Press release | 11.09.2012

EU tax rules

MEPs vote to toughen EU rules and clamp down on tax dodging practises by business

The European Parliament today adopted its opinion on draft EU legislation on interest and royalty taxation (1). MEPs voted in favour of toughening EU measures with a view to outlawing tax avoidance schemes currently employed by businesses, as well as for effective minimum taxation of cross border interest and royalty payments within the EU. The Greens called on the Council to follow up on the vote, with Green economic and finance spokesperson **Sven Giegold** (MEP, Germany) stating:

"It is scandalous that EU governments are still failing to take action against businesses dodging their tax obligations in the member states in which they operate at a time when EU exchequers are under such pressure. The EP has today voted in favour of strengthening the draft legislation, with a view to prohibiting the current practise of companies channelling profits through different member states and tax regimes to avoid their tax responsibility. These 'legitimate' tax avoidance schemes like the 'Double Irish' and the 'Dutch sandwich' should be totally outlawed and member state governments should take on board today's vote.

"The EP voted in favour of introducing an effective minimum EU tax rate on interest and royalties income, which would further limit the scope for corporate tax avoidance. If the EU is serious about tackling tax avoidance, immediate legislative steps must be taken to end the tax tourism and arbitrage that enables individuals and corporations in the EU to avoid up to €100 billion in tax payments."

(1) The EP adopted the Gáll-Pelcz report, which represents the EP's opinion as part of a consultation procedure on the draft legislation on a common system of taxation applicable to interest and royalty payments by companies.

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Responsible MEPs



Sven Giegold

Member

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