

Brussels, 29 June 2017

Vote for real tax transparency and citizens' access to information

Dear Mr. Pittella,

The European Parliament has demonstrated strong leadership in the much-needed fight for transparency around what multinational corporations pay in taxes. Members of the European Parliament have vehemently reacted to tax scandals such as LuxLeaks and the Panama Papers by proposing concrete actions to end corporate tax avoidance.

On Tuesday 4 July, the European Parliament will vote on draft legislation requiring large multinational groups to publicly report information on their profits, turnover, taxes, number of employees, and other relevant financial information – a measure commonly referred to as public country-by-country reporting (public CBCR).

We are writing to you as the leader of the S&D group in the European Parliament to call for your support to increase corporate transparency and public CBCR. We ask you to vote to amend the current text in Plenary in order to ensure that the legislation can fully deliver on its objectives to combat tax avoidance by large multinational corporations.

The objective of the legislation is to provide society at large with information about the key activities and tax payments of multinational corporations operating in their countries, shed a light on multinationals' profit shifting techniques as well as deter corporations from engaging in aggressive tax planning schemes. Public scrutiny of this information will allow public debate about the tax strategies of large multinationals, as well as improve corporate accountability and transparency.

We welcome the European Parliament's significant attempt to improve the European Commission's proposal by extending the reporting requirement for multinational corporations to all of their countries of operation, as opposed to EU member states and yet-to-be determined tax havens only. However, we are concerned about a new provision that was introduced during the vote of the ECON and JURI Committees on 12 June, when MEPs voted to adopt a 'get out clause' for multinationals. This new clause would limit transparency over some of their activities in certain countries and citizens' full access to information about large multinationals' tax payments.

This clause has been adopted despite the uncertainty regarding the loopholes it might create. There is also a risk that this clause could encourage aggressive tax competition. Member states may start competing with one another by granting weaker standards to multinationals in order to attract them.

We therefore urge you to vote in favour of an amendment to the current text in order to ensure that proper transparency becomes a reality. This would provide for a more balanced approach by ensuring the necessary level of transparency to create a real disincentive for large-scale tax avoidance, while at the same time protecting corporations' sensitive data.

We remain at your disposal should you wish to receive further information or if you would like to meet in person to discuss the European Commission's legislative proposal further.

Initiators:



Contacts:

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Signatory organisations:

1. ACT Alliance EU
2. ActionAid
3. ActionAid Denmark
4. Africa Europe Faith & Justice Network
5. Centre national de coopération au développement (CNCD-11.11.11)
6. Christian Aid
7. Christian Aid Ireland
8. Cooperatives Europe
9. Diakonia
10. Ekvilib Institute, Slovenia
11. European Public Service Union (EPSU)
12. European Trade Union Confederation (ETUC)
13. European Federation of Food Agriculture and Tourism Trade Unions
14. European Women's Lobby
15. Focus, Association for Sustainable Development
16. Forum Syd
17. Financial Transparency Coalition
18. Global Call to Action Against Poverty (GCAP) Europe
19. Glropolis
20. Hub for Tax Justice Slovenia
21. Kairos Europe
22. Kepa – The Finnish NGO Platform
23. KULU-Women and Development
24. Netzwerk Steuergerechtigkeit, Germany
25. Oxfam-in-Belgium
26. Oxfam IBIS (Denmark)
27. Oxfam France
28. Oxfam Germany
29. Oxfam GB
30. Oxfam Intermón (Spain)
31. Oxfam Ireland
32. Oxfam Italy
33. Oxfam Novib (Netherlands)
34. Social platform

35. SOLIDAR
36. Tax Reconciliations, Oxford UK
37. Tax Research UK
38. The Finnish NGDO Platform to the EU, Kehys
39. Transparency International Estonia
40. Transparency International Germany
41. Transparency International Italy
42. Tax Justice Network (TJN)
43. Vienna Institute for International Dialogue and Cooperation (VIDC)