



A 500-billion-dollar decision for the world

The revenue impacts of global unitary taxation

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PUBLIC SERVICES
INTERNATIONAL



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Explore the country-level estimates

Country-level estimates for all scenarios modelled in this study are available in the Tax Justice Network’s [Unitary Taxation Explorer](#), which allows users to examine the effects of different design choices for themselves. All code and data used to produce the estimates are openly available in the accompanying [GitHub repository](#).

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Acknowledgements

The authors of this report had the great privilege to receive helpful input from so many knowledgeable and inspiring people that it would feel natural to list all of them as coauthors. We are incredibly thankful for the help of Bemnet Agata, David Archer, Mark Bou Mansour, Oli Courtney, Adrian Falco, Don Griswold, Verónica Grondona, Florencia Lorenzo, Tomás Lukin, Bob Michel, Andreas Missbach, Luis Moreno, Liz Nelson, Edris Nikjooy, Patrick Orr, Séverine Picard, Sol Picciotto and Anne Wanyagathi.

Any remaining errors or omissions are the sole responsibility of the authors.



Executive summary

During the UN negotiations on a Framework Convention on International Tax Cooperation, countries have a historic opportunity to reset the rules by which multinational companies are taxed. They could move away from the current “pay where you say” approach – which largely allows multinationals to book their profits where tax rates are low, rather than where their economic activity takes place – towards a “pay where you play” approach, under which companies are taxed where they do business. In technical terms, this means replacing the current transfer pricing system with unitary taxation.

The transfer pricing system rests on the fiction that the different parts of a multinational company are separate businesses, trading with each other at “arm’s length”. Unitary taxation treats multinationals as what they are: single business units. Instead of taxing the profits each part reports in its own accounts, unitary taxation starts from the multinational’s global profits. These global profits are then apportioned between countries according to the economic activity taking place in each. Under a formula based on employment and sales, for instance, a country accounting for 10% of a multinational’s employment and 10% of its sales would be allowed to tax 10% of the multinational’s global profits – at its own rate.

This report estimates the revenue effects of unitary taxation. Our methodology is as simple as the system it models: we combine all of a multinational’s profits, allocate them to countries according to where its employees work, its sales take place, and its assets are located, and then calculate the tax each country would collect, compared with what it collects today.¹ We do this using the OECD’s country by country reporting data.

We find that unitary taxation would have raised between US\$300bn and more than US\$500bn in additional revenue worldwide, in every year we examine between 2016 and 2022. The gains would be widely shared. Absolute gains are largest for higher-income countries: high-income countries would increase the corporate tax they collect from multinationals by around 21%, at least an additional US\$140bn a year, and upper-middle-income countries by around 31%, at least an additional US\$112bn a year. Absolute gains are smaller for lower-middle-income and low-income countries, at US\$61bn and US\$4bn respectively – but they would allow those countries to triple and more than quintuple the corporate tax they currently collect from multinationals.² To put these numbers in perspective, the additional revenue accruing to the G77 group of developing countries in a single year would equal the total value of their outstanding IMF loans. European countries, meanwhile, would gain the inflation-adjusted equivalent of the Marshall Plan in two years.

¹As elaborated in the accompanying [methodology note](#), we estimate revenue changes by first calculating the change in taxable profits under unitary taxation and then valuing them with the applicable tax rates (see [Box 3](#)).

²The gains reported for the individual income groups do not sum to the global figure. This is because our sample covers only around 65% of global multinational profits. For the global estimate, we scale the gains up to cover all multinational profits, whereas for the income groups we report the unscaled sample results as minimum estimates. See the main report for details.



Our study makes several contributions to existing work on unitary taxation. First, we account for natural resource wealth, and show that countries must be able to claim the value of their own resources before profits are divided between countries. Otherwise, resource-rich countries are denied a fair share and can appear to lose out under unitary taxation – even though they are among the countries that suffer heavily from profit shifting today. All our estimates therefore preserve the profits arising from natural resource extraction in the producing country, rather than adding them to the profit pool to be redistributed. If resource rights are not treated as prior to taxing rights over corporate profits, low-income countries gain 35% less. Where governments capture little of their resource wealth to begin with, however, preserving existing claims is not enough: we show that a minimum level of resource-rent capture can ensure that these countries fully benefit as well.

Second, we show that where sales are recorded is not a technical detail but a distributional decision. The choice of formula matters, as earlier work has established, and we model a range of options to inform that political choice. But the factors also have to be measured, and for sales this is where much of the outcome is decided. Sales can be measured where the seller sits or where the customer is: the first is how they are reported today, and it systematically allocates less profit to lower-income countries, since selling into a market often leaves no trace in the seller's own accounts there. Yet it is the customers who ultimately generate the profits, not the hub through which the sale happens to be routed. Measuring sales at destination rather than origin raises the revenue gains of low-income countries by more than 40%, and those of lower-middle-income countries by 120%. Similarly, making taxing rights conditional on a physical presence in the customer's country – a requirement that digitalisation has made obsolete – disadvantages lower-income countries.

In addition to these design choices, our study addresses two concerns commonly raised in the public debate about unitary taxation. First, there is a concern that consolidating losses across a group would narrow the corporate tax base far enough to undermine the revenue potential. All our estimates already apply to a consolidated tax base, but we additionally estimate the largest effect that loss consolidation could have, by assuming that no consolidation at all is possible under the current system. Even on that assumption, countries still gain across the board, with revenues reduced by at most 12.5%.

Second, while we find that almost every country wins, there is a small number of countries that would probably lose under unitary taxation. These are corporate tax havens, whose revenues today depend on attracting profits shifted from elsewhere, and “headquarters-bias” countries, whose multinationals report an unusually large share of profits at home while often paying low effective tax rates there. Examining these cases individually, we show that a tax base which is harder to manipulate also gives these countries room to protect their revenues: several could preserve what they collect today simply by applying ordinary tax rates to the smaller profit base they would keep under unitary taxation.

Our findings quantify what is at stake for countries in the UN Tax Convention. The first full draft text confirms that taxing rights should be based on the location of real economic activity. An explicit commitment to move towards worldwide unitary taxation would deliver on that principle. Implementing and monitoring such a system also requires adequate data: global, public country by country reporting – including sales by destination – is essential to hold both multinationals and tax authorities accountable for the fair allocation of taxing rights.



Introduction

With a UN Tax Convention in sight, the world now faces a decision that could fundamentally reshape corporate taxation. The revenue gains, as this study shows, approach US\$500bn each year – and almost everyone stands to gain.

The decision concerns the drafting of the UN Framework Convention on International Tax Cooperation. A pivotal commitment, in Article 5 of the current negotiating text, has the potential to ensure that countries can exert taxing rights according to the location of economic activity. That is, each country could tax multinationals in proportion to their share of the global activity.

In practical terms, this would mean moving away from a 100-year-old “pay where you say” approach, under which governments tax multinational corporations based on where they declare their profits. This approach requires governments to treat the different parts of a multinational corporation as if they were completely disconnected from one another. If the local part of a multinational claims that it made no profit, the government cannot tax it – even if the multinational declares huge profits through another part located in a tax haven. Instead, countries would move to a “pay where you play” approach, which ends the charade and taxes a multinational corporation as a whole, based not on where it declares its profits but on where it employs workers, and produces and sells the goods and services that create those profits. In technical terms, it would be a shift away from the transfer pricing system based on the “arm’s length principle” to unitary taxation with formulary apportionment.

The flaws in the current system date back to the League of Nations (see [Box 1](#)). Seeking to establish rules for dividing multinational corporations’ profits between countries, they settled on an approach that treated corporate groups as collections of separate entities. From the outset, this approach failed to align taxing rights reliably with the location of real economic activity. Today, its problems are recognised across the board: Conservative politicians criticise the growing complexity of international tax rules, while progressive voices point to the opportunities for tax avoidance and the resulting drain on public budgets. Trade unions argue that profit shifting and financial opacity weaken workers’ position in collective bargaining, and civil society organisations decry the failure to ensure that large companies pay their fair share. Multinational corporations themselves call for simpler, more predictable rules that reduce both compliance burdens and the pressure to plan aggressively in response to their competitors. Smaller and domestic businesses, meanwhile, demand a level playing field, since cross-border tax planning is not open to them at all.³

³See, for example, former UK Conservative minister Lord MacGregor of Pulham Market (2013) on the complexity and inadequacy of the international corporate tax system; Greens/EFA (2018) on corporate tax avoidance and public revenues; TUAC (2016) on the implications of profit shifting for workers and collective bargaining; Oxfam (2017) on corporate taxation and the funding of public services; Business at OECD (2026), reporting calls by business representatives for greater simplicity, certainty and predictability; and Small Business Majority (2016) on the competitive disadvantage faced by smaller businesses.



Today, countries of the world have the opportunity to reverse this century-old error and instead choose the alternative approach: unitary taxation with formulary apportionment. Unitary taxation rests upon one pivotal decision: to tax a multinational company group as a single unit. At a stroke, this ends the fallacy of the current transfer pricing rules which pretend that the different entities within a group are each trying to maximise their own separate profits, and trading with each other independently to achieve that result.

We know that multinationals seek to maximise profits at the group level, regardless of what the accounts of individual entities may say. They produce a single set of globally consolidated financial accounts for their investors. Unitary taxation simply aligns with that reality. It makes sure that countries have the whole “pie” of profits as a starting point. As a result, all of a group’s profits can be taxed, and taxed once.

This is because of how the pie can be shared: through formulary apportionment. This refers to the application of a formula that uses the location of the multinational’s real economic activity to determine the apportionment of taxable profits. For example, if a formula based on sales and employment was chosen, then a country hosting 10% of a multinational group’s global sales, and 10% of its global employment, would apply its tax rate to 10% of the group’s global profits. In this way, all countries receive a fair share of the taxing rights.

The multinational, meanwhile, benefits from the much greater simplicity of the system. It can save all the costs associated with transfer pricing. At the same time, the risk of double taxation (being taxed in two places on the same profit) is largely removed. Indeed, of the various approaches to international corporate taxation that have been seriously considered, this is a benefit unique to unitary taxation with formulary apportionment. Moreover, multinationals stand to benefit from immediate loss consolidation. That is, a loss in one part of the business in a given year would entirely cancel an equivalent profit in another part, and immediately reduce taxable profits. Current rules can be far more complex and introduce major delays in any consolidation.

On the other hand, the multinational will find that double *non*-taxation is also largely eliminated. With its global profits taxed based on the location of its real economic activity, the scope to game tax rules is much more tightly curtailed. The race to the bottom on corporate tax rates could reverse, since governments will discover that they no longer face the false competitive pressure of profits being shifted into locations that today offer near-zero rates but could never host the actual activity that generates the profits. Unlike the current system, which benefits the few that most aggressively exploit the rules, unitary taxation restores fair competition for the majority of those who try to pay their fair share or who operate locally and therefore could never engage in complex tax avoidance schemes.

Once agreed and established as a global standard, such a system would be much easier to administer than the current system of highly complex and contentious rules. It would reduce the burden on dispute-resolution mechanisms and provide greater certainty and predictability for both businesses and tax authorities.⁴

⁴ A substantial share of international tax disputes arises from the transfer pricing system that unitary taxation would replace. At the end of 2024, transfer-pricing and profit-attribution cases accounted for over half of the outstanding cases under the mutual agreement procedure and took an average of almost 31 months to resolve. Reducing these disputes could be particularly valuable for tax administrations with limited resources (OECD, 2025).

This study is organised around five key findings. First, a move to unitary taxation would be dramatic. In every year for which data are available, it would generate between US\$300bn and more than half a trillion dollars in additional revenue worldwide. [Section 1](#) presents this result and shows that the benefits would be widely shared: Apart from corporate tax havens, countries across all income groups stand to gain significantly. High-income and upper-middle-income countries would receive the largest gains in absolute terms, increasing their corporate tax revenues from multinationals by around 21 and 31%, respectively.⁵ European countries alone would gain the inflation-adjusted equivalent of the Marshall Plan every two years. Lower-middle and low-income countries gain less in dollar terms, but have the potential respectively to triple and more than quintuple the corporate taxes they collect from multinationals. The additional revenue accruing to G77 countries in a single year would equal the total value of their outstanding IMF loans.⁶ These large gains arise because, currently, every additional dollar of corporate income tax collected by tax havens through profit shifting causes a revenue loss of between three and eighteen dollars elsewhere.

[Section 2](#) presents the second finding and a particular innovation of this study: building on earlier work on the revenue effects and policy design of unitary taxation (Loretz, 2025), we show how the results change when countries' natural resource wealth is properly accounted for. If resource rights are not treated as necessarily prior to taxing rights over the resulting profits, resource-rich countries are denied a fair share and appear to lose out under unitary taxation. Before reallocating multinational profits, this study therefore first preserves the profits arising from natural resource extraction in the producing country, rather than treating them as part of the profit pool to be redistributed. This principle is incorporated into all headline estimates in the report, and it matters: without it, low-income countries would gain 35% less. Preserving existing claims is not enough everywhere, however. Countries that currently capture little of their resource wealth have little to set aside, yet still lose from the smaller pool that remains once other producers have taken their share. If these countries were guaranteed a minimum payment for the resources they produce – which we model following the variable royalty proposed by IGF and ATAF (2022) – they too would become clear beneficiaries.

The third finding, presented in [Section 3](#), concerns the choice of a formula and the measurement of factors: which indicators of economic activity should be used to apportion taxable profits between countries? We argue that an ideal formula should reflect both production and consumption, work reasonably well across sectors, remain simple to measure and difficult to manipulate, and limit negative behavioural effects (see [Box 2](#)). To help inform the political decision about a specific formula, we model a range of options and show how the outcomes vary.

The revenue effects of formulary apportionment depend not only on which factors the formula includes, but also on how those factors are measured. This is particularly true for the sales

⁵We estimate these revenue changes by first calculating the change in taxable profits under unitary taxation and then valuing them with the applicable tax rates (see [Box 3](#)). Percentage changes are expressed relative to the taxes these multinationals currently report in the country by country data. See the accompanying [methodology note](#) for details.

⁶This comparison relates the total revenue gains of all G77 countries to their total outstanding IMF loans. The distribution differs considerably across countries, however: among G77 countries with IMF debt, the median country would generate enough additional revenue from unitary taxation over six years to fully repay its outstanding IMF loans.

factor. Adding to Loretz (2025), we illustrate that sales need to be assigned to the country of the customer, since it is demand in the end market that sustains a multinational's profits, not the intermediary that books the transaction. Otherwise, taxing rights are systematically allocated away from lower-income countries: under a destination-based measure, the revenue gains of low-income countries are more than 40% higher than under an origin-based one, and those of lower-middle-income countries 120% higher. We therefore incorporate this design feature in all our estimates, while also highlighting the need for better data on sales by customer location.

In [Section 4](#), we examine the question of loss consolidation. Policymakers have sometimes expressed concern that allowing multinational companies to offset losses in one country against profits in another, as is done under unitary taxation, would narrow the corporate tax base far enough to undermine the revenue potential. In line with previous studies (eg Loretz (2025)), we show that the effect on revenues is modest compared with the scale of the revenue gains. Countries would still gain across the board, with the gains reduced by at most 12.5%.

What about the small number of countries that might stand to lose from unitary taxation? In [Section 5](#), we separate out “tax havens” that are vulnerable because of their current reliance on attracting profit shifted from elsewhere,⁷ and “headquarter-bias” countries whose multinationals report an unusually large share of their profits at home, often while benefiting from low effective tax rates. We examine individual cases and show that a tax base that is harder to manipulate gives countries room to adjust other policies and protect their revenues. For many of them, taxing the smaller base they retain at ordinary rates would leave their revenues from multinationals broadly unchanged. Only the pure profit-booking centres, which host almost no economic activity, would need to pursue deeper economic change.

Finally, based on these findings, we conclude in [Section 6](#) with a brief analysis of the opportunities for drafting language in the UN convention to ensure that the Conference of the Parties can deliver fully, and in the immediate future, on the promise of unitary taxation.

What is on offer is not redistribution entailing a sacrifice from the global North to benefit the South. Instead, it is an opportunity for all countries in the world to win, through the collective bolstering of national taxing rights in a globalised economy.

Box 1: The injustice of international tax rules

One hundred years ago, a small group of delegates from the imperial powers gathered at the League of Nations, with the newly formed International Chamber of Commerce in the background. The decisions they took set the basis for international corporate tax rules that remain in place today (Picciotto, 1992; Picciotto, 2015). This study shows that the way these rules were implemented, by restricting countries' sovereign rights to tax activities taking

⁷Throughout this report, we define tax havens as countries that meet two conditions: (i) they have a haven score of 65 or higher in the Tax Justice Network's [Corporate Tax Haven Index](#); and (ii) in at least two years of our sample, multinationals book more profit there than implied by our employees-sales formula. In addition, we include Puerto Rico and Barbados, which are not scored by the CTHI but book inward-shifted profit in all six years and are classic profit centres (Garcia-Bernardo, Janský and Zucman, 2026).

place within their jurisdiction, imposes an annual cost that in its worst years exceeds US\$500bn.

The League of Nations opted for separate entity accounting. Under this approach, each subsidiary within a multinational group files accounts as if it were an independent business, trying to maximise its own profits (Carroll, 1933; Picciotto, 2012). This approach was later compounded by the adoption of a detailed methodology requiring those profits to be determined by focusing on transactions with other group entities, which are supposed to take place at market prices. This rests on a legal fiction, treating each entity as if it were operating independently, *at arm's length* from all the others, when nothing could be further from the truth (Langbein, 1986; Sadiq, 2004; Tavares, 2016).

This arm's length fiction is the basis of our current tax rules. It is the manipulation of those *transfer prices* – the supposedly arm's length prices for internal transactions – that allows a multinational group enormous latitude in determining where to declare their profits (Cristea and Nguyen, 2016; Davies et al., 2018; Liu et al., 2020; Beer et al., 2020).

After the League of Nations passed on the mantle to the United Nations, there was a brief period in which newly independent countries – the former colonies of the League members – began to exert an active influence over tax rules. That was swiftly crushed by the creation of the OECD in 1960, specifically to take back the power to the group of rich countries who formed the original membership (Hearson, 2021; Teo, 2023).

The OECD over the years has doubled down on transfer pricing, and the system of double tax treaties that ensure the privileging of the taxing rights of “residence” countries, where companies were based, over “source” countries, where the underlying economic activity takes place. That is, the idea was always to ensure that the headquarters countries of the major multinationals – the OECD's core members – could control the tax situation of “their” companies (Hearson, 2021). Unfortunately for them, the same framework could also be used to erode the tax bases of those headquarters countries themselves.

Given the complexity and inherent uncertainty of this framework, it should come as no surprise that multinationals have employed an army of tax advisers to exploit these rules. Complex corporate structures, often built around the engineering of intangibles, attribute high levels of profit to artificially created affiliates in countries where it is taxed at low or zero rates – and correspondingly low profits to the places of real economic activity (Beer et al., 2020; François and Vicard, 2023; Karkinsky and Riedel, 2012; Hebous and Johannesen, 2021). With many high value intra-group transactions lacking any open market comparables, transfer pricing approaches are often forced to rely on formulas – albeit without any of the clarity or simplicity of a pure unitary approach. The manipulation of prices for intra-group services is also widely exploited (Sadiq, 2004; Picciotto, 2012). The same tax professionals that provide such advice – typically individuals with long track records at the Big 4 accounting firms and major tax law firms – are also very often directly involved in OECD policy design, as are representatives of major multinationals (Christensen, 2022; Christensen et al., 2022; Elbra et al., 2023).

This has given multinationals low effective tax rates on their overall global profits and an unfair competitive advantage, fuelling their expansions to dominant positions around the world and driving damaging monopoly concentration in many sectors (Bilicka, 2019; Martin et al., 2025). Rampant abuses of transfer pricing underpin the finding of the AU–UN Economic Commission for Africa High Level Panel on Illicit Financial Flows (the “Mbeki Panel”) that corporate tax abuse constitutes the largest single element of illicit financial flows (High Level Panel on Illicit Financial Flows from Africa, 2015).

Eventually, that approach has come back to bite the OECD members. The separation of taxing rights from the location of real activity opened the door to profit shifting not only away from the source countries but away from the headquarters countries too. Despite their continuing disproportionate power to set international tax rules, the OECD’s members are now the biggest losers, in absolute revenue terms, from the flaws in those rules (Garcia-Bernardo and Janský, 2024; Tørsløv et al., 2023). It is perhaps for this reason that the possibility of cross-border unitary taxation has been kept alive by the European Union, with multiple policy proposals considered across recent decades. California and other states of the US, too, are now returning to consider extending their own unitary taxation to a worldwide rather than US-only basis, as they had sought to establish in the 1980s and 1990s (Devereux and Loretz, 2008; Avi-Yonah, 2025; California Assembly Committee on Revenue and Taxation, 2026).

The African Group’s leadership of the UN tax convention has created an opportunity for countries of both the global North and the global South to reset the clock and choose the alternative that was set aside: unitary taxation.

This report forms part of a growing body of work informing the debate on unitary taxation. In particular, it reinforces Loretz (2025) on the potential of unitary taxation, the importance of the choice of formula, and the limited concerns arising from loss consolidation. This study makes two additional contributions: it demonstrates that resource rights must precede taxing rights and that sales need to be measured where customers are located rather than where they originate.

For each of the presented analyses, the study provides detailed country-level estimates of the revenue effects under the range of specifications outlined in Table 1. The estimates are also made available through the Tax Justice Network’s [Unitary Taxation Explorer](#), where these choices can be combined freely. Full details of the methodology are provided in the accompanying [methodology note](#), while all materials required to replicate the analysis are available in the [replication package](#).

Table 1. Specifications modelled in this study

Notes: This table shows the specification choices underlying our estimates and the options modelled for each. These choices are independent and can be combined freely in the Tax Justice Network's [Unitary Taxation Explorer](#). Headline estimates protect resource rights, measure sales at destination, and apply the headline tax-rate assumption. The apportionment formulas are defined in [Box 2](#); [Box 3](#) details the tax-rate assumptions.

Option	Assumptions	Interpretation
<i>Treatment of resource rights</i>		
Resource rights prior to taxing rights (headline)	Existing resource-rent capture is protected: the profits associated with countries' current claims over their natural resources are deducted before the remainder is reallocated (see Box 5).	Countries retain what they already capture from their own natural resources before unitary taxation applies.
Plus minimum royalty	Resource rights are protected, and lower-income producing countries whose existing capture falls short of an illustrative royalty of 1–10% of the gross value of production (rising with commodity prices) receive the shortfall as a top-up (see Box 5).	Combines unitary taxation with an additional policy to strengthen resource-rent capture in lower-income producing countries.
Resource rights ignored	Unitary taxation is applied to all profits reported in the country by country reporting data, including profits arising from resource extraction.	Shows what happens if producing countries cannot retain the profits arising from their resources first.
<i>Measurement of the sales factor</i>		
Destination (headline)	Sales are assigned to the country where the customer is located, estimated from local sales of multinationals plus imports of digitally deliverable services.	Allocates taxing rights to the markets whose customers generate the revenue.
Destination with a nexus requirement	Sales are assigned to the customer's country only where the multinational has an established physical presence there.	Shows the effect of making taxing rights over sales income conditional on physical establishment.
Origin	Sales are measured at the selling entity, as captured by unrelated-party revenues in the country by country reporting data.	Shows how taxing rights shift when sales are counted where they are booked rather than where customers are.
<i>Tax-rate assumptions</i>		
Headline	Profits reallocated to a country are taxed at its statutory corporate income tax rate; profits reallocated away from it are valued at the country's average effective tax rate (see Box 3).	Central estimate. The two assumptions work in opposite directions: the statutory rate may overstate gains, the average effective rate is likely to overstate losses.

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(continued)

Option	Assumptions	Interpretation
Conservative	Profits reallocated to and away from a country are both valued at its average effective tax rate (see Box 3).	A lower bound, assuming profit shifting occurs at random rather than towards the least-taxed parts of a tax system.
Optimistic	Profits reallocated to a country are taxed at its statutory rate; profits reallocated away are valued at the 10th percentile of effective rates observed across headquarters-country-partner-country combinations there (see Box 3).	An upper bound, reflecting the likely concentration of shifted profits in low-tax arrangements.
<i>Additional specification</i>		
Loss consolidation	Profits newly allocated to a country are first used to offset any losses reported there and only the remainder is taxed. All specifications above already consolidate profit at group level. This one additionally credits zero tax on losses already reported in the receiving country, assuming no carry-forward is possible under the current system.	A lower-bound estimate of the gains when countries cannot tax reallocated profits that merely offset local losses.

