



TEXTS ADOPTED

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Tax rulings and other measures similar in nature or effect (TAXE 2)

European Parliament resolution of 6 July 2016 on tax rulings and other measures similar in nature or effect (2016/2038(INI))

The European Parliament,

- having regard to Articles 4 and 13 of the Treaty on European Union (TEU),
- having regard to Articles 107, 108, 113, 115 and 116 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to its decision of 2 December 2015 on setting up a special committee on tax rulings and other measures similar in nature or effect (TAXE 2), its powers, numerical strength and term of office¹,
- having regard to the revelations of the International Consortium of Investigative Journalists (ICIJ) on tax rulings and other harmful practices in Luxembourg, which have become known as the ‘LuxLeaks’,
- having regard to the revelations of the International Consortium of Investigative Journalists (ICIJ), on the use of offshore companies, which have become known as the ‘Panama Papers’, and in particular the documents published on 9 May 2016,
- having regard to the outcomes of the various G7, G8 and G20 summits held on international tax issues, in particular the Ise-Shima summit of 26 and 27 May 2016 and the outcome of the G20 Finance Ministers and Central Bank Governors’ meeting held on 14 and 15 April 2016 in Washington,
- having regard to the resolution adopted by the United Nations General Assembly on 27 July 2015 on the Addis Ababa Action Agenda,
- having regard to the Report of the Organisation for Economic Cooperation and Development (OECD) of 30 November 2015 entitled ‘G20/OECD Principles of Corporate Governance’,

¹ Texts adopted, P8_TA(2015)0420.

- having regard to the ECOFIN conclusions on the exchange of tax-related information on the activities of multinational companies and on the code of conduct on business taxation of 8 March 2016, on corporate taxation, base erosion and profit shifting of 8 December 2015, on business taxation of 9 December 2014, and on taxation policy of 1 December 1997, as well as the note of the informal ECOFIN discussion of the Panama Papers on 22 April 2016,
- having regard to the Council Directive of 8 December 2015¹ amending the Administrative Cooperation Directive²,
- having regard to Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union³,
- having regard to Council Directive 77/799/EEC of 19 December 1977 concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation and taxation of insurance premiums⁴,
- having regard to Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing⁵,
- having regard to the Commission’s joint follow-up, as adopted on 16 March 2016, to the recommendations of Parliament’s resolutions on bringing transparency, coordination and convergence to the corporate tax policies in the Union, and on tax rulings and other measures similar in nature or effect,
- having regard to the Commission proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches (COM(2016)0198) (the CbCR proposal),
- having regard to the Commission proposal on the Anti-Tax Avoidance Package (ATAP) consisting of a ‘chapeau communication’⁶, a proposal for a Council directive on Anti-Tax Avoidance⁷, a proposal for a Council directive on the revision of the Administrative

¹ Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (OJ L 332, 18.12.2015, p. 1).

² Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (OJ L 64, 11.3.2011, p. 1), concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation.

³ OJ L 83, 27.3.1999, p. 1.

⁴ OJ L 336, 27.12.1977, p. 15.

⁵ OJ L 141, 5.6.2016, p. 73.

⁶ Communication from the Commission to the European Parliament and the Council, Anti-Tax Avoidance Package: Next steps towards delivering effective taxation and greater tax transparency in the EU (COM(2016)0023).

⁷ Proposal for a Council Directive laying down rules against tax avoidance practices that directly affect the functioning of the internal market (COM(2016)0026).

Cooperation Directive¹, a recommendation on tax treaties², and a study on aggressive tax planning³,

- having regard to the Commission proposal of 2011 for a Council directive on a Common Consolidated Corporate Tax Base (CCCTB) (COM(2011)0121), and to Parliament’s position of 19 April 2012 thereon⁴,
- having regard to the resolution of the Council and the Representatives of the Governments of the Member States of 1 December 1997 on a code of conduct for business taxation⁵, and to the regular reports to the Council of the Code of Conduct Group on Business Taxation,
- having regard to the tax transparency agreement initialled between the EU and the Principality of Monaco on 22 February 2016,
- having regard to the agreement signed between the EU and the Principality of Andorra on 12 February 2016,
- having regard to the Agreement on taxation of savings income signed between the EU and the Republic of San Marino on 8 December 2015,
- having regard to the Agreement on the automatic exchange of financial account information signed between the EU and the Principality of Liechtenstein on 28 October 2015,
- having regard to the Agreement on taxation to improve tax compliance signed between the EU and the Swiss Confederation on 27 May 2015,
- having regard to the updated Agreement between Jersey and the United Kingdom of 30 November 2015 and the so-called ‘Change of view on the interpretation of paragraph 2 of the Jersey-UK Double Taxation Arrangement’,
- having regard to the Guernsey-UK Double Taxation Arrangement as amended by the 2009 Arrangement, signed 20 January 2009 and in force as from 27 November 2009, relating to exchange of information,
- having regard to Parliament’s legislative position of 8 July 2015 on the proposal for a directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement⁶,

¹ Proposal for a Council Directive amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (COM(2016)0025).

² Commission Recommendation of 28 January 2016 on the implementation of measures against tax treaty abuse (C(2016)0271).

³ Study on Structures of Aggressive Tax Planning and Indicators, European Union, 2016.

⁴ OJ C 258 E, 7.9.2013, p. 134.

⁵ OJ C 2, 6.1.1998, p. 2.

⁶ Texts adopted, P8_TA(2015)0257.

- having regard to its resolution of 16 December 2015 with recommendations to the Commission on bringing transparency, coordination and convergence to corporate tax policies in the Union¹,
- having regard to its resolution of 25 November 2015 on tax rulings and other measures similar in nature or effect²,
- having regard to its resolution of 8 July 2015 on tax avoidance and tax evasion as challenges for governance, social protection and development in developing countries³,
- having regard to the various parliamentary hearings and consecutive reports on tax avoidance and tax evasion held in national parliaments and in particular in the UK House of Commons, the US Senate, the Australian Senate and the French National Assembly and Senate,
- having regard to the Council of Europe’s Recommendation CM/Rec(2014)7 of 30 April 2014 on the protection of whistleblowers,
- having regard to the trial in Luxembourg of Antoine Deltour, Raphaël Halet and Édouard Perrin, indicted for their role in publishing the so-called ‘LuxLeaks’ documents,
- having regard to the state aid decisions of the Commission relating to Fiat⁴, Starbucks⁵, and the Belgian excess-profit rulings⁶, and decisions to open state aid investigations on McDonalds, Apple and Amazon,
- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect (TAXE 2) (A8-0223/2016),

Overall considerations, facts and figures

- A. whereas the ‘Panama Papers’ and ‘LuxLeaks’ revelations, as made public by the International Consortium of Investigative Journalists (ICIJ), have shown the urgent need for the EU and its Member States to fight tax evasion, tax avoidance and aggressive tax planning, and to act for increased cooperation and transparency in order to re-establish tax justice, by making our tax systems fairer and ensuring that corporate taxes are paid where value is created, not only among Member States, but also globally;
- B. whereas the scale of tax evasion and avoidance is estimated by the Commission to be up to EUR 1 trillion⁷ a year, while the OECD estimates¹ the revenue loss at global level to

¹ Texts adopted, P8_TA(2015)0457.

² Texts adopted, P8_TA(2015)0408.

³ Texts adopted, P8_TA(2015)0265.

⁴ SA.38375 – State aid which Luxembourg granted to Fiat.

⁵ SA.38374 – State aid implemented by the Netherlands to Starbucks.

⁶ Commission Decision of 11 January 2016 on the excess profit exemption state aid scheme SA.37667 (2015/C) (ex 2015/NN) implemented by Belgium (C(2015)9837).

⁷ http://ec.europa.eu/taxation_customs/taxation/tax_fraud_evasion/a_huge_problem/index_en.htm, European Commission, 10 May 2016.

be between 4 % and 10 % of all corporate income tax revenue, representing between EUR 75 and EUR 180 billion annually, at 2014 levels; whereas these are only conservative estimates; whereas the negative impacts of such practices on Member States' budgets and on citizens are evident and could undermine trust in democracy; whereas tax fraud, tax evasion and aggressive tax planning erode the tax base of Member States and thereby lead to loss of tax revenues, weakening the economies, governments' capacity in terms of public services, investments and social security;

- C. whereas, within a budgetary framework of mutual control, it is unacceptable for resources that should be generated by taxes due in one Member State actually to be generated in another Member State through unfair and aggressive tax planning;
- D. whereas developing countries are disproportionately affected by corporate tax avoidance, which is responsible for an estimated USD 100 billion² of annual tax revenue losses, depriving them of the essential resources to fund the most basic services and harming EU development cooperation policies;
- E. whereas the 'Panama Papers' revelations reminded us that the issue of tax avoidance goes beyond multi-national companies and is strongly linked to criminal activities, and that offshore wealth is estimated to be approximately USD 10 trillion;
- F. whereas G20 Leaders took action in April 2009, especially requesting offshore jurisdictions to sign at least 12 information exchange treaties, with the objective to end the era of bank secrecy; whereas economists seriously questioned the effectiveness of these measures explaining that treaties have led to the relocation of bank deposits between tax havens, but have not triggered significant repatriation of funds³; whereas there is no evidence that portfolio investments in offshore jurisdictions were on the decline before, at least, 2014, despite recent international efforts to increase financial transparency; whereas it is too early to assess whether the adoption of automatic exchange of tax information (Common Reporting Standard) will bring changes to this trend;
- G. whereas, according to information provided by the Bank for International Settlements, cross-border deposits in offshore centres between 2008 and 2015 have, on average, grown by 2,81 % annually, while they have grown by 1,24 % only in the rest of the world⁴; whereas the most important financial offshore centres in terms of foreign deposits are the Cayman Islands (USD 663 billion), Luxembourg (USD 360 billion), Switzerland (USD 137 billion), Hong Kong (USD 125 billion), Singapore (USD 95 billion), Bermuda (USD 77 billion), Panama (USD 67 billion), Jersey (USD 58 billion) and Bahamas (USD 55 billion); whereas cross-border deposits in European havens such as Andorra, Gibraltar, Liechtenstein and Switzerland have been declining or stagnating in the past few years, leading to the supposition of a shift of the offshore activities to other jurisdictions and a restructuring of the offshore industry as a consequence of an increasing number of bilateral tax information agreements;

¹ Measuring and Monitoring BEPS, Action 11 – 2015 Final Report, OECD/G20 Base Erosion and Profit Shifting Project.

