NOVEMBER 2026

WHAT THEY DO IN THE SHADOWS

Why Canada needs corporate tax transparency



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About Canadians for Tax Fairness

Canadians for Tax Fairness is a non-profit, non-partisan organization that advocates for fair, progressive tax policies in order to build a strong, sustainable and equitable economy, and support quality, well-funded public services.

About Échec aux paradis fiscaux

Founded in 2010, Échec aux paradis fiscaux is a Québec coalition of civil society organizations from the labour, student, community, and economic sectors, representing nearly 1.7 million members. The coalition works to advance public debate on tax havens and to develop, support, and promote solutions to end their use. Its activities include public education, engagement with elected officials, and popular mobilization.

Cover image: Bob Price/Pexels [2017].

EXECUTIVE SUMMARY

We examine the transparent tax reports of five multinationals spanning mining, shipping, and professional services to determine the scale of profit shifting and tax haven abuse.



Global shipping behemoth Maersk recorded nearly as much profit in Bermuda as in Canada, despite having 563 employees in Canada and only a single employee in Bermuda. Image Credit: Wolfgang Weiser/Pexels [2024].

Corporate tax haven abuse is still a significant problem for Canada. Unfortunately, it is difficult to estimate the true scale of the problem because, unlike the European Union and Australia, Canada does not require multinational corporations to publicly disclose where they book their profits. For the few multinationals that operate in Canada and have publicly available data, this report estimates the scale of their profit shifting into or out of Canada and tax havens.

There is a significant mismatch between the share of profits that transparent multinationals report in Canada and the share of employees and tangible assets they report in Canada. We estimate that just 26 multinational corporations have shifted $45B of profits out of Canada and $89B into tax havens since 2018. Had these corporations recorded their profits in Canada in accordance with their real economic activity, Canada could have raised an additional $12B in corporate income tax revenue.

We provide a detailed look at the transparent tax reports of Rio Tinto, Maersk, Randstad, Adecco, and Anglo American — five multinational corporations which operate in Canada and span the mining, shipping, and professional services industries. Each of them reports far more profits in tax haven jurisdictions than is expected based on where their employees and tangible assets are located. Rio Tinto reported 26% of its employees in Canada but only 8% of its profits. Maersk shifted nearly $3B in profits to each of Singapore and Hong

Kong, where it pays tax rates of 0.4% and 1.2%, respectively. Randstad shifted nearly $3.6B in profits to Singapore, Switzerland and Luxembourg, three tax havens where it pays an effective tax rate less than 10%.

This evidence makes it clear that multinationals that operate in Canada are still able to choose where to book their profits strategically to minimize their tax obligations instead of paying taxes where they actually operate. To truly tackle this problem, Canada must modernize its transparency laws so that the public can understand the full scale of the corporate tax abuse of multinational corporations.

As Canada looks to strengthen its ties with the world outside of the United States, taking action on corporate tax transparency presents an opportunity for multilateral cooperation. By matching Australia's landmark transparency legislation and fully supporting the democratic United Nations Tax Convention process, Canada can be a leader on the world stage.

The OECD/G20 process to combat corporate tax abuse has failed — it resulted in Canada's implementation of a global minimum corporate tax that has not meaningfully changed corporate behaviour. A fair, transparent and standard formula to allocate profits across countries is sorely needed. This would raise billions in public revenue and restore public faith in Canada's tax system.



Rio Tinto claims to be the "largest mining and metals company in Canada". Our analysis estimates that over seven years they shifted $23.8 billion in profits out of Canada. Image Credit: Pixabay/Pexels [2016].

INTRODUCTION

When it comes to corporate tax transparency, Canada is falling further and further behind other developed economies. Following international best practices, the European Union (EU) and Australia have both fully implemented legislation that requires multinational corporations to publicly disclose their revenue, profits, and employees across different jurisdictions.[1] Even Donald Trump's United States updated its corporate tax transparency laws last year, and US corporations now disclose more information about where they are booking their profits than Canadian ones.[2] Why does this matter?

Because corporate tax abuse is still a massive problem, both globally and for Canada in particular. Despite decades of international agreements aimed at combatting the problem, a recent report by the Tax Justice Network found that profit shifting costs governments worldwide $400-$700 billion annually.[3] Tax haven abuse continues to run rampant amongst Canadian corporations, which have an incredibly disproportionate amount of assets in tax havens.[4] In 2025, TSX 60 companies alone avoided $9.6 billion in taxes by recording profits in lower-tax jurisdictions. Unfortunately, because Canada has such lax tax transparency laws, it's very difficult for Canadians to know exactly which corporations are engaging in this behaviour and which tax havens they're using. This makes bringing attention to the issue and advocating for policy change extremely challenging.

However, often due to pressure from stakeholders, some multinationals that operate in Canada voluntarily share their revenues, profits, employees, and taxes paid by jurisdiction, including Canada. In this report, we explain what this data shows and what we could learn if Canada had true corporate tax transparency, like many other jurisdictions around the world.

What is corporate tax abuse and why is it a problem?

Corporate tax abuse is a term that encompasses the various ways that corporations structure their operations in order to avoid paying the taxes that they would owe if they were abiding by the spirit of tax laws. Although corporate tax abuse is sometimes illegal (tax evasion), it is often completely legal, exploiting loopholes in national tax laws and differences in tax laws across countries (tax avoidance). Large multinational corporations

1 KPMG. (2026). *Public Country-by-Country Reporting: Implementation state of play.* **https://kpmg.com/kpmg-us/content/dam/kpmg/taxnewsflash/pdf/2026/public-cbc-implementation-tracker.pdf**

2 FASB. (2023). *Accounting standards update: Improvements to income tax disclosures.* No. 2023-09. **https://www.fasb.org/page/document?pdf=ASU%202023-09.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202023-09%E2%80%94Income%20Taxes%20(Topic%20740):%20Improvements%20to%20Income%20Tax%20Disclosures**

3 Schultz, A., & Cobham, A. *A 500-billion-dollar decision for the world: the revenue impacts of global unitary taxation.* Tax Justice Network. **https://taxjustice.net/reports/a-500-billion-dollar-decision-for-the-world-the-revenue-impacts-of-global-unitary-taxation/**

4 Xuereb, S., & Santalo, F. (2025). The rise and rise of tax havens. Canadians for Tax Fairness. **https://www.taxfairness.ca/sites/default/files/2025-07/Rise_Of_Tax_Havens_Report_July2025_0.pdf**

have ample opportunity to engage in such behaviour because they can structure their operations across countries to minimize their tax obligations. Such corporations often have entire departments dedicated to this work since it can lead to billions of dollars in tax savings — and billions in lost revenue for governments to fund public services and infrastructure.

Corporate tax abuse often involves the use of tax havens: jurisdictions which provide low corporate tax rates, often coupled with minimal transparency, in order to attract multinationals to incorporate shell companies within their borders. There is no universally accepted definition of tax havens, and jurisdictions are best thought of along a spectrum of the extent to which they enable corporate tax abuse. Nonetheless, to show the extent to which multinationals operating in Canada use tax havens, this report identifies 15 jurisdictions as tax havens: the 14 highest-ranked jurisdictions on the Tax Justice Network's Corporate Tax Haven Index,[5] plus Barbados, which is not on the Index but is widely considered a common tax haven for Canadian corporations.

One of the principal ways corporate tax abuse takes place is through *profit shifting*. Profit shifting occurs when a multinational corporation shifts its profits from the location of real economic activity to lower-tax jurisdictions. This lowers their overall tax bill because their profits are taxed at a lower rate in the tax haven than in the jurisdiction where the profits were actually generated. Although there are some legal restrictions on profit shifting, there are many legal ways that corporations shift profits, including transfer mispricing and intra-group lending.[6]

It is important to note that the designation of a tax haven is not meant to place blame on the citizens of those jurisdictions. Becoming a tax haven is rarely, if ever, the result of democratic processes. Instead, laws that enable corporate tax abuse are typically implemented as the result of pressure from multinational corporations or other wealthy elites, often from the Global North. As Professor Alain Denault has outlined, Canadian banks in particular played a significant role in shaping tax laws in many Caribbean jurisdictions that are now considered tax havens.[7] The City of London and its banking and finance sector have also been instrumental in setting up and maintaining a global network of tax havens.

