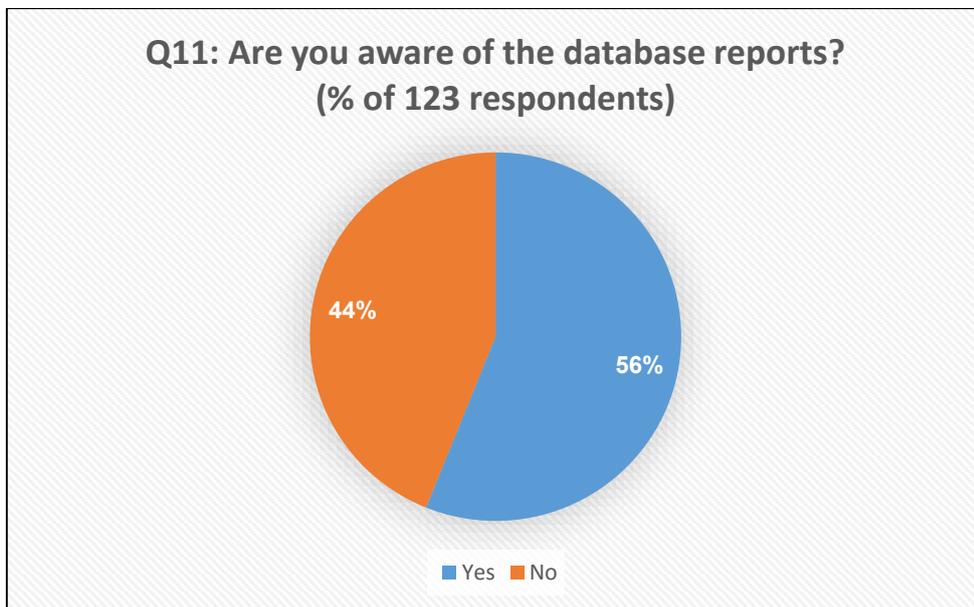
- 21) It would be good to show better how things have changed over time, both overall trends and individual countries.
- 22) Report is almost too detailed and complex for many in the media so some more top line messages and summaries would make it easier to promote the report with media.
- 23) Slightly off topic but related--a feature that helps to keep on top of significant changes in offshore jurisdictions' laws/regulations would be a huge help. For example, email notification or even a quarterly / annual summary of major regulatory updates.
- 24) In the public (media coverage etc.) the FSI is generally seen as an index of tax havens. I know that TJN tries to avoid the worst forms of misconceptions and stresses that it is an index of financial secrecy and financial services. Nevertheless, the index does contribute to the misunderstandings by including some elements (for example CBCR) which is more related to corporate tax planning which is different. More could perhaps be done either to more clearly state that the FSI is only an index for the financial sector and not for corporate tax dodging, or to add some elements that would mean that the index measures both the scale of the financial sector AND the scale of corporate sector. This could for example be in the form of some of these indicators:
 FDI/GDP; Amount of FDI routed through SPEs (new OECD standards on FDI statistics could soon make this more widely available); Number of companies per inhabitants; The scale factor for the financial sector and corporate sector could be weighed equally to balance out. This would most likely imply that countries such as the Netherlands and Ireland which currently score well on the FSI would receive a much worse score. The rationale for this change would be to acknowledge that the FSI is already seen by many as a 'tax haven' index and therefore you may as well take the logical implication of trying to develop an index that better reflects this.
- 25) Connect FSI rating and data and national report with OECD reports on similar themes.
- 26) Provide more detailed qualitative analysis of country contexts along with the score value.
- 27) Include Puerto Rico, include more countries. The Database reports should be in an excel table for analysis; that way you don't have to go country by country to input the data in an excel table.
- 28) Be clearer on the Method, and the reasons why it has been chosen in that way.
- 29) A better overview of its sources would be useful in form of a table or infographic. It should be more prominent on the website and not just listed and explained in the methodology paper. The website for example lists all fifteen secrecy indicators that have been used to assess jurisdictions but it would be beneficial to see the corresponding sources next to it listed.

C. Database Reports

QUESTION 11: Are you aware of the database reports?

OBSERVATION: The question was mandatory and acted as a filter for the follow-up question detailed below. It provided binary Yes/No answers. 123 addressees answered this question.

RESULTS: Out of the 123 respondents, 44% (54 respondents) said they were not aware of the database reports while 56% (69 respondents) said that they were.

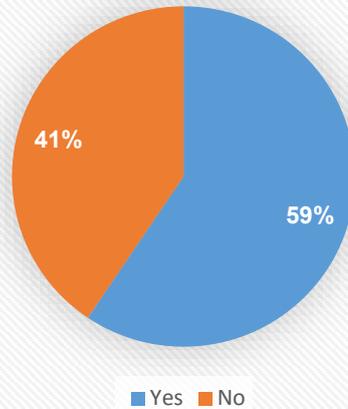


QUESTION 12: Have you ever used the database reports?

OBSERVATION: The question was mandatory and acted as a filter for the following question, providing binary Yes/No answers, and it was presented only to the 69 respondents who answered 'Yes' for question 11. In total 69 addressees answered it.

RESULTS: Out of the 69 respondents, 41% (28 respondents) answered they have never used the database reports while 59% (41 respondents) of them said they had.

**Q12: Have you ever used the database reports?
(% out of 69 respondents)**

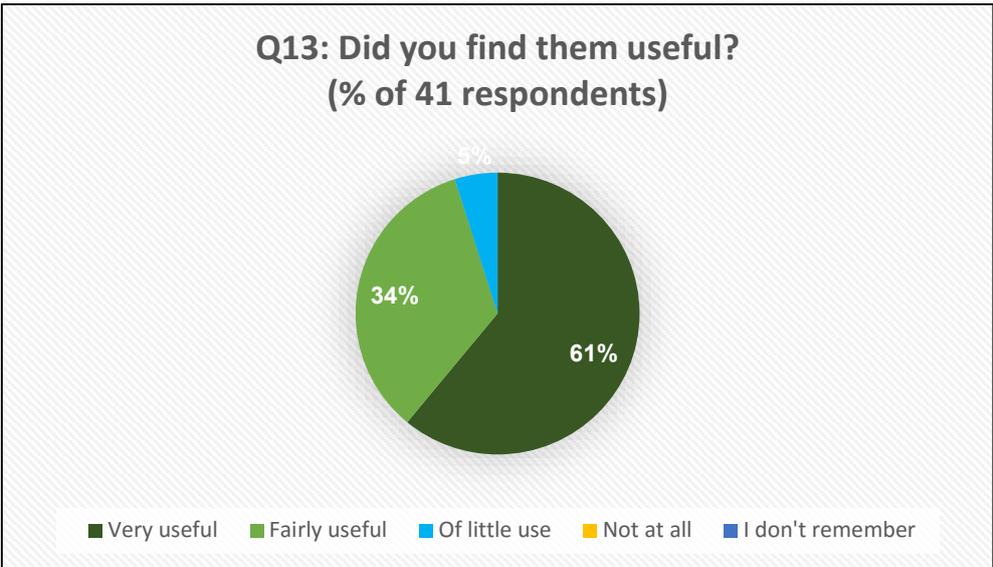


QUESTION 13: Did you find them useful?

- 1) Not at all**
- 2) Of little use**
- 3) Fairly useful**
- 4) Very useful**
- 5) I don't remember**

OBSERVATION: The question was presented only to the 42 respondents who answered 'Yes' for question 12. It provided 5 optional answers. In total, 41 addressees answered it.

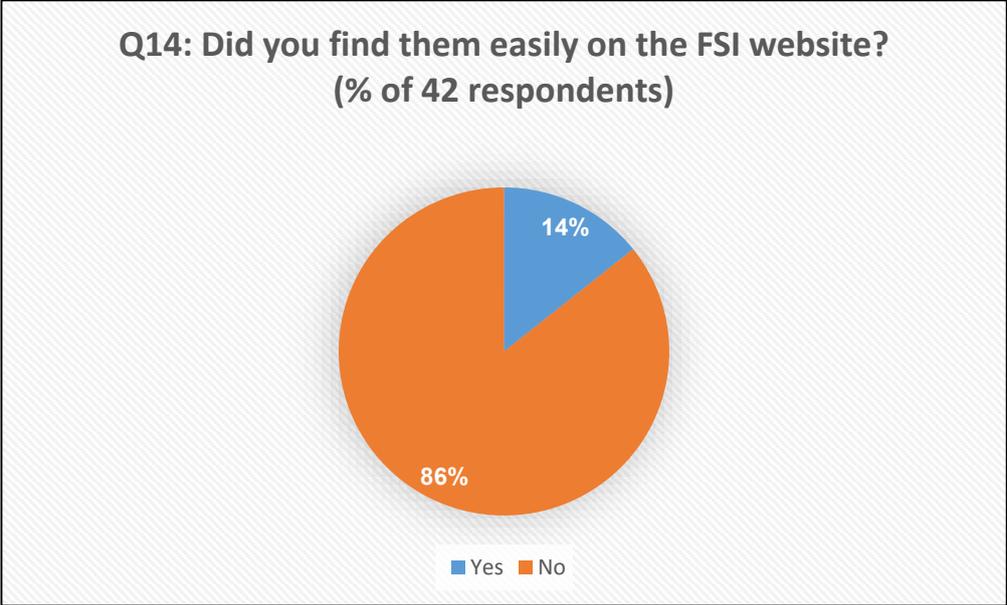
RESULTS: Out of the 41 respondents, 61% answered they found them 'very useful', 34% found them 'fairly useful' and 5% found them 'of little use'. None thought it was not useful or didn't remember whether it was useful or not. One person chose not to answer this question.



QUESTION 14: Did you find them easily on the FSI website?

OBSERVATION: The question was optional, providing binary Yes/No answers. It was presented only to the 42 respondents who answered 'Yes' for question 12. In total, all 42 addressees answered it.

RESULTS: Out of the 42 respondents, only 14% answered they found the database reports easily, whereas 86% answered they didn't find them easily.



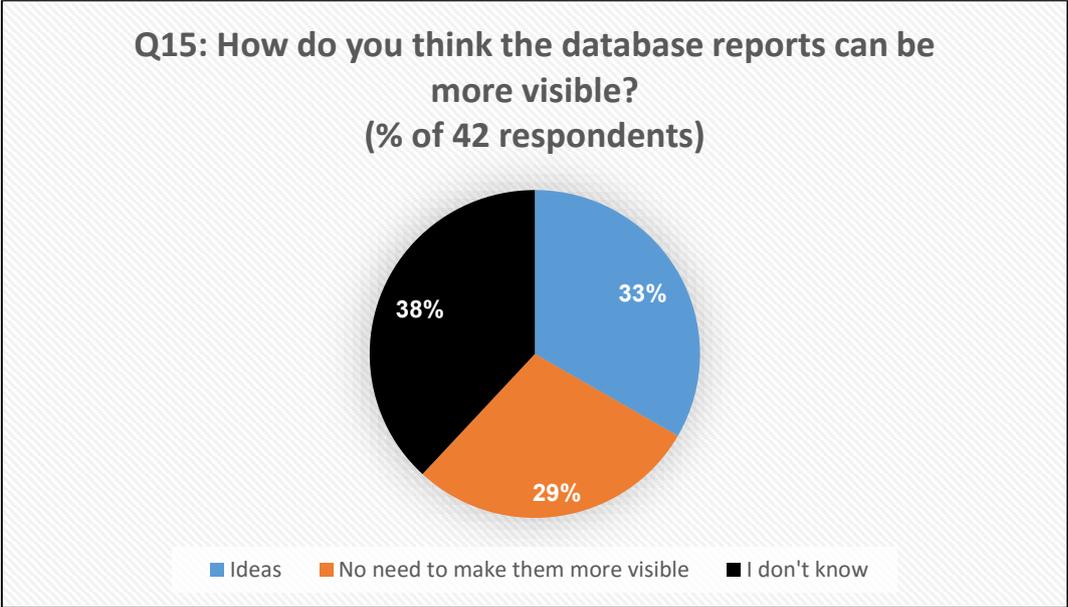
QUESTION 15: How do you think the database reports can be more visible?

- 1) I don't think they are useful, so no need to make them more visible
- 2) I don't know
- 3) Please specify any ideas you may have

OBSERVATION: This question was presented only to the 42 respondents who answered 'Yes' for question 12. However, this question was mandatory and acted as a filter for the follow-up question detailed below. It provided three options of answers with a text box for writing any ideas the addressee might have. In total, all 42 addressees answered it.

RESULTS: 29% of the respondents thought there is no need to make the reports more visible; 8% answered 'I don't know' and 33% suggested the following ideas:

- 1) Closer link between database and ranking needed (lots of information not included in the ranking - not clear to me, why this is the case) --> unless you use database better, the database should of course NOT be made more visible.
- 2) Make sure that the database report is published together with the country report and the overall rating publication (especially when it is sent out per e-mail).
- 3) Perhaps make them visible in the index itself, like the country reports are.
- 4) They're useful, again comparability between reports could be easier, to track a single issue across countries for instance.
- 5) Printable database.
- 6) The database reports could be easier to compare on a specific topic, and make thus bespoke scoring based on your own criteria.
- 7) A direct link on the "league table" page would be easy to do.
- 8) Clearer links (in more than one place) to get to the data Clearer links (in more than one place) to get to the data.
- 9) Media publicity.
- 10) The report can be widely circulated to make impact for social change.
- 11) Export the data to an excel table.
- 12) They are OK as they are.

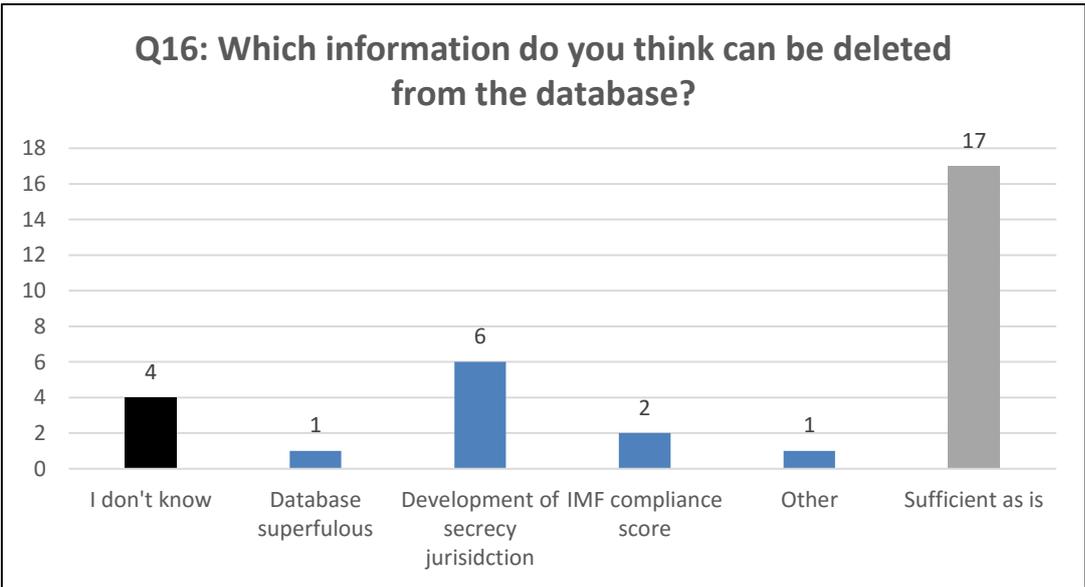


QUESTION Q16: Which information do you think can be deleted from the database?

- 1) All the information in the database reports is superfluous. The Country Reports are absolutely sufficient** ['Database superfluous' on the chart below]
- 2) A description of the development and role as a secrecy jurisdiction** ['Development of secrecy jurisdiction']
- 3) Overall compliance score with Insurance / Banking / Securities regulations according to IMF reports** ['IMF compliance score' on the chart below]
- 4) Others (please specify)**
- 5) No need to delete anything** ['Sufficient as is' on the chart below]
- 6) I don't know**

OBSERVATION: This question was optional and provided a multiple choice of answers. The question was presented only to the 30 respondents who did not choose answer #1 for question 15 (i.e. 'I don't think they are useful, so no need to make them more visible'). In total, 31 answers were checked by 28 respondents.

RESULTS: 17 respondents thought there is no need to delete anything; one of the respondents thought the information in the database reports is superfluous; 6 respondents thought the description of the development and role of a secrecy jurisdiction can be deleted; 2 respondents answered that the overall compliance score with Insurance/Banking/Securities regulations according to IMF jurisdiction can be deleted; 4 respondents answered 'I don't know'; and one respondent checked the box 'other' and wrote: 'delete 13.-18. [GDP sectoral composition and Employment sectoral compilation]; streamline 44-47 [Tax details] and 101-105' [Regulator details];



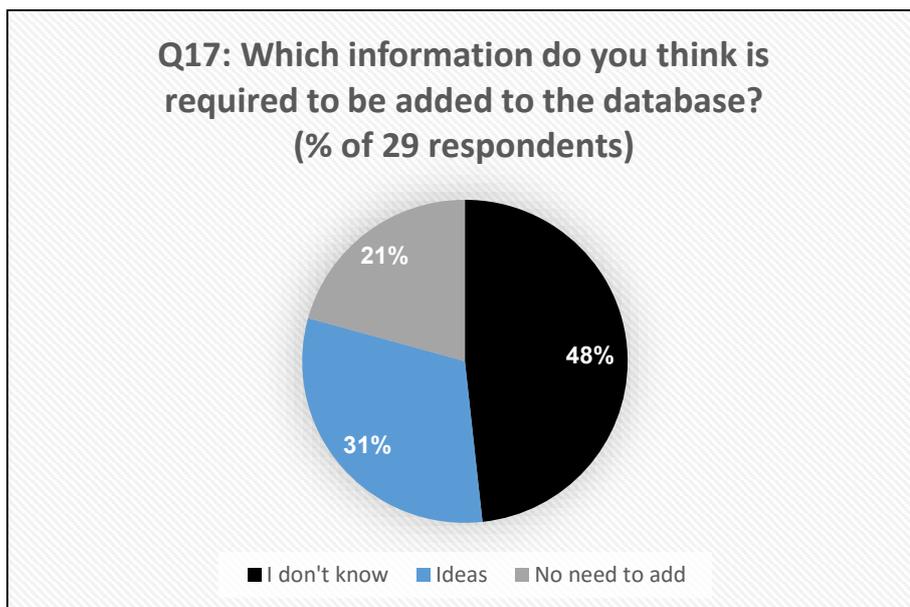
QUESTION 17: Which information do you think is required to be added to the database?

- 1) The database reports are already too detailed/detailed enough. There is no need to add anything else;**
- 2) A free text was provided to write any idea the addressee may have;**
- 3) I don't know**

OBSERVATION: This question was presented only to the 30 respondents who did not choose answer #1 for question 15 (i.e. 'I don't think they are useful so no need to make them more visible'). It was an optional question which provided three choices of answers. In total, 29 respondents answered it.

RESULTS: 21% of the respondents thought there was no need to add any more information; 48% answered 'I don't know' and 31% suggested the following ideas:

- 1) Money Laundering: Overall Compliance Score of FATF - is too "aggregate". It would be good to have the ratings for each of the Recommendations, so that alternative weightings can be used. Not all recommendations are equally important.
- 2) I would add more diverse disaggregated metrics of international financial intermediation (e.g. CDIS FDI data, BIS banking data). Metrics 89 and 90 seem a bit terse and opaque/incomplete, given their importance.
- 3) You could add tax treaties esp. with developing countries, and analysis of them.
- 4) More about tax treaties a jurisdiction has, and their withholding taxes in each jurisdiction.
- 5) Link perhaps with future indicators in the Sustainable Development Goals process (ex. under objective 16).
- 6) Beneficial ownership transparency.
- 7) Identifying subnational banking centers (Ex. London, various US states) where their secrecy scores are largely responsible for the entire nation's high ranking.
- 8) Greater use of Headings
- 9) More information regarding law enforcement and the financial intelligence unit (FIU) would be useful. In the Swiss data report for example the reader finds information about the role of FINMA (Supervisory authority) but not on the MROS (Swiss FIU) or the FEDPOL and their roles/efforts against money laundering and tax evasion. Also, the new National Risk Assessments (NRAs) might be useful to consider for future database reports.



D. Tax Avoidance Indicators

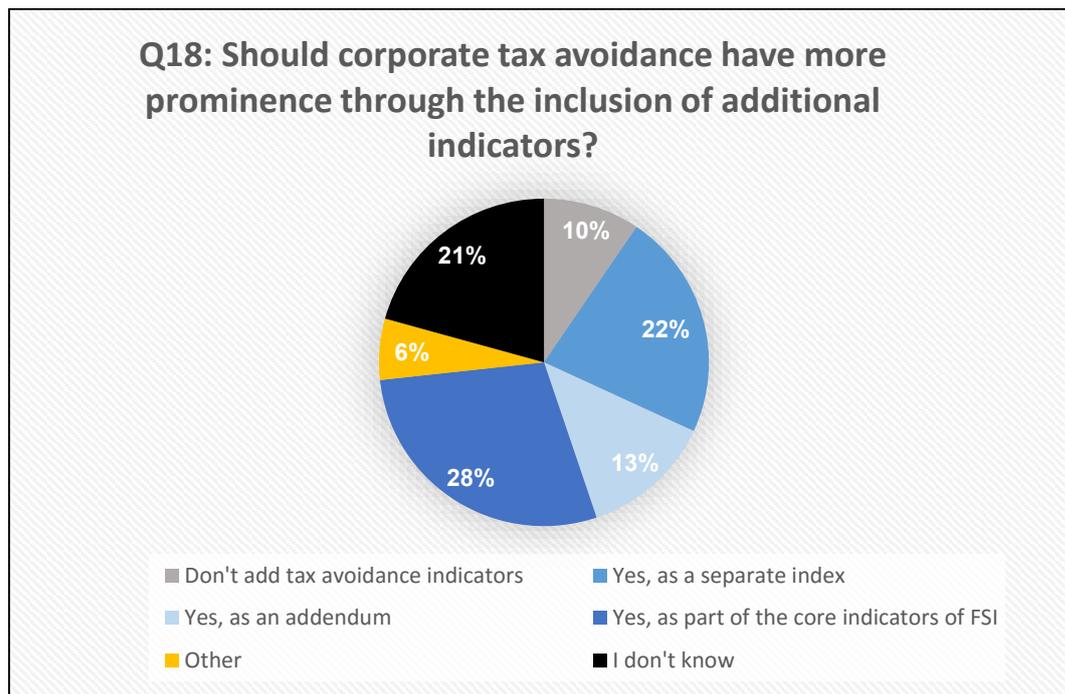
QUESTION Q18: Should corporate tax avoidance have more prominence through the inclusion of additional indicators?

- 1) **No, additional indicators for tax avoidance should not be part of the FSI** ['No tax avoidance indicators' on the chart below]
- 2) **Yes, but create the additional indicators for tax avoidance in a separate index and not as part of the FSI** [' Yes as a separate index' on the chart below]
- 3) **Yes, but the additional indicators for tax avoidance should be added as an addendum to the FSI** ['Yes as an addendum' on the chart below]
- 4) **Yes, additional indicators for tax avoidance should be part of the core indicators of FSI** ['Add tax avoidance indicators' on the chart below]
- 5) **Other**
- 6) **I don't know**

OBSERVATION: This question was mandatory and acted as a filter for the follow-up question detailed below. It was presented to all addressees and provided a choice of several answers. In total, 116 addressees answered this question.

