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Members States must stop blocking tax transparency

“We recognise and value the benefits for society that arise from fair, effective and predictable tax regimes. We are committed to acting with integrity, honesty and transparency in all matters related to tax and ensure we adhere to the highest standards of corporate governance.”

This does not come from a company caught in a tax scandal and promising to do better. This is the explanation from Vodafone, a British multinational telecommunications firm, for publishing key information as to how much and where they pay taxes. In March 2019, Vodafone became the first large multinational to release this information to the public voluntarily.

Greens/EFA believe that all large companies should be doing the same and we have campaigned hard to call for European legislation obliging multinationals to be more transparent about their tax payments. This so-called country by country reporting (CBCR) would give us information about where companies employ people, have assets and register profits, in order to check if taxes are paid in countries where companies have their real economic activity.

The European Commission finally answered our call by presenting a legislative proposal in April 2016 - just a few days after the Panama Papers scandal was revealed by the International Consortium for Investigative Journalism. So why didn’t transparency become the new standard, as the European Parliament agreed in July 2017?

Because the European Member States have been stalling and blocking this important reform for about three years now. Our governments are protecting big companies’ interests instead of giving their citizens the possibility to know if companies pay their fair share. This is particularly shameful when we know that three out of every four Europeans want the EU to take more action against abusive tax practices.

Some countries are specifically to blame here.

Starting with **Germany,** which has always voiced strong concerns over the proposal, perhaps influenced by the Federation of German Industries. Because of the 2017 election period and the formation of a government, German representatives in Brussels requested more time to have a position on this file (although other tax files didn’t suffer from the same German indecision).

Others like **Austria, Cyprus, Ireland, Sweden or Luxembourg**argued about the legal basis for this legislation, contesting the right for the European Parliament to co-decide on a text (knowing that the Parliament had more ambition for tax transparency). However, hiding behind legal arguments was often a way to disguise pure opposition to companies having to be more transparent.

Rotating Presidencies have also failed to reach a consensus in Council. While Malta and Estonia still tried in 2017 and organised several meetings; **Bulgaria** (Jan-June 2018),**Austria** (Jul-Dec 2018), and **Romania** (Jan-Jun 2019) have barely worked on this reform and just restated Member States' positions instead of working towards a proposal supported by a majority.

We therefore supported re-confirming the European Parliament's position on CBCR on 27 March 2019, to send a signal to Member States that we are not giving up on this important reform and that we will keep fighting to ensure more transparency about where companies pay their taxes. This is what European citizens expect from us and what we aim to deliver. If Vodafone can publish this information, then all companies can.

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