The influence of corporations on tax law today also should not be underestimated. Through widespread lobbying, multinational corporations secure significant tax

5 Tax Justice Network. (2026). *Corporate Tax Haven Index.* **https://cthi.taxjustice.net**

6 Transfer prices are the prices of goods and services sold between related companies. Because these goods and services are not sold on a real market, companies have flexibility in choosing their price, allowing for profit shifting. Multinationals can also use intra-group financing to shift profits by choosing the interest rate one related company pays to another to minimize their tax obligations.

7 Deneault, A. (2015). *Canada: A new tax haven. How the country that shaped Caribbean offshore jurisdictions is becoming one itself,* Talonbooks.

concessions at both the domestic and international levels. The disproportionate influence that large corporations have on tax law is a significant threat to public trust in our institutions and needs to be tackled head-on through tax transparency and a level playing field for lobbying.[8] Only through transparency and truly democratic policymaking can we finally end corporate tax abuse.

Didn't we already deal with this through the OECD?

After decades of advocacy and concern about corporate tax abuse, the Organisation for Economic Co-operation and Development (OECD) finally tried to address the issue in the 2010s. In 2013, the OECD required that companies disclose country-by-country financial data confidentially to tax authorities. By 2021, 136 countries had agreed to the OECD/G20 Inclusive Framework — a two-pillar approach that would partially mitigate corporate tax avoidance through a formula for allocating some of multinationals' profits across countries (Pillar One) and a minimum global corporate tax rate (Pillar Two). Unfortunately, these plans fell far short of addressing the problem.

Even worse, the US Congress refused to implement the pillars, and the international community decided to pause implementation of Pillar One. Many countries, including Canada through the Global Minimum Tax Act (GMTA), have implemented Pillar Two. However, in 2025, the new Carney government caved to US demands to exempt US corporations from Pillar Two. This created another loophole in the Pillar Two agreement.

Canadian multinationals have now been subject to the GMTA, and analogous Pillar Two laws abroad, for a full year so we can see the impact that it had on their taxes. In 2025, TSX 60 companies' effective tax rate was 21.2%, lower than it was in 2024, and over 5 percentage points below Canada's average statutory rate. These corporations reported paying only $1.5B in Pillar Two taxes, or an effective Pillar Two tax rate of less than 0.5%. The majority of this revenue will go to tax havens, not Canada. Moreover, TSX 60 companies reported $9.6B in tax savings due to foreign tax rate differences in 2025, over $2B more than in 2024.

To put it simply, the OECD process has not resulted in a meaningful reduction in tax haven use by Canadian corporations. To end corporate tax abuse, further action is sorely needed.

8 Christians, A. (2017). Trust in the Tax System: The Problem of Lobbying (2016). *Building Trust in Taxation.* http://dx.doi.org/10.2139/ssrn.3097535

WHAT WE CAN LEARN FROM CORPORATIONS' VOLUNTARY TRANSPARENT REPORTING

Estimating profit shifting is very difficult in practice, since most governments do not have an agreed upon definition of the concept. Historically, corporations have not been required to disclose information that allows for estimations of profit shifting. This is beginning to shift with the implementation of public country-by-country reporting in the EU and Australia and the development of the Global Reporting Initiative's standard for corporate tax disclosure, GRI 207-4. Multinational corporations that operate in the EU or Australia must now publish country-by-country financial data for a select list of countries. Neither the EU's legislation nor Australia's stronger version requires disclosing data for Canada separately. However, some multinationals have chosen to disclose financial data separately for all countries, not only those required by legislation.[9] Many of these follow the voluntary GRI standard.

In this report, we rely on these voluntary country-by-country reports to examine profit shifting by multinationals that have significant operations in Canada. Although most multinationals do not report this information, some choose to publish it due to pressure from their shareholders or the public at large. GRI 207-4 provides a standard format for such disclosures but is non-binding, meaning the actual level of disclosure varies across multinationals. The majority of companies in our sample are in the extractive sector (oil and gas or mining). This is in part because of increased public scrutiny of this sector which has led to greater transparency. In Canada, such companies have stricter disclosure requirements through the Extractive Sector Transparency Measures Act, but such disclosures do not shine a light on profit shifting.

We supplemented data available through the Taxplorer database of public country-by-country reports[10] with additional data collected from public country-by-country reports for this project.[11] We restricted our sample to company-years that had separate disclosure for Canada, had complete data for Canada across key variables, and had at least $10 million in revenue in Canada. In total, our sample includes 26 distinct multinational corporations for at least some portion of the 2018-2025 period. We have data for at least 18 multinationals for each year from 2020 through 2024. All dollar figures in this report are expressed in current CAD.

9 Under the general EU and Australian public country-by-country reporting regimes, Canada is not among the jurisdictions for which separate disclosure is mandatory. Canadian operations may instead be included in an aggregate covering other jurisdictions. Where companies reporting under these regimes provide a separate Canadian entry, that disclosure goes beyond the minimum geographic disaggregation required. Other sector-specific or national reporting requirements may nevertheless apply.

10 Aliprandi, G., Borders, K., Gabriel, F., von Zedlitz, G. (2022). *'Public Country-by-Country Reports: a new database.'* EU Tax Observatory.

11 See the Appendix for more information about data collection.

Estimating profit shifting

Estimating shifted profits requires some definition of where profits were generated. This could be done through what is known as "formulary apportionment", which means using a pre-defined formula to allocate the corporate profits of a multinational group across the jurisdictions they operate in. This prevents corporations from using various practices to shift profits to minimize their tax obligations by requiring that every multinational allocates its profits across jurisdictions using the same agreed upon formula. Following the "pay where you play" principle, the formula would be designed to measure the location of a company's real economic activity. Although this concept is difficult to define and would in practice have to result from democratic political deliberation, there is general consensus that it should reflect 1) the location of employees, 2) the location of tangible physical assets, and 3) the location of sales. Ideally, the formula would apply equally to all sectors, although some argue that extractive sectors should be treated differently.[12]

Canada already uses formulary apportionment to allocate the profits of Canadian corporations across provinces.[13] The Canadian formula is half the share of payroll in each province plus half the share of sales in each province.[14] This means that Canadian corporations can't use transfer mispricing or intra-group loans to shift profits to lower-tax provinces like Alberta. However, the Canadian formula only applies to profits that corporations report in Canada. Corporations have significant latitude to choose how much profit to report in Canada.

In this report, we estimate profit shifting as the difference between reported profits in a jurisdiction and the profits that a multinational group would report in a jurisdiction under formulary apportionment ("expected profits").[15] For each multinational and each reporting year, we first calculate the total global pre-tax profit or loss, revenue, employees and tangible assets by summing across jurisdictions in the country-by-country report.

Then, for each jurisdiction they operate in, we estimate their expected profit or loss using the following formula: half their share of total employees plus half their share of total tangible assets in the jurisdiction. We did not include sales in our main formula because the data does not provide information on the location of the customers of each multinational, only on the location of the subsidiary that made the sale. The location of the seller can easily be manipulated by a multinational group and so is not a good indicator of where real economic activity is located (see the Appendix for estimates of profit shifting using a three-factor formula).[12]

12 Schultz, A. (2026). *When measurement is political: Accounting for natural resources and the true location of sales under unitary taxation.* Tax Justice Network. **https://taxjustice.net/2026/08/03/when-measurement-is-political/**

13 Most US states also **use formulary apportionment** to allocate corporate income across states.

14 Government of Canada. (2026). *Income Tax Folio S4-F3-C2, Provincial Income Allocation.* **https://www.canada.ca/en/revenue-agency/services/tax/technical-information/income-tax/income-tax-folios-index/series-4-businesses/folio-3-general-principles-business-income-calculation/income-tax-folio-s4-f3-c2-provincial-income-allocation.html**

15 Estimates of profit shifting in this report do not suggest any illegal behaviour by any multinational group discussed in this report.

The big picture

In total, our data shows where multinational corporations reported over $10 trillion in sales, over $960 billion in profits, and over $350 billion in accrued taxes. Across all our data, over $400 billion in sales, over $23 billion in profits, and $7.5 billion in accrued taxes were recorded in Canada.

How can we tell if corporate tax abuse is occurring from this data? We can compare the actual profits multinationals reported in tax haven jurisdictions to the profits we'd expect to be reported there based on their real economic activity (employees and tangible assets). To present the big picture view, we aggregate the results of 15 tax haven jurisdictions into a "tax haven" category so we can look at the total estimated profits shifted into tax havens[16] and the total estimated profits shifted out of Canada across all these corporations. Figure 1 shows that while these corporations reported $23.4 billion in profits in Canada, based on their real economic activity in Canada, we'd expect about $68 billion in profits in Canada. On the other hand, these multinationals reported 5 times more profits in tax havens, $134.4 billion, despite only $45.8 billion in profits being expected based on the location of their employees and tangible assets. These figures suggest that these corporations shifted nearly $45B in profits out of Canada, which could have raised nearly $12B in corporate tax revenue.