1. How countries around the world could benefit from unitary taxation

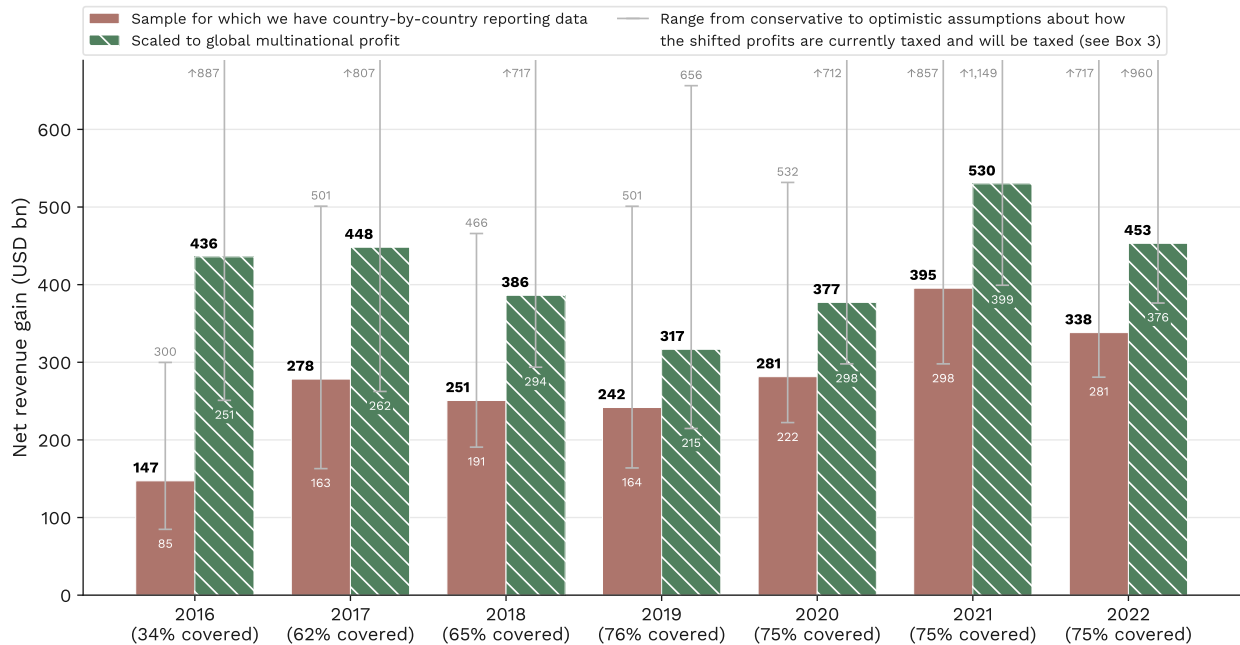
We start by analysing how a shift to unitary taxation would change the profits of multinationals that each country can tax and, consequently, its corporate tax revenue. Our estimates are based on aggregate country by country data published by the OECD – data that allow us to see where multinationals have booked profits and paid taxes, but also where their employees, assets, and sales are located. The core of our methodology is to compare where profits would be allocated under unitary taxation – namely to the countries where the underlying economic activity takes place – with where they are currently booked (García-Bernardo and Janský, 2024). We initially model real economic activity using a “sales and employees” formula that gives equal weight to the number of employees and sales to customers. Later in the chapter, we present results using a range of alternative formulas (see [Box 2](#)) – these can also be simulated in the Tax Justice Network’s [Unitary Taxation Explorer](#). Consistent with the principle that resource rights take priority over taxing rights, we allocate only the profits that remain after resource-producing countries have exercised their existing claims. This approach is discussed in detail in [Section 2](#). The accompanying [methodology note](#) provides full details of the data and methods.

[Figure 1](#) shows the main result: Had taxing rights over multinationals’ profits been allocated according to where their workers are located and where their sales are made, the world would collectively have raised between US\$300bn and over US\$500bn in additional tax revenue in each year from 2016 to 2022 (green striped bars), increasing corporate tax payments to countries in our sample by a total of 24%. This global figure is derived from the sample of multinationals observed in the country by country reporting data (brown bars). Because these multinationals represent only a subset of all multinational groups that would be covered by a global unitary taxation system, we scale the results to global multinational profits to obtain an estimate for all multinationals (green striped bars).⁸

⁸In particular, we scale up the revenue estimates from our sample to approximate the results that would be obtained if all multinational groups with annual revenues above €750 million were included. We do this by multiplying the estimated additional tax revenue by the ratio of the global profits of all multinational groups above this threshold from OECD (2020) and Hugger, González Cabral, Bucci et al. (2024) to the profits covered by the usable country by country reporting data in our analysis. The scaling therefore accounts for large multinational groups that are missing from our sample because their headquarters countries do not provide data or the provided data is not sufficiently complete or reliable. It does not extend the estimates to smaller multinationals or domestic firms. Further details are provided in the accompanying [methodology note](#). Percentage increases are not scaled up because both current and estimated tax payments are calculated consistently for the same sample. An alternative to scaling up is imputation: the aggregate “rest-of-world” rows that limited-detail reporters provide can be split across individual partner countries using a statistical model (cf. García-Bernardo and Janský, 2024). We do not use imputed rows in our main results because the imputation adds estimation uncertainty at the country level and, for a few small jurisdictions, produces implausible allocations. Results estimated on the imputed sample, including confidence intervals reflecting the imputation uncertainty, are reported in the accompanying [methodology note](#); they are broadly consistent with the results reported here.

Our estimates depend strongly on the tax rates applied to profits that are currently misaligned and on the counterfactual rates those profits would have faced had they not been misreported. To reflect the full range of plausible assumptions (see [Box 3](#)), the whiskers in [Figure 1](#) show estimates from our most conservative to our most optimistic approach. Under the most conservative approach, global tax revenues would increase by between US\$215bn and about US\$400bn per year. Under the most optimistic approach, they would increase by between US\$650bn and more than US\$1.1tn per year.

Figure 1. Global revenue gains from unitary taxation



Notes: This figure reports the estimated global change in revenue under unitary taxation, compared with the current tax system. The estimates are based on aggregate country by country reporting data from the OECD and apply an equally weighted formula using the number of employees and sales to customers as factors. Resource-related profits are excluded from the unitary taxation profit base. The brown bars show the estimates based on country by country reporting data with sufficient quality. The green striped bars scale these estimates up to global profits based on OECD (2020) and Hugger, González Cabral, Bucci et al. (2024). The whiskers illustrate the lower and upper bound of our estimates, depending on the assumptions made on the applicable tax rates (see [Box 3](#)). The percentage under each year is the share of global multinational profit covered by the country by country reporting sample of sufficient quality in that year; the scaled bars divide the sample estimate by this share. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying [methodology note](#).

Box 2: Formulas for measuring real economic activity

Unitary taxation aims to allocate taxable profits of a multinational company according to where its real economic activity takes place. A multinational's profits build on both production and consumption. Accordingly, economic activity in a country can be measured using input factors, such as employment and tangible assets, and output factors, such as sales, located there. The weight assigned to each factor is determined by a formula.

As discussed in [Section 3](#), an ideal formula would use factors that capture both production inputs and outputs, apply across sectors to avoid the need for sector-specific solutions, limit unwanted behavioural responses such as the strategic relocation of workers, be difficult to manipulate, and rely on factors that are simple to measure. No formula fulfils all these criteria perfectly, and each therefore involves trade-offs.

In this report, we present four formulas that reflect different approaches to these trade-offs and that have either been proposed or applied in practice:

- **Sales and employees:** Allocates profits equally based on the location of employees and sales to customers.
- **CCCTB:** The formula proposed by the European Commission under the Common Consolidated Corporate Tax Base, allocating profits equally based on sales, employment (split equally between payroll and number of employees), and tangible assets.
- **Three factors:** Allocates profits equally based on sales, employees, and tangible assets.
- **Double-weighted sales:** Allocates profits based 50% on sales, 25% on employees, and 25% on tangible assets, giving greater weight to the location of customers.

Whenever we report results for only one formula, we use the *sales and employees* formula as a headline illustration. Moreover, as argued in [Section 4](#), all sales should be measured “by destination”, that is, in the country where the customer is located. For further details, see [Section 3](#).

How unitary taxation reallocates taxable profits

[Figure 2](#) illustrates the fundamental reallocation of taxing rights underlying the estimated revenue gains – away from countries with little real economic activity and low tax rates, and towards the countries where the underlying economic activity takes place.⁹ Because scaling country-level estimates to the full population of multinational groups would require strong assumptions about how uncovered profits are distributed across countries, [Figure 2](#) reports annual average results for the multinationals in our sample. The dollar values should therefore be interpreted as lower-bound estimates of the global redistribution of taxable profits, while the percentage changes are likely to remain broadly similar for the full population. To illustrate the share of the overall effect not captured by the sample estimates, the figure also shows the scaled-up results in grey. We exclude 2020 from this sample because the COVID-19 pandemic makes that year unrepresentative: many multinationals reported losses and normal patterns of sales and activity were severely disrupted, distorting the relationship between where profits are booked and where real activity takes place. Country-level estimates are reported in [Table 2](#).

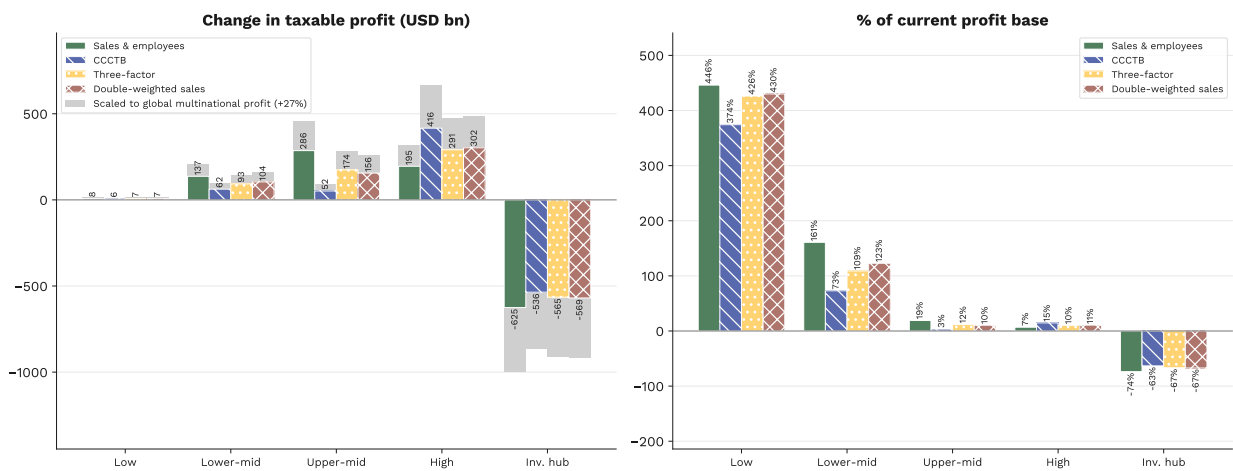
Under an allocation formula based on sales and employees, tax havens lose taxing rights over approximately US\$625bn of profits per year. These profits are redistributed across all other income groups: high-income countries receive around US\$195bn, upper-middle-income countries US\$286bn, lower-middle-income countries US\$137bn, and low-income countries

⁹Note that [Figure 2](#) shows *net* changes: each country’s gains in taxable profits from some multinationals are netted against its losses from others, and countries are further netted within income groups. The underlying gross reallocation of profits is much larger — around US\$2.3 trillion per year, as discussed at the end of this section.

US\$8bn.¹⁰ As Figure 2 shows, this overall redistribution pattern is broadly similar under alternative allocation formulas, which will be further discussed in Section 3.

Higher-income countries receive the largest increase in taxing rights in absolute terms, while lower-income countries benefit the most relative to the taxable profits that multinationals currently report there. As shown in the right panel of Figure 2, low-income countries would multiply their corporate tax base by a factor of more than 5, and lower-middle-income countries by a factor of around 2.6, compared with increases of 19% for upper-middle-income countries and 7% for high-income countries. Tax havens, in contrast, lose nearly three quarters of the profits that are currently booked there.¹¹

Figure 2. Change in taxable profits under unitary taxation, by income group



Notes: This figure reports the estimated change in taxable profits under unitary taxation by income group. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. The modelled formulas are defined in Box 2. The percentage panel expresses the change relative to the current profits reported by the multinationals in each group. Percentage changes are shown only for country groups whose aggregate reported profit is positive. Groups with non-positive aggregate profit bases are excluded from the percentage panel because percentage changes relative to a non-positive base are not economically meaningful. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying methodology note. A regional breakdown of these estimates is shown in Figure B1 in Annex B.

The net changes shown in Figure 2 understate how much of multinationals' profit is actually reallocated. At the level of multinational groups' headquarter, around US\$2.3 trillion of profits per year — roughly 40% of the profits in our sample — are booked in a different jurisdiction than the location of the underlying activity would assign, and would therefore change location

¹⁰The net redistribution of taxing rights is zero by construction. The combined gains across country groups exceed the losses shown for tax havens only because of rounding.

¹¹Country-level results are reported in Table 2. Because the quality of the OECD country by country reporting data varies across countries, some country-level results may be affected by outliers, including misreporting by individual corporations. We minimise this risk by averaging effects across years and excluding the COVID-19 year 2020. Nevertheless, country-level results should be interpreted as indicative of the direction of revenue change, and as lower-bound estimates of the total effect, rather than as precise point estimates. This is because they are based only on the sample of multinationals reported with sufficient quality in the OECD data.

under unitary taxation.¹² Even the same country would often cede taxable profits from some multinationals and gain them from others.

How unitary taxation changes tax revenue

While the reallocation of taxable profits is a zero-sum game — profits allocated to one country are no longer allocated to another — the same is not true for tax revenues. Revenues increase considerably for countries that gain taxing rights, typically countries with higher effective tax rates, while losses for tax havens are moderate because these jurisdictions currently tax the profits reported there at low effective rates.¹³

As a result, high-income countries record the largest tax revenue gains in absolute terms, amounting to an aggregate of US\$140bn per year under the *sales and employees* formula (see [Figure 3](#)).¹⁴ They are followed by upper- and lower-middle-income countries, with US\$112bn and US\$61bn respectively, and low-income countries, with US\$4bn. Relative to what they currently collect from multinationals, however, lower-income countries benefit the most. Low-income countries would multiply their revenues from multinationals fivefold, and lower-middle-income countries threefold, compared with an increase of 31% and 21% in upper-middle-income countries and high-income countries.¹⁵ Country-level estimates are presented in [Table 3](#).

Our estimates translate changes in taxable profits into changes in tax revenue based on two assumptions about the tax rates applied to these profits. First, we assume that profits shifted out of a country would otherwise have faced its statutory corporate income tax rate. We therefore estimate the revenue gained by multiplying the profits a country gains under unitary taxation by this rate. This assumption is optimistic, as some reallocated profits might still benefit from exemptions, deductions or other tax incentives rather than being taxed at the full statutory rate (see [Box 3](#)). Second, we estimate the revenue lost by multiplying the profits a country loses by the average effective tax rate they currently face there. This assumption is highly conservative. Profits shifted into a country are typically taxed at especially low rates —

¹²Note that the reallocation would be even higher if we looked at the level of individual companies, because the country by country reporting data aggregate all multinationals headquartered in one country reporting on one partner jurisdiction. Where different multinationals from the same headquarter country hold offsetting excesses and shortfalls of profit in the same partner jurisdiction, these cancel within the data cell and do not enter our figure.

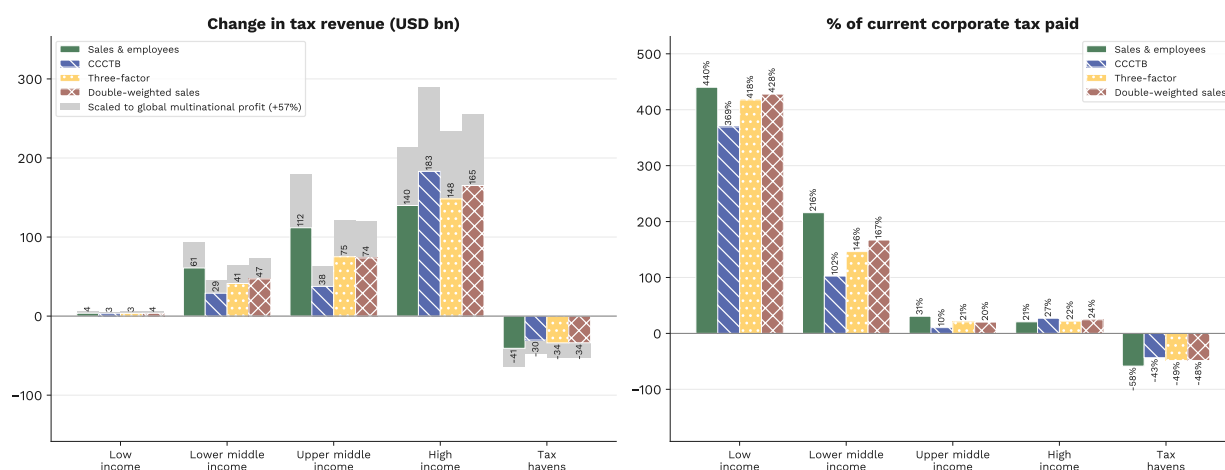
¹³Note that the revenue changes reported here do not follow from simply applying a tax rate to the net profit changes shown in [Figure 2](#). Behind each net change lies a much larger gross reallocation: the same country gains taxable profits from some multinationals while ceding profits to others. High-income countries, for example, gain around US\$416bn of taxable profits and cede around US\$221bn at the same time — a net gain of US\$195bn. Their revenue change is the new revenue on the US\$416bn they gain, minus the revenue they lose on the US\$221bn they cede — profits which had largely been taxed at low rates.

¹⁴For the estimates reported in [Figure 4](#), we assume that taxable profits a country loses — that is, profits currently reported there without corresponding economic activity — are taxed at that country's average effective tax rate. This may overstate revenue losses, since misreported profits are likely to be among the least-taxed profits in a country and may therefore face a lower tax rate than the average dollar of profit. For taxable profits a country gains, we assume taxation at the statutory corporate tax rate. This does not imply that countries would always tax the full amount at the statutory rate, as deductions, exemptions, or preferential rates may apply. Rather, the assumption reflects that profits shifted away under the current system are likely to be those that would otherwise have faced the statutory rate (see [Box 3](#)). Figures for different tax rate assumptions can be accessed in the Tax Justice Network's [Unitary Taxation Explorer](#).

¹⁵The percentage change in tax revenue from multinationals is calculated relative to the cash taxes paid by multinational companies in each country and year, as reported in the country by country data. Because this is the same sample used to estimate revenue changes, the percentages should be indicative of the percentage change to be expected even when scaling the estimates to the full universe of global multinational profits.

that is why they are reported there in the first place. The country's average effective tax rate, by contrast, also reflects the higher rates paid on profits from genuine economic activity. Valuing the lost profits at this average rate therefore likely overstates the tax currently collected on them — and with it the revenue the country loses. [Box 3](#) discusses the choice of tax rates and the resulting range of revenue estimates in greater detail.

Figure 3. Change in corporate income tax revenue under unitary taxation, by income group



Notes: This figure reports the estimated changes in tax revenue under unitary taxation by income group. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. The modelled formulas are defined in [Box 2](#). Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each group's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying [methodology note](#). A regional breakdown of these estimates is shown in [Figure B2](#) in Annex B.

Box 3: Which tax rates should be used to estimate revenue gains and losses?

To estimate the revenue effects of unitary taxation, we need to translate changes in the profits allocated to each country into changes in tax revenue. Which tax rate should be applied to these newly obtained or lost profits? Ideally, we would like to observe, for each multinational, how much tax it currently pays in the country where its profits are reported and how much it would pay in the country to which those profits are reallocated. The second rate is inherently unobservable; the first one would be observable, but not in our aggregated data.

While the aggregate country by country reporting data show the profits multinationals report and the taxes they pay, these are aggregated by headquarters and partner country. For instance, we see how much profit all US multinationals booked in the Netherlands and how much tax they paid on these profits. However, we cannot distinguish between profits and taxes from a company with almost no employees established there for tax planning and a proper subsidiary with employees, assets, and sales. In the following, we discuss this problem and explain how we deal with it in our estimates.

Profits reported where the underlying economic activity takes place. These profits would remain in the same country under unitary taxation. For them, the average effective tax rate

reflects their current tax treatment, including the effects of the statutory rate, exemptions, deductions, preferential regimes and other tax benefits. We therefore use it as our best estimate of what the country currently collects from profits and would continue to collect from profits that would remain allocated there. In other words: nothing changes for profits that stay where they are. Regardless of our specification, only reallocated profits drive the change in tax revenue.

Profits reported in a country without corresponding economic activity. These are profits that have been shifted into the country or profits associated with activities that are not fully captured by our formula. Because profit shifting is strategic, the shifted portion is likely to be directed towards the most favourable parts of the country's tax system, such as an intellectual-property regime, a preferential rate, a free-zone exemption or another arrangement offering very low or zero taxation.

The average effective tax rate of the country does not isolate these profits. Instead, it combines lightly taxed shifted profits with profits supported by genuine economic activity that may face much higher rates. This issue is not confined to conventional tax havens. More than half of global multinational profits taxed below 15% are reported in countries whose overall average effective tax rates exceed 15%, demonstrating that country averages can conceal substantial amounts of very lightly taxed profit (Hugger, González Cabral and O'Reilly, 2023).

Ideally, we would value the profits removed from a country under unitary taxation at the rate applying specifically to the shifted portion. The aggregated data do not allow us to observe this rate. In our headline estimates, we therefore apply the country's average effective tax rate. Since shifted profits are likely to be concentrated in the least-taxed part of the distribution, this probably overstates the tax currently collected from them and therefore also overstates the revenue a country loses under unitary taxation. In this respect, our approach is conservative.

We therefore also present results using the average effective tax rates of the lowest-taxed 10% of parent-partner country pairs. These estimates show how the results change when profits that are currently shifted are assumed to pay rates closer to the lower end of the observed distribution rather than the overall average. The tax rate used in this scenario is considerably higher than the "true bottom 10%", because each parent-partner rate is itself an average that combines lightly taxed shifted profits with more highly taxed profits of multinationals from the same headquarters. These alternative estimates account for shifted profits' likely concentration in low-tax arrangements.

Profits reallocated under unitary taxation to the country where the real economic activity takes place. Once the profits from the previous sections are reallocated to where the economic activity sits under unitary taxation, they will face another tax rate. Here, the relevant rate is the counterfactual rate the profits *would have faced* had they remained in the country where the underlying activity took place. This rate cannot be observed directly.

Profit shifting normally takes place because reporting the profit elsewhere reduces the multinational's tax liability. Profits that were already exempt or taxed at a reduced rate in

the country of origin would provide little tax motivation for shifting. We therefore assume in our headline estimates that, before being shifted away, these profits would have faced the statutory corporate income tax rate. This captures the idea that the profits were strategically shifted out of the ordinary tax base.

Based on this assumption, we apply the statutory tax rate to profits that are gained under unitary taxation, resulting in relatively optimistic tax revenue estimates. Some reallocated profits might still qualify for investment incentives, deductions, stability agreements or preferential treatment after unitary taxation is introduced. Applying the statutory rate would then overstate the additional revenue. However, this also means that the incentives were not sufficient to prevent those profits from being shifted away under the current system. Policymakers may therefore wish to treat such provisions as low-hanging fruit for reform when unitary taxation is introduced.

Our **headline approach consequently applies the statutory corporate income tax rate to profits a country gains and the average effective tax rate to profits it loses**. The two assumptions work in opposite directions: applying the statutory rate may overstate gains, while applying the average effective rate is likely to overstate losses.

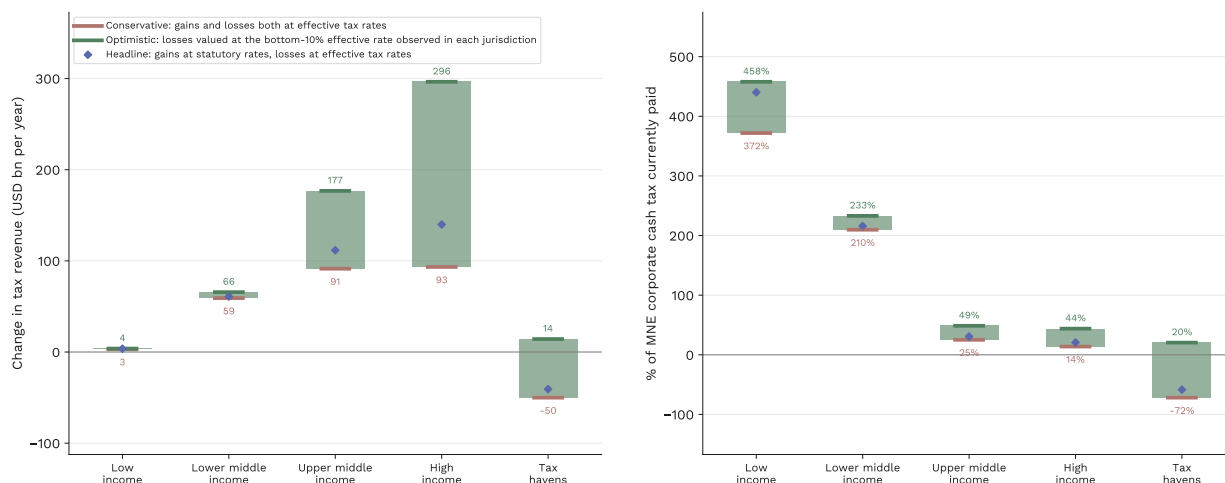
We also present a plausible range of revenue estimates in [Figure 4](#). As a conservative estimate, we apply average effective tax rates to both profits gained and profits lost. As an optimistic estimate, we apply the statutory corporate income tax rate to profits gained and the average effective tax rate of the lowest-taxed 10% of parent–partner country pairs to profits lost.