² World Investment Report 2015 – Reforming International Investment Governance, UNCTAD, 2015.

³ <http://gabriel-zucman.eu/files/JohannesenZucman2014>

⁴ BIS 2016 – locational banking statistics.

- H. whereas investment flows to offshore financial centres are estimated to be USD 72 billion in 2015¹ and have risen in recent years by the growing flows from multinational enterprises located in developing and transition economies, sometimes in the form of investment round-tripping; whereas investment flows to special purpose entities represent the majority of offshore investment flows; whereas Luxembourg was the primary recipient of special purpose entities-related investment flows in 2015, whereas special purpose entities related inflows to the Netherlands were also especially high in 2015; whereas the persistence of financial flows routed through offshore financial mechanisms highlights the need to create greater coherence among tax and investment policies at the European and global level;
- I. whereas in April 2016 the OECD was again given a mandate to create a blacklist of non-cooperative jurisdictions; whereas criteria for identifying tax havens are being defined by the Commission, which has acknowledged the importance not only of looking at transparency and cooperation criteria but also of considering harmful tax regimes;
- J. whereas small and medium-sized enterprises (SMEs) are the primary job creators in Europe, having created around 85 % of all new jobs in the EU² in the past five years; whereas studies³ have shown that a cross-border company pays on average 30 % less tax than a company active in only one country; whereas this seriously distorts competition, leads to loss of jobs and equality in the Union and hinders sustainable growth;
- K. whereas aggressive tax planning is defined by the Commission as taking advantage of the technicalities of a tax system or of mismatches between two or more tax systems for the purpose of reducing tax liability; whereas the Commission recognises that aggressive tax planning can take a multitude of forms, leading to a situation in which tax law is not applied as intended by law makers; whereas the main forms of aggressive tax planning include debt shifting, location of intangible assets and intellectual property, strategic transfer pricing, hybrid mismatches and offshore loan structures; whereas companies heard by its Special Committee have mostly reiterated that they pay a lot of taxes and that their behaviour is legal; whereas only a small percentage of companies have so far publicly admitted that corporate tax avoidance is a priority to be addressed;
- L. whereas close to one third of cross-border corporate investments are channelled through offshore financial constructions; whereas the Commission notes that 72 % of profit shifting in the European Union makes use of transfer pricing and tax-effective location of intellectual property, and that the remaining profit-shifting schemes involve debt shifting⁴;

¹ http://unctad.org/en/PublicationsLibrary/webdiaeia2016d2_en.pdf

² <http://ec.europa.eu/growth/smes/>, European Commission, 10 May 2016.

³ http://europa.eu/rapid/press-release_MEMO-16-1351_en.htm#_ftnref8, and Egger, P., W. Eggert and H. Winner (2010), 'Saving Taxes through Foreign Plant Ownership', *Journal of International Economics* 81: 99–108; Finke, K. (2013), *Tax Avoidance of German Multinationals and Implications for Tax Revenue Evidence from a Propensity Score Matching Approach*, mimeo.

⁴ https://polcms.secure.europarl.europa.eu/cmsdata/upload/a0cf64ee-8e0d-4b5f-b145-6ffbaa940e10/TheRoleFinancialSectorTaxPlanning_Draft_210316.pdf

- M. whereas bilateral tax treaties allocate taxing rights between source and residence countries; whereas source countries often are allocated the right to tax active business income, provided that a permanent establishment exists in the source countries and that residence countries obtain taxing rights over passive income such as dividends, royalties and interest; whereas such division of taxing rights is essential to understanding aggressive tax planning schemes;
- N. whereas accounting practices consist in portraying the corporation's financial state by matching revenues and expenses, and gains and losses to the calendar period in which they arise, rather than to the period in which the cash flows actually take place; whereas if taxable income passes from one jurisdiction to another, and both treat it in a different manner, the opportunity to exploit mismatches arises; whereas though royalty payments can be justified for business purposes, without proper fiscal coordination, and whereas they can receive favourable tax treatment in one country, leading to an erosion of the tax base in other countries;
- O. whereas 60 % of all world trade is intragroup, and therefore subject to transfer pricing methodologies; whereas 70 % of all profit shifting is done through transfer pricing;
- P. whereas convergence of tax policies should also be accompanied by greater controls and more investigations of harmful tax practices; whereas the Commission has started new formal investigations regarding the tax treatment of multinational enterprises (MNEs); whereas the assessment of tax policy measures from a state aid point of view is an approach that has recently gained in importance; whereas further reflection and measures in order to better understand and address the interplay between taxation and competition are necessary; whereas the Commission has the option of investigating all cases suspected to be illegal state aid by means of preferential tax treatments in a non-selective and unbiased way; whereas a number of investigations by the Commission in matters of state aid were still ongoing at the time of adoption of report A8-0223/2016; whereas certain Member States have initiated recovery procedures against some MNEs; whereas only a few Member States have carried out spill-over analyses of their domestic tax policies to assess impacts on developing countries;
- Q. whereas the best tool to combat aggressive tax planning is well-designed legislation, implemented in a proper and coordinated way;

Role of specific tax jurisdictions

- R. whereas Parliament has held meetings with representatives of the Governments of Andorra, Liechtenstein, Monaco, Guernsey and Jersey; whereas the Cayman Islands have only appeared at a coordinators' meeting and not at a formal hearing of the Special Committee; whereas the Isle of Man has declined to appear before the Special Committee and has sent a written contribution instead;
- S. whereas some specific tax jurisdictions actively contribute to designing aggressive tax policies on behalf of MNEs, which thereby avoid taxation; whereas the corporate tax rate in some jurisdictions is close or equal to 0 %; whereas the complexity of different tax systems creates a lack of transparency which is globally harmful;
- T. whereas these jurisdictions have all committed to introducing automatic information exchange by 2017, except Andorra and Monaco which are to do so in 2018; whereas it

is important to monitor whether effective legislative changes are already being introduced, to ensure effective automatic information exchange starting in 2017;

- U. whereas loopholes in legislation, ineffective information exchanges and, more generally, non-compliance with control requirements, lack of information on final beneficiaries, and bank and corporate secrecy despite the gradual lifting of bank secrecy laws, are obstacles to ending tax evasion and avoidance; whereas the opacity of such practices is used by some tax agents in the financial sector for aggressive tax practice purposes; whereas initiatives towards automatic exchange of information between countries, beyond the pre-existing bilateral tax conventions, have only recently been introduced; whereas, without effective enforcement, the weaknesses of the systems will encourage tax evasion and avoidance;
- V. whereas some specific tax jurisdictions inside and outside of the EU are not willing to reform their tax systems, despite the ongoing global initiatives and despite the fact that some of them are involved in the work of the OECD;
- W. whereas the hearings organised with Andorra, Guernsey, Jersey, Liechtenstein and Monaco (see Annex 1) showed that the conditions for registration of offshore companies, and the information to be provided in this regard, vary from one jurisdiction to another; whereas full information on the final beneficiaries of trusts, foundations and companies by official tax authorities of some of these jurisdictions is not known or collected, nor is it made publicly available; whereas Andorra, Liechtenstein, Monaco, San Marino and Switzerland have signed agreements to exchange information with the EU; whereas the Channel Islands have signed agreements with the UK and have declared their readiness to enter into similar agreements with other Member States;
- X. whereas the legislation in force in some jurisdictions does not ensure good governance, nor does it guarantee respect for international standards as regards final beneficiaries, transparency and cooperation;
- Y. whereas some of these jurisdictions are dependent or associate territories of Member States and, even if self-governing, are thereby partially subject to national and European laws; whereas Member States should therefore consider introducing legislation to ensure that their associate and dependent territories comply with the highest standards;
- Z. whereas some Member States have prepared their own lists of uncooperative jurisdictions and/or substantive definitions of 'tax havens' or 'privileged tax jurisdictions'; whereas there are big differences between these lists as to how uncooperative jurisdictions or tax havens are defined or assessed; whereas the OECD's list of uncooperative jurisdictions does not serve its purpose; whereas the Commission, in the taxation package of 17 June 2015, published a list of uncooperative tax jurisdictions, established following a 'common denominator' approach on the basis of lists existing at national level; whereas a common Union-wide definition and list of uncooperative jurisdictions, though urgently needed, are still lacking; whereas none of these lists contain clear, measurable and exhaustive criteria on how secretive particular jurisdictions are;

Role of financial institutions in aggressive tax planning by MNEs

- AA. whereas some financial institutions, and accounting or law firms, have played a role as intermediaries in setting up complex legal structures leading to aggressive tax planning

schemes used by MNEs, as evidenced in ‘LuxLeaks’ and the ‘Panama Papers’; whereas legal loopholes, mismatches and lack of coordination, cooperation and transparency between countries create an environment that facilitates tax evasion; whereas financial institutions are nevertheless key and indispensable auxiliaries in the fight against tax fraud, given the financial account and beneficial ownership information they have at their disposal, and whereas it is therefore crucial that they fully and effectively cooperate in the exchange of such information;