Figure 1. Summary of profit-shifting in Canada and tax havens for all multinationals with transparent financial reporting and significant presence in Canada



Data comes from 26 multinationals' country-by-country reports and spans the years 2018-2025. Shifted profits are reported profits minus expected profits. Expected profits are estimated by allocating multinationals' profit across jurisdictions based on the location of their employees and tangible assets.

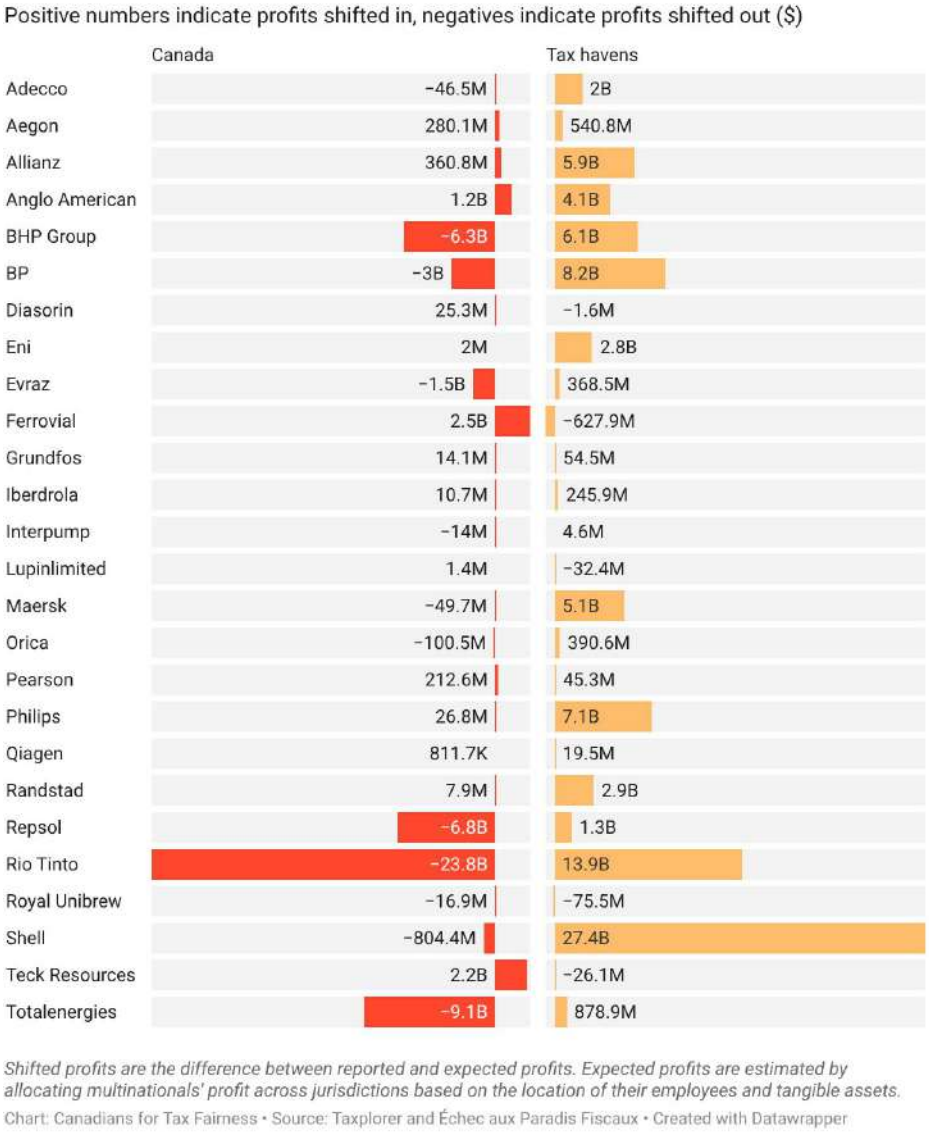
Table: Canadians for Tax Fairness • Source: Taxplorer.eu and Échec aux Paradis Fiscaux. • Created with Datawrapper

In other words, we estimate that these 26 corporations shifted nearly $45 billion of profit out of Canada and over $88.6 billion into tax havens. We can also observe that there is a clear incentive for profit shifting - the total effective tax rate on profits recorded in Canada was 32.2%, while the total effective tax rate on profits recorded in tax havens was 10.5%. This continued discrepancy provides a huge incentive for corporations to continue stretching laws and finding loopholes to shift profits out of Canada and towards tax havens.

16 There is no single list of tax havens. We include the 14 highest countries on the Tax Justice Network's **Corporate Tax Haven** Index plus Barbados, a known tax haven not ranked by TJN, in our list of tax havens.

In Figure 2, we present estimated shifted profits for each company we have data for. The first thing to note is that there is a consistent pattern of profits shifted into tax haven jurisdictions across the multinational groups we have data for. Although our profit shifting metric is not a perfect measure of tax avoidance,[17] this consistent pattern suggests that there is systematic profit shifting happening. The pattern with regard to Canada is less consistent, although the larger magnitudes are almost all profits being shifted out of Canada. The small magnitude of profits shifted in or out of Canada for many of these companies likely reflects that Canada is only a small portion of operations for many of these multinationals.

Figure 2. Profit shifting into tax havens and out of Canada for multinationals with transparent financial reporting



Shifted profits are the difference between reported and expected profits. Expected profits are estimated by allocating multinationals' profit across jurisdictions based on the location of their employees and tangible assets.

Chart: Canadians for Tax Fairness • Source: Taxplorer and Échec aux Paradis Fiscaux • Created with Datawrapper

17 There are many factors that can affect our measure of profit shifting. For example, if a company is constructing resource extraction projects, but has yet to begin production, it is likely to record a loss despite significant assets and employees in a jurisdiction. Our metric would record profits being shifted out of a jurisdiction in such a case.

Overall, transparent financial reporting from a small handful of multinationals confirms what we already knew – profit shifting and corporate tax avoidance are still major problems for Canada. However, this paints an incomplete picture. There are zero US-headquartered multinationals and only one Canadian-headquartered multinational in our sample. These 26 companies are only a tiny fraction of corporate financial activity in Canada. To truly understand the scale of profit shifting and corporate tax avoidance in Canada, we need all multinationals to disclose this information publicly.



Our analysis shows a consistent pattern of multinationals shifting profits into tax havens, confirming that profit shifting and corporate tax avoidance are still major problems for Canada. Image Credit: Paul Loh/Pexels [2016].

Case studies

To better understand how profit shifting is still happening, we examine in detail the financial disclosures of five different multinationals that operate in Canada and appear to be shifting significant profits. Each of these corporations (Rio Tinto, Maersk, Anglo American, Randstad and Adecco) report far more profits than expected, based on where their employees and tangible assets are located, in at least one tax haven jurisdiction. Rio Tinto displays massive profit shifting out of Canada. Taken together, they demonstrate the loopholes that continue to exist in domestic and international taxation of multinational corporations.