RESULTS: 11 respondents thought that additional indicators for tax avoidance should not be part of the FSI; 26 respondents thought there is a need to create the additional indicators for tax avoidance in a separate index and not as part of the FSI; 15 respondents thought the additional indicators for tax avoidance should be added as an addendum to the FSI ; 33 respondents thought that the additional indicators should be part of the core indicators of the FSI; 24 respondents answered 'I don't know'; and 7 respondents checked the box 'other' and wrote the following ideas:

- 1) In the context of the current debate on tax dodging of cooperation specifically (i.e. "Country-by-Country-Reporting"): Add a separate index which focuses on jurisdictions as safe havens for cooperation (especially for profit shifting).
- 2) I would create a separate indicator of corporate tax avoidance from the FSI. It seems to be a somewhat different issue, that isn't necessarily strongly linked to secrecy - a lot of corporate tax avoidance is based on a fairly transparent exploitation of loopholes.
- 3) I don't mind if included as an addendum or main part of report, but additional indicators for tax avoidance would be useful I think.
- 4) Add tax expenditures and administrative capacity.
- 5) The user should be able to scope out indicators which - in their view - should not be included (either per jurisdiction or in total). That makes the project (even) less subjective.
- 6) I think there's a risk that the FSI loses some reputation as objective if it brings in tax avoidance, which is seen much more subjectively, as a core indicator.
- 7) This purely depends on the availability and quality of additional indicators



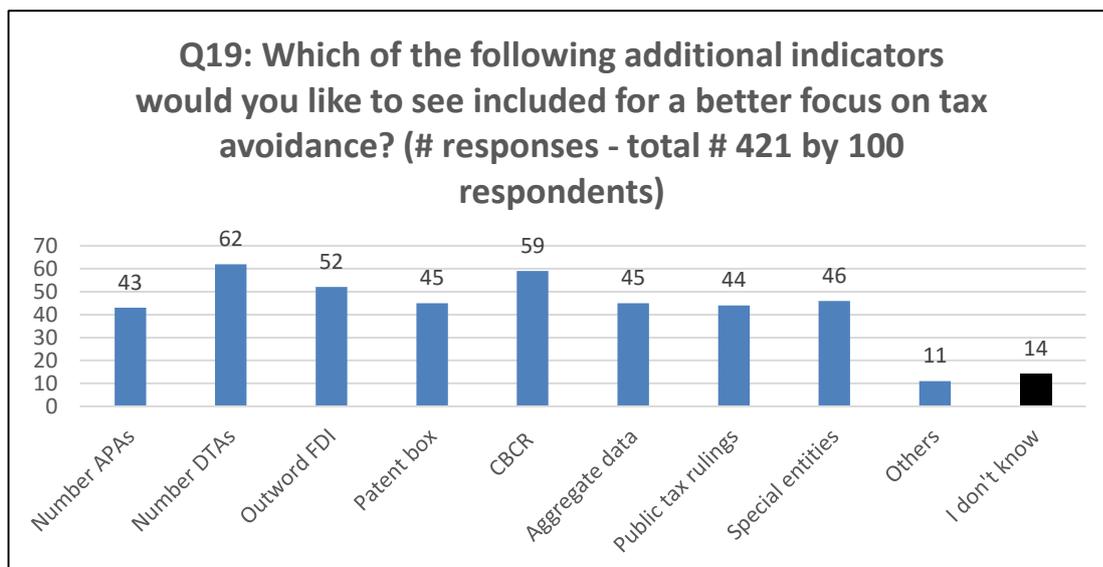
QUESTION Q19: Which of the following additional indicators would you like to see included for a better focus on tax avoidance?

- 1) **The number of non-disclosed APAs (Advanced Pricing Agreements)**
 ['Number APAs' on the chart below]
- 2) **The number of DTAs (Double Tax Agreements) the jurisdiction has signed with developing countries which include very low or nil**

- inward and outward withholding tax** [**'Number DTAs'** on the chart below]
- 3) **Outward FDI (Foreign Direct Investment)/ GDP (Gross Domestic Product), where disproportionate levels may indicate risk of tax avoidance activity** [**'Outward FDI'** on the chart below]
 - 4) **The availability of patent boxes or innovation boxes** [**'Patent box'** on the chart below]
 - 5) **The jurisdiction sends CBCR (Country by Country Reporting) to other jurisdictions according to BEPS Action 13** [**'CBCR'** on the chart below]
 - 6) **Publication of aggregate data (e. g. regarding statistics on automatic information exchange)** [**'Aggregate data'** on the chart below]
 - 7) **Publication of tax rulings and/ or data on their impact** [**'Public tax rulings'** on the chart below]
 - 8) **The jurisdiction allows the creation of entities that are prevented from contracting with local residents and / or from owning domestic assets** [**'Special entities'** on the chart below]
 - 9) **Others (please specify)**
 - 10) **I don't know**

OBSERVATION: This question was optional and provided a multiple choice of answers. It was presented only to the 105 respondents who did not choose answer A for question 18 (i.e. that additional indicators for tax avoidance should not be part of the FSI). In total, 421 answers were checked by 100 respondents.

RESULTS:



43 respondents thought there is a need to add the indicator 'Number APAs'; 62 respondents chose to add the indicator 'Number DTAs'; 52 respondents thought

there is a need to add the indicator 'Outward FDI'; 45 respondents thought there is a need to add the indicator 'Patent box'; 59 respondents thought there is a need to add the indicator 'CbCR'; 45 respondents thought there is a need to add the indicator 'Aggregate data'; 44 respondents thought there is a need to add the indicator 'Public tax rulings'; 46 respondents thought there is a need to add the indicator 'Special entities'; 14 respondents answered 'I don't know' ; and 11 respondents checked the box 'others' and wrote the following ideas:

- 1) Existence of a GAAR; Existence of published tax gap data.
- 2) Tax evasion and associated money laundering signposts all bribery & corruption. Al Capone was jailed for tax-evasion. It is the vital focus.
- 3) The jurisdiction provides specific advantages to non-residents.
- 4) The number of DTAs the jurisdiction has signed with any country which has a low or nil inward and outward withholding tax (e.g. Netherlands)
- 5) Allowing for foundations / charities with no charitable purpose to be established.
- 6) Anonymous companies & illicit financial flows; Market share of captive reinsurance companies which are housed within a jurisdiction.
- 7) Existence of general anti-avoidance rules under national tax law. And key case law on this point (i.e. possibilities for challenge tax planning under *fraus legis* style doctrines).
- 8) All of these have some merit, but I'd be wary of including APAs, DTAs, FDI and tax rulings without some more detailed thinking about the specifics on how to use them. I also think that the data would be very difficult/time consuming to collate. The one's I've ticked (patent boxes, aggregate data and entities prevented from contracting) would be much easier to collect data on.
- 9) Other potential indicators: Proportion of FDI flowing through SPEs; Existence of anti-abuse rules (CFC, exit taxation, interest limitation, hybrid-mismatch, general anti-abuse rule etc.); Whether withholding tax is applied; Presence of ring-fenced special tax regimes (export processing zones, special economic zones); Whether or not SPE/SPVs can be established under domestic law; Existence on rules to limit the carry forward of losses; Existence of a specialised unit for transfer pricing in the tax administration / number of transfer pricing adjustments per year done by the tax administration / relative number of tax administrators working on large company (the OECD has data on this) / other indicator to assess whether the jurisdiction's tax administration seeks to challenge MNC's tax arrangements or take a *laissez faire* approach; Presence of Freeport (to be added as possible financial secrecy indicator).
- 10) Low Tax rates; engagement of the country for BEPS, Unitary Taxation, CbCR etc.
- 11) Data on personal taxation.

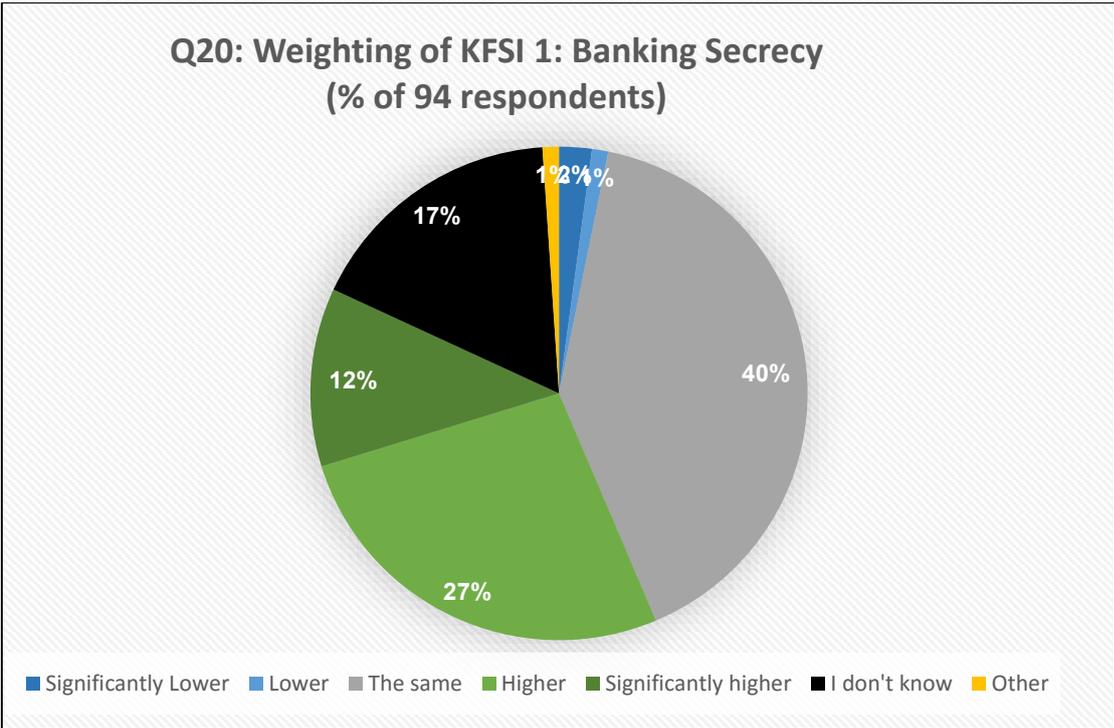
1.E Weighting of the 15 Key Financial Secrecy Indicators (KFSIs)

QUESTION Q20: Should the weighting of KFSI 1 (Banking secrecy) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided several options for answers: 'Significantly Lower'; 'Lower'; 'The same'; 'Higher'; 'Significantly higher'; 'Other'; 'I don't know'. It was the first question out of a set of 15 which asked whether the current equal weighting of the 15 indicators should stay the same or be different for each one of the indicators. The choice of answers was the same for each one of the 15 questions. The question was presented to all addressees and referred to the first KFSI 'banking secrecy'. In total, 94 addressees answered this question.

RESULTS: Out of the 94 respondents, 12% answered 'significantly higher'; 27% answered 'higher'; 40% answered 'the same'; 1% answered 'lower'; 2% answered 'significantly lower'; 17% answered 'I don't know'; and 1% answered 'other' with the following comment:

'I would suggest scrapping arbitrary weighting of various index components, and instead try aggregating indicators with something more data-driven like PCA. I'm not sure if it would actually work well, but could be worth experimenting (same for all below).'

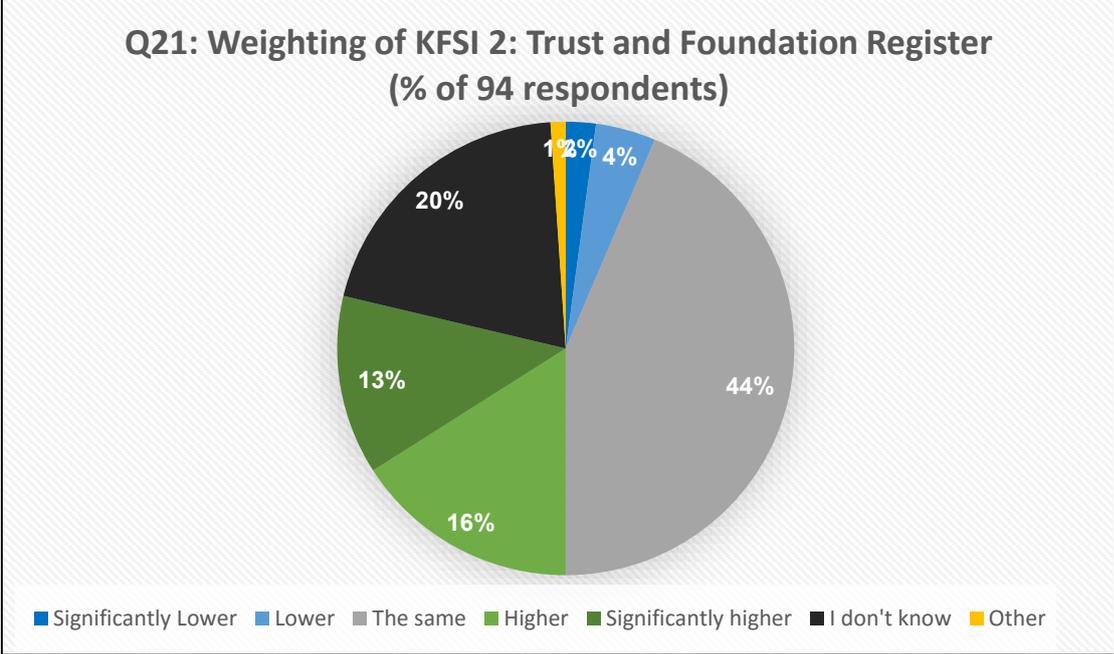


QUESTION Q21: Should the weighting of KFSI 2 (Trust and Foundation Register) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 94 addressees answered this question.

RESULTS: Out of the 94 respondents, 13% answered 'significantly higher'; 16% answered 'higher'; 44% answered 'the same'; 4% answered 'lower' ; 2%

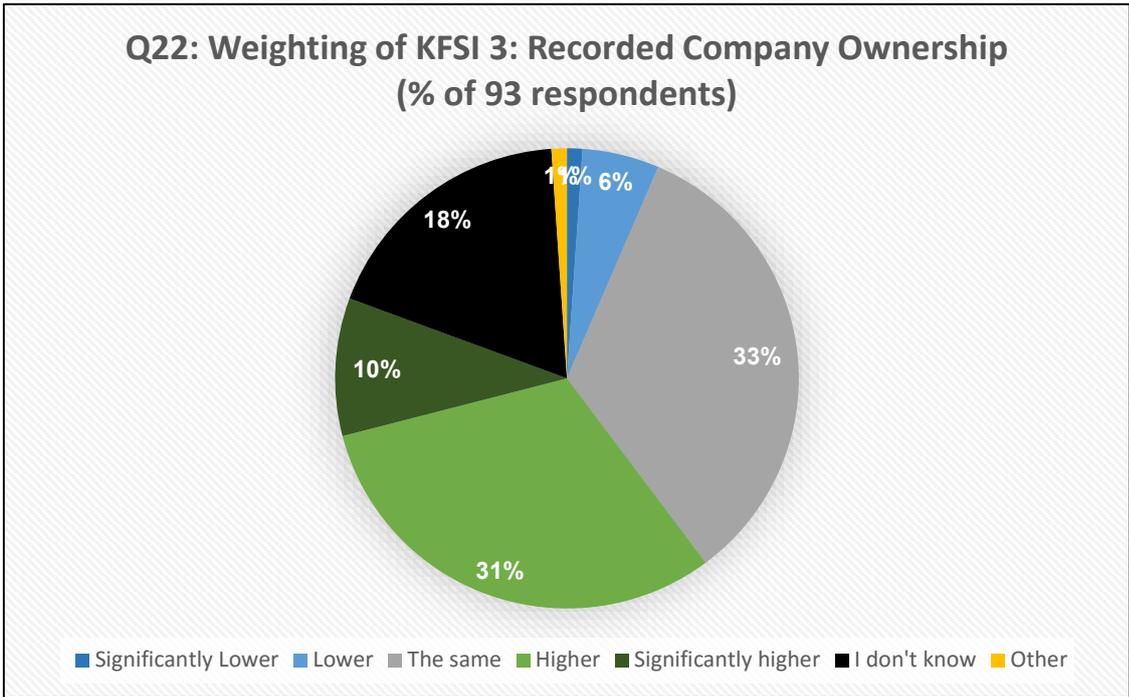
answered 'significantly lower'; 20% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



QUESTION Q22: Should the weighting of KFSI 3 (Recorded Company Ownership) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 93 addressees answered this question.

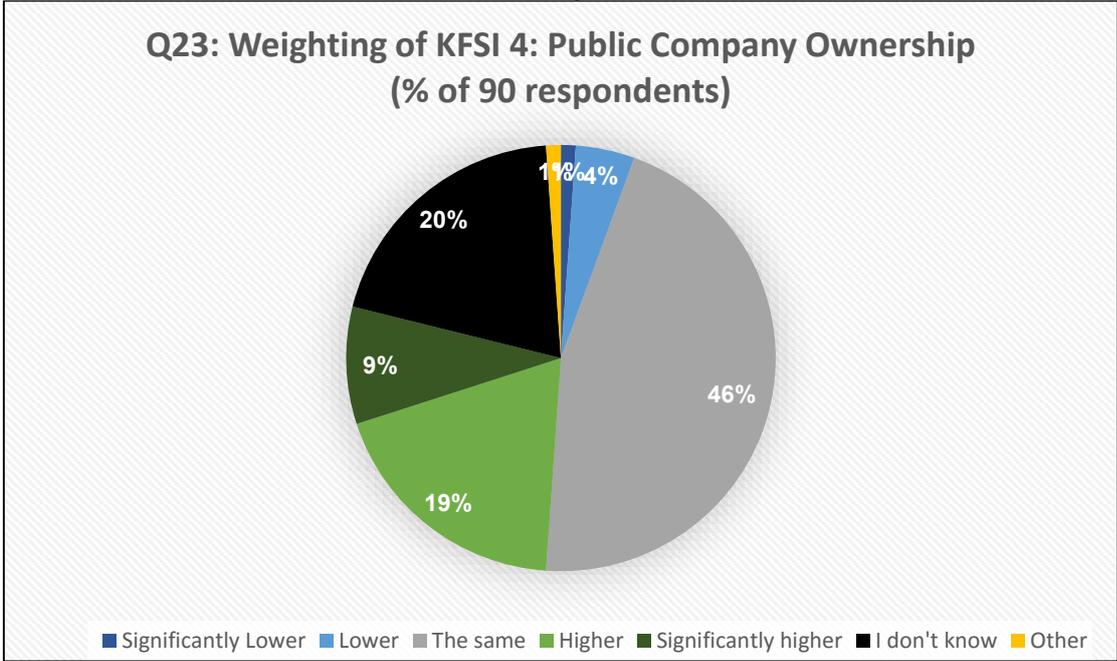
RESULTS: Out of the 93 respondents, 10% answered 'significantly higher'; 31% answered 'higher'; 33% answered 'the same'; 6% answered 'lower'; 1% answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



QUESTION Q23: Should the weighting of KFSI 4 (Public Company Ownership) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 90 addressees answered this question.

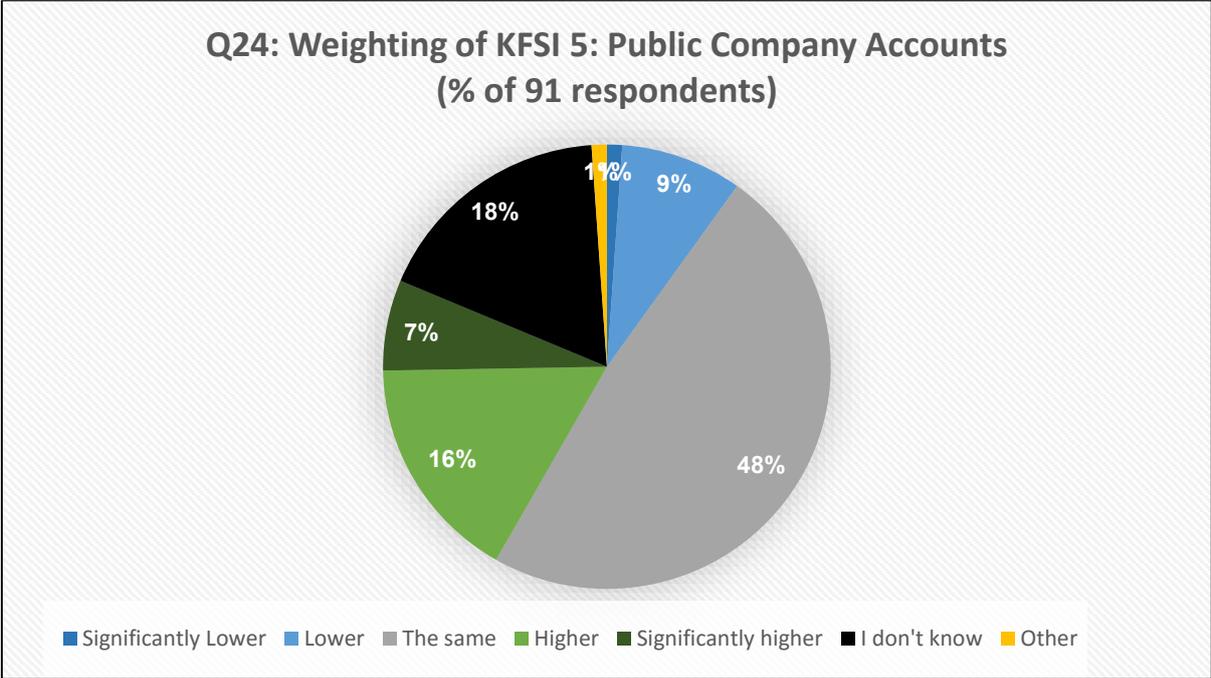
RESULTS: Out of the 90 respondents, 9% answered 'significantly higher'; 19% answered 'higher'; 46% answered 'the same'; 4% answered 'lower'; 1% answered 'significantly lower'; 20% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



QUESTION Q24: Should the weighting of the KFSI 5 (Public Company Accounts) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 91 addressees answered this question.

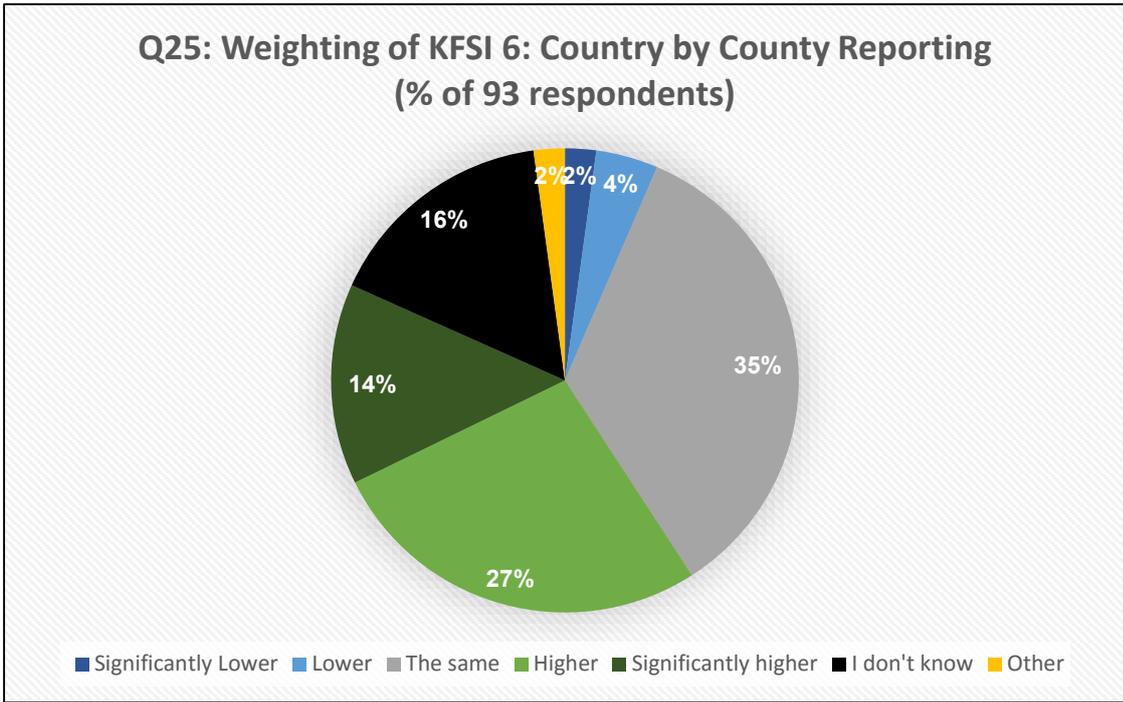
RESULTS: Out of the 91 respondents, 7% answered 'significantly higher'; 16% answered 'higher'; 48% answered 'the same'; 9% answered 'lower'; 1% answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



QUESTION Q25: Should the weighting of KFSI 6 (Country by Country Reporting) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 93 addressees answered this question.

