

TAX COOPERATION POLICY BRIEF

N°. **43**
27 November 2026

Curtailing Tax Avoidance by Oil and Gas Multinational Companies in South Centre Member States

By Léa Ferré, Nozomu Kawashima, Antoine Piot, and Anne Wanyagathi Maina *

ABSTRACT

South Centre Members lose significant tax revenue through profit shifting by multinational enterprises (MNEs). This policy paper examines profit-shifting risks in the oil and gas sector in South Centre Member States and identifies policies that can help governments secure their fair share of revenue. Using Country-by-Country Reporting (CbCR) data from 2018 to 2021, it compares effective tax rates (ETRs) and tax policy environments across five countries: Morocco, Colombia, Gabon, Malaysia, and the Philippines. The findings suggest that stronger domestic rules, including transfer pricing rules with documentation requirements; effective enforcement measures; targeted oversight of large MNEs; contracts that secure an appropriate government share of resource revenues; careful use of Advance Pricing Agreements (APAs); and stronger international cooperation are associated with lower profit-shifting risks.

KEYWORDS: Oil and Gas Sector, Multinational Enterprises (MNEs), South Centre Member States, Morocco, Colombia, Gabon, Malaysia, The Philippines, Tax Avoidance, Profit Shifting, Transfer Pricing, Country-by-Country Reporting (CbCR), Effective Tax Rates (ETRs), Advance Pricing Agreements (APAs), International Cooperation

KEY MESSAGES

- Tax avoidance by oil and gas multinationals costs South Centre Member States significant revenue needed for public investment.
- A study of public CbCRs indicates that a significant number of companies reported low ETRs across South Centre Member States.
- Transfer pricing rules and effective enforcement measures, targeted oversight of large MNEs, contracts that secure an appropriate government share of resource revenues and international cooperation can help close this gap.

Les États membres du South Centre subissent d'importantes pertes de recettes fiscales en raison du transfert des bénéfices opéré par les entreprises multinationales. Le présent document d'orientation examine les risques liés au transfert des bénéfices dans le secteur pétrolier et gazier des États membres du South Centre et identifie les mesures susceptibles d'aider les gouvernements à obtenir leur juste part des recettes. S'appuyant sur les données issues des rapports pays par pays de 2018 à 2021, il compare les taux d'imposition effectifs et les cadres de politique fiscale dans cinq pays : le Maroc, la Colombie, le Gabon, la Malaisie et les Philippines. Les conclusions suggèrent que des règles nationales plus strictes, notamment des règles en matière de prix de transfert assorties d'obligations de documentation ; des mesures de mise en œuvre efficaces ; une surveillance ciblée des grandes entreprises multinationales ; des contrats garantissant une part appropriée des recettes issues des ressources pour les pouvoirs publics ; un recours prudent aux accords préalables en matière de prix de transfert ; ainsi qu'une coopération internationale renforcée sont associés à une réduction des risques de transfert des bénéfices.

MOTS-CLÉS: *Secteur pétrolier et gazier, entreprises multinationales, États membres du Centre Sud, Maroc, Colombie, Gabon, Malaisie, Philippines, évasion fiscale, transfert de bénéfices, prix de transfert, rapports pays par pays, taux d'imposition effectifs, accords préalables en matière de prix de transfert, coopération internationale*

* Léa Ferré, Nozomu Kawashima and Antoine Piot were Masters students at the Geneva Graduate Institute at the time of writing the original report. Anne Wanyagathi Maina is a Research Consultant in Tax at the South Centre Tax Initiative of the South Centre.

To improve the fluidity of the paper, the team used AI to help reformulate some sentences for clarity and correct the grammar. However, it is important to emphasize that nothing was sourced through AI.

Los Estados miembros del South Centre pierden importantes ingresos fiscales debido al traslado de beneficios por parte de las empresas multinacionales (EMN). Este documento de política examina los riesgos de traslado de beneficios en el sector del petróleo y el gas en los Estados miembros del South Centre e identifica políticas que pueden ayudar a los gobiernos a garantizar una participación equitativa en los ingresos. A partir de los datos de los informes país por país (Country-by-Country Reporting, CbCR) correspondientes al período 2018-2021, el documento compara las tasas impositivas efectivas y los marcos de política tributaria en cinco países: Marruecos, Colombia, Gabón, Malasia y Filipinas. Los resultados sugieren que la existencia de normas nacionales más estrictas, incluidas las relativas a los precios de transferencia y sus requisitos de documentación; medidas eficaces para garantizar el cumplimiento de la normativa; una supervisión específica de las grandes empresas multinacionales; contratos que aseguren una participación adecuada de los gobiernos en los ingresos derivados de los recursos naturales; un uso prudente de los acuerdos anticipados sobre precios de transferencia (APA); y una mayor cooperación internacional se asocian con menores riesgos de traslado de beneficios.