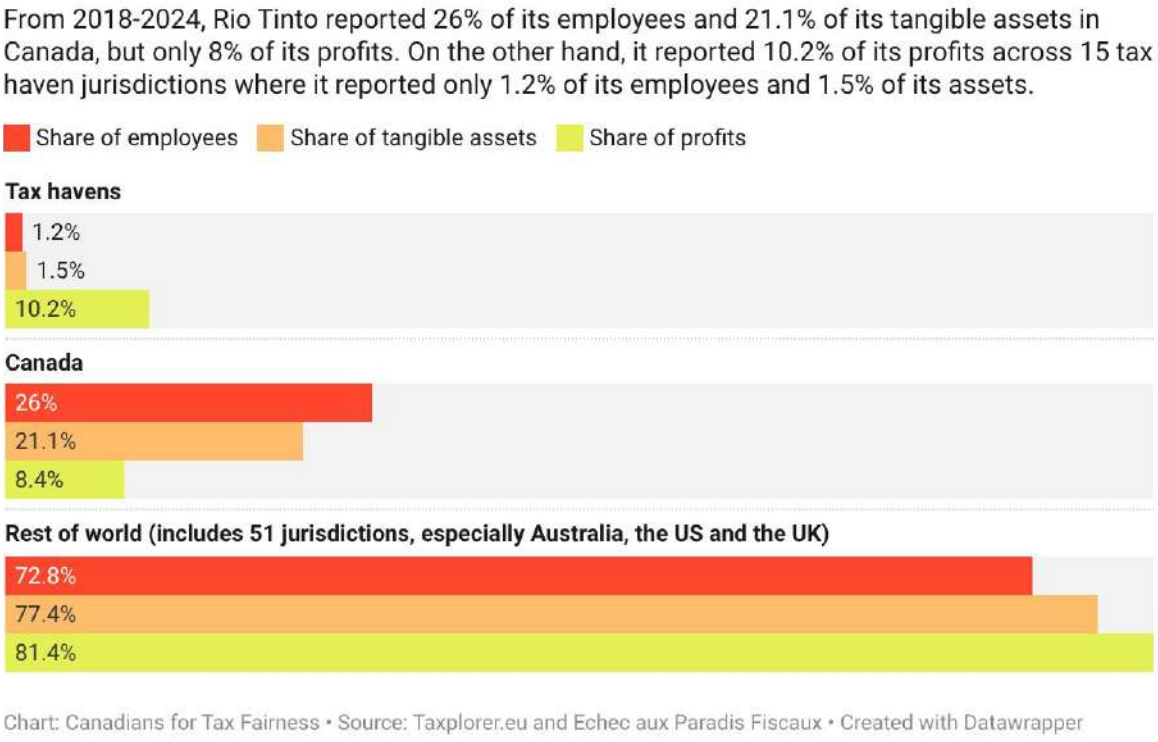
Rio Tinto

Rio Tinto, a global mining corporation headquartered in Australia, is one of the best examples of profit-shifting among companies with transparent financial reporting. It has published public country-by-country reports since 2018. Across the seven years for which we have data, it recorded $156.6B in profits across all jurisdictions.

Rio Tinto claims to be the "largest mining and metals company in Canada". It operates several mines across Canada, including aluminium, iron ore, and diamond mines. It recorded $13.1B in profits in Canada across the seven years of data. While this may sound like a lot, it recorded $16.0B in profits in tax haven jurisdictions across the same time period. This is despite the fact that Rio Tinto has averaged over 12,500 employees in Canada across this period and only 582 employees in tax havens. It has $19.1B in tangible assets in Canada and only $1.4B in tangible assets in tax havens. Because of these discrepancies, Rio Tinto exhibits the largest gap between expected profits and recorded profits in Canada among the multinationals we examined – an estimated $23.8B in profits shifted out of Canada.[18]

18 This is not due to Rio Tinto recording a large loss in a particular year. Rio Tinto recorded at least $350M in profit in Canada in each year from 2018 through 2024 and over $1B in most years.

Figure 3. Rio Tinto's distribution of profits, employees and tangible assets across jurisdictions



From public records, it is impossible to say exactly why Rio Tinto's Canadian profits are so low compared to its assets and employees in Canada. However, we can see that 68% of the revenue reported by Canadian subsidiaries of Rio Tinto comes from sales to other Rio Tinto subsidiaries. Rio Tinto's annual report explains that Canadian diamonds are transferred to a Belgian subsidiary which sells them to customers, providing one avenue through which transfer mispricing could be used to shift profits out of Canada. Our estimates also suggest that Rio Tinto has shifted nearly $27B out of Mongolia, where it operates the controversial Oyu Tolgoi mine. The Mongolian government has accused Rio Tinto of improper accounting, which led to Rio Tinto being forced to halve the "management fee" it charged to its Mongolian subsidiaries in early 2026.[19]

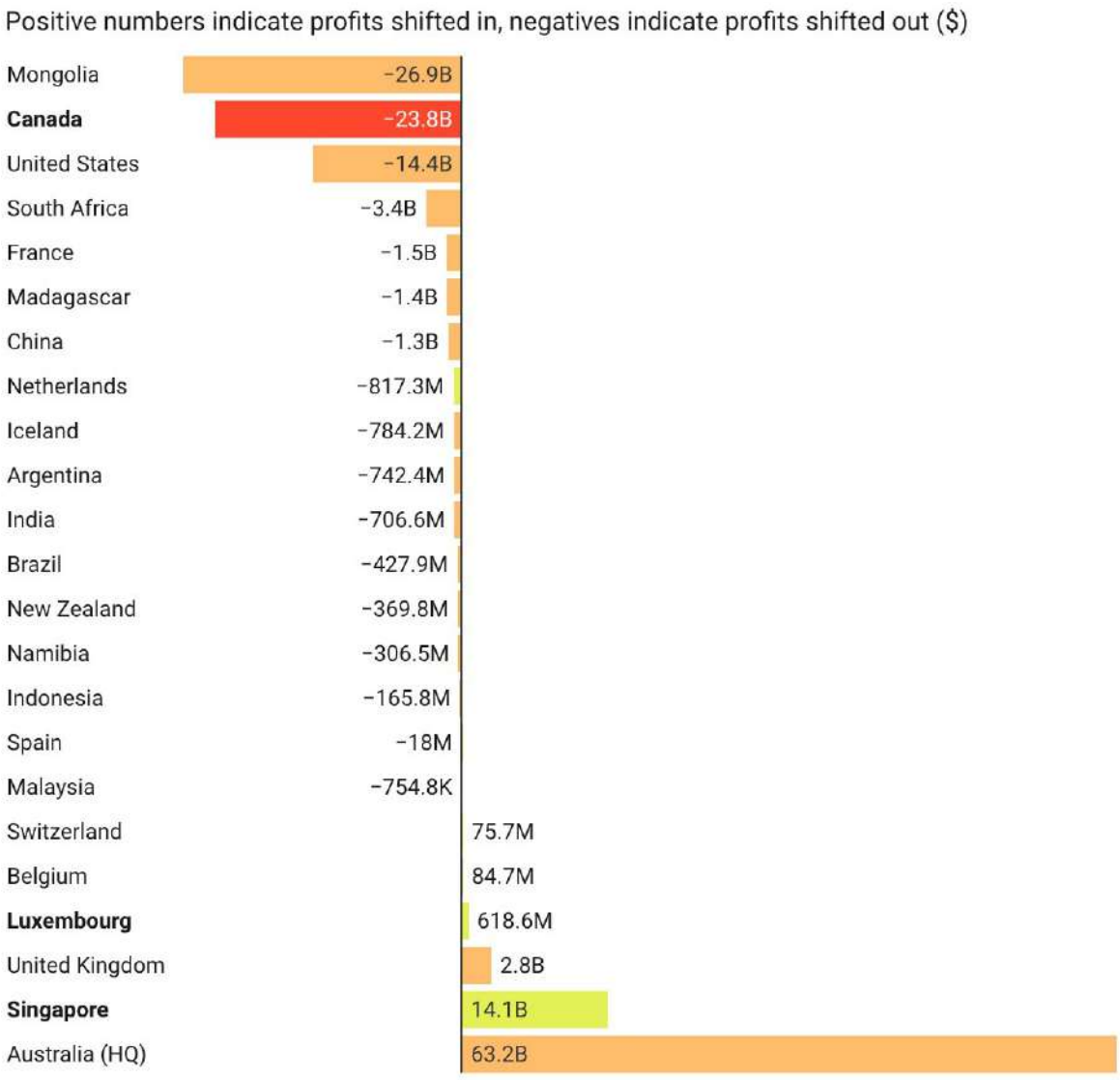
On the other hand, Rio Tinto's estimated $13.9B in profits shifted to tax havens are entirely a result of its operations in Singapore. Singapore is the base of Rio Tinto's "global sales and marketing" division and also makes money from "intragroup financing". In 2024, Rio Tinto recorded $3.6B in profits in Singapore, on which it paid only 3% in taxes. Back in 2022, Rio Tinto was forced to pay nearly $1B in unpaid taxes and recognize far more profits in Australia after it was accused of transfer mispricing by the Australian government.[20]

19 Adiya, A. (2026). *Oyu Tolgoi Management Fees Halved as Mongolia Eyes Loan Restructuring.* Mongolia Weekly. https://www.mongoliaweekly.org/post/mongolia-secures-oyu-tolgoi-fee-cut

20 ABC. (2022). *Rio Tinto agrees to pay nearly $1 billion in tax avoidance settlement with Australian Tax Office.* https://www.abc.net.au/news/2022-07-21/rio-tinto-settles-1b-tax-bill-ato/101256184

Based on our profit shifting metric, Rio Tinto has transferred even more profits into Australia, where its headquarters is located, than into Singapore. This may reflect that Australia has been able to secure favourable tax agreements with Rio Tinto that countries like Canada, the United States and Mongolia have been unable to achieve.