- AB. whereas several tax scandals involving banks became public during the timeframe of this investigation; whereas financial institutions can use several aggressive tax planning schemes to support their clients to evade or avoid taxes; whereas banks can act on the market on behalf of their clients and claim to be the beneficial owner of these transactions towards tax authorities, leading to clients unduly benefiting from tax advantages granted to banks by reason of their banking status or of their residence; whereas, in designing and implementing aggressive tax planning, banks (particularly those with investment banking operations) should be seen as playing a dual role: first, in providing aggressive tax planning for use by clients, often using financial products such as loans, derivatives, repos or any equity-linked instruments; and second, in the use of aggressive tax planning themselves, through their own inter-bank and proprietary structured finance transactions;
- AC. whereas all banks appearing in front of the Special Committee officially denied advising their clients to evade or avoid taxes in any form whatsoever, and denied having relations with accounting and law firms for that purpose;
- AD. whereas some major financial institutions have set up an important number of subsidiaries in special tax jurisdictions, or in jurisdictions with low or very low corporate tax rates, in order to avoid taxes on behalf of their corporate and private clients or for their own benefit; whereas a number of financial institutions have recently closed down some of their branches in those jurisdictions; whereas several financial institutions have been prosecuted for tax fraud or money laundering in the United States, leading to the payments of substantial fines, but very few prosecutions have been started in the European Union;
- AE. whereas banks are operating in a competitive market and are incentivised to promote attractive tax schemes in order to attract new clients and serve existing ones; whereas bank employees are often under enormous pressure to validate clients’ contracts, allowing for tax evasion and avoidance at the risk of being fired if they do not; whereas there are conflicts of interest between, and revolving door cases involving, bank and consultancy firm top employees and representatives of tax administrations; whereas tax administrations do not always have sufficient access to information or means to investigate banks and detect cases of tax evasion;
- AF. whereas it is important to acknowledge that not all complex structured finance transactions (CSFTs) have a dominant tax motivation, and that predominantly tax-driven products are only a small part of overall CSFT business; whereas the amounts involved in aggressive tax planning transactions can, however, be very large, with single deals sometimes involving funding of billions of euros and tax advantages worth hundreds of millions¹; whereas revenue authorities are concerned over the lack of

¹ OECD, 2008, ‘Study into the role of tax intermediaries’;
<http://www.oecd.org/tax/administration/39882938.pdf>

transparency of CSFTs used for aggressive tax planning purposes, particularly where separate legs of these arrangements are executed in different jurisdictions;

- AG. whereas EU credit institutions are already subject to public, country-by-country reporting requirements under the Capital Requirements Directive (CRD IV); whereas it should be noted that there have been some gaps in these country-by-country reports and that these gaps should be addressed; whereas none of the financial institutions which appeared in front of the Special Committee raised any significant objection with regard to the disclosure requirements; whereas some of them clearly said they were in favour of this requirement and would support it becoming a global standard;
- AH. whereas public, country-by-country reporting regarding certain financial institutions' documents has shown up remarkable discrepancies between the overall profit made in overseas jurisdictions and the activity, the amount of tax paid and the number of employees in those same jurisdictions; whereas the same reporting has also exposed a discordance between the territories in which they operate and have staff and those from which they derive profits;
- AI. whereas those banks and MNEs that appeared before the Special Committee did not answer fully all the questions of its members, and some of the issues raised therefore remained unanswered or ill defined; whereas some of these banks and MNEs sent written contributions (see Annex 2) at a later stage;

Patent, knowledge and R&D boxes

- AJ. whereas schemes linked to intellectual property, patents, and research and development (R&D) are widely used across the Union; whereas these are used by MNEs to reduce artificially their overall tax contribution; whereas Action 5 of the OECD Action Plan on Base Erosion and Profit Shifting (BEPS) refers to the 'Modified Nexus Approach'; whereas the role of the Code of Conduct Group is also to analyse and effectively monitor such practices in Member States;
- AK. whereas the Code of Conduct Group has analysed European patent boxes regimes, but has not concluded its analysis of specific regimes; whereas, in the meantime, Action 5 of the OECD BEPS Action Plan refers to the 'Modified Nexus Approach' as the new standard for granting R&D incentives; whereas Member States agreed in the Code of Conduct Group to implement the Modified Nexus Approach in their national legislation as of 2015; whereas they also agree that existing patent box schemes should be phased out by 2021; whereas Member States are seriously delayed in the implementation of the Modified Nexus Approach at national level;
- AL. whereas several studies from the Commission have clearly shown that the link between the patent box and R&D is often arbitrary and/or artificial; whereas this inconsistency may lead to the assumption that these schemes are in most cases set up and used for tax avoidance purposes; whereas tax incentives for incomes generated by R&D, chiefly patent boxes, often result in large decreases in tax revenue for all governments, including those engaging in such a policy; whereas it should be better analysed how best to stimulate much needed R&D and innovation in the EU without creating harmful tax practices; whereas the OECD and the International Monetary Fund(IMF) have also, on several occasions, confirmed that they do not believe patent boxes to be the right tool to promote R&D;

- AM. whereas the central role of patent boxes in harmful tax practices schemes was initially observed in the fact-finding missions of Parliament's previous Special Committee (TAXE 1) in the Netherlands and the UK, and subsequently confirmed in its mission to Cyprus; whereas similar systems exist in other Member States;
- AN. whereas a particularly pressing problem arises through the outright lack of any harmonised approach among Member States on the issue of outbound payments; whereas in this current, uncoordinated framework, the combination of a removal of source taxation under the Interest and Royalties and Parent-Subsidiary Directives, with a lack of withholding taxes on dividend, licence and royalty fee and interest outbound payments in some Member States, creates loopholes whereby profits can effectively flow from any Member State out of the Union without being subject to tax at least once;

Documents from the Code of Conduct Group on business taxation, the High Level Working Group on taxation and the Working Party on tax questions

- AO. whereas the mandate of the Code of Conduct Group is defined in the conclusions of the ECOFIN Council of 1 December 1997; whereas the Code of Conduct Group documents constitute an essential source of information for the work of the Special Committee (as already outlined in Parliament's resolution of 25 November 2015);
- AP. whereas it was only five months after the beginning of the term of its Special Committee that some room documents and minutes of the Code of Conduct Group were made available to MEPs in camera on Parliament's premises; whereas, while additional documents have been made available, some documents and minutes still remain undisclosed, unavailable or missing; whereas the Commission has stated at an informal meeting that it has made all documents originating from the Commission and at its disposal available to the Special Committee, and that any further relevant meeting documents originating from the Commission, should they ever have been in the Commission's possession, must therefore have been lost;
- AQ. whereas Member States have given unsatisfactory answers to Parliament's repeated requests for full disclosure of the documents concerned; whereas this practice has been ongoing for several months; whereas these documents have been provided to researchers of the University of Amsterdam after a request based on the Transparency Directive; whereas these documents have, nonetheless, recently been made available, though only on a confidential basis, and cannot be used in public debate; whereas transparency and access to information are essential elements of parliamentary work;
- AR. whereas specific issues have been examined within the Code of Conduct Group without leading to concrete reforms; whereas, for example, discussions on rulings have been ongoing since at least 1999, and there are still difficulties in implementing the recommendations agreed, even after the 'LuxLeaks' revelations; whereas examination of patent box regimes was never fully concluded in 2014 and no other examination has been launched, despite the fact that Member States are late in implementing the new Modified Nexus Approach;

The external dimension: the G20, the OECD and the UN; involvement and consequences for developing countries

- AS. whereas the OECD, the United Nations and other international organisations are interested parties in the fight against corporate tax base erosion; whereas there is a need

to ensure global harmonisation of practices and implementation of common standards such as those proposed by the OECD in the BEPS package; whereas an intergovernmental forum at UN level, with less selective membership than the OECD or the G20, should be set up so as to allow all countries, including developing countries, to take part on an equal footing; whereas the meeting of G20 finance ministers and central bank governors held in Washington on 14-15 April 2016 reiterated its calls for all countries and jurisdictions to implement the Financial Action Task Force (FATF) standards on transparency and beneficial ownership of legal persons and legal arrangements; whereas some G20 members have called for automatic exchange of information with respect to beneficial ownership, and have requested that the FATF and the Global Forum on Transparency and Exchange of Information for Tax Purposes make initial proposals to that effect by October 2016;

- AT. whereas, as observed during the fact finding mission in the US, there is a lack of transparency, and of a common definition of beneficial ownership, at global level; whereas this lack of transparency has been particularly evident with regard to shell companies and law firms; whereas the United States is currently preparing the implementation of the OECD BEPS Action Plan;
- AU. whereas the BEPS process does not include developing countries as equal negotiating partners and has failed to deliver effective solutions to the tax problems of the poorest countries, as exemplified by the global network of tax treaties that often impedes developing countries from taxing profits generated in their territory;
- AV. whereas cooperation on common tax issues already exists between relevant EU and US authorities, similar cooperation is lacking at the political level, especially as regards parliamentary cooperation;
- AW. whereas a Symposium on Taxation is planned for July 2016 with a view to achieving strong, sustainable and balanced economic growth; whereas the G20 has called on all international organisations, including the EU, to meet the challenges concerned;
- AX. whereas the joint Special Committee (TAXE 2) and Committee on Development hearing ‘Consequences for developing countries of aggressive fiscal practices’ has shown that developing countries face similar problems of base erosion, profit shifting, lack of transparency, globally diverging tax systems and lack of coherent and effective international legislation; whereas developing countries suffer from aggressive tax planning; whereas developing countries’ tax administrations lack resources and expertise to fight tax evasion and avoidance effectively;
- AY. whereas the G20 members have reaffirmed their commitment to ensure that efforts are made to strengthen the capacities of developing countries’ economies and to encourage developed countries to abide by the principles of the Addis Tax Initiative as set out at the UN meeting of 27 July 2015; whereas developing countries’ views and priorities are essential to effective global coordination;
- AZ. whereas the IMF and the World Bank provide technical assistance, including tools for developing countries’ tax administrations regarding international tax issues, in order to improve developing countries’ capabilities of tackling tax evasion, tax avoidance and money-laundering issues, in particular in relation to transfer pricing;