All further details can be found in the accompanying [methodology note](#).

Acknowledging that different tax rates may apply to the profits reallocated under unitary taxation, [Figure 4](#) presents a plausible range of estimates. The lower bound values both gains and losses at the country's average effective tax rate. The upper bound values gains at the country's statutory corporate income tax rate and losses at the average effective tax rate of the lowest-taxed 10% of parent–partner country pairs (see [Box 3](#)).

The results show that our estimates are highly sensitive to the tax rates assumed, but the qualitative pattern remains unchanged: all country groups except tax havens gain revenue from unitary taxation. Even under the most conservative assumptions, low-income countries would nearly quintuple their revenue from multinationals, while lower-middle-income countries would more than triple it under a *sales and employees* formula. Upper-middle-income and high-income countries would gain 25 and 14%, respectively. Under the most optimistic assumptions, the gains for upper-middle-income and high-income countries would rise to 49 and 44% of current revenues, and even tax havens would gain in aggregate. This is because they would also regain some profits that are currently shifted onwards to other tax havens in search of the most favourable tax treatment. Under this scenario, they would tax the profits they gain at a higher rate than the profits they lose.

Figure 4. Change in corporate income tax revenue under unitary taxation by income group: plausible ranges of gains and losses with different tax rates applied



Notes: This figure reports the estimated range of tax revenue gains and losses under unitary taxation by income group. Each range spans our conservative estimate (red marker: profits gained and lost are both valued at the country's average effective tax rate) and our optimistic estimate (green marker: profits gained are valued at the statutory corporate income tax rate, profits lost at the average effective tax rate of the lowest-taxed 10% of headquarters-country-partner-country pairs). The diamond marks the headline specification: profits gained are valued at the statutory rate, profits lost at the average effective tax rate. The reasoning behind these tax-rate assumptions is discussed in Box 3. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the profit base subject to unitary taxation. The percentage panel expresses the change relative to each group's current tax revenues from the multinationals covered by the data. Because the estimates include only multinationals for which sufficiently high-quality OECD data are available, the dollar values represent only part of the total expected gains or losses. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Further details on the data and methodology are provided in the accompanying methodology note.

Box 4: Tax incentives and unitary taxation

Countries around the world reduce the taxation of selected companies or activities through tax holidays, exemptions, preferential rates, free zones, investment allowances and credits, and fiscal stability agreements. Unitary taxation would not, by itself, prevent countries from offering tax incentives. It would determine the share of a multinational's global profits that each country may tax, but countries would still decide how to tax the profits allocated to them. A country could therefore continue to offer, for example, tax credits for renewable-energy investment or research and development, accelerated depreciation for new machinery, or deductions linked to employment and training.

Unitary taxation would, however, change what tax incentives can achieve. Under the current system, preferential treatment can be used to attract profits generated by economic activity elsewhere – for example, by encouraging a multinational to locate the legal ownership of intellectual property or an internal financing company in the country offering the low rate. Under unitary taxation, this would no longer increase the share of global profit allocated to that country unless the relevant workers, sales or other factors included in the formula are also present in the country. A country could still apply a low rate to the profits allocated to it, but it could no longer use that rate simply to draw paper profits away from other countries.

This illustrates an important distinction: Incentives linked to additional expenditure or desirable real activities – such as green investment, research, training or employment –



could remain useful policy instruments. By contrast, incentives whose principal purpose is to attract or retain reported profits would largely lose their rationale. Existing evidence also suggests that expenditure-based measures, such as investment allowances and tax credits, tend to be more directly connected to additional investment than profit-based incentives, such as tax holidays, exemptions and reduced rates, that frequently benefit highly profitable investments that would have taken place anyway (OECD, 2026; Michel, 2025).

Unitary taxation would therefore provide an opportunity to review existing incentives as the pressure to compete for paper profits recedes. Where a preferential rate has neither secured real investment nor prevented profits from being shifted away, it amounts to a surrender of revenue without securing the promised tax base in return. Such provisions would be obvious candidates for early reform. At the same time, unitary taxation might make carefully designed incentives more effective by ensuring that they support real activity rather than merely attracting reported profits.

This section has demonstrated the potential of unitary taxation to allocate taxing rights more fairly and thereby increase tax revenues in almost every country. However, these results depend on crucial design choices. The next section examines one of the most important: ensuring that resource rights take priority over taxing rights under unitary taxation.

2. How should natural resources be treated? Resource rights and unitary taxation

Multinational companies do not generate profits in a vacuum. They use land and water, draw on forests, fisheries, minerals and energy resources, and may leave behind pollution, degraded ecosystems and climate damage. Their profits therefore rely not only on workers' efforts and customers' payments but also on natural resources and environmental assets. These resources belong to countries and societies, which are their best stewards and should retain the benefits arising from their use. To ensure that resource-rich countries are awarded a fair share, claims over the economic rents arising from the granting and use of resource rights should be treated as prior to taxing rights over the profits from the associated economic activities. Otherwise, resource-rich countries may lose out under unitary taxation, as observed, for instance, in Loretz (2025).

Because this report focuses on unitary taxation rather than the broader question of fair resource-rent capture, it adopts the pragmatic position that reform should, at a minimum, preserve countries' existing claims over their natural resources. We therefore give these existing resource claims priority before reallocating taxable profits, as detailed in Box 5. This priority applies only to the value arising directly from the ownership and extraction of naturally occurring resources. Profits from downstream activities, including refining, processing, manufacturing, transport and sale, remain fully within the unitary tax base.¹⁶

In practice, we can apply this resource correction only to the extraction of oil, gas, coal and minerals. The underlying argument is broader, however. Natural wealth in this context means the value derived directly from naturally occurring resources, such as forests, fisheries, water, land and biodiversity, rather than the profits of sectors that use these resources as inputs. We therefore regard the adjustment for extractive activities as a first step that should ultimately be extended to the direct exploitation of natural resources beyond oil, gas, coal and minerals.

Box 5: Accounting for resource rights in our unitary taxation estimates

Within the extractive sector, countries secure a share of the value generated from their resources in several ways. Royalties and licence fees are generally charged for the right to

¹⁶Alternatively, natural resource input could be included as a factor in the formula. This is, however, complex, given the existing heterogeneous landscape of resource rent capture, which has emerged from country- and resource-specific contexts. It might also favour some capture regimes over others: those relying more on pre-profit payments such as royalties would fare better than those relying on taxes on resource-related profits, since the latter would then form part of the unitary profit pool. We therefore think it would be both more feasible and fairer to keep existing rent capture regimes and allocate profits only after rent capture has adequately taken place. However, we also acknowledge that this is an issue for debate.

extract resources and are mostly based on the volume or value of production. Resource-related profit taxes allow the state to claim a larger share when an extractive project becomes profitable. Under production-sharing agreements, the state receives part of the physical output or the resulting “profit oil”, often through a national oil or mining company. Through equity participation, the state owns a share of the enterprise and receives dividends or other profit distributions. In practice, most resource-rich countries apply a combination of these measures.

For our analysis, the important distinction is between resource payments that are deducted before a multinational’s profit is calculated and resource claims that are paid out of reported profit. Royalties and licence fees belong to the first group. Companies deduct them as costs when calculating their profits. They are therefore already excluded from the profits entering the unitary profit pool, and reallocating profits does not affect the country’s claim to these payments.

Resource-related profit taxes and state equity income belong to the second group. These claims are linked to profits that would otherwise enter the unitary profit pool. If we reallocated all reported profits without accounting for them, unitary taxation could weaken the source country’s existing claim over its resources. We therefore estimate the amount of profit associated with these claims and deduct it from the profits reported by extractive multinationals in the source country before applying unitary taxation. Only the remaining profits are then reallocated.

We make these adjustments using data from the Extractive Industries Transparency Initiative (EITI), UNU-WIDER’s Government Revenue Dataset (GRD), Bureau van Dijk’s Orbis dataset and a manually compiled database of resource fiscal regimes.

Details on data and methodology can be found in the accompanying [methodology note](#).

In addition, we recognise that governments have not only the right but also the responsibility to capture resource rents for the benefit of their citizens. In practice, however, weak resource-rent capture may reflect not only domestic policy choices but also the bargaining power of multinational corporations, opaque contracts, generous tax incentives, treaty constraints, or limited administrative capacity. Countries whose natural resources contribute substantially to multinational profits but that collect little from multinationals in return may therefore also appear to lose under unitary taxation, as their contribution is neither represented by adequate resource-rent capture nor reflected in the factors used to allocate profits.

Alongside the main estimates reported in the previous sections, we therefore show the effects of introducing a minimum level of resource-rent capture for lower-income countries.¹⁷ Following the proposal of the Intergovernmental Forum on Mining, Minerals, Metals and

¹⁷In principle, the minimum royalty can be applied to countries of any income level. We restrict it to low-income and lower-middle-income countries because the pattern the minimum royalty corrects for — resource-rich countries that would be worse off because their weak rent capture is neither preserved by the resource correction nor reflected in the allocation factors — is mainly present among lower-income countries. Results with the minimum royalty applied to all countries are available in the Tax Justice Network’s [Unitary Taxation Explorer](#).

Sustainable Development and the African Tax Administration Forum (IGF and ATAF, 2022), we model this minimum through a variable royalty. The royalty rate increases with commodity prices, allowing governments to capture a larger share of windfall rents during price booms while limiting the burden on extractive projects during downturns. IGF and ATAF (2022) outline how such a royalty should be designed and calibrated but do not prescribe a single rate schedule, stressing that rates should reflect the specific price and cost dynamics of each mineral. Guided by their country examples and their observation that rates of 2% to 10% are commonly applied internationally, we use a royalty ranging from 1% to 10% of the gross value of production. Importantly, the royalty operates as a floor rather than an additional levy: we compare the royalty revenue implied by this schedule with the resource revenues a country already collects through all measures combined — royalties and licence fees, resource-related profit taxes, production sharing and state equity income — and add only the shortfall, if any. Countries whose existing resource-rent capture already reaches the floor are unaffected. The minimum royalty floor is designed to target only a few cases and is not intended as a policy suggestion. Instead, it is used to illustrate that unitary taxation can only allocate taxable profits in a fair way if each country claims its resource rights.

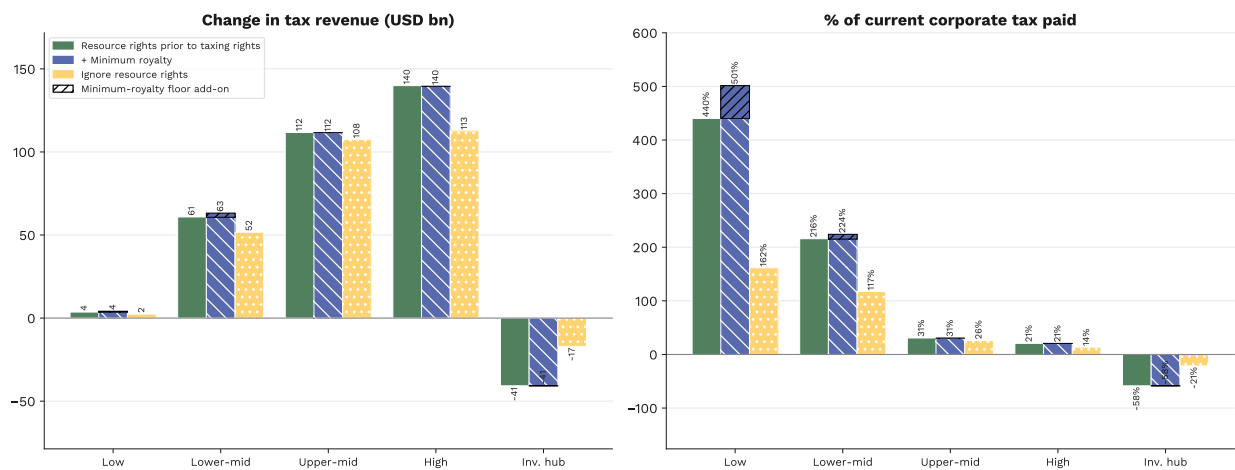
Treating resource rights as prior to taxing rights

Figure 5 illustrates the importance of giving priority to resource rights and the additional effect of introducing a minimum royalty (country-level results are in Table 4). The solid green bars report the revenue estimates when giving resource rights priority, just as the estimates presented in the previous sections. The hatched blue bars show the results with a minimum royalty floor add-on, ie when only the gap between a lower-income country's existing resource-rent capture and the minimum royalty floor is added. With this variable royalty as a floor, revenues would be 14% higher for low-income countries and 4% higher for lower-middle-income countries.¹⁸ While this does not seem like a massive increase, in the aggregate, it does matter for individual countries as shown below.

The yellow dotted bars show what would happen if resource rights were simply ignored under unitary taxation: low-income countries' revenues would be 35% lower, lower-middle-income countries would gain 15% less, and high-income countries 20% less, compared to when resource rights have priority. Prioritising resource rights therefore benefits all resource-rich countries, regardless of their income level. The reduction in the profit pool that is allocated under unitary taxation instead falls on tax havens. Their loss of taxable profits (and, as a consequence, tax revenue) is severely underestimated if resource rights are ignored. Ignoring resource rights treats some of the profits currently booked in tax havens at the expense of resource-rich countries as legitimate, making the distribution of profits appear more closely aligned with economic activity than it actually is.

¹⁸The consolidated profits remaining for allocation are smaller for this specification, compared to the main specification, which reduces revenue estimates for all countries for which we do not estimate a royalty add-on. However, this revenue loss is only a fraction of the gains from the minimum royalty, because only a fraction of that profit was previously going to government as a tax. For example, if a company pays US\$100 more in royalties, it will report US\$100 less in profits. If these profits were taxed at 30%, the tax revenue is US\$30 lower, while the royalty-receiving country receives US\$100.

Figure 5. Estimated change in corporate income tax revenue with different resource treatment



Notes: This figure reports the estimated changes in tax revenue under unitary taxation by income group, separately for estimation scenarios that treat resource rights as prior to taxing rights (the specification of this report), additionally add a minimum royalty (only the shortfall between a country's existing resource-rent capture and the royalty floor is added), and ignore resource rights. The estimates are based on aggregate country by country reporting data from the OECD and allocate taxable profits 50% based on employees, 50% based on destination-based sales. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each group's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying methodology note. A regional breakdown of these estimates is shown in Figure B3 in Annex B.

Angola and Peru illustrate the importance of granting resource rights before taxing rights (Figure 6). Both countries are rich in extractive resources. In Angola, oil accounts for around 95% of exports and more than 30% of GDP. Around 60% of government revenue comes from the oil sector through royalties, production sharing, petroleum taxes, and direct state ownership (Reuters, 2025; International Monetary Fund, 2024; International Monetary Fund, 2025a). In the country by country reporting data used in this study, Angola's oil wealth is reflected in the substantial profits booked by multinationals headquartered in the United States, China, and Italy – the home countries of major oil companies operating in Angola. Based on Angola's officially reported resource revenues, we identify between one quarter and three quarters of these profits as profits from resource extraction.¹⁹

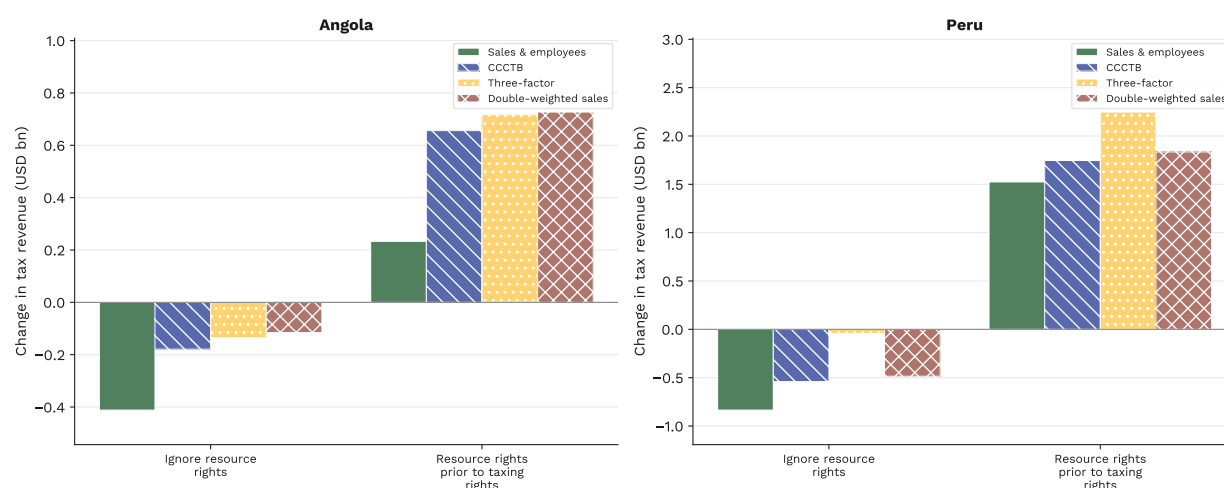
Peru provides a similar example for mineral resources. Mining – dominated by copper and gold – accounts for more than 60% of exports and roughly one tenth of GDP. The country captures resource rents through royalties, mining-specific taxes, corporate income tax, and concession payments, with a substantial share of these revenues redistributed to producing regions (Chin et al., 2025; MINEM, 2024; International Monetary Fund, 2025b). In our data, Peru's resource wealth is reflected in the large profits booked by multinationals headquartered in the United States, Mexico, China, and Switzerland – the home countries of major mining groups operating in Peru. Based on company-level payment data, we identify roughly half of these profits as profits from resource extraction.

¹⁹We cannot tell the source of the other profits since this is not part of our dataset.

If these resource-related profits were included in the tax base allocated under unitary taxation, a large share would be reallocated away from Angola and Peru towards the countries where the extractive multinationals have their workers and customers. Ignoring resource rights in this way would make both countries appear to lose under unitary taxation, as shown by the bars on the left of each panel in Figure 6.

Angola and Peru will therefore rightfully be allowed to exercise their existing resource rights before the remaining profits are allocated under unitary taxation. This does not change their resource-related government revenue: royalties, production sharing, resource-related taxes, and returns from state participation continue to accrue as they do today. It only changes the profits that enter the unitary profit pool. Once resource-related profits have been set aside for the producing country, only profits unrelated to resource extraction are allocated, and Angola and Peru receive a share of these profits based on the workers and customers located there. The result is shown by the bars on the right of each panel: both countries benefit from unitary taxation, regardless of the formula applied.

Figure 6. Angola and Peru: resource rights must be treated as prior to taxing rights



Notes: This figure reports the estimated change in tax revenue under unitary taxation for Angola and Peru, separately for an estimation scenario that ignores resource rights and one that treats resource rights as prior to taxing rights (the specification of this report). Each group of bars shows four apportionment formulas as defined in Box 2. The estimates are based on aggregate country by country reporting data from the OECD. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. Values are annual averages over the sample period, expressed in constant 2025 US dollars. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Details of the data and methodology are provided in the accompanying methodology note.

The same pattern appears for other resource producers across income groups. Australia (iron ore, coal and gas), which gains roughly US\$10bn per year when resource rights are treated as prior to taxing rights, would instead lose about US\$1.7bn per year if resource-related profits were included in the apportionable tax base; Chile (copper) would see its gain of about US\$1.1bn per year turn into a loss of about US\$300m; and Libya (oil) its gain of US\$100m into a loss of US\$1.4bn per year.

Ensuring a minimum resource rent capture

Preserving existing resource-rent capture is sufficient only where governments already secure a meaningful share of the rents generated by their natural resources. Where fiscal regimes capture little of these rents, giving priority only to existing resource rights may leave resource-rich countries worse off. They retain little through their own resource claims, while the profits protected for countries that capture resource rents more effectively reduce the remaining profit pool available for allocation under unitary taxation.

Guinea and Madagascar illustrate this point: Guinea is one of the world's largest producers of bauxite, while Madagascar's mining sector – led by the QIT Madagascar Minerals (QMM) ilmenite mine and the Ambatovy nickel–cobalt operation – accounted for around half of the country's exports in 2022 but only 1.7% of government revenues. During our sample period of 2016–2022²⁰, both countries captured only a limited share of the rents generated by their mineral resources, reflecting weak fiscal regimes and generous, investor-specific concessions. For instance, under its 1998 framework agreement, QMM paid a royalty of just 2% throughout the sample period, while Ambatovy benefited from the stabilised special fiscal regime of Madagascar's Law on Large Mining Investments (LGIM) (EITI Madagascar, 2024; Badel and Fredman Lyngaas, 2023; International Monetary Fund, 2021; Rio Tinto, 2023; International Monetary Fund, 2025c; NRGi / ResourceData, 2017).

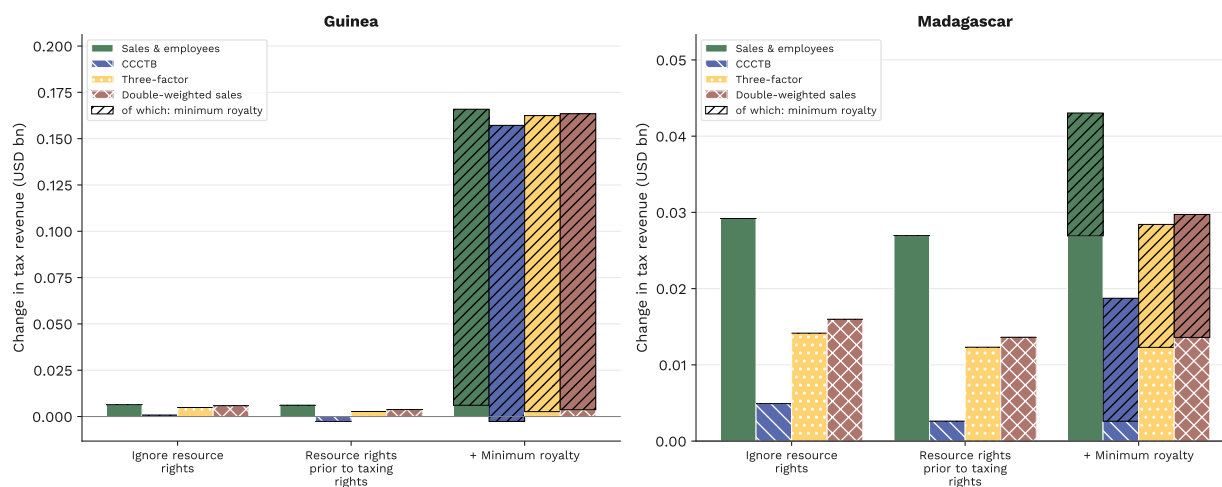
The consequences are visible in Figure 7. For Guinea, unitary taxation by itself offers almost nothing, and the revenue estimates get lower – or even negative – once we treat resource rights as prior to taxing rights: Guinea's gain falls by about 3% under the *sales and employees* formula, and by roughly 35–45% under the other formulas, turning slightly negative under CCCTB. Madagascar gains under unitary taxation, but even though it is a resource-rich country, its benefit falls when resource rights are accounted for – by about 8% under the *sales and employees* formula and by 13–47% under the others. This is because the countries that do capture their resource rent take part of the profits out of the unitary profit pool, while Guinea and Madagascar, which capture little, gain nothing from the exclusion and instead suffer from the smaller pool.

The solution is to improve resource rent capture. In our data, both countries capture less than the minimum royalty floor described above would imply, so they receive a substantial top-up when the floor is applied, and the picture changes decisively: Guinea becomes a clear net beneficiary, gaining around US\$150–170m per year under every formula. Madagascar's revenue gain rises to about US\$43m per year under the *sales and employees* formula – up from about US\$27m, now exceeding the estimates when resource rights are ignored of about US\$29m.

We do not suggest that the particular royalty schedule modelled here represents the appropriate level of resource-rent capture, as this ultimately depends on countries' own

²⁰After the end of our sample period, Madagascar adopted a new Mining Code in 2023. The Code set Special Duties and Taxes on Mining Products at 5% of the value of exported mining products, comprising a 3% mining royalty and a 2% mining rebate. In 2025, the IMF reported that some implementing decrees remained pending and that the LGIM was being revised to align it with the new Mining Code and update its stability provisions (Republic of Madagascar, 2023; International Monetary Fund, 2025c).