Figure 4. Rio Tinto's shifted profits by jurisdiction, 2018-2024



All jurisdictions with available data and at least $100M in Rio Tinto revenue across the time period are shown. Shifted profits are the difference between reported profits and expected profits. Expected profits are estimated by allocating Rio Tinto's profit across jurisdictions based on the location of their employees and tangible assets.

Chart: Canadians for Tax Fairness • Source: Taxplorer and Échex aux Paradis Fiscaux • Created with Datawrapper

Rio Tinto also disclosed holding companies in Bermuda, the British Virgin Islands and a Hong Kong entity that provides "regional administrative services". The multinational has 0 employees and 0 assets in each of these three jurisdictions.

Although no other multinational in our sample has the same level of profit-shifting out of Canada, significant profit-shifting into tax havens is evident across the majority of oil and gas and mining multinationals in our sample, including BP, BHP Group, Repsol, and Shell.

Maersk

A. P. Moller - Maersk (Maersk) is a global shipping enterprise headquartered in Denmark which has been criticized for shipping arms and settlement materials to Israel during the genocide in Gaza, failing to protect employees from harassment and abuse in the workplace, as well as for not contributing its fair share to public revenues.[21] Many countries, including the United States and most EU countries (although not Canada), tax international shipping income based on the net tonnage of the fleet resident in that jurisdiction, as opposed to the net income earned by companies resident there. This changes how corporations can avoid taxes. Instead of using transfer mispricing and intra-group loans to avoid taxes, shipping enterprises can avoid taxes by selecting their ships' residence to minimize their tax contributions. Because Maersk operates in many jurisdictions and earns income from international shipping and other services, it pays a combination of corporate income taxes and tonnage taxes on its profits.

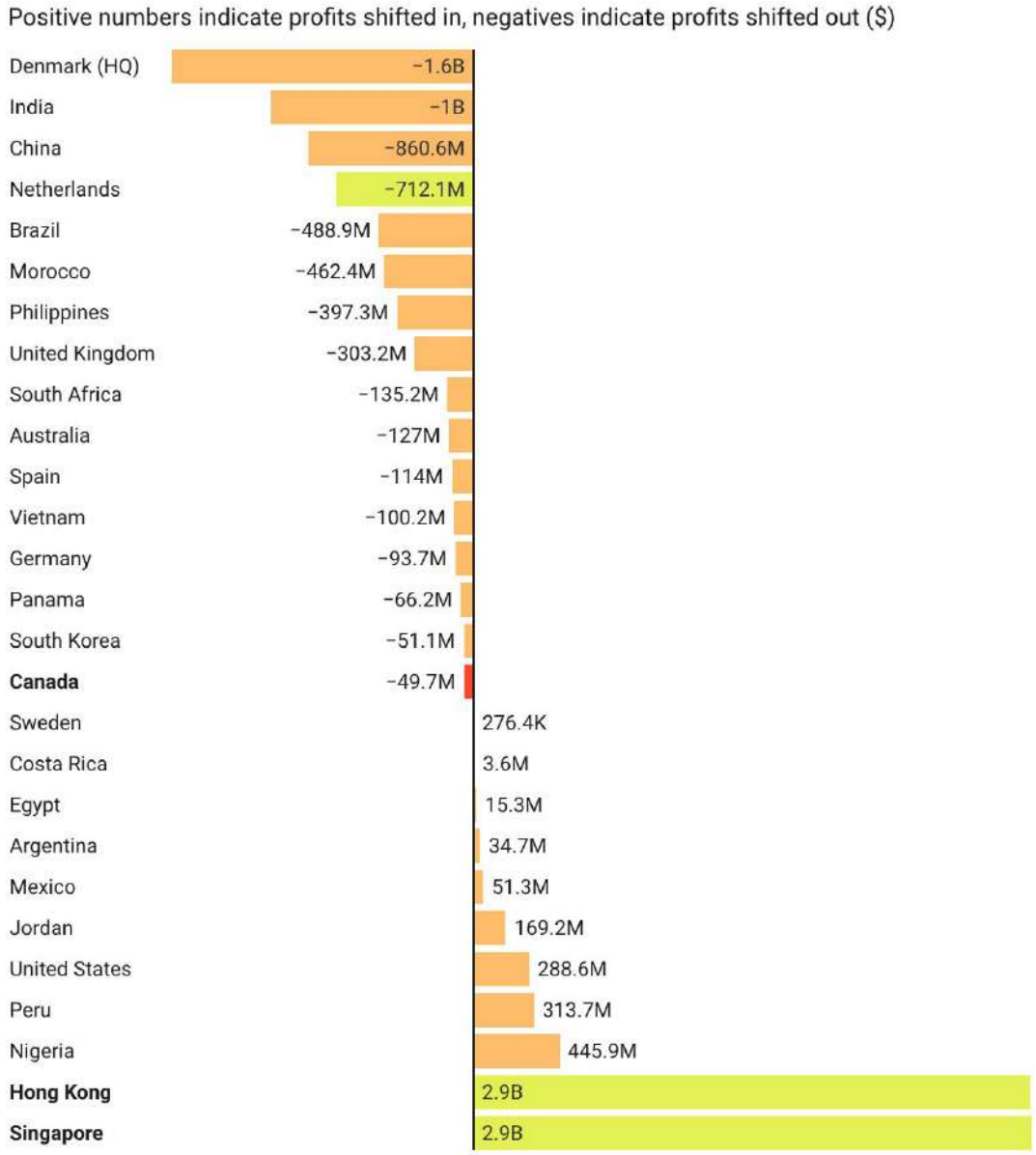
Across the three years for which we have data (2023-2025), Maersk reported $19.4B in global profits and has paid a global effective tax rate of only 12%.[22] The 3 jurisdictions in which it has recorded the most profit are Denmark, where its headquarters is located, Singapore, and Hong Kong, both of which are typically considered tax havens. Maersk's effective tax rate on profits recorded in Singapore and Hong Kong were 0.4% and 1.2%, respectively. We estimate that across 2023-2025, Maersk recorded $2.9B more profit than expected in Hong Kong and $2.9B more profit than expected in Singapore. The disproportionate profits booked in Singapore and Hong Kong likely reflect that Maersk has chosen to have a disproportionate number of its ships deemed as resident in these low-tax jurisdictions.[23]

Canada is not one of Maersk's most significant operating jurisdictions – it provides logistics services in Canada but does not have ocean freight shipping or a terminal resident in Canada. The biggest losers of Maersk's profit-shifting seem to be Denmark, India and China. Nonetheless, even with its limited presence in Canada, we see the familiar profit-shifting pattern. Maersk recorded only $14M in profits in Canada across

21 For more information about Maersk's tax practices, see **https://cictar.org/news/maersk-pays-less-than-workers**
22 This includes both tonnage taxes and regular corporate income taxes.
23 Park, K. (2013). Maersk Line Beefing Up Singapore-Flagged Fleet. *gCaptain.* **https://gcaptain.com/maersk-line-beefing-up-singapore-based-fleet/**

the three years compared to $64M in expected profits in Canada based on the share of Maersk's employees and tangible assets in Canada. Maersk recorded nearly as much profit in Bermuda, $11M, as in Canada. This is puzzling since Maersk only recorded $3.8M in revenue and had a single employee in Bermuda in 2025, in contrast to $588M in revenue and 563 employees in Canada.

Figure 5. Maersk's shifted profits by jurisdiction, 2023-2025



All jurisdictions with available data and at least $700M in Maersk revenue across the time period (plus Canada, $580M) are shown. Shifted profits are the difference between reported profits and expected profits. Expected profits are estimated by allocating Maersk's profit across jurisdictions based on the location of their employees and tangible assets.

