

Tax havens

Generally, a tax haven can be described as a jurisdiction with no taxes or a very low rate of tax, a lack of transparency in the operation of its tax system, and a lack of effective exchange of information with other countries.

Tax havens usually also have strict bank secrecy laws. There is often little or no economic activity in a tax haven.

When tax havens are used to hide the ownership and control of assets or to facilitate the evasion of taxes, the CRA will apply the provisions of the *Income Tax Act* to deny any of the tax benefits sought. The CRA has created 11 [centres of expertise](#) across Canada that will be responsible for focussing on aggressive international tax planning including the abusive use of tax havens.