PALABRAS CLAVES: *Sector del petróleo y el gas, empresas multinacionales (EMN), Estados miembros del South Centre, Marruecos, Colombia, Gabón, Malasia, Filipinas, elusión fiscal, traslado de beneficios, precios de transferencia, informes país por país (CbCR), tasas impositivas efectivas, acuerdos anticipados sobre precios de transferencia (APA), cooperación internacional*

南方中心成员国因跨国企业 (MNEs) 的利润转移而损失了大量税收。本政策报告分析了南方中心成员国石油和天然气行业面临的利润转移风险，并提出了有助于各国政府确保获得应得税收份额的政策建议。本报告利用2018年至2021年的"国别报告" (CbCR) 数据，对比了摩洛哥、哥伦比亚、加蓬、马来西亚和菲律宾这五个国家的实际税率 (ETRs) 及税收政策环境。研究结果表明，更严格的国内法规 (包括附有文档要求的转让定价规则) 、有效的执法措施、针对大型跨国企业的定向监管、确保政府获得资源收入合理份额的合同、审慎使用预先定价协议 (APA) 以及更紧密的国际合作，均有助于降低利润转移风险。

关键词: 石油和天然气行业、跨国企业 (MNEs) 、南方中心成员国、摩洛哥、哥伦比亚、加蓬、马来西亚、菲律宾、避税、利润转移、转让定价、国别报告 (CbCR) 、有效税率 (ETRs) 、预先定价协议 (APAs) 、国际合作

Introduction and problem

Fossil fuels continue to dominate the global energy demand, accounting for about 80% of the demand in 2024, with oil at 30%, coal at 28% and natural gas at 23% (IEA, 2026). Their use contributes significantly to greenhouse gas emissions: global carbon (CO_2) emissions from fuel combustion rose by 1.5% in 2024, with coal accounting for 44%, oil for 32% and natural gas for 22% (IEA, 2026). The sector continues to grow, as governments plan to produce about 120% more fossil fuels in 2030 than is consistent with limiting warming to 1.5 degrees Celsius (°C) (SEI *et al.*, 2025).

The industry is dominated by a few players and is highly profitable. In the second quarter of 2026, eight of the world's largest oil companies made US$87.7 billion in net profit, more than double a year earlier (Moreau-Kastler *et al.*, 2026). Yet little of the industry's profit goes to clean energy. In 2022, about 1% of its cash spending went to low-carbon investment, compared with 39% to dividends and buybacks and 48% to oil and gas capital expenditure (IEA, 2022). The sector also earns exceptional rents when prices spike, especially in recent times due to multiple geopolitical crises such as the war on Iran. Oil prices have increased on average to US$100 per barrel in 2026 compared to $69 average in 2025, which has triggered windfall tax proposals in Brazil, the European Union (EU), the United States (US) and Australia (Moreau-Kastler *et al.*, 2026; Wood Mackenzie, 2026).

This occurs at a time when many developing countries, particularly South Centre Member States, some of them oil producers, are bearing the brunt of the climate crisis. These countries face competing pressures to mobilise domestic revenues to finance their development goals, manage debt burdens, invest in climate mitigation and adaptation, and address the environmental and social impacts of extractive activities. The ability of resource-producing countries to secure a fair share of the economic rents generated from their natural resources is therefore critical.

Resource-rich countries have the potential to generate significant revenue from the natural resources to meet their financial obligations. However, this potential is not always realised in many developing countries. Multinational enterprises (MNEs) may exploit loopholes in the tax rules to shift profits into low-tax jurisdictions (Kalra and Afzal, 2023; Otusanya, 2011), which may have huge implications for low income countries which generally have narrower tax bases and fewer alternative sources of revenue. A report on Shell shows how the company was able to shift profits to a low tax country between 2018 and 2023, and subsequently paid no corporate income tax, costing the producer countries significant tax revenues (Kiezebrink, 2026). The corporate income tax (CIT) is an important source of revenue for many developing countries: in 2021, CIT revenue accounted for 15.4% of tax revenue in Latin America and the Caribbean, 18.2% in Asia-Pacific and 18.7% in Africa, compared with 10.2% across Organisation for Economic Co-operation and Development (OECD) members, in 2021 (OECD, 2024). Thus, any erosion of the corporate tax base can have a significant fiscal impact on countries least able to absorb it.

