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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

**AMENDMENTS 2 - 92**

**Elisa Ferreira, Michael Theurer**

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

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# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 2**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital B**

#### *Motion for a resolution*

B. whereas issues related to corporate tax base erosion and aggressive tax planning practices have been known and analysed at international level at least since the end of the years 1990; whereas Luxleaks brought public and media attention to those issues, disclosing questionable tax practices promoted by one specific accountancy firm in one specific Member State; whereas the Commission's investigations and the work carried out by Parliament through its special committee have shown that this is not the only case but a practice that is widespread within Europe and beyond, and one which consists in taking tax measures to reduce some corporations' overall tax liabilities so as to artificially increase the national tax base at the expense of other countries;

#### *Amendment*

B. whereas issues related to corporate tax base erosion and aggressive tax planning practices have been known and analysed at international level at least since the end of the years 1990; whereas Luxleaks brought public and media attention to those issues, disclosing questionable tax practices promoted by one specific accountancy firm in one specific Member State; whereas the Commission's investigations and the work carried out by Parliament through its special committee have shown that this is not the only case but a practice that is widespread within Europe and beyond, and one which consists in taking tax measures to reduce some corporations' overall tax liabilities so as to artificially increase the national tax base at the expense of other countries, *some of which are struggling with austerity measures imposed upon*

*them;*

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 3**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital C**

#### *Motion for a resolution*

C. whereas such behaviours, often resulting in disconnection between where value is created and where profits are taxed, is not limited to tax rulings, but encompasses a wide range of harmful tax practices, which are implemented by national tax administrations within and outside the EU;

#### *Amendment*

C. whereas such behaviours, often resulting in disconnection between where value is created and where profits are taxed, is not limited to tax rulings, but encompasses a wide range of harmful tax practices, which are implemented by national tax administrations within and outside the EU ***thriving on secrecy and unfair competition and thus fostering inequality, corruption and money laundering within the EU and in the global financial system;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 4**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Recital C a (new)**

*Motion for a resolution*

*Amendment*

*C a. whereas such behaviours are incompatible with the principle of loyal cooperation among Member States and foster a race to the bottom among Member States frustrating the single market and the purpose of the European Economic and Monetary Union;*

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 5**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital E**

#### *Motion for a resolution*

E. whereas direct taxation is a competence of Member States and is thus subject to the unanimity requirement within the Council; whereas this has resulted in no significant decision being taken yet at EU level in the area of corporate taxation despite recent developments in EU integration in connection with the internal market and other areas covered by the EU Treaties such as international trade agreements, the single currency and economic and fiscal governance; whereas, by giving each Member State a veto right, the unanimity rule within the Council reduces the incentive to move from the status quo towards a more cooperative solution;

#### *Amendment*

E. whereas direct taxation is a competence of Member States and is thus subject to the unanimity requirement within the Council; whereas this has resulted in no significant decision being taken yet at EU level in the area of corporate taxation despite recent developments in EU integration in connection with the internal market and other areas covered by the EU Treaties such as international trade agreements, the single currency and economic and fiscal governance ***and anti-money laundering principles and legislation***; whereas, by giving each Member State a veto right, the unanimity rule within the Council reduces the incentive to move from the status quo towards a more cooperative solution;

Or. en

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## **Amendment 6**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital F**

#### *Motion for a resolution*

F. whereas, in a completed internal market, no distortion should affect investment decisions and business location; whereas, however, globalisation, digitalisation and free movement of capital create the conditions for more intense tax competition between Member States, and with third countries, to attract investments and businesses; whereas this can take the form of potentially harmful tax schemes, which are aimed at fostering investments and attract additional economic activity in the first place, reacting to similar measures launched in neighbouring countries or to correct what is considered as pre-existing imbalances by Member States, in terms of relative wealth, size or peripheral location; whereas, incidentally, in some jurisdictions there seems to be a correlation between attractive corporate tax systems and a high level of national wealth; whereas the

#### *Amendment*

F. whereas, in a completed internal market, no **artificial** distortion should affect investment decisions and business location; whereas, however, globalisation, digitalisation and free movement of capital create the conditions for more intense tax competition between Member States, and with third countries, to attract investments and businesses; whereas this can take the form of potentially harmful tax schemes, which are aimed at fostering investments and attract additional economic activity in the first place, reacting to similar measures launched in neighbouring countries or to correct what is considered as pre-existing imbalances by Member States, in terms of relative wealth, size or peripheral location; whereas, incidentally, in some jurisdictions there seems to be a correlation between attractive corporate tax systems and a high level of national wealth; **whereas in this**

optimal design for tax systems depends on numerous factors and therefore differs from one country to another;

*respect, the special position of the Netherlands and Luxemburg as the world number one and number three source of foreign direct investment seems to be at odds with their economic size and have a direct correlation with their position in the international tax system, which requires further investigation*; whereas the optimal design for tax systems depends on numerous factors and therefore differs from one country to another;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 7**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital G**

#### *Motion for a resolution*

G. whereas, in its role as a player in the tax competition game, each country uses its national legislation in conjunction with its tax treaty network to promote itself as a country to invest in, thereby attracting businesses at the expense of partner countries; whereas, taken in isolation, each Member State has a clear interest in adopting a ‘free rider’ behaviour, i.e. in being the first to design and implement specific tax schemes and provisions to attract tax base, and the last to participate in any cooperative and coordinated action to tackle tax avoidance;

#### *Amendment*

G. whereas, in its role as a player in the *so called* tax competition game, each country uses its national legislation in conjunction with its tax treaty network to promote itself as a country to invest in, thereby attracting businesses at the expense of partner countries; whereas, taken in isolation, each Member State has a clear interest in adopting a ‘free rider’ behaviour, i.e. in being the first to design and implement specific tax schemes and provisions to attract tax base, and the last to participate in any cooperative and coordinated action to tackle tax avoidance; ***whereas countries should not be distracted from attracting companies by promoting productivity enhancing expenditures (investment in productive and technological factors such as research and development and skill enhancement) rather than by facilitating tax arrangements leading to a race to the***

*bottom in corporate taxation;*

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 8**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital H**

#### *Motion for a resolution*

H. whereas, as a result, some Member States tend to have an ambivalent position regarding tax avoidance, complaining on the one hand about their national tax base erosion while at the same time being responsible for the design of the current national and international tax systems which made it possible, and still impeding any development of their tax systems towards a more coordinated solution; whereas, in a framework of full capital mobility within the EU, the interdependence and mutual effects of national tax systems and revenue should be fully taken into account, bearing in mind the extensive positive and negative cross-border spillovers from individual Member States' tax decisions, since one country's tax incentive is another's base erosion;

#### *Amendment*

H. whereas, as a result, some Member States tend to have an ambivalent position regarding tax avoidance, complaining on the one hand about their national tax base erosion while at the same time being responsible for the design of the current national and international tax systems which made it possible, and still impeding any development of their tax systems towards a more coordinated solution; whereas, in a framework of full capital mobility within the EU ***and with the Commission's stated aim of introducing a Capital Markets Union***, the interdependence and mutual effects of national tax systems and revenue should be fully taken into account, bearing in mind the extensive positive and negative cross-border spillovers from individual Member States' tax decisions, since one country's

tax incentive is another's base erosion;