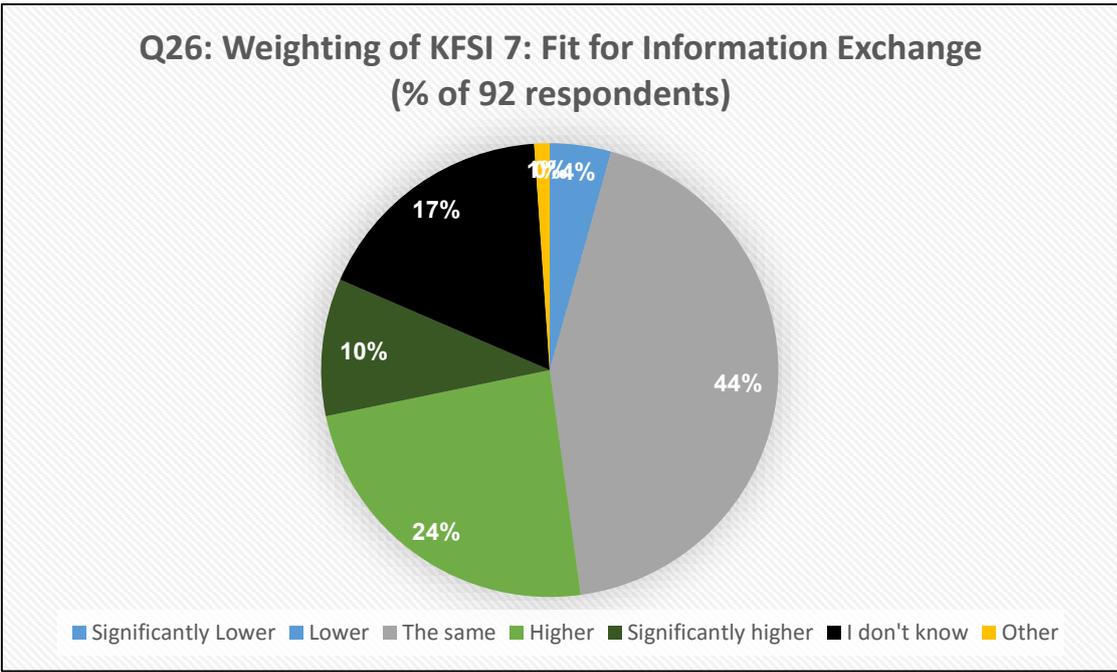
RESULTS: Out of the 93 respondents, 14% answered 'significantly higher'; 27% answered 'higher'; 35% answered 'the same'; 4% answered 'lower'; 2% answered 'significantly lower' ; 16% answered 'I don't know'; and 2% answered 'other' with 1) the same comment as in Question 20; and 2) "this is not linked to financial secrecy in our opinion".



QUESTION Q26: Should the weighting of KFSI 7 (Fit for information exchange) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 92 addressees answered this question.

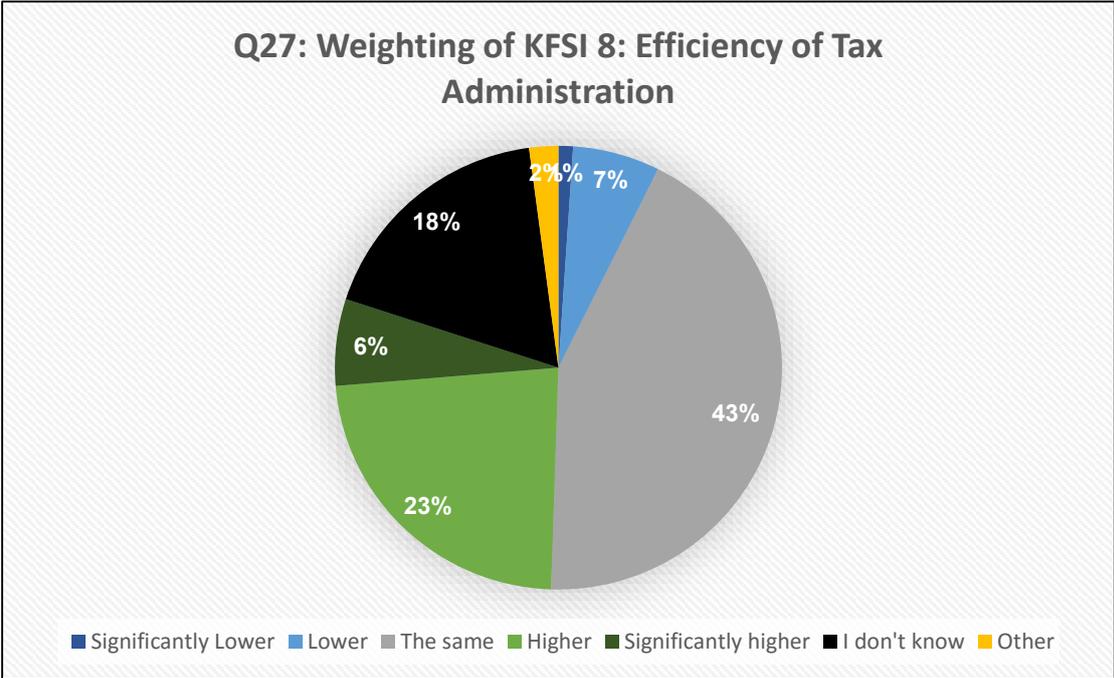
RESULTS: Out of the 92 respondents, 10% answered 'significantly higher'; 24% answered 'higher'; 44% answered 'the same'; 4% answered 'lower'; none of the respondents answered 'significantly lower'; 17% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



QUESTION Q27: Should the weighting of KFSI 8 (Efficiency of Tax Administration) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 95 addressees answered this question.

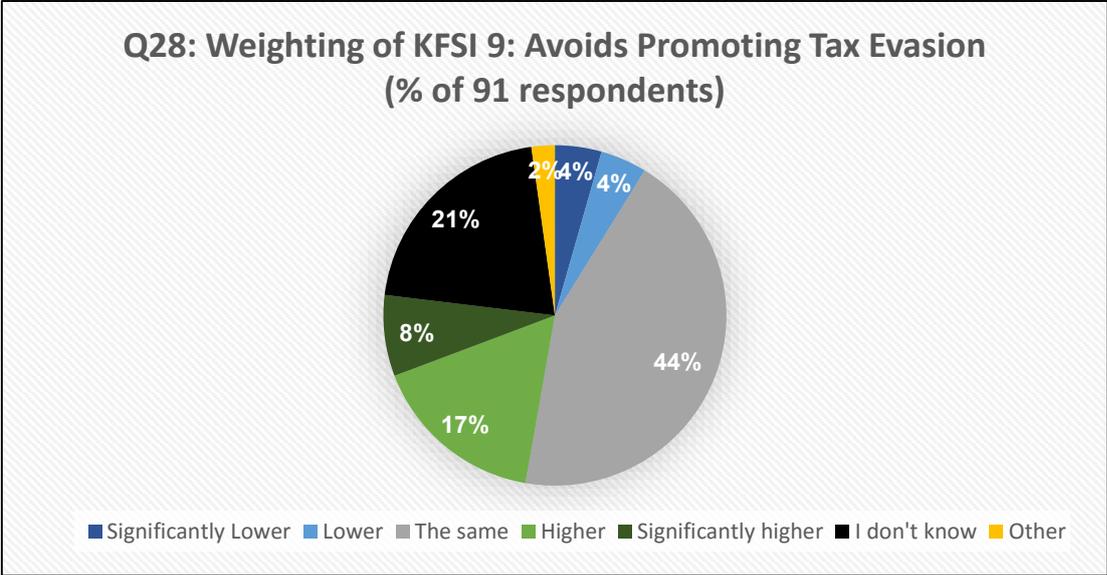
RESULTS: Out of the 95 respondents, 6% answered 'significantly higher'; 23% answered 'higher'; 43% answered 'the same'; 7% answered 'lower'; 1% answered 'significantly lower'; 18% answered 'I don't know'; and 2% answered other' with 1) the same comment as in Question 20; and 2) "this is not linked to financial secrecy in our opinion".



QUESTION Q28: Should the weighting of KFSI 9 (Avoids Promoting Tax Evasion) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 91 addressees answered this question.

RESULTS: Out of the 91 respondents, 8% answered 'significantly higher'; 17% answered 'higher'; 44% answered 'the same'; 4% answered 'lower'; 4% answered 'significantly lower'; 21% answered 'I don't know'; and 2% answered 'other' with 1) the same comment as in Question 20; and 2) "this is not linked to financial secrecy in our opinion".

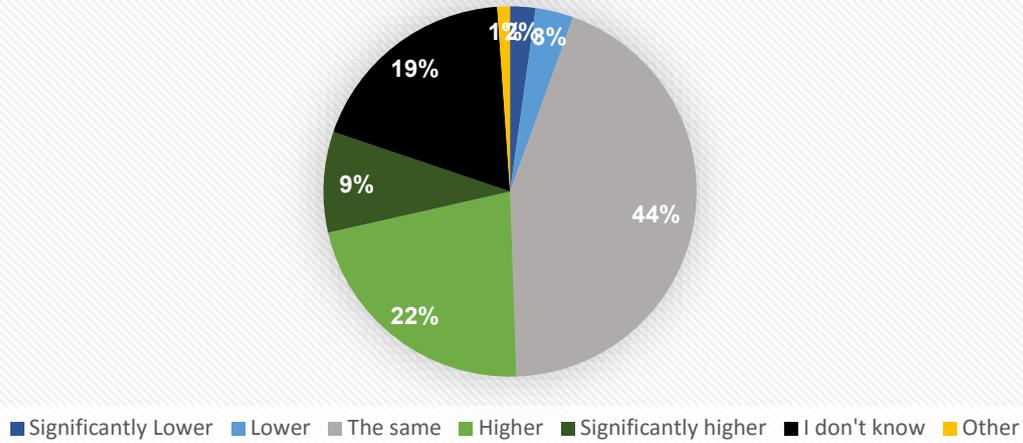


QUESTION Q29: Should the weighting of KFSI 10 (Harmful Tax Vehicles) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 91 addressees answered this question.

RESULTS: Out of the 91 respondents, 9% answered 'significantly higher'; 22% answered 'higher'; 44% answered 'the same'; 3% answered 'lower'; 2% answered 'significantly lower'; 19% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.

Q29: Weighting of KFSI 10: Harmful Legal Vehicles
(% of 91 respondents)

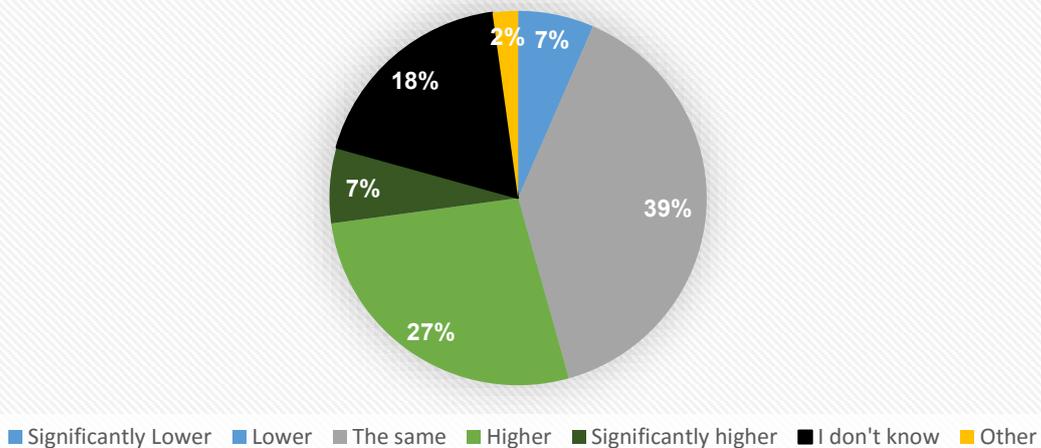


QUESTION Q30: Should the weighting of KFSI 11 (Anti Money Laundering) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 92 addressees answered this question.

RESULTS: Out of the 92 respondents, 7% answered 'significantly higher'; 27% answered 'higher'; 39% answered 'the same'; 7% answered 'lower'; none of the respondents answered 'significantly lower'; 18% answered 'I don't know'; and 2% answered 'other' with 1) the same comment as in Question 20; and 2) 'The FATF is biased'.

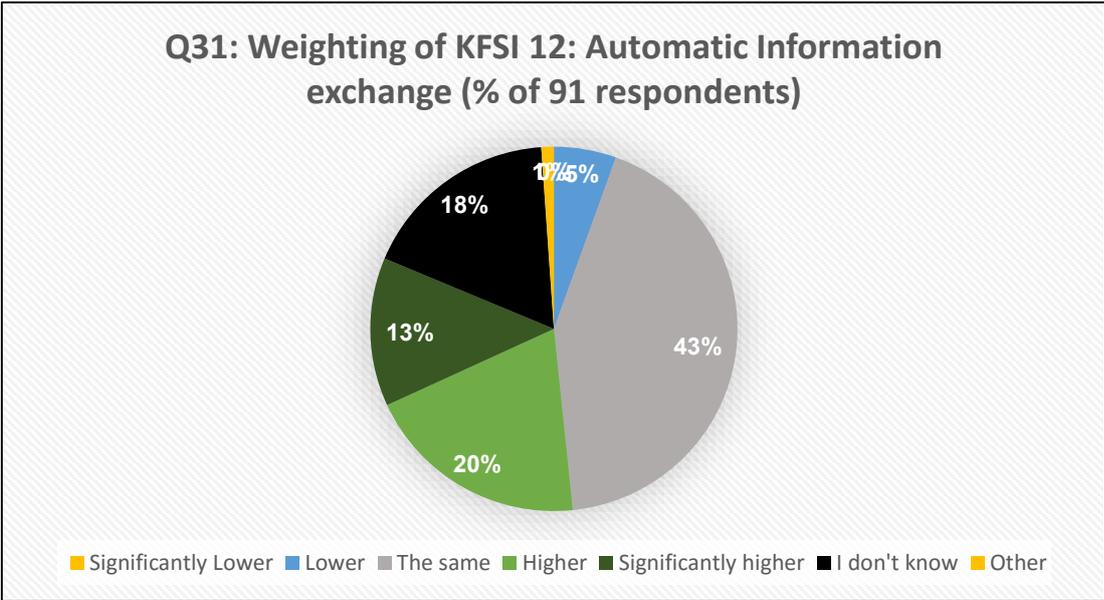
Q30: Weighting of KFSI 11: Anti Money Laundering
(% of 92 respondents)



QUESTION Q31: Should the weighting of KFSI 12 (Automatic Information Exchange) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 91 addressees answered this question.

RESULTS: Out of the 91 respondents, 13% answered 'significantly higher'; 20% answered 'higher'; 43% answered 'the same'; 5% answered 'lower'; none of the respondents answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.

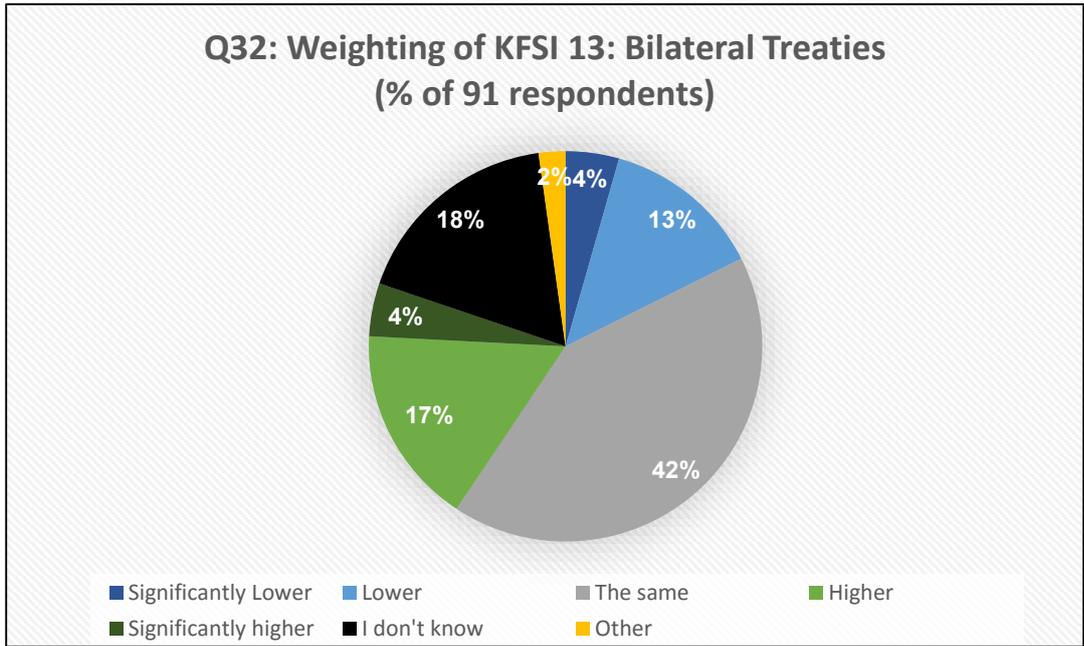


QUESTION Q32: Should the weighting of KFSI 13 (Bilateral Treaties) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 91 addressees answered this question.

RESULTS: Out of the 91 respondents, 4% answered 'significantly higher'; 17% answered 'higher'; 42% answered 'the same'; 13% answered 'lower'; 4% answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.

Q32: Weighting of KFSI 13: Bilateral Treaties
 (% of 91 respondents)

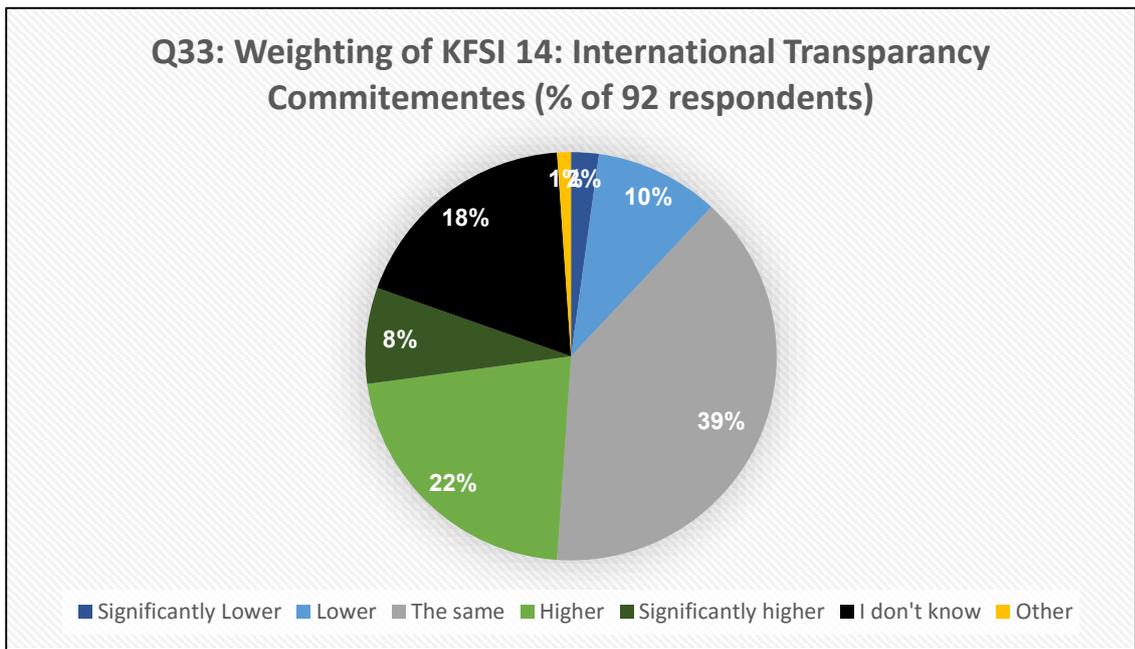


QUESTION Q33: Should the weighting of KFSI 14 (International Transparency Commitments) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 92 addressees answered this question.

RESULTS: Out of the 92 respondents, 8% answered 'significantly higher'; 22% answered 'higher'; 33% answered 'the same'; 10% answered 'lower'; 2% answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.

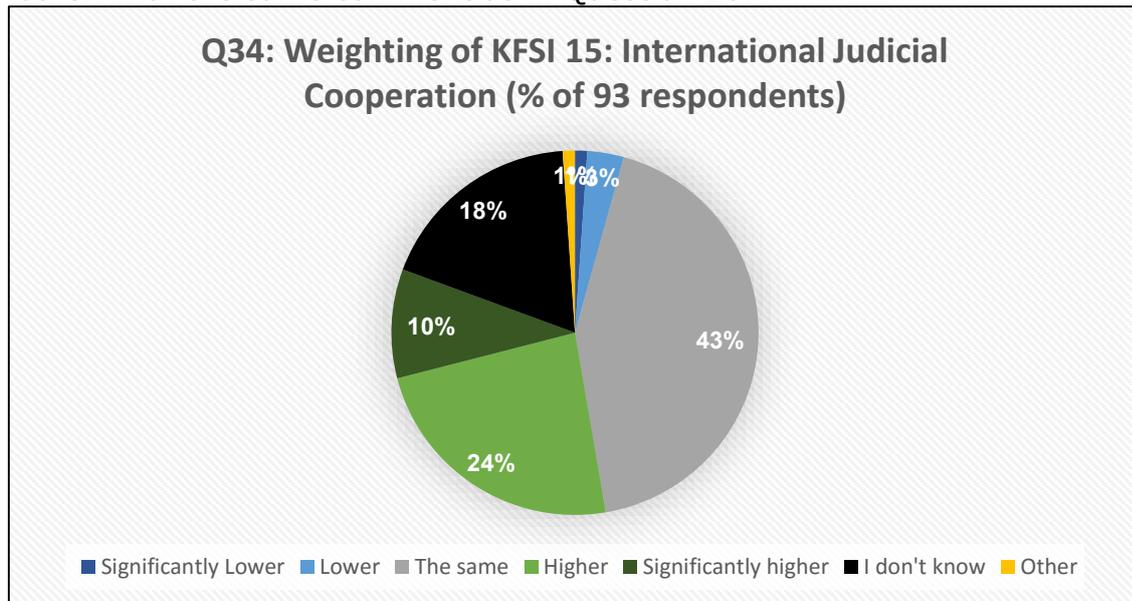
Q33: Weighting of KFSI 14: International Transparency Commitments
 (% of 92 respondents)



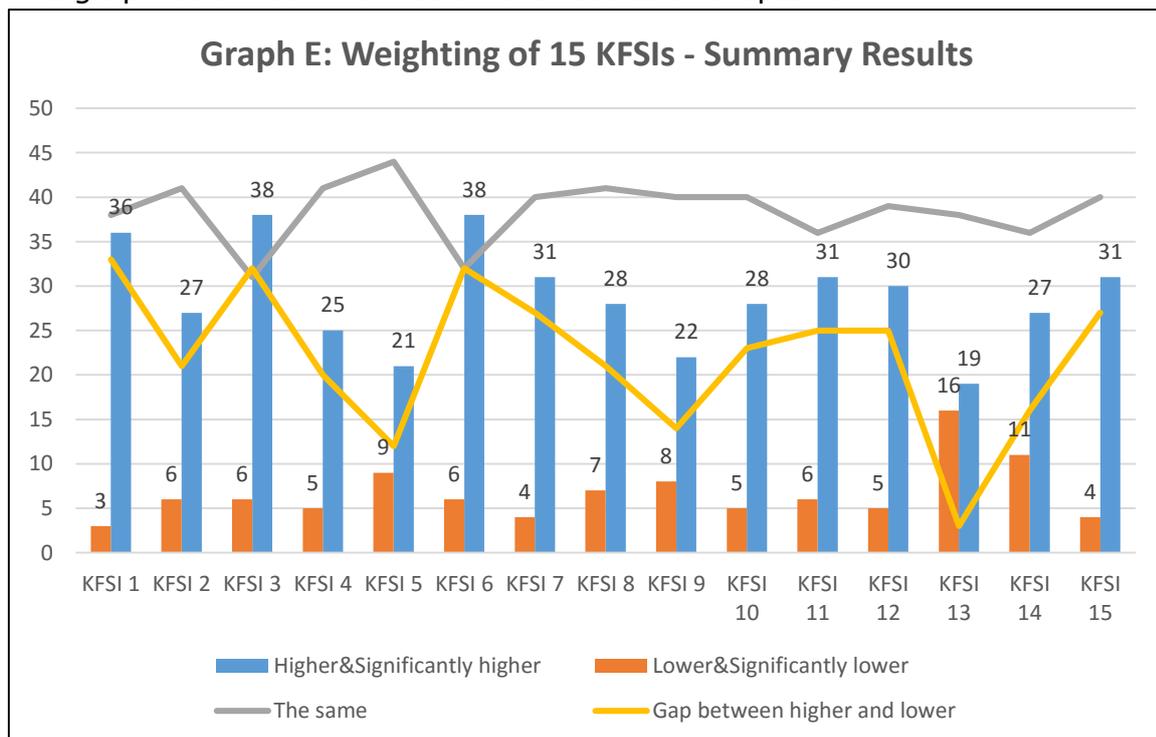
QUESTION Q34: Should the weighting of KFSI 15 (International Judicial Cooperation) be equal to the weighting of the other KFSIs?