The gap between the growth of corporate profits and the growth of corporate tax revenue has widened: had global corporate tax revenue kept pace with global corporate profits since 1975, it would today be roughly one-third higher than it actually is (Wier and Zucman, 2022). Multinational profits booked outside the jurisdiction of headquarters rose from 4% of global profits in 1975 to 18% in 2019, and an estimated 10% of global corporate income tax revenue is lost annually to profit shifting (Wier and Zucman, 2022).

The problem is compounded in the oil and gas sector. The extractive sector, mainly constituting of minerals, oil and gas, is capital-intensive, and dominated by a few multinationals operating globally (Calder, 2014). Beer & Loeprick (2015) estimate, from a sample of 294 oil and gas parents and subsidiaries between 2004 and 2012, that the average firm in their sample shifted 34% of its true profits out of the jurisdiction where the underlying economic activity occurred and find that less developed economies are disproportionately exposed. Johannesen *et al.* (2020) similarly conclude that profit-shifting responses to taxation are stronger in less developed countries, and note that anti-avoidance rules are less prevalent in low-income economies. A case study of Nigeria found that tax avoidance by oil and gas MNEs was a significant problem (Otusanya, 2011). Marcolongo & Zambiasi (2022) find that the incorporation of offshore entities increases around oil and gas exploration licence awards, with a stronger increase during oil price booms. Some countries have introduced windfall taxes to capture during periods of windfall profits. Tax justice initiatives propose an excess profits tax on extractive MNEs in light of the sector's ability to earn excess rents and their environmental impact (Trilling, 2025).

In this light, the South Centre and the Geneva Graduate Institute thus co-produced a study to investigate tax avoidance by oil and gas companies operating in South Centre Member States. The study sought to answer two questions: (1) which South Centre member countries are more affected by tax avoidance by oil and gas MNEs? and (2) what policy options can be recommended for developing countries?

Method

The study assesses the risk of tax avoidance in the oil and gas sector using publicly available Country-by-Country Reporting (CbCR) data for MNEs operating in South Centre Member States. The CbCR data was obtained from the EU Tax Observatory's Taxplorer database (Aliprandi *et al.*, 2022). The study covers the period 2018 to 2021 due to data availability.

The analysis calculates the Cash Effective Tax Rate (ETR) as taxes paid divided by profit before tax, as reported in the CbCR data. Observations with an ETR below 15% are considered a low ETR and, for the purposes of this study, are treated as an indicator of potential tax avoidance risk. The 15% threshold is used as a benchmark because it corresponds to the minimum effective tax rate under the OECD/Group of Twenty (G20) Global Anti-Base Erosion (GloBE) rules (OECD, 2021).

The Taxplorer database contains only publicly available CbCRs and therefore does not capture MNEs whose CbCRs are not publicly disclosed.[1] This study is thus limited to the MNEs who have published their CbCR data, which provides a basis for comparative analysis. The study uses public CbCRs to flag potential tax avoidance, so the findings are indicative rather than concrete evidence of tax avoidance.

The study compares countries based on the share of CbCR observations with a low ETR, below 15% and their domestic tax regimes. Countries with a higher share of CbCR observations reporting an ETR below 15% were considered as more affected within the study's sample, and countries with a lower share as less affected. Five countries were selected for the analysis: Morocco, Colombia, Gabon, Malaysia, and the Philippines. This selection ensures geographic diversity and enables meaningful comparison of tax policy approaches.

Findings

Figure 1 below summarises the results of the analysis:

