

## 11,000 Brazilians Keep US\$ 93 Billion Abroad, Mainly in Tax Paradises

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A survey by the Central Bank found that 11,245 Brazilians possessed US\$ 93.243 billion in foreign deposits, investments, and business assets as of December 31, 2004.

This amount represents an increase of 12.8% over the US\$ 82.692 billion declared a year earlier. This information was provided Thursday, November 3, by the head of the Department in charge of Combating Illegal Financial Assets and the Supervision of Exchange and International Capital, Ricardo Liao.

Liao attributed the increment to the increased global insertion of the Brazilian economy, stimulated by the growth in exports in recent years and the variation in the number of individuals and firms that filed declarations of Brazilian Foreign Capital Assets (CBE).

The number of declarations this year, referring to calendar year 2004, rose by 623 in relation to the number filed in 2004, referring to calendar year 2003.

According to Liao, the US\$ 10.6 billion increase in this year's declarations was heavily influenced by mergers between domestic and foreign firms, as well as a US\$ 5 billion increase in inter-company loans and the enhanced market value of Brazilian companies abroad.

Liao said that, as in previous years, the greatest concentration of Brazilian assets was detected in the so-called tax paradises, due to the "facility offered by these countries for movements of capital."

The largest sums of Brazilian capital have traditionally transited through the Cayman Islands, the Bahamas, the British Virgin Islands, and Luxembourg.

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