Or. en

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## **Amendment 9**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital I**

#### *Motion for a resolution*

I. whereas the legislator and tax administrations cannot anticipate but only react, sometimes with great delay, to the innovative tax avoidance schemes which are designed and promoted by some tax advisers, lawyers and intermediary companies; whereas, in particular, experience shows that EU bodies which should prevent the introduction of harmful tax measures (such as the Code of Conduct Group set up by Member States in 1998), ***often react too little***, and that a mass of new and often aggressive tax avoidance measures or agreements have been introduced in the EU; whereas MNCs are relying, in the EU and worldwide, on the expertise of a well-organised and skilled sector of tax advisers for the development of their tax avoidance schemes; whereas this sector is represented at the same time in bodies advising governments and public

#### *Amendment*

I. whereas the legislator and tax administrations cannot anticipate but only react, sometimes with great delay, to the innovative tax avoidance schemes which are designed and promoted by some tax advisers, lawyers and intermediary companies; whereas, in particular, experience shows that EU bodies which should prevent the introduction of harmful tax measures (such as the Code of Conduct Group set up by Member States in 1998), ***have proven incapable of countering these undesirable developments***, and that a mass of new and often aggressive tax avoidance measures or agreements ***like patent boxes*** have been introduced in the EU; whereas MNCs are relying, in the EU and worldwide, on the expertise of a well-organised and skilled sector of ***well-paid*** tax advisers ***apparently with no ethical concerns***, for the development of their tax

institutions on tax matters, such as the EU  
Platform for Tax Good Governance;

avoidance schemes; whereas this sector is  
represented at the same time in bodies  
advising governments and public  
institutions on tax matters, such as the EU  
Platform for Tax Good Governance;

Or. en

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## **Amendment 10**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital L**

#### *Motion for a resolution*

L. whereas the practice of rulings developed, in the framework of a closer and more cooperative relationship between tax administrations and taxpayers, as a tool to tackle the increasing complexity of the tax treatment of certain transactions in an increasingly complex, global and digitalised economy; whereas, as undisclosed and potentially discretionary/negotiated arrangements, rulings could at the same time be used as a means of obtaining derogations and more favourable tax treatments;

#### *Amendment*

L. whereas the practice of rulings developed, in the framework of a closer and more cooperative relationship between tax administrations and taxpayers, as a tool to tackle the increasing complexity of the tax treatment of certain transactions in an increasingly complex, global and digitalised economy; whereas, ***we have confirmed that rulings can also be used as a means of obtaining derogations and more favourable tax treatments even if some Member States claim they are not discretionary but still keep them secret,*** as undisclosed and potentially discretionary/negotiated arrangements, rulings could at the same time be used as a means of obtaining derogations and more favourable tax treatments;

Or. en

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## **Amendment 11**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Recital M**

#### *Motion for a resolution*

M. whereas advanced tax rulings are not supposed to affect in any manner the tax treatment of any transaction but should rather have, everything being equal, the same effect as the ex post application of the underlying tax provisions; whereas, accordingly, the focus of this report is not strictly limited to tax rulings but includes, in line with the mandate given to its special committee (TAXE), any tax measure similar in nature or in effect, under the generic term of ‘harmful tax practices’, i.e. measures aimed at attracting non-resident firms or transactions at the expense of other tax jurisdictions in which these transactions should normally be taxed;

#### *Amendment*

M. whereas advanced tax rulings are not supposed to affect in any manner the tax treatment of any transaction, ***nor benefit one tax payer over another***, but should rather have, everything being equal, the same effect as the ex post application of the underlying tax provisions; whereas, accordingly, the focus of this report is not strictly limited to tax rulings but includes, in line with the mandate given to its special committee (TAXE), any tax measure similar in nature or in effect, under the generic term of ‘harmful tax practices’, i.e. measures aimed at attracting non-resident firms or transactions at the expense of other tax jurisdictions in which these transactions should normally be taxed;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 12**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

**Recital N**

### *Motion for a resolution*

N. whereas harmful tax practices ***can, to some extent, be*** connected to one or several of the following non desirable effects: lack of transparency, distortions of competition and an uneven playing field within ***and outside the internal*** market, the fairness and legitimacy of the tax system affected, more taxation on less mobile economic factors, unfair competition between states, tax base erosion, social dissatisfaction, mistrust or a democratic deficit;

### *Amendment*

N. whereas harmful tax practices ***are*** connected to one or several of the following non desirable effects: lack of transparency, distortions of competition and an uneven playing field, ***both*** within ***the internal market – which undermines the very principle of a Single Market in the first place - and outside it***, the fairness and legitimacy of the tax system affected, more taxation on less mobile economic factors, unfair competition between states, tax base erosion, social dissatisfaction, mistrust or a democratic deficit;

Or. en

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## **Amendment 13**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 1**

#### *Motion for a resolution*

1. Recalls that the models of corporate taxation existing in industrialised countries were designed in the first half of the 20th century, a period in which cross-border activity was limited; notes that globalisation and digitalisation of the economy have radically altered the global value chain and the way markets operate; stresses that national and international rules in the field of taxation have not kept pace with the evolution of the business environment;

#### *Amendment*

1. Recalls that the models of corporate taxation existing in industrialised countries were designed in the first half of the 20th century, a period in which cross-border activity was limited; notes that globalisation and digitalisation of the economy have radically altered the global value chain and the way markets operate ***with a specific and dominant role for MNCs; notes that 60% of all world trade is now intra-group, dramatically increasing the risks associated with transfer pricing and their impacts***; stresses that national and international rules in the field of taxation have not kept pace with the evolution of the business environment;

Or. en

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## **Amendment 14**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 2**

#### *Motion for a resolution*

2. Notes that, while compliance with various tax systems has become increasingly complex for firms operating across borders, globalisation and digitalisation have made it easier for them to organise their activities through off-shore financial centres, and to create sophisticated structures in order to reduce their global tax burden; is concerned that, due to the economic crisis and budget consolidation, most Member States have significantly reduced their tax administration staff, thereby impacting their potential capacity to prevent, detect and fight aggressive tax planning, which generates substantial erosion of their tax base;

#### *Amendment*

2. Notes that, while compliance with various tax systems has become increasingly complex for firms operating across borders, globalisation and digitalisation have made it easier for them to organise their activities through off-shore financial centres, and to create sophisticated structures in order to reduce their global tax burden; is concerned that, due to the economic crisis and budget consolidation, most Member States have significantly reduced their tax administration staff ***notwithstanding the fact that the skills demanded to deal with complex tax structures have gone up,*** thereby impacting their potential capacity to prevent, detect and fight aggressive tax planning, which generates substantial erosion of their tax base; ***notes that studies have shown that skilled staff in tax administrations bring in significantly***

*more revenue to the state than they cost,  
and so to reduce capacity within tax  
administrations is a false economy;*

Or. en

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## **Amendment 15**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 4**

