Although developing countries have experienced some growth in tax revenues, they remain low. Illicit Financial Flows (IFFs) exacerbate the limited availability of resources for these countries, as illustrated in research by UNU-WIDER. In this context, it is crucial to note that the transfer of funds out of the Global South, whether by individuals or multinational corporations, is more prevalent. Systematic evidence shows how tax havens contribute to corruption in extractive industries. Policy changes in financial transparency have prompted investors to relocate their assets to secretive offshore financial centers, and profit shifting is widespread. While most companies shift only a small portion of their income to tax havens, a few large firms tend to shift significant sums, with the top decile of foreign-owned firms estimated to account for 98% of total tax losses. As a result, tax havens lead to competitive distortions, as larger companies benefit more. Finally, the lack of legal transparency hampers the detection of illicit flows and contributes to their increased volumes.