OBSERVATION: This question was optional and provided the same multiple options of answers as Q20 above. The question was presented to all addressees. In total, 93 addressees answered this question.

RESULTS: Out of the 93 respondents, 10% answered 'significantly higher'; 24% answered 'higher'; 43% answered 'the same'; 3% answered 'lower'; 1% answered 'significantly lower'; 18% answered 'I don't know'; and 1% answered 'other' with the same comment as in Question 20.



The graph below summarizes all the results of chapter 3.E.



F. Suggested Changes for Existing KFSIs

QUESTION Q35: Which of the following changes would you recommend to implement in the current KFSI indicators?

- 1) For KFSI 1 (Banking Secrecy): Assessing whether the consequences of breaching banking secrecy may include prison terms and/or custodial sentencing (instead of assessing the existence of statutory banking secrecy);**
- 2) For KFSI 3 (Recorded Company Ownership): Providing jurisdictions with partial credit for legal ownership registration of companies (instead of providing credit only for beneficial ownership);**
- 3) For KFSI 4 (Public Company Ownership): A jurisdiction that requires companies to publish their accounts will be credited only if it doesn't allow the companies to hold their accounts outside the jurisdiction (currently the credit is not conditional)**
- 4) KFSI 7 (Fit for Information Exchange) is merged with KFSI 8 ('Efficiency of Tax Administration') into a new indicator names 'Tax Administration Capacity'.**
- 5) KFSI 15 (International Transparency Commitments) is merged with KFSI 14 (International Judicial Co-operation') into one indicator named 'International Legal Cooperation'.**

OBSERVATION: This question included 5 suggestions for changes in the current KFSI indicators and asked the addressees to choose whether they think each of the suggested changes is either: 1) not required; 2) required; 3) highly required. An option of 'I don't know' was also provided. The question was optional and was presented to all addressees. In total, 83 addressees responded to the first, second and third suggested changes; and 82 addressees responded to the fourth and fifth suggested changes.

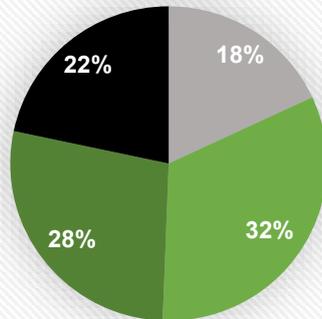
For each of the suggested five changes, a text box was offered to all of the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

35(1): For KFSI 1 (Banking Secrecy): Assessing whether the consequences of breaching banking secrecy may include prison terms and/or custodial sentencing (instead of assessing the existence of statutory banking secrecy)

Out of the 83 respondents, 18% answered 'Not required'; 32% answered 'required'; 28% answered 'highly required'; 22% answered 'I don't know';

Q35 (1): KFSI 1 - Assessing whether the consequences of breaching banking secrecy may include prison terms and/or custodial sentencing (% of 83 respondents)



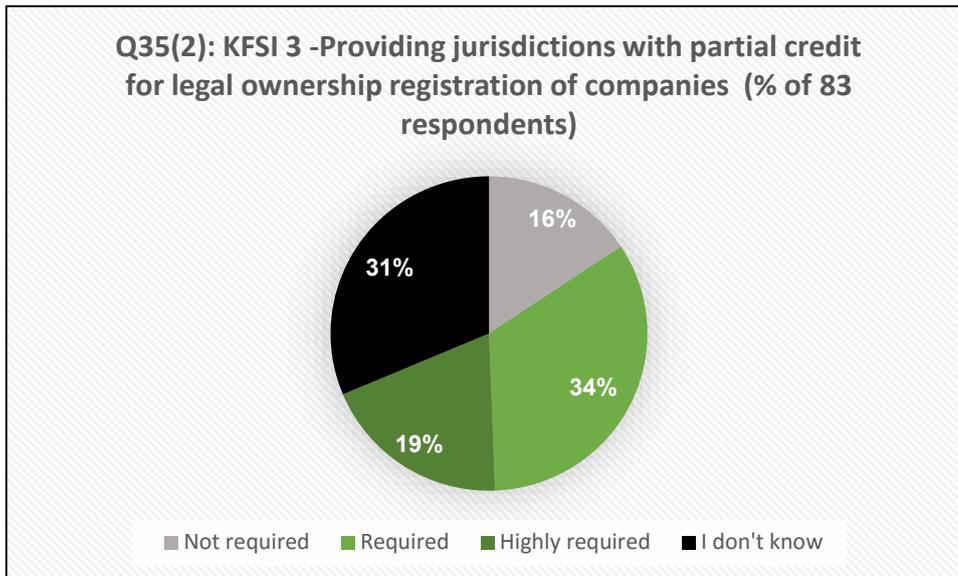
■ Not required ■ Required ■ Highly required ■ I don't know

The following comments were provided by the respondents:

- A. Why either - or? Does that mean that statutory banking secrecy that is not so heavily punished is fine?
- B. This may be confuse banking secrecy and data protection laws
- C. Prison terms are not a good indicator at all, this relates to a country's legal tradition, and e.g. Nordic countries do not believe at all that a jail term is a deterrent, but publicly shaming and forcing community service and normative development of guidance is a much better way to change behavior. So absolutely not a good idea. Encourages just harsher legal systems globally, not consistent.
- D. Important, because this is a political indicator/linked with whistleblower protection.
- E. But also check whether the sentences are, in practice, actually applied.
- F. There must be a better distinction between secrecy and confidentiality
- G. This would mean that the existence of statutory banking secrecy is not reflected in the FSI anymore. This factors should remain as an indicator.

35(2): For KFSI 3 (Recorded Company Ownership): Providing jurisdictions with partial credit for legal ownership registration of companies (instead of providing credit only for beneficial ownership)

Out of the 83 respondents, 16% answered 'not required'; 34% answered 'required'; 19% answered 'highly required'; 31% answered 'I don't know'.



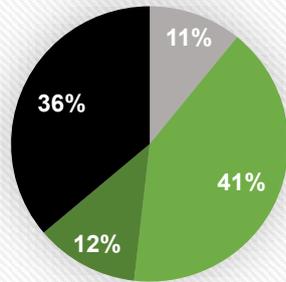
The following comments were provided by the respondents:

- A. Good idea to give partial credit when some advance is made, as long as it's not too easy to get marks so this could get harder as the median moves to more transparent practices over all.
- B. But the distinction has to be made clear.
- C. At the moment there is no distinction or credit if the ownership is available to appropriate authorities outside a central registry.
- D. Information on legal ownership is useless. What counts is the beneficial owner.

35(3): For KFSI 4 (Public Company Ownership): A jurisdiction that requires companies to publish their accounts will be credited only if it doesn't allow the companies to hold their accounts outside the jurisdiction (currently the credit is not conditional)

Out of the 83 respondents, 11% answered 'not required'; 41% answered 'required'; 12% answered 'highly required'; 36% answered 'I don't know'.

Q35 (3): KFSI 4 - A jurisdiction that requires companies to publish their accounts will be credited only if it doesn't allow the companies to hold their accounts outside the jurisdiction (% of 83 respondents)



■ Not required ■ Required ■ Highly required ■ I don't know

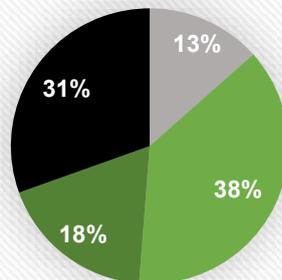
The following comments were provided by the respondents:

- A. I don't know enough about this practice, but accounts should be kept and available in the same jurisdiction for public access purposes.
- B. Too difficult to operationalize, perhaps.

35(4): KFSI 7 (Fit for Information Exchange) is merged with KFSI 8 ('Efficiency of Tax Administration') into a new indicator named 'Tax Administration Capacity'.

Out of the 82 respondents, 13% answered 'not required'; 38% answered 'required'; 18% answered 'highly required'; 31% answered 'I don't know'.

Q35(4): KFSI 7 (Fit for Information Exchange) is merged with KFSI 8 ('Efficiency of Tax Administration') into a new indicator named 'Tax Administration Capacity' (% of 82 respondents)



■ Not required ■ Required ■ Highly required ■ I don't know

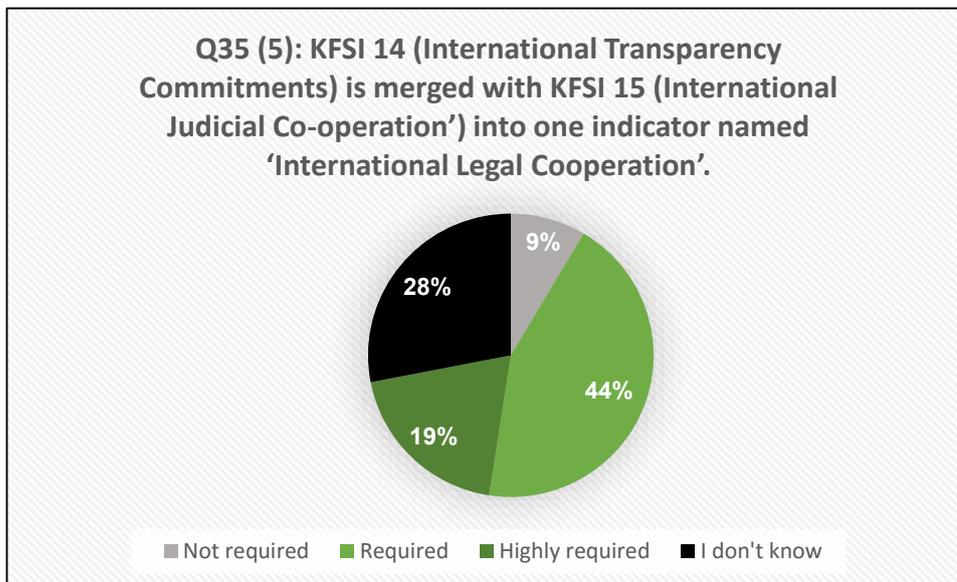
The following comments were provided by the respondents:

- A. I would be careful about creating aggregates of aggregates - seems best to only aggregate at the final index stage.

- B. This whole indicator is a difficult one, as more staff doesn't mean it's better at handling information exchange. TINs should be a global issue, so yes support that.
- C. Probably a good idea to decongest the list of indicators.
- D. This is a good idea.
- E. Efficiency of tax administration is in my opinion not directly linked with secrecy.
- F. Merging is fine but the indicator name 'Tax Administration Capacity' seems to indicate that information exchange might not be included. May be another title?

35(5): KFSI 14 (International Transparency Commitments) is merged with KFSI 15 (International Judicial Co-operation') into one indicator named 'International Legal Cooperation'

Out of the 82 respondents, 9% answered 'not required'; 44% answered 'required'; 19% answered 'highly required'; 28% answered 'I don't know'.



The following comments were provided by the respondents:

- A. The treaty commitments are largely replicated or anticipated in the FATF standards, so at the moment these separate indicators are measuring the same thing twice.
- B. I would be careful about creating aggregates of aggregates - seems best to only aggregate at the final index stage.
- C. I think that would confuse political commitments and judicial cooperation.
- D. Also a good idea.
- E. Also include the number of Bilateral APA and bilateral audits.

QUESTION Q36: Instead of assessing whether 'all payers required to automatically report to the tax administration information on payments

to all non-residents', KFSI 7 or the new merged KFSI 7+8 (as suggested in the precious question) will assess the following elements:

- 1) The ratio between the jurisdiction's GDP and the number of staff at the tax administration
- 2) The jurisdiction issues TINs (Taxpayer Identification Numbers)
- 3) The tax administration has a special unit for high net worth individuals

OBSERVATION: This question included 3 suggestions for changes in KFSI 7 and asked the addressees to choose whether they think each of the suggested changes is either: 1) not required; 2) required; or 3) highly required. An option of 'I don't know' was also provided.

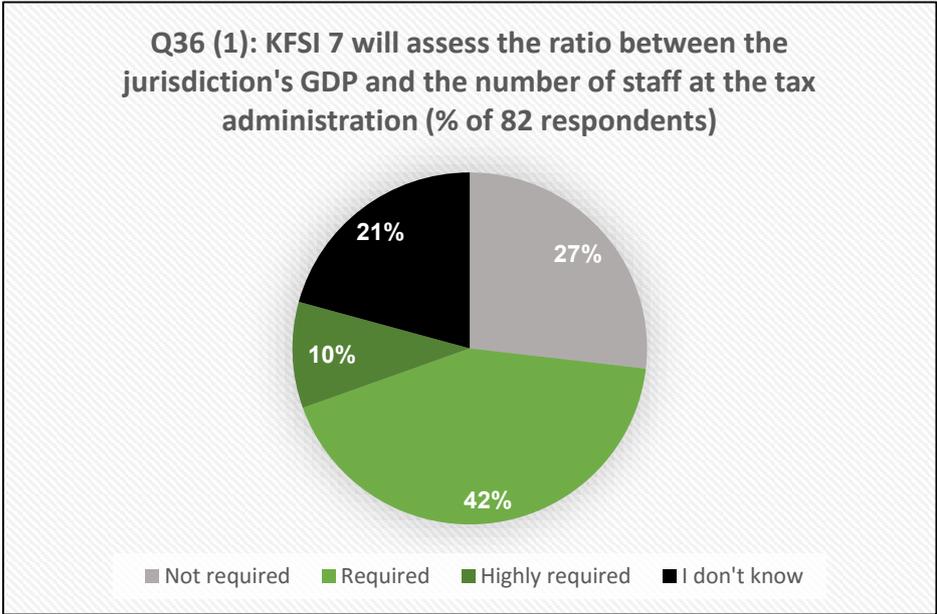
The question was optional and was presented to all addressees. In total, 82 addressees answered on the suggested changes.

For each of the suggested changes, a text box was offered to allow the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

36(1): KFSI 7 will assess the ratio between the jurisdiction's GDP and the number of staff at the tax administration

Out of the 82 respondents, 27% answered 'not required'; 42% answered 'required'; 10% answered 'highly required'; 21% answered 'I don't know'.

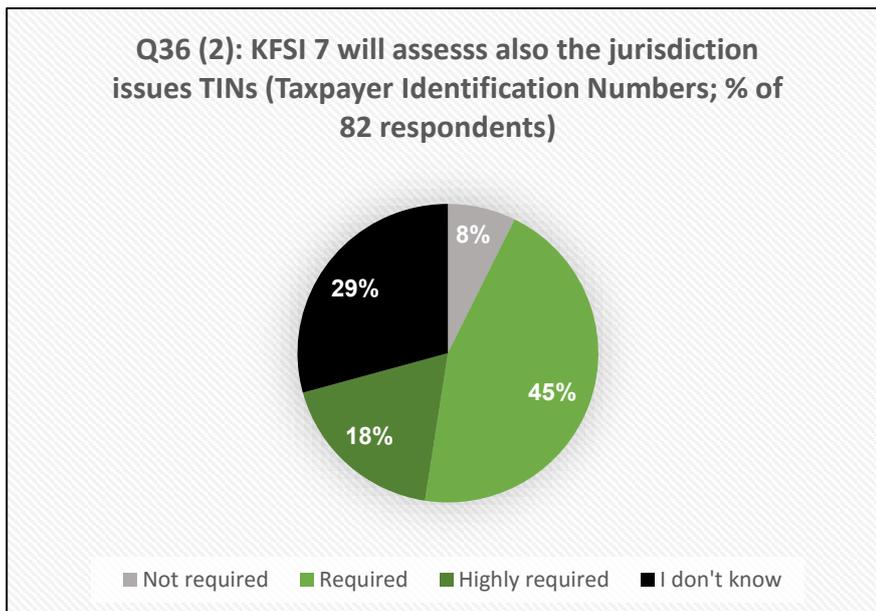


The following comments were provided by the respondents:
A. This would probably penalise developing countries generally.

- B. Seems like a good idea in principle. Maybe ratio of staff to jurisdiction financial assets would be slightly better than GDP (or maybe assets + GDP)?
- C. Personally dislike the use of GDP for assessing anything.
- D. This is not a good measure, developing countries will be penalised, and more staff doesn't mean that AIE works better.
- E. Required unless they're using super advanced AI or algorithms.
- F. Ratio of staff/number of MNE's or staff/number of lawyers strikes me as more relevant.
- G. Irrelevant, does not consider the efficiency of the tax system, inefficiency would be rewarded.
- H. I don't see the reason for this. The ratio between financial transactions and/or asset management and staff at the tax administration seems more relevant, but not GDP

36(2): KFSI 7 will assess whether the jurisdiction issues TINs (Taxpayer Identification Numbers)

Out of the 82 respondents, 8% answered 'not required'; 45% answered 'required'; 18% answered 'highly required'; 29% answered 'I don't know'.

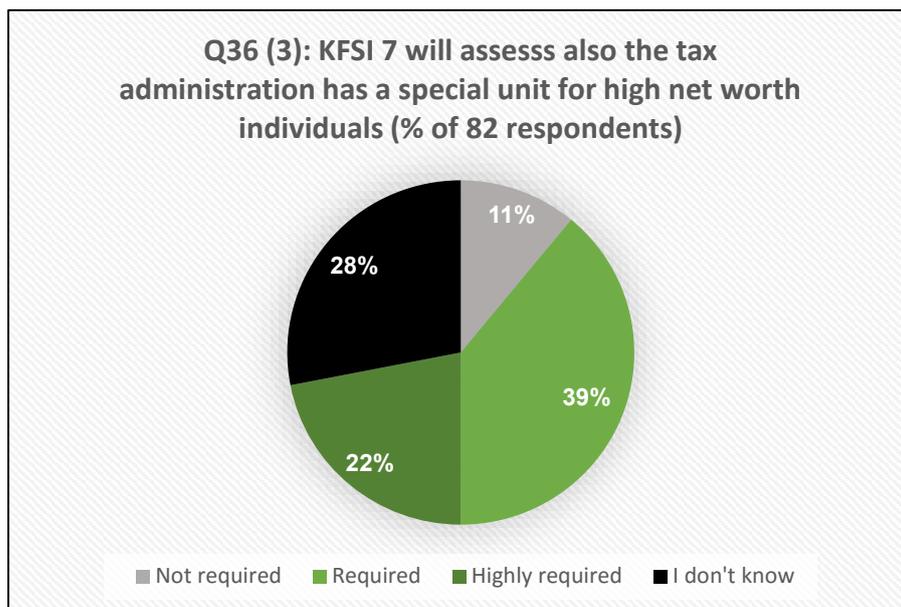


The following comments were provided by the respondents:

- A. Yes, global TIN systems that talk to each other should be a requirement of an international tax system.
- B. Unfairly penalizes countries with consumption based taxes
- C. Not sure. This would depend on whether this is actually enforced.

36(3): KFSI 7 will assess whether the tax administration has a special unit for high net worth individuals

Out of the 82 respondents, 11% answered 'not required'; 39% answered 'required'; 22% answered 'highly required'; 28 answered 'I don't know'.



The following comments were provided by the respondents:

- A. This seems a very first-world criterion, and seems to promote form over substance
- B. there is no one-size-fits all approach to better taxing high net worth individuals, I'd absolutely not recommend this, just like not recommend LTUs either, e.g. many developing countries have good practices of sectorial taxation (size not an issue), as well as local knowledge as a driving force of taxing individuals, so more autonomy for local tax offices rather than a single unit for LTUs or HNWI's. So I'd avoid one size fits all type of proposals in the FSI.
- C. Of course, they could be looking at them extra carefully to make sure they don't dodge their taxes. But in my experience, that's not how the world works.
- D. Also check the extent to which the State is pushing the schemes, e.g. via state funded institutions to promote investment.
- E. Could also include an indicator on transfer pricing or similar should you want to add more on the corporate tax angle.
- F. Unfairly penalizes countries with consumption based taxes

QUESTION Q37: The following elements will be added to the list of harmful tax vehicles considered for KFSI 10:

- 1) The jurisdiction facilitates the creation of life insurance wrappers**
- 2) The jurisdiction facilitates the creation and registration of hedge funds**
- 3) The jurisdiction issues large cash bills (of value greater than 200 US\$ or equivalent)**
- 4) The jurisdiction provides instant incorporation process (e.g. by using shelf companies)**

OBSERVATION: This question included 4 suggestions for changes in KFSI 10 and asked the respondents to choose whether they think each of the suggested changes is either: 1) not required; 2) required; or 3) highly required. An option of 'I don't know' was also provided.

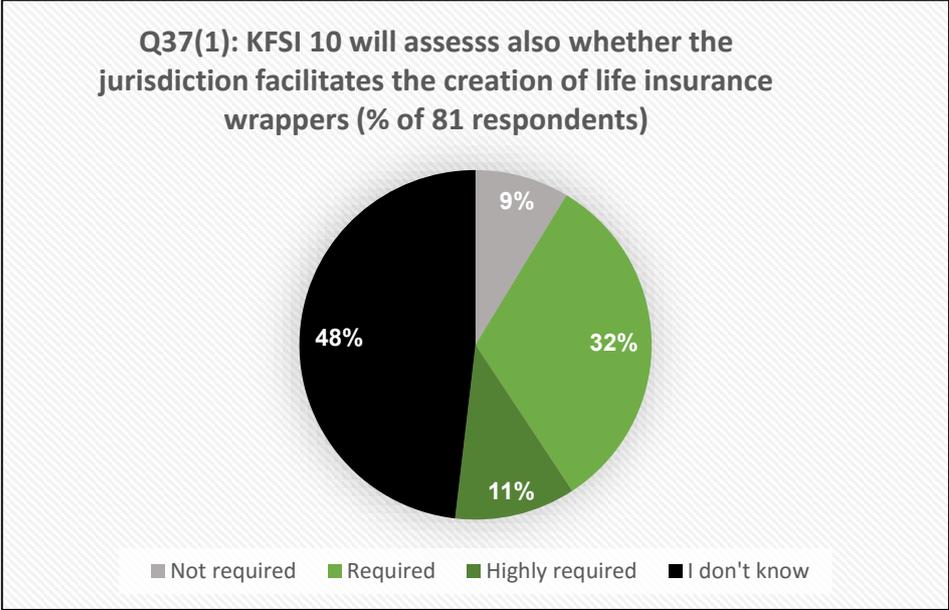
The question was optional and was presented to all addressees. In total, 81 addressees responded to the first suggested change; 82 responded to the second and third suggested changes and 84 to the fourth suggested change.

