



Brussels, 10 February 2017

Dear Mr Torbjörn Lööf, CEO of Inter IKEA Group,
Dear Mr Peter Agnefjäll, President and CEO of the IKEA Group,

About a year ago, the Greens/EFA Group in the European Parliament published its report *Flat Pack Tax Avoidance about your companies' tax practices*¹. Our research estimated that the Ikea Group and the Inter Ikea Group had shifted profits to low-tax jurisdictions in order to avoid paying €1 billion from 2009 to 2014.

Following the testimony of Mr Søren Hansen in front of the European Parliament Special Committee TAXE, on tax rulings and other similar measures, you provided a written response to our report, which we published with comments on our website². **As we are approaching the one-year anniversary of the report, we are writing to you to find out whether your tax situation has changed over the past 12 months.**

One of our preliminary claims in the report was that IKEA's dual structure (IKEA Group and Inter IKEA Group), despite being composed of two legal entities on paper, is in fact controlled by members of the Kamprad family and a small circle of trusted associates. For the purposes of accounting and taxation, the IKEA Group and the Inter IKEA Group claim that they are unrelated parties.

However, a number of men who serve on Interogo's two governing bodies have worked for both IKEA groups and, in some cases, at the same time.

We are therefore curious to know if you have made any changes to the composition of the governing bodies of the Stichting INGKA board (IKEA Group) and the Interogo Foundation (Inter IKEA Group), since the report was published?

On 31 August 2016, Inter IKEA Holding B.V. acquired some operating entities (design, manufacturing, procurement and logistics) from INGKA Holding B.V. (IKEA Group)³. In a press statement, you claimed that *"the acquisition aims to create better conditions for increasing customer focus and future expansion, by simplifying and improving the IKEA franchise system"*.

While this change didn't raise a problem under the EU merger rule⁴, we are wondering what tax implications would derive from the change of ownership. Could you please provide us with more information on how the relevant IKEA subsidiaries have dealt with this restructuring, from a tax point of view?

Finally, in your written response to the TAXE committee, you acknowledged that *"(your) structure has however been complex and (you) have not been clear enough in explaining the franchise system and the different ownership of the companies operating under the IKEA brand"*. You committed to demonstrate openness and transparency, especially towards the Interogo Foundation based in Liechtenstein, and to support *"more clarity and transparency towards all stakeholders"*.

¹ <http://www.greens-efa.eu/en/article/corporate-tax-avoidance-5963/>

² <http://www.greens-efa.eu/en/article/news/ikea-flat-pack-tax-avoidance/>

³ <http://newsroom.inter.ikea.com/news/all/inter-ikea-group-acquires-ikea-range--supply-and-production-activities-from-the-ingka-group/s/ddfd962e-bbca-4ece-8b08-ffa4ca80806b>

⁴ http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=2_M_8047

What efforts have you made to provide more information on the role of the Interogo Foundation within the Inter IKEA Group in 2016? And do you support the European Commission's proposal for public reporting (on a country-by-country basis) by large multinationals, in order to ensure they disclose financial information on their economic activities and where they pay taxes?

Last year, we calculated that the payment of royalty fees from European IKEA Group subsidiaries to Inter IKEA Holding B.V resulted, for example, in a €35 million tax loss in Germany in 2014, a loss of almost €24 million in France and €11.6 million in the UK. At a time when European governments need resources to finance public policies such as free education – as exists in Sweden – we look forward to receiving your comments and stand ready to start a dialogue with you on how to fight corporate tax avoidance.

Best regards,

Marco Affronte, Member of the European Parliament

Max Andersson, Member of the European Parliament

Margrete Auken, Member of the European Parliament

Karima Delli, Member of the European Parliament

Pascal Durand, Member of the European Parliament

Bas Eickhout, Member of the European Parliament

Sven Giegold, Member of the European Parliament

Heidi Hautala, Member of the European Parliament

Maria Heubuch, Member of the European Parliament

Yannick Jadot, Member of the European Parliament

Benedek Jávor, Member of the European Parliament

Eva Joly, Member of the European Parliament

Ska Keller, Member of the European Parliament

Philippe Lamberts, Member of the European Parliament

Michel Reimon, Member of the European Parliament

Terry Reintke, Member of the European Parliament

Michèle Rivasi, Member of the European Parliament

Bronis Ropé, Member of the European Parliament

Judith Sargentini, Member of the European Parliament

Molly Scott Cato, Member of the European Parliament

Jordi Sole, Member of the European Parliament

Bart Staes, Member of the European Parliament

Josep-Maria Terricabras, Member of the European Parliament

Claude Turmes, Member of the European Parliament

Ernest Urtasun, Member of the European Parliament

Monika Vana, Member of the European Parliament