#### *Motion for a resolution*

4. Notes that, according to the Commission<sup>15</sup>, statutory corporate income tax rates in the EU fell by 12 percentage points, from 35 % to 23 %, between 1995 and 2014; stresses that this decrease in tax rates is accompanied by a broadening of the tax base to mitigate revenue losses and that the relatively stable revenue stemming from corporate taxation in the same timeframe can also be explained by a substantial ‘incorporation’ trend, i.e. a shift from certain legal forms of doing business, such as (sole) proprietorship, to corporation status, which results in a similar shift from a personal to a corporate tax base;

#### *Amendment*

4. Notes that, according to the Commission<sup>15</sup>, statutory corporate income tax rates in the EU fell by 12 percentage points, from 35 % to 23 %, between 1995 and 2014 (***and even further in certain individual Member States***); stresses that this decrease in tax rates is accompanied by a broadening of the tax base to mitigate revenue losses and that the relatively stable revenue stemming from corporate taxation in the same timeframe can also be explained by a substantial ‘incorporation’ trend, i.e. a shift from certain legal forms of doing business, such as (sole) proprietorship, to corporation status, which results in a similar shift from a personal to a corporate tax base; ***notes that the financial flows through some Member States in the form of dividends, interest payments and royalties saw a steep increase over the past years pointing at***

*profit shifting practices;*

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<sup>15</sup> Taxation trends in the European Union, Eurostat statistical books, 2014 edition.

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<sup>15</sup> Taxation trends in the European Union, Eurostat statistical books, 2014 edition.

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 16**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 6**

#### *Motion for a resolution*

6. Notes the large diversity of the 28 tax systems in the EU, as regards both the definition of the tax base and the level of the tax rate, which is even greater if one takes into account *the* special jurisdictions with autonomous tax systems *within the EU* (overseas territories and Crown dependencies); deplores that basic notions and elements, such as the balance between source and residence taxation, permanent establishment and taxable entities, economic substance and anti-abuse rules, not to speak of what can or cannot be deducted from the tax base, are currently not subject to any joint definition or guidelines in the EU, leaving Member States with uncoordinated tax systems;

#### *Amendment*

6. Notes the large diversity of the 28 tax systems in the EU, as regards both the definition of the tax base and the level of the tax rate, which is even greater if one takes into account *those* special jurisdictions with autonomous tax systems *which are connected to EU Member States* (overseas territories and Crown dependencies); deplores that basic notions and elements, such as the balance between source and residence taxation, permanent establishment and taxable entities, economic substance and anti-abuse rules, *the definition of interest and royalties, the treatment of intangibles, the treatment of debt and equity*, not to speak of what can or cannot be deducted from the tax base, are currently not subject to any joint definition or guidelines in the EU, leaving Member States with uncoordinated tax

systems;

Or. en

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## **Amendment 17**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 8**

#### *Motion for a resolution*

8. Notes that this uncoordinated tax framework within the EU also suffers from a blatant lack of cooperation between Member States; stresses, in this connection, that Member States do not necessarily take into consideration the impact of their tax measures on other Member States, not only when they design their tax measures but also when they share information on the implementation of such measures, leading to a de facto beggar-thy-neighbour policy in tax matters; points out that *a* systematic and efficient exchange of information between Member States would make it possible to take account of the tax treatment of specific income flows or transactions in other Member States; stresses that this also contributes to creating an unacceptable situation in which the profits generated by MNCs in a Member State are often taxed at very low

#### *Amendment*

8. Notes that this uncoordinated tax framework within the EU also suffers from a blatant lack of cooperation between Member States; stresses, in this connection, that Member States do not necessarily take into consideration the impact of their tax measures on other Member States, not only when they design their tax measures but also when they share information on the implementation of such measures, leading to a de facto beggar-thy-neighbour policy in tax matters; points out that *an automatic* systematic and efficient exchange of information between Member States would make it possible to take account of the tax treatment of specific income flows or transactions in other Member States; stresses that this also contributes to creating an unacceptable situation in which the profits generated by MNCs in a Member State are often taxed at very low

rates or not at all in the EU;

rates or not at all in the EU, *a situation which encourages aggressive tax planning practices aimed at avoiding any taxation within the EU at all;*

Or. en

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## **Amendment 18**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 9**

#### *Motion for a resolution*

9. Emphasises that convergence between national tax systems in the EU has been very limited despite an unprecedented deepening of the EU integration process over the last 30 years, particularly in connection with the single market and the Economic and Monetary Union; deplores the fact that these tax systems lag far behind when compared with coordination efforts at EU level, in particular in the framework of the European Semester, although a significant part of the policy mix to ensure fiscal consolidation concerns the revenue side; takes the view that this aspect should have been mentioned in the Five Presidents' report on 'Completing Europe's Economic and Monetary Union' of June 2015;

#### *Amendment*

9. Emphasises that convergence between national tax systems in the EU has been very limited despite an unprecedented deepening of the EU integration process over the last 30 years, particularly in connection with the single market and the Economic and Monetary Union; deplores the fact that these tax systems lag far behind when compared with coordination efforts *in other areas* at EU level, in particular in the framework of the European Semester, although a significant part of the policy mix to ensure fiscal consolidation concerns the revenue side; takes the view that this aspect should have been mentioned in the Five Presidents' report on 'Completing Europe's Economic and Monetary Union' of June 2015; *recalls that according to the European Commission's Macroeconomic Imbalance Procedure scoreboard for 2013,*

***Luxembourg's net FDI position stands out with a level of 216,4% of GDP , with inward FDI flows representing 724,1% of GDP and Inward FDI stocks representing 5206% of GDP; stresses that this imbalance must be correctly addressed in the framework of the European Semester;***

Or. en

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## **Amendment 19**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 11**

#### *Motion for a resolution*

11. Notes with great concern that corporate tax avoidance has a direct impact on national budgets and ***on the breakdown of the tax effort between*** categories of taxpayers as well as between ***economic factors*** (to the ***benefit of*** most mobile ***factors*** such as capital in the form of foreign direct investment – FDI); deplores the fact that, in addition to competition distortions, this results in an unacceptable situation where, in a context of severe consolidation efforts, some of those taxpayers with the highest ability to pay contribute incommensurately less than those most affected by the economic and financial crisis, such as ordinary citizens and small and medium-sized enterprises (SMEs); stresses that this situation risks feeding democratic mistrust and affecting overall tax compliance; notes that whistleblowers, who provide national

#### *Amendment*

11. Notes with great concern that corporate tax avoidance has a direct impact on national budgets and ***distorts the distribution of tax across*** categories of taxpayers (***often to the disadvantage of those who can least afford to pay***) as well as between ***different types of assets*** (to the ***advantage of the*** most mobile ***assets***, such as capital in the form of foreign direct investment – FDI); deplores the fact that, in addition to competition distortions, this results in an unacceptable situation where, in a context of severe consolidation efforts, some of those taxpayers with the highest ability to pay contribute incommensurately less than those most affected by the economic and financial crisis, such as ordinary citizens and small and medium-sized enterprises (SMEs); stresses that this situation risks feeding democratic mistrust and affecting overall tax compliance; notes

authorities, in the public interest, with crucial information about *illegal or illegitimate* practices, can be subject to legal prosecution;

that whistleblowers, who provide national authorities, in the public interest, with crucial information about *misconduct, wrongdoing, fraud or illegal activities or* practices, can be subject to legal prosecution;