For each of the suggested changes, a text box was offered to allow the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

37(1): The jurisdiction facilitates the creation of life insurance wrappers

Out of the 81 respondents, 9% answered 'not required'; 32% answered 'required'; 11% answered 'highly required'; 48% answered 'I don't know'.

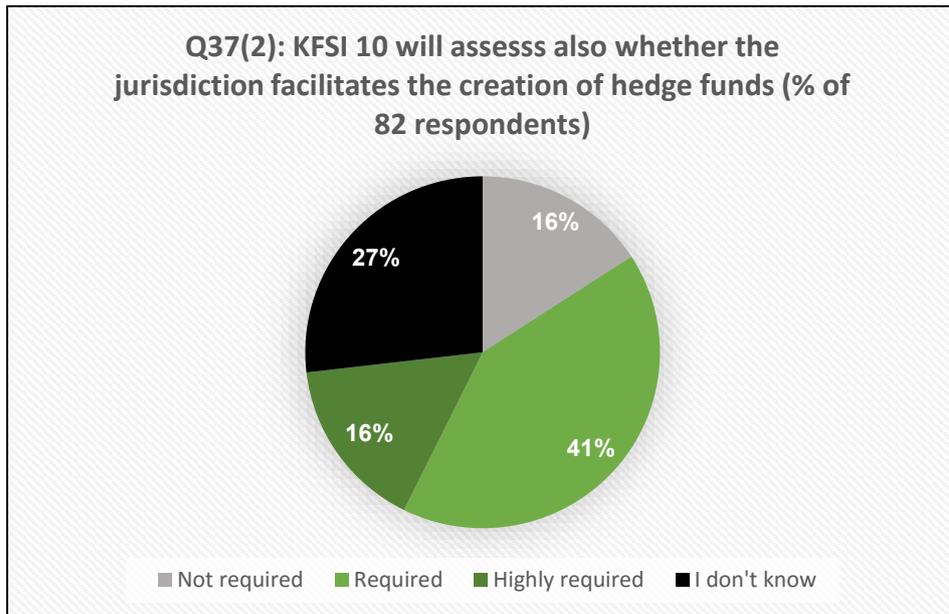


The following comments were provided by the respondents:

- A. Not that familiar with this, but seem to recall that this is one of the new frontiers of tax evasion/avoidance.
- B. Not sure what these are.
- C. Presumes this are bad products
- D. Now aware of risks of life insurance wrappers

37(2): The jurisdiction facilitates the creation and registration of hedge funds

Out of the 82 respondents, 16% answered 'not required'; 41% answered 'required'; 16% answered 'highly required'; 27% answered 'I don't know'.



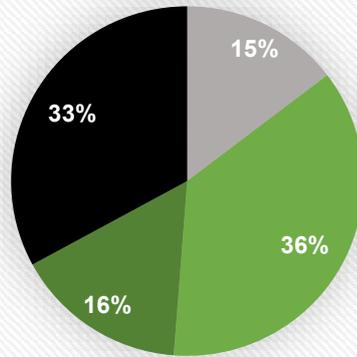
The following comments were provided by the respondents:

- A. Explain why hedge funds may be tax evaders/avoiders
- B. Hedge funds have problems, but they are part of the legitimate finance industry. To conflate them with secrecy seems confused.
- C. I'm not sure this is exactly a secrecy issue.
- D. Not relevant for this issue
- E. Depends on the hedge funds - my wife says not all of them are damaging (but she works for a bank...).
- F. Too ill-defined in terms of secrecy impact
- G. Irrelevant

37(3): The jurisdiction issues large cash bills (of value greater than 200 US\$ or equivalent)

Out of the 82 respondents, 15% answered 'not required'; 36% answered 'required'; 16% answered 'highly required'; 33% answered 'I don't know'.

Q37(3): KFSI 10 will assess also whether the jurisdiction issues large cash bills (of value greater than 200 US\$ or equivalent; % of 82 respondents)



■ Not required ■ Required ■ Highly required ■ I don't know

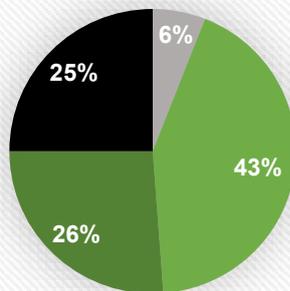
The following comments were provided by the respondents:

- A. Not relevant for this issue
- B. Such bills are asking for trouble, so yes bad practice anywhere. Germans seem to love their \$500 bill however even for legit purposes, not sure why.
- C. Haven't made up my mind about that yet, but large bills are linked to (organised) crime.

37(4): The jurisdiction provides instant incorporation process (e.g. by using shelf companies)

Out of the 84 respondents, 6% answered 'not required'; 43% answered 'required'; 26% answered 'highly required'; 25% answered 'I don't know'.

Q37(4): KFSI 10 will assess also whether the jurisdiction provides instant incorporation process (e.g. by using shelf companies; % of 84 respondents)

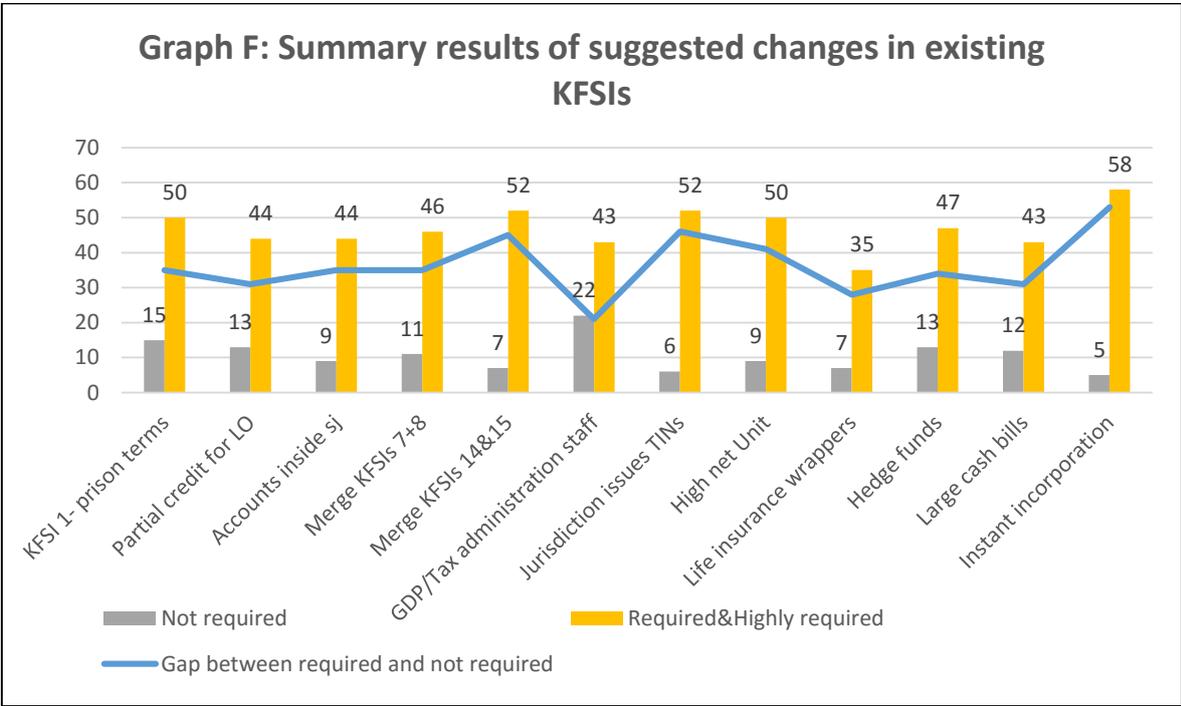


■ Not required ■ Required ■ Highly required ■ I don't know

The following comments were provided by the respondents:

- A. As with flee clauses on trusts, this would be hard to measure, as at least in common law countries things that are not expressly prohibited are allowed. Even in the absence of specific legislation/regulation allowing shelf companies and flee clauses, they may be widespread.
- B. Hard to say...maybe not important in and of itself when various other more direct indicators of secrecy are taken into account.
- C. Bad practice, needs due diligence / KYC checks before allowing anybody to trade.
- D. Penalizes efficiency rather than focussing on the issue at hand.

The graph below summarizes all the results of chapter 3.F.



G. Adding New Key Financial Secrecy Indicators (KFSIs)

QUESTION Q38: Which of the following themes would you like to see reflected as new KFSI indicators?

- 1) **Free ports and Cash Vaults: The availability of free ports and cash vaults as places to store valuable assets and the legal obligation to identify the legal/beneficial owners of the users.**
- 2) **Bearer Bonds: are bearer bonds available?**
- 3) **Professionals Secrecy: Breaching professional secrecy (of lawyers, accountants, company service providers) may result in prison terms and/or custodial sentencing**

- 4) Limited Partnership Transparency: The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet**
- 5) Transparency For All Unlimited Entities: The jurisdiction requires all available types of unlimited partnerships and companies to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet**
- 6) Low Corporate Tax Rate: The average effective corporate tax rate in the jurisdiction is below 5%**
- 7) CBCR (Country by Country Reports) Filing Requirement: The jurisdiction has already implemented the obligation to submit global Country by Country Reporting (CBCR) files by domestic MNCs and by foreign MNCs with domestic operations**

OBSERVATION: This question included 7 suggestions for new KFSI indicators and asked the addressees to choose whether they think each of the suggested options is either: 1) not required; 2) required; or 3) highly required. An option of 'I don't know' was also provided.

The question was optional and was presented to all addressees. In total, 84 addressees responded to the first suggested option; 83 responded to the second option; 80 responded to the third option; 83 responded to the fourth, fifth and sixth options and 85 responded to the seventh option.

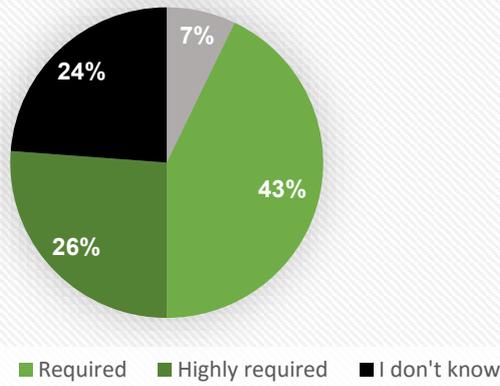
For each of the suggested changes, a text box was offered to allow the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

38 (1): Freeports and Cash Vaults: The availability of freeports and cash vaults as places to store valuable assets and the legal obligation to identify the legal/beneficial owners of the users.

Out of the 84 respondents, 7% answered 'not required'; 43% answered 'required'; 26% answered 'highly required'; 24% answered 'I don't know'.

Q38(1): The availability of freeports and cash vaults as places to store valuable assets and the legal obligation to identify the legal/beneficial owners of the users (% of 84 respondents)



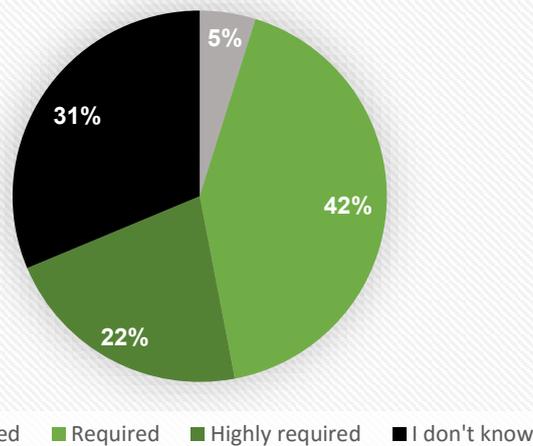
The following comments were provided by the respondents:

- A. Great idea, definitely.
- B. Bad practice anywhere in the world
- C. Totally. What possible legal or ethical reason could there be for Freeports anyway.

38 (2): Bearer Bonds: are bearer bonds available?

Out of the 83 respondents, 5% answered 'not required'; 42% answered 'required'; 22% answered 'highly required'; 31% answered 'I don't know'.

Q38(2): Are bearer bonds available? (% of 83 respondents)



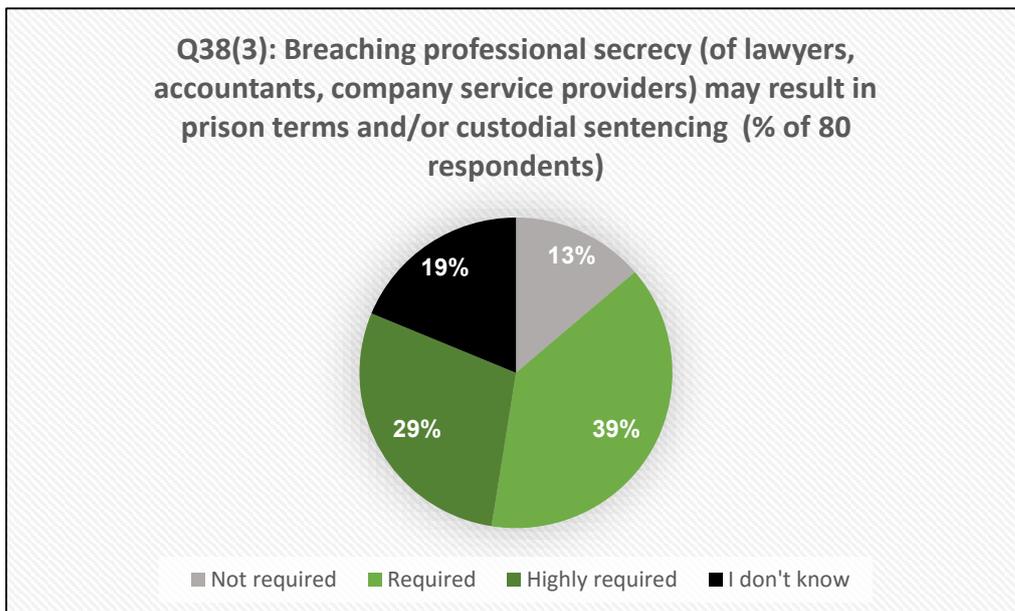
The following comments were provided by the respondents:

- A. But is there much evidence they are used in crime?

- B. Seems important, but complicated (e.g. US allows for issuance of bearer bonds to foreigners but not nationals).
- C. Bad practice anywhere (but being phased out I think anyway) so less priority
- D. Dodgy business.

38 (3): Professionals Secrecy: Breaching professional secrecy (of lawyers, accountants, company service providers) may result in prison terms and/or custodial sentencing

Out of the 80 respondents, 13% answered 'not required'; 39% answered 'required'; 29% answered 'highly required'; 19% answered 'I don't know'.



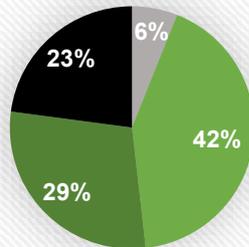
The following comments were provided by the respondents:

- A. Not sure what this one means
- B. Seems problematic to lump in attorney-client privilege with financial secrecy (seems to risk implicitly endorsing the curtailment of some basic personal legal rights)
- C. The case about secrecy of banking, legal etc. professionals should have ordinary rules about customer confidentiality, not protected from law enforcement agencies
- D. Again, link with whistleblower protection.

38 (4): Limited Partnership Transparency: The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet

Out of the 83 respondents, 6% answered 'not required'; 42% answered 'required'; 29% answered 'highly required'; 23% answered 'I don't know'.

Q38(4): The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet (% of 83 respondents)



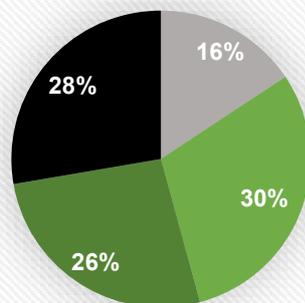
■ Not required ■ Required ■ Highly required ■ I don't know

The only comment provided by the respondents was the following: 'Required but consider also jurisdictions that publish updated legal and/or beneficial ownership only and even if it is associated with some costs for maintaining these public information.'

38 (5): Transparency For All Unlimited Entities: The jurisdiction requires all available types of unlimited partnerships and companies to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet

Out of the 83 respondents, 16% answered 'not required'; 30% answered 'required'; 26% answered 'highly required'; 28% answered 'I don't know'.

Q38(5): The jurisdiction requires all available types of unlimited partnerships and companies to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet (% of 83 respondents)



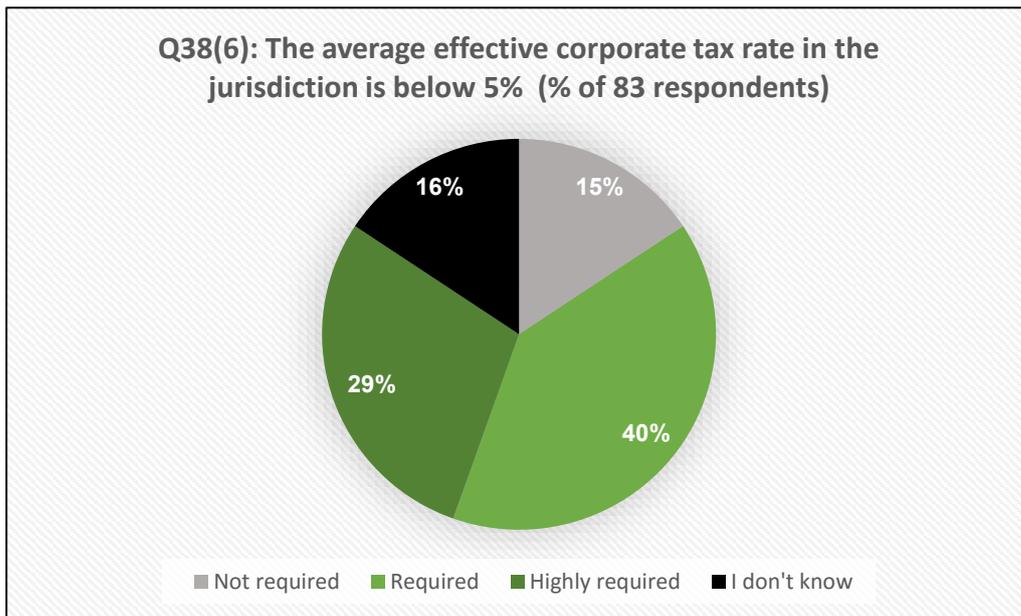
■ Not required ■ Required ■ Highly required ■ I don't know

The following comments were provided by the respondents:

- A. Sole proprietorships too? This is a lot of compliance for small businesses, especially in poor countries.
- B. Does anyone actually require this? Seems a bit impractical to apply this to every unincorporated street vendor, etc.
- C. Yes but even when costs are associated with it

38 (6): Low Corporate Tax Rate: The average effective corporate tax rate in the jurisdiction is below 5%

Out of the 83 respondents, 15% answered 'not required'; 40% answered 'required'; 29% answered 'highly required'; 16% answered 'I don't know'.



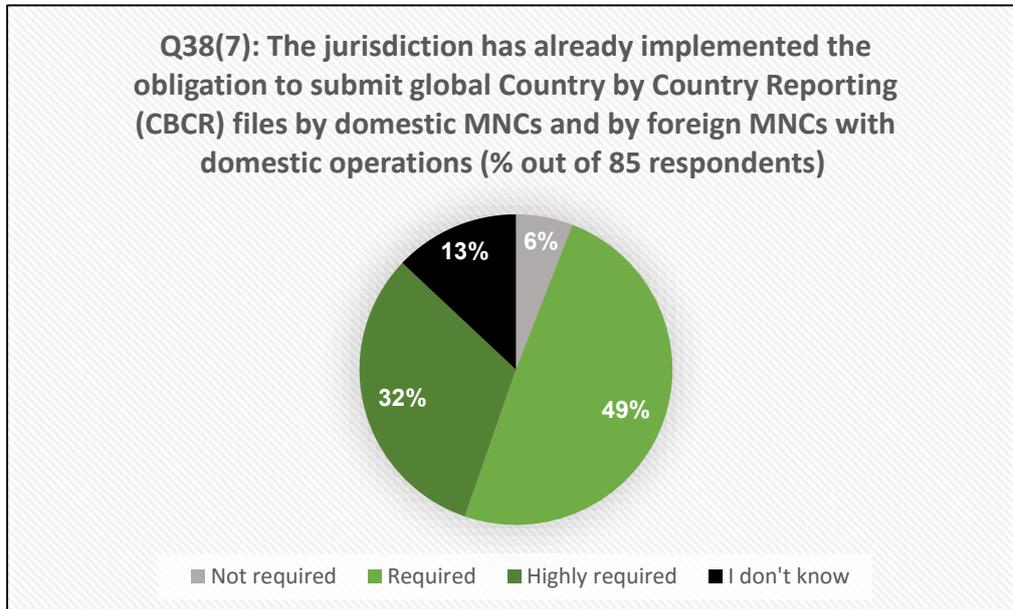
The following comments were provided by the respondents:

- A. Corporate tax rates have nothing to do with secrecy, this is very confused.
- B. I'm not sure the 5% cut-off is that useful - it would miss places like Ireland and Singapore. Seems like maybe two cut-offs of 0% and ca 15% might be more useful.
- C. The benefit of the FSI for rating agencies is that it measures secrecy, low tax is often a separate measure that they source from elsewhere and having low tax as part of FSI might render it unusable for anti-corruption or purely secrecy related issues.
- D. That's where the big money is (or isn't).
- E. Note the corporate tax rate regardless of threshold.
- F. To retain the focus on secrecy - this is not necessarily important.
- G. CIT rate should be considered in combination with other taxes, e.g. property taxes, mineral taxes etc.
- H. Perhaps it would be more relevant with a sliding scale (5 percent is quite low). Also worth considering might be the existence of special regimes with lower effective tax rates (SPEs, EPZ etc.). Also, withholding tax rates might be at least as important.
- I. This is not linked to financial secrecy in our opinion

- J. Assumes the current model is the only model
- K. Important is the tax rate relative to the BIP/Person. Rich countries should have a Tax rate > 30%, poor >20.
- L. Low corporate tax rate are not necessarily harmful and or provide secrecy. How does this illustrate less transparency? Including this, would require a very thorough justification and some evidence.

38 (7): CBCR (Country by Country Reports) Filing Requirement: The jurisdiction has already implemented the obligation to submit global Country by Country Reporting (CBCR) files by domestic MNCs and by foreign MNCs with domestic operations

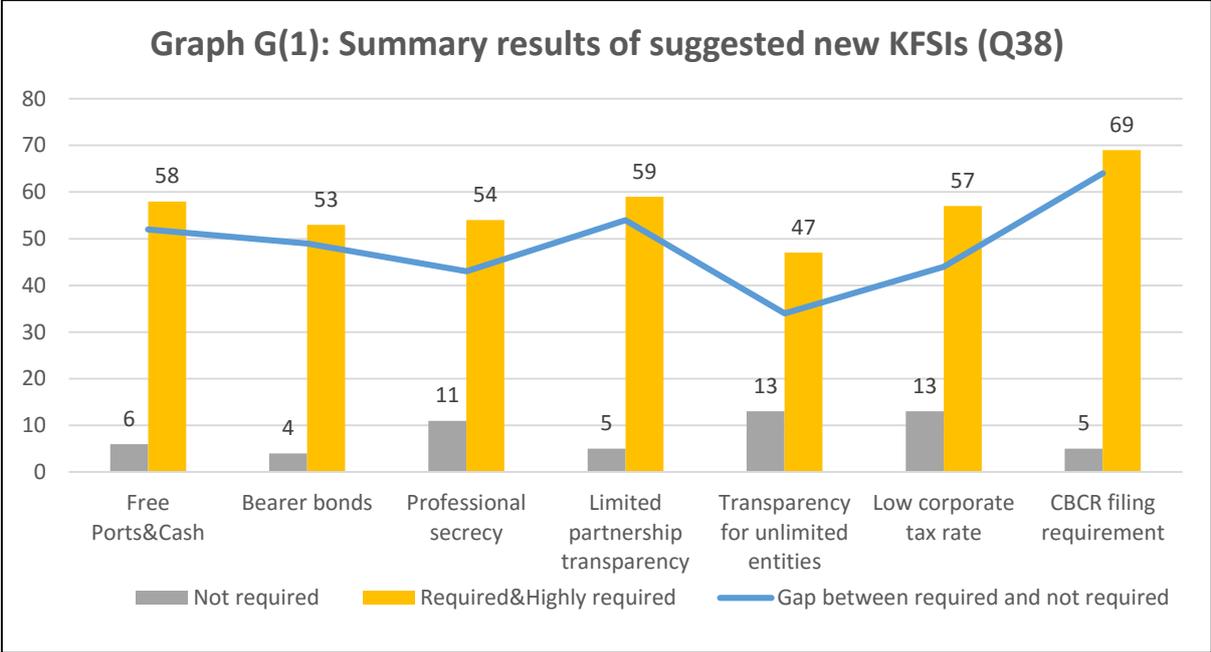
Out of the 85 respondents, 6% answered 'not required'; 49% answered 'required'; 32% answered 'highly required'; 13% answered 'I don't know'.