1 The voluntary disclosure may also create selection bias, as less aggressive firms are more likely to self report.

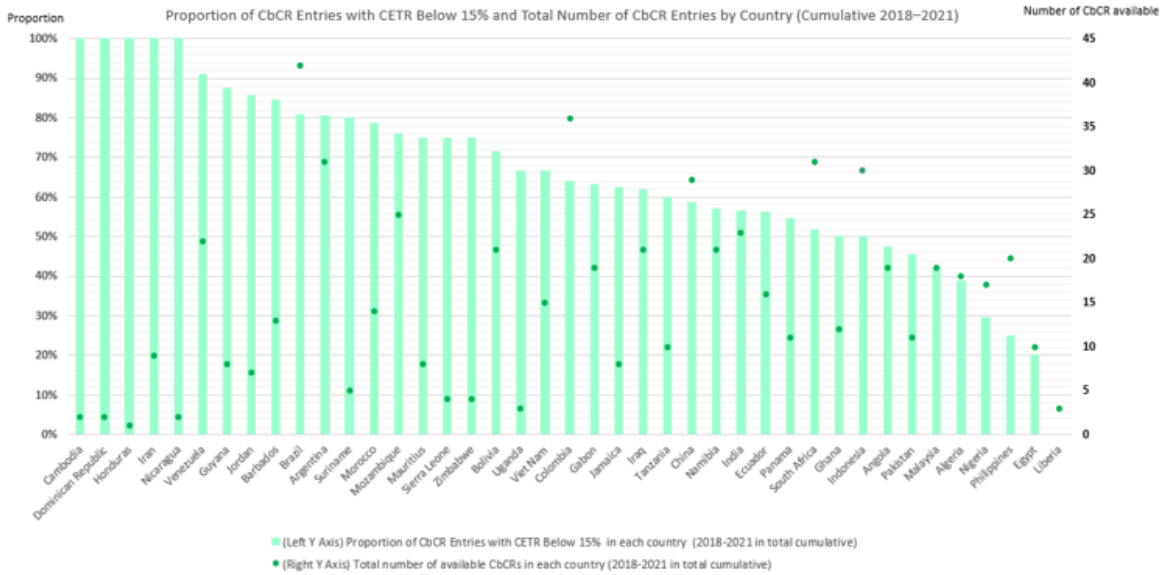


Figure 1: Proportion of CbCR Entries with CETR Below 15 percent and Total Number of CbCR Entries by Country

Figure 1 indicates the number of available CbCRs and the proportion of those reports with an ETR below 15% (*the Appendix provides a table on the same*). Among the countries classified as more affected, Morocco had 79% of its 14 CbCRs below 15%, while Colombia had 64% of its 36 CbCRs below 15%. By contrast, the Philippines had 25% of its 20 CbCRs below 15% and was therefore classified as less affected within the study's sample. Other countries that appear to be most affected with a significant number of CbCR reports with an ETR of less that 15% include Brazil and Argentina. Algeria and Nigeria also appear to be less affected with a smaller proportion of their CbCR reports with an ETR of less that 15%. The most and least affected countries selected for further analysis are presented in Table 1 below.

Table 1: Most and least affected countries

Country	CETR < 15% (share of CbCRs)	CbCRs analysed	Category	Notable feature
Morocco	79%	14	More affected	Many DTAs, but weak thresholds
Colombia	64%	36	More affected	Mandatory TPD filing; MAP underused
Gabon	63%	19	More affected	Highest penalties; no revenue threshold
Malaysia	42%	19	Less affected	Dual thresholds; 12 active APAs; ring-fencing
Philippines	25%	20	Less affected	Dual thresholds; PSC with 60% state share; ring-fencing

Source: Authors' compilation

The lower ETRs could indicate aggressive tax planning practices, such as transfer mispricing, treaty shopping, and permanent establishment avoidance, prevalent among MNEs in the oil and gas sector (Kalra and Afzal, 2023; Marcolongo and Zambiasi, 2022; Otusanya, 2011). The industry also enjoys generous tax incentives that reduce the taxable profits (Calder, 2014; Mager *et al.*, 2024). To contextualise the results and explore factors that may help explain the observed differences, four dimensions of the tax policy environment were reviewed for each country: (1) tax treaties and international collaboration; (2) domestic tax filing and transfer pricing documentation requirements; (3) deterrence and enforcement mechanisms; and (4) the degree of incentivisation of MNE activity.

Tax treaties can affect the allocation of taxing rights between source and residence countries and therefore influence the amount of income that can be taxed in the source country. Treaties that preserve greater source-country taxing rights may provide source countries with greater scope to tax income arising from economic activity within their jurisdictions. Table 2 below shows the average source taxation score (one (1) representing source taxation aligned with the United Nations (UN) model, and zero (0) the OECD

Model which preserves residence taxation, as per the International Centre for Tax and Development (ICTD) tax treaties database):

Table 2: The source taxation score

Countries	Average of Source score for treaties with all partner countries
Morocco	0.49
Colombia	0.40
Gabon	0.33
Malaysia	0.46
Philippines	0.62

Source: ICTD tax treaties database

All countries analysed have a low source taxation rights score which means they preserve more residence based taxation, except for Philippines. Philippines which is also least affected has a higher source taxation score, compared to the other countries.