Figure 7. Guinea and Madagascar: resource rights priority requires a minimum of resource-rent capture



Notes: This figure reports the estimated changes in tax revenue under unitary taxation for Guinea and Madagascar, separately for estimation scenarios that ignore resource rights, treat resource rights as prior to taxing rights (the specification of this report), and additionally introduce a minimum royalty for lower-income producers. In the minimum-royalty scenario, the bars include the royalty add-on — only the shortfall between the country's existing resource-rent capture and the royalty floor — as a separate government-revenue stream on top of the unitary-taxation yield. Each group of bars shows four apportionment formulas defined in Box 2. The estimates are based on aggregate country by country reporting data from the OECD. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. Values are annual averages over the sample period, expressed in constant 2025 US dollars. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Details of the data and methodology are provided in the accompanying methodology note.

decisions. However, our analysis shows that adequate resource-rent capture remains relevant when designing a global system of corporate taxation.

Resource taxation and unitary taxation address different dimensions of multinational taxation. Robust resource fiscal regimes ensure that the economic benefits from natural resource extraction accrue to the people who own these resources, whereas unitary taxation ensures that countries receive a fair share of taxing rights in line with the contributions of their workers to production and their consumers to multinational revenues. Together, they provide a coherent framework for taxing multinational companies in resource-rich economies.

In addition to a correct treatment of resource rights, the outcome of unitary taxation critically depends on how economic activity is measured. This question will be discussed in the following section.

Box 6: Unitary taxation and profit shifting via commodity exports

This report's approach to unitary taxation reallocates the profits that remain after a natural resource has been extracted and sold and the producing country has exercised its resource rights. The approach does not, by itself, prevent manipulation at an earlier stage: taxes may be avoided and royalty payments reduced by selling the extracted raw material below its true market value. For example, a producer may sell the raw commodity cheaply to a related trading company, which then resells it at the market price. Part of the value of the resource is thereby moved out of the producing country before it appears as profit there. This practice has been documented for commodities including soybeans and iron ore

(Grondona and Burgos, 2015; Grondona, Rampinini et al., 2025; Antonyuk et al., 2018; Pak, 2012).

Unitary taxation would make this strategy less attractive. The additional profit reported by the trading company would no longer automatically remain in a low-tax sales hub, but would instead be allocated between countries in which the multinational is active according to the agreed formula. However, the incentive to shift profits would not disappear entirely. The tax applied to profits under unitary taxation will often still be lower than the resource-specific taxes that should have been paid in the producing country. The under-pricing of commodity exports therefore remains a separate problem that unitary taxation alone cannot fully resolve.

In principle, this problem could be addressed within unitary taxation by including resource-related profits in the common tax base and adding a resource factor to the allocation formula. This would allocate part of the profit to the country where the resource is physically extracted, regardless of the price shown on the export invoice. We do not model this approach here because our aim is to acknowledge, rather than replace, the long-established systems through which producing countries capture the value of their natural resources. These systems are often tailored to countries' specific economic, institutional and resource contexts.

Where resource rights remain outside unitary taxation, governments therefore also need rules ensuring that commodity exports are valued at a credible market price. One option is the so-called "sixth method", first introduced by Argentina and subsequently adopted in several commodity-exporting countries. Instead of simply accepting the price reported on an invoice, this approach uses published market or reference prices to value commodity exports, particularly where an intermediary is involved. Adjustments can be made for differences in quality, volume, transport costs and contractual terms (United Nations, 2021; IGF and OECD, 2023).

Several governments already use related approaches. Australia has issued guidance addressing the use of related-party marketing hubs in commodity trade (Australian Taxation Office, 2017), while Indonesia publishes monthly reference prices for exports of metal minerals (Intimedia, 2024). Because these prices are based on the market value of the physical commodity rather than the price chosen by the parties, they can protect both those royalties that are based on the total value sold and the corporate tax base from under-pricing.

The minimum royalty modelled in this report follows the same principle. It is charged on the value of production measured using reference prices, rather than solely on the value stated on an export invoice. Under-invoicing therefore cannot reduce the royalty base. A comprehensive approach would combine such commodity-pricing rules with unitary taxation: the producing country then first secures its claim to the value of the resource, and the remaining multinational profits would be allocated according to the location of economic activity.

3. How to measure economic activity? The choice of a formula

What does allocating profits “in line with economic activity” mean in practice? Under unitary taxation, profits would be allocated based on a formula designed to capture the economic activity underlying multinational profits. Both the choice of formula and the way its factors are measured critically determine the outcome for different countries. This section first discusses the principles that should guide the design of a formula. It then compares the implications of alternative formulas for different groups of countries before turning to questions of measurement, in particular how sales should be measured.

How to choose a formula?

Both supply and demand contribute to multinational profits. The relevant economic activity therefore has an input and an output dimension: production relies on inputs such as labour and capital, while revenues arise from sales to customers. The factors most commonly used in formulary apportionment are consequently employment and physical assets on the input side, and sales on the output side.²¹

The relevance of each factor, and the best way to measure it, varies across business models. No single formula can therefore capture the economic reality of every multinational perfectly. Using different formulas by company or sector, however, would create its own problems. Large multinational groups often combine manufacturing, services, research, financing and intellectual-property ownership, making sectoral classification difficult. Multiple formulas would also reduce simplicity and create incentives for firms to reorganise their activities or classifications to obtain the most favourable treatment. The experience of OECD transfer-pricing rules, which allow several alternative methods, illustrates the risks of giving multinationals a choice between different assessments (Avi-Yonah et al., 2009; Hellerstein and McLure, 2004).²²

The aim is therefore not to identify a perfect formula, but to balance several objectives. The formula should reflect a broad range of business models, use factors that can be measured consistently and assigned clearly to countries, and be difficult to manipulate. The choice and

²¹For instance, Canadian provinces allocate corporate income between provinces using a formula that gives equal weight to payroll and sales. US states have long used formulary apportionment, historically based on property, payroll, and sales, but have increasingly shifted towards sales-weighted formulas. The EU’s proposal for a Common Consolidated Corporate Tax Base allocates one third of profits based on tangible assets, one third based on sales, one sixth based on the number of employees, and one sixth based on payroll. Amount A of Pillar One allocates taxing rights over a share of residual profits based on sales, while the substance-based income exclusion under Pillar Two is calculated by reference to payroll and tangible assets.

²²By treating resource rights as prior to taxing rights, this report already treats the extractive sector differently from other sectors, where similar conflicts do not arise. At the same time, the strict prioritisation of resource rights allows us to apply the same formula to all remaining profits.



weighting of factors may also influence firms' decisions, so the formula should minimise unintended behavioural responses and economic distortions (Avi-Yonah et al., 2009; Clausing, 2016; Delpeuch et al., 2026; G-24 Working Group on Tax Policy and International Tax Cooperation, 2019; Hellerstein and McLure, 2004; Palanský and Schultz, 2024; Picciotto et al., 2023).

Each factor performs differently against these objectives. Assets have historically featured in many formulary-apportionment proposals, but their relevance varies considerably across industries, particularly in increasingly service- and knowledge-based economies. They are also difficult to value consistently. Intangible assets are generally excluded because their ownership and location are particularly easy to manipulate (Avi-Yonah et al., 2009; Clausing, 2016). Tangible assets are less susceptible to profit shifting but can still be relocated, as in the case of ships or oil rigs. Linking taxing rights to assets may also discourage investment in countries with higher tax rates.

Employment is an input used by almost every multinational, although to varying degrees. It can be consistently measured through either headcount or payroll. Payroll captures differences in skills, managerial expertise and innovation capacity without relying on the location of intangible assets. However, it gives greater weight to high-wage countries and may increase the tax cost associated with employing workers there. Any employment factor may also encourage firms to relocate jobs away from countries with higher tax rates or to rely more heavily on subcontracting, bogus self-employment or informal work. Existing evidence, however, suggests that these responses are limited compared with the distortions created by separate accounting (Clausing, 2016; Hellerstein and McLure, 2004).

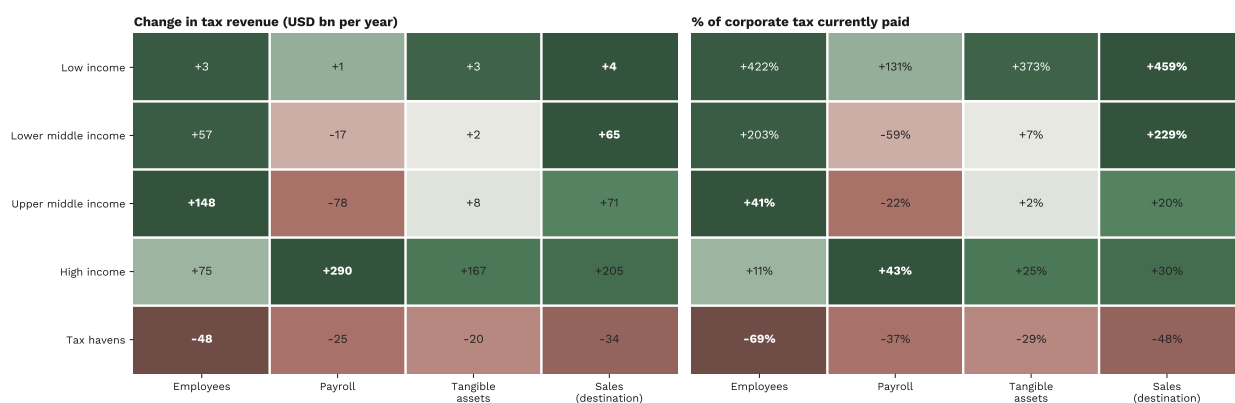
Sales have perhaps the broadest applicability because every successful company ultimately depends on customers. Their importance has increased as digitalisation allows multinationals to access markets, collect valuable customer data and benefit from user contributions without maintaining a substantial physical presence. Sales can generally be measured consistently, but an important choice is whether they should be assigned to the location of the seller or the customer. Assigning them to the customer location better reflects demand and is less susceptible to manipulation through the organisation of production (Avi-Yonah et al., 2009; Picciotto et al., 2023) — we will turn to this later in this chapter. Under our principle that resource rights should take priority over taxing rights, however, there is a case for assigning sales of natural resources to the country of extraction rather than consumption. This would require specific guidance for natural-resource sales, rather than an entirely different formula. Of the three factors, sales also create the weakest incentives for relocation because customers are generally less mobile than workers or productive assets. This helps explain why US states have increasingly weighted sales more heavily in their apportionment formulas (Clausing, 2016; Hellerstein and McLure, 2004).

This report presents a formula equally weighting destination-based sales and employee headcount as a useful scenario but reports several alternatives: the formula proposed under the EU's Common Consolidated Corporate Tax Base (CCCTB), which assigns one third of the weight to sales, one third to assets, and one third to employment, with the employment factor divided equally between headcount and payroll; a *three-factor* formula composed of one third sales, one third assets, and one third employee headcount (a variant of the traditional Massachusetts formula, which uses payroll rather than headcount); and a *double-weighted*

sales formula in which sales receive a weight of 50% and assets and employee headcount each receive a weight of 25%. Throughout, we assign sales to the location of the customer, for the reasons discussed below.

Ultimately, as with any tax policy, the choice of formula is political. Its implications for the distribution of taxing rights between countries will necessarily form part of that decision and may also support some limited variation across sectors. To make these implications transparent, [Figure 8](#) shows how annual tax revenues would change for different country groups if profits were allocated using each factor separately. We do not suggest that a formula should contain only one factor. Presenting them individually instead reveals more clearly which country groups gain or lose from each component of the formula (cf. Loretz, 2025).

Figure 8. How each factor benefits or harms different income groups



Notes: This figure reports the estimated change in tax revenue by income group if multinationals' taxable profits were apportioned according to a single factor alone. The figure illustrates the building blocks of any formula rather than a policy proposal. The Tax Justice Network's [Unitary Taxation Explorer](#) allows you to estimate the revenue effects of any combination of the factors. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. Sales are measured at destination, using our preferred destination-based measure. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each group's current tax revenues from multinationals in the data. Shading is scaled within each row, so the darkest cell marks each income group's own largest gain or loss (printed in bold); green denotes gains, red losses. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Details of the data and methodology are provided in the accompanying [methodology note](#). A regional breakdown of these estimates is shown in [Figure B4](#) in Annex B.

The factors affect country groups in markedly different ways. Low-income countries would gain most from the sales to customers factor, closely followed by employee headcount. Tangible assets also perform surprisingly well because these countries' capital stocks are large relative to the small profits currently reported there, while payroll is their weakest factor because of low wage levels. Lower-middle-income countries show the same pattern even more clearly: they gain most from sales to customers and employee headcount but would lose revenue if profits were allocated solely according to payroll. Upper-middle-income countries, including large economies with substantial lower-wage workforces, benefit most from employee headcount but also lose under a pure payroll allocation. High-income countries, by contrast, gain most when payroll is included. Tax havens lose from every factor, with employee headcount shifting the most revenue away from them because they typically host only small, although often highly paid, workforces.

How to measure sales?

We now turn from the choice of factors to determining how they should be measured and assigned to countries. None of the factors is entirely straightforward. Employment can be measured through the number of employees, preferably in full-time equivalents, or through payroll converted into a common currency. However, clear rules are required to determine which workers should be included and where they should be assigned. This is particularly important where informal employment, outsourcing, employment agencies or other arrangements separate the entity that formally employs a worker from the entity that directs or benefits from their work. Existing reporting and formulary-apportionment rules recognise some of these difficulties: the OECD's country by country reporting standard measures employment in full-time equivalents and permits the inclusion of independent contractors involved in ordinary operating activities, while the EU's CCCTB proposal included persons performing tasks similar to those of employees and, under certain conditions, assigned workers to the group entity under whose control they worked. These questions would need to be resolved consistently when defining the employment factor.

The asset factor would normally be limited to tangible assets, since intangible and financial assets are highly mobile and, consequently, extensively used for profit shifting under the current system. Even for tangible assets, rules are needed on their valuation and geographical assignment, as well as on the treatment of rented and leased assets. The CCCTB proposal, for example, addressed all three issues: assets were valued at their average value over the tax year; rented and leased assets were included in the factor alongside owned ones; and each asset was assigned to the entity that actually uses it and bears the risks and rewards of ownership — its “economic owner” — rather than to its legal owner.

The most consequential and technically demanding measurement questions concern sales, which are therefore the focus of this chapter. Under current rules, revenue from sales is attributed to the seller rather than the buyer, the origin rather than the destination of the sale. This is a major factor for profit shifting, as it is relatively easy to attribute sales income to an affiliate resident in a country where it can be low-taxed. If the sales factor is to represent the consumption side of the formula, sales must be attributed to the country where the goods and services are consumed or used; attributed to the seller's location instead, they would simply measure the location of production a second time.²³ As can be seen from [Figure 8](#), sales by destination is the allocation factor that benefits low- and lower-middle-income countries the most proportionately. Furthermore, sales (by destination) and employment are the only factors that benefit all country income groups except tax havens.

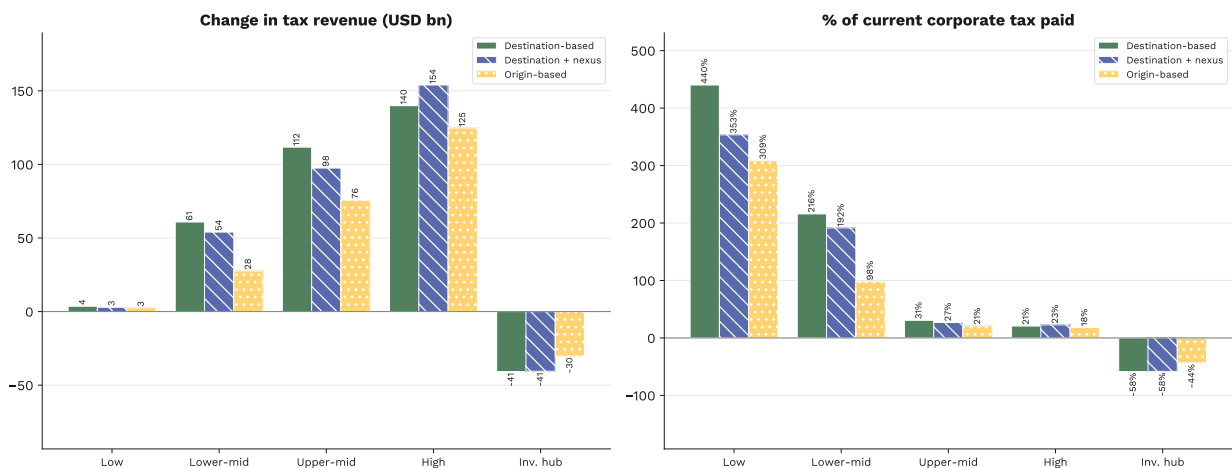
We estimate sales revenue by destination based on two components. First, we use data on the local sales of multinational companies across all sectors, taken from the OECD's Analytical AMNE database (cf. OECD, 2020). Secondly, we take each country's imports of digitally deliverable services from the OECD-WTO Balanced Trade in Services (BaTIS) database, counting only the share of these imports that multinational companies probably supply (cf. Amaro and

²³This principle underlies the detailed revenue-sourcing rules in the 2023 text of the Multilateral Convention to Implement Amount A of Pillar One, developed by the OECD/G20 Inclusive Framework on BEPS. For the purposes of Amount A, these rules generally source revenue to the end-market countries where goods or services are used or consumed.

Picciotto, 2026, see accompanying [methodology note](#)). Using these two measures we aim to capture both goods and services supplied through a local presence and services supplied remotely across borders.

Figure 9 investigates the origin–destination asymmetry in our data by comparing three alternative approaches to measuring sales: our preferred destination-based measure, the same measure subject to a nexus requirement based on physical presence, and origin-based sales as currently reported in country by country reporting data. Figure 9 shows that lower-income countries are systematically allocated less profit when sales are measured at origin (yellow dotted bar) than when they are measured at the location of the customer (green bar). Under the *sales and employees* formula, the increase in tax revenues for low-income countries is more than 40% larger when sales are measured at destination rather than origin; the difference is 120% for lower-middle-income countries, 48% for upper-middle-income countries and 12% for high-income countries. This comes at the expense of tax havens, whose losses are 34% larger under the destination-based measure. These results confirm that the choice between origin- and destination-based sales is not merely a measurement detail, but a fundamental distributional decision determining whether taxing rights accrue primarily to countries where sellers are located or to the markets where customers are located.

Figure 9. Change in corporate income tax revenue by income group: origin- versus destination-based sales



Notes: This figure compares the estimated change in tax revenue by income group under three ways of measuring the sales factor, holding the formula fixed at 50% employees and 50% sales. Destination-based sales reallocate revenues to the countries where goods and services are consumed, estimated as the local sales of multinationals across all sectors (OECD Analytical AMNE) plus the multinational share of imports of digitally deliverable services (OECD-WTO BaTIS). The nexus-adjusted variant reduces each market's share in proportion to the multinational groups without a legal presence in that market, approximating a taxable-presence requirement. Origin-based sales are measured at the selling entity and captured by multinationals' unrelated-party revenues as reported in the country by country reporting data. Resource-related profits are excluded from the unitary taxation profit base. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each group's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. A regional breakdown of these estimates is shown in Figure B5 in Annex B.

Between destination-based and origin-based sales, Figure 9 reports a destination-based sales measure subject to a nexus requirement based on physical presence, meaning that sales are assigned to the customer's country only where the multinational has an established physical presence there (blue hatched bars). In modelling this requirement, we broadly follow Loretz (2025) and identify a multinational group's physical presence in a market through the location



of its subsidiaries in Bureau van Dijk's Orbis database (see accompanying [methodology note](#)). This requirement shifts taxable profits away from low-, lower-middle- and upper-middle-income countries towards high-income countries and tax havens. This is particularly problematic because digitalisation has enabled many multinational groups to sell into markets — and earn profits from the customers there — without establishing a local physical presence, accessing them remotely through digital platforms, distributors, or regional sales hubs. A physical-presence requirement — which seems useless in the digital era — therefore unjustly relocates taxable profits from the poorer to the richer part of the world.

Two categories of demand remain outside our destination-based sales measure. First, advertising-funded digital services that are provided to users free of charge, such as search engines and social media, generate no recorded imports in the users' jurisdictions because the data derived from users is monetised by licensing it to advertisers wishing to target them. The corresponding revenue therefore appears as advertising services exported to the advertisers' jurisdictions.²⁴ Proxies for the user-market value of these services, such as the OECD's (2020) automated digital services indicator based on internet access and household consumption, mainly capture a country's income and economic size instead of its actual digital demand and would therefore wrongly assign more taxing rights to richer countries rather than to the jurisdictions in which advertising is viewed or user data are generated. We have therefore not included this measure in our estimates.

Second, goods sold directly to consumers from abroad, for example through online retailers, cannot be identified separately in trade data. These sales are included in total goods imports, but so are many other imports that are already captured in local sales. We therefore cannot add them without risking double counting. As a result, our measure understates sales to customers in countries that rely heavily on direct cross-border e-commerce.

These limitations show how important it is to develop robust reporting standards for destination-based sales. Without direct information on where multinational revenues are ultimately earned from customers and users, sales-based allocation necessarily relies on imperfect proxies. Requiring multinationals to report destination-based revenues should therefore be a priority for the full implementation of unitary taxation. In the meantime, proxies can be used to establish reasonable approximations, along the lines that we suggest.

²⁴Note that the sourcing rules agreed for the proposed new taxing right based on sales in Amount A of Pillar One attribute revenue from online advertising to the jurisdiction where the viewer is located, and revenue from the sale or licensing of user data to the jurisdiction where the user associated with the data is located. This would entail new reporting requirements for implementation; in the meantime, estimates must be made using available sources of data.

4. Could loss consolidation undermine the revenue potential? Loss consolidation and the tax base

Under unitary taxation, losses in one country can be offset against profits made elsewhere in the same multinational group. This reduces the total amount of profit that is taxed compared with the current system, under which a company may be taxed on profits in one country without being allowed to deduct losses suffered elsewhere. For example, a multinational establishing itself in a new country will initially have low revenues and so make losses even if it has high revenues and profits elsewhere. There are also other less justifiable reasons: current tax rules enable the attribution of low profits or even losses in countries where a multinational has significant revenues.²⁵ Allowing profits and losses to be consolidated globally is an intended feature of unitary taxation, which seeks to tax a multinational's actual worldwide profit rather than taxing profits in some countries while disregarding losses in others. Nevertheless, the resulting reduction in the tax base has raised concerns that loss consolidation could substantially weaken the revenue gains. Note that all our estimates already apply to a consolidated tax base: the profit pool we apportion is each group's worldwide net profit, with losses offset against profits. The question examined in this chapter is therefore how much smaller the revenue gains would be compared with a current system in which no cross-border offsetting is possible at all.

While the actual effects of consolidation cannot be estimated using country by country reporting data, these data allow us to estimate a lower bound for the revenue gains when losses are consolidated across countries. For this estimate, we focus on cases in which a country currently reports a loss. For example, if a country reports a loss of US\$100 and would receive an additional US\$120 of profit under unitary taxation, only the remaining US\$20 would become taxable. We therefore calculate revenue only on reallocated profits that exceed the losses currently reported in the country. This approach is conservative because losses may already be offset against profits in other years through existing carry-forward or carry-back provisions. The resulting estimates should therefore be interpreted as a lower bound for the revenue gains under unitary taxation.

Figure 10 reports the resulting adjusted revenue estimates. Even after accounting for the most extreme effects of cross-border loss consolidation, multinationals would pay around 21% more

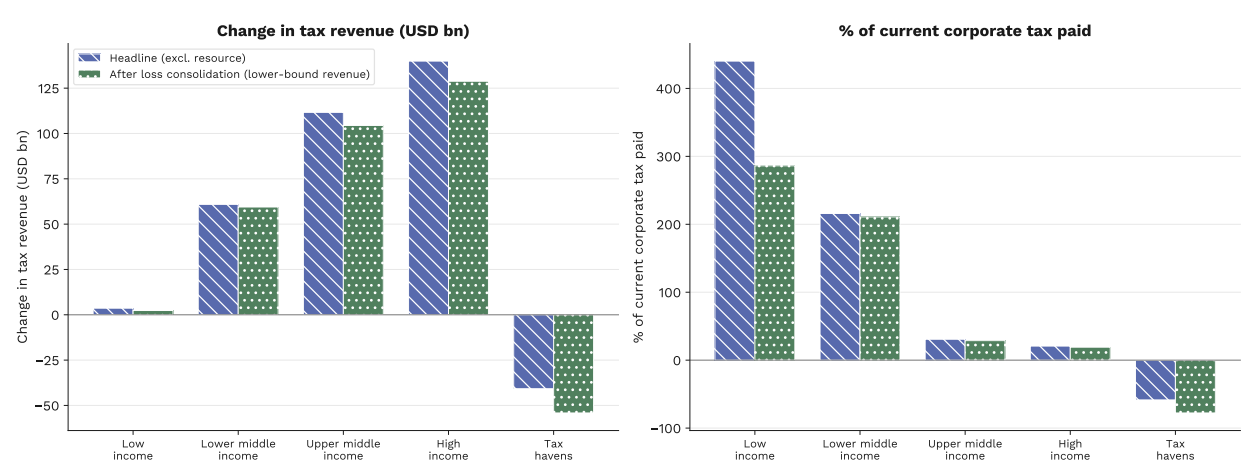
²⁵For example, in 2012 it was revealed that Starbucks had reported losses in its UK tax accounts in 14 of the 15 years after opening there in 1998, despite a 31% market share and reporting to its shareholders that the UK market was profitable: the tax arrangements are explained in Kleinbard (2013). Due to the negative publicity it negotiated a "voluntary" arrangement with HMRC to pay more. A research study using data from tax returns showed that affiliates in the UK of US-headquartered multinationals reported profits that were half those of comparable purely domestic companies over the period 2000–2014, mainly because a large number reported zero taxable profits, although their accounting profits were positive (Bilicka, 2019).

corporate tax overall than under the current system, compared with 24% in our headline specification. This reduces the estimated net revenue gains by at most 12.5%. The overwhelming majority of the revenue gains therefore remains intact after accounting for immediate worldwide loss consolidation.