The following comments were provided by the respondents:

- A. But this acts to generally penalise poor countries
- B. This will give zero scores for all jurisdictions, unless you give partial points to EU when they passed CDR 4, so to incentivise you'd need to give partial scores
- C. Await EU action to see if new standard emerges against which the bar can be set.
- D. This is not linked to financial secrecy in our opinion

The graph below summarises the results of the first part of chapter 3.G (Q38).



QUESTION Q39: Which of the following themes would you like to see reflected as new KFSI indicators?

- 1) **Financial Transaction Tax: The jurisdiction levies a Financial Transaction Tax**
- 2) **Digital Currencies: The use /exchange of digital currencies (e.g. Bitcoin) is regulated**
- 3) **Fake Residency: The jurisdiction offers citizenship/residency in exchange of payments or financial investment in the jurisdiction**
- 4) **Whistleblower Protection: The jurisdiction provides whistle blowers with legal protection in case they violate banking, tax or other secrecy rules or laws**
- 5) **Global Forum Compliance: The jurisdiction has been rated fully compliant in Global Forum’s phase two assessment cycle**
- 6) **Tax Rulings: The tax administration discloses all tax rulings either anonymised or named**
- 7) **Tax Court Secrecy 1: The court proceedings of a) criminal and b) civil tax matters are openly accessible for the public**
- 8) **Tax Court Secrecy 2: The text of all judgements issued by a) criminal and b) civil tax courts are published online for free**

OBSERVATION: This question included 8 suggestions for new KFSI indicators and asked the addressees to choose whether they think each of the suggested options is either: 1) not required; 2) required; or 3) highly required. An option of ‘I don’t know’ was also provided.

The question was optional and was presented to all addressees. In total, 84 addressees responded to the first suggested option; 82 responded to the second option; 83 responded to the third option; 85 responded to the fourth option; 80

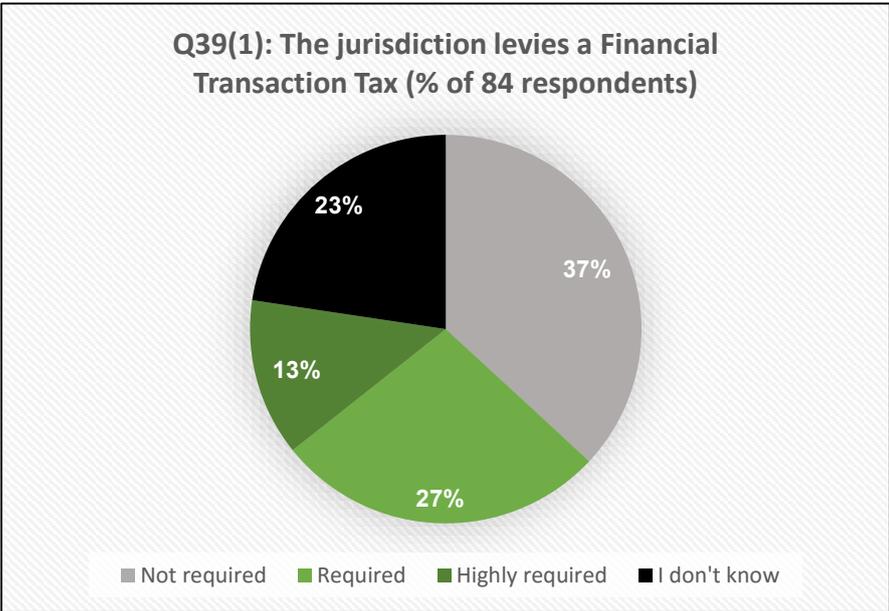
responded to the fifth option; 84 responded to the sixth option; 83 responded to the seventh option; and 82 responded to the eighth option.

For each of the suggested changes, a text box was offered to allow the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

39 (1): Financial Transaction Tax: The jurisdiction levies a Financial Transaction Tax

Out of the 84 respondents, 37% answered 'not required'; 27% answered 'required'; 13% answered 'highly required'; 23% answered 'I don't know'.

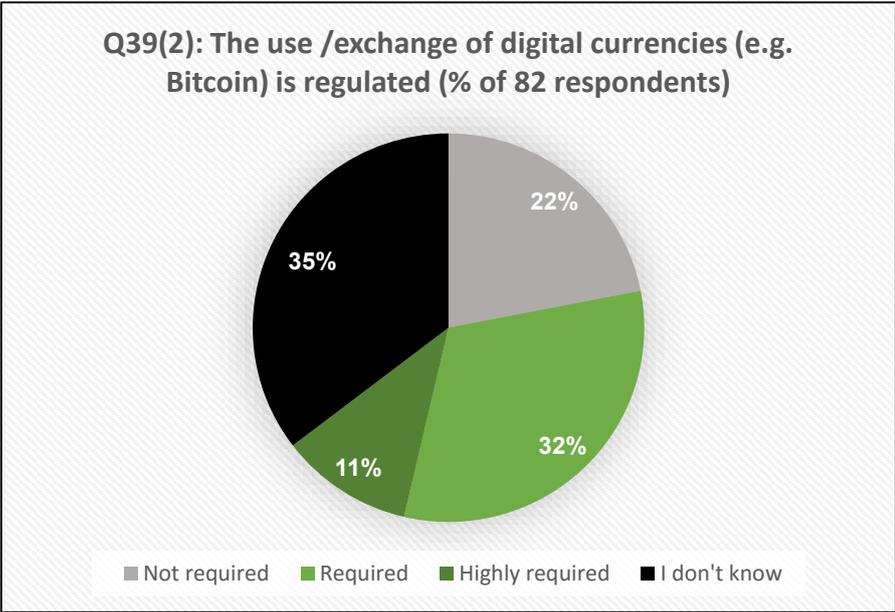


The following comments were provided by the respondents:

- A. Not sure why would this would indicate secrecy
- B. How does this relate to secrecy?
- C. This doesn't seem like a secrecy issue.
- D. Not relevant for the question of financial secrecy
- E. Outside the scope of FSI, again this will reduce the usability of the FSI for tax transparency rating firms.
- F. Does any state do this?
- G. Rewards inefficiency and big Government

39 (2): Digital Currencies: The use /exchange of digital currencies (e.g. Bitcoin) is regulated

Out of the 82 respondents, 22% answered 'not required'; 32% answered 'required'; 11% answered 'highly required'; 35% answered 'I don't know'.

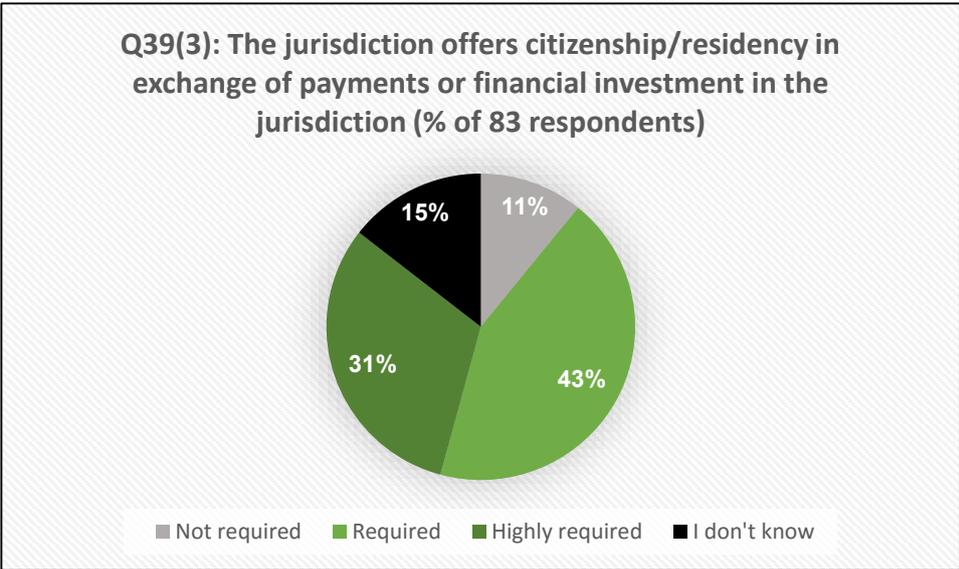


The following comments were provided by the respondents:

- A. Would be interested if you can find a way to geographically categorise bitcoin
- B. Not relevant for the question of financial secrecy
- C. Leave out for now, but monitor the development of digital / crypto currencies
- D. Virtual currencies are still fairly marginal, but growing. Haven't made my mind up about them.

39 (3): Fake Residency: The jurisdiction offers citizenship/residency in exchange of payments or financial investment in the jurisdiction

Out of the 83 respondents, 11% answered 'not required'; 43% answered 'required'; 31% answered 'highly required'; 15% answered 'I don't know'.

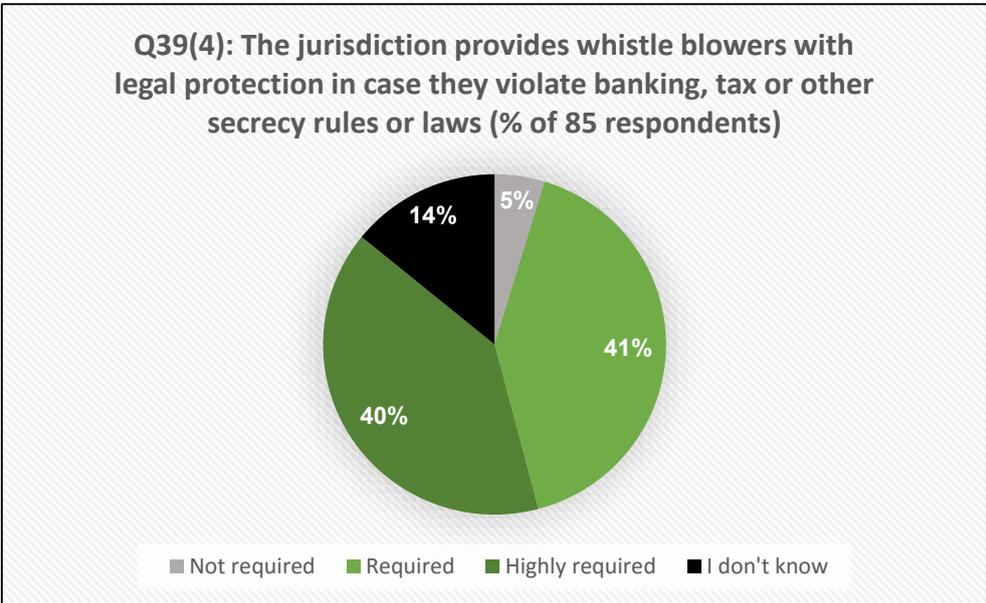


The following comments were provided by the respondents:

- A. Apart from not being secrecy, this is very common among OECD countries too.
- B. This is so widespread now that I am not sure if it will be a useful indicator of financial secrecy.
- C. I feel outside the scope of the FSI, this is sale of sovereignty / passports, but it doesn't relate directly to secrecy.

39 (4): Whistleblower Protection: The jurisdiction provides whistle blowers with legal protection in case they violate banking, tax or other secrecy rules or laws

Out of the 85 respondents, 5% answered 'not required'; 41% answered 'required'; 40% answered 'highly required'; 14% answered 'I don't know'.

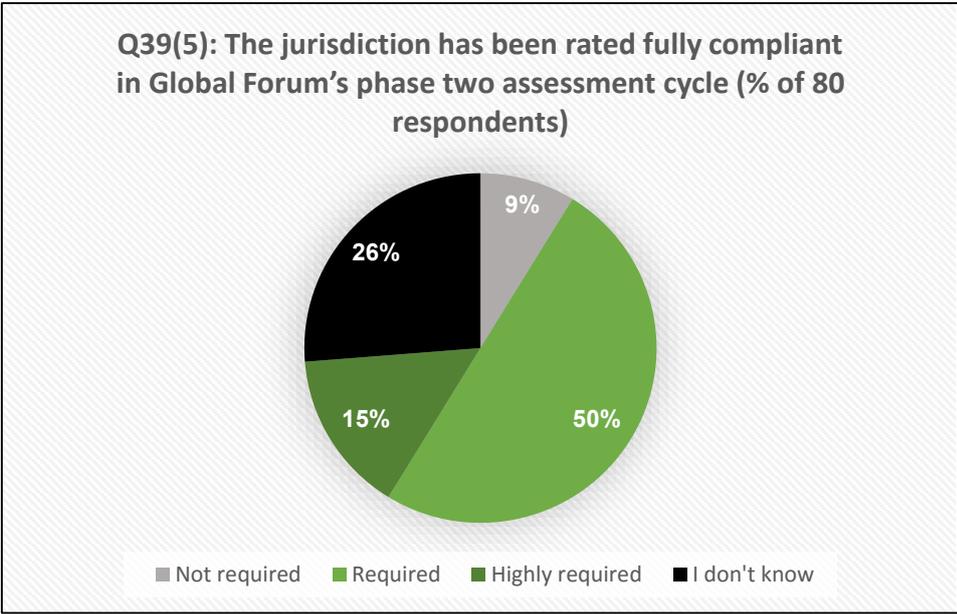


The following comments were provided by the respondents:

- A. Absolutely necessary as a good practice, I suppose again most developing countries don't have resources to provide this so they may be penalised just as they are poorer countries - so useful to consider criteria for LIC, MIC, OECD countries
- B. Whistleblowers provide key information in a secretive business. Sometimes the only way to shed lights into secrecy jurisdictions!

39 (5): Global Forum Compliance: The jurisdiction has been rated fully compliant in Global Forum's phase two assessment cycle

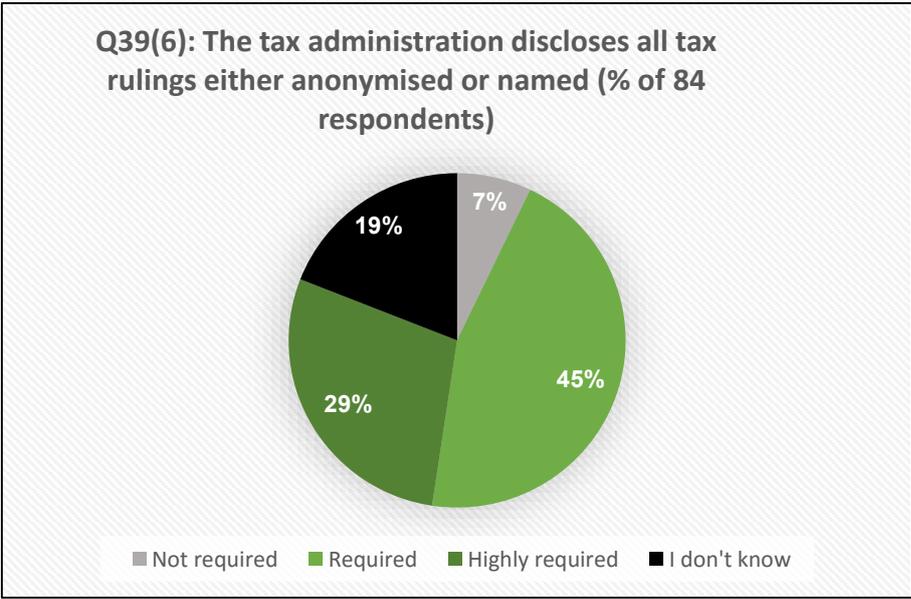
Out of the 80 respondents, 9% answered 'not required'; 50% answered 'required'; 15% answered 'highly required'; 26% answered 'I don't know'.



- The following comments were provided by the respondents:
- A. I tend to be sceptical about the value of these compliance ratings - more information needed here.
 - B. Not sure how useful these compliance reports are, and also what if you're not a member of the global forum.
 - C. Doesn't this measure the same thing as some of the other indicators here?

39 (6): Tax Rulings: The tax administration discloses all tax rulings either anonymised or named

Out of the 84 respondents, 7% answered 'not required'; 45% answered 'required'; 29% answered 'highly required'; 19% answered 'I don't know'.

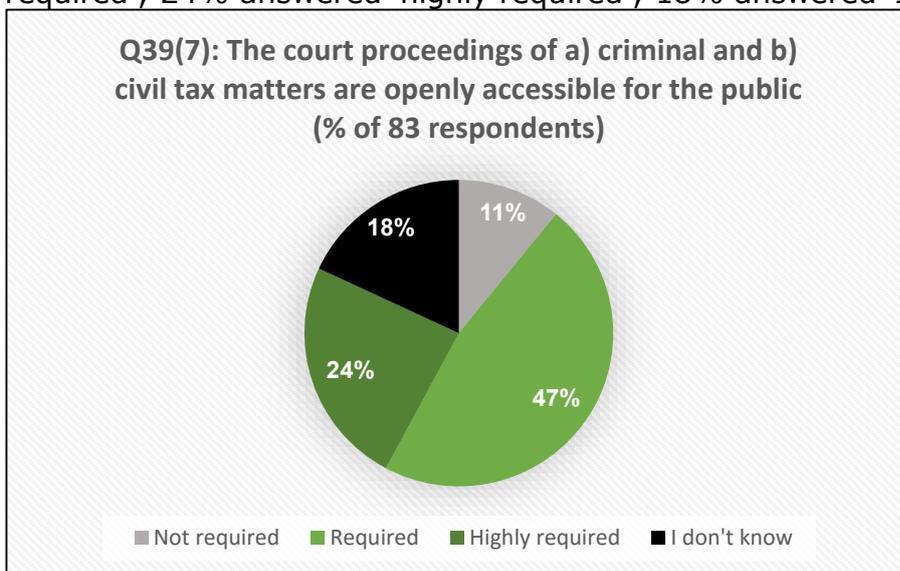


The following comments were provided by the respondents:

- A. Important, possibly adding a threshold of rulings to companies above a certain turnover / profit / etc.
- B. This is extremely important! Also check what % of rulings are not being published on confidentiality grounds (e.g. Belgium publishes, but 95% of the 'important stuff', such as excess profit rulings, is not included!)
- C. This is not linked to financial secrecy in our opinion

39 (7): Tax Court Secrecy 1: The court proceedings of a) criminal and b) civil tax matters are openly accessible for the public

Out of the 83 respondents, 11% answered 'not required'; 47% answered 'required'; 24% answered 'highly required'; 18% answered 'I don't know'.

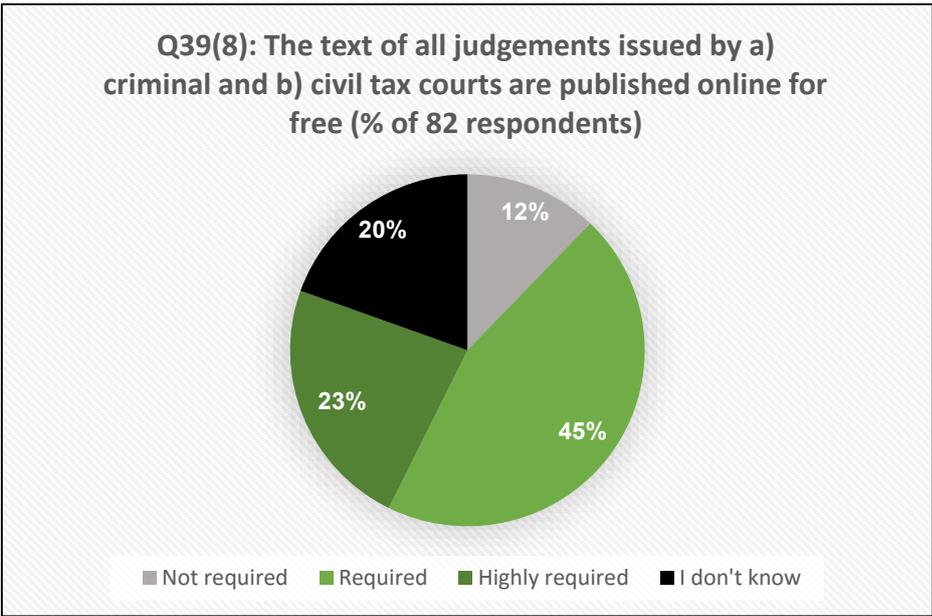


The following comments were provided by the respondents:

- A. Not sure, again this sounds like a one-size-fits all type of a proposal, different legal systems have different traditions
- B. This could border on breaching some legitimate privacy concerns

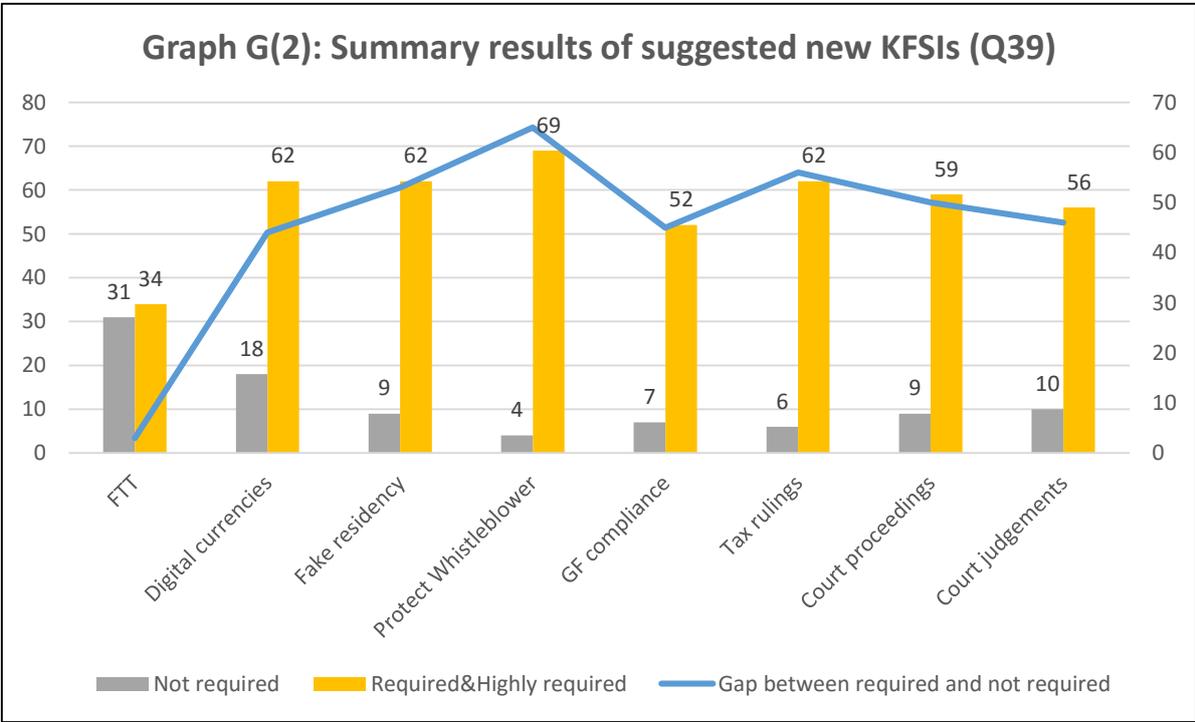
39 (8): Tax Court Secrecy 2: The text of all judgements issued by a) criminal and b) civil tax courts are published online for free

Out of the 82 respondents, 12% answered 'not required'; 45% answered 'required'; 23% answered 'highly required'; 20% answered 'I don't know'.



