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Member States continue to block tax transparency despite Parliament vote

Alessandro · Wednesday, March 27th, 2019

In a reiteration of its strong support for tax transparency, the European Parliament has today closed the first reading of its report on public country-by-country reporting (CBCR). The [report](#) was adopted on 4 July 2017 and is proposed to apply to large multinationals in all sectors registered and operating in the EU.

If the legislation is adopted, it would usher in increased corporate and tax transparency in the European Union and enable citizens around the world to access information on the key information of large companies, including tax payments, financial data and structures. Companies would be obliged to publish this information for every country in which they operate.

Leaks and tax scandals over recent years, such as [Luxleaks](#), the [Panama Papers](#) and the [Paradise Papers](#) have shown the secrecy of the current system and have demonstrated that large multinationals are still able to hide financial and tax-related information, which may lead to aggressive tax planning and tax avoidance. This legislation would make it easier to ensure that taxes are fairly paid in the countries where they are due (where the economic activity takes place) and would provide revenue for critical public services both in Member States and outside the EU.

“While we welcome the Parliament’s positive move on this topic, it is regrettable that the EU Council has been blocking the file from becoming law for the past 18 months.” said Elena Gaita, Senior Policy Officer at Transparency International EU. *“Member States have been using procedural excuses and delaying tactics to kill the negotiations. By blocking this legislation, national governments are effectively putting the interests of big business ahead of those of European citizens.”* she continued.

It is high time that the countries responsible for the

current deadlock, such as Germany, Sweden and Austria, work to find a robust solution in order to enter into negotiations with the European Parliament and Commission. National governments cannot simply wait for more and more tax scandals to emerge for before they tackle this issue head-on.

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