Countries with stronger transfer pricing rules tend to see less profit shifting. All countries in the study have transfer pricing rules. All countries require declaration of related party transactions in the annual return except for Colombia and Morocco. Gabon requires declaration of related party transactions, with no minimum threshold. Documentation reporting requirements give tax authorities information to check compliance, assess tax risk and audit intercompany transactions. Some of the countries include transfer pricing documentation thresholds for total revenue or assets with the Philippines and Malaysia going a step further to set separate thresholds for specific transactions, as shown below:

Table 3: Local File Revenue/Asset Threshold Requirements Summary per Country (in EUR)

Country	Total revenue/ assets	Related party transaction	Sale of tangible goods	Service, intangible goods, and interest transaction	Financial transactions	Minimum Transfer Pricing Documents
The Philippines	2.4m	1.4m	1.0m	0.2m	N/A	N/A
Malaysia	6.2m	2.1m	N/A	N/A	10.0m	0.2m
Gabon	N/A	N/A	N/A	N/A	N/A	N/A
Colombia	0.6m / 1.1m	N/A	N/A	N/A	N/A	N/A
Morocco	4.7m	N/A	N/A	N/A	N/A	N/A

Source: EY, Worldwide Transfer Pricing Reference Guide 2025. Figures translated from local currency to Euros using exchange rates prevailing at the time of writing the report, for ease of comparison.

Setting a minimum threshold may reduce the compliance cost for low value and low risk transactions, but should be well designed depending on the transaction type and the materiality threshold. If they are set too high, material profit-shifting risks fall outside the documentation requirement. They can also encourage companies to structure or report transactions just below the cut-off. It is therefore important to apply thresholds to the total value of transactions, so splitting transactions does not avoid them, and to set lower thresholds for higher-risk categories such as payment for services, and intangibles. The tax authority should still be empowered to request documentation from any taxpayer, whatever the threshold.

The study also reviews Advance Pricing Agreement (APA) regulations. Interestingly countries with APAs include the most affected, like Morrocco, and least affected countries like Malaysia which has the most APAs in effect. Philippines, which is one of the countries least affected, has no APA guidelines. Therefore, APA experience differs across the selected countries and shows no consistent relationship with the prevalence of low ETRs.

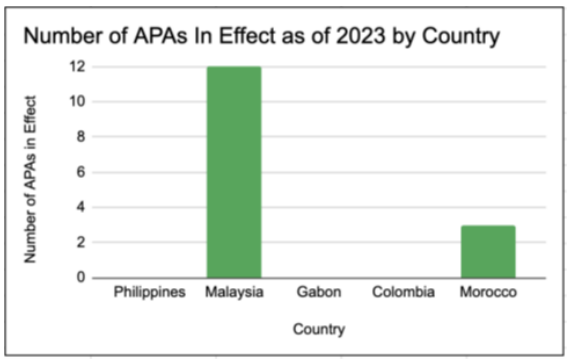


Figure 2: APAs signed by countries

Each country studied has a comprehensive procedure for fines and penalties according to the gravity of the delay in providing (or the failure to prepare) the appropriate documentation. However, it is worth noting that the intensity of the pecuniary punishment varies greatly: the lightest one (from PHP 1,000 to PHP 25,000, approx. EUR 16 to EUR 400) is required by the Philippines, which is the least-affected country, and the harshest (with minimum of XAF 65,000,000, approx. EUR 100,000 per year) is administered by Gabon, one of the most affected countries in this study (Grant Thornton, 2025; PWC, 2026). The comparison suggests that the severity of monetary penalties alone does not correspond systematically with the prevalence of low ETR observations in the sample. This may reflect the importance of other aspects of enforcement, including the probability of detection, audit capacity, the application of penalties, and the effectiveness of dispute resolution mechanisms.

In the oil and gas sector, ring-fencing is another mechanism relevant to the protection of the tax base. Ring-fencing in the oil and gas industry refers to regulatory measures that isolate income, profit and losses of petroleum activities, from other business segments within the same company or from different licence areas in order to avoid a loss from a different segment of license area offsetting the taxable income of another. It is important as seen in the cases of the Philippines and Malaysia which have such provision.

Negotiating an appropriate government share under production-sharing contracts (PSCs) is an important component of the fiscal regime. In the cases examined, the government share ranges from 55–60% in the Philippines and Malaysia, which were comparatively less affected in the sample, compared with up to 10% in Gabon and 13% in Colombia under some production-sharing arrangements, which were comparatively more affected.

What South Centre Members Can Do

The findings, comparative evidence and wider literature point to a number of measures that can strengthen oil and gas sector taxation, as discussed below.

1. Strengthen and legislate transfer pricing rules and documentation requirements. Yoo (2022) in a study across 59 countries finds that both the existence of domestic transfer pricing rules and the requirement to disclose related-party transactions and contemporaneous documentation are associated with reduced profit shifting. Laudage Teles *et al.* (2024) estimate that introducing transfer pricing rules raises corporate tax revenue by roughly 5–8%. Adoption of transfer pricing rules and transfer pricing documentation requirements illustrates how international standards can be converted into enforceable domestic obligations.

