

**DATLAB**  
das data.

# Tax Havens in Public Procurement

Sofia | 14.9.2018 | **Tomáš Pošepný**

# SpofaDental a.s.

- Czech company specialized in dental products
- **11 tenders from Czech authorities worth over 1 mil. EUR (since 2013)**
- 100 % owned from Cayman Islands
- Is that wrong?

**tax haven  
suppliers  
=  
problem?**

## **Theory**

- risk of tax evasion
- risk of conflict of interest

## **Reality** (Chvalkovská, Janský, Skuhrovec (2012))

- smaller competition
- **30 - 70% higher profits**

**how big is the problem?**

# methodology

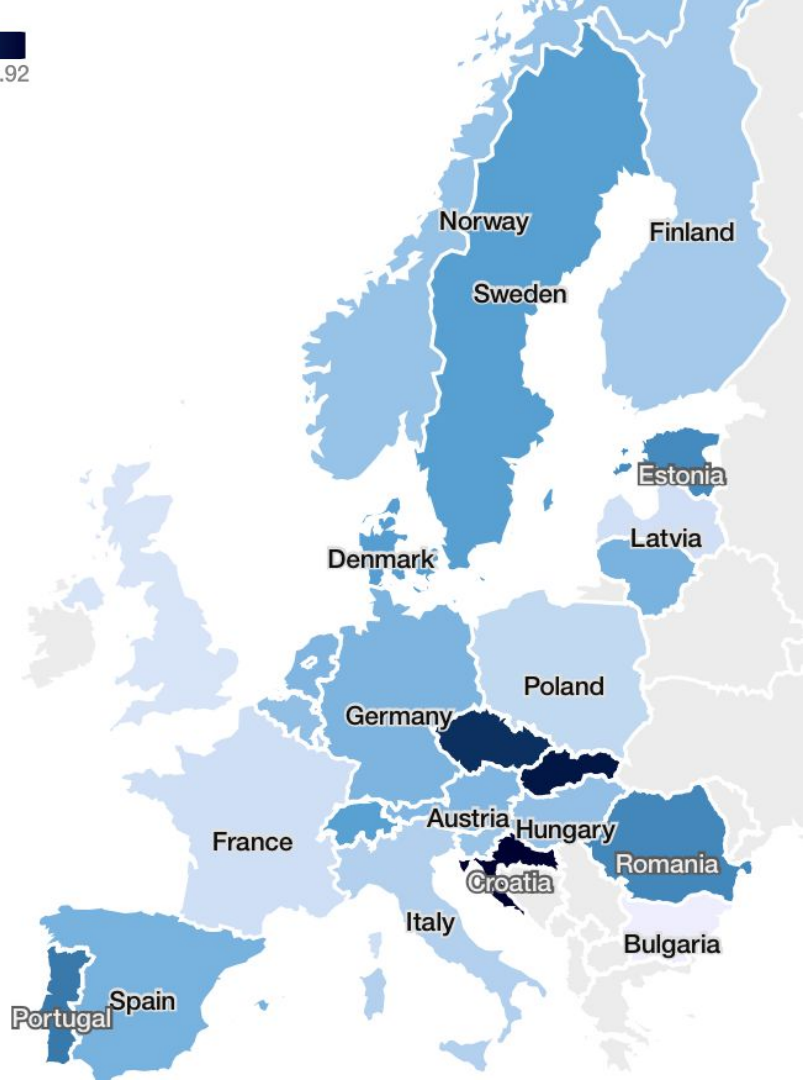
## What we do?

1. Collect procurement data from **TED and 20 national EU sources**
2. Link suppliers to Bureau van Dijk database
3. Examine full ownership structures to see tax haven ties
  - European Commission's Tax Haven List
  - tenders since 2006
  - samples of suppliers reliably linked to BvD
  - any share above 10 % counts

# data coverage

Country	Tenders Volume	Tenders Count	BvD Link
Croatia	€11,128,914,142	27,992	92.14%
Slovak Republic	€81,048,870,168	58,520	82.87%
Czech Republic	€236,784,582,854	259,102	71.66%
Portugal	€71,483,754,683	835,650	53.82%
Romania	€467,177,606,961	269,809	50.48%
Estonia	€41,730,398,171	115,581	49.44%
Denmark	€88,631,734,670	23,340	42.94%
Sweden	€58,637,768,948	20,698	42.67%
Switzerland	€38,196,039,244	21,807	41.97%
Spain	€415,572,704,300	273,956	31.61%
Lithuania	€21,253,031,209	61,672	31.00%
Germany	€192,319,513,570	176,215	29.90%
Netherlands	€184,141,234,148	33,742	28.87%
Austria	€37,891,726,158	20,310	28.57%
Belgium	€85,069,509,776	42,220	23.71%
Hungary	€358,418,730,252	157,527	22.92%
Norway	€158,842,238,853	51,923	21.71%
Slovenia	€44,498,957,629	172,487	20.96%
Finland	€55,620,708,158	36,096	18.29%