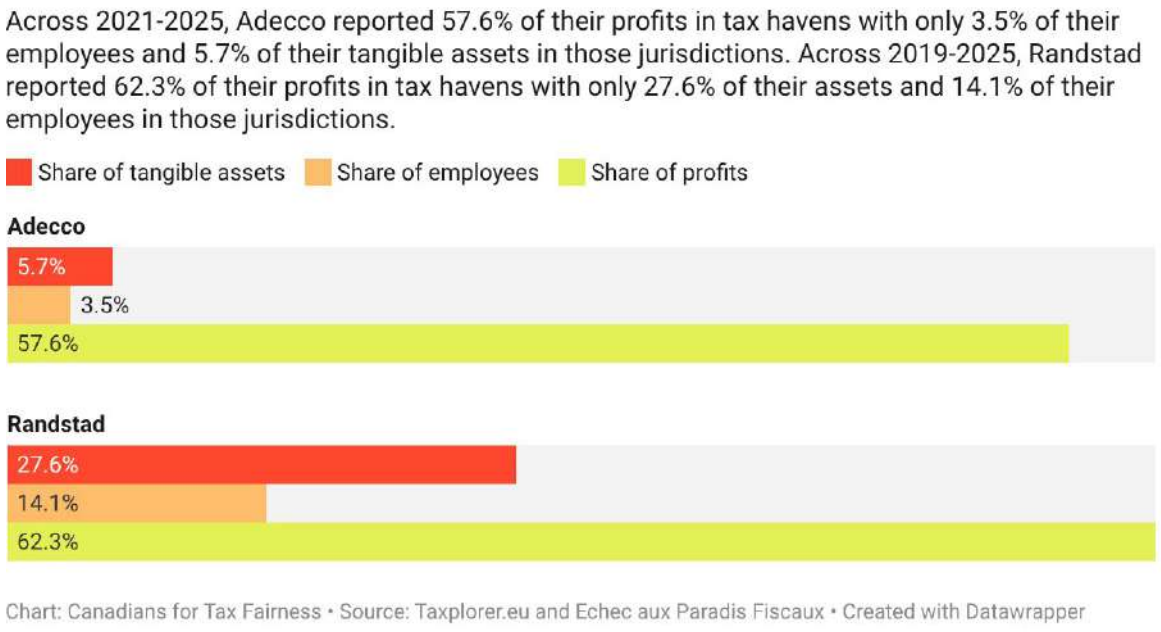
Chart: Canadians for Tax Fairness • Source: Taxplorer and Échec aux Paradis Fiscaux • Created with Datawrapper

Adecco and Randstad

It's not just resource and shipping companies that can engage in profit shifting – there are also two global staffing enterprises in our sample, Adecco and Randstad, that display similar patterns of profit shifting. Both multinational corporations are headquartered in tax havens themselves: Randstad in the Netherlands and Adecco in Switzerland.

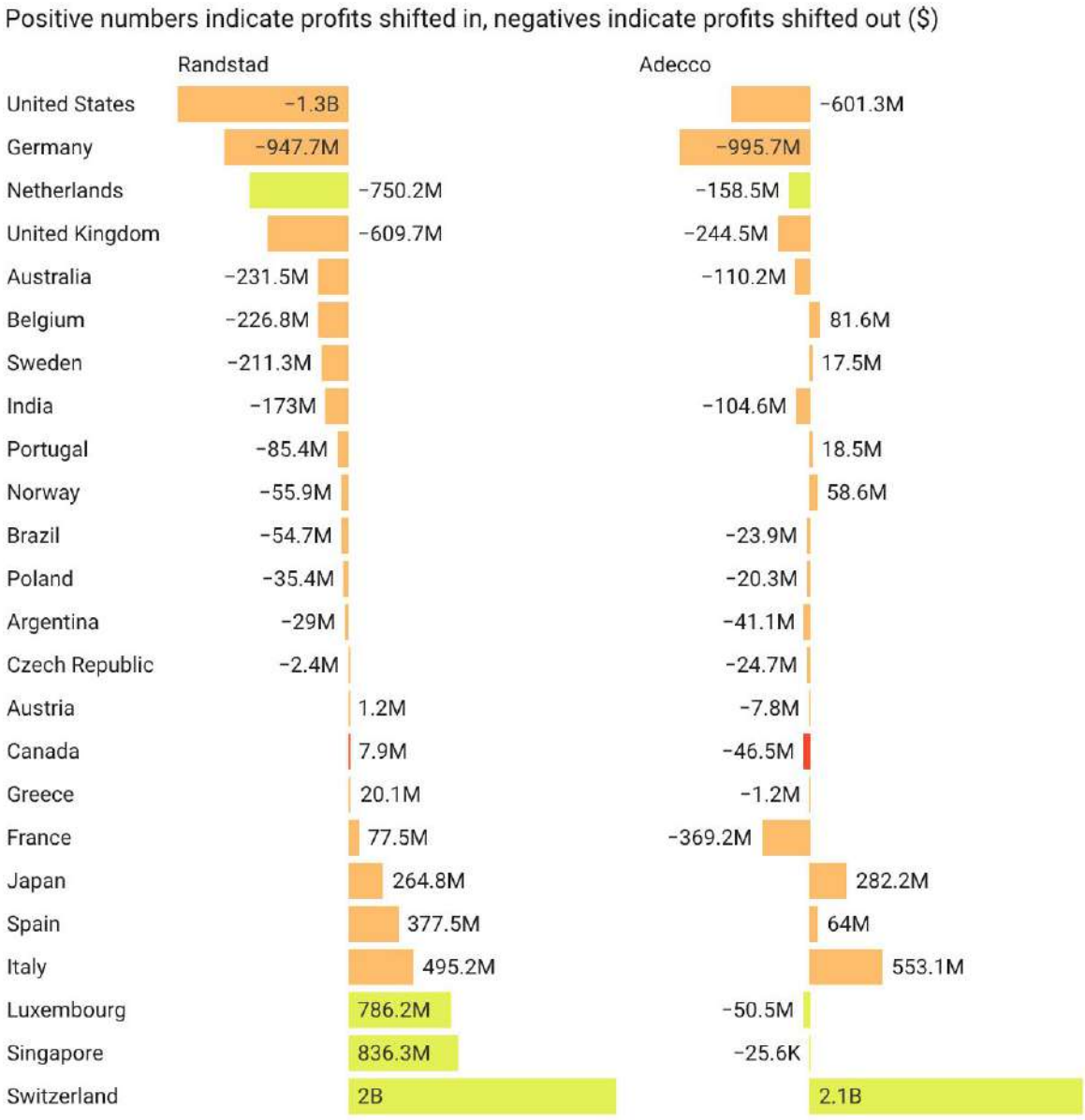
Both multinationals employ over 30,000 people globally, with large shares of their workforce in France, the United States, Italy, and Germany. Randstad also has thousands of employees in the Netherlands, while Adecco's other most significant jurisdictions include Japan and the United Kingdom. Despite the seeming concentration of both of their activities in large developed countries, both groups reported more profits in tax havens over the years we have data than in the rest of the world combined. Randstad reported $4.3B in profits in tax havens and only $2.6B in the rest of the world, and Adecco reported $2.2B in profits in tax havens and only $1.7B in the rest of the world.

Figure 6. Adecco and Randstad's profits, employees and tangible assets in tax havens



We estimate that both groups, only one of which is based in Switzerland, have shifted more profits into Switzerland than any other country – $2.0B for Randstad and $2.1B for Adecco. Randstad has also shifted $836M into Singapore and $786M into Luxembourg, both of which are also tax havens. Both groups' profits have been shifted out of many of the jurisdictions in which they have major operations, including the United States, Germany, and the United Kingdom.

Figure 7. Adecco and Randstad's shifted profits by jurisdiction



All jurisdictions with available data and at least $500M in Randstad revenue across the time period are shown. Data for Randstad spans 2019-2025 and data for Adecco spans 2021-2025. Shifted profits are the difference between reported profits and expected profits. Expected profits are estimated by allocating each multinational's profit across jurisdictions based on the location of their employees and tangible assets.

Chart: Canadians for Tax Fairness • Source: Taxplorer and Échec aux Paradis Fiscaux • Created with Datawrapper

Although neither multinational explains precisely why its profits are distributed in this way, there are several clues. In countries like the United States and Germany, Randstad reports its principal activity as "HR services", whereas in Switzerland and Singapore it reports its principal activity as "HR services and financing of Group entities". It also explains that its "treasury centers" in Singapore and Switzerland qualify for special

reduced tax rates. The use of intra-group loans to shift profits towards its entities in Switzerland and Singapore that face lower tax rates is consistent with these descriptions. Randstad also reports that its operations in Luxembourg mainly consist of holding companies that receive dividends from other entities within the group. Similarly, Adecco explains that its Switzerland-based parent company provides financing and management services for its other entities. It is very difficult to accurately price management services, and so these are another oft-used tool to shift profits to minimize tax obligations.

Both groups also have a clear incentive to shift profits to tax havens – Randstad paid an effective tax rate in tax havens of 9.9% and 60.2% in the rest of the world; Adecco paid an effective tax rate of 14.8% in tax havens and 64.3% in the rest of the world. Because of its incredibly low effective tax rates in Singapore (9.4%) and Switzerland (7.2%), Randstad did report paying Pillar Two taxes in both of those jurisdictions in 2024 and 2025. However, given that Pillar Two only brings effective tax rates up to (at most) 15%, Randstad still has no incentive to halt its profit-shifting strategies.