Or. en

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## **Amendment 20**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 13**

#### *Motion for a resolution*

13. Notes that tax planning strategies can be based on the structuring of corporations, financing arrangements for their branches or transfer pricing, allowing the artificial shifting of profit across jurisdictions with the objective of reducing the global tax burden for companies;

#### *Amendment*

13. Notes that tax planning strategies can be based on the structuring of corporations, financing arrangements for their branches or transfer pricing, allowing the artificial shifting of profit across jurisdictions with the objective of reducing the global tax burden for companies; ***notes the specific example of McDonalds, whose tax practices were shown in a report by a coalition of trade unions to have cost European countries over €1 billion in lost taxes between 2009 and 2013<sup>1 a</sup>***;

*1 a*

***<http://www.notaxfraud.eu/sites/default/files/dw/FINAL%20REPORT.pdf>***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 21**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 14**

#### *Motion for a resolution*

14. Takes the view that national preferential regimes and the poor level of coordination or convergence between the Member States' tax systems, despite the effective economic interconnections and interplay within the internal market, **result** in a number of mismatches allowing aggressive tax planning, double deductions and double non taxation, **for instance through** one or a combination of the following practices: abusive transfer pricing, locating deductions in high-tax jurisdictions, passing on funds raised by loans through conduit companies, risk transfer, exploiting mismatches, tax arbitrage, treaty shopping, and locating asset sales in low-tax jurisdictions;

#### *Amendment*

14. Takes the view that ***the use of such tax planning strategies can be deliberately or inadvertently incentivised by the creation of*** national preferential regimes and the poor level of coordination or convergence between the Member States' tax systems, despite the effective economic interconnections and interplay within the internal market, ***particularly when this results*** in a number of mismatches ***between tax systems*** allowing aggressive tax planning, double deductions and double non taxation, ***which enable*** one or a combination of the following practices: abusive transfer pricing, locating deductions in high-tax jurisdictions, passing on funds raised by loans through conduit companies, risk transfer, exploiting mismatches, tax arbitrage, treaty shopping, and locating asset sales in low-tax

jurisdictions;

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 22**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 17**

#### *Motion for a resolution*

17. Stresses that a number of Member States have in recent years developed specific corporate tax reduction schemes to attract companies' mobile intangible assets, such as income resulting from intellectual property; notes the variety in the tax rate reductions and allowances and in the scope of the schemes proposed (innovation boxes, intellectual property boxes, knowledge boxes, patent boxes, etc.); stresses that, in some Member States, , taxpayers do not need to produce intellectual property within the country in order to access tax benefits, but merely to acquire it through a company which has its residence within the jurisdiction;

#### *Amendment*

17. Stresses that a number of Member States have in recent years developed specific corporate tax reduction schemes to attract companies' mobile intangible assets, such as income resulting from intellectual property; notes the variety in the tax rate reductions and allowances and in the scope of the schemes proposed (innovation boxes, intellectual property boxes, knowledge boxes, patent boxes, **registered brands and names** etc.); stresses that, in some Member States, , taxpayers do not need to produce intellectual property within the country in order to access tax benefits, but merely to acquire it through a company which has its residence within the jurisdiction; ***stresses therefore that any fiscal benefits for R&D must be linked to real expenditures in the said jurisdiction (nexus approach);***

Or. en



# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 23**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 24**

#### *Motion for a resolution*

24. Stresses the crucial role of the four biggest accounting firms (the ‘Big Four’) in the design and marketing of rulings and tax avoidance schemes exploiting mismatches between national legislations; stresses that those firms, which seem to derive a considerable amount of their revenue from tax services, to dominate most Member States’ auditing markets and to prevail in the global tax advising services, constitute a narrow oligopoly; draws attention to the conflict of interest resulting from the juxtaposition, within the same firms, of tax advice and consulting activities intended, on the one hand, for tax administrations and, on the other, for MNCs’ tax planning services, which exploit the weaknesses of national tax laws; questions the effectiveness of any corporate code of conduct in tackling *this issue*; underlines the fact that tax rulings

#### *Amendment*

24. Stresses the crucial role of *advisory law and accountancy firms in a market dominated by* the four biggest accounting firms *Deloitte, Ernst&Young, KPMG, and PwC* (the ‘Big Four’) in the design and marketing of rulings and tax avoidance schemes exploiting mismatches between national legislations; stresses that those firms, which seem to derive a considerable amount of their revenue from tax services, to dominate most Member States’ auditing markets and to prevail in the global tax advising services, constitute a narrow oligopoly; draws attention to the conflict of interest resulting from the juxtaposition, within the same firms, of tax advice and consulting activities intended, on the one hand, for tax administrations *and EU institutions* and, on the other, for MNCs’ tax planning services, which exploit the weaknesses of national tax laws; questions

have become, in the EU and worldwide, a common business practice, not only to obtain legal certainty or advantageous tax deals, but also in cases where legislative provisions do not allow any room for interpretation;

the effectiveness of any *non-binding* corporate code of conduct in tackling *those practices that are seen as legal but are ethically reprehensible*; underlines the fact that tax rulings have become, in the EU and worldwide, a common business practice, not only to obtain legal certainty or advantageous tax deals, but also in cases where legislative provisions do not allow any room for interpretation;

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 24**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 27**

#### *Motion for a resolution*

27. Is concerned, nonetheless, that unilateral measures taken by Member States against tax base erosion can contribute to increasing complexity, generating new mismatches and, as a result, more opportunities for tax dodging within the internal market; stresses that any divergent implementation by Member States of international or EU guidelines can have the same effect;

#### *Amendment*

27. Is concerned, nonetheless, that unilateral measures taken by Member States against tax base erosion can contribute to increasing complexity, generating new mismatches and, as a result, more opportunities for tax dodging within the internal market; stresses that any divergent implementation by Member States of international or EU guidelines can have the same effect; ***underlines in this respect the obstacle that tax fragmentation poses for the creation of a European Capital Market Union and calls on the Commission to take an initiative before the end of June 2016 to tackle this issue;***

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 25**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 28**

#### *Motion for a resolution*

28. Welcomes the various initiatives and legislative proposals of the Commission over the last 20 years, including the most recent, to move towards stronger coordination of Member States' corporate tax systems, with a view to reinforcing the internal market, addressing double taxation or double non-taxation issues or preserving the right of Member States to tax effectively; deplores nevertheless the fact that, to date, only a small number of these have been adopted by Council, due to the unanimity requirement and the fact that certain Member States are convinced that they have more to gain individually from loopholes in the uncoordinated tax system;

