

Trump and tax havens

Published: January 13, 2026, 7:47 pm

Will Donald Trump impact the future of tax havens? That was a question I was asked a couple of times yesterday.

I had to say that, yes, he would, although I could not be sure quite how, as yet.

What I think likely is that Donald Trump will reduce US corporation tax rates, considerably, and he will change the laws that have encouraged US companies to keep their non-US earnings tax free outside the USA in places like Cayman and Bermuda.

He will, as a result, effectively end the abuses of Apple and Google, et al, of tax havens (and by implication places like the UK) by ensuring that these companies really do pay tax on their worldwide profits in the US, meaning that there is no point in them using tax havens and so no point in them abusing the tax systems of other countries with reasonable tax rates where credit for tax paid can be used to cancel US liabilities.

This would be of major benefit. So let's not say that everything about Trump has a downside: if he did this three gains would follow.

First, tax in the rest of the world would benefit.

Second, some big tax haven abuse would end and the resources dedicated to that abuse by so many supposedly clever people would have to be reallocated to real social use.

Third, the US would increase its tax revenue.

Is there a downside? Not that I can see: having businesses earning fair rather than artificially inflated profits is not a downside. It is simply creating a level playing field.

But then let's move on to the secondary effects. There may be several. First, the US might then not be so opposed to country-by-country reporting. Indeed, if they're really taxing worldwide profits rather than just pretending to do so, as is the case now, then they really might want country-by-country reporting data.

Second, they may be more enthusiastic about the whole OECD BEPS process in general.

Those are the upsides. But let's not pretend it's all good news. Republicans like tax havens. That's a fact. And they hate information exchange even though it is a condition of effective competition and fair markets (in fact you might say they hate it because those two things are true and they don't like them). So I do not see the US under Trump signing up to OECD automatic information exchange. And I see no change being likely to the abuses from places like Delaware that provide real cow-boy style attitudes towards corporate regulation, letting companies be formed with no intention of ever finding out who owns them or for what they are used.

Trump may then reform US corporation tax, which will happen to change some tax haven patterns of use. But let's not hold our breath on the US ceasing to be one of the most significant tax havens in the world. That's not going to happen. In which case, and unfortunately, the US will remain a massive spanner in the works on tackling tax haven abuse, and so other such locations may continue to survive for longer than anyone in the world really needs them to.