# data coverage (BvD links)



# tax havens in Czech Republic

## Czech procurement suppliers' owners

- 97.48% Czech Republic (135.9 bln EUR)
- 15.44% Cyprus (21.5 bln EUR)
- 13.93% Netherlands (19.4 bln EUR)
- **3.44% Switzerland (4.8 bln EUR)**
- **0.63% Bermuda (0.9 bln EUR)**
- **0.58% United Arab Emirates (0.8 bln EUR)**
- **0.41% British Virgin Islands (0.57 bln EUR)**

**TAX HAVENS TOTAL 5.6% (7.8 bln EUR)**

**=> 13.3 bln EUR** projected on whole volume

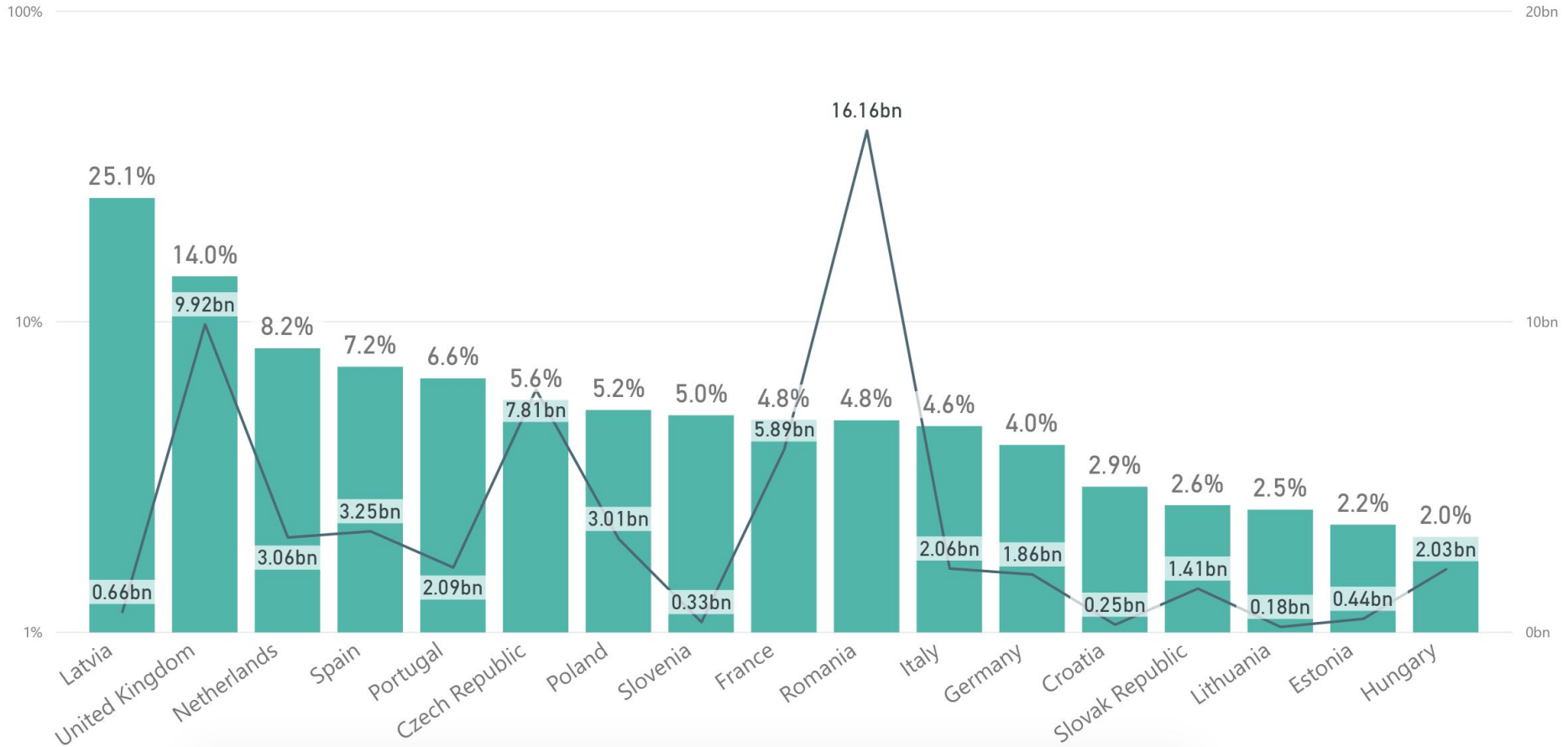


# tax havens in EU

Country	Tax Havens Tenders (%)	Tax Havens Tenders
Latvia	25.05%	€656,885,830
United Kingdom	14.02%	€9,917,516,028
Netherlands	8.22%	€3,055,752,451
Spain	7.17%	€3,254,963,197
Portugal	6.58%	€2,089,931,870
Czech Republic	5.60%	€7,812,299,161
Poland	5.20%	€3,006,759,919
Slovenia	5.00%	€330,009,312
France	4.84%	€5,888,561,079
Romania	4.82%	€16,156,283,596
Italy	4.62%	€2,055,521,060
Germany	4.01%	€1,863,952,214
Croatia	2.95%	€246,373,780
Slovak Republic	2.57%	€1,409,907,216
