

## TAXE 2 roadmap: Greens proposal

TAXE 2 has been created to build on and complete the work carried out by the special TAXE 1 committee and to follow-up the implementation of the TAXE 1 report recommendations.

### OBJECTIVES

For the next six months, TAXE 2 shall look at:

1. **Continuing requesting full access to all the Code of Conduct / HLWG room documents and meeting minutes** to investigate if harmful tax measures were removed since 1998 and if no new measures were implemented (i.e. whether the Code of Conduct mandate has really been fulfilled).
2. **Completing the analysis and monitoring work of accountability of key players (Member States and Commission), especially in the framework of the Code of Conduct,:**
  - for non-action against harmful tax practices (rulings, mismatches/PPL/special economic zones...) in the past,
  - for impeding initiatives to fight tax dumping (e.g. CbCR, exchange of tax rulings, CCCTB)
  - for making links between new analysis and findings of the CoC documents and outcomes of our the TAXE report (breach of EU law by stakeholders)
3. **Following-up with Member States on their tax policies:** many EU governments did not fully reply to TAXE letters in May and more information, based on our investigations so far should be asked to specific countries.
4. **Completing its analysis and assessment of the responsibility of EU countries for their dependencies** and overseas territories
5. **Deepening its analysis and assessment of tax planning practices used by MNCs accounting firms.** With a different hearing format, MEPs could, like in the US or the UK, really audition MNCs one at a time and explore the tax loopholes they use.
6. **Further investigating the role of intermediary actors in facilitating tax dumping** (e.g. accounting firms, banks/Structured finance) with a specific focus on the role of banks in tax avoidance.
7. **Better analysing the work of expert groups providing advice to EU institutions on corporate tax proposals or guidelines:** e.g. Joint Transfer Pricing Forum, Platform on Tax Good Governance, Expert group on Automatic Information Exchange etc...
8. **Following-up on TAXE recommendations and future tax reforms:** TAXE MEPs need a dedicated framework to ensure that recommendations in the TAXE report will be taken on board in upcoming tax reforms proposed by the EC, such as the

implementation of BEPS at EU level, interim mechanisms towards a common consolidated corporate tax base or public transparency.

## ACTIVITIES

For that purpose, it is suggested that TAXE will:

- **Ensure full access to the following documents:**
  - Minutes of each CoC meeting since its creation
  - Missing CoC room documents since 1998 , including most recent CoC room documents (after April 2015)
  - Full version of room documents from 2010-2015 (with information from all member states)
  - Database of tax regimes considered potentially harmful as prepared by the Commission;
  - Other documents requested to the Council or to Member States (separate excel document available)
  - An overview of the contributions from member states provided to DG Competition in its state aid investigations on tax rulings and how DG COMP is making use of it
  
- **Organise several hearings in a different format** over the next 6 months to invite (or re-invite)
  - Jean-Claude Juncker, President of the European Commission to address unsolved matters regarding tax policies in Luxembourg, as reported by French and German media
  - Jeroen Dijsselbloem, Chair of the Eurogroup and representative of the upcoming Dutch Presidency to address his role in the Dutch position on EU tax matters (as reported by French and German media) and to present the Dutch Presidency objectives on taxation
  - Didier Reynders, former Finance Minister for Belgium on the position of Belgium on tax reforms (as reported by French and German media)
  - Council representatives to have a debate on the reform of the Code of Conduct group on business taxation
  - Commissioner Moscovici to have a debate on the upcoming tax reforms and to follow-up on the recommendations of the TAXE 1 report
  - Commissioner Vestager to have a debate on recent new state aid investigations, revision of state aid guidelines and to follow-up on the recommendations of the TAXE 1 report
  - jointly with ECON: hearing with EU Finance Ministers to debate their answers to the TAXE committee on their tax policies, the TAXE 1 recommendations and how to implement them at EU or national level - with a specific focus on the 13 Member States refusing to provide information from Code of Conduct documents (Belgium, Estonia, Finland, Hungary, Latvia, Luxembourg, Malta, Netherlands, Romania, Slovenia, Spain, Sweden, UK)
  - Representatives from US and Australian Senates and representatives from OECD (on BEPS and decrease of corporate income tax)

- MNCs to ask further questions on their tax practices (in a different format than previously organised) including (but not limited to): IKEA, Amazon, Google, Starbucks, Apple, McDonalds, Alcoa, Fiat, Vodafone, Boots, Nestlé, CocaCola, PepsiCola, Aviva, Axa, British American Tobacco, Cargill, Credit Suisse, FedEx, GE, GSK, Heinz, Caterpillar, Skype, Walt Disney, Facebook, Timberland
  - Representatives from intermediaries, investment funds and the banking sector (e.g. Dexia, Deutsche Bank, HSBC, BNP Paribas, Barclays, J.P. Morgan, UBS)
  - Journalists and Whistleblowers who have recently uncovered further tax scandals (e.g. FT, der Spiegel, Le Monde, Wall Street Journal...)
  - Academics including Pr Omri Marian - Levin College of Law, Pr Sol Picciotto - Emeritus Lancaster University, Alex Cobham - Tax Justice Network head of research, Thomas Piketty - London School of Economics, Nicholas Shaxon
- **Write letters to all EU Member States and the European Commission** to invite them to appear in front of TAXE 2 and ask further questions about their tax policies (building on the work of TAXE 1)
  - **Organise country visits or hearings in Brussels regarding specific countries' tax policies**
    - Cyprus (letterbox companies)
    - Malta (low-tax regimes to companies)
    - Bermudas ((captive) insurance industry)
    - Jersey/Guernsey (letterbox companies, do directives 77/799/EEC and 2011/16/EU apply?)
    - Gibraltar (harmful administrative practices?)
    - US (Delaware, Nevada) (no corporate income tax, secrecy)
  - **Commission studies on:**
    - Disaggregated study estimating the losses due to corporate tax avoidance to public finances in and across the EU
    - Study on FDI flows and stocks in the EU and relevant 3rd countries relative to size of population and real economic activity (see <http://www.jfichtner.net/offshore-intensity-ratio/>).
    - An overview of the structured finance products / advisory services provided by the banks to their clients for tax optimisation purposes.
    - A comparative quantitative overview of the bank deposits as well as the registered entities in different member states
    - Comparative study on the workings and resources of MS tax authorities & the judicial services to investigate corporate tax avoidance cases
    - Legal study analysing the powers of the UK, the Netherlands, Portugal (Madeira) and France vis-a-vis their overseas territories

- **Write a report** to summarize the findings of TAXE II committee and make all recommendations deemed necessary; follow-up on the implementation of recommendations made by TAXE I