BA. whereas the Australian Government has announced plans to introduce a Diverted Profits Tax (DPT) on MNEs avoiding tax, to come into effect on 1 July 2017, as well as the creation of a new Tax Office task force;

The work of Parliament's Special Committee (TAXE 2)

BB. whereas a number of measures proposed by the Commission are a direct follow-up to Parliament's resolutions of 16 December 2015 and 25 November 2015; whereas important initiatives included therein have thus now been put forward by the Commission, at least partially; whereas other critical measures called for in those resolutions are still lacking, such as, for example, reform of the fiscal state aid framework, effective legal provisions for the protection of whistleblowers, and measures to curb assistance to and promotion of aggressive tax planning by advisors or by the financial sector;

BC. whereas the implications for the Union have been analysed and assessed, in particular by Parliament's Special Committee on tax rulings and other measures similar in nature (TAXE 1), whose work resulted in a resolution being adopted by an overwhelming majority on 25 November 2015; whereas Parliament's resolution of 16 December 2015 was adopted by a similarly overwhelming majority; whereas the Commission issued a joint reply to the resolutions of 16 December 2015 and 25 November 2015;

BD. whereas Parliament's Special Committee TAXE 2, constituted on 2 December 2015, held 11 meetings, some of them jointly with the Committee on Economic and Monetary Affairs, the Committee on Legal Affairs and the Committee on Development, at which it heard the Commissioner for Competition, Margrethe Vestager, the Commissioner for Economic and Financial Affairs, Taxation and Customs, Pierre Moscovici, the Commissioner for Financial Stability, Financial Services and Capital Markets Union, Jonathan Hill, the Dutch State Secretary for Finance, Eric Wiebes (representing the Council Presidency), experts in the field of taxation and development, representatives of MNEs, representatives of banks, and members of national parliaments of the EU; whereas it also held meetings with representatives of the Governments of Andorra, Liechtenstein, Monaco, Guernsey and Jersey, and received a written contribution from the Government of the Isle of Man (see Annex 1); whereas it also organised fact-finding missions to the US (see Annex 6 to report A8-0223/2016), to look into specific aspects of the third-country dimension of its mandate, and to Cyprus (see Annex 5 to report A8-0223/2016); whereas members of the Special Committee were personally invited to take part in the work of the high-level interparliamentary group 'TAXE' of the OECD; whereas the Special Committee held in camera meetings at coordinators' level at which it heard representatives of the Government of the Cayman Islands, investigative journalists and Commission officials; whereas all these activities, which have provided a wealth of very useful information on practices and tax systems both inside and outside the Union, have helped to clarify some of the relevant issues, while others remain unanswered;

BE. whereas only 4 out of 7 MNEs agreed to the first invitation to appear before its members (see Annex 2);

BF. whereas, due to the continued refusal of the Commission and Council to consent to the proposal for a regulation of the European Parliament on the detailed provisions governing the exercise of Parliament's right of inquiry, Parliament's special committees and committees of inquiry still enjoy insufficient competences – lacking, for instance,

as the right to summon witnesses and enforce document access – when compared to similar committees of Member State parliaments or the US Congress;

- BG. whereas with regard to tax issues the Council has on numerous recent occasions adopted comprehensive prior political positions without taking into account or even awaiting the positions of Parliament;

Conclusions and recommendations

1. Reiterates the conclusions of its resolution of 25 November 2015 and of its resolution of 16 December 2015;

Follow-up by the Commission and Member States

2. Regrets the fact that 13 Member States do not have proper rules to counter aggressive tax planning based on tax-free flowthrough of dividends; also regrets the fact that 13 Member States do not apply any beneficial owner test when accepting a claim for a reduction of or exemption from withholding tax; further regrets the fact that to date 14 Member States still have no controlled foreign company rules to prevent aggressive tax planning and that 25 have no rules to counter the mismatching tax qualification of a local company by another state; deplores the fact that to date not one Member State has called for a ban on aggressive tax planning structures;
3. Calls on the Member States and the Commission to adopt further legislative proposals on corporate tax avoidance, since scope exists for Member States to tighten their anti-abuse rules in order to counter base erosion; strongly regrets the fact that Member States did not discuss Parliament's recommendations in any Council working group;
4. Welcomes the Anti-tax Avoidance Package (ATAP) published by the Commission on 28 January 2016, as well as all legislative proposals and communications made since (see Annex 4 to report A8-0223/2016); welcomes the adoption by the Council of the Directive amending the Directive on Administrative Cooperation in order to establish Country-by-Country Reporting to tax authorities, while regretting that the Council did not wait to know and consider the position of Parliament before agreeing on its own position, and did not provide for the involvement of the Commission in the exchange of information; calls on the Council to reach a unanimous and ambitious position on the ATAP and to keep the Anti-Tax Avoidance Directive as one single directive, in order to effectively implement the OECD recommendations and go beyond them so as to achieve the EU's ambitions and ensure the proper functioning of the single market rather than weakening it; strongly regrets the fact that the current Council draft position has been weakened, notably by a grandfathering clause on interest deduction and a narrower approach to the controlled foreign company rule; welcomes the initiative to create a common Union definition and list of uncooperative jurisdictions in the External Strategy for Effective Taxation; stresses that this list should be based on objective, exhaustive and quantifiable criteria; reiterates that in the future, more and binding action will be needed to effectively and systematically combat BEPS;
5. Considers that the Directive on Administrative Cooperation, having undergone several consecutive ad hoc modifications, on automatic exchange on tax rulings and on Country-by-Country Reporting, should now be recast in its entirety, particularly but not only in order to reduce and eventually eliminate the current exceptions to the principle of exchange of information;

6. Reiterates its position that multinational undertakings ought to publish in a clear and comprehensible manner in their balance sheets, for each Member State and each third country where they are established, a series of items of information, including pre-tax profits or losses, tax on profits or losses, number of employees, and operations performed; underlines the importance of making this information available to the public, possibly in the form of a central EU register;
7. Urges the Commission to come forward with a proposal for a common corporate consolidated tax base (CCCTB) before the end of 2016, to be accompanied by an appropriate and fair distribution key which would provide a comprehensive solution for dealing with harmful tax practices within the Union, bring clarity and simplicity for businesses, and facilitate cross-border economic activities within the Union; believes that consolidation is the essential element of the CCCTB; takes the view that consolidation should be introduced as soon as possible and that any intermediate system including only tax base harmonisation with a loss offset mechanism can only be temporary; believes that the introduction of a full mandatory CCCTB is becoming increasingly urgent; calls on the Member States to promptly reach an agreement on the CCCTB proposal when it is submitted and to swiftly implement the legislation thereafter; reminds the Member States that loopholes and mismatches between corporate tax bases and differences in administrative practices can create an unlevel playing field and unfair tax competition within the EU;
8. Welcomes the Commission's adoption on 12 April 2016 of a proposal for a directive amending Directive 2013/34/EU as regards disclosure by companies, their subsidiaries and branches, of information relating to income tax and to increased transparency in corporate taxation; regrets, however, that the Commission's proposed scope, criteria and thresholds are not in line with the previous positions adopted by Parliament and would therefore not deliver;
9. Welcomes the agreement reached in Council on 8 December 2015 on automatic exchange of information on tax rulings; regrets, however, that the Council did not take on board the recommendations made by Parliament in its report of 20 October 2015 on the Commission's original proposal for such a measure; stresses that the Commission must be granted full access to the new Union database of tax rulings; insists on the need for a comprehensive and efficient database of all rulings having potential cross-border effect; urges the Member States to put in place swiftly the necessary legislative framework to start automatic exchange of information on tax rulings;
10. Underlines that the automatic exchange of information will result in a large volume of data needing to be treated, and insists that the issues relating to computer processing of the data concerned must be coordinated, as must the necessary human resources for analysing the data; calls for the strengthening of the Commission's role in this work; calls on the Commission and the Member States to carefully monitor and fully comply with the implementation of the Directive on Administrative Cooperation at national level, especially with the objective of verifying how many Member States request tax information through bilateral tax treaties rather than on that legal basis; calls on the Member States to reinforce their tax administrations with adequate staff capacity in order to ensure the effective collection of tax revenues and address harmful tax practices, given that lack of resources and staff cuts, in addition to lack of adequate training, technical tools and investigative powers, have seriously hampered tax administrations in some Member States; calls on the Member States to integrate the

information exchanged with fiscal authorities and that exchanged with financial supervisors and regulators;

11. Welcomes the announcement by France, the Netherlands and the UK on 12 May 2016 that they will put in place public registers of beneficial owners of companies; applauds France for committing to create a public register for trusts; supports the UK's commitment to make any company from outside the UK either buying property in the country or entering into a contract with the state declare its beneficial owner; calls on all Member States to adopt similar initiatives;
12. Regrets that the new OECD Global Standard on Automatic Exchange of Information does not include a transition period for developing countries, and that by making this standard reciprocal, those countries that still have low capacity to set up the necessary infrastructure to collect, manage and share the required information may effectively be excluded;
13. Notes that the Joint Transfer Pricing Forum has included in its work programme for 2014-2019 the development of good practices to ensure that the OECD guidelines on the subject correspond to the specificities of Member States; notes that the Commission is monitoring the progress of this work;
14. Underlines that 70 % of profit shifting is done through transfer pricing and that the best way to tackle this issue is the adoption of a full CCCTB; calls on the Commission, notwithstanding, to present a concrete legislative proposal on transfer pricing, taking into account the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administration 2010; further underlines that additional efforts may be needed to curb BEPS risks between EU Member States and third countries arising from the transfer pricing framework, particularly the pricing of intangibles, and that global alternatives to the current 'arm's-length' principle should be actively investigated and tested for their potential to ensure a fairer and more effective global tax system;
15. Welcomes the fact that the Commissioner for competition, Margrethe Vestager, has categorised transfer pricing as a particular focus area for state aid cases, as it is reported to be a common tool used by MNEs for tax evasion or avoidance schemes such as intra-group loans; notes that guidelines for identifying and regulating tax-related state aid do not currently exist, while this type of state aid has proved to be a worrying tax avoidance tool; calls on the Commission to create guidelines and set up clear criteria to better define what are the limits on transfer pricing in order to better assess state aid cases; supports the conclusions of the investigations of the Commission in the case of Starbucks, Fiat and Amazon; stresses the need for the Commission to access all relevant data;
16. Regrets that many multinational enterprises heard have not strongly condemned tax avoidance practices and aggressive tax planning; stresses that MNEs can easily grant artificial inter-group loans for aggressive tax planning purposes; stresses that the preference for such debt financing is to the detriment of the taxpayers as well as financial stability; calls, therefore, on the Member States to eliminate the debt-equity bias in their respective tax laws;
17. Strongly emphasises that the work of whistleblowers is crucial for revealing the dimension of tax evasion and tax avoidance, and that, therefore, protection for whistleblowers needs to be legally guaranteed and strengthened in the EU; notes that the

