

T-AP RRR “Taxing Ghosts: Closing Residency Loopholes to Fund Post-Pandemic Recovery Efforts” (TG)

(ESRC: ES/X001342/1)

Research Questions:

How do individuals and corporations manipulate legal residence to avoid tax (“ghosting governments”)?

- How do individuals and corporations leverage borders to avoid taxation?
- How do countries leverage borders to gain advantages or exclude others when negotiating cross-border regulations around tax?
- How have traditional regulatory regimes failed to reform the tax system?

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Strand 1: “Follow-the
Agenda”

PI: Allision Christians (McGill University)

Strand 2: “The Future of
Offshore”

PI: Kristin Surak (LSE)

Strand 3: “Follow-the-
Residence”

PI: Kristin Surak (LSE)

Strand 4: “Tax Vulnerability
and African Development”

PI: Afton Titus (Cape Town University)

PI: Precious Ndlovu (University of
Western Cape)

Strand 1: “Follow-the Agenda”

- Analyzed global tax rules and standards, focusing on the tax concept of residence and methods used by corporations to avoid taxation through regulatory arbitrage.
- Developed alternative institutional approaches to address ghosting practices and global tax reform.
 - E.g. Establishing mechanisms for using the income tax system to prevent businesses from offloading environmental and social costs (Christians and Magalhaes 2023)
 - E.g. Identifying alternative ways for developing countries to better implement global minimum corporate tax (Christians et al 2023)

Strand 2: “The Future of Offshore”

- Examined the legal and regulatory strategies that financial services professionals use to limit the establishment and implementation of tax regimes despite growth in transparency regulations
- Matched several large datasets to identify the patterns of offshore structures used to hide ownership of real estate assets in the UK
 - Identified key weaknesses in transparency efforts (wrong exemptions, bad quality data, conflicts between privacy and transparency) and how responses combine both proactive and resistance strategies
 - Identified key locations used to circumvent transparency reporting and assessed extent of regulatory compliance

Strand 3: “Follow-the-Residence”

- Examined how residency operates as a fluid asset in the digital economy and beyond
- Assessed how individuals leverage “residency without presence” to accumulate legal advantages
 - Proposed techniques for identifying and regulating digital tax arbitrage (exempt companies, foundations, limited liability partnerships used in new configurations to avoid reporting obligations)
 - Identified strategies used by individuals to lower their tax burden through “residency structuring” as well as the limits to such motives

Strand 4: “Tax Vulnerability and African Development”

- Addressed issues of national fragility in tax implementation by advancing a regionally grounded model for African tax governance to
- reframed Africa’s role in promoting global tax governance globally
 - Identified benefits of shirting global tax governance out from OECD and to the UN while also addressing problems that may continue at the UN-level to stymie implementation
 - Developed comprehensive model an inclusive tax reform based on regional implementation and resilience