While country-level estimates are hard to interpret, the adjustment seems to fall disproportionately on tax havens, which account for around 39% of the total adjustment, followed by high-income countries with 32%, upper-middle-income countries with 21%, and lower-middle-income and low-income countries with around 4% each. In relative terms, however, it is low-income countries whose estimate is adjusted the most — their gains are cut by roughly a third — precisely because their share of total gains is so small to begin with.

These findings suggest that concerns about revenue losses arising from immediate worldwide loss consolidation should not be overstated, a conclusion that was likewise drawn by Loretz (2025) based on a completely different approach and data. As unitary taxation reduces the ability of multinationals to attribute losses to high-tax countries and profits to tax havens, the net effects will be beneficial.

Figure 10. Revenue adjustment for cross-border loss consolidation, by income group



Notes: This figure reports the estimated changes in tax revenue from unitary taxation by income group, with and without an adjustment for cross-border loss consolidation, based on a formula that is 50% based on destination-based sales and 50% based on the number of employees. Under unitary taxation, the losses of some group members offset the profits of others within the consolidated tax base, reducing taxable profits compared with the profits currently reported under separate accounting. Our headline estimates already apportion this consolidated profit base; the adjustment shown here captures the largest additional effect that loss consolidation could have, by assuming that no offsetting at all is possible under the current system. The adjusted bars credit zero tax on all reported losses — a loss-making operation pays no tax, but is not refunded. As losses can currently already be carried forward (and, sometimes, backward) and offset against future profits, the adjustment overstates the revenue reduction, so the adjusted bars represent a lower bound on expected revenues. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate after having offset losses; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each group's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Income groups follow the World Bank classification, with tax havens defined in Footnote 7 of the Introduction shown separately. A regional breakdown of these estimates is shown in Figure B6 in Annex B.

5. What about the immediate losers?

Preserving revenues under unitary taxation

The overwhelming majority of countries gain revenue under unitary taxation. However, what about the remaining losers? In the following sections, we discuss what two country groups – tax havens, and the very small number of countries with a “headquarters bias” – could do to secure stable tax revenues under unitary taxation.

Tax havens under unitary taxation

The previous sections showed that tax havens are the principal losers from unitary taxation. This is precisely the intended effect of unitary taxation: profits currently booked in low-tax jurisdictions with little or no economic activity are reallocated to the countries where workers and consumers are located. Our estimates illustrate the disproportionate role tax havens play in the current international tax system: Every dollar of corporate tax collected by tax havens without an economic basis causes between US\$3 and US\$18 in tax revenue losses elsewhere in the world – and those would be returned under unitary taxation.²⁶

The academic literature identifies several ways in which countries that currently rely on the tax-haven model could build economies based more firmly on real economic activity. Rather than competing primarily through very low tax rates, these countries could invest in transport, energy and digital infrastructure; strengthen education and vocational training; support research, innovation and domestic businesses; improve public institutions and legal certainty; and diversify into sectors suited to their workforce, resources and location. Such policies can raise productivity and attract businesses for reasons other than the tax treatment of profits. They may also provide a more stable basis for employment and public revenue than preferential tax regimes, which can be costly and may attract reported profits without generating corresponding investment or wider economic benefits (Bellak et al., 2009; Bénassy-Quéré et al., 2007; Nielsen et al., 2017; World Bank, 2020).

Beyond these general options for building an economy based on real economic activity, the switch to unitary taxation would provide the ideal opportunity for tax havens to increase the

²⁶Under our most conservative specification, every dollar of corporate tax collected by tax havens corresponds to approximately three dollars in revenue losses elsewhere. This estimate assumes that profits shifted into tax havens are taxed at their overall average effective tax rate (Box 3). That assumption is particularly conservative in this context, since inward-shifted profits are likely to benefit from the least-taxed parts of their tax systems and therefore face rates well below the average. When we instead apply the average effective tax rate observed among the lowest-taxed 10% of headquarters-country–partner-country pairs and the statutory tax rate on gained profits, the estimated loss rises to approximately US\$18 for every dollar collected by tax havens.

effective tax rates paid by multinationals. It would both reduce the incentive to offer extremely low rates, since profits without a genuine economic basis would be allocated elsewhere regardless of the rate, and reduce the risk associated with raising taxes on profits that genuinely belong to the country. Profits linked to real economic activity could be taxed at more adequate rates without the same fear that they would immediately leave through accounting arrangements. Current tax havens could therefore become non-havens under unitary taxation while maintaining their corporate tax revenues from multinationals. To assess this possibility, we calculate a break-even tax rate for every country that loses revenue under unitary taxation. This is the effective tax rate a country would need to apply to the taxable profits remaining to it in order to collect as much revenue from multinationals as it does today.²⁷

The resulting rates are surprisingly modest for tax havens that are not pure profit-booking centres. [Table 5](#) reports the effective tax rate that each losing country would need to apply to the profits remaining under unitary taxation to preserve its current corporate tax revenue from multinationals, across the four formulas considered in this report. The Netherlands would need to raise its effective tax rate from 13.6% to between 29% and 33%, Switzerland from 10.4% to between 20% and 25%, and Singapore from 9.2% to between 25% and 37%. These rates are broadly in line with those observed in many non-haven countries. In these cases, much of the apparent revenue loss reflects the current model of taxing an exceptionally large profit base at relatively low effective rates. Under unitary taxation, similar revenues could be raised from a smaller base taxed at more conventional rates.

This option is less realistic for countries whose tax-haven model relies overwhelmingly on booking profits with almost no corresponding economic activity. The required rates vary sharply with the formula and can become implausibly high: from 28% to 162% in the Cayman Islands and from 9% to 643% in the British Virgin Islands. Ireland presents a different but related challenge. Despite hosting some real economic activity, it would require an effective rate of between 68% and 94% to preserve its current revenue, indicating that its current tax base is far larger than can be supported by that activity alone. For these countries, raising rates on the remaining profit base could recover only part of the lost revenue, making broader economic diversification particularly important.

Countries with a “headquarters bias” under unitary taxation

There is a second, albeit small group of countries expected to lose taxable profits under unitary taxation: countries whose international tax systems have a “headquarters bias”. Multinationals headquartered in these countries (most importantly Japan, but also Denmark and Saudi Arabia) report an unusually large share of their global profits at home relative to the

²⁷A remaining concern is that higher tax rates could induce the relocation of real economic activity rather than only reported profits. This concern is valid, but both the theoretical and empirical literature suggests that such responses are substantially more costly than profit shifting and therefore likely to be quantitatively smaller (Clausing, 2016; Ortmann and Pummerer, 2023; Hanappi and Whyman, 2023; Mooij et al., 2021). Moreover, the choice of apportionment formula can reduce these incentives. Any longer-term relocation of real economic activity would also be observable, allowing governments to respond with appropriate policies, such as targeted investment in infrastructure, education, or other location-specific advantages. We discuss this concern in greater detail in [Section 4](#).



economic activity located there. Under unitary taxation, some of these profits would be allocated to the other countries in which their multinationals operate.²⁸

For Saudi Arabia, current revenues could be preserved at relatively modest rates: depending on the formula, it would need to apply an effective rate of between 22.7% and 26.0%, compared with its current rate of 20%. Denmark would need a larger increase, from around 15% to between 25.3% and 38.8%. Japan would require the highest rates, between 36.3% and 42.6%, compared with a current effective rate of around 30.5%.

Taken together, these results suggest that unitary taxation changes how countries raise corporate tax revenue rather than simply creating winners and losers. The large majority of countries would finally be able to tax multinational profits as they consider appropriate without fearing that those profits would be artificially shifted to low-tax countries. The few countries currently relying on exceptionally large profit bases could often preserve similar revenues by applying more conventional rates to the smaller amount of profit genuinely supported by activity within their borders.

²⁸The aggregate country by country reporting data do not allow the excess profits reported at home to be attributed conclusively to particular multinationals or sectors. Denmark's result is nevertheless likely to be influenced by its large shipping sector and tonnage-tax regime, under which qualifying shipping activities are taxed according to fleet tonnage rather than actual profits. A.P. Møller–Maersk illustrates the potential importance of this treatment: in 2022, US\$29.0bn of its US\$30.2bn in profit before tax was subject to Danish or foreign tonnage taxation, and the group reported an effective tax rate of 3%. For Japan, the result may partly reflect the concentration of research, intangible assets and other high-value functions at parent companies, which are not directly captured by the factors used in our formulas. More generally, previous research finds that multinationals tend to retain profits and highly profitable assets at their headquarters even where the headquarters country has a relatively high tax rate. Saudi Arabia's result may be sensitive to the treatment of a small number of exceptionally large multinational groups, but the aggregate data do not permit a more precise attribution (Dischinger et al., 2014; Hosono et al., 2017; Danish Tax Agency, 2026; A.P. Møller–Mærsk, 2023).

6. Conclusion

More than a decade ago, the African Union identified corporate tax abuse as the largest element of illicit financial flows (the “Mbeki report”: High Level Panel on Illicit Financial Flows from Africa, 2015). This is due to the ease with which current tax rules can be exploited, so that taxable profits are separated from the country in which they actually arise.

A commitment to move towards worldwide unitary taxation would address this directly and deliver on the central element of the agreed terms of reference for the UN Framework Convention on International Tax Cooperation: namely, to ensure a fair allocation of taxing rights among countries, based on the location of real economic activity.

This study estimates that such a move to unitary taxation with formulary apportionment would generate annual tax revenue gains of between 300 billion and more than half a trillion dollars worldwide. Countries at all income levels would benefit substantially. High-income countries would be the greatest winners in absolute terms, because they are the biggest losers from the failures of the OECD rules. Lower-income countries, however, stand to benefit most dramatically, since the additional revenues are often greater than their current total tax revenues from multinationals.

Beyond these headline gains, the analysis addressed a range of concerns and questions surrounding the move to unitary taxation. First, any assessment of the implications of unitary taxation must account for the primary rights of countries where natural resource wealth is extracted. Once this is done, countries that rely heavily on resource rent capture – often lower-income countries – also emerge as clear winners. Second, the impact of loss consolidation, while resulting in a non-trivial reduction in the size of the tax base overall, is far outweighed by the benefits of countries being able to exert their taxing rights fairly over the resulting base. Third, some of the countries that would still lose, including diversified tax havens and countries with a headquarters bias, could recover much of the lost revenue by ending exemptions that allow profits reported by multinationals to be taxed more lightly than profits arising from real economic activity in the country. Pure profit-booking centres, by contrast, would need to pursue deeper economic change.

In line with previous work (Loretz, 2025), this report highlights that the choice of formula is important, both for the overall robustness of the system and for its distributional impact. A transparent, party-led UN process should therefore compare and negotiate different formulas, including their effects on workers and on countries at different income levels. This report informs that process by discussing the benefits and risks associated with different factors and showing how alternative formulas affect the allocation of taxing rights across countries. It also shows that any sales factor – with a potential exception for direct sales of natural resources – should allocate sales by destination. Its measurement should adequately reflect customers’ contribution to multinational profits, without restrictions based on physical nexus

requirements and with appropriate rules for sourcing revenues, including those derived from the licensing, sale or other exploitation of data.

Fair implementation and reliable estimates to inform decisions about design require adequate data. Undoubtedly the best source of data is the country by country reports that large multinationals have been required to report to tax authorities since 2016. Regrettably, however, these reports remain secret, and the data that have been published are only partial and aggregated in unsatisfactory ways. The EU and Australia have taken important steps towards public country by country reporting. However, both regimes exempt many multinationals from reporting and allow data covering many jurisdictions to be lumped together, which greatly reduces the usefulness of the published data. As a result, officials in many countries – and researchers producing reports for the general public – still cannot obtain an adequate picture of where multinationals conduct their activities, report their profits, and pay taxes. Implementing full public country by country reporting should therefore be a high priority. The global standard for public tax reporting formulated by the Global Reporting Initiative (GRI) provides a ready template.

The first full draft text of the UN Framework Convention on International Tax Cooperation, dated 22 July 2026, includes the following:

Article 5

Fair Allocation of Taxing Rights

1. A fair allocation of taxing rights among jurisdictions shall reflect the real economic contribution of each relevant jurisdiction, including jurisdictions where value is created, markets are located, revenues are generated and users or data are located, and taking into account such other factors that may become relevant as business models evolve, whether or not such activities involve physical presence in a jurisdiction.
2. The States Parties shall explore and pursue cooperative approaches to support the fair allocation of taxing rights with a view to reducing the risks of double taxation and non-taxation.

This goes further than an earlier draft in confirming the central importance of real economic activity to determine taxing rights. One issue to address is the inclusion of “value creation”, a nebulous concept commonly used to justify profit shifting to jurisdictions with little real activity but where, for example, intellectual property is registered. The broader concern is that the current framing will make it easier for the jurisdictions of real activity to assert their taxing rights, but still risks allowing jurisdictions with little real activity to continue to claim taxing rights – which would allow profit shifting to remain rife. This could be addressed by an explicit commitment to apportioning taxing rights over the global profits of multinationals, recognised as unitary businesses.

The “catalogue” assembled by the Global Alliance for Tax Justice includes alternative language (full text available in Annex A). In particular, the catalogue proposes an additional Article 4 bis on “Equitable Taxation of Multinational Enterprises”, in order to ensure that the commitment on taxing rights is fully expressed in this important aspect.

The catalogue draft proposes the initiation of a negotiation process to deliver the move towards unitary taxation:

2. The agreed outcome of the process mentioned in paragraph 1 of this Article shall:

- (a) Provide an international system to prevent illicit financial flows stemming from corporate tax avoidance and evasion;*
- (b) Ensure that multinational enterprises are taxed as coherent entities, with taxes being paid in the States where economic activity takes place;*
- (c) Serve to reduce inequality within and among States, and prevent harmful tax practices;*
- (d) Provide an international system for taxing multinational enterprises on the basis of their global consolidated profits, with taxing rights being allocated fairly between States on the basis of an agreed formula; [...]*

A high-level commitment by States parties of this type would ensure a clear basis for the subsequent negotiation, under the auspices of the Framework body. That would allow a full assessment of the different potential bases to proceed, including clear analyses of the implications for taxing rights.

An additional commitment should anchor the public country by country reporting called for above in the Convention itself, on a global basis and including sales by destination. This is essential to ensure full accountability both of multinationals and of tax authorities, including for the delivery of the fair allocation of taxing rights.

The data from public country by country reporting will also form a crucial part of the broader oversight, management and analysis of data that should be provided by a dedicated subsidiary body of the Framework, previously proposed by the High-Level FACTI Panel as a Centre for Monitoring Taxing Rights. This body would provide regular analyses of the scale of cross-border tax abuse and other key facets of international tax cooperation, as well as publishing timely, country-level analyses of the revenue implications of proposals being negotiated by the Conference of the Parties.

The negotiations are now reaching the stage where specific details will shape directly the future of international tax cooperation. The unprecedented opportunity to deliver lies in front of the delegates from all countries.

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Tables

Table 2. Change in taxable profits under unitary taxation

Notes: This table reports the estimated change in the profits of multinational companies that each country can tax under unitary taxation, with resource-related profits excluded from the profit base (resource rights before taxing rights). The four apportionment formulas are defined in Box 2, with sales measured at destination. The percentage columns express the change relative to the reported profits of profit-making multinationals only — the base a corporate income tax can currently reach; the final column gives profits currently reported in the country, net of losses. Monetary values are in millions of constant 2025 US dollars. The estimates are based on aggregate country by country reporting data from the OECD; because they cover only the multinationals for which data of sufficient quality are available, the values represent only a part of the total expected gains or losses. Group rows (in capitals) follow the World Bank income classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Values are annual averages over 2016–2022, excluding 2020. [1] Percentage not calculated: the country's multinationals reported only losses, so the positive-profits base is zero. [2] after a country name: thin country by country reporting coverage — fewer than 10 reported country-cells, fewer than 3 reporting parent countries, or fewer than 4 of the 6 sample years underlie the estimate; interpret with caution. [3] after a percentage: extreme value (above 1,000% in absolute terms) — the country's net reported profit base is close to zero, so the ratio is denominator-driven; read the absolute change instead.

Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
LOW-INCOME	7,525	446.1	6,313	374.3	7,191	426.3	7,254	430.1	-1,970
Afghanistan	86	952.2	59	660.0	64	708.9	83	923.3	-1
Burkina Faso	26	27.6	-17	-17.8	8	8.2	3	3.2	96
Burundi [2]	1	[1]	1	[1]	1	[1]	1	[1]	0
Central African Republic [2]	3	377.8	3	300.0	3	344.4	3	344.4	-1
Chad	126	187.9	171	255.4	177	264.4	164	245.7	-79
DR Congo	1,143	456.9	1,335	533.9	1,525	609.6	1,334	533.4	-334
Ethiopia	1,416	582.2	734	302.0	913	375.4	1,159	476.4	224
Gambia	13	238.9	3	57.4	8	144.4	6	111.1	4
Guinea-Bissau [2]	2	[1]	1	[1]	1	[1]	1	[1]	0
Madagascar	127	83.0	-6	-3.9	49	32.2	53	34.7	153
Malawi	153	171.5	38	42.6	93	103.8	83	92.7	89
Mali	258	1,227 [3]	228	1,084 [3]	241	1,147 [3]	256	1,217 [3]	-123
Mozambique	3,181	1,164 [3]	3,004	1,099 [3]	3,211	1,175 [3]	3,115	1,140 [3]	-2,245
Niger	72	270.8	121	456.8	135	509.8	117	444.7	24
North Korea [2]	-4	-26.3	-7	-43.6	-5	-30.1	-5	-34.6	13
Rwanda	127	904.3	71	510.0	88	629.3	104	740.0	3
Sierra Leone	20	6,500 [3]	16	5,433 [3]	18	5,867 [3]	18	6,167 [3]	-9
Somalia [2]	29	14,500 [3]	21	10,600 [3]	26	12,850 [3]	24	11,950 [3]	-12

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(continued)

Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
South Sudan ^[2]	6	193.5	1	41.9	3	106.5	3	93.5	2
Sudan	250	723.5	193	560.3	213	618.0	231	669.3	-66
Syria	55	1,979 ^[3]	47	1,693 ^[3]	48	1,729 ^[3]	56	1,982 ^[3]	-27
Uganda	430	116.0	293	79.0	370	99.7	441	118.7	308
Yemen	7	62.9	0	3.4	2	13.8	6	49.1	12
LOWER-MIDDLE-INCOME	136,969	160.8	62,075	72.9	92,711	108.9	104,505	122.7	83,296
Angola	179	10.8	670	40.3	780	46.8	858	51.5	1,523
Bangladesh	5,339	701.3	3,205	421.0	3,498	459.5	4,956	650.9	761
Benin	96	515.1	55	296.2	69	370.4	81	434.9	18
Bhutan ^[2]	-6	-84.9	-7	-90.4	-6	-89.0	-7	-90.4	7
Bolivia	303	40.7	176	23.7	267	35.9	336	45.1	745
Cambodia	1,473	144.1	427	41.8	913	89.3	576	56.3	1,022
Cameroon	825	1,572 ^[3]	560	1,067 ^[3]	660	1,257 ^[3]	724	1,380 ^[3]	-50
Comoros ^[2]	1	700.0	0	300.0	0	500.0	0	400.0	0
Congo (Rep.)	460	239.2	754	392.0	770	400.8	715	372.1	-243
Côte d'Ivoire	1,002	147.4	460	67.6	675	99.3	816	119.9	664
Djibouti	9	151.6	5	87.1	6	103.2	8	130.6	6
Egypt	7,834	346.1	4,979	220.0	6,134	271.1	7,186	317.5	2,081
Eswatini ²⁹	-339	-69.7	-391	-80.4	-370	-76.1	-381	-78.4	486
Ghana	1,056	121.7	1,051	121.1	1,238	142.7	1,343	154.7	868
Guinea	-25	-15.3	-57	-34.2	-38	-22.8	-34	-20.5	166
Haiti ^[2]	1	150.0	1	100.0	1	100.0	1	150.0	0
Honduras	1,560	409.7	568	149.0	1,038	272.5	862	226.3	381
India	89,323	137.5	32,716	50.4	56,104	86.4	61,510	94.7	64,964
Kenya	1,955	376.5	1,060	204.2	1,332	256.5	1,655	318.8	519
Kiribati ^[2]	0	^[1]	0	^[1]	0	^[1]	0	^[1]	0
Kosovo	20	198.0	12	117.0	13	133.0	15	146.0	10
Kyrgyzstan	98	606.2	72	443.8	84	519.8	87	534.6	8
Laos	-31	-9.9	-85	-27.0	-36	-11.5	-61	-19.4	309

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²⁹**Note on Eswatini:** Eswatini's projected loss is driven by the exceptionally high profits US-headquartered multinationals report there — 94% of all multinational profit reported in Eswatini in 2022 — a pattern consistent with Coca-Cola's concentrate operation in the country. That operation has been documented as benefiting from a corporate tax rate of about 6% and financial secrecy (Sharife, 2015) and lies at the centre of Coca-Cola's transfer-pricing dispute with the US tax authorities (Foley and Meyer, 2024).