European Court of Human Rights and the Council of Europe have undertaken work on this issue; considers that courts and Member States should ensure the protection of legitimate business secrets while in no way hindering, hampering or stifling the capacity of whistleblowers and journalists to document and reveal illegal, wrongful or harmful practices where this is clearly and overwhelmingly in the public interest; regrets that the Commission has no plans for prompt action on the matter given the very recent and significant whistleblower revelations commonly referred to as, respectively, ‘LuxLeaks’ and ‘the Panama Papers’;

18. Welcomes the fact that the Commission has launched a public consultation on improving double taxation dispute resolution mechanisms; stresses that the setting of a clear timeframe for dispute resolution procedures is key to enhancing the effectiveness of the systems;
19. Welcomes the communication ‘External Strategy for Effective Taxation’, which called on the European Investment Bank (EIB) to transpose good governance requirements in its contracts with all selected financial intermediaries; calls on the EIB to establish a new responsible taxation policy, starting from the review of its non-cooperative jurisdictions policy carried out in 2016 in close dialogue with civil society; reiterates that the EIB should reinforce its due diligence activities so as to improve the quality of information on ultimate beneficiaries and to more effectively prevent transactions with financial intermediaries having a negative record in terms of transparency, fraud, corruption, organised crime, money laundering and harmful social and environmental impacts or registered in offshore financial centres or tax havens which resort to aggressive tax planning;
20. Calls on the Commission to issue clear legislation on the definition of ‘economic substance’, ‘value creation’ and ‘permanent establishment’, with a view to tackling, in particular, the issue of letterbox companies;

Blacklist and concrete sanctions for uncooperative jurisdictions and withholding tax

21. Notes that so far the only concrete initiative taken by the Commission regarding uncooperative jurisdictions, including overseas territories, has been the External Strategy for Effective Taxation; observes that until now the criteria for listing of uncooperative jurisdictions by the OECD have not proved efficient in tackling this issue and have not served as a deterrent; stresses that there are still third countries that protect illegally-obtained assets, making recovery by the EU authorities impossible;
22. Calls on the Commission to come up as soon as possible with a common Union definition and list of uncooperative jurisdictions (i.e. a ‘blacklist of tax havens’), based on sound, transparent and objective criteria and including implementation of OECD recommendations, tax transparency measures, BEPS actions and Automatic Exchange of Information standards, the existence of active harmful tax practices, advantages granted to non-resident individuals or legal entities, lack of requirement of economic substance and non-disclosure of the corporate structure of legal entities (including trusts, charities, foundations, etc.) or the ownership of assets or rights, and welcomes the Commission’s intention to reach an agreement on such a list within the next six months; calls on the Member States to endorse that agreement by the end of 2016; believes that an escalation procedure, starting with a constructive dialogue with the jurisdiction where shortcomings have been identified, needs to be foreseen prior to the listing in order to also achieve a preventive effect of the process; believes that a

mechanism should be established in order to allow for the de-listing of the jurisdictions if and once compliance has been successfully achieved or restored; considers that this assessment should also extend to OECD members;

23. Calls for a concrete Union regulatory framework for sanctions against the blacklisted uncooperative jurisdictions, including the possibility of reviewing and, in the last resort, suspending free trade agreements, suspending double taxation agreements and prohibiting access to Union funds; notes that the purpose of sanctions is to bring about changes in the legislation of the jurisdictions concerned; calls for sanctions also to apply to companies, banks, and accountancy and law firms and to tax advisers proven to be involved in illegal, harmful or wrongful activities with those jurisdictions or proven to have facilitated illegal, harmful or wrongful corporate tax arrangements involving legal vehicles in those jurisdictions;
24. Calls on the Commission to prepare binding legislation banning all EU institutions from opening accounts or operating in the jurisdictions included in the common Union list of uncooperative jurisdictions;
25. Calls on the Member States to renegotiate their bilateral tax treaties with third countries by means of a multilateral instrument, in order to introduce sufficiently robust anti-abuse clauses and thus prevent ‘treaty shopping’, including a distribution of taxation rights between source and resident countries reflective of economic substance and an appropriate definition of permanent establishment; stresses furthermore that this process would be expedited considerably if the Commission were mandated by Member States to negotiate such tax treaties on behalf of the Union; calls on the Member States to ensure fair treatment of developing countries when negotiating such treaties;
26. Calls on the Commission to present a legislative proposal for an EU-wide withholding tax, to be operated by the Member States, in order to ensure that profits generated within the Union are taxed at least once before leaving it; notes that such a proposal should include a refund system to prevent double taxation; underlines that such a general withholding tax system based on the credit method has the advantage of preventing double non-taxation and BEPS without creating instances of double taxation;
27. Regrets that Andorra and Monaco have committed to automatic information exchange by 2018 instead of 2017; points out that some non-cooperative jurisdictions such as Andorra comply with exchange of information standards but are moving towards becoming low-tax jurisdictions; is concerned that the double taxation agreement between Andorra and Spain does not currently ensure effective automatic exchange of information; calls on the Commission to closely monitor the effective application of the automatic exchange of information included in the Member States’ agreements signed with former or present non-cooperative jurisdictions;
28. Considers that the hybrid mismatch between EU Member States and third countries in the designation of entities, leading to double non-taxation, should be effectively dealt with in European legislation, as an addition to the Commission’s ATAP proposals;

Patent, knowledge and R&D boxes

29. Notes that to date patent, knowledge and R&D boxes have not proven as effective in fostering innovation in the Union as they should have; regrets that they are, instead, used by MNEs for profit-shifting through aggressive tax planning schemes, such as the

well-known ‘double Irish with a Dutch sandwich’; is of the opinion that patent boxes are an ill-suited and ineffective tool for achieving economic objectives; insists that R&D can be promoted using broader policy measures that promote long-term innovation and independent research and through subsidies which should be given preference over patent boxes, as subsidies are less at risk of being abused by tax avoidance schemes; observes that the link between patent boxes and R&D activities is often arbitrary and that current models lead to a race to the bottom with regard to the effective tax contribution of MNEs;

30. Deplores the fact that certain Member States, in particular within the framework of the Code of Conduct Group, have so far been neglecting this issue and have yet to come up with a proper timeframe to tackle it;
31. Calls on the Commission, in order to prohibit the misuse of patent boxes for tax avoidance purposes and ensure that if and when used they are linked to genuine economic activity, to put forward proposals for binding Union legislation on patent boxes, building on and addressing the weaknesses of the OECD Modified Nexus Approach; stresses that the Commission proposal should apply to all new patent boxes issued by Member States and that all existing patent boxes still in force must be modified accordingly;
32. Calls on the Member States to integrate a Minimum Effective Taxation (MET) clause in the Interests and Royalties Directive as well as in the Parent-Subsidiary Directive, and to ensure that no exemptions are granted by the Council;

Banks, tax advisers and intermediaries

33. Regrets deeply that some banks, tax advisers, law and accounting firms and other intermediaries have been instrumental and have played a key role in designing aggressive tax planning schemes for their clients, and have also assisted national governments in designing their tax codes and laws, creating a significant conflict of interest;
34. Is concerned at the lack of transparency and adequate documentation within financial institutions and among advisors and law firms pertaining to the specific models of company ownership and control recommended by tax, financial and legal advisors, as confirmed by the recent ‘Panama Papers’ revelations; recommends, in order to tackle the problem of shell companies, the strengthening of transparency requirements for setting up private companies;
35. Is concerned at the lack of transparency and adequate documentation within national tax administrations pertaining to the effects on competition of transfer price decisions, patent box settings, tax rulings and other elements of discretionary corporate taxation;
36. Calls for the existing codes of conduct for the tax advice industry to be strengthened, in particular in order to take account of potential conflicts of interest in such a way that they are clearly and understandably disclosed; calls on the Commission to come forward with a Union Code of Conduct for all advising services to provide for situations of potential conflicts of interest to be clearly disclosed; believes this should include a Union incompatibility regime for tax advisers, in order to prevent conflicts of interests while advising both public and private sectors and to prevent other conflicts of interest;

37. Draws attention to the risks of conflicts of interest stemming from the provision within of legal, tax advising and auditing services within the same accountancy firms; stresses, therefore, the importance of clear separation between these services; asks the Commission to ensure the proper monitoring and implementation of the legislation aimed at preventing such conflicts, and to study the need to revise the Audit Directive, in particular the provisions of its Article 22, as well as the Audit Regulation, in particular the provisions of its Article 5 and the definition of the ‘material effect’ of non-audit service therein;
38. Asks the Commission to undertake an investigation into the interconnectedness of academia and the tax advisory world, addressing as a minimum the issues of conflicts of interest;
39. Calls on the Member States to establish effective, proportionate and dissuasive sanctions, including criminal sanctions, on company managers involved in tax evasion, as well as the possibility of revoking business licences for professionals and companies proved to be involved in designing, advising on the use of, or utilising illegal tax planning and evasion schemes; requests that the Commission explore the feasibility of introducing proportional financial liability for tax advisers engaged in unlawful tax practices;
40. Calls on the Commission to analyse the possibility of introducing proportional financial liability for banks and financial institutions facilitating transfers to known tax havens, as defined by the future common Union list of tax havens and uncooperative tax jurisdictions;
41. Calls on the Commission to strengthen the requirements on banks to report to the Member States’ tax authorities transfers to and from jurisdictions included on the common Union list of tax havens and uncooperative tax jurisdictions; calls on Member States to ensure that banks and other financial institutions provide similar information to regulating and tax authorities; calls on Member States to strengthen the capacity of their tax administrations to investigate cases of tax evasion and avoidance;
42. Calls on the Commission to come forward with a legislative proposal introducing a mandatory disclosure requirement for banks, tax advisers and other intermediaries concerning complex structures and special services that are linked to jurisdictions included on the common EU list of tax havens and non-cooperative jurisdictions which are designed for and being used by clients to facilitate tax evasion, tax fraud, money laundering or terrorist financing;
43. Calls on the Commission¹ to introduce specific common minimum anti-abuse rules aimed at denying benefits arising from certain hybrid asset transfers² whose effect is

¹ The Commission’s services have confirmed indeed that Article 10 (‘Hybrid mismatches’) of its proposal of 28 January 2016 on the ATAD ‘was based on a mutual recognition approach aimed at resolving differences in the legal qualification of hybrid entities and hybrid financial instruments but did not cover hybrid asset transfers which do not concern legal qualification mismatches’.