Canada is a relatively minor jurisdiction for both multinational groups. Randstad has about 3% of their employees and reported a total of $176M in profits in Canada across 2019-2025, very close to their expected profits. Adecco has less than 2% of its employees in Canada and reported a loss in four out of the five years for which we have data. Because of these losses, which could be explained by tax avoidance or true business failures in Canada, our estimate shows Adecco shifted $46.5M out of Canada.

The parallels in how these two multinational groups report outsized profits in low-tax jurisdictions demonstrates the urgent need for reform to the international tax system.

Anglo American

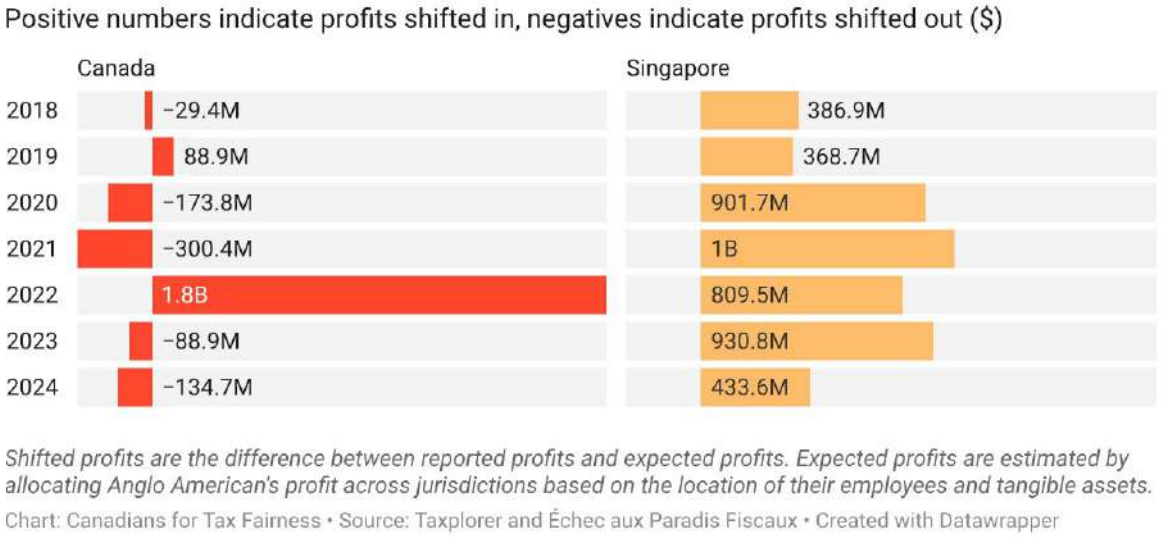
Anglo American is a global mining multinational headquartered in the United Kingdom involved in the extraction, processing, transportation, and sale of commodities. Its principal activity in Canada during the period examined (2018-2024) was its interest in the Gahcho Kué diamond mine in the Northwest Territories, which is controlled by its majority-owned subsidiary De Beers.

As with many of the multinational mining corporations in our sample, Anglo American displays significant evidence of profit shifting towards low-tax Singapore. Anglo American describes it as the group's largest commercial hub and the base of its marketing and shipping activities.[24] In each year, 31-55% of all Anglo American sales to external customers were reported in Singapore. By our measure of profit shifting,

24 Anglo American, "About Anglo American," 2025, **https://singapore.angloamerican.com/~/media/Files/A/Anglo-American-Group-v5/PLC/about-us/aa-infographics-march-2024.pdf**

$4.8B of profit was shifted into Singapore across seven years, including at least $368M in each year. Anglo American reported between 5% and 50% of its profit in Singapore each year despite having less than 1% of the group's employees and between 0.5% and 2.3% of its tangible assets in the country. The motivation for profit shifting to Singapore is clear, as Anglo American paid an effective tax rate of -2% in the jurisdiction across the seven years for which we have data.

Figure 8. Anglo American's shifted profits in Canada and Singapore, annual



Shifted profits are the difference between reported profits and expected profits. Expected profits are estimated by allocating Anglo American's profit across jurisdictions based on the location of their employees and tangible assets.

Chart: Canadians for Tax Fairness • Source: Taxplorer and Échec aux Paradis Fiscaux • Created with Datawrapper

Unlike the majority of our sample, however, Anglo American is estimated to have also shifted $1.2B *into* Canada. Figure 8 displays annual estimated profit shifting into Canada and Singapore. In most years, the estimate shows tens or hundreds of millions shifted out of Canada, but in 2022 we estimate $1.8B of profits shifted in. While Anglo American does not disclose enough information to explain this definitively, it is consistent with a strategic use of accumulated losses.

In most years in our sample, Anglo American reports a loss in Canada. This is consistent with media reports which have reported that the Gahcho Kué diamond mine has made a loss in most years since it began production.[25] Under Canadian tax law, losses can be carried forward to reduce taxable income for up to 20 years. Anglo American's country-by-country report explains that, despite reporting $1.9B in profits, Anglo American paid no taxes in Canada in 2022 due to "offset of losses arising in previous periods".

So how did Anglo American's Canadian subsidiaries suddenly make $1.9B in profit in 2022? It seems likely that the multinational paid a large dividend from a subsidiary to

25 St-Pierre, S. (2026). Gahcho Kué co-owner reports about $280M net loss in 2025. *CBC News*. https://www.cbc.ca/news/canada/north/gahcho-kue-co-owner-reports-280m-net-loss-2025-9.7151891

one of their Canadian holding companies to use up accumulated Canadian losses. Their 2022 country-by-country report shows $1.9B in profit in Canada against only $296M in revenue. This is likely due to the fact that Anglo American excludes payments considered as dividends from their estimate of revenues. This is suggestive that the $1.9B profit reported in Canada in 2022 was shifted in for tax reasons.

Although Anglo American shifted profit into Canada in aggregate across 2018-2024, there is also evidence of profits being shifted out of Canada for tax reasons. In each year, 86%-96% of its Canadian revenue came from transactions with other Anglo American subsidiaries rather than external customers. This pattern is consistent with a form of profit shifting associated with commodity-trading hubs where a subsidiary in a producing country (like Canada) sells commodities to a related trading company at a price that leaves relatively little profit in the producing country. The trading company then sells them to external customers, allowing a larger share of the margin to be recorded where the commercial platform is located.

The Anglo American case demonstrates the complexity of the current international tax regime and the need for reform. A formulaic apportionment of profits would ensure that profits are consistently reported where real economic activity occurs, not where it reduces tax obligations.



Anglo American's books demonstrate the complexity of the current international tax regime, where corporations report profits where it lowers their tax obligations rather than where real economic activity is occurring. Image Credit: Artem Makarov/Pexels [2022]

CONCLUSION AND RECOMMENDATIONS

Corporate profit shifting, and resulting tax avoidance, is still a major problem for Canada, and the world more broadly. The OECD process, and its implementation in Canada through the *Global Minimum Tax Act*, have not solved the problem. Transparent financial reporting shows that most multinationals still engage in some form of profit-shifting. Unfortunately, the data currently publicly available only sheds light on these processes for a tiny share of multinationals that operate in Canada.

As Canada seeks to deepen its ties with the EU and other allies, Canada should be seeking to cooperate to end corporate tax abuse, rather than engaging in a further race to the bottom on corporate taxation. In order to strengthen alliances and ensure that the spirit of our tax laws is upheld, Canada must urgently take action. Here are three things that Canada can do.

Implement transparent corporate financial reporting in Canada

The first thing that Canada must do is mandate transparent corporate financial reporting in Canada (also known as public country-by-country reporting or PCBCR), as Australia and the EU have already done. Canada should follow the lead of Australia by requiring multinationals to follow the transparency standard set by the GRI.[26] This would allow the public to see data like that shown in this report for all multinationals that operate in Canada, not only those few who choose to be transparent. It would tell us which corporations are good public citizens and encourage better corporate behaviour – after increased transparency, Chevron has turned from paying $0 corporate income tax in Australia to one of Australia's biggest taxpayers.[27] Without transparency, we will never know the true scale of profit shifting and corporate tax avoidance in Canada and be able to hold corporations accountable. PCBCR would require little more of corporations, who already produce similar information for tax authorities, including the CRA. This information must be made public, so that the public can see the true scale of profit shifting and tax avoidance and democratically decide how to fix it.