2. Targeted support for large MNEs can improve compliance. This allows tax administrations to concentrate scarce audit capacity on transactions that may pose significant risk. The Philippines' and Malaysia's documentation thresholds are worth emulating, whereby there are thresholds for total value of transactions and separate thresholds for specific transactions, tailored to a country's circumstances. This ensures more focus is given on high value, high risk transactions. The International Monetary Fund (IMF)'s recommendation to establish Large Taxpayer Offices for natural-resource sectors reflects the same logic (Calder, 2014).

3. Use Advance Pricing Agreements with safeguards. APAs reduce disputes and give both the administration and the taxpayer certainty over transfer pricing methods before they are applied (Gupta, 2019). However, Rathke *et al.* (2023) find that companies with APAs strategically increase transactions with affiliates in low-tax jurisdictions, so APA design should include transparency and oversight mechanisms to prevent agreements from legitimising aggressive pricing. It also requires building capacity of tax administrations to be able to negotiate APAs.

4. Promote international and regional cooperation. Only 28 developing countries have fully implemented OECD CbCR as of 2026 (OECD, 2026). Widening mutual administrative assistance, including through cross-border information exchange, public CbCR, simultaneous tax examination and joint audits, supported by regional intergovernmental organizations can narrow these gaps.

5. Use auctioned production sharing contracts to reduce information asymmetry. Bidding dynamics give governments leverage to embed disclosure and reporting clauses directly into the contract. Thus, structuring extractive licences as competitively auctioned PSCs, rather than negotiated concessions, improves States' ability to verify production volumes and taxable income from the outset (Boadway and Keen, 2010). It is also important for government to ensure they get a fair government share in the contracts from the onset.

6. Adopt ring-fencing in taxation of extractives. The segregation of taxable income of individual fields or licence areas prevents losses on unprofitable ventures from offsetting profits elsewhere, protecting revenue. Many countries have introduced ring-fencing in their extractive taxation regimes, as seen in the case of Philippines and Malaysia.

References:

Aliprandi, G., F. Gabriel, and G. von Zedlitz (2022). Public Country-by-Country Reports: A new database, dataset. EU Tax Observatory. Available from https://www.taxplorer.eu/home/.

Beer, S., and J. Loeprick (2015). Taxing income in the oil and gas sector - Challenges of international and domestic profit allocation. WU International Taxation Research Paper Series No. 2015-18. Vienna: WU Vienna University of Economics and Business. Available from https://research.wu.ac.at/ws/portalfiles/portal/18981643/SSRN-id2610558.pdf.

Boadway, R., and M. Keen (2010). Theoretical Perspectives on Resource Tax Design. In *The Taxation of Petroleum and Minerals: Principles, Problems and Practice*, P. Daniel, M. Keen, and C. Mc Pherson, eds. London and New York: Routledge and IMF, pp. 13–74.

Calder, J. (2014). *Administering Fiscal Regimes for Extractive Industries: A Handbook*. Washington, D.C.: International Monetary Fund.

Ernst & Young (EY) (2025). *Worldwide Transfer Pricing Reference Guide 2025*. Available from https://www.ey.com/en_gl/technical/tax-guides/worldwide-transfer-pricing-reference-guide.

Grant Thornton (2025). Transfer Pricing - Philippines. Available from https://www.grantthornton.global/en/insights/articles/transfer-pricing---Philippines/#faq_6291353_1.

Gupta, R. (2019). Tax implications of intangibles in the world of the BEPS: Do APAs still have a role to play in the tax planning strategies of multinationals. *Australian Tax Review*, vol. 48, No. 3, pp. 219–244.

International Energy Agency (IEA) (2022). *World Energy Outlook 2022*. Paris. Available from https://www.iea.org/reports/world-energy-outlook-2022.

IEA (2026). Greenhouse Gas Emissions from Energy Data Explorer. 26 August. Available from https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer.

Johannesen, N., T. Tørsløv, and L. Wier (2020). Are Less Developed Countries More Exposed to Multinational Tax Avoidance? Method and Evidence from Micro-Data. *The World Bank Economic Review*, vol. 34, No. 3, pp. 790–809. Available from https://doi.org/10.1093/wber/lhz002.

Kalra, A., and M. N. I. Afzal (2023). Transfer pricing practices in multinational corporations and their effects on developing countries' tax revenue: a systematic literature review. *International Trade, Politics and Development*, vol. 7, No. 3, pp. 172–190.

Kiezebrink, V. (2026). The Shell Files: Exposing how corporations can use transfer pricing to avoid taxes. SOMO, 23 July. Available from https://www.somo.nl/the-shell-files/.

Laudage Teles, S., N. Riedel, and K. Strohmaier (2024). On the effects of anti-profit shifting regulations: A developing country perspective. *Journal of Public Economics*, vol. 235, art. 105134. Available from https://doi.org/10.1016/j.jpubeco.2024.105134.