The only comment provided by the respondents was the following: 'Please check how common this is, transparency of rulings to me sounds like a global standard'.

The graph below summarizes the results of the second part of chapter 3.G (Q39)



QUESTION Q40: Which of the following themes would you like to see reflected as new KFSI indicators?

- 1) **AIE (Automatic Information Exchange) Population Coverage: What is the percentage of the world population with whom the jurisdiction has an AIE relationship?**
- 2) **AIE Relationships: With how many other jurisdictions does the current jurisdiction have effective AIE relationship (i.e. AIE actually takes place between them) pursuant to the CRS (Common Reporting Standard), either via bilateral CAAs (Competent Authority Agreements) or via MCAAs (Multilateral Competent Authority Agreements)?**
- 3) **AIE Voluntary Secrecy: Is the jurisdiction listed under Annex A of the MCAAs (Model Competent Authority Agreements), which enables it not to receive information from other countries?**
- 4) **AIE Statistics: Does the Jurisdiction publish statistics on its use of automatic information exchange?**
- 5) **Efficient AIE: Does the jurisdiction require domestic banks to automatically collect and send information to the domestic tax administration about all non-residents (instead of collecting information only about those who are residents in a participating jurisdiction)?**
- 6) **Predicate Crimes: Several corruption offences (e.g. tax evasion, embezzlement, extortion) are legally classified as 'predicate offences' for money laundering purposes**

OBSERVATION: This question included 6 suggestions for new KFSI indicators and asked the addressees to choose whether they think each of the suggested options is either: 1) not required; 2) required; or 3) highly required. An option of 'I don't know' was also provided.

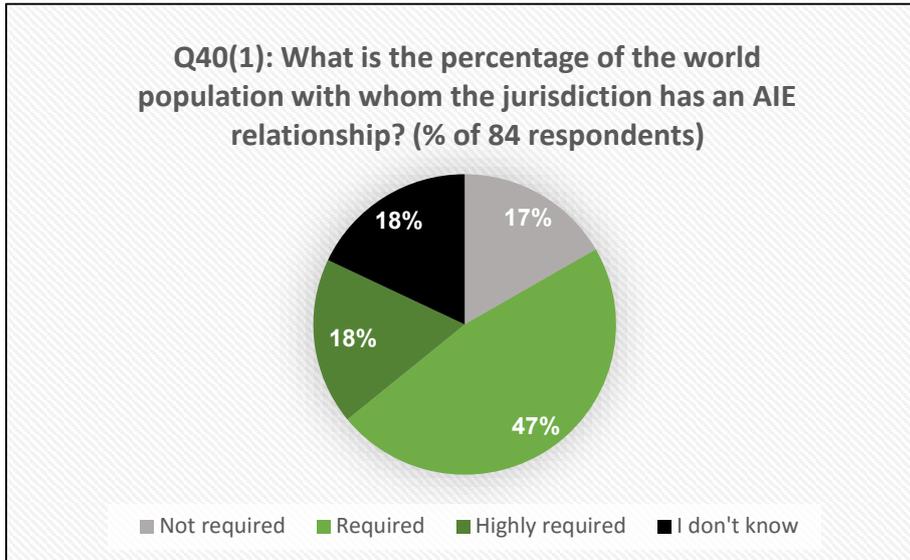
The question was optional and was presented to all addressees. In total, 78 addressees responded to the first suggested option; 80 responded to the second option; 78 responded to the third option; 80 responded to the fourth and fifth option and 83 responded to the sixth option.

For each of the suggested changes, a text box was offered to allow the respondents to provide further details about their choice and/or to suggest other changes that in their view should be added to the respective indicator.

RESULTS:

40 (1): AIE (Automatic Information Exchange) Population Coverage: What is the percentage of the world population with whom the jurisdiction has an AIE relationship?

Out of the 84 respondents, 17% answered 'not required'; 47% answered 'required'; 18% answered 'highly required'; 18% answered 'I don't know'.

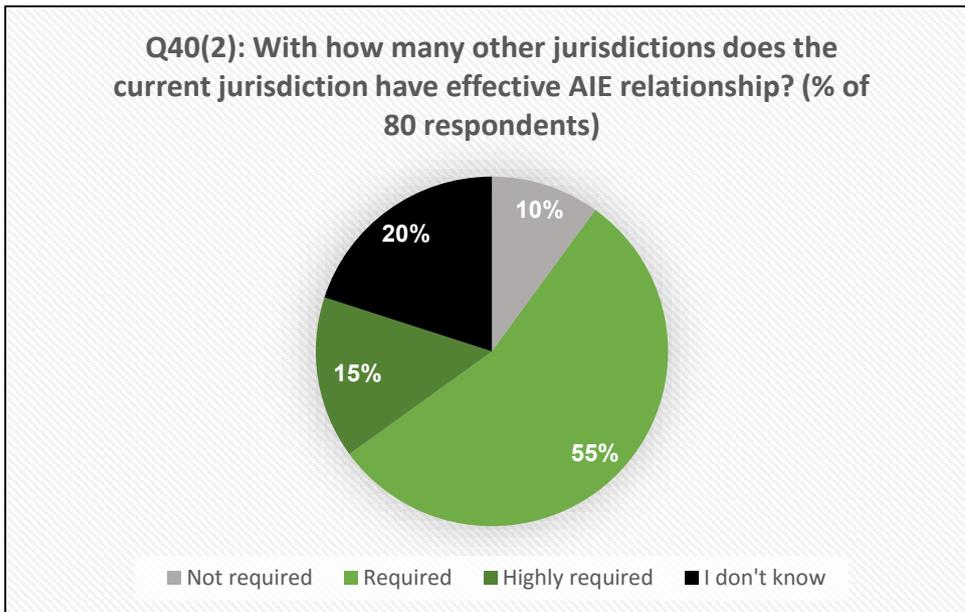


The following comments were provided by the respondents:

- A. Don't think this is a useful indicator, as countries like China/India will distort the picture considerably. The other AIE Indicator is much better.
- B. Tends to conflate a lack of capacity to exchange with a lack of inclination
- C. Maybe % of world GDP would be more appropriate than population?
- D. Not sure why population, (as then by having with G20 countries gives way over 50%, but excluding most LDCs, you could ask with how many LDCs or low income countries such an agreement exists
- E. Instead of population - maybe GDP/international trade of countries
- F. Why population? What is the problem with AIE relationships with number of countries?

40 (2): AIE Relationships: With how many other jurisdictions does the current jurisdiction have effective AIE relationship (i.e. AIE actually takes place between them) pursuant to the CRS (Common Reporting Standard), either via bilateral CAAs (Competent Authority Agreements) or via MCAAs (Multilateral Competent Authority Agreements)?

Out of the 80 respondents, 10% answered 'not required'; 55% answered 'required'; 15% answered 'highly required'; 20% answered 'I don't know'.

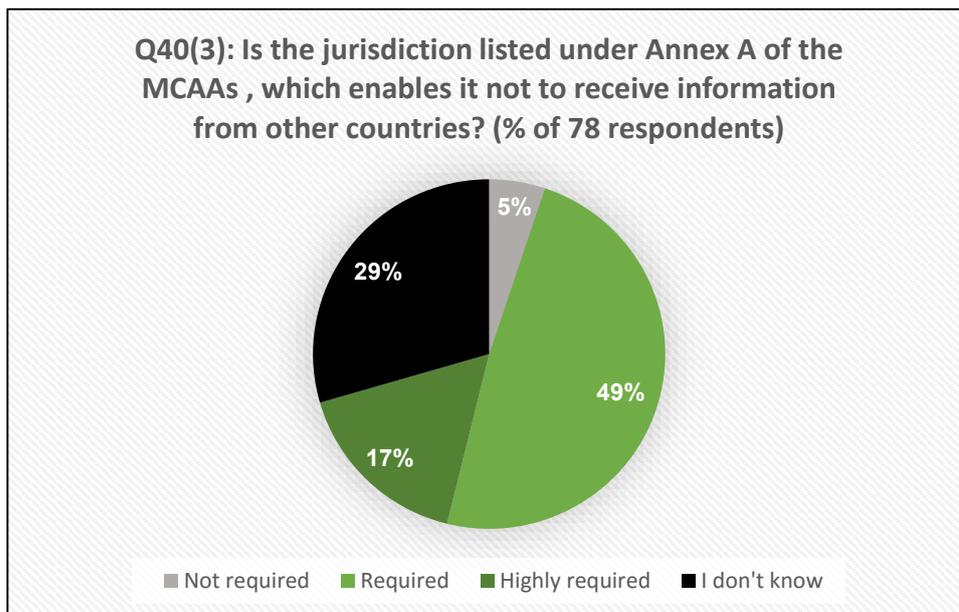


The following comments were provided by the respondents:

- A. Population coverage is sufficient
- B. This to me sounds better than the population
- C. Why population? What is the problem with AIE relationships with number of countries?

40 (3): AIE Voluntary Secrecy: Is the jurisdiction listed under Annex A of the MCAAs (Model Competent Authority Agreements), which enables it not to receive information from other countries?

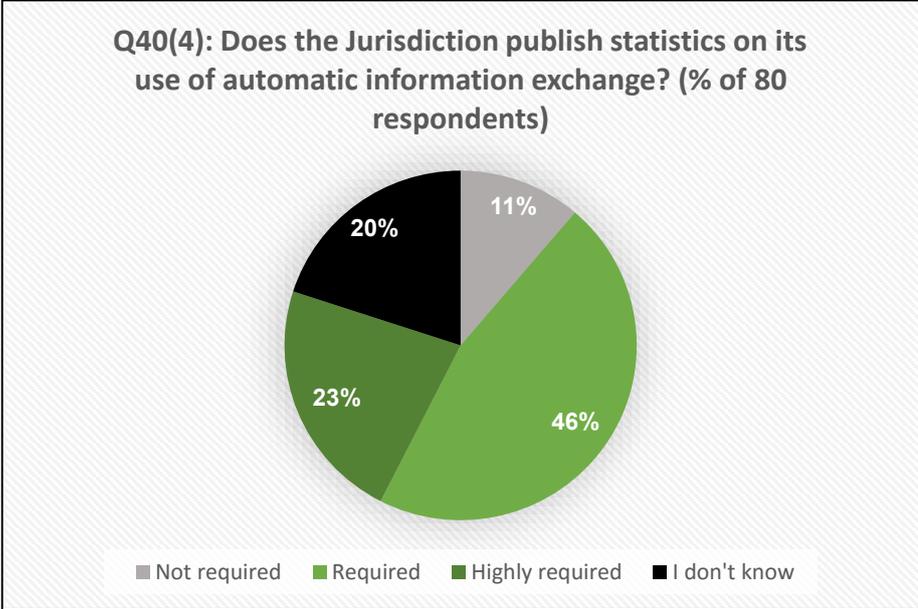
Out of the 78 respondents, 5% answered 'not required'; 49% answered 'required'; 17% answered 'highly required'; 29% answered 'I don't know'.



No comments were provided by the respondents for this option.

40 (4): AIE Statistics: Does the Jurisdiction publish statistics on its use of automatic information exchange?

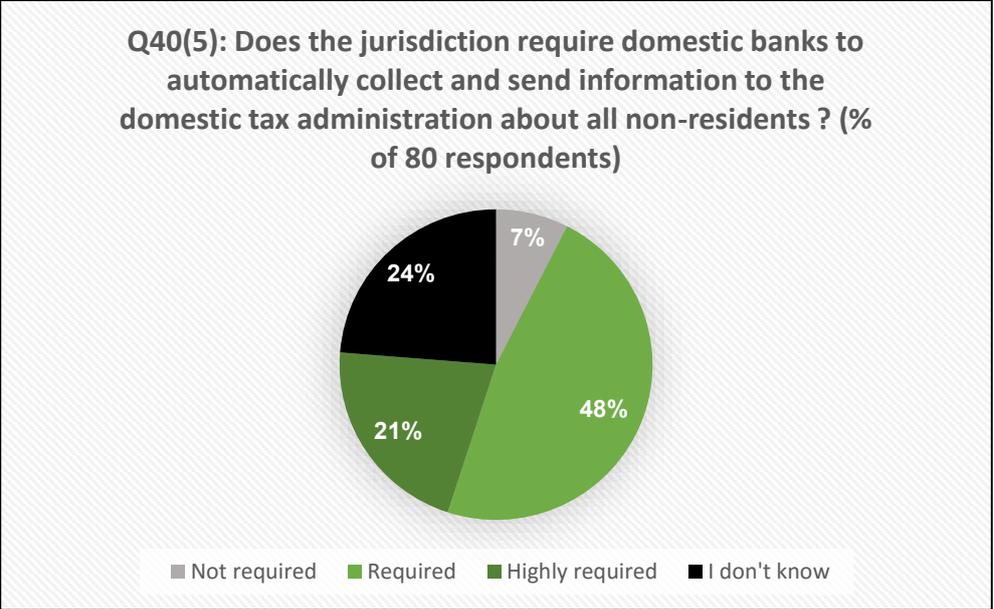
Out of the 80 respondents, 11% answered 'not required'; 46% answered 'required'; 23% answered 'highly required'; 20% answered 'I don't know'.



The only comment provided by the respondents was the following: "Include link in database (if possible)".

40 (5): Efficient AIE: Does the jurisdiction require domestic banks to automatically collect and send information to the domestic tax administration about all non-residents (instead of collecting information only about those who are residents in a participating jurisdiction)?

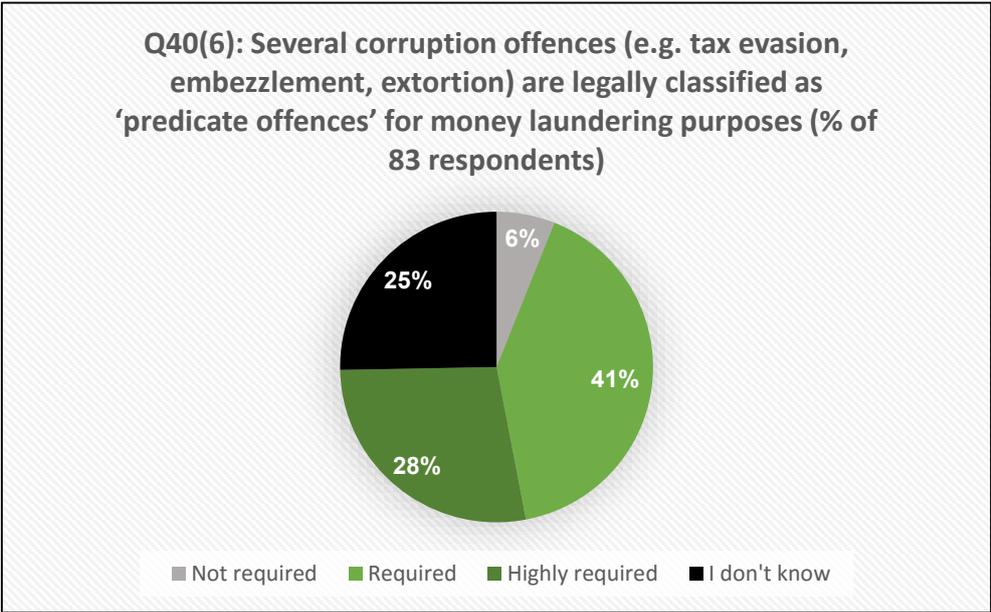
Out of the 80 respondents, 7% answered 'not required'; 48% answered 'required'; 21% answered 'highly required'; 24% answered 'I don't know'.



The only comment provided by the respondents was the following:
'Penalized models where there is no direct taxation'.

40 (6): Predicate Crimes: Several corruption offences (e.g. tax evasion, embezzlement, extortion) are legally classified as 'predicate offences' for money laundering purposes

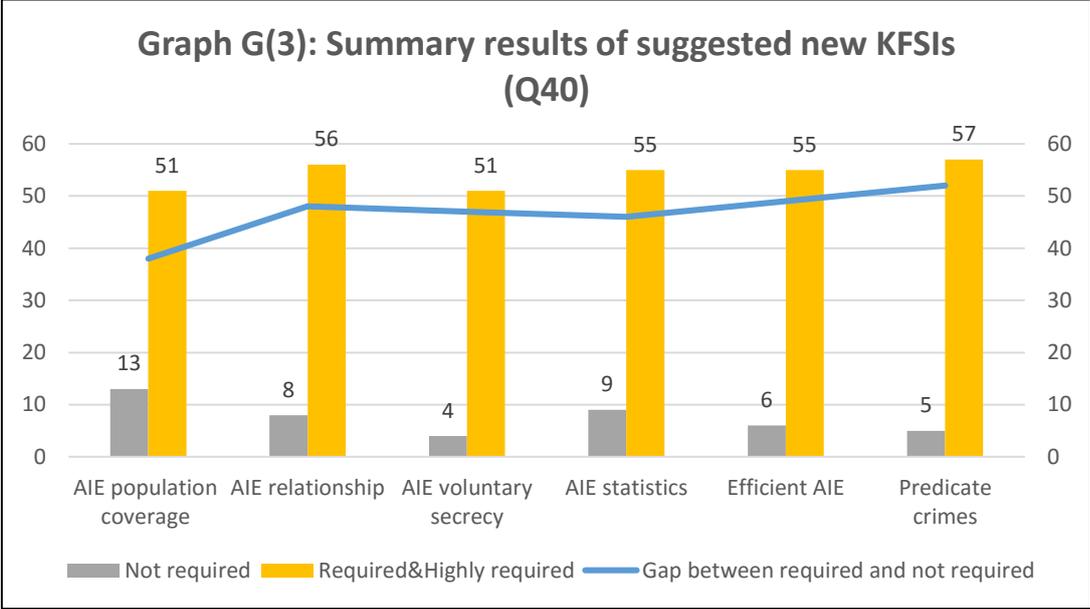
Out of the 83 respondents, 6% answered 'not required'; 41% answered 'required'; 28% answered 'highly required'; 25% answered 'I don't know'.



The following comments were provided by the respondents:

- A. Important always to remember here that anticorruption efforts can be captured for political purposes (ex. Azerbaijan, Russia, Egypt, etc.), as a tool for repression against human rights defenders, journalists, NGOs etc. Again, check actual use.
- B. Yes, but isn't it already covered in the FATF recommendations and or US INCSR Volume II reports?

The graph below summarizes the results of the third part of chapter 3.G (Q40)



H. The FSI Formula

QUESTION 41: The FSI formula combines secrecy and scale to give jurisdictions an overall score ("The FSI-Value"). The FSI Value for each jurisdiction is calculated by multiplying the cube of the Secrecy Score with the cube root of the GSW (Global Scale Weight). More information can be found on page 68 of the [Methodology](#). What do you think of the current FSI formula?

- 1) The formula is right as it is
- 2) The formula is heavily weighted towards secrecy
- 3) The formula is heavily weighted towards scale
- 4) The formula is otherwise problematic (please explain)

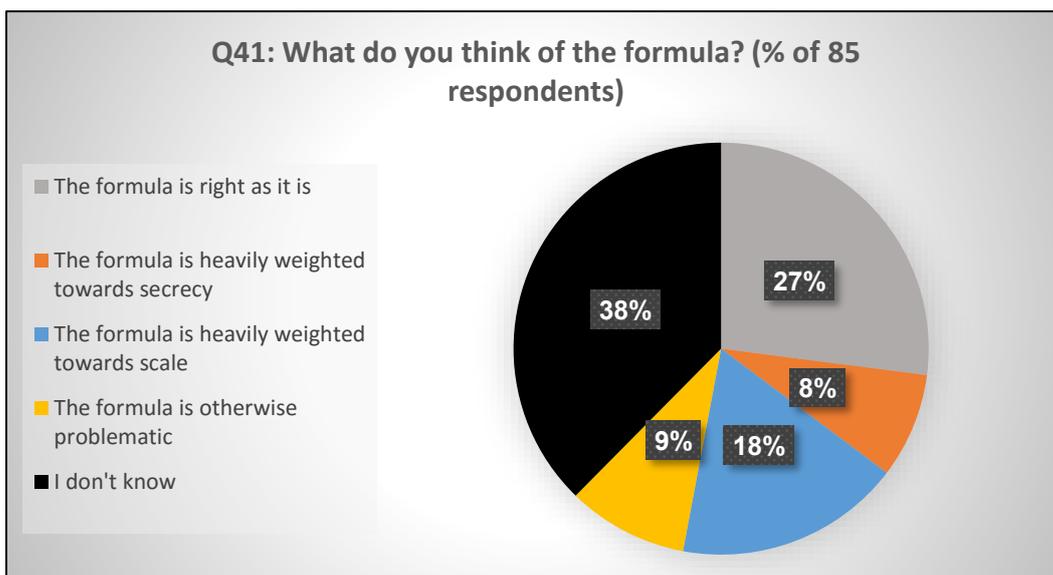
OBSERVATION: This question was optional and provided four choices of answers. A text box was provided in the fourth option to allow addressees to write any additional ideas they had. The question was presented to all addressees. In total, 85 respondents answered it.

RESULTS: 38% answered they don't know; 27% of the respondents thought the formula is right as it is; 8% thought the formula is heavily weighted towards secrecy; 18% thought the formula is heavily weighted towards scale; 9% of the respondents thought the formula is otherwise problematic and provided the following comments:

- A. Continuity of the methods used is important. If it works, don't fix it.
- B. It's good to include secrecy and scale, what's missing is the inclusion of countries that are conduits for aggressive tax planning.
- C. The cube root thing seems to be a bit arbitrary and opaque. I can't see using the FSI value in, for example, a regression, because of the opaque

way in which secrecy intensity and scale weight are entangled. It's in sort of a limbo between secrecy intensity and total volume of secretive activity, where I don't really know what exactly it is showing. Due to this issue I have found the secrecy score, which clearly indicates secrecy intensity, much more useful than the FSI value itself. I would suggest retaining the secrecy score more or less as is, while developing a new metric of total estimated secretive activity that very explicitly aims to show the scale as opposed to intensity of the problem.

- D. Having a separate secrecy score is necessary, as that is what most analysts look at, while for the press and public the overall FSI score is important.
- E. This is a really difficult one - a few random thoughts here: it's probably impossible to come up with a perfect formula and you're already making a difficult balancing act. It would be excellent if it could become more political and focused on the wider political economies of individual countries, but also their role in the international system at its various levels - that's difficult to do, because it introduces a strong element of subjectivity, which will undermine the scientific nature of the index. Some sort of an "index of state capture" or "quality of democracy" etc. would be interesting, but that would again move the FSI away from what it is.
- F. The formula calculation does not seem to calculate properly as per published results, a better explanation is need with an example calculation provided, I also think the scale should be weighted more towards secrecy.
- G. As mentioned, it might be good to include a dimension on corporate tax (for example FDI/GDP cap or FDI through SPEs) to ensure that jurisdiction that score low on scale and secrecy but nonetheless have a hugely important role in offshore (such as Netherlands) are captured better.
- H. The measure for Global Scale Weight is problematic, because it partly reflects the size of international financial services unrelated to tax matters (e.g. true cross-border banking centres), while it does not capture international legal and administration services that are also key to secrecy structures.



QUESTION 42: The FSI weighs a jurisdiction's Global Scale Weight to incorporate how relevant its financial centre is to the jurisdiction's financial secrecy (the larger the financial centre is, the greater are the global consequences of its opaque legal framework).

