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Press release | 05.02.2015

Tax evasion/Luxembourg leaks

Blocking EU Parliament inquiry committee a bad political choice, which undermines the EP

The leaders of the political groups in the European Parliament today discussed the proposal to create of a full European Parliament inquiry committee into tax evasion and dumping following the Luxembourg Leaks revelations. The conference of presidents failed to endorse the committee, despite it having the required support of 25% of MEPs and an independent legal opinion having confirmed the compatibility of the draft mandate for the committee (1), which was proposed. Instead, the bigger political groups (EPP, S&D, ECR and ALDE) agreed to the creation of a special committee, a parliamentary instrument with less standing and reduced investigative powers. Commenting after the European Parliament's Conference of Presidents, Greens/EFA co-president **Philippe Lamberts** said:

"EU Parliament president Schulz and the leaders of the EP's bigger political groups have taken a decision to block the proposed inquiry committee based on politics alone: there are no legal or procedural obstacles, which could not be easily solved. The proposed inquiry committee, which had the required support from MEPs, is the most powerful investigative tool available to the parliament and, as such, the most appropriate response to the serious issues that have been brought into the spotlight by Luxembourg Leaks. In standing in the way of this committee, they are undermining the parliament's role as the EU's democratically-elected institution and are dealing a blow to the credibility of the parliament and the EU as a whole. Downgrading the proposed inquiry committee to a special committee, is a downgrading of the EP's response to Lux Leaks, although it is clearly a second best option. While it is clear that they would not have even agreed to a special committee if they had not been put under pressure, it is difficult to fathom why the leaders of the bigger political groups are blocking a full inquiry."

Greens/EFA economic and finance spokesperson Sven Giegold said:

"After trying various tricks to block the proposed inquiry committee, the bluff of the parliament's ruling cabal has been called: they simply do not want a proper inquiry and have taken the political decision to oppose it. While we will work constructively within a special committee, nobody should be under any illusions that this is the most appropriate response for the parliament to take. An inquiry committee is the most powerful and most appropriate instrument at the European Parliament's disposal, with greater standing and more extensive powers of investigation. Apart from its ability to maximise political documents from national authorities, a key provision as taxation matters remain in member states' hands. It is a cop out by the powers that be to go instead for a special committee."

(1) The European Parliament can set up committees of inquiry to investigate cases of breaches or poor application of EU law. To be created, the proposed committee must have the support of 25% of MEPs (188 MEPs), with the terms of reference to be confirmed by the conference of presidents of the political groups, before the European Parliament plenary votes to approve the committee: http://www.europarl.europa.eu/aboutparliament/en/00aab6aedf/Committees.html

A legal opinion produced by the European Parliament's services on Monday, which highlighted incompatibilities in the original draft mandate, was challenged and a subsequent legal opinion (from a renowned professor of European constitutional law, Prof. Franz Mayer of the University of Bielefeld) has confirmed the validity of the mandate. The Greens/EFA group had also prepared an alternative mandate, however the EP's political group leaders refused to support either option.

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Sven Giegold

Member



Philippe Lamberts

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