Mager, F., M. Meinzer, and L. Millán (2024). *How corporate tax incentives undermine climate justice*. Tax Justice Network, June. Available from https://taxjustice.net/reports/how-corporate-tax-incentives-undermine-climate-justice/.

Marcolongo, G., and D. Zambiasi (2022). Incorporation of offshore shell companies as an indicator of corruption risk in the extractive industries. WIDER Working Paper, No. 2022/14. Helsinki: United Nations University World Institute for Development Economics Research (UNU-WIDER). Available from https://doi.org/10.35188/UNU-WIDER/2022/145-7.

Moreau-Kastler, N., G. Varaschin, A. Chiocchetti, C. Miranda, and G. Perro (2026). Windfall Profit Taxes in the EU: Design and Revenues for Effective Implementation. International Tax Observatory Policy Note No.12, October. Available from https://taxobservatory.world/www-site/uploads/2026/10/Windfall-Profit-Taxes-in-the-EU-Design-and-Revenues-for-Effective-Implementation.pdf.

Organisation for Economic Co-operation and Development (OECD) (2021). *Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS*. OECD/G20 Base Erosion and Profit Shifting Project. Paris: OECD Publishing. Available from https://doi.org/10.1787/782bac33-en.

OECD (2024). *Corporate Tax Statistics 2024*. Paris: OECD Publishing. Available from https://doi.org/10.1787/9c27d6e8-en.

OECD (2026). *OECD Secretary-General Tax Report to G20 Finance Ministers and Central Bank Governors (G20 United States, April 2026)*. Paris: OECD Publishing. Available from https://doi.org/10.1787/02d05307-en.

Otusanya, O. J. (2011). The role of multinational companies in tax evasion and tax avoidance: the case of Nigeria. *Critical Perspectives on Accounting*, vol. 22, No. 3, pp. 316–332.

PricewaterhouseCoopers (PWC) (2026). Gabon - Corporate - Group taxation. Worldwide Tax Summaries. Available from https://taxsummaries.pwc.com/gabon/corporate/group-taxation.

Rathke, A. A., A. J Rezende, C. Watrin, and R. M. Antônio (2023). Profit shifting and the attractiveness of Advance Pricing Agreements. *Journal of Business Economics*, vol. 93, No. 5, pp. 817–857.

Stockholm Environment Institute (SEI), Climate Analytics, & International Institute for Sustainable Development (IISD) (2025). *The Production Gap Report 2025*. Available from https://productiongap.org/2025report/.

Trilling, M. (2025). *Make polluters pay: Proposal for a surtax on fossil fuel industries' profits*. European Network on Debt and Development (Eurodad) and the Global Alliance for Tax Justice (GATJ). Available from https://globaltaxjustice.org/news/make-polluters-pay-proposal-for-a-surtax-on-fossil-fuel-industries-profits/.

Wier, L. S., and G. Zucman (2022). Global profit shifting, 1975-2019. WIDER Working Paper, No. 2022/121. Helsinki: United Nations University World Institute for Development Economics Research (UNU-WIDER). Available from https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp2022-121-global-profit-shifting-1975-2019.pdf.

Wood Mackenzie (2026). Oil above US$100/bbl revives windfall tax debate across four continents. 21 May. Available from https://www.woodmac.com/press-releases/oil-above-us$100bbl-revives-windfall-tax-debate-across-four-continents/.

Yoo, J. S. (2022). The effects of transfer pricing regulations on multinational income shifting. *Asia-Pacific Journal of Accounting & Economics*, vol. 29, No. 3, pp. 692–714.

Appendix:

Results for the public CbCRs data analysis

The table below shows the share of CbCR entries with ETR below 15% (sorted from the highest) and number of CbCR entries, by country (cumulative 2018–2021). 41 countries and 622 CbCR entries are covered.

	Country	CbCR entries with CETR < 15% (% of entries)	Total number of CbCR entries available (cumulative 2018–2021)
1	Cambodia	100%	2
2	Dominican Republic	100%	2
3	Honduras	100%	1
4	Iran	100%	9
5	Nicaragua	100%	2
6	Venezuela	91%	22
7	Guyana	88%	8
8	Jordan	86%	7
9	Barbados	85%	13
10	Brazil	81%	42
11	Argentina	81%	31
12	Suriname	80%	5
13	Morocco	79%	14
14	Mozambique	76%	25
15	Mauritius	75%	8
16	Sierra Leone	75%	4
17	Zimbabwe	75%	4
18	Bolivia	71%	21
19	Uganda	67%	3
20	Viet Nam	67%	15
21	Colombia	64%	36
22	Gabon	63%	19
23	Jamaica	63%	8
24	Iraq	62%	21
25	Tanzania	60%	10
26	China	59%	29
27	Namibia	57%	21
28	India	57%	23
29	Ecuador	56%	16
30	Panama	55%	11
31	South Africa	52%	31
32	Ghana	50%	12
33	Indonesia	50%	30
34	Angola	47%	19
35	Pakistan	45%	11
36	Malaysia	42%	19
37	Algeria	39%	18
38	Nigeria	29%	17
39	Philippines	25%	20
40	Egypt	20%	10
41	Liberia	0%	3

