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Fiat and Starbucks rulings show urgent need for better EU laws on tax avoidance

Tax

Today, the European General Court has annulled the Commission's ruling on fiscal state aid by the Netherlands in favour of Starbucks, and confirmed the Commission's ruling on the aid measure granted by Luxembourg to Fiat.

Sven Giegold MEP, financial affairs spokesperson for the Greens/EFA group, comments:

"Today's rulings by the General Court shows that we need much better EU-wide rules to end tax avoidance by multinationals. The court rulings prove the strengths and weaknesses of using the EU's State Aid rules to fight tax dumping, and show the urgent need to review and improve the State Aid framework. We should not have to rely on lengthy Commission investigations and Court decisions to achieve tax justice. EU Member States should not be able to aid and abet the tax avoidance of large companies. We expect Margrethe Vestager to use her hearing with the Parliament to draw conclusions from the judgements."

"We need public country-by country reporting on multinationals' tax bills, which is currently being blocked by Member States in the Council. The Commission and Member States must take immediate action to move forward on tax legislation that is already on the table. As the Court confirmed the ruling against Luxembourg, the Commission should now take the opportunity to look into all similar cases of tax avoidance in Luxembourg and claw back illegal state aid. One symbolic judgement against Fiat is not enough to restore fair competition."

Molly Scott Cato MEP, tax spokesperson for the Greens/EFA group, comments:

"Today's two different tax rulings on two similar cases shows we need to improve the EU's toolbox in the fight against tax avoidance. So long as companies can continue to get away without paying their fair share, social injustice will continue to increase. The new Commission must show its commitment to fight multinational tax avoidance to prove to the public that the EU can fight for their interests."

"We need bold and ambitious tax reforms and an end to unanimity on tax issues in the Council. So long as a

handful of Member States can block action on tax for the benefit of shareholders of large companies we will never achieve tax justice."

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