26 **https://taxobservatory.world//www-site/uploads/2024/07/Note_Australia_Public_CbCR.pdf**

27 Ward, J. (2026). *Time to make 'em pay! The big bludgers are the corporate tax dodgers.* MichaelWest Media. **https://michaelwest.com.au/taxdata-corporate-tax-dodgers-revealed/**

Support the UN tax convention

At the international level, there is already a process underway to implement formulary apportionment at the global level through negotiations for a UN Tax Convention. This process has the potential to be far more democratic than the OECD process that was undermined by US pressure. The Canadian government must support and actively participate in the negotiations for a UN Tax Convention, which has the potential to drastically reduce corporate tax avoidance. The current early draft of the Convention includes a provision that "A fair allocation of taxing rights among jurisdictions shall reflect the real economic contribution of each relevant jurisdiction".[28] While the measurement of "real economic contribution" remains a point of debate, this Convention has the potential to eliminate the international race to the bottom on corporate taxation and raise $500B of global tax revenue annually, including billions for Canada.[29]

Act on our own

Canada does not need to wait for the lengthy UN process to act to prevent tax haven abuse. Canada already uses formulary apportionment to allocate corporate profits across provinces. It could extend this treatment to determine the share of multinationals' profits that would be taxed in Canada. In the absence of federal action, such measures could also be taken at the provincial level. Several states, most recently California and Illinois, have considered measures that would tax all corporations that operate in the state on the basis of their real economic activity within the state, as opposed to where corporations elect to report their profits.[30] Although they ultimately did not pass, they provide a framework for provinces to follow. Canada could also end tax information exchange agreements with tax havens, which include a loophole that encourages corporations to shift their activities to tax havens.

28 Tax Justice Network. (2026). *UN Tax Convention Tracker.* Tax Justice Network. **https://taxjustice.net/topics/un-tax-convention/#tracker**

29 Schultz, ., & Cobham, A. *A 500-billion-dollar decision for the world: the revenue impacts of global unitary taxation.* Tax Justice Network. **https://taxjustice.net/reports/a-500-billion-dollar-decision-for-the-world-the-revenue-impacts-of-global-unitary-taxation/**

30 Cobham, A. (2026). *California steps up for tax fairness.* Tax Justice Network. **https://taxjustice.net/2026/05/27/california-steps-up-for-tax-fairness/**

APPENDIX

Data sources

Information available in public country-by-country reports has been compiled into a database called Taxplorer by researchers at the International Tax Observatory.[31] We downloaded this database on July 11, 2026. We supplemented this database by web scraping tax transparency reports of companies listed on the S&P 500, TSX 200, and the FTSE 100 that mentioned "Canada". After excluding company-years that aggregated too many jurisdictions together, were missing key data, or did not have a significant presence in Canada, we ultimately included 115 company-years in our sample. Among these, 78 were sourced from the Taxplorer database, and 37 were collected for this report.

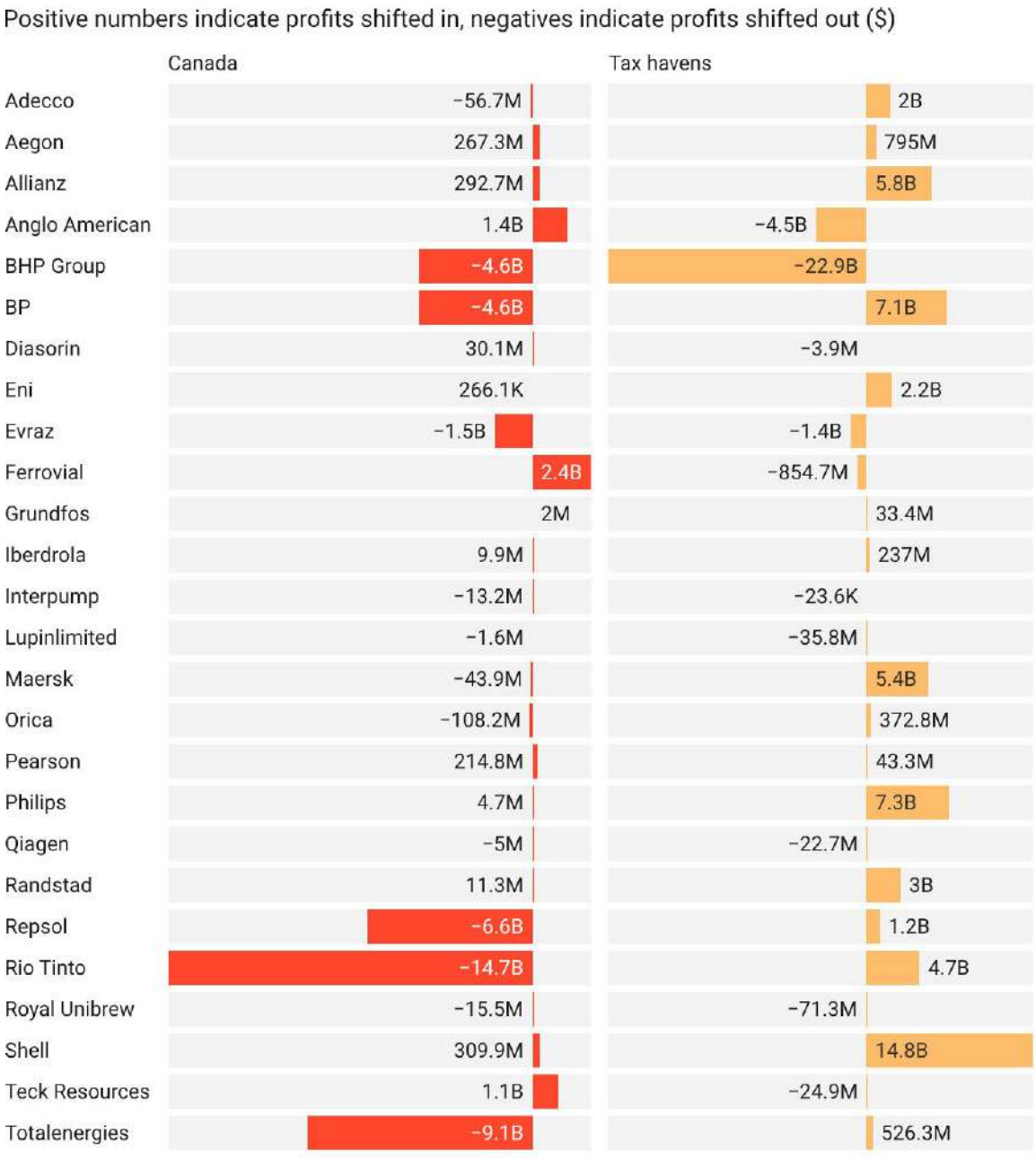
Alternative estimate of profit shifting

There is no single method for estimating profit shifting. In the main text, we used a two-factor formula that determined the location of real economic activity based on the location of a multinational's employees and tangible assets. Many recommended formulas also include a measure of the location of a company's sales. Ideally, this would be measured based on the location of a multinational's customers. Unfortunately, this data is not currently available in public country-by-country reports.

However, the reports do include a measure of sales based on the location of the subsidiary of the multinational making the sale. Below, we present a version of Figure 2 with an equally weighted, three-factor (sales, tangible assets, and employees) formula that uses this measure for the location of sales. We chose not to include this metric in our main profit shifting formula because it leads to some misleading results – a company like BHP Group is estimated to shift billions of profits out of Singapore. This is because BHP reports a huge proportion of its sales in Singapore. Singapore is where BHP's marketing division is based – their sales being reported there do not mean that the resources they are selling are drawn from Singapore, nor that they are sold to Singaporean customers. Therefore, we believe that this presents a misleading view of a company's real economic activity. Nonetheless, this formula still suggests that the majority of multinationals for which we have data shift profits out of Canada and into tax havens.

31 Aliprandi, G., Borders, K., Gabriel, F., von Zedlitz, G. (2022): *'Public Country-by-Country Reports: a new database.'* EU Tax Observatory.

Appendix Figure 1. Profit shifting estimates using a three-factor formula



Shifted profits are the difference between reported profits and expected profits. Expected profits are estimated by allocating multinationals' profit across jurisdictions based on the location of their employees, tangible assets and sales. Values are summed across all years with available data. This is not our preferred estimate because sales are measured on the basis of the location of the selling entity not the customer.

Chart: Canadians for Tax Fairness • Source: Taxplorer and Échec aux Paradis Fiscaux • Created with Datawrapper