#### *Amendment*

28. Welcomes the various initiatives and legislative proposals of the Commission over the last 20 years, including the most recent, to move towards stronger coordination of Member States' corporate tax systems, with a view to reinforcing the internal market, addressing double taxation or double non-taxation issues or preserving the right of Member States to tax effectively; deplores nevertheless the fact that, to date, only a small number of these have been adopted by Council, due to the unanimity requirement and the fact that certain Member States are convinced that they have more to gain individually from loopholes in the uncoordinated tax system ***than they would collectively in a coordinated one;***

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 26**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 30**

#### *Motion for a resolution*

30. Deplores the fact that the Group's work seems to have lost momentum; notes that some of the more than 100 measures which have been rolled back as a result of its activity have been replaced in Member States by tax measures with similar harmful effects; notes that tax authorities have countered the Group's recommendations by creating new structures with the same harmful effects as those rolled back by the Group; deplores the fact that past attempts to strengthen its governance and mandate, and to adjust and broaden the working methods and criteria set in the Code, with the aim of combating new forms of harmful tax practices within the current economic environment, have not been successful; supports the Commission's latest proposals on this matter, as set out in its action plan of 17 June 2015 for fair and efficient corporate

#### *Amendment*

30. Deplores the fact that the Group's work seems to have lost momentum; notes that some of the more than 100 measures which have been rolled back as a result of its activity have been replaced in Member States by tax measures with similar harmful effects; notes that tax authorities have countered the Group's recommendations by creating new structures with the same harmful effects as those rolled back by the Group; deplores the fact that past attempts to strengthen its governance and mandate, and to adjust and broaden the working methods and criteria set in the Code, with the aim of combating new forms of harmful tax practices within the current economic environment, have not been successful; supports the Commission's latest proposals on this matter, as set out in its action plan of 17 June 2015 for fair and efficient corporate

taxation in the EU;

taxation in the EU; *insists on the need for the Council to prioritise reform of the mandate of the Code of Conduct Group and to ensure increased high-level representation and transparency within the Group;*

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 27**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 33**

#### *Motion for a resolution*

33. Notes also the efforts made through the creation of the Platform for Tax Good Governance, which brings around the same table various stakeholders with the aim of creating consensus around the issue of tax avoidance, in particular in an international context, and the Joint Transfer Pricing Forum, which issues a number of guidelines on the technical issues surrounding transfer pricing; stresses that, to date, these bodies have contributed to making limited corrections to the corporate tax framework; strongly deplores the fact that the Joint Transfer Pricing Forum is composed, in particular, of representatives from the Big Four accountancy firms, which contribute to the work on guidelines of transfer pricing while, at the same time, advising corporations on how to avoid taxes through the use of transfer pricing;

#### *Amendment*

33. Notes also the efforts made through the creation of the Platform for Tax Good Governance, which brings around the same table various stakeholders with the aim of creating consensus around the issue of tax avoidance, in particular in an international context, and the Joint Transfer Pricing Forum, which issues a number of guidelines on the technical issues surrounding transfer pricing; stresses that, to date, these bodies have contributed to making limited corrections to the corporate tax framework; strongly deplores the fact that the Joint Transfer Pricing Forum is composed, in particular, of representatives from the Big Four accountancy firms, which contribute to the work on guidelines of transfer pricing while, at the same time, advising corporations on how to avoid taxes through the use of transfer pricing;  
***would like to see the role and the profile***

*of both the Platform and the Forum  
improved considerably;*

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 28**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 36**

#### *Motion for a resolution*

36. Deplores the fact that the current legislative and monitoring framework for the exchange of information about tax measures is not effective, given that evidence has demonstrated that the existing requirements for spontaneous or on-demand exchanges of information are not being complied with; deplores the fact that practically no Member State exchanges any information which may have an effect on partner countries of the EU;

#### *Amendment*

36. Deplores the fact that the current legislative and monitoring framework for the exchange of information about tax measures is not effective, given that evidence has demonstrated that the existing requirements for spontaneous or on-demand exchanges of information are not being complied with; deplores the fact that practically no Member State exchanges any information which may have an effect on partner countries of the EU; ***stresses the need of compulsory coordination between Member States on their tax measures, to mitigate possible tax competition;***

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 29**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 40**

#### *Motion for a resolution*

40. Welcomes the Commission communication on tax transparency of March 2015 and the action plan for a fair and efficient corporate tax system in the EU of June 2015; stresses, however, that these texts can only be considered as steps in the right direction and that a consistent framework of legislative provisions and administrative coordination is needed as a matter of urgency also for the benefit of SMEs and those MNCs which are helping to create genuine economic growth and are paying their fair share of taxes within the internal market;

#### *Amendment*

40. Welcomes the Commission communication on tax transparency of March 2015 and the action plan for a fair and efficient corporate tax system in the EU of June 2015; stresses, however, that these texts can only be considered as steps in the right direction and that a consistent framework of legislative provisions and administrative coordination is needed as a matter of urgency also for the benefit of SMEs and those MNCs which are helping to create genuine economic growth and are paying their fair share of taxes within the internal market; ***expresses particular concern at the inclusion in the June 2015 action plan of a cross-border loss offset mechanism which appears to create a significant new loophole for aggressive tax planning;***

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 30**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 42**

#### *Motion for a resolution*

42. Notes that, following a systematic analysis of the ‘pressure points’ of the international tax system, the BEPS action plan was delineated into 15 action points, of which seven were endorsed by the G20 in November 2014, and the others are expected to be agreed by the end of 2015; stresses that, against the background of an evolving business environment, those actions seek to address transparency issues, e.g. by issuing guidelines on country-by-country reporting, the lack of substance in certain tax avoidance arrangements and greater consistency in international rules;

#### *Amendment*

42. Notes that, following a systematic analysis of the ‘pressure points’ of the international tax system, the BEPS action plan was delineated into 15 action points, of which seven were endorsed by the G20 in November 2014, and the others are expected to be agreed by the end of 2015; stresses that, against the background of an evolving business environment, those actions seek to address transparency issues, e.g. by issuing guidelines on country-by-country reporting, the lack of substance in certain tax avoidance arrangements and greater consistency in international rules; ***regrets however that the recommendations made by OECD with regard to country-by-country reporting entail a very limited scope and do not foresee public disclosure; recalls that the European Parliament already voted in favour of full and public Country-by-***

*Country reporting in its position for a  
revised Shareholder Rights Directive on 8  
July 2015;*

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 31**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 44**

#### *Motion for a resolution*

44. Stresses the complementary nature of EU and OECD activity in this field; takes the view that, given its degree of integration, the *EU* must go further *than the BEPS proposals* in terms of coordination and convergence aimed at avoiding all forms of harmful tax competition within the internal market; is convinced that, while ensuring that its competitiveness is not adversely affected, the EU could put in place more effective tools to ensure fair tax competition and the right of Member States to operate effective taxation on profits generated in their territories;

#### *Amendment*

44. Stresses the complementary nature of EU and OECD activity in this field; takes the view that, given *the BEPS proposals should merely be the basis for EU hard law and that given* its degree of integration, the *European rules* must go further in terms of coordination and convergence aimed at avoiding all forms of harmful tax competition within the internal market; is convinced that, while ensuring that its competitiveness is not adversely affected, the EU could put in place more effective tools to ensure fair tax competition and the right of Member States to operate effective taxation on profits generated in their territories;

