

# From Switzerland to Singapore: The World's Top Tax Havens

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*The UK-based Tax Justice Network's new [Financial Secrecy Index](#) estimates that the ultra-wealthy are hiding up to \$32 trillion in tax havens around the world, and while Switzerland gets the top spot on the new list, the U.S. is a not-so-distant second.*

Not even major global scandals such as the Panama and Paradise papers have been able to slow the rise of the bigger and better tax havens, as global industry growth has billion-dollar asset owners looking for the ultimate haven to stow away gains.

These are the top 10 tax havens in 2018, according to FSI:

## #1 Switzerland

Switzerland, a global leader in asset management cornering 28 percent of the market share, is holding an estimated [\\$6.5 trillion](#), more than half of which comes from abroad.

The attraction is a low tax base coupled with a top-notch banking system.

Switzerland is the 'grandfather' of global tax havens, and the world leader in cross-border asset management.

As [FSI notes](#):

"...the Swiss will exchange information with rich countries if they have to, but will continue offering citizens of poorer countries the opportunity to evade their taxpaying responsibilities."

And it's more secretive than the No 2 tax haven...

## #2 The United States of America

The U.S. is on a tear on the competition for the top tax haven spot, rising for the third time in five years, and now capturing the number two slot. In 2015, the U.S. was in third place, and in 2013, it was in sixth.

Between 2015 and 2018, U.S. market share of global offshore financial services rose 14 percent, from 19.6 percent to 22.3 percent.

Delaware, Nevada and Wyoming are the most aggressive tax havens, often described as 'captured states'.

When it comes specifically to offshore financial services, then, the U.S. now has the largest market share, rivalled only by the City of London, according to FSI, which notes that foreign country elites use the U.S. [“as a bolt-hole for looted wealth”](#).

The baggage is piling up. Take the Delaware tax haven, for instance. It’s housing a company in “good standing” that is used for trafficking children for sex but can’t be shut down because it doesn’t have a physical presence in the state, [according to Quartz](#).

### #3 Cayman Islands

Third place go to this overseas territory of the United Kingdom, holding [\\$1.4 trillion](#) in assets managed through 200 banks. With more than 95,000 companies registered, this country is the world leader in terms of hosting investment funds.

It’s a lot more “upmarket” today than it used to be in its [heyday as a hotspot for drug smuggling](#) and money-laundering. Now it deals with some of the world’s biggest banks, corporations and hedge funds.

On the FSI secrecy index, it ranks a 71, right between Switzerland and the U.S.

### #4 Hong Kong

While one of the newer tax haven’s—it’s already hit fourth place and is managing some [\\$2.1 trillion](#) in assets (as of the close of 2015), along with \$470 billion in private banking assets. It helps that it’s home to the third-largest stock exchange in Asia.

And when it comes to [ultra-high-net-worth individuals](#), Hong Kong leads the pack, with 15.3 per 100,000 households.

The attraction is that companies incorporated in Hong Kong pay tax only on profits sourced in Hong Kong and the tax rate is currently at 16.5 percent. So in all likelihood, they’re paying zero taxes.

In terms of secrecy, it ranks 71 alongside Cayman.

### #5 Singapore

This country is the favorite offshore center servicing Southeast Asia (as opposed to Hong Kong, which caters to China and North Asia).

As of the end of 2015, Singapore was estimated to be holding [\\$1.8 trillion in assets](#) under management, 80 percent of which originated outside of the country.

It has a secrecy ranking of 67.

### #6 Luxembourg

This is a tiny state in the European Union that packs a massive tax haven punch. Despite its size, it is said to control 12 percent of the global market share for offshore financial services. The FSI estimates that its 143 banks are managing assets of around [\\$800 billion](#).

Luxembourg has a secrecy ranking of 58.

## #7 Germany

Major tax loopholes and lax enforcement have bumped Germany to number seven on the FSI's list, despite being one of the world's biggest economies and not intentionally focusing on global financial services. It corners about [5 percent](#) of market share in the sector, and ranks 59 in terms of secrecy.

## #8 Taiwan

This is the first year Taiwan has made the Top 10 list, bumping off Lebanon, which now sits in 8<sup>th</sup> place.

Beijing's "One China" policy is largely responsible for Taiwan's ascendancy on the tax haven scene because it managed to fly under everyone's radar, not participating in International Monetary Fund (IMF) statistics thanks to Chinese pressure.

And no one's entirely sure how much offshore money is flowing through here.

## #9 United Arab Emirate of Dubai

Dubai, servicing massive regional oil wealth, gets the highest secrecy rating of them all, at 84. Its offshore facilities are [exceedingly complex](#) and offers a low-tax environment and lax enforcement.

It's also recently been the target of an [EU tax haven blacklist](#).

## #10 Guernsey

This small tax haven jurisdiction in the English Channel has risen seven places on the list since 2015, and accounts for [0.5 percent](#) of the global trade in offshore financial services. Essentially, this is nothing more than a '[captured state](#)' with a high secrecy rating of 72.

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*Charles Benavidez is a writer for SafeHaven.com.*

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