Source: Own analysis based on EU Tax Observatory Taxplorer Public Country-by-Country Report data (Aliprandi, Gabriel & von Zedlitz, 2022).

PREVIOUS SOUTH CENTRE TAX COOPERATION POLICY BRIEFS

No. 28, 20 January 2023
Climate Finance Withholding Mechanism: Exploring a potential solution for climate finance needs of the developing countries by Radhakishan Rawal
No. 29, 3 March 2023
Digital taxation under the OECD Amount A and UN Article 12B mechanisms for market jurisdictions in Africa: a comparative analysis by Erica Rakotonirina
No. 30, 25 March 2023
Enforcing Secondary Taxing Rights: Subject to Tax Rule in the UN Model Tax Convention by Abdul Muheet Chowdhary and Sebastien Babou Diasso
No. 31, 25 March 2023
Taxation of Computer Software: Need for Clear Guidance in the UN Model Tax Convention by Abdul Muheet Chowdhary and Sebastien Babou Diasso
No. 32, 30 May 2023
Global Minimum Taxation of Multinationals: Opportunities and risks for some African States by AMAGLO Kokou Essegbe, KOUEVI Tsotso and ADJEYI Kodzo Senyo
No. 33, 26 June 2023
Taxation of Digital Services: what hope for the African States? by ADJEYI Kodzo Senyo, KOUEVI Tsotso and AMAGLO Kokou Essegbe
No. 34, 24 July 2023
Conceptualizing Remote Worker Permanent Establishment by Radhakishan Rawal
No. 35, 18 August 2023
The GloBE Rules: Challenges for Developing Countries and Smart Policy Options to Protect Their Tax Base by Emmanuel Eze, Sol Picciotto, Muhammad Ashfaq Ahmed, Abdul Muheet Chowdhary, Bob Michel and Tommaso Faccio
No. 36, 26 October 2023
Beyond the Two Pillar Proposals A Simplified Approach for Taxing Multinationals by Sol Picciotto, Muhammad Ashfaq Ahmed, Alex Cobham, Rasmi Ranjan Das, Emmanuel Eze, Bob Michel
No. 37, 29 January 2024
A Decade of the Indian Advance Pricing Agreement Programme: Achievements and Challenges by Priyanka Mashelkar and Apoorv Tiwari
No. 38, 15 May 2024
The Design of a UN Framework Convention on International Tax Cooperation by Sol Picciotto
No. 39, 20 November 2024
Determining the Upper Bound of the Scoping Criteria for Amount B in the OECD/G20 Two-Pillar Solution: A Policy Guide for Developing Jurisdictions by Chetan Rao, Ruchika Sharma, and Dr. Vijit Patel
No. 40, 19 December 2024
Towards a UN Protocol for Taxing Cross-Border Services in a Digitalized Economy by Abdul Muheet Chowdhary, Anne Wanyagathi Maina and Kolawole Omole
No. 41, 27 February 2026
OECD Two Pillar Solution: Designed to Prevent the Offshoring of High Tech Production to the Global South by Abdul Muheet Chowdhary
No. 42, 23 June 2026
Don't throw the baby out with the bath water: Making Wealth Taxes Work in Developing Countries by Anne Wanyagathi Maina

The South Centre is the intergovernmental organization of developing countries that helps developing countries to combine their efforts and expertise to promote their common interests in the international arena. The South Centre was established by an Intergovernmental Agreement which came into force on 31 July 1995. Its headquarters is in Geneva, Switzerland.

The views contained in this brief are attributable to the author/s and do not represent the institutional views of the South Centre or its Member States. Any mistake or omission in this study is the sole responsibility of the author/s.

This work is available through open access, by complying with the Creative Commons licence Deed - Attribution-NonCommercial-ShareAlike 4.0 International - Creative Commons.

SOUTH CENTRE

The South Centre
International Environment House 2
Chemin de Balexert 7-9
1219 Geneva
Switzerland
Tel.: +41 22 791 8050
south@southcentre.int
https://www.southcentre.int

Photo: SatyaPrem from Pixabay