Lithuania	2.48%	€175,315,375
Estonia	2.22%	€436,563,900
Hungary	2.03%	€2,032,011,151

Note: we only show countries with sufficient sample size

● Tax Havens Tenders (%) ● Tax Havens Tenders

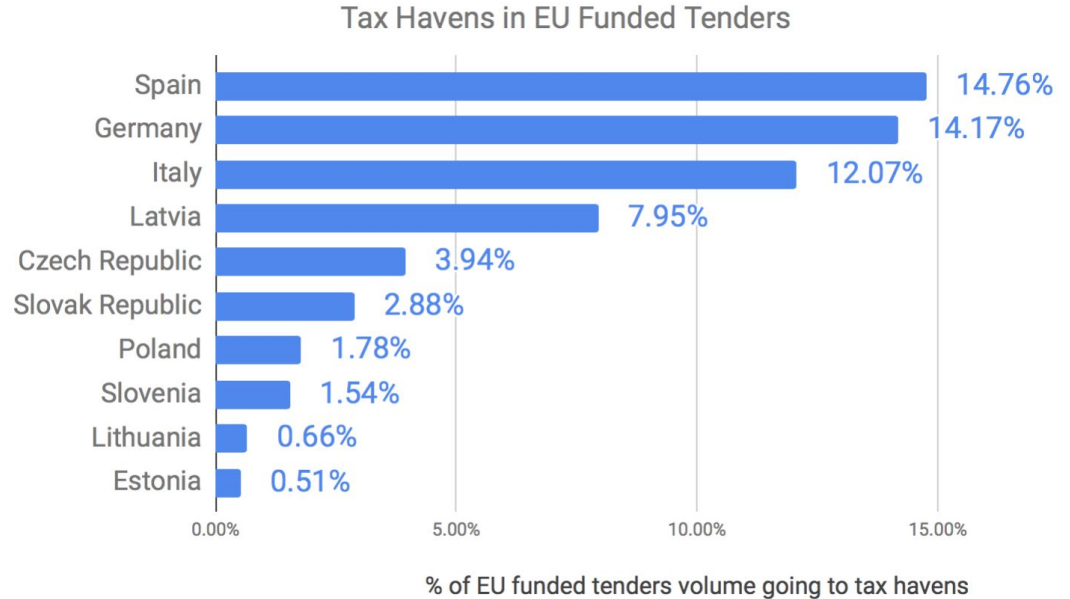


# tax havens in EU-funded projects

<b>Country</b>	<b>Tax Haven Eu Funded Tenders (%)</b>	<b>Tax Haven Eu Funded Tenders</b>
Spain	<b>14.76%</b>	€398,219,230
Germany	<b>14.17%</b>	€257,821,146
Italy	<b>12.07%</b>	€112,589,066
Latvia	<b>7.95%</b>	€53,490,840
Czech Republic	<b>3.94%</b>	€1,172,792,082
Slovak Republic	<b>2.88%</b>	€552,106,309
Poland	<b>1.78%</b>	€182,612,896
Slovenia	<b>1.54%</b>	€14,528,205
Lithuania	<b>0.66%</b>	€4,254,775
Estonia	<b>0.51%</b>	€16,112,249

Note: we only show countries with sufficient sample size

# tax havens in EU-funded projects



Note: we only show countries with sufficient sample size

# potential use cases

- Audit red flags
- Policy analyses
- AML reforms impact monitoring



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