² The OECD defines ‘hybrid transfers’ as ‘arrangements that are treated as transfer of ownership of an asset for one country’s tax purposes but not for tax purposes of another country, which generally sees a collateralised loan’. See OECD, March 2012, ‘Hybrid Mismatch Arrangements: Tax Policy and Compliance Issues’, <http://www.oecd.org/>

often the deduction of the income in one state without inclusion in the tax base of the other or the generation of abusive foreign tax credit transactions;

Whistleblowers

44. Reiterates the crucial role of whistleblowers in revealing misconduct, including illegal or wrongful practices; considers that such revelations, which shine a light on the magnitude of tax evasion, tax avoidance and money-laundering, are clearly in the public interest, as demonstrated in the recent 'LuxLeaks' and 'Panama Papers' revelations that showed the magnitude of the phenomenon of transferring assets to low-tax jurisdictions; recalls that the possibility of detecting and prosecuting tax violators is crucially dependent on data availability and data quality;
45. Regrets that the Commission is limiting its action to monitoring developments in different areas of Union competences, without planning to take any concrete steps to tackle the issue; is concerned that this lack of protection could endanger the publication of new revelations, thereby potentially leading to Member States losing legitimate tax revenue; deeply regrets that the Commission has not provided a satisfactory response to the demands contained in paragraphs 144 and 145 of Parliament's resolution of 25 November 2015, or to the recommendations of Parliament's resolution of 16 December 2015, and in particular to the request to come up with a clear legal framework on the protection of whistleblowers and the like by the end of 2016;
46. Reiterates its call on the Commission to propose as soon as possible a clear legal framework to guarantee the effective protection of whistleblowers, as well as of journalists and other persons connected with the press who aid and facilitate them; calls on the Member States to revise their current legislation on the protection of whistleblowers by including the possibility of abstention from prosecution in cases in which whistleblowers have acted in the public interest; invites it to consider as a model the best examples of legislation in terms of protection of whistleblowers already in force in some Member States;

Code of Conduct Group and interinstitutional issues

47. Regrets, that despite the fact that its first and second Special Committees (TAXE 1 and TAXE 2) have both on repeated occasions requested full access to Code of Conduct Group documents and minutes, only a limited number of new documents have been made available for in camera consultation by MEPs, and that this was only achieved five months after the beginning of the mandate of TAXE 2; notes that some of these documents should have been made public to allow for public scrutiny and an open political debate on their content; notes furthermore that the willingness of the Council to satisfy this request remains unsatisfactory;
48. Deplores the fact that the Commission, despite having provided some internal minutes of the meetings of the Code of Conduct Group, was unable to keep all records of the documents distributed; considers that it is the duty of the Commission to keep all traces and records of all information and documents circulated within the remit of the Code of Conduct Group, in order to assess the compliance of the Member States' measures pursuant to the Treaty; calls on the Commission to take urgent action to improve this situation by retrieving all the documents; calls on the Council and the Member States to cooperate with the Commission on this matter;

49. Urges Member States to improve the transparency and effectiveness of the working methods of the Code of Conduct Group, as they are one of the factors hampering concrete potential improvement in terms of tackling harmful tax practices; regrets not having received several room documents from the Code of Conduct Group emanating from the Council or the Member States which are critical to the good implementation of the Special Committee's mandate; calls for the regular publication of the results of its supervision as regards the degree of compliance of Member States with the recommendations made; asks the Code of Conduct Group to produce a publicly accessible annual report identifying and describing the most harmful tax practices used by Member States during the year; reiterates its request to the Council in 2015 to set up a 'tax committee' at political level;
50. Determines from public information that the Code of Conduct Group looked at 421 measures between 1998 and 2014 and considered 111 of them harmful (26 %), but that two thirds of those measures were examined during the first five years of existence of the Group; notes that the scrutiny of measures by Member States has decreased over the years, with only 5 % of total measures having been examined in 2014, and regrets that no harmful tax measures have been found by the Group since November 2012; concludes that the Code of Conduct Group has not been operational in full working over the past decade and that its governance and mandate need urgent revision;
51. Reiterates its call of 2015 on the Commission to provide an update to the 1999 Simmons & Simmons report on administrative practices mentioned in paragraph 26 of the 1999 Code of Conduct Group report (the Primarolo report (SN 4901/99));
52. Stresses that even if the Code of Conduct has enabled some improvements, the self-notification of potentially harmful measures by Member States is not efficient, the criteria for identifying harmful measures are outdated and the unanimity principle for reaching decisions on harmfulness has not proven effective; regrets that several Member States are opposing a necessary reform of the Code of Conduct Group; urges the Commission and the Member States, therefore, to take the necessary steps to reform, as soon as possible, the criteria for identifying harmful measures and governance aspects of the Code of Conduct Group (including decision-making structure and monitoring of agreed rollback and standstill, avoidance of potential procrastination, sanctions in case of non-compliance), in order to increase its public transparency and accountability and ensure the strong involvement and access to information of Parliament; points out the shortcomings and other relevant information mentioned in Annex 3 to report A8-0223/2016 ; notes further that if one compares the Commission list of all tax regimes formally assessed by the Code Group with the respective meeting documents at the point of decision and thereafter, it is firstly in many cases unclear how a decision has been reached, e.g. why regimes for which there were grounds to suppose that they would be harmful were declared non-harmful in the end, and also, secondly, concerning those cases where attested harmfulness was the outcome of the assessment, whether the ensuing rollback procedures have been concluded satisfactorily by Member States; highlights that, therefore, Member States did not comply with the obligations set out in Council Directives 77/799/EEC and 2011/16/EU since they did not spontaneously exchange tax information, even in cases where there were clear grounds, despite the margin of discretion left by those directives for expecting that there may be tax losses in other Member States or that tax savings may result from artificial transfers of profits within groups; stresses that the Commission did not fulfil its role of guardian of the Treaties, as established in Article 17(1) TEU, by not acting in this matter and taking all necessary steps to ensure that Member States comply with their obligations, in

particular those set out in Council Directives 77/799/EEC and 2011/16/EU, despite evidence to the contrary;

53. Notes that a pattern of systematic obstruction by some Member States to achieving any progress on fighting tax avoidance became clear to the Special Committee; notes that discussions on administrative practices (rulings) were going on in the Code of Conduct for nearly two decades; condemns the fact that several Member States were reluctant to agree on exchanging information about their ruling practices before LuxLeaks and are still reluctant to implement in national law the model instruction developed in the Code of Conduct Group despite their commitments after the LuxLeaks revelations;
54. Calls on the Commission to grant Parliament permanent, timely and regular access to the room documents and minutes of the Council groups working on tax matters, including the Code of Conduct on Business Taxation, the High Level Working Group and the Working Party on Tax Questions; suggests to the Commission that it use the agreement reached with Parliament on access to SSM/ECB minutes as an example for that purpose;
55. Calls on the Commission, in case of an unsatisfactory response on the part of the Member States, to present a legislative proposal, preferably under Article 116 of TFEU or Article 352 TFEU or under enhanced cooperation in order to improve the effectiveness of the Code of Conduct Group;
56. Calls on the EU institutions and the Member States to take urgent action against tax fraud, tax evasion, tax havens and aggressive tax planning, from both demand and supply sides; regrets that the Council and in particular some Member States have for a number of years not taken any decisive action on these issues, and reminds Member States of the possibility available to them of establishing systems of enhanced cooperation (between at least 9 Member States) in order to speed up action on harmful and illegal tax practices;
57. Calls for the creation of a new Union Tax Policy Coherence and Coordination Centre within the structure of the Commission, to safeguard the proper and coherent functioning of the single market and the implementation of international standards; believes that this new Centre should be in charge of assessing and monitoring Member States' tax policies at Union level, ensuring that no new harmful tax measures are implemented by Member States, monitoring compliance of Member States with the common Union list of uncooperative jurisdictions, ensuring and fostering cooperation between national tax administrations (e.g. training and exchange of best practices), and initiating academic programmes in the field; believes that by doing so this Centre could help prevent new tax loopholes emerging thanks to uncoordinated policy initiatives between Member States, and counteract tax practices and standards that would upset, obstruct or interfere in the proper functioning and rationale of the single market; believes that this Centre could also serve as a point of contact for whistleblowers, in case Member States and national tax administrations do not act upon the revelation of tax evasion and avoidance or do not carry out appropriate investigations on the matter; considers that the Centre could benefit from the pooling of expertise at Union and national level, so as to reduce the burden on the taxpayer;

