Press release | 06.11.2015

EU tax rules

Leaked documents show Netherlands and Luxembourg systematically blocked EU tax reforms

The Netherlands and Luxembourg prevented progress on EU measures aimed at preventing tax dumping for years, according to leaked minutes of a Council working group being reported in the German media today (1). The documents on which the articles are based are precisely those documents to which the European Parliament's special committee investigating tax issues has been denied access. Commenting on the revelations, Green economics and finance spokesperson **Sven Giegold** said:

"These revelations make clear what many have long suspected: those countries most prominent in accommodating tax dumping have actively and systematically worked to block EU progress on tax reforms aimed at addressing the problem. Current EU Commission president Jean Claude Juncker and Eurogroup chair Jeroen Dijsselbloem therefore shoulder political responsibility for the problem of tax dumping in Europe in their roles as prime minister and finance ministers of the respective countries. It is essential that both now appear before the EP's tax investigation committee to explain their roles revealed in this leak.

"Luxembourg and the Netherlands have worked for years in the 'Code of Conduct Group on Business Taxation' to prevent any progress on crucial EU tax reforms. With unanimity required for any tax decisions in Council, they have essentially vetoed all progress to enable them to maintain the loopholes in EU law under which large corporations (like IKEA, Google, Amazon, Starbucks, Fiat and many others) were able to avoid their tax responsibility and deprive national exchequers of billions of Euro in tax revenue. The European Commission apparently simply looked on and allowed this situation to continue, and it should also now explain why it failed to intervene in its role as guardian of the EU treaties.

"These leaks underline the importance of full access to relevant documents for the EP's investigation. It is only by accessing all the relevant information that the EU Parliament can fulfil the mandate of its special committee. This will shed light on which EU member states are responsible for preventing EU measures against aggressive tax competition and dumping. The European Commission and those governments that have refused to cooperate should now reconsider and give the EP investigation full access to the relevant documents."

(1) Der Spiegel (Germany) has published an article reporting on leaked minutes from 'Code of Conduct Group on Business Taxation'. http://www.spiegel.de/wirtschaft/soziales/luxleaks-luxemburg-und-niederlande-blockierten-steuergesetze-a-1061459.html

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Sven Giegold

Member

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