(continued)

Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
Lebanon	572	407.9	341	243.3	370	263.7	529	377.5	111
Lesotho [2]	54	90.8	15	24.9	39	65.8	16	26.9	59
Mauritania	52	1,681 [3]	36	1,155 [3]	38	1,242 [3]	48	1,555 [3]	-8
Morocco	3,876	189.2	1,344	65.6	2,427	118.5	2,394	116.9	2,048
Myanmar	1,829	333.9	1,031	188.3	1,370	250.3	1,454	265.5	524
Namibia	267	94.9	192	68.3	239	84.8	192	68.1	277
Nepal	197	122.4	80	49.6	97	60.1	179	111.4	161
Nicaragua	500	185.3	152	56.4	331	123.0	263	97.5	270
Nigeria	7,995	383.7	6,368	305.6	6,739	323.4	8,865	425.4	1,735
Pakistan	4,525	202.6	2,142	95.9	2,719	121.8	3,908	175.0	2,233
Palestine [2]	1	[1]	1	[1]	1	[1]	1	[1]	0
Papua New Guinea	562	147.2	1,066	279.5	1,170	306.7	1,020	267.2	198
Sao Tome and Principe [2]	8	[1]	8	[1]	8	[1]	8	[1]	-8
Senegal	251	54.0	132	28.4	218	46.7	247	53.0	389
Solomon Islands	-2	-29.1	-5	-63.3	-4	-45.6	-4	-51.9	8
Tajikistan	115	57,700 [3]	76	37,850 [3]	96	47,800 [3]	92	46,150 [3]	-4
Tanzania	1,260	1,236 [3]	808	792.5	948	929.9	1,112	1,090 [3]	84
Timor-Leste	-5	-34.8	-4	-27.1	-3	-21.3	-5	-30.3	14
Togo	37	118.9	14	44.9	29	92.0	24	76.9	31
Tunisia	1,694	495.8	703	205.6	1,112	325.3	1,079	315.7	342
Uzbekistan	823	4,423 [3]	569	3,057 [3]	580	3,117 [3]	813	4,370 [3]	-38
Vanuatu	-2	-4.3	-1	-1.2	0	0.6	-1	-1.4	6
Zambia	889	326.7	649	238.5	806	296.4	752	276.4	101
Zimbabwe	341	65.7	126	24.3	247	47.6	274	52.8	518
UPPER-MIDDLE-INCOME	285,572	19.1	51,380	3.4	173,748	11.6	155,208	10.4	1,480,553
Albania	160	453.4	100	283.0	116	329.5	139	393.7	17
Algeria	3,012	322.6	2,250	241.0	2,445	261.9	3,189	341.6	934
Argentina	10,191	81.9	5,477	44.0	7,192	57.8	8,673	69.7	12,438
Armenia	168	1,254 [3]	92	686.6	112	835.1	139	1,035 [3]	13
Azerbaijan	1,094	524.9	961	461.0	1,006	482.8	1,067	512.1	198
Belarus	858	370.6	476	205.7	527	227.6	765	330.3	232

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Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
Belize	0	7.1	-1	-31.0	-1	-21.4	0	-7.1	4
Bosnia and Herzegovina	302	125.7	111	46.1	166	69.4	219	91.3	240
Botswana	276	153.4	141	78.5	182	101.2	197	109.5	180
Brazil	26,395	27.3	3,110	3.2	17,565	18.2	15,138	15.7	96,651
Cabo Verde	-4	-9.1	-11	-23.7	-1	-1.5	-11	-23.9	45
China	64,022	5.8	-21,224	-1.9	19,799	1.8	12,539	1.1	1,099,162
Colombia	9,811	134.8	7,508	103.2	9,668	132.8	9,392	129.0	4,956
Cuba	94	449.3	55	264.1	57	273.2	90	431.1	21
Dominica [2]	1	400.0	0	200.0	0	250.0	0	250.0	0
Dominican Republic	1,286	81.5	210	13.3	653	41.4	743	47.0	1,579
Ecuador	1,907	168.1	1,030	90.8	1,292	113.8	1,592	140.3	1,134
El Salvador	959	155.5	246	39.8	598	97.0	465	75.5	616
Equatorial Guinea	-16	-13.1	11	8.6	15	12.3	20	16.6	114
Fiji	38	36.9	-4	-3.4	17	16.3	18	17.2	104
Gabon	107	29.4	242	66.6	267	73.4	254	69.8	250
Georgia	467	421.3	228	205.4	308	278.2	333	300.3	111
Grenada [2]	0	300.0	0	300.0	0	300.0	0	300.0	0
Guatemala	828	48.9	-73	-4.3	296	17.5	354	20.9	1,694
Indonesia	32,584	84.6	13,296	34.5	23,516	61.0	21,880	56.8	38,535
Iran	3,098	1,173 [3]	2,004	759.3	2,044	774.4	3,066	1,162 [3]	236
Iraq	3,655	951.7	2,605	678.5	2,668	694.8	3,727	970.5	325
Jamaica	805	710.5	525	463.5	642	566.2	641	565.8	-64
Jordan	391	79.8	177	36.1	265	54.2	346	70.5	490
Kazakhstan	1,528	34.8	1,327	30.2	1,892	43.1	1,936	44.1	4,389
Libya	508	627.0	590	727.6	611	753.6	668	823.3	36
Malaysia	1,396	4.1	-3,370	-9.9	-32	-0.1	-2,359	-7.0	33,878
Maldives	21	81.7	18	69.1	21	80.9	20	74.8	18
Marshall Islands	-383	-91.9	-167	-40.1	-162	-38.9	-225	-54.0	417
Mexico	27,561	33.3	-3,523	-4.3	16,219	19.6	8,856	10.7	82,826
Micronesia [2]	-347	-99.3	-346	-99.2	-346	-99.1	-346	-99.2	349
Moldova	250	1,033 [3]	114	471.5	176	726.4	157	647.1	24
Mongolia	163	145.7	112	100.3	140	125.6	144	129.0	57

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Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
Montenegro	86	420.6	87	427.0	98	479.9	86	419.6	-4
North Macedonia	432	313.5	214	155.2	297	215.5	278	201.6	137
Paraguay	384	81.5	243	51.6	315	66.9	367	77.9	366
Peru	4,458	64.8	5,476	79.6	7,084	102.9	5,614	81.6	6,881
Philippines	19,823	255.5	7,072	91.2	12,710	163.8	11,796	152.0	7,758
Saint Lucia	-30	-60.7	-30	-60.7	-29	-59.0	-26	-53.9	49
Saint Vincent and the Grenadines	-25	-87.3	-22	-74.2	-21	-72.5	-23	-78.0	29
Samoa	-64	-76.1	-62	-73.9	-62	-73.2	-62	-73.6	72
Serbia	1,519	90.0	438	26.0	835	49.5	796	47.1	1,688
South Africa	8,330	34.5	2,762	11.4	7,703	31.9	4,850	20.1	24,173
Sri Lanka	1,901	702.4	1,036	382.9	1,268	468.5	1,549	572.6	242
Suriname [2]	0	-4.5	-2	-34.1	-1	-25.0	-1	-18.2	4
Thailand	7,912	29.1	-2,864	-10.5	2,417	8.9	1,932	7.1	27,188
Tonga [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Turkmenistan	59	59,300 [3]	47	47,300 [3]	52	51,500 [3]	58	58,500 [3]	-3
Türkiye	7,802	33.3	724	3.1	3,212	13.7	5,413	23.1	23,411
Ukraine	5,383	254.7	3,024	143.1	3,909	185.0	4,434	209.8	1,545
Venezuela	11,749	[1]	11,175	[1]	11,382	[1]	11,598	[1]	-9,761
Vietnam	22,667	155.6	7,761	53.3	12,644	86.8	12,728	87.4	14,568
HIGH-INCOME	195,151	6.9	416,186	14.6	291,170	10.2	302,466	10.6	2,837,948
American Samoa	-26	-91.2	-26	-92.9	-26	-93.3	-26	-93.6	28
Andorra	61	1,806 [3]	61	1,803 [3]	60	1,774 [3]	60	1,779 [3]	-54
Antigua and Barbuda [2]	1	220.0	1	120.0	1	120.0	1	220.0	0
Australia	27,065	41.7	37,284	57.5	31,445	48.5	30,439	46.9	64,891
Austria	2,677	21.0	2,128	16.7	488	3.8	2,047	16.1	12,727
Bahrain	51	6.0	-117	-13.7	-78	-9.1	34	3.9	855
Belgium	6,378	18.1	32,554	92.5	23,450	66.6	14,371	40.8	35,195
Brunei	223	224.0	241	241.6	209	209.6	259	260.0	99
Bulgaria	1,836	75.6	691	28.4	1,139	46.9	1,160	47.7	2,431
Canada	-60,036	-28.4	-33,399	-15.8	-35,177	-16.6	-49,822	-23.5	211,576
Chile	527	2.4	2,222	10.0	3,441	15.5	651	2.9	22,271

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Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
Cook Islands [2]	9	[1]	9	[1]	9	[1]	9	[1]	-9
Costa Rica	1,722	72.3	265	11.1	882	37.1	500	21.0	2,380
Croatia	964	65.4	379	25.7	486	32.9	664	45.0	1,474
Czechia	6,338	52.6	2,228	18.5	3,101	25.7	3,611	30.0	12,055
Denmark	-22,133	-60.7	-14,446	-39.6	-16,954	-46.5	-18,355	-50.3	36,472
Estonia	550	128.6	277	64.7	312	72.9	431	100.7	428
Falkland Islands / Malvinas [2]	0	-33.3	0	33.3	0	-66.7	0	-66.7	0
Faroe Islands [2]	-5	-53.6	0	-3.1	-1	-14.4	-3	-32.0	10
Finland	6,408	124.2	6,578	127.5	3,736	72.4	5,448	105.6	5,159
France	62,790	55.2	61,194	53.8	57,741	50.7	64,910	57.0	113,808
French Guiana [2]	-1	-90.9	-1	-90.9	-1	-90.9	-1	-90.9	1
French Polynesia	-58	-60.7	-66	-69.6	-65	-68.0	-68	-71.4	95
Germany	26,698	14.7	43,845	24.1	29,631	16.3	30,192	16.6	181,724
Greece	1,342	34.8	695	18.0	1,018	26.4	1,264	32.8	3,701
Greenland [2]	-8	-31.0	-3	-10.3	-7	-25.7	-11	-43.3	26
Guadeloupe [2]	10	1,100 [3]	10	1,144 [3]	8	933.3	9	1000.0	-1
Guam	98	171.2	72	126.2	81	142.0	74	130.1	43
Guyana	-208	-52.4	-191	-48.3	-185	-46.8	-183	-46.2	294
Hungary	5,501	86.3	2,573	40.4	3,876	60.8	3,620	56.8	5,350
Iceland	626	464.9	770	571.7	738	548.3	736	546.0	-335
Israel	1,921	30.0	806	12.6	585	9.1	1,809	28.3	6,395
Italy	26,350	36.4	19,301	26.6	19,699	27.2	26,483	36.6	72,452
Japan	-117,176	-28.5	-65,140	-15.9	-76,805	-18.7	-97,037	-23.6	410,435
Kuwait	2,307	370.7	1,398	224.6	1,430	229.7	2,176	349.7	598
Latvia	735	264.4	462	166.1	504	181.3	616	221.6	276
Lithuania	651	48.6	221	16.5	341	25.5	412	30.8	1,339
Macao	-5,171	-63.2	-4,366	-53.4	-4,556	-55.7	-5,038	-61.6	8,010
Martinique [2]	4	4,200 [3]	4	3,600 [3]	3	2,900 [3]	4	3,700 [3]	0
Nauru [2]	0	-100.0	0	-66.7	0	-66.7	0	-66.7	0
New Caledonia	96	290.9	116	352.7	119	361.8	98	298.2	9
New Zealand	-1,257	-12.1	-2,651	-25.4	-3,138	-30.1	-2,195	-21.0	10,432

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Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m
Northern Mariana Islands [2]	81	10,150 [3]	97	12,125 [3]	91	11,412 [3]	86	10,812 [3]	-70
Norway	-3,737	-18.3	-457	-2.2	-2,243	-11.0	-2,512	-12.3	20,420
Oman	1,817	608.6	1,510	505.8	1,493	500.1	1,847	618.5	224
Palau [2]	-1	-50.0	-1	-50.0	-1	-50.0	-1	-61.1	2
Poland	24,058	163.9	13,196	89.9	16,572	112.9	18,039	122.9	14,682
Portugal	1,721	14.7	-504	-4.3	508	4.3	293	2.5	11,728
Qatar	3,571	1,433 [3]	2,559	1,027 [3]	2,472	992.5	3,507	1,408 [3]	243
Romania	12,988	221.2	7,135	121.5	9,111	155.1	9,432	160.6	5,873
Russia	49,529	1,330 [3]	32,707	878.0	35,693	958.2	45,710	1,227 [3]	3,417
Réunion [2]	10	538.9	7	372.2	7	377.8	10	538.9	2
Saint Kitts and Nevis	-57	-75.7	-56	-74.7	-55	-73.0	-56	-75.4	75
Saint Martin [2]	1	[1]	1	[1]	1	[1]	1	[1]	-1
San Marino [2]	0	-17.4	-1	-39.1	-1	-39.1	-1	-52.2	2
Saudi Arabia	-11,056	-22.4	-5,584	-11.3	-5,772	-11.7	-10,426	-21.1	49,464
Sint Maarten [2]	1	[1]	1	[1]	1	[1]	1	[1]	-1
Slovakia	2,495	55.8	853	19.1	1,475	33.0	1,516	33.9	4,471
Slovenia	565	40.7	396	28.6	357	25.7	420	30.3	1,387
South Korea	39,594	191.7	25,272	122.3	24,612	119.2	40,044	193.9	20,656
Spain	12,771	20.8	15,304	24.9	12,228	19.9	11,966	19.5	61,399
Sweden	12,728	96.4	10,731	81.3	8,103	61.4	12,118	91.8	13,204
Taiwan	6,231	25.2	1,350	5.5	1,405	5.7	4,663	18.9	24,713
Trinidad and Tobago	14	1.8	126	16.7	172	22.6	179	23.5	576
Turks and Caicos Islands [2]	20	[1]	23	[1]	20	[1]	19	[1]	-14
U.S. Virgin Islands	49	13.1	100	26.8	75	20.0	61	16.3	37
United Kingdom	1,861	1.1	-10,154	-6.0	-14,440	-8.6	-256	-0.2	168,198
United States	62,348	5.1	226,224	18.7	152,275	12.6	146,886	12.1	1,212,498
Uruguay	-312	-14.7	-626	-29.5	-527	-24.8	-428	-20.1	2,123
Wallis and Futuna [2]	-1	-75.0	-1	-75.0	-1	-75.0	-1	-75.0	1

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Country	Annual change in taxable profits under unitary taxation								Currently reported profits
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
TAX	-	-	-	-	-	-	-	-	-
HAVENS	625,217	73.7	535,954	63.2	564,820	66.6	569,433	67.2	820,168
Anguilla [2]	-7	-84.7	-7	-77.6	-7	-80.0	-7	-81.2	7
Aruba	-37	-41.6	-44	-49.4	-44	-49.3	-44	-49.7	88
Bahamas	-5,278	-93.7	-5,018	-89.0	-5,152	-91.4	-5,191	-92.1	5,558
Barbados	-6,836	-97.2	-6,157	-87.6	-6,150	-87.5	-6,296	-89.6	7,030
Bermuda	-36,440	-97.0	-34,304	-91.3	-34,479	-91.7	-34,886	-92.8	37,008
BIOT [2]	-2	-100.0	-2	-100.0	-2	-100.0	-2	-100.0	2
BVI	-37,156	-99.8	-32,351	-86.9	-32,432	-87.1	-33,631	-90.4	37,222
Cayman Islands	-56,185	-91.7	-52,332	-85.4	-53,062	-86.6	-53,861	-87.9	56,984
Curaçao	-734	-93.2	-747	-94.8	-746	-94.8	-737	-93.6	787
Cyprus	-3,002	-72.0	-3,204	-76.8	-3,212	-77.0	-3,194	-76.6	4,034
Gibraltar	-19,305	-99.8	-19,307	-99.8	-19,310	-99.8	-19,303	-99.8	19,346
Guernsey	950	602.3	1,082	685.4	1,037	657.0	1,017	644.4	-844
Hong Kong	-103,125	-77.9	-81,399	-61.5	-84,227	-63.6	-88,700	-67.0	132,374
Ireland	-69,267	-80.6	-63,039	-73.4	-64,079	-74.6	-63,969	-74.4	85,933
Isle of Man	-6,041	-97.6	-5,716	-92.4	-5,806	-93.8	-5,855	-94.6	6,172
Jersey	-8,052	-62.1	-7,799	-60.2	-7,809	-60.2	-7,858	-60.6	8,178
Liberia	69	30.6	94	41.9	118	52.5	94	42.0	34
Liechtenstein	-47	-33.7	55	39.2	-39	-28.0	-56	-39.9	140
Luxembourg	-3,600	-18.7	4,343	22.6	3,372	17.5	2,512	13.0	3,143
Malta	-4,973	-83.0	-4,828	-80.6	-4,839	-80.8	-4,828	-80.6	5,990
Mauritius	-2,846	-82.9	-2,898	-84.4	-2,822	-82.2	-2,852	-83.0	3,422
Monaco	-472	-73.7	-341	-53.2	-477	-74.3	-471	-73.5	641
Netherlands	-64,107	-59.1	-58,274	-53.7	-62,567	-57.7	-58,087	-53.5	108,521
Panama	-6,756	-67.0	-6,407	-63.6	-6,198	-61.5	-6,555	-65.0	10,081
Puerto Rico	-32,739	-90.5	-26,868	-74.2	-32,090	-88.7	-32,410	-89.6	36,187
Seychelles	-38	-82.5	-38	-83.6	-38	-83.8	-37	-81.8	46
Singapore	-94,519	-74.9	-79,875	-63.3	-84,624	-67.0	-88,468	-70.1	126,214
Switzerland	-69,259	-58.9	-56,043	-47.6	-63,486	-54.0	-60,680	-51.6	117,624
United Arab Emirates	4,586	52.9	5,470	63.1	4,350	50.2	4,924	56.8	8,246

Table 3. Change in corporate income tax revenue under unitary taxation

Notes: This table reports the estimated change in each country's corporate income tax revenue from multinational companies under unitary taxation, with resource-related profits excluded from the profit base. Taxable profits gained are taxed at the statutory corporate income tax rate; profits lost are valued at the effective rate that previously applied to them. The four apportionment formulas are defined in Box 2, with sales measured at destination. The percentage columns express the change relative to the tax currently collected from these multinationals (the final column). Monetary values are in millions of constant 2025 US dollars. The estimates are based on aggregate country by country reporting data from the OECD; because they cover only the multinationals for which data of sufficient quality are available, the values represent only a part of the total expected gains or losses. Group rows (in capitals) follow the World Bank income classification, with tax havens defined in Footnote 7 of the Introduction shown separately. Values are annual averages over 2016–2022, excluding 2020. [1] Percentage not calculated: the country's multinationals reported only losses, so the positive-profits base is zero. [2] after a country name: thin country by country reporting coverage — fewer than 10 reported country-cells, fewer than 3 reporting parent countries, or fewer than 4 of the 6 sample years underlie the estimate; interpret with caution. [3] after a percentage: extreme value (above 1,000% in absolute terms) — the country's net reported profit base is close to zero, so the ratio is denominator-driven; read the absolute change instead.

Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
US\$ m									US\$ m
LOW-INCOME	3,620	440.2	3,036	369.2	3,435	417.6	3,519	427.9	822
Afghanistan	17	96.1	12	66.9	13	71.9	17	93.3	18
Burkina Faso	12	70.2	1	3.5	7	40.9	6	34.5	17
Burundi [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Central African Republic [2]	1	111.1	1	88.9	1	100.0	1	100.0	1
Chad	52	259.8	62	314.1	64	321.6	61	307.5	20
DR Congo	769	225.8	898	263.8	1,026	301.2	897	263.6	340
Ethiopia	1,109	852.9	621	477.6	739	568.2	940	722.8	130
Gambia	4	137.0	1	33.3	2	85.2	2	66.7	3
Guinea-Bissau [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Madagascar	27	118.5	3	11.5	12	54.2	14	59.9	23
Malawi	47	186.1	12	49.6	29	113.9	26	102.8	25
Mali	77	386.5	68	341.5	72	361.5	77	383.0	20
Mozambique	1,040	1,555 [3]	987	1,475 [3]	1,048	1,566 [3]	1,021	1,526 [3]	67
Niger	31	285.3	53	482.6	59	538.5	51	469.7	11
North Korea [2]	-1	-34.2	-2	-57.9	-2	-39.5	-2	-47.4	4
Rwanda	38	1,056 [3]	21	594.4	26	733.3	31	863.9	4
Sierra Leone	6	263.6	5	222.7	5	240.9	6	250.0	2
Somalia [2]	9	2,900 [3]	6	2,133 [3]	8	2,567 [3]	7	2,400 [3]	0
South Sudan [2]	1	171.4	0	42.9	1	100.0	1	85.7	1
Sudan	202	237.9	153	181.1	171	201.8	184	217.6	85
Syria	16	15,500 [3]	13	13,300 [3]	14	13,500 [3]	16	15,500 [3]	0
Uganda	163	332.7	120	244.6	140	286.3	163	334.2	49
Yemen	2	41.7	0	2.8	0	8.3	1	30.6	4

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Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	
LOWER-MIDDLE-INCOME	60,884	215.9	28,902	102.5	41,249	146.3	47,079	167.0	28,196
Angola	233	44.0	656	124.0	717	135.5	727	137.4	529
Bangladesh	2,603	696.9	1,561	418.0	1,704	456.2	2,419	647.6	374
Benin	29	735.9	16	423.1	21	530.8	24	623.1	4
Bhutan [2]	-2	-112.5	-2	-118.8	-2	-118.8	-2	-118.8	2
Bolivia	119	114.8	81	77.7	101	97.4	118	113.2	104
Cambodia	309	186.8	102	61.9	196	118.8	132	79.7	165
Cameroon	452	603.6	306	408.4	361	481.8	396	529.4	75
Comoros [2]	0	300.0	0	200.0	0	200.0	0	200.0	0
Congo (Rep.)	362	186.1	585	300.5	598	307.2	556	285.9	195
Côte d'Ivoire	360	139.2	164	63.3	242	93.4	293	113.5	259
Djibouti	2	266.7	1	144.4	2	177.8	2	222.2	1
Egypt	1,924	535.8	1,268	353.2	1,527	425.2	1,782	496.4	359
Eswatini ³⁰	-22	-55.9	-31	-78.7	-28	-70.8	-30	-76.7	39
Ghana	377	197.4	368	192.5	431	225.4	465	243.6	191
Guinea	6	22.8	-2	-9.4	3	10.1	4	13.9	27
Haiti [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Honduras	475	460.4	174	168.3	316	306.8	263	254.8	103
India	43,240	193.7	17,439	78.1	27,277	122.2	30,791	137.9	22,326
Kenya	1,309	405.7	710	220.0	892	276.6	1,107	343.2	323
Kiribati [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Kosovo	2	87.0	1	52.2	1	56.5	2	65.2	2
Kyrgyzstan	10	1,089 [3]	7	800.0	8	933.3	9	966.7	1
Laos	19	63.5	6	20.1	16	52.9	11	38.9	29
Lebanon	207	372.2	124	223.3	135	241.7	192	344.7	56
Lesotho [2]	15	88.2	4	24.3	11	63.9	4	26.0	17
Mauritania	13	342.1	9	234.2	10	252.6	12	315.8	4
Morocco	1,555	209.9	544	73.4	976	131.8	963	130.0	741
Myanmar	540	439.5	316	257.1	411	334.7	428	348.3	123

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³⁰ **Note on Eswatini:** Eswatini's projected loss is driven by the exceptionally high profits US-headquartered multinationals report there — 94% of all multinational profit reported in Eswatini in 2022 — a pattern consistent with Coca-Cola's concentrate operation in the country. That operation has been documented as benefiting from a corporate tax rate of about 6% and financial secrecy (Sharife, 2015) and lies at the centre of Coca-Cola's transfer-pricing dispute with the US tax authorities (Foley and Meyer, 2024).

(continued)

Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
									US\$ m
Namibia	133	167.3	100	126.7	120	151.5	105	132.0	79
Nepal	57	116.2	23	47.4	28	57.3	52	105.7	49
Nicaragua	213	198.0	67	61.9	142	132.2	113	105.3	108
Nigeria	2,455	640.8	1,958	511.1	2,066	539.2	2,709	706.9	383
Pakistan	1,672	179.5	792	85.0	1,004	107.7	1,446	155.2	932
Palestine [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Papua New Guinea	215	263.0	399	488.0	436	534.1	382	467.2	82
Sao Tome and Principe [2]	2	[1]	2	[1]	2	[1]	2	[1]	0
Senegal	123	75.6	70	43.2	105	64.9	119	73.3	162
Solomon Islands	-1	-29.2	-2	-62.5	-1	-45.8	-1	-50.0	2
Tajikistan	25	957.7	16	634.6	21	796.2	20	769.2	3
Tanzania	522	1,284 [3]	335	823.1	393	966.1	461	1,133 [3]	41
Timor-Leste	0	-41.7	0	-33.3	0	-25.0	0	-41.7	1
Togo	13	110.0	5	40.8	10	85.0	8	70.8	12
Tunisia	649	767.4	275	325.5	429	507.3	417	492.9	85
Uzbekistan	107	4,108 [3]	73	2,815 [3]	75	2,873 [3]	106	4,062 [3]	3
Vanuatu	0	-0.0	0	-0.0	0	-0.0	0	-0.0	0
Zambia	470	514.1	343	375.3	426	466.4	398	434.9	91
Zimbabwe	91	77.9	37	31.3	66	56.7	74	63.3	117
UPPER-MIDDLE-INCOME	111,627	30.7	37,406	10.3	74,946	20.6	73,413	20.2	363,540
Albania	38	352.8	24	221.3	28	256.5	33	307.4	11
Algeria	2,203	2,219 [3]	1,676	1,688 [3]	1,809	1,822 [3]	2,345	2,362 [3]	99
Argentina	4,828	105.0	2,499	54.4	3,303	71.9	4,111	89.4	4,596
Armenia	32	854.1	17	467.6	21	567.6	26	708.1	4
Azerbaijan	222	527.3	197	466.6	206	487.9	218	516.8	42
Belarus	188	344.6	104	191.4	115	211.7	168	307.3	54
Belize	0	-6.2	0	-25.0	0	-25.0	0	-18.8	2
Bosnia and Herzegovina	38	152.6	14	57.8	21	85.3	28	112.4	25
Botswana	62	195.6	33	104.7	42	131.9	46	144.2	32
Brazil	16,509	62.2	6,577	24.8	11,640	43.8	12,041	45.3	26,552
Cabo Verde	1	20.5	0	-10.3	2	38.5	0	-10.3	4

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(continued)

Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
China	22,862	8.9	21	0.0	9,815	3.8	10,406	4.1	255,547
Colombia	6,934	194.8	5,080	142.8	6,454	181.4	6,436	180.9	3,559
Cuba	33	2,056 [3]	19	1,206 [3]	20	1,250 [3]	32	1,969 [3]	2
Dominica [2]	0	200.0	0	100.0	0	100.0	0	100.0	0
Dominican Republic	371	111.1	87	25.9	200	59.7	225	67.4	334
Ecuador	650	172.8	350	93.1	440	116.9	542	144.2	376
El Salvador	302	247.4	89	72.8	193	158.2	154	126.7	122
Equatorial Guinea	22	167.4	29	217.4	30	228.8	32	244.7	13
Fiji	8	47.8	0	-1.1	4	23.0	4	24.7	18
Gabon	69	39.5	136	77.8	147	84.3	142	81.2	174
Georgia	72	1,280 [3]	38	678.6	49	875.0	52	935.7	6
Grenada [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Guatemala	293	111.8	68	26.0	156	59.5	175	66.9	262
Indonesia	9,551	105.7	4,368	48.3	7,026	77.7	6,809	75.3	9,038
Iran	917	1,946 [3]	598	1,269 [3]	610	1,294 [3]	908	1,927 [3]	47
Iraq	1,326	1,397 [3]	967	1,019 [3]	989	1,042 [3]	1,357	1,430 [3]	95
Jamaica	314	587.1	204	382.2	250	467.6	249	467.0	53
Jordan	87	159.4	48	88.1	64	117.0	78	142.2	55
Kazakhstan	461	94.3	400	81.9	490	100.3	526	107.5	489
Libya	103	585.2	119	674.4	123	697.7	134	763.6	18
Malaysia	479	6.8	-676	-9.6	105	1.5	-417	-5.9	7,068
Maldives	6	103.4	5	88.1	6	103.4	6	94.9	6
Marshall Islands	-1	-75.0	0	-33.3	0	-33.3	-1	-50.0	1
Mexico	10,015	40.2	-1,566	-6.3	6,000	24.1	3,004	12.1	24,890
Micronesia [2]	-113	-204.9	-113	-204.7	-113	-204.5	-113	-204.7	55
Moldova	46	882.7	21	401.9	32	621.2	29	551.9	5
Mongolia	55	298.4	41	221.9	49	266.1	50	271.6	18
Montenegro	8	257.6	8	257.6	10	290.9	8	254.5	3
North Macedonia	88	332.7	43	164.3	60	228.5	56	214.4	26
Paraguay	69	139.6	46	93.1	56	112.8	64	130.7	49
Peru	1,524	104.9	1,746	120.1	2,247	154.6	1,835	126.2	1,454
Philippines	5,792	340.6	2,122	124.8	3,738	219.8	3,480	204.7	1,700

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Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
									US\$ m
Saint Lucia	0	-15.8	-1	-31.6	-1	-31.6	0	-10.5	2
Saint Vincent and the Grenadines	-3	-65.4	-3	-53.8	-3	-51.9	-3	-55.8	5
Samoa	3	38.8	4	42.4	4	44.7	4	43.5	8
Serbia	247	178.4	97	69.8	150	108.3	148	106.9	139
South Africa	8,881	85.1	5,203	49.9	8,056	77.2	6,880	66.0	10,430
Sri Lanka	675	1,101 [3]	378	616.6	459	748.5	553	902.4	61
Suriname [2]	0	-7.1	-1	-42.9	0	-28.6	0	-21.4	1
Thailand	2,093	42.7	-692	-14.1	671	13.7	571	11.7	4,900
Tonga [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Turkmenistan	5	100.0	4	80.9	4	87.2	5	100.0	5
Türkiye	1,701	24.1	-144	-2.0	567	8.1	1,052	14.9	7,043
Ukraine	2,555	344.8	1,533	206.9	1,899	256.2	2,138	288.5	741
Venezuela	3,995	3,133 [3]	3,800	2,980 [3]	3,870	3,035 [3]	3,943	3,093 [3]	128
Vietnam	5,012	158.1	1,790	56.4	2,833	89.4	2,842	89.6	3,171
HIGH-INCOME	139,912	20.7	183,015	27.1	148,263	21.9	165,167	24.4	675,995
American Samoa	-2	-57.1	-2	-64.3	-2	-64.3	-2	-64.3	3
Andorra	6	1,220 [3]	6	1,220 [3]	6	1,200 [3]	6	1,220 [3]	0
Antigua and Barbuda [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Australia	9,982	70.4	12,493	88.1	10,865	76.7	10,819	76.3	14,174
Austria	1,205	58.0	968	46.6	635	30.5	1,078	51.9	2,079
Bahrain	1	50.0	0	16.7	0	25.0	0	41.7	1
Belgium	2,766	33.0	10,489	125.3	7,844	93.7	5,136	61.4	8,368
Brunei	43	598.6	45	627.8	39	547.2	49	675.0	7
Bulgaria	206	87.1	81	34.2	128	54.4	133	56.5	236
Canada	1,120	3.2	3,206	9.0	2,455	6.9	2,092	5.9	35,519
Chile	1,080	29.1	1,291	34.8	1,610	43.4	1,040	28.0	3,707
Cook Islands [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Costa Rica	568	150.1	217	57.3	344	90.9	265	69.9	378
Croatia	214	96.0	96	42.9	117	52.6	156	70.2	223
Czechia	1,245	59.0	464	22.0	627	29.7	730	34.6	2,109
Denmark	-1,795	-31.9	-892	-15.9	-1,415	-25.1	-1,293	-23.0	5,626
Estonia	119	303.8	65	165.5	72	183.1	96	244.2	39

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Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
Falkland Islands / Malvinas [2]	0	-0.0	0	0.0	0	-0.0	0	-0.0	0
Faroe Islands [2]	-1	-150.0	0	-16.7	0	-50.0	-1	-100.0	1
Finland	1,756	120.0	1,828	124.9	1,019	69.6	1,486	101.5	1,464
France	25,487	77.3	22,472	68.1	21,621	65.5	25,394	77.0	32,991
French Guiana [2]	0	-75.0	0	-75.0	0	-75.0	0	-75.0	0
French Polynesia	-21	-70.2	-24	-80.6	-24	-78.9	-25	-82.9	30
Germany	17,722	43.1	18,362	44.7	14,550	35.4	17,751	43.2	41,097
Greece	436	47.8	238	26.1	330	36.2	406	44.5	912
Greenland [2]	-2	-39.0	-1	-13.6	-2	-32.2	-3	-54.2	6
Guadeloupe [2]	2	500.0	2	500.0	1	433.3	1	433.3	0
Guam	46	215.0	33	156.1	38	177.1	35	162.1	21
Guyana	48	743.8	48	743.8	48	757.8	49	767.2	6
Hungary	1,032	70.9	344	23.6	652	44.8	580	39.8	1,455
Iceland	154	795.4	190	977.8	182	938.1	181	934.0	19
Israel	544	31.4	231	13.3	169	9.7	509	29.3	1,733
Italy	10,916	58.1	7,647	40.7	7,878	42.0	10,812	57.6	18,773
Japan	-34,088	-27.1	-18,524	-14.7	-22,155	-17.6	-27,860	-22.2	125,738
Kuwait	357	1,220 [3]	224	763.5	228	776.8	339	1,157 [3]	29
Latvia	147	655.4	93	414.7	101	450.0	123	550.9	22
Lithuania	156	114.2	73	53.6	92	67.5	115	84.4	136
Macao	-975	-46.5	-680	-32.4	-736	-35.1	-922	-43.9	2,098
Martinique [2]	1	[1]	1	[1]	1	[1]	1	[1]	0
Nauru [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
New Caledonia	40	98.0	48	117.7	49	121.1	41	100.0	41
New Zealand	-220	-8.4	-612	-23.5	-752	-28.9	-475	-18.3	2,602
Northern Mariana Islands [2]	17	8,600 [3]	20	10,250 [3]	19	9,650 [3]	18	9,150 [3]	0
Norway	73	1.7	701	16.7	240	5.7	366	8.7	4,188
Oman	758	1,055 [3]	622	865.8	618	859.7	770	1,071 [3]	72
Palau [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Poland	5,736	178.2	3,149	97.9	3,949	122.7	4,305	133.8	3,218

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Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
Portugal	1,264	69.7	459	25.3	731	40.3	867	47.8	1,814
Qatar	1,062	6,176 [3]	762	4,431 [3]	739	4,294 [3]	1,036	6,020 [3]	17
Romania	2,900	234.6	1,586	128.3	2,025	163.8	2,127	172.1	1,236
Russia	15,147	1,355 [3]	10,052	899.0	10,884	973.4	14,081	1,259 [3]	1,118
Réunion [2]	2	150.0	1	100.0	1	100.0	2	150.0	1
Saint Kitts and Nevis	-4	-58.3	-4	-61.1	-4	-58.3	-4	-61.1	7
Saint Martin [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
San Marino [2]	0	-25.0	0	-50.0	0	-50.0	0	-50.0	0
Saudi Arabia	-1,768	-17.9	-791	-8.0	-840	-8.5	-1,664	-16.9	9,866
Sint Maarten [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Slovakia	627	104.3	284	47.3	392	65.3	433	72.1	601
Slovenia	303	73.0	212	51.1	201	48.5	239	57.7	414
South Korea	10,683	223.6	6,824	142.8	6,649	139.1	10,800	226.0	4,779
Spain	4,178	36.8	4,547	40.1	3,825	33.7	3,953	34.9	11,338
Sweden	4,465	122.7	3,800	104.4	3,085	84.7	4,276	117.5	3,640
Taiwan	1,570	37.9	536	12.9	574	13.8	1,222	29.5	4,147
Trinidad and Tobago	92	53.4	116	66.7	126	73.1	130	74.8	173
Turks and Caicos Islands [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
U.S. Virgin Islands	101	1,162 [3]	114	1,316 [3]	108	1,238 [3]	104	1,195 [3]	9
United Kingdom	16,872	70.7	13,222	55.4	12,358	51.8	16,237	68.0	23,871
United States	35,505	11.7	76,318	25.1	55,986	18.4	57,017	18.8	303,534
Uruguay	36	11.8	-37	-12.2	-19	-6.3	8	2.6	303
Wallis and Futuna [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
TAX HAVENS	-40,753	-58.5	-30,257	-43.4	-33,861	-48.6	-33,734	-48.4	69,674
Anguilla [2]	0	[1]	0	[1]	0	[1]	0	[1]	0
Aruba	-4	-29.6	-6	-40.8	-6	-40.1	-6	-40.1	14
Bahamas	-112	-88.1	-105	-82.6	-109	-85.8	-110	-86.7	127
Barbados	-76	-74.6	-67	-66.4	-67	-66.2	-68	-67.0	101
Bermuda	-489	-55.2	-439	-49.6	-443	-50.0	-452	-51.0	886
BIOT [2]	0	0.0	0	0.0	0	0.0	0	0.0	0
BVI	-496	-91.2	-428	-78.7	-429	-78.9	-446	-82.0	543

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Country	Annual change in corporate income tax revenue under unitary taxation								Currently collected tax revenue
	Sales & employees		CCCTB		Three-factor		Double-weighted sales		
	US\$ m	%	US\$ m	%	US\$ m	%	US\$ m	%	
									US\$ m
Cayman Islands	155	25.7	488	80.7	455	75.2	378	62.4	605
Curaçao	5	62.2	4	47.3	4	48.6	4	60.8	7
Cyprus	-70	-42.6	-94	-56.8	-96	-58.2	-93	-56.5	165
Gibraltar	-18	-103.9	-18	-103.9	-18	-103.9	-18	-103.9	18
Guernsey	321	900.6	364	1,023 [3]	349	981.2	343	962.6	36
Hong Kong	-9,365	-75.7	-6,789	-54.9	-7,131	-57.7	-7,712	-62.4	12,365
Ireland	-11,151	-81.9	-10,121	-74.3	-10,293	-75.6	-10,275	-75.4	13,620
Isle of Man	-30	-125.2	-29	-118.2	-29	-120.2	-29	-121.1	24
Jersey	-510	-533.8	-499	-522.2	-500	-522.5	-502	-524.8	96
Liberia	60	927.7	67	1,026 [3]	72	1,105 [3]	66	1,018 [3]	6
Liechtenstein	-9	-36.3	10	38.6	-8	-29.7	-11	-42.1	26
Luxembourg	1,246	37.6	2,939	88.8	2,719	82.1	2,539	76.7	3,311
Malta	-3,039	-834.8	-2,960	-812.8	-2,962	-813.6	-2,970	-815.7	364
Mauritius	-152	-46.2	-158	-47.9	-149	-45.3	-153	-46.5	329
Monaco	-46	-62.8	-31	-41.8	-50	-68.2	-46	-62.4	74
Netherlands	-3,155	-28.4	-2,274	-20.5	-3,014	-27.2	-2,105	-19.0	11,090
Panama	152	44.9	198	58.5	233	69.1	180	53.3	338
Puerto Rico	-547	-54.6	-54	-5.4	-548	-54.6	-532	-53.0	1,003
Seychelles	0	11.1	0	5.6	0	5.6	0	16.7	2
Singapore	-8,002	-69.2	-6,335	-54.8	-6,913	-59.8	-7,368	-63.7	11,564
Switzerland	-5,427	-42.0	-3,939	-30.5	-4,944	-38.2	-4,360	-33.7	12,934
United Arab Emirates	8	36.7	20	87.3	17	73.8	12	51.5	23

Table 4. Unitary taxation effects with and without resource rent correction

Notes: This table reports the estimated change in each country's taxable profits and corporate income tax revenue under different treatments of the resource sector: ignoring resource rights (the naive comparison) and granting resource rights priority over taxing rights (resource-related profits excluded — the baseline and main specification of this report); for tax revenue, additionally enforcing the minimum royalty floor (total revenue change; the royalty add-on — only the shortfall between a country's existing resource-rent capture and the floor — is shown separately in the 'Of which: royalty add-on' column). Preferred sales & employees formula with destination-based sales. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; profits lost are assumed to have previously been taxed at the effective tax rate applying to the profits concerned. Values are annual averages over 2016–2022, excluding 2020, in millions of constant 2025 US dollars. The estimates are based on aggregate country by country reporting data from the OECD; because they cover only the multinationals for which data of sufficient quality are available, the values represent only a part of the total expected gains or losses. Group rows (in capitals) follow the World Bank income classification, with tax havens defined in Footnote 7 of the Introduction shown separately. [2] after a country name: thin country by country reporting coverage — fewer than 10 reported country-cells, fewer than 3 reporting parent countries, or fewer than 4 of the 6 sample years underlie the estimate; interpret with caution.

Country	Change in taxable profits		Change in tax revenue			Of which:
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	royalty add-on
LOW-INCOME	7,218	7,525	2,371	3,620	4,124	507
Afghanistan	112	86	22	17	52	35
Burkina Faso	-64	26	-3	12	12	0
Burundi [2]	1	1	0	0	0	0
Central African Republic [2]	4	3	1	1	1	0
Chad	-10	126	-4	52	52	0
DR Congo	455	1,143	150	769	768	0
Ethiopia	1,620	1,416	513	1,109	1,122	14
Gambia	27	13	7	4	4	0
Guinea-Bissau [2]	2	2	0	0	0	0
Madagascar	133	127	29	27	43	16
Malawi	321	153	99	47	47	0
Mali	273	258	94	77	77	0
Mozambique	3,180	3,181	1,045	1,040	1,213	173
Niger	32	72	11	31	44	13
North Korea [2]	-1	-4	0	-1	28	29
Rwanda	148	127	44	38	41	3
Sierra Leone	20	20	6	6	6	1
Somalia [2]	54	29	16	9	9	0
South Sudan [2]	-4	6	-1	1	1	0
Sudan	323	250	113	202	404	203
Syria	66	55	18	16	35	20
Uganda	506	430	204	163	163	0

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(continued)

Country	Change in taxable profits		Change in tax revenue			Of which:
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	royalty add-on
Yemen	20	7	4	2	2	0
LOWER-MIDDLE-INCOME	132,924	136,969	51,662	60,884	63,206	2,515
Angola	-1,423	179	-412	233	233	0
Bangladesh	5,893	5,339	1,907	2,603	2,639	39
Benin	105	96	32	29	29	0
Bhutan [2]	-6	-6	-2	-2	-2	0
Bolivia	394	303	202	119	119	0
Cambodia	1,606	1,473	344	309	309	0
Cameroon	512	825	171	452	452	0
Comoros [2]	1	1	0	0	0	0
Congo (Rep.)	367	460	134	362	362	0
Côte d'Ivoire	1,141	1,002	286	360	360	0
Djibouti	11	9	3	2	2	0
Egypt	6,139	7,834	1,585	1,924	1,921	0
Eswatini	-317	-339	-64	-22	-22	0
Ghana	399	1,056	196	377	376	0
Guinea	-106	-25	6	6	166	160
Haiti [2]	1	1	0	0	0	0
Honduras	1,675	1,560	504	475	546	72
India	89,656	89,323	37,440	43,240	44,948	1,885
Kenya	2,230	1,955	792	1,309	1,316	8
Kiribati [2]	0	0	0	0	0	0
Kosovo	21	20	2	2	2	0
Kyrgyzstan	99	98	10	10	91	81
Laos	-149	-31	-2	19	96	77
Lebanon	751	572	183	207	207	0
Lesotho [2]	68	54	19	15	15	0
Mauritania	57	52	14	13	13	0
Morocco	4,485	3,876	1,412	1,555	1,554	0
Myanmar	1,988	1,829	492	540	649	110
Namibia	313	267	113	133	132	0
Nepal	229	197	59	57	56	0
Nicaragua	533	500	173	213	222	9

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(continued)

Country	Change in taxable profits		Change in tax revenue			Of which:
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	royalty add-on
Nigeria	6,748	7,995	2,468	2,455	2,453	0
Pakistan	5,352	4,525	1,695	1,672	1,671	0
Palestine [2]	2	1	0	0	0	0
Papua New Guinea	-532	562	46	215	215	0
Sao Tome and Principe [2]	8	8	2	2	2	0
Senegal	307	251	116	123	122	0
Solomon Islands	2	-2	0	-1	0	1
Tajikistan	17	115	2	25	69	44
Tanzania	1,036	1,260	343	522	528	6
Timor-Leste	-217	-5	-22	0	0	0
Togo	32	37	9	13	19	6
Tunisia	1,717	1,694	833	649	649	0
Uzbekistan	868	823	114	107	107	0
Vanuatu	1	-2	0	0	0	0
Zambia	771	889	400	470	470	0
Zimbabwe	136	341	56	91	108	17
UPPER-MIDDLE-INCOME	297,384	285,572	107,466	111,627	111,412	0
Albania	172	160	26	38	38	0
Algeria	832	3,012	322	2,203	2,201	0
Argentina	12,022	10,191	3,969	4,828	4,823	0
Armenia	207	168	39	32	32	0
Azerbaijan	-87	1,094	82	222	218	0
Belarus	924	858	178	188	188	0
Belize	1	0	0	0	0	0
Bosnia and Herzegovina	347	302	39	38	38	0
Botswana	126	276	34	62	62	0
Brazil	21,864	26,395	14,644	16,509	16,495	0
Cabo Verde	-3	-4	-1	1	1	0
China	102,264	64,022	39,214	22,862	22,738	0
Colombia	9,813	9,811	4,463	6,934	6,931	0

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Country	Change in taxable profits		Change in tax revenue			Of which: royalty add-on
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	
Cuba	98	94	34	33	33	0
Dominica [2]	1	1	0	0	0	0
Dominican Republic	1,504	1,286	450	371	371	0
Ecuador	1,418	1,907	397	650	650	0
El Salvador	1,054	959	333	302	302	0
Equatorial Guinea	-483	-16	3	22	22	0
Fiji	78	38	16	8	8	0
Gabon	-294	107	-84	69	69	0
Georgia	608	467	92	72	72	0
Grenada [2]	0	0	0	0	0	0
Guatemala	933	828	392	293	293	0
Indonesia	25,816	32,584	7,526	9,551	9,544	0
Iran	3,742	3,098	936	917	916	0
Iraq	2,960	3,655	837	1,326	1,326	0
Jamaica	855	805	234	314	313	0
Jordan	810	391	170	87	87	0
Kazakhstan	-851	1,528	14	461	460	0
Libya	-3,284	508	-1,428	103	103	0
Malaysia	-9,374	1,396	-1,158	479	471	0
Maldives	35	21	8	6	6	0
Marshall Islands	-377	-383	-1	-1	-1	0
Mexico	34,642	27,561	11,326	10,015	10,001	0
Micronesia [2]	-347	-347	-55	-113	-113	0
Moldova	260	250	38	46	46	0
Mongolia	146	163	44	55	54	0
Montenegro	98	86	10	8	8	0
North Macedonia	466	432	76	88	88	0
Paraguay	437	384	55	69	69	0
Peru	-4,202	4,458	-835	1,524	1,523	0
Philippines	21,762	19,823	6,372	5,792	5,789	0
Saint Lucia	-28	-30	-8	0	0	0

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Country	Change in taxable profits		Change in tax revenue			Of which: royalty add-on
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	
Saint Vincent and the Grenadines	-24	-25	-1	-3	-3	0
Samoa	-63	-64	6	3	3	0
Serbia	1,759	1,519	286	247	247	0
South Africa	6,755	8,330	3,483	8,881	8,868	0
Sri Lanka	2,095	1,901	551	675	674	0
Suriname [2]	1	0	0	0	0	0
Thailand	6,696	7,912	1,450	2,093	2,089	0
Tonga [2]	0	0	0	0	0	0
Turkmenistan	66	59	57	5	5	0
Türkiye	11,369	7,802	2,201	1,701	1,696	0
Ukraine	5,474	5,383	1,257	2,555	2,553	0
Venezuela	11,808	11,749	4,084	3,995	3,994	0
Vietnam	24,482	22,667	5,291	5,012	5,009	0
HIGH-INCOME	188,071	195,151	112,681	139,912	139,552	0
American Samoa	-24	-26	-9	-2	-2	0
Andorra	62	61	6	6	6	0
Antigua and Barbuda [2]	1	1	0	0	0	0
Australia	-16,340	27,065	-1,678	9,982	9,972	0
Austria	4,091	2,677	1,812	1,205	1,203	0
Bahrain	-48	51	0	1	1	0
Belgium	8,398	6,378	3,952	2,766	2,763	0
Brunei	239	223	47	43	43	0
Bulgaria	2,119	1,836	224	206	205	0
Canada	-66,660	-60,036	-2,823	1,120	1,106	0
Chile	-7,589	527	-327	1,080	1,078	0
Cook Islands [2]	9	9	0	0	0	0
Costa Rica	1,973	1,722	646	568	568	0
Croatia	1,138	964	223	214	214	0
Czechia	7,836	6,338	1,578	1,245	1,243	0
Denmark	-22,754	-22,133	-2,170	-1,795	-1,796	0
Estonia	633	550	155	119	119	0

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Country	Change in taxable profits		Change in tax revenue			Of which: royalty add-on
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	
Falkland Islands / Malvinas [2]	0	0	0	0	0	0
Faroe Islands [2]	-5	-5	-1	-1	-1	0
Finland	7,857	6,408	1,613	1,756	1,754	0
France	78,070	62,790	29,794	25,487	25,463	0
French Guiana [2]	-1	-1	0	0	0	0
French Polynesia	-56	-58	-15	-21	-21	0
Germany	43,138	26,698	21,478	17,722	17,696	0
Greece	1,784	1,342	736	436	435	0
Greenland [2]	-8	-8	-2	-2	-2	0
Guadeloupe [2]	10	10	2	2	2	0
Guam	105	98	26	46	46	0
Guyana	-204	-208	-50	48	48	0
Hungary	6,383	5,501	765	1,032	1,031	0
Iceland	658	626	141	154	154	0
Israel	2,504	1,921	623	544	543	0
Italy	36,400	26,350	12,475	10,916	10,904	0
Japan	-96,987	-117,176	-25,495	-34,088	-34,120	0
Kuwait	2,654	2,307	400	357	357	0
Latvia	859	735	172	147	147	0
Lithuania	817	651	172	156	156	0
Macao	-5,007	-5,171	-1,236	-975	-976	0
Martinique [2]	4	4	2	1	1	0
Nauru [2]	0	0	0	0	0	0
New Caledonia	70	96	21	40	40	0
New Zealand	657	-1,257	390	-220	-221	0
Northern Mariana Islands [2]	82	81	17	17	17	0
Norway	-24,686	-3,737	-8,599	73	71	0
Oman	1,487	1,817	290	758	758	0
Palau [2]	-1	-1	0	0	0	0
Poland	26,927	24,058	5,122	5,736	5,732	0

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Country	Change in taxable profits		Change in tax revenue			Of which:
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	royalty add-on
Portugal	2,506	1,721	1,803	1,264	1,262	0
Qatar	2,722	3,571	420	1,062	1,061	0
Romania	14,434	12,988	2,311	2,900	2,898	0
Russia	41,364	49,529	11,410	15,147	15,135	0
Réunion [2]	10	10	2	2	2	0
Saint Kitts and Nevis	-55	-57	-18	-4	-4	0
Saint Martin [2]	1	1	0	0	0	0
San Marino [2]	0	0	0	0	0	0
Saudi Arabia	-101,972	-11,056	-48,228	-1,768	-1,776	0
Sint Maarten [2]	1	1	0	0	0	0
Slovakia	3,108	2,495	766	627	627	0
Slovenia	658	565	313	303	303	0
South Korea	46,776	39,594	12,632	10,683	10,674	0
Spain	18,714	12,771	6,455	4,178	4,171	0
Sweden	16,437	12,728	3,724	4,465	4,459	0
Taiwan	9,131	6,231	2,184	1,570	1,567	0
Trinidad and Tobago	-133	14	121	92	92	0
Turks and Caicos Islands [2]	20	20	0	0	0	0
U.S. Virgin Islands	55	49	110	101	101	0
United Kingdom	15,731	1,861	13,252	16,872	16,837	0
United States	122,112	62,348	64,844	35,505	35,370	0
Uruguay	-144	-312	104	36	36	0
Wallis and Futuna [2]	-1	-1	0	0	0	0
TAX HAVENS	-625,598	-625,217	-17,005	-40,753	-40,753	17
Anguilla [2]	-7	-7	0	0	0	0
Aruba	-34	-37	-9	-4	-4	0
Bahamas	-5,262	-5,278	-24	-112	-112	0
Barbados	-6,817	-6,836	-57	-76	-76	0
Bermuda	-36,369	-36,440	-355	-489	-489	0

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Country	Change in taxable profits		Change in tax revenue			Of which: royalty add-on
	Resources ignored	Baseline (resources excluded)	Resources ignored	Baseline (resources excluded)	+ Minimum royalty	
BIOT [2]	-2	-2	0	0	0	0
BVI	-37,138	-37,156	-343	-496	-496	0
Cayman Islands	-56,099	-56,185	-230	155	155	0
Curaçao	-728	-734	6	5	5	0
Cyprus	-2,908	-3,002	43	-70	-70	0
Gibraltar	-19,303	-19,305	-111	-18	-18	0
Guernsey	962	950	22	321	321	0
Hong Kong	-100,413	-103,125	-5,400	-9,365	-9,367	0
Ireland	-67,585	-69,267	-7,911	-11,151	-11,152	0
Isle of Man	-6,027	-6,041	-257	-30	-30	0
Jersey	-8,030	-8,052	-48	-510	-510	0
Liberia	79	69	82	60	77	17
Liechtenstein	-43	-47	3	-9	-9	0
Luxembourg	-2,823	-3,600	7,606	1,246	1,245	0
Malta	-4,870	-4,973	-146	-3,039	-3,040	0
Mauritius	-2,784	-2,846	75	-152	-152	0
Monaco	-462	-472	-46	-46	-46	0
Netherlands	-59,280	-64,107	1,021	-3,155	-3,161	0
Panama	-6,484	-6,756	-13	152	152	0
Puerto Rico	-32,500	-32,739	-413	-547	-547	0
Seychelles	-35	-38	1	0	0	0
Singapore	-91,462	-94,519	-5,428	-8,002	-8,003	0
Switzerland	-64,448	-69,259	-2,644	-5,427	-5,431	0
United Arab Emirates	-14,727	4,586	-2,429	8	8	0

Table 5. Break-even effective tax rates of losers under unitary taxation

Notes: This table reports the effective tax rates at which countries losing tax revenue under unitary taxation would preserve their current tax revenues from multinationals. In both blocks, the break-even rate is the rate the country would need to apply to the entire profit base that unitary taxation allocates to it under each formula — including, for the headquarters-bias countries in the second block, the enlarged bases of foreign multinationals. The descriptive columns report the rates multinationals currently face: for tax havens the average effective rate, and for headquarters-bias countries the domestic effective rate (which explains why they lose), the effective rate on all multinational profit, and the statutory rate. Rates in %, pooled over 2016–2022 excluding 2020; preferred destination-based sales measure throughout. A blank break-even cell indicates that unitary taxation allocates the jurisdiction essentially no — or negative — profit under that formula, so no finite rate on the remaining base could reproduce its current revenue (for example Luxembourg under the sales & employees formula, whose booked profit rests on assets rather than on employees or local sales); aggregate rows omit a break-even rate because rates cannot be meaningfully averaged across countries. The figures for Japan and Saudi Arabia are affected by the imperfect removal of resource-related taxation — see the main text. The estimates are based on aggregate country by country reporting data from the OECD. [2] after a country name: thin country by country reporting coverage — fewer than 10 reported country-cells, fewer than 3 reporting parent countries, or fewer than 4 of the 6 sample years underlie the estimate; interpret with caution.

