

# **TAX HAVENS AND THE MONEY LAUNDERING PHENOMENON**

**MIHU STEFAN**

Spiru Haret University

Email: stefan.mihu@yahoo.com

## **Abstract**

By using tax havens, the multinational companies are able to exercise an efficient fiscal management that covers also the area of the repatriation of the dividends in foreign currency. The choice of whether or not to use a fiscal paradise resides in the desire of the maximum avoidance of the fiscal burden. The option of investing in a fiscal paradise is based on an economic efficiency calculus named in the speciality literature “option pricing”. It refers to the total material profit obtained as a result of the activities of avoiding taxation by using the tax havens. Most of the national economies have become interconnected with the general globalization trend and, implicitly, with the internationalization of the organized crime, money laundering now represents the terminal point of the economic and financial criminality. The basic money laundering procedure aims at dispersing the origin of the fraudulently made profits for the purpose of creating a legal appearance of the involved amounts that are to be reintroduced later on into the legitimate economy.

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