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 32**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 45**

#### *Motion for a resolution*

45. Stresses that, within the internal market, new entrants and SMEs are penalised as compared to MNCs, which **can** shift profits or implement other forms of aggressive tax planning through a variety of decisions and instruments, available to them **only**; notes with concern that, **everything** being equal, the resulting lower tax liabilities leave **the latter** with a higher post-tax profit and create an uneven playing field with their competitors **on the single market**, which do not have recourse to aggressive tax planning and keep the connection between where they generate profit and their place of taxation;

#### *Amendment*

45. Stresses that, within the internal market, new entrants and SMEs are penalised as compared to MNCs, which **are able to** shift profits or implement other forms of aggressive tax planning through a variety of decisions and instruments, available to them **by virtue of their size and cross-border operations**; notes with concern that, **all other things** being equal, the resulting lower tax liabilities leave **MNCs** with a higher post-tax profit and **therefore** create an uneven playing field with their competitors, which do not have recourse to aggressive tax planning and keep the connection between where they generate profit and their place of taxation; **points out that this situation is completely at odds with the fundamental principle of the Single Market**;

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 33**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 46**

#### *Motion for a resolution*

46. Stresses that the OECD<sup>21</sup> points to the use by some MNCs of strategies that allow them to pay as little as 5 % in corporate taxes when smaller businesses are paying up to 30 %, and that furthermore some studies<sup>22</sup> also point to the fact that, on average, the corporate tax burden of cross-border companies is up to 30 % lower than that of domestic companies operating in only one country;

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<sup>21</sup> OECD Press release, 'OECD urges stronger international co-operation on corporate tax', 12.02.2013.

<sup>22</sup> P.Egger, W. Eggert and H. Winner (2010), 'Saving taxes through foreign plant ownership', Journal of International Economics 81, pp. 99-108.

#### *Amendment*

46. Stresses that the OECD<sup>21</sup> points to the use by some MNCs of strategies that allow them to pay as little as 5 % **or less** in corporate taxes when smaller businesses are paying up to 30 %, and that furthermore some studies<sup>22</sup> also point to the fact that, on average, the corporate tax burden of cross-border companies is up to 30 % lower than that of domestic companies operating in only one country;

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<sup>21</sup> OECD Press release, 'OECD urges stronger international co-operation on corporate tax', 12.02.2013.

<sup>22</sup> P.Egger, W. Eggert and H. Winner (2010), 'Saving taxes through foreign plant ownership', Journal of International Economics 81, pp. 99-108.

Or. en



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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 34**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 50**

#### *Motion for a resolution*

50. Notes that the concept of ‘nature and general scheme of the national system’ is a central reference in assessing whether direct or indirect tax measures are selective or not, and thus compatible or not with the internal market, and that any state aid should be assessed in relation to the pre-existing equilibrium; stresses that, as the EU benchmark for assessing potential distortions is the national system of reference<sup>23</sup>, not all distortions of competition and harmful tax practices within the internal market can be covered by current competition rules; notes, therefore, that the full enforcement of these rules alone would not enable the issue of corporate tax avoidance in the EU to be solved;

#### *Amendment*

50. Notes that the concept of ‘nature and general scheme of the national system’ is a central reference in assessing whether direct or indirect tax measures are selective or not, and thus compatible or not with the internal market, and that any state aid should be assessed in relation to the pre-existing equilibrium; stresses that, as the EU benchmark for assessing potential distortions is the national system of reference<sup>23</sup>, ***rather than an EU-wide system***, not all distortions of competition and harmful tax practices within the internal market can be covered by current competition rules; notes, therefore, that the full enforcement of these rules alone, ***also welcome***, would not enable the issue of corporate tax avoidance in the EU to be solved ***altogether***;

<sup>23</sup> If the measures adopted by the Member States concern the entire tax system, they constitute adjustments to general fiscal policy and not state aid.

<sup>23</sup> If the measures adopted by the Member States concern the entire tax system, they constitute adjustments to general fiscal policy and not state aid.

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 35**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 54**

#### *Motion for a resolution*

54. Stresses that these investigations shed light on only a very limited sample of some typical practices, ***potentially the most abusive and distortive***, which affect the taxable profit allocated to some MNCs' subsidiaries through transfer pricing; is concerned that the current resources of Commission's competent services may limit its ability to handle a significantly larger number of cases;

#### *Amendment*

54. Stresses that these investigations shed light on only a very limited sample of some typical practices, which affect the taxable profit allocated to some MNCs' subsidiaries through transfer pricing; is concerned that the current resources of ***the*** Commission's competent services may limit its ability to handle a significantly larger number of cases ***of potential tax related state aid violations***;

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 36**

**Peter Simon**

## **Motion for a resolution**

### **Paragraph 54**

#### *Motion for a resolution*

54. Stresses that these investigations shed light on only a very limited sample of some typical practices, potentially the most abusive and distortive, which affect the taxable profit allocated to some MNCs' subsidiaries through transfer pricing; is concerned that the current resources of Commission's competent services may limit its ability to handle a significantly larger number of cases;

#### *Amendment*

54. Stresses that these investigations shed light on only a very limited sample of some typical practices, potentially the most abusive and distortive, which affect the taxable profit allocated to some MNCs' subsidiaries through transfer pricing; is concerned that the current resources of Commission's competent services may limit its ability to handle a significantly larger number of cases; ***and to carry out systematic controls in order to ascertain whether further practices in the area of corporate taxation might be in conflict with state aid law;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 37**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 55**

#### *Motion for a resolution*

55. Strongly supports the Commission in its approach, which **consist** in taking the time needed to consider ongoing cases thoroughly and with all due diligence; believes that the outcome of the investigations will contribute to **establish** more precise and effective guidelines on tax-related state aids and transfer pricing and to **adjust** Member States' practices accordingly;

#### *Amendment*

55. Strongly supports the Commission in its approach, which **consists** in taking the time needed to consider ongoing cases thoroughly and with all due diligence; believes that the outcome of the investigations will contribute to **establishing** more precise and effective guidelines on tax-related state aids and transfer pricing and to **compel** Member States **to adjust their** practices accordingly; **stresses that, in other sectors, such guidelines have proven to be highly effective.**

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 38**

**Peter Simon**

### **Motion for a resolution**

#### **Paragraph 55**

##### *Motion for a resolution*

55. Strongly supports the Commission in its approach, which consist in taking the time needed to consider ongoing cases thoroughly and with all due diligence; believes that the outcome of the investigations will contribute to establish more precise and effective guidelines on tax-related state aids and transfer pricing and to adjust Member States' practices accordingly;

##### *Amendment*

55. Strongly supports the Commission in its approach, which consist in taking the time needed to consider ongoing cases thoroughly and with all due diligence; believes that the outcome of the investigations will contribute to establish more precise and effective guidelines on tax-related state aids and transfer pricing and to adjust Member States' practices accordingly; ***stresses that, in other sectors, such guidelines have proven to be highly effective in putting a stop to and pre-empting practices in Members States, which are in conflict with EU state aid law; an effect which however requires a high degree of detail of the guidelines, including numerical thresholds;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 39**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 58**