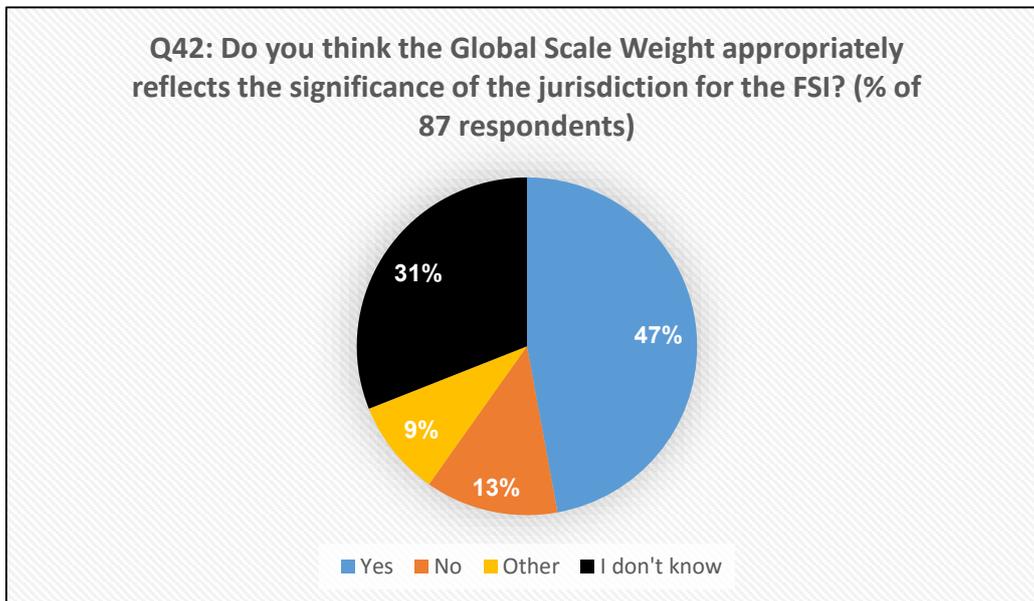
Do you think the Global Scale Weight appropriately reflects the significance of the jurisdiction for the FSI?

OBSERVATION: This question was mandatory (a filter for the following question was triggered by its answer) and provided 'Yes' or 'No' answers. In addition, the option 'I don't know' was provided as well as the option 'Other' with a text box next to it allowing the addressees to write down any additional ideas they had. The question was presented to all addressees. In total, 87 respondents answered it.

RESULTS: 31% answered they don't know; 47% of the respondents thought the GSW appropriately reflects the significance of the jurisdiction for the FSI; 13% thought the GSW does not appropriately reflect the significance of the jurisdiction for the FSI; 9% of the respondents answered 'Other' with the following comments:

- A. I think it is a great idea to have the scale factor included, however I am not able to judge whether GSW appropriately reflects the significance.
- B. I think that it relies a bit heavily on the CPIS, and could be improved by incorporating data from other sources such as the CDIS, BIS, etc., which cover other types of international investment. This seems to be particularly important given that portfolio investment, which is largely driven by fund management and securitization, is probably a less important component of secretive/illicit offshore activity than FDI and conventional banking. In securities issuance and fund management it seems to be the target market for securities/investment products more than the SPV/fund domicile which matters from the standpoint of transparency/disclosure (e.g. US hedge funds domiciled in the Caymans are arguably mostly "onshore" from a substantive securities regulation standpoint).
- C. This is a difficult one to measure in an index, the global weight to me is more the risk assessment of the jurisdiction based on the volume of flows and that to me is enough, if you add the importance of the financial centre then how is that a separate factor.
- D. It's hard to say, since a lot of this is relative weight to different parts of the global economy (both the productive economy and the shadow economy/banking system); also, there are other ways in which countries are powerful and influential, that are very hard to quantify (just look at the current Brexit negotiations in Brussels).
- E. I think this measurement places jurisdictions with moderate secrecy too high
- F. In methodology - "share of the global market for financial services provided to non-resident clients". Instead of only for Non-Resident, I would prefer the gross share of that jurisdiction in global financial services.
- G. More or less yes

H. Generally yes. It should be made more clear what is exactly meant with the "larger the financial centre" is: Financial services offered to non-residents or simply the size of the financial activity within a jurisdiction?



QUESTION 43: The FSI scale weighting uses data on jurisdictions' share of global financial services exports.

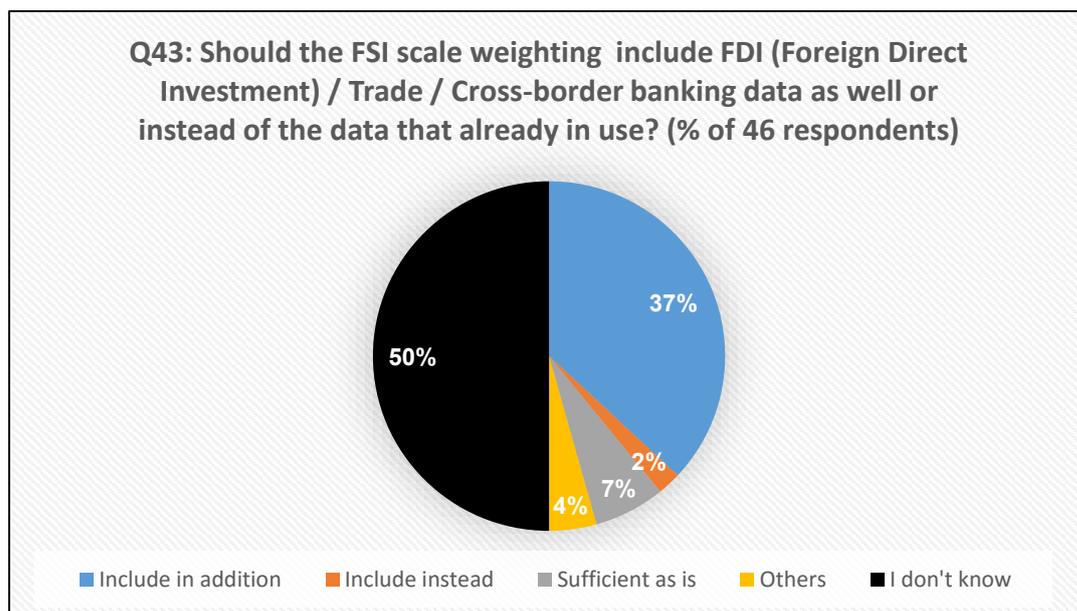
Should it include FDI (Foreign Direct Investment) / Trade / Cross-border banking data as well or instead of the data that already in use?

- 1) Yes, the underlying data should also include FDI (Foreign Direct Investment) / Trade / Cross-border banking data (please specify which of the suggested options / or all of them you recommend to add) ['Include in addition' in the pie chart below]**
- 2) Yes, instead of data on jurisdictions' share of global financial services exports, the underlying data should include FDI (Foreign Direct Investment) / Trade / Cross-border banking data (please specify which of the suggested options / or all of them you recommend to add) ['Include instead' in the pie chart below]**
- 3) No, using data on jurisdictions' share of global financial services exports is sufficient ['Sufficient as is' in the pie chart below]**
- 4) Others (please specify)**
- 5) I don't know**

OBSERVATION: This question was presented only to the 13% of the respondents who answered in the previous question that the GSW does not appropriately reflect the significance of the jurisdiction for the FSI. The question provided 2 different 'yes' answers - both of which allowed the respondents to add a comment in a text box; a 'No' answer, the option of 'I don't know' and 'other' (the latter also provided a text box for additional comments). In total, 46 respondents answered this question.

RESULTS:

- 1) 50% answered they don't know;
- 2) 37% of the respondents thought the FSI scale weighting should include FDI (Foreign Direct Investment) / Trade / Cross-border banking data **in addition** to the jurisdictions' share of global financial services exports. Some of them specified further the required type of data:
 - a. Particularly trade, because of large volumes of capital moved via trade.
 - b. cross-border banking data
 - c. CDIS FDI data and BIS banking data seem like they would be good additions. Not sure about trade.
 - d. Combine exports and FDI would work well, as the IMF spill over report / UNCTAD WRI 2014 indicator on a tax haven is now the relationship of FDI / GDP being completely out of proportion
 - e. All of them.
- 3) 2% of the respondents thought that instead of the jurisdictions' share of global financial services export, the FSI scale weighting should include the jurisdictions' share of global financial services exports;
- 4) 7% of the respondents answered that using data on jurisdictions' share of global financial services exports is sufficient;
- 5) 4% of the respondents chose the option 'other' and added the following comments:
 - a. Include it as an option which the user can scope-out
 - b. I think more alternative combinations need to be explored. Global financial services and cross-border banking have some relevance for the FSI, but also include normal cross-border banking unrelated to secrecy. FDI and general trade statistics are not really relevant for secrecy. Statistics on international legal and administration services may be relevant as well, but again this may partly capture services not related to tax matters too. Other alternatives could include statistics on portfolio investments, private assets held by foreign account holders/UBOs, number of mailbox companies, number of people employed in legal and banking services relative to the size of the working population, etc. Some creativity may be needed. Probably a combination of measures is better than



I. Survey Last Comments

QUESTION 44: Please write down any comments you would like to add regarding the survey.

OBSERVATION: This question was presented to all addressees and provided a text box. 23 respondents have written the following comments:

- 1) Too many questions - hence too many I don't know
- 2) We (Alliance Sud) was responsible for the publication of the last FSI (and a lot of others before). The main arguments against the Index itself which we were confronted with this year were (1) that Switzerland wouldn't be Number one, if all the UK-Territories would have been counted as one, and (2) that the underlying data of the index was outdated (that Switzerland realized a lot of reforms against its secret jurisdiction during 2014/15) Maybe it would be worthwhile to think about how we will be able to counter this arguments next time.
- 3) It was difficult to choose from all the new proposed indicators. They all looked like a "candy bag" of great stuff to include! I found it hard to prioritize I must admit...
- 4) The TJN is really providing an indispensable resource by compiling the FSI, and all of the various indicators that go into it. I think that the major area for improvement is the way that the scale weight is calculated and combined with the secrecy score.
- 5) Shorter timeframe between dead line and publication of the FSI
- 6) It was very much in detail and hardly to be answered if one is not working with the FSI very much and in detail.
- 7) Sugiero para llenar la encuesta un video introductorio de explicación sencilla del índice para a aquellos que no lo conozcan o bien para quienes tienen algún conocimiento sin ser expertos. [Free translation: In order to complete the survey, it's better to introduce a short explanatory movie about the FSI for those who are not familiar with it]
- 8) FSI is very useful as a dataset on what is and what isn't a tax haven, and it should be allowed to be used selectively for risk assessment purposes, while having a consensus indicator on mainly the financial secrecy rather than low-tax aspects. Reason is that low-tax is easy to find elsewhere, but if you add low tax then it can't be used for anti-corruption purposes. Low tax is fine to add in notes that somebody can use independently to construct their own score.
- 9) I am not an academic specialist and my answers do not reflect a deep analysis but rather a political sentiment.
- 10) I feel I (personally) do not have sufficient knowledge to answer many of the questions asked
- 11) All excellent work and long may it continue!
- 12) I have made inquiries to the TJN as to a more in-depth explanation for the total secrecy score as my use of the provided information for the methodology does not result in the same score for a jurisdiction as

published in the total secrecy score for the total secrecy score for a country

- 13) Format of the database report could be improved, it very difficult to read in its current form
- 14) Just to suggest you to multiply the report and share it to larger movements around the world.
- 15) Separate secrecy scores/rankings would be a great help so that we can independently consider a jurisdiction's relative level of secrecy separate from other factors such as overall size/significance.
- 16) A lot of good work goes into it, is a pity that is all wasted in a nonsense formula that has no fundament. It is also a pity it is not done more professionally. Even this survey has typography errors or perhaps you can explain with "required" means
- 17) As the survey may be filled in by only one addressee and once, and, taking into account that the questions include wide range of competences, please be informed that answers given in this questionnaire are my personal opinion and is not an official opinion of any authority of Latvia.
- 18) Very good questions.
- 19) Useful
- 20) thank you for your activity
- 21) You certainly know the work of Academics stand against poverty - <http://academicsstand.org/blog/2014/09/04/policy-options-for-addressing-illicit-financial-flows-results-from-a-delphi-study/>; For me this is a new discovery.
- 22) Consider also data from the GFI report on illicit financial flows if possible.

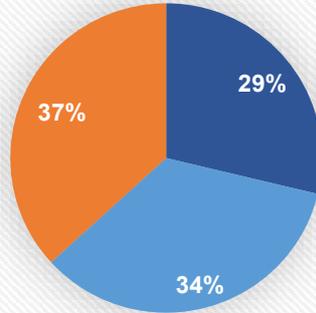
QUESTION 45: May we contact you for further inquiries about your answers?

- 1) Yes, and I would like to be publicly acknowledged for the ideas I provided in the survey**
- 2) Yes, but I would not like to be publicly acknowledged for the ideas I provided in the survey**
- 3) No**

OBSERVATION: This question was mandatory (as a filter for the following question was triggered by its answer) and provided a choice of three answers. 87 answered the question.

RESULTS: 37% answered they would not like to be contacted; 34% answered we may contact them but they would not like to be publicly acknowledged; and 29% of the respondents answered they may be contacted and it was ok for them to be publicly acknowledged.

Q45: May we contact you for further inquiries about your answers? (% of 87 respondents)



■ yes and publicly acknowledged ■ yes, but not publicly acknowledged ■ No

Annex D: Scope of open questions

Tax Avoidance Indicators (1)

	TA 1	TA 2	TA 3	TA 4	TA 5
Name	Number APAs	Number DTAs	Outward FDI	Patent Box	CBCR
Number of respondents	100	100	100	100	100
Ratio of approval (% for each proposal)*	10.2% (43/421)	15.9% (67/421)	12.3% (52/421)	10.6% (45/421)	14% (59/421)
Short Description	The number of non-disclosed APAs (Advanced Pricing Agreements)	The number of DTAs (Double Tax Agreements) the jurisdiction has signed with developing countries which include very low or nil inward and outward withholding tax	Outward FDI (Foreign Direct Investment)/ GDP (Gross Domestic Product), where disproportionate levels may indicate risk of tax avoidance activity	The availability of patent boxes or innovation boxes	The jurisdiction sends CBCR (Country by Country Reporting) to other jurisdictions according to BEPS Action 13
Compatibility (high, medium, low)					
Priority (high, medium, low)					
Discussion of indicator issues (+/-)					
Data Source (short name)					
- number of jurisdictions covered					
- details of jurisdiction coverage (i.e. only OECD etc. pp).					
- data source URL/publication/Pay?					

*This was a question with a multiple choice of answers and therefore aggregating the percentage for each of the sub answers does not lead to a total of 100%

Tax Avoidance Indicators (2)

	TA 6	TA 7	TA 8	Others
Name	Aggregate data	Public tax rulings	Special entities	
Number of respondents	100	100	100	100
Ratio of approval (% for each proposal)*	10.6% (45/421)	10.4% (44/421)	10.9% (46/421)	2.6% (11/421)
Short Description	Publication of aggregate data (e.g. regarding statistics on automatic information exchange)	Publication of tax rulings and/ or data on their impact	The jurisdiction allows the creation of entities that are prevented from contracting with local residents and / or from owning domestic assets	
Compatibility (high, medium, low)				
Priority (high, medium, low)				
Discussion of indicator issues (+/-)				
Data Source (short name)				
- number of jurisdictions covered				
- - details of jurisdiction coverage (i.e. only OECD etc. pp).				
- data source URL/publication/Pay?				

*This was a question with a multiple choice of answers and therefore aggregating the percentage for each of the sub answers does not lead to a total of 100%

Changes to KFSIs (1)

	CtK 1	CtK 2	CtK 3	CtK 4	CtK 5
Name	Changes for KFSI 1	Changes for KFSI 3	Changes for KFSI 4	Merging KFSI 7&8	Merging KFSI 14&15
Number of respondents	83	83	83	82	82
Ratio of approval (% for each proposal) *	60%	53%	53%	56%	63%
Short Description	Assessing whether the consequences of breaching banking secrecy may include prison terms and/or custodial sentencing (instead of assessing the existence of statutory banking secrecy)	Providing jurisdictions with partial credit for legal ownership registration of companies (instead of providing credit only for beneficial ownership)	A jurisdiction that requires companies to publish their accounts will be credited only if it doesn't allow the companies to hold their accounts outside the jurisdiction (currently the credit is not conditional)	KFSI 7 (Fit for Information Exchange) is merged with KFSI 8 ('Efficiency of Tax Administration') into a new indicator names 'Tax Administration Capacity'.	KFSI 14 (International Transparency Commitments) is merged with KFSI 15 (International Judicial Co-operation') into one indicator named 'International Legal Cooperation'
Compatibility (high, medium, low)					
Priority (high, medium, low)					
Discussion of indicator issues (+/-)					
Data Source (short name)					
- number of jurisdictions covered					
- details of jurisdiction coverage (i.e. only OECD etc. pp).					
- data source URL/publication/Pay?					

* This ratio represents the percentages of respondents who chose the answers 'required' and 'highly required'

Changes to KFSIs (2)

	CtK 6	CtK 7	CtK 8	CtK 9	CtK 10	CtK 11	CtK 12
Name	GDP/Tax administration staff (KFSI 7(1))	TINs (KFSI 7(2))	High net worth individuals (KFSI 7(3))	Life insurance wrappers (KFSI 10(1))	Hedge funds registration (KFSI 10(2))	Large cash bills (KFSI 10(3))	Instant cooperation (KFSI 10 (4))
Number of respondents	82	82	82	81	82	82	84
Ratio of approval (% for each proposal)*	52%	63%	61%	43%	57%	52%	69%
Short Description	KFSI 7 will assess also the ration between the jurisdiction's GDP and the number of staff at the tax administration	KFSI 7 will assess whether the jurisdiction issues TINs (Taxpayer Identification Numbers)	KFSI 7 will assess whether the tax administration has a special unit for high net worth individuals	The jurisdiction facilitates the creation of life insurance wrappers	The jurisdiction facilitates the creation and registration of hedge funds	The jurisdiction issues large cash bills (of value greater than 200 US\$ or equivalent)	The jurisdiction provides instant incorporation process (e.g. by using shelf companies)
Compatibility (high, medium, low)							
Priority (high, medium, low)							
Discussion of indicator issues (+/-)							
Data Source (short name)							
- number of jurisdictions covered							
- details of jurisdiction coverage (i.e. only OECD etc. pp).							
- data source URL/publication/Pay?							

* This ratio represents the percentages of respondents who chose the answers 'required' and 'highly required'

New KFSIs (1)

	NK (1)	NK (2)	NK (3)	NK (4)	NK (5)	NK (6)	NK (7)
Name	Freeports and Cash Vaults	Bearer bonds	Professionals Secrecy	Limited Partnership Transparency	Transparency For All Unlimited Entities	Low Corporate Tax Rate	CBCR Filing Requirement
Number of respondents	84	83	80	83	83	83	85
Ratio of approval (% for each proposal)*	69%	64%	68%	71%	56%	69%	81%
Short Description	The availability of freeports and cash vaults as places to store valuable assets and the legal obligation to identify the legal/beneficial owners of the users	Are bearer bonds available?	Breaching professional secrecy (of lawyers, accountants, company service providers) may result in prison terms and/or custodial sentencing	The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet	The jurisdiction requires all available types of limited partnerships to publish updated legal and/or beneficial ownership information and their annual accounts accessible for free via the internet	The average effective corporate tax rate in the jurisdiction is below 5%	The jurisdiction has already implemented the obligation to submit global Country by Country Reporting (CBCR) files by domestic MNCs and by foreign MNCs with domestic operations
Compatibility (high, medium, low)							
Priority (high, medium, low)							
Discussion of indicator issues (+/-)							
Data Source (short name)							
- number of jurisdictions covered							
- details of jurisdiction coverage (i.e. only OECD etc. pp).							
- data source URL/publication/Pay?							

* This ratio represents the percentages of respondents who chose the answers 'required' and 'highly required'

New KFSIs (2)

	NK (8)	NK (9)	NK (10)	NK (11)	NK (12)	NK (13)	NK (14)	NK (15)
Name	FTT	Digital Currencies	Fake Residency	Whistleblower Protection	Global Forum Compliance	Tax Rulings	Tax Court Secrecy 1	Tax Court Secrecy 2
Number of respondents	84	82	83	85	80	84	83	82
Ratio of approval (% for each proposal)*	40%	43%	74%	81%	65%	74%	71%	68%
Short Description	The jurisdiction levies a Financial Transaction Tax	The use /exchange of digital currencies (e.g. Bitcoin) is regulated	The jurisdiction offers citizenship/residency in exchange of payments or financial investment in the jurisdiction	The jurisdiction provides whistle blowers with legal protection in case they violate banking, tax or other secrecy rules or laws	The jurisdiction has been rated fully compliant in Global Forum's phase two assessment cycle	The tax administration discloses all tax rulings either anonymised or named	The court proceedings of a) criminal and b) civil tax matters are openly accessible for the public	The text of all judgements issued by a) criminal and b) civil tax courts are published online for free
Compatibility (high, medium, low)								
Priority (high, medium, low)								
Discussion of indicator issues (+/-)								
Data Source (short name)								
- number of jurisdictions covered								
- details of jurisdiction coverage (i.e. only OECD etc. pp).								
- data source URL/publication/Pay?								

* This ratio represents the percentages of respondents who chose the answers 'required' and 'highly required'

New KFSIs (3)

	NK (16)	NK (17)	NK (18)	NK (19)	NK (20)	NK (21)
Name	AIE Population Coverage	AIE Relationships	AIE Voluntary Secrecy	AIE Statistics	Efficient AIE	Predicate Crimes
Number of respondents	84	80	78	80	80	83
Ratio of approval (% for each proposal)*	65%	70%	66%	69%	69%	69%
Short Description	What is the percentage of the world population with whom the jurisdiction has an AIE relationship?	With how many other jurisdictions does the current jurisdiction have effective AIE relationship (i.e. AIE actually takes place between them) pursuant to the CRS (Common Reporting Standard), either via bilateral CAAs (Competent Authority Agreements) or via MCAAs (Multilateral Competent Authority Agreements)?	Is the jurisdiction listed under Annex A of the MCAAs (Model Competent Authority Agreements), which enables it not to receive information from other countries?	Does the Jurisdiction publish statistics on its use of automatic information exchange?	Does the jurisdiction require domestic banks to automatically collect and send information to the domestic tax administration about all non-residents (instead of collecting information only about those who are residents in a participating jurisdiction)?	Several corruption offences (e.g. tax evasion, embezzlement, extortion) are legally classified as 'predicate offences' for money laundering purposes
Compatibility (high, medium, low)						
Priority (high, medium, low)						
Discussion of indicator issues (+/-)						
Data Source (short name)						
- number of jurisdictions covered						
- details of jurisdiction coverage (i.e. only OECD etc. pp).						
- data source URL/publication/Pay?						

* This ratio represents the percentages of respondents who chose the answers 'required' and 'highly required'

FSI Formula

	FF (1)	FF (2)	FF (3)	FF (4)	FF (5)	FF (6)	FF (7)	FF (8)	FF (9)
Name	SS&GSW balance	SS&GSW balance	SS&GSW balance	SS&GSW balance	GSW & SJ significance	GSW & SJ significance	Data for GSW	Data for GSW	Data for GSW
Number of respondents	85	85	85	85	87	87	46	46	46
Ratio of approval (% for each proposal)*	27%	8%	18%	9%	47%	13%	37%	2%	7%
Short Description	The formula is right as it is	The formula is heavily weighted towards secrecy	The formula is heavily weighted towards scale	The formula is otherwise problematic (please explain)	The Global Scale Weight appropriately reflects the significance of the jurisdiction for the FSI	The Global Scale Weight does not appropriately reflect the significance of the jurisdiction for the FSI	GSW should include FDI (Foreign Direct Investment) / Trade / Cross-border banking data in addition to the data that already in use	GSW should include FDI (Foreign Direct Investment) / Trade / Cross-border banking data instead of the data that already in use	Using data on jurisdictions' share of global financial services exports is sufficient as is
Compatibility (high, medium, low)									
Priority (high, medium, low)									
Discussion of indicator issues (+/-)									
Data Source (short name)									
- number of jurisdictions covered									
- details of jurisdiction coverage (i.e. only OECD etc. pp).									
- data source URL/publication/Pay?									