External dimension

58. Welcomes the renewed focus at G8 and G20 level on tax issues, which should lead to new recommendations; calls on the Commission to maintain a coherent position on behalf of the Union at the upcoming G20 meetings and ad hoc symposia; requests the Commission to regularly inform Parliament about the findings and possible consequences of G20 decisions on combating corporate tax base erosion, aggressive tax planning practices and any illicit financial flows;
59. Calls on the Union, the G20, the OECD and the UN to cooperate further to promote global guidelines that will also be beneficial to developing countries;
60. Supports the creation of a global body within the UN framework, well-equipped and with sufficient additional resources, to ensure that all countries can participate on an equal footing in the formulation and reform of global tax policies; calls on the EU and the Member States to start working on an ambitious Global Tax Summit and to aim to create such an intergovernmental body;
61. Calls on international fora to agree on a more stringent and precise definition of beneficial ownership in order to ensure increased transparency;
62. Invites the Commission and the Member States, where appropriate, to conduct spill-over analysis of national and EU tax policies, in order to assess the impact on developing countries ;
63. Points out that illicit outflows are a major explanation for developing country debt, while aggressive tax planning is contrary to the principles of corporate social responsibility;
64. Calls on the Commission to include in all trade and partnership agreements good governance clauses referring in particular to compliance with the relevant OECD recommendations pertaining to the field of taxation (e.g. the BEPS initiative) and ensuring that trade and partnership agreements cannot be misused by companies or intermediaries to avoid or evade taxes or launder revenues from illegal activities;
65. Calls on the OECD and other international bodies to start working on an ambitious BEPS II, to be based primarily on minimum standards and concrete objectives for implementation;
66. Stresses that the coordination between the Commission and the Member States which are members of the FATF should be improved in order for the EU to make its voice heard; stresses the need for detailed implementation guidelines, for developing countries in particular, as well as the monitoring of the development of new harmful taxation measures;
67. Calls, in this regard, for the creation of a parliamentary monitoring group at OECD level to observe and scrutinise the formulation and implementation of this initiative;
68. Calls for the establishment of a structured dialogue between the European Parliament and the US Congress on international tax issues; suggests setting up formal interparliamentary fora to deal with these issues and also utilising the existing Transatlantic Legislators' Dialogue framework in this regard; encourages the EU and the US to cooperate on the implementation of the OECD BEPS project; takes notes of a significant lack of reciprocity between the US and the EU in the framework of the FATCA agreement; encourages enhanced cooperation between the US and the EU in

the framework of the FATCA agreement in order to ensure reciprocity, and invites all parties involved to take part proactively in its implementation;

69. Welcomes the pilot project for the automatic exchange of beneficial ownership information between tax authorities launched in April 2016 by the five largest EU Member States; calls, in line with the stated intention of these countries, for this initiative to be extended and to constitute the basis for a global standard of information exchange similar to the one existing for financial account information;
70. Calls, as the next step in the process of enhancing the availability of beneficial ownership information and the effectiveness of the exchange of such information, for the establishment of a public Union register of beneficial ownership, including harmonised standards of access to beneficial ownership information and presenting all necessary data protection safeguards, which would form the basis of a global initiative in this regard; stresses the vital role of institutions such as the OECD and the UN in this connection;
71. Asks for a study on the feasibility of a global register of all financial assets held by individuals, companies and all entities such as trusts and foundations, to which tax authorities would have full access and which would include appropriate safeguards to protect the confidentiality of the information retained therein;
72. Stresses the need for a common and comprehensive EU/US approach on the implementation of OECD standards and on beneficial ownership; stresses furthermore that good tax governance clauses should be included in any future trade treaties in order to ensure a level playing field, create more value for society as a whole and combat tax fraud and avoidance, and achieve leadership on the part of the transatlantic partners in the promotion of good tax governance;

Other recommendations

73. Calls on all national parliaments to work together to ensure proper control and coherence of tax systems between Member States; calls for national parliaments to remain vigilant as to the decisions of their governments in this matter and to increase their own commitment to the work of interparliamentary forums on tax matters;
74. Calls on the Commission to investigate all cases of illegal state aid brought to its attention in order to ensure equality before the law in the Union; calls on the Commission to respond on a 'decision with recovery' basis in all cases where the alleged tax advantage is considered illegal state aid; is concerned at the allegations that Luxembourg could be granting oral rulings in order to circumvent its obligation to share information under the directive on administrative cooperation; calls on the Commission to monitor and report whether Member States are replacing one harmful practice by another after legislative progress has been achieved at Union level; calls on the Commission to monitor and report any case of market distortion due to the granting of specific tax advantage;
75. Stresses the potential of digital solutions for effective tax collection in gathering tax data directly from operations in the sharing economy and in lowering the overall workload of tax authorities in Member States;

76. Takes note of the revelations in the ‘Panama Papers’ that documented systematic use of shell companies by companies as well as private citizens in order to conceal taxable assets and the proceeds of corruption and organised crime; welcomes Parliament’s decision to set up a committee of inquiry in this regard and to continue working on tax evasion, tax avoidance and money laundering; underlines the immense political importance of analysing the modus operandi of the tax authorities and the companies involved in the practices described with a view to tackling legislative loopholes;
77. Notes that further work is needed on access to documents of the Member States, the Commission and the Code of Conduct Group; reiterates that further analysis of the documents already made available to Parliament is needed in order to adequately gauge the need for further political action and policy initiatives; calls on the upcoming committee of inquiry to continue this work and adopt a different format from that of the Special Committee, following more closely the model of an interrogative committee such as the Public Accounts Committee in the UK;
78. Calls on the Council to fully take advantage of the consultation procedure with Parliament, which in particular means waiting for input from Parliament before reaching a political agreement and striving to take on board Parliament’s position;
79. Commits to continuing the work initiated by its Special Committee, addressing the obstacles encountered in the fulfilment of its mandate, and ensuring a proper follow-up of its recommendations; instructs its competent authorities to identify the best institutional set-up for achieving this;
80. Calls on its competent committee to follow up on these recommendations in its upcoming legislative initiative report on the same topic;

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81. Instructs its President to forward this resolution to the European Council, the Council, the Commission, the Member States, the national parliaments, the UN, the G20 and the OECD.

**LIST OF PERSONS MET
(COMMITTEE MEETINGS, COORDINATORS AND MISSIONS)**

Date	Speakers
11.1.2016	– Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs
17.2.2016	– Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs
29.2.2016	<i>Exchange of views with Council Presidency In the presence of Eric Wiebes, Dutch State Secretary for Finance</i>
14-15.3.2016	<p><i>Exchange of views with Jurisdictions</i> Rob Gray, Director of Income Tax, Guernsey; Colin Powell, Adviser on international affairs to the Chief Minister, Jersey; Clàudia Cornella Durany, Secretary of State for International Financial Affairs, Andorra; Katja Gey, Director for International Financial Affairs, Liechtenstein; Jean Castellini, Minister of Finance and Economy, Monaco.</p> <p><i>Exchange of views with MNEs</i> Cathy Kearney, Vice President of European Operations, Apple Julia Macrae, Tax Director of EMEA, Apple; Adam Cohen, Head of Economic Policy (EMEA), Google; Søren Hansen, Chief Executive Officer, Inter-Ikea Group; Anders Bylund, Head of Group Communications; Inter-Ikea Group; Irene Yates, Vice President Corporate Tax; McDonald's.</p> <p><i>Exchange of views with Investigative Journalists – in camera</i> Véronique Poujol, Paperjam; Markus Becker, Der Spiegel.</p>
21.3.2016	<p><i>Exchange of views with European Banks (Part I)</i> Jean-Charles Balat, Financial Director, Crédit Agricole SA; Rob Schipper, Global Head of Tax, ING; Eva Jigvall, Head of Tax, Nordea; Monica Lopez-Monís, Chief Compliance Officer and Senior Executive Vice-President, Banco Santander; Christopher St. Victor de Pinho, Managing Director, Global Head of Group Tax, UBS Group AG; Stefano Ceccacci, Head of Group Tax Affairs, Unicredit.</p>
4.4.2016	– Margrethe Vestager, Commissioner for Competition

	<p><i>Exchange of views with European Banks (Part II)</i> Brigitte Bomm, Managing Director, Global Head of Tax, Deutsche Bank AG; Grant Jamieson, Head of Tax, Royal Bank of Scotland; Graeme Johnston, Head of International Tax, Royal Bank of Scotland.</p>
15.4.2016	<p><i>Mission to Cyprus</i> Ioannis Kasoulides, Minister of Foreign Affairs; Michael Kammas, Director General, Aristio Stylianou, Chairman and George Appios, Vice-Chairman of the Association of Cyprus Banks; Christos Patsalides, Permanent Secretary of the Ministry of Finance; George Panteli, Head of Tax policy, Ministry of Finance; Yannakis Tsangaris, Tax Commissioner; Alexander Apostolides, University of Cyprus; Maria Krambia-Kapardis, Chair of the Executive Committee of Transparency International; Costas Markides, Board Member, International Tax, KPMG Limited and the Cyprus Investment Funds Association; Natasa Pilides, Director General, The Cyprus Investment Promotion Agency; Kyriakos Iordanou, General Manager, Mr Pieris Marcou, Mr Panicos Kaouris, Mr George Markides, Institute of Certified Public Accountants of Cyprus; Christos Karidis, Head of Economics Research of the Confederation Department and the Secretary of the Association of Employed Consumers; Nikos Grigoriou, Head of the Department of Economic and Social Policy of the Pan-Cyprian Federation of Labour.</p>
18.4.2016	<p><i>Interparliamentary meeting on 'The Anti-Tax Avoidance Package and other EU and international developments: Scrutiny and democratic control by National Parliaments'</i></p> <p><i>Exchange of views with Jurisdictions (part II) – in camera</i> Wayne Panton, Minister of Financial Services, Commerce and Environment, Cayman Islands</p>
20.4.2016	<p><i>Joint ECON/JURI/TAXE meeting</i> Jonathan Hill, Commissioner for Financial Stability, Financial Services and Capital Markets Union</p>
2.5.2016	<p><i>High-level Meeting of the OECD Parliamentary Group on Tax in association with the European Parliament Special Committee on Tax Rulings, Paris</i> Pascal Saint-Amans, Director, OECD Centre for Tax Policy and Administration; Valère Moutarlier, Director, Directorate General for Taxation and Customs at the European Commission; Michèle André, Chair of the Senate Finance Committee; Meg Hillier, Chair of the Public Accounts Committee.</p>