#### *Motion for a resolution*

58. Recalls that tax rulings should be aimed at providing legal certainty and create legitimate expectations for their beneficiaries; stresses, against a background where national rulings can be challenged by state aid rules at EU level, that a risk exists of mass notifications of individual rulings requests from Member States for advance clearance by the Commission with a view to avoiding legal uncertainties for tax administrations and undertakings;

#### *Amendment*

58. Recalls that tax rulings should be aimed at providing legal certainty and create legitimate expectations for their beneficiaries; stresses, against a background where national rulings can be challenged by state aid rules at EU level, that a risk exists of mass notifications of individual rulings requests from Member States for advance clearance by the Commission with a view to avoiding legal uncertainties for tax administrations and undertakings; ***stresses that an increased capacity within the Commission and improved processes for transmitting information are the appropriate ways to handle an increased flow of notifications as well as the reinforced transparency required from Member States in tax matters;***

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 40**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 60**

#### *Motion for a resolution*

60. Stresses that tax competition is far from being limited to the Member States, including their dependent or associated territories, and that most practices under consideration have an international dimension, through the shifting of profits to low- or no-tax or secrecy jurisdictions where, often, no substantial economic activity takes place; deplores the lack of a coordinated approach on the part of the Member States vis-à-vis all those jurisdictions, not only in terms of joint action or reaction against their harmful practices, but also, despite the Commission's efforts, regarding their identification and the relevant criteria; strongly supports, therefore, the Commission's 2012 proposal, which includes substantial criteria for ensuring fair competition in addition to transparency and the exchange of information, as well as

#### *Amendment*

60. Stresses that tax competition is far from being limited to the Member States, including their dependent or associated territories, and that most practices under consideration have an international dimension, through the shifting of profits to low- or no-tax or secrecy jurisdictions where, often, no substantial economic activity takes place; deplores the lack of a coordinated approach on the part of the Member States vis-à-vis all those jurisdictions, not only in terms of joint action or reaction against their harmful practices, but also, despite the Commission's efforts, regarding their identification and the relevant criteria; strongly supports, therefore, the Commission's 2012 proposal, which includes substantial criteria for ensuring fair competition in addition to transparency and the exchange of information, as well as

the recent publication, in the Commission's tax package of 17 June 2015, of a list of non-cooperative tax jurisdictions, established following a 'common denominator' approach on the basis of lists existing at national level; stresses that the establishment of such a list is a prerequisite for taking appropriate action against such jurisdictions;

the recent publication, in the Commission's tax package of 17 June 2015, of a list of non-cooperative tax jurisdictions, established following a 'common denominator' approach on the basis of lists existing at national level; stresses that the establishment of such a list is a prerequisite for taking appropriate action against such jurisdictions; ***believes that this list should be the first iteration of a process that results in a rigorous, objective definition of 'tax havens' which can then inform future lists;***

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 41**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 60 a (new)**

*Motion for a resolution*

*Amendment*

***60 a. Considers particularly harmful the behaviour of certain crown and dependent territories, which act as tax havens within the Union, advertising themselves as tax elusion centres with close to zero corporate taxation, where there are more companies than inhabitants, and where companies are by and large devoid of any employee;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 42**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 64**

#### *Motion for a resolution*

64. Is convinced that ensuring fair competition in the internal market and protecting Member States' tax bases depends very much on addressing the weakest link regarding interactions with low- or no-tax and secrecy jurisdictions since the existence of a tax gateway (e.g. no withholding tax) to third countries, irrespective of their tax practices, considerably increases tax avoidance opportunities within the EU;

#### *Amendment*

64. Is convinced that ensuring fair competition in the internal market and protecting Member States' tax bases depends very much on addressing the weakest link regarding interactions with low- or no-tax and secrecy jurisdictions since the existence of a tax gateway (e.g. no withholding tax ***at the external border***) to third countries, irrespective of their tax practices, considerably increases tax avoidance opportunities within the EU; ***considers that sanctions should be applied to uncooperative jurisdictions;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 43**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 67**

#### *Motion for a resolution*

67. Notes with concern that many developing countries find themselves particularly vulnerable to tax avoidance activities by corporations, and that the main cause of missed revenue for developing countries' national budgets lies in the transfer pricing practices of MNCs<sup>27</sup>; stresses, furthermore, that these countries find themselves in a very weak bargaining position in relation to certain MNCs or foreign direct investors 'shopping around' the world in search of tax subsidies and exemptions; denounces the fact that, according to some estimates<sup>28</sup>, these losses suffered by national budgets amount to around EUR 125 billion in tax revenues annually;

#### *Amendment*

67. Notes with concern that many developing countries find themselves particularly vulnerable to tax avoidance activities by corporations, and that the main cause of missed revenue for developing countries' national budgets lies in the transfer pricing practices of MNCs<sup>27</sup>; stresses, furthermore, that these countries find themselves in a very weak bargaining position in relation to certain MNCs or foreign direct investors 'shopping around' the world in search of tax subsidies and exemptions; denounces the fact that, according to some estimates<sup>28</sup>, these losses suffered by national budgets amount to around EUR 125 billion in tax revenues annually; ***warns that without action now, some of these developing countries risk becoming the tax havens of the future;***

<sup>27</sup> Study 'Tax revenue mobilisation in developing countries: issues and challenges', European Parliament, April 2014.

<sup>28</sup> Christian Aid report, 2008.

<sup>27</sup> Study 'Tax revenue mobilisation in developing countries: issues and challenges', European Parliament, April 2014.

<sup>28</sup> Christian Aid report, 2008.

Or. en

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23/09/2015

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 44**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 68 – indent 4 a (new)**

*Motion for a resolution*

*Amendment*

***- The European Commission did not fulfil appropriately its role as guardian of the Treaties as established in article 17.1 of the Treaty on the European Union***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 45**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 68 a (new)**

*Motion for a resolution*

*Amendment*

***68 a. Calls on the Commission to examine whether the above mentioned infringements could still be brought to the Court of Justice;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 46**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 70**

*Motion for a resolution*

70. Calls on the EU Heads of State and Government to make clear political commitments to taking urgent action to tackle *this situation*, which can no longer be tolerated, not least because of its impact on national budgets, already subjected to fiscal consolidation measures, and on the tax burden of other taxpayers, including SMEs and citizens; stresses, against this background, that it intends to fully play its role and is ready to put in place more effective political scrutiny, in close cooperation with national parliaments;

*Amendment*

70. Calls on the EU Heads of State and Government to make clear political commitments to taking urgent action to tackle *the issue of tax competition within the EU*, which can no longer be tolerated, not least because of its impact on national budgets, already subjected to fiscal consolidation measures, and on the tax burden of other taxpayers, including SMEs and citizens; stresses, against this background, that it intends to fully play its role and is ready to put in place more effective political scrutiny, in close cooperation with national parliaments;

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 47**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 71**

#### *Motion for a resolution*

71. Calls on the Commission to fulfil its duty as guardian of the Treaties by ensuring that EU law and the principle of sincere cooperation between Member States are fully complied with;

