



\$21 trillion might be in tax havens around globe

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(CNN) - What some see as paradise, others see as treasure islands with so-called pirate banks to hide money and avoid taxes.

By their definition, tax havens are places with no or nominal taxes and little if any reporting requirements.

A report finds the world's super rich have a staggering \$21 trillion stashed away in what it counts as 80 such havens across the globe. That amount is equal to the economies of the U.S. and Japan combined.

James Henry, a lawyer and economist, wrote the report for Tax Justice Network, an advocacy group that campaigns against tax havens. He says the actual number may even be as high as \$32 trillion.

"This number is just kind of a way of having a lightning rod that makes it clear exactly what's at stake and illustrates the problem of how big it is," Henry said.

The problem, he said, is hundreds of billions of dollars of lost tax revenue each year, with major banks helping the world's wealthiest people hide their money.

The report looks at individual wealth and estimates the global elite number fewer than 10 million people with money parked in popular havens like Switzerland, and the Cayman and Channel islands.

But skeptics, like Dan Mitchell of the Cato Institute, a libertarian-leaning think tank, question the \$21 trillion figure, saying it is way too high.

"There could be some double counting according to some experts, and clearly it is driven by an ideological agenda to try to have the highest possible number to convince governments that there is some magic pot of money out there to fund the welfare state," Mitchell said.

Henry dismisses the criticism and stands by his numbers.

"The bad news is that we have this black hole in the world economy and we have to fix it. The good news is, it is wealth that we can put to use. We just have to figure out how to tax it and how to bring it home," Henry said.

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