17-20.5.2015

Mission to the United States of America (Washington DC)

David O'Sullivan, EU Ambassador;
Elise Bean, former Director and Chief Counsel of the Permanent Subcommittee on Investigations;
Orrin Grant Hatch, Chairman of the Senate Committee on Finance, President Pro Tempore of the Senate;
Dr Charles Boustany, Chairman of the Tax Policy Subcommittee;
Sander Levin, Congressman, Ranking Member of the House Ways and Means Committee;
Richard Neal, Ranking Member of the Subcommittee on Tax Policy;
Earl Blumenauer, Member of the House Committee on Ways and Means;
Lloyd Doggett, Member of Ways and Means Committee, Ranking Member of Subcommittee on Human Resources (and possibly other Democratic Members);
Anders Aslund, Resident Senior Fellow, Dinu Patriciu Eurasia Center, Atlantic Council;
Gianni Di Giovanni, Chairman of Eni USA R&M, Eni;
The Hon. Boyden Gray, Founding Partner, Boyden Gray & Associates
Jillian Fitzpatrick, Director, Government Affairs and Public Policy, S&P Global;
Marie Kasparek, Assistant Director, Global Business and Economics Program, Atlantic Council;
Benjamin Knudsen, Intern, Global Business and Economics Program, Atlantic Council;
Jennifer McCloskey, Director, Government Affairs, Information Technology Industry Council;
Susan Molinari, Vice President, Public Policy and Government Affairs, Google;
Andrea Montanino, Director, Global Business and Economics Program, Atlantic Council;
Álvaro Morales Salto-Weis, Intern, Global Business and Economics Program, Atlantic Council;
The Hon. Earl Anthony Wayne, Non-resident Fellow, Atlantic Council;
Alexander Privitera, Senior Fellow, Johns Hopkins University;
Bill Rys, Director, Federal Government Affairs, Citigroup;
Pete Scheschuk, Senior Vice President, Taxes, S&P Global;
Garret Workman, Director, European Affairs, US Chamber of Commerce;
Caroline D. Ciralo, Acting Assistant Attorney General in charge of the Tax Division, Department of Justice;
Thomas Sawyer, Senior Litigation Counsel For International Tax Matters;
Todd Kostyshak, Counsel to the Deputy Assistant Attorney-General for Criminal Tax Matters, Department of Justice (DoJ);
Mark J. Mazur, Assistant Secretary (Tax Policy) – US Department of the Treasury;
Robert Stack, Deputy Assistant Secretary (International Tax Affairs) – US Department of the Treasury;
Scott A. Hodge, President of the Tax Foundation – Tax Foundation;
Gavin Ekins, Research Economist – Tax Foundation;
Stephen J. Entin, Senior Fellow – Tax Foundation;

	<p>Scott Greenberg, Analyst – Tax Foundation; John C. Fortier, Director of the Democracy Project, Bipartisan Policy Center; Shai Akabas, Associate Director of Bipartisan Policy Center, Economic Policy Project; Eric Toder, Co-director, Urban-Brookings Tax Policy Center; Gawain Kripke, Director of Policy and Research – OXFAM America; Didier Jacobs, Senior Economist – OXFAM America; Nick Galass, leads on the Oxfam’s economic inequality research OXFAM America; Robbie Silverman, Senior Advisor OXFAM America; Vicki Perry, Assistant Director in the Fiscal Affairs Department and Division Chief of the Tax Policy Division (IMF); Ruud De Mooij, Deputy Division Chief in the Tax Policy Division (IMF); Hamish Boland-Rudder, ICIJ’s online editor; Jim Brumby, Director, Public Service and Performance, Governance Global Practice; Marijn Verhoeven, Economist in the Global Practice on Governance; Guggi Laryea, European Civil Society and European Parliament; Relations Lead External and Corporate Relations; Rajul Awasthi, Senior Public Sector Specialist in the Governance Global Practice; Xavier Becerra, Congressman, Chairman of the House Democratic Conference; Ron Kind, Congressman, Member of the House Committee on Ways and Means.</p>
24.5.2015	<p><i>Joint TAXE/DEVE Public Hearing on Consequences of aggressive fiscal practises for developing countries</i></p> <p>Dr Attiya Waris, Senior Lecturer, Law School, University of Nairobi; Dr Manuel Montes, Senior Advisor on Finance and Development, The South Centre; Mrs Aurore Chardonnet, OXFAM Tax and Inequality EU Policy Advisor; Mr Savior Mwambwa, ActionAid International, Tax Power Campaigning Manager; Ms Tove Ryding, EURODAD, Policy and Advocacy Manager, Tax Justice; Mr Sol Picciotto, Professor, Lancaster University.</p>

**MULTINATIONAL CORPORATIONS AND BANKS INVITED
TO APPEAR IN COMMITTEE MEETINGS**

Annex 2.1: List of MNEs invited

Company	Invited/Representatives	Situation (11.3.2016)
Apple Inc.	Timothy D. Cook Chief Executive Officer	<i>Participating</i> Cathy Kearney, Vice President of European Operations Julia Macrae, Tax Director EMEIA
Google Inc.	Nicklas Lundblad Senior Director Public Policy and Government Relations (EMEA)	<i>Participating</i> Adam Cohen, Head of Economic Policy (EMEA)
Fiat Chrysler Automobiles	Sergio Marchionne Chief Executive Officer	Declined on 11.3.2015: <i>'As you may be aware, on 29 December 2015 we filed an appeal with the General Court of the EU contesting the Commission's decision which found that one of our companies in Luxembourg had received state aid. Luxembourg is also contesting this decision before the General Court. While we are highly confident that we have not received any state aid in Luxembourg in breach of EU law, it would, in the circumstances, not be appropriate for us to participate in the Special Committee meeting or comment further. Therefore, while our appreciation of the Committee's efforts and of its desire to hear the views of enterprises remains unchanged, we regret that we are not able to participate in this discussion until our legal case has been resolved.'</i>
Inter IKEA Group	Søren Hansen Chief Executive Officer	<i>Participating</i> Søren Hansen, CEO Anders Bylund, Head of Group Communications
McDonald's Corporation	Irene Yates Vice President, Corporate Tax	<i>Participating</i> Irene Yates, Vice President, Corporate Tax

<p>Starbucks Coffee Company</p>	<p>Kris Engskov President of Starbucks Europe, Middle East and Africa (EMEA)</p>	<p>Declined on 23.2.2015: <i>'As Starbucks is planning to appeal the decision of the European Commission, announced on 21st October 2015, that the Netherlands granted selected tax advantages to our Amsterdam coffee roasting plant (Starbucks Manufacturing EMEA BV), we are unable to accept the invitation of the European Parliament's Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect.</i> <i>Once this matter has been resolved, and Starbucks is confident that the European Commission's decision will be overturned on appeal, we would be happy to meet.</i> <i>If it assists your information gathering it is worth noting that Starbucks complies with all OECD rules, guidelines and laws and supports its tax reform process, including the Base Erosion and Profit Shifting Action Plan.</i> <i>Starbucks has paid an average global effective tax rate of roughly 33 per cent, well above the 18.5 per cent average rate paid by other large US companies.'</i></p>
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Annex 2.2: List of Banks invited

Name	Invited/Representatives	Situation 4/04/2016
Crédit Agricole (FR)	Mr Dominique Lefebvre Chairman	<i>Accepted (15.3.2016)</i> Jean-Charles Balat <i>Director of Finances, Groupe Crédit Agricole</i>
Deutsche Bank (DE)	Mr Paul Achleitner Chairman	<i>Accepted (16.3.2016)</i> <i>to participate in a meeting on</i> 4 April 2016 <i>Participating representative</i> <i>Brigitte Bomm, Managing Director,</i> <i>Global Head of Tax, Deutsche Bank</i>
ING Group (NL)	Mr Ralph Hamers CEO	<i>Accepted (8.3.2016)</i> Drs. R.N.J. Schipper <i>ING Global Head of Tax</i>
Nordea (SW)	Mr Casper von Koskull President and CEO	<i>Accepted (9.3.2016)</i> Eva Jigvall <i>Nordea's Head of Group Taxes</i>
Royal Bank of Scotland (UK)	Mr Ross McEwan CEO	<i>Accepted (16.3.2016)</i> <i>to participate in a meeting on</i> 4 April 2016 <i>Participating representative</i> <i>Grant Jamieson, Head of Tax, Royal</i> <i>Bank of Scotland</i> <i>Graeme Johnston, Head of International</i> <i>Tax, Royal Bank of Scotland</i>
Santander (ES)	Mrs Ana Patricia Botín, Chairwoman	<i>Accepted (11.3.2016)</i> Monica Lopez-Monis Gallego <i>Chief Compliance Officer and Senior</i> <i>Executive Vice-President of Banco</i> <i>Santander</i> Antonio H. Garcia del Riego <i>Managing Director</i> <i>Director European Corporate Affairs</i>
UBS (CH)	Mr Axel A. Weber Chairman	<i>Accepted (14.3.2016)</i> Christopher Pinho, <i>Managing Director, Global Head of</i> <i>Group Tax</i>
Unicredit (IT)	Mr Giuseppe Vita Chairman	<i>Accepted (8.3.2016)</i> Stefano Ceccacci <i>UC Head of Tax Affairs</i> Costanza Bufalini <i>Head of European and Regulatory Affairs</i>