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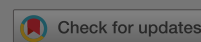
Capital unchained: finance, intangible assets and the double life of capital in the offshore world

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need to follow the global double life of internationalised and financialised intangible assets and wealth flows, and parallel reorganisations of state forms in response to those transformations.

KEYWORDS:

- intangible assets
- taxation
- offshore
- Global Wealth Chains
- finance
- knowledge economy

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DISCLOSURE STATEMENT

No potential conflict of interest was reported by the authors.

Notes

1. To give a partial answer to the question posed the problem is that of the geographical distribution of national wealth, what could be the economic form as an organisation of this wealth and the dilemmas it poses and the fortunate and unfortunate geographical error is c...

2. Bernstein and Campling further argued that this is partly due to the GVC/GPN focus on unequal relations of exchange and power (such as between (small and large) firms (2006).
3. Wayne Upton Jr. ([2001](#): 68), a researcher with the accounting standards board in the USA, defines an intangible asset as ‘...nonphysical sources of probable future economic benefits to an entity’.
4. Indeed, recognition of the industrial and financial importance of intangible property can be traced back to the late nineteenth century, notably to the American institutionalist Thorsten Veblen ([1904](#)) – who referred to intangible assets (then known in corporate finance and accounting as ‘goodwill’) as ‘pecuniary’ or ‘vendible’ capital and in so doing made the distinction between industry and business, and J. R. Commons ([1924](#), [1934](#)) – who took the issue further and suggested a unifying concept of capital defined in terms of exchange value and more particularly in terms of the future ‘earning power’ of the assets (which he called ‘futurity’), rather than in terms of those assets measured in terms of their (depreciated) historical cost.
5. Audacious, both in the scale of tax minimisation, and the defiant stance of many companies engaged in the practices. For instance, Eric Schmidt, then Chairman of Google, responding to the claim that the company shifted nearly \$10 billion in revenues through tax avoidance, ‘I am very proud of our company’s commitment to capitalis
6. By ‘naïve’ rather than ‘described
7. In 200 standards body of intan
8. There id organisat unding corporat found that most lar ore porous concept gements.



Yet very few systematically track the performance of those alliances, despite the considerable assets and revenue they involve.

9. May ([2010](#)) outlines the conceptual difficulties for theories of property that arise in commodifying knowledge.


10. Grubert ([2012](#)), for instance, estimates that aggregate pre-tax worldwide income earned abroad by multinational firms based in the USA increased from 37.1% in 1996 to 51.1% in 2004.

11. In comparison, the size of the global hedge fund industry is estimated at \$2.2 trillion (Chung, [2012](#)).

12. The suggestion by the EU's antitrust and competition regulator that Ireland's relationship with Apple might constitute unlawful state aid and be in contravention of article 107(1) of the Treaty on the Functioning of the European Union (TFEU) prompted the Irish Finance Minister to proclaim the loophole closed during his presentation of the 2015 budget. Companies already operating in the country were given five years to wind down and the door shut to new entrants.

13. The next section argues that the notions of a 'correct' transfer price or its real value are oxymoronic concepts, with important regulatory implications.

14. The parent here (Burn, [1998](#)).

15. The y partially developed intangibles can be exploited by companies that separate the intangible from the tangible, enhance the value of the intangible, and then transfer it to a low-tax jurisdiction. The 2011 OECD report on 'Base Erosion and Profit Shifting' (BEPS) provides such international guidelines. The report may be used to verify the transfer pricing of intangibles. It will prove difficult to transfer pricing if the intangible has been based on the taxpayer, or to consider whether the intangible or rights in intangibles have

been transferred at undervalue or overvalue compared to the arm's length price, until ex post outcomes are known in years subsequent to the transfer' (OECD, [2014](#): 5).

16. Actions 8-10 update the OECD's transfer pricing rules and have been amalgamated as, 'Aligning Transfer Pricing Outcomes with Value Creation' and Action 13, 'Transfer Pricing Documentation and Country-by-Country Reporting' contains revised standards for transfer pricing documentation incorporating a master file, local file, and a template for country-by-country reporting of revenues, profits, taxes paid and certain measures of economic activity. The revised approach requires taxpayers to articulate consistent transfer pricing positions and promises to provide tax administrations with useful information to assess transfer pricing and other BEPS risks.

17. This ambiguity, and subsequent regulatory frailty, arising from the 'curious bind' OECD guidance sits in is compounded by the fact that CBCR data will not be made publicly available. Limited transparency and conceptual ambiguity may leave the door open for states to ignore cases of artificially reallocating intangible wealth under the pressure of on-going tax competition.

Additional information

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