Panel A. Tax havens

Country	Current tax rate (%)			Break-even ETR (%)		
	ETR	Statutory CIT	Sales & employees	CCCTB	Three-factor	Double-weighted sales
Anguilla [2]	0.0	0.0	0.0	0.0	0.0	0.0
Aruba	18.7	25.0	32.5	37.6	37.5	37.9
Bahamas	2.7	0.0	53.9	28.0	37.2	41.1
Barbados	1.4	13.9	51.9	11.6	11.5	13.8
Bermuda	2.2	0.0	143.1	30.1	32.2	38.3
BIOT [2]	0.0	0.0	0.0	0.0	0.0	0.0
BVI	1.1	0.0	642.8	8.8	8.9	11.9
Cayman Islands	2.3	0.0	161.5	27.7	32.9	41.3
Curaçao	1.2	22.0	18.1	24.0	23.8	19.3
Cyprus	10.7	12.5	42.0	52.1	52.7	51.5
Gibraltar	0.2	0.0	78.1	82.1	88.2	74.9
Hong Kong	10.4	16.5	46.9	26.9	28.5	31.4
Ireland	18.3	12.5	94.1	68.5	71.8	71.4
Isle of Man	0.5	0.0	22.8	6.6	8.2	9.4
Jersey	5.4	0.0	349.2	115.8	118.9	137.5
Liechtenstein	18.9	12.5	28.5	13.6	26.2	31.4
Luxembourg	17.0	26.0		7.2	8.2	9.5
Malta	57.9	5.0	341.2	298.5	301.5	298.7
Mauritius	10.7	15.0	63.8	70.2	61.3	64.5
Monaco	12.5	30.1	47.6	26.8	48.8	47.3
Netherlands	13.6	25.1	33.3	29.5	32.2	29.4
Panama	6.0	25.0	18.1	16.4	15.5	17.1
Puerto Rico	2.6	38.1	27.6	10.2	23.2	25.2

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Country	Current tax rate (%)			Break-even ETR (%)		
	ETR	Statutory CIT	Sales & employees	CCCTB	Three-factor	Double-weighted sales
Seychelles	3.0	29.3	17.3	18.6	18.8	16.8
Singapore	9.2	17.0	36.7	25.1	27.9	30.8
Switzerland	10.4	20.7	25.2	19.8	22.5	21.4

Panel B. Headquarters-bias countries

Country	Current tax rate (%)				Break-even rate (%)		
	ETR (domestic MNEs)	ETR (all MNEs)	Statutory CIT	Sales & employees	CCCTB	Three-factor	Double-weighted sales
Japan	30.5	30.5	29.8	42.6	36.3	37.5	39.9
Denmark	14.7	15.3	22.0	38.8	25.3	28.6	30.8
Saudi Arabia	20.0	20.0	20.0	26.0	22.7	22.8	25.6

Annex A: A proposal for the fair allocation of taxing rights

The following reproduces the Global Alliance for Tax Justice's proposed treaty text on the fair allocation of taxing rights (referenced below as Article 4). Article 4

FAIR ALLOCATION OF TAXING RIGHTS

1. Except as otherwise expressly provided in this Convention or any of its Protocols, every jurisdiction where economic activity takes place, has the right to tax the income or wealth generated from such economic activities within its jurisdiction.
2. The Conference of the Parties shall assess the fairness of allocation of taxing rights in relation to all types of taxation with potential cross-boundary effects. Based on such assessments the Conference of the Parties shall adopt further measures, as appropriate, and with the aim of promoting the fulfillment of the objectives of this Convention.

Comments on Article 4: Fair allocation of taxing rights

While there is a lot of focus on taxation of multinational enterprises and High-Net Worth Individuals, it is important that the UN Tax Convention covers all types of taxes with transboundary effects. The suggested paragraph 4.2 aims to address this point.

Article 4 bis

EQUITABLE TAXATION OF MULTINATIONAL ENTERPRISES

1. The Conference of the Parties shall initiate a transparent and party-driven negotiation process to develop a new international system to ensure fair, equitable, progressive, transparent and effective taxation of multinational enterprises, in accordance with the objectives and principles of this Convention. This process shall be open to participation by all Parties and observers.
2. The agreed outcome of the process mentioned in paragraph 1 of this Article shall:
 - (a) Provide an international system to prevent illicit financial flows stemming from corporate tax avoidance and evasion;
 - (b) Ensure that multinational enterprises are taxed as coherent entities, with taxes being paid in the States where economic activity takes place;
 - (c) Serve to reduce inequality within and among States, and prevent harmful tax practices;
 - (d) Provide an international system for taxing multinational enterprises on the basis of their global consolidated profits, with taxing rights being allocated fairly between States on the basis of an agreed formula; and



(e) Include a mechanism to implement an effective global minimum corporate tax rate at a level high enough to prevent an international race to the bottom on corporate tax rates.

3. When developing the formula for fair allocation of taxing rights under paragraph 2(d) of this Article, the Conference of the Parties shall consider sector-specific circumstances and the option of introducing a system which applies different allocation criteria for different sectors;

4. The Conference of the Parties shall develop and adopt the rules and procedures for the full operationalization of this Article no later than its fourth meeting. In doing so, it shall be informed by the country by country reports which will be published in accordance with Article 6 ter of this Convention.

5. The rules and procedures adopted under paragraph 3 of this Article shall be subject to regular reviews by the Conference of the Parties, which shall also decide a timeline for such reviews.

Comments on Article 4 bis: Equitable taxation of multinational enterprises

Article 4 bis relates directly to paragraph 10(a) of the ToR, which foresees a commitment on fair allocation of taxing rights, including in relation to equitable taxation of multinational enterprises (Multinationals).

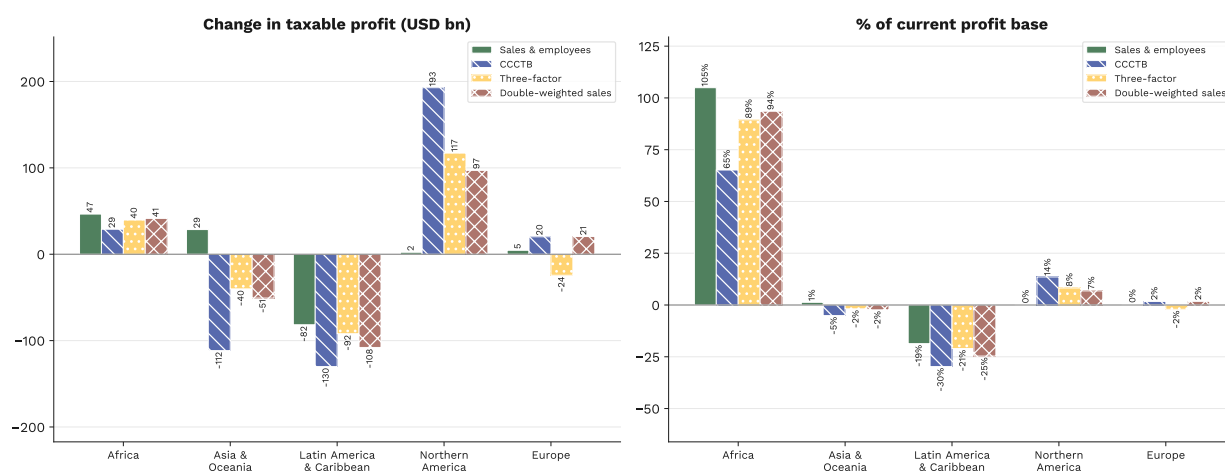
The draft “template” for the UN Tax Convention, which was published on 24 October 2025, does not include a specific paragraph on taxation of Multinationals. Instead, references to corporate taxation are scattered throughout the text, and in some cases, it is unclear whether the draft text refers to corporate taxation or not. Article 4 bis would increase the clarity and improve the structure of the Convention by introducing a specific Article on the issue of taxation of Multinationals.

In terms of the approach to taxation of Multinationals, one key aim of the Convention would be to replace the transfer pricing system and develop a new international corporate tax system that would ensure that Multinationals are taxed as coherent entities and that a minimum effective corporate tax rate is introduced. Article 4 bis mandates an intergovernmental negotiation under the Convention to develop such a system.

Annex B: Results by world region

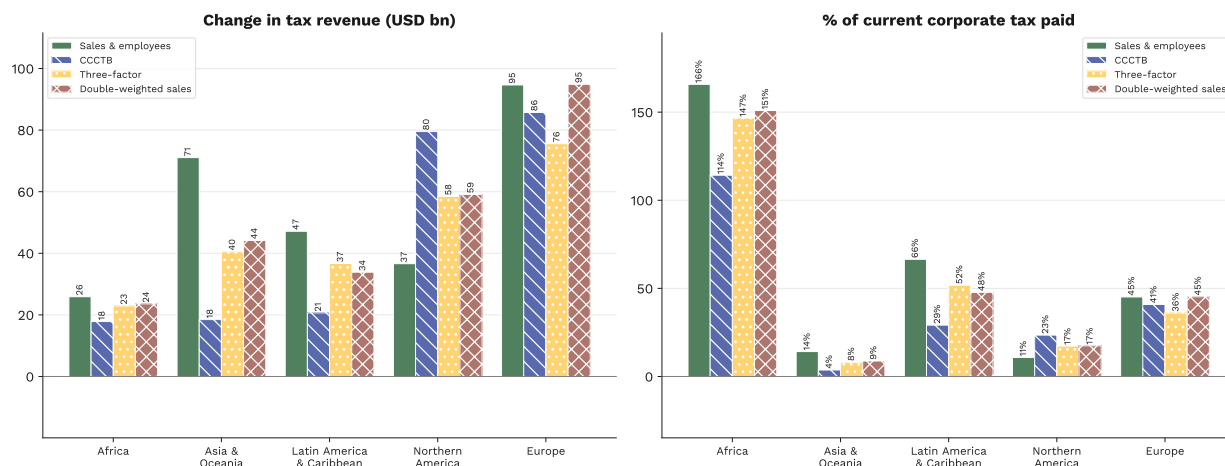
This annex reproduces the report's income-group figures grouped by world region instead. Each figure corresponds to the identically titled figure in the main text; the estimation samples, formulas and tax-rate assumptions are unchanged.

Figure B1. Change in taxable profits under unitary taxation, by world region



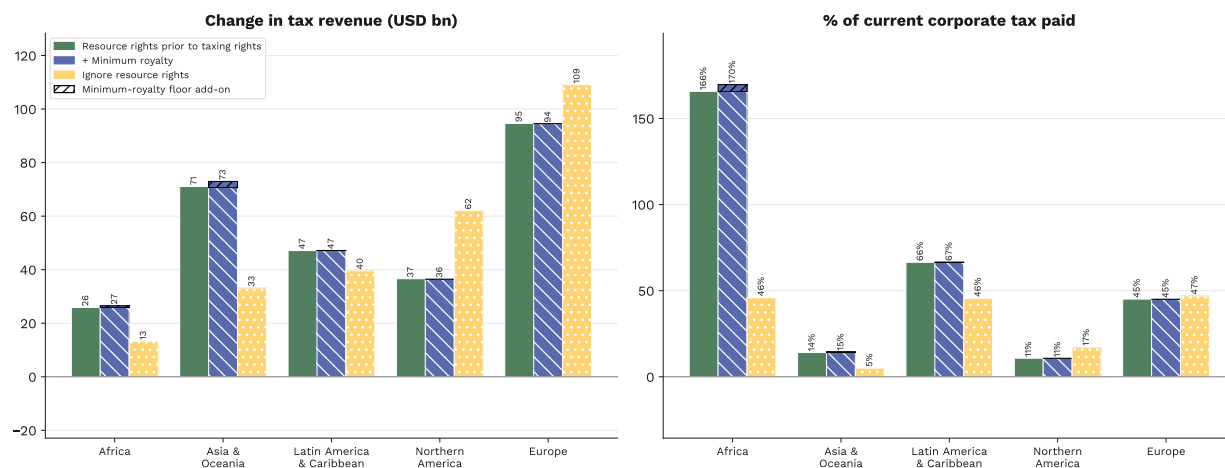
Notes: This figure reports the estimated change in taxable profits under unitary taxation by world region. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. The modelled formulas are defined in Box 2. The percentage panel expresses the change relative to the current profits reported by the multinationals in each region. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Regions follow the World Bank regional classification. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying methodology note.

Figure B2. Change in corporate income tax revenue under unitary taxation, by world region



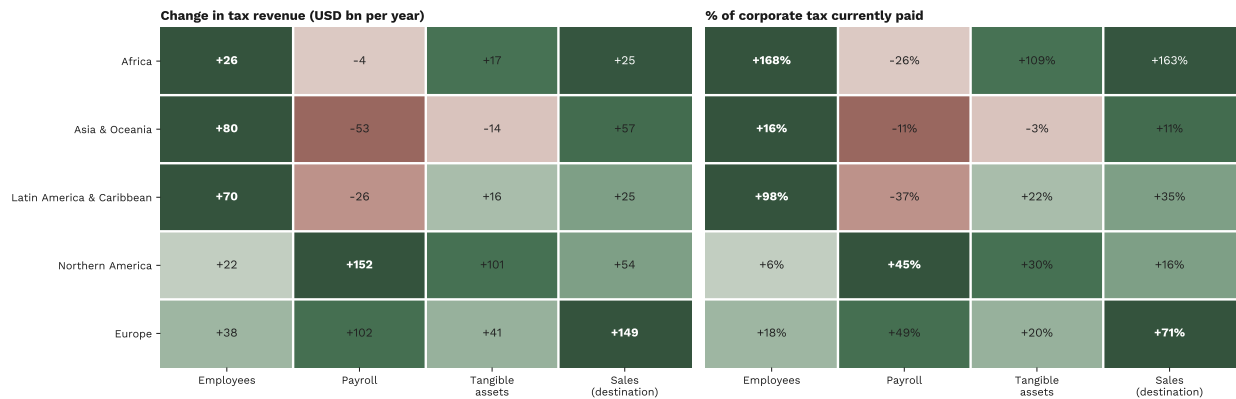
Notes: This figure reports the estimated changes in tax revenue under unitary taxation by world region. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. The modelled formulas are defined in Box 2. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each region's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Regions follow the World Bank regional classification. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying [methodology note](#).

Figure B3. Estimated change in tax revenue with different resource treatment, by world region



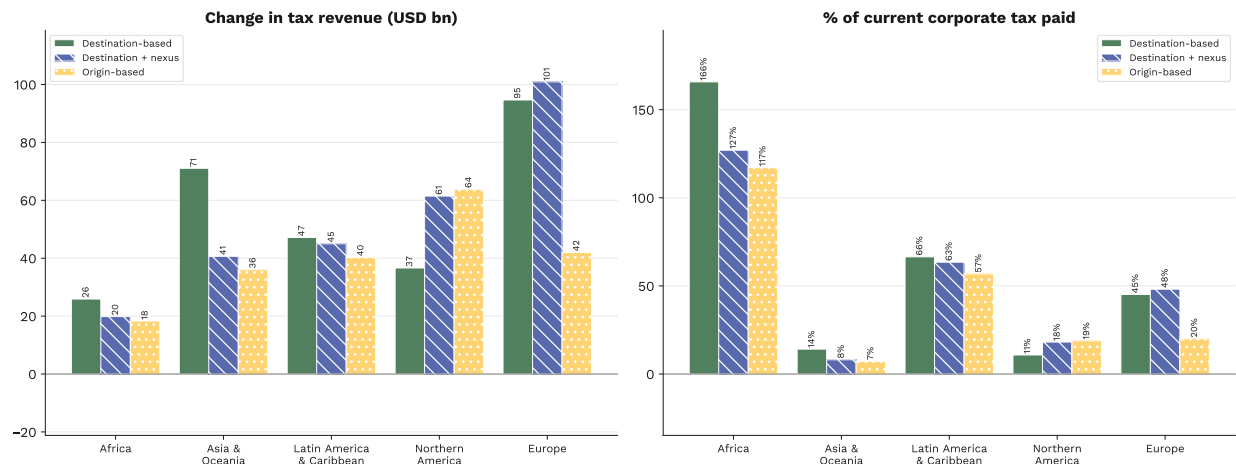
Notes: This figure reports the estimated changes in tax revenue under unitary taxation by world region, separately for estimation scenarios that treat resource rights as prior to taxing rights (the specification of this report), additionally add a minimum royalty (only the shortfall between a country's existing resource-rent capture and the royalty floor is added), and ignore resource rights. The estimates are based on aggregate country by country reporting data from the OECD and allocate taxable profits 50% based on employees, 50% based on destination-based sales. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; losses are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each region's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Regions follow the World Bank regional classification. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Details of the data and methodology are provided in the accompanying [methodology note](#).

Figure B4. How each factor benefits or harms different world regions



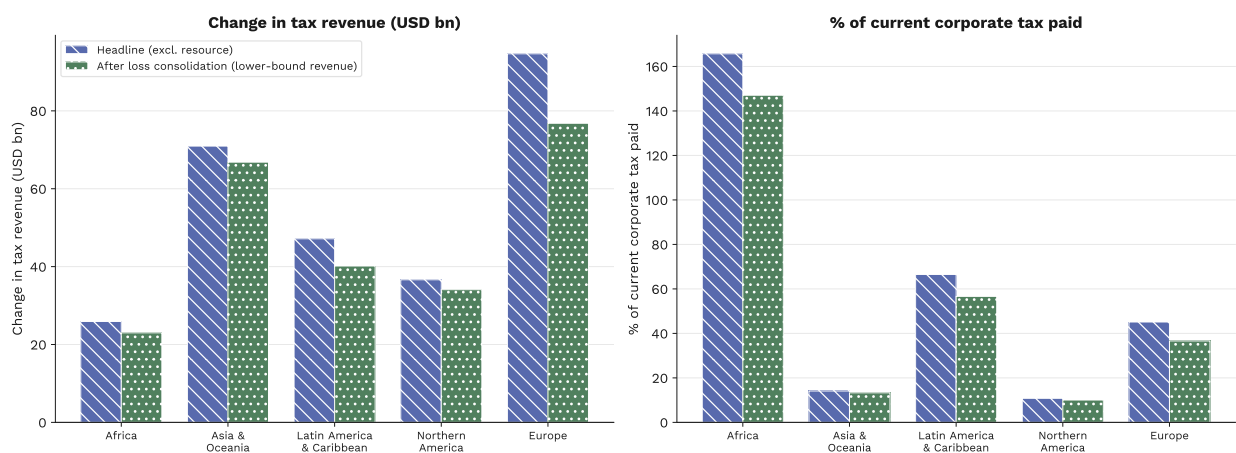
Notes: This figure reports the estimated change in tax revenue by world region if multinationals' taxable profits were apportioned according to a single factor alone. The figure illustrates the building blocks of any formula rather than a policy proposal. The Tax Justice Network's *Unitary Taxation Explorer* allows you to estimate the revenue effects of any combination of the factors. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. Sales are measured at destination, using our preferred destination-based measure. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each region's current tax revenues from multinationals in the data. Shading is scaled within each row, so the darkest cell marks each region's own largest gain or loss (printed in bold); green denotes gains, red losses. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Regions follow the World Bank regional classification. Details of the data and methodology are provided in the accompanying *methodology note*.

Figure B5. Change in tax revenue by world region: origin- versus destination-based sales



Notes: This figure compares the estimated change in tax revenue by world region under three ways of measuring the sales factor, holding the formula fixed at 50% employees and 50% sales. Destination-based sales reallocate revenues to the countries where goods and services are consumed, estimated as the local sales of multinationals across all sectors (OECD Analytical AMNE) plus the multinational share of imports of digitally deliverable services (OECD-WTO BoTIS). The nexus-adjusted variant reduces each market's share in proportion to the multinational groups without a legal presence in that market, approximating a taxable-presence requirement. Origin-based sales are measured at the selling entity and captured by multinationals' unrelated-party revenues as reported in the country by country reporting data. Resource-related profits are excluded from the unitary taxation profit base. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each region's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Regions follow the World Bank regional classification.

Figure B6. Revenue adjustment for cross-border loss consolidation, by world region



Notes: This figure reports the estimated changes in tax revenue from unitary taxation by world region, with and without an adjustment for cross-border loss consolidation, based on a formula that is 50% based on destination-based sales and 50% based on the number of employees. Under unitary taxation, the losses of some group members offset the profits of others within the consolidated tax base, reducing taxable profits compared with the profits currently reported under separate accounting. Our headline estimates already apportion this consolidated profit base; the adjustment shown here captures the largest additional effect that loss consolidation could have, by assuming that no offsetting at all is possible under the current system. The adjusted bars credit zero tax on all reported losses — a loss-making operation pays no tax, but is not refunded. As losses can currently already be carried forward (and, sometimes, backward) and offset against future profits, the adjustment overstates the revenue reduction, so the adjusted bars represent a lower bound on expected revenues. The estimates are based on aggregate country by country reporting data from the OECD. Resource-related profits are excluded from the unitary taxation profit base. Taxable profits gained under unitary taxation are assumed to be taxed at the statutory corporate income tax rate after having offset losses; profits lost are assumed to have previously been taxed at the country's average effective tax rate, distinguishing between domestic and foreign profits. The percentage panel expresses the change relative to each region's current tax revenues from multinationals in the data. Because the estimates are based only on the sample of multinationals for which data of sufficient quality are available in the OECD data, the dollar values represent only a part of the total expected gains or losses. Estimates are based on the reported sample for 2016–2022, excluding 2020. Monetary values are expressed in constant 2025 US dollars. Regions follow the World Bank regional classification.