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New report into fast food giants shows tax haven threat of Brexit

McDonalds tax report

A coalition of European and American trade unions has published a new report about McDonalds' tax avoidance practices. The report shows how McDonalds restructured itself since the investigation of the European Commission, with continued reliance on multiple subsidiaries in countries currently listed on the EU grey list of non-cooperative jurisdictions (and also known to be famous UK-linked tax havens: Cayman Islands, Bermuda, Hong Kong). With McDonalds choosing to move its base from Luxembourg to the UK, the report is a warning that the UK could become the biggest tax haven near the EU after Brexit.

[View the report here.](#)

Greens/EFA Tax Justice spokesperson **Molly Scott Cato** comments:

"Today's report demonstrates clearly that corporations have not changed their approach to tax avoidance. In spite of massive public distaste for it, they are continuing to game the tax system, chasing the remaining loopholes and seeking to create new ones."

"In the case of McDonalds, the clear pivot towards the UK and its offshore tax havens is a worrying sign in view of the offshore activities of some of the key Brexit players including Jacob Rees-Mogg. As we have repeatedly made clear, the EU should use Brexit as an opportunity to crack down on the worst post-colonial excesses of the UK's tax framework rather than allowing it to be used to weaken Europe's tax regime (1)."

Background info

The report from EPSU, EFFAT and SEIU is a follow-up to the Unhappy Meal report, published in February 2015, which showed that McDonald's use of tax havens had resulted in over €1 billion in uncollected taxes in Europe between 2009 and 2013. McDonald's had been benefiting from an exclusive agreement in Luxembourg to shift profits there and pay close to zero taxes. This led to the opening of a formal state aid investigation by the Commission in December 2015

(http://europa.eu/rapid/press-release_IP-15-6221_en.htm).

The Greens/EFA group has requested that McDonalds appear in front of the European Parliament for the hearing on multinationals organised by the Special Committee TAX3 on 21 June (morning). If they do not

accept the invitation and can't provide a justifiable answer, we will request the withdrawal of their access badges to the European Parliament.

Tomorrow, the European Parliament's Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3) holds a hearing on "The fight against harmful tax practices within the European Union and abroad". While the Bulgarian Presidency and the Chair of the Code of Conduct Group on Business and Taxation were invited, both declined. You can follow the live-stream from 2.30pm

<http://www.europarl.europa.eu/ep-live/en/committees/schedule?start-date=15-05-2018&end-date=15-05-2018&committee=TAX3>

(1) See the November 2017 Greens/EFA report, *Tax justice agenda for the Brexit negotiations*, for more details: <http://extranet.greens-efa-service.eu/public/media/file/1/5414>

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Responsible MEPs



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