#### *Amendment*

71. Calls on the Commission to fulfil its duty as guardian of the Treaties by ensuring that EU law and the principle of sincere cooperation between Member States are fully complied with; ***calls therefore on the Commission to reinforce its internal capacity, possible through the creation of a specific tax department in its services, to deal both with an increasing flow of state aid notifications in the field of the competition policy and with its reinforced responsibilities of coordination of the new measures relating to tax transparency;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 48**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 71 a (new)**

*Motion for a resolution*

*Amendment*

***71 a. Calls on the EU Member States to seriously consider the proposal made by the former minister of finance of Luxembourg and current President of the European Commission to create, within the Council, a Tax Committee with the same statute and representation as the Economic and Financial Committee;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 49**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 72**

#### *Motion for a resolution*

72. ***Underlines the fact*** that Member States remain ***fully*** competent to set their respective corporate tax rates; insists, nevertheless, that tax competition in the EU and vis-à-vis third countries should take place within a clear framework of rules in order to guarantee fair competition between firms in the internal market; given their crucial role in ensuring fiscal sustainability, calls for corporate taxation issues, including harmful tax practices and their impact, to be more thoroughly addressed in the framework of the European Semester and for relevant indicators to be included in the macroeconomic imbalance procedure scoreboard;

#### *Amendment*

72. ***Takes note*** that Member States remain competent to set their respective corporate tax rates; insists, nevertheless, that tax competition in the EU and vis-à-vis third countries should take place within a clear framework of rules in order to guarantee fair competition between firms in the internal market; given their crucial role in ensuring fiscal sustainability, calls for corporate taxation issues, including harmful tax practices and their impact, to be more thoroughly addressed in the framework of the European Semester and for relevant indicators to be included in the macroeconomic imbalance procedure scoreboard;

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 50**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 73**

#### *Motion for a resolution*

73. Takes the view that **a** comprehensive, transparent and effective exchange of tax information and a common consolidated corporate tax base are essential preconditions for achieving a tax system at EU level that complies with and preserves the basic principles of the internal market;

#### *Amendment*

73. Takes the view that **an automatic,** comprehensive, transparent and effective exchange of tax information **in which Members States notify the European Commission and the Code of Conduct Group about proposed changes in their tax rules** and a common consolidated corporate tax base are essential preconditions for achieving a tax system at EU level that complies with and preserves the basic principles of the internal market;

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 51**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 75**

#### *Motion for a resolution*

**75. Regrets the fact that, despite repeated invitations, several MNCs did not take the opportunity to discuss international tax planning matters with the committee; recommends, therefore, that serious consideration be given to banning these firms from the Transparency Register;**

#### *Amendment*

**75. Recalls that 18 MNCs, including some with the higher public visibility and social corporate responsibility, were invited to discuss international tax planning matters with the committee; notes that some of these MNCs are under scrutiny by the European Commission; regrets that, despite repeated invitations, only 4 of these MNCs have accepted to appear before the committee<sup>1 a</sup>; asks, therefore, for the other 14 firms<sup>1 b</sup> to be banned from the Transparency Register, and treated as non-cooperative entities by the European Parliament;**

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<sup>1 a</sup> *Airbus, BNP Paribas, SSE plc and Total S.A.*

<sup>1 b</sup> *Amazon.co.uk Ltd, Amazon S.a.r.l, Anheuser-Busch InBev, Barclays Bank Group, Coca-Cola Company, Facebook,*

*Fiat Chrysler Automobiles, Google,  
HSBC Bank plc, IKEA, Mc Donald's  
Corporation, Philip Morris, Walmart,  
Walt Disney Company.*

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 52**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Subheading 11**

*Motion for a resolution*

Cooperation and coordination on rulings

*Amendment*

Cooperation and coordination on *advance tax* rulings

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 53**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 78**

#### *Motion for a resolution*

78. *Invites* the Member States to consider that any tax ruling of a cross-border nature should, in particular when involving transfer pricing, be established *in cooperation* with all involved countries, that the relevant information should be automatically exchanged between them and that any national action aimed at reducing tax avoidance and tax base erosion within the EU, including audits, should be carried out jointly, giving due consideration to the experience gained through the FISCALIS 2020 programme; reiterates *its view that the basic elements of* all rulings that have an impact on other Member States should be not only shared between tax administrations and the Commission, but also presented in the country-by-country reporting by MNCs;

#### *Amendment*

78. *Asks* the Member States to consider that any tax ruling of a cross-border nature should, in particular when involving transfer pricing, be established with all involved *and affected* countries, that the relevant information should be automatically exchanged between them and that any national action aimed at reducing tax avoidance and tax base erosion within the EU, including audits, should be carried out jointly, giving due consideration to the experience gained through the FISCALIS 2020 programme; reiterates *that information on* all rulings that have an impact on other Member States should be not only shared between tax administrations and the Commission, but also presented in the country-by-country reporting by MNCs;

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 54**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 79**

#### *Motion for a resolution*

79. Highlights, in this connection, the fact that not only cross-border but also national rulings can impact other Member States, and calls, therefore, for an extension of the automatic exchange of information to all rulings; calls, furthermore, for a framework which effectively controls the implementation of the automatic exchange of information and, in the longer term, for a clearing house system, through which tax rulings will be screened at EU level to check whether they have a harmful effect on other Member States;

#### *Amendment*

79. Highlights, in this connection, the fact that not only cross-border but also national rulings can impact other Member States, and calls, therefore, for an extension of the automatic exchange of information to all rulings; calls, furthermore, for a framework which effectively controls ***and ensures*** the implementation of the automatic exchange of information ***including through appropriate sanctions*** and, in the longer term, for a clearing house system, through which tax rulings will be screened at EU level to check whether they have a harmful effect on other Member States;

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 55**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 80 – indent 1**

#### *Motion for a resolution*

– the requirement to establish them on the basis of a comprehensive analysis, with the involvement of all the parties and countries concerned,

#### *Amendment*

– the requirement to establish them on the basis of a comprehensive analysis, ***including of the tax rulings' effect on other countries' tax bases***, with the involvement of all the parties and countries concerned,

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 56**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 80 – indent 2**

*Motion for a resolution*

– their public disclosure, *either fully or in simplified form*, but fully respecting confidentiality requirements,

*Amendment*

– their public disclosure, but fully respecting confidentiality requirements,

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 57**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 80 a (new)**

*Motion for a resolution*

*Amendment*

***80 a. Asks the Commission to define common European guidelines for the application of the OECD's arm's length principle aiming at harmonising EU Member States' practices for the fixing of transfer pricing in such a way that when establishing transfer pricing agreements, national administrations have the tools to compare similar undertakings and not only similar transactions;***

Or. en

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23/09/2015

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 58**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 80 b (new)**

*Motion for a resolution*

*Amendment*

***80 b. Notes the inefficiency of letters rogatory as instrument for mutual legal assistance between judicial authorities; calls on the Commission to consider the establishment of updated and advanced EU mechanisms of administrative and judicial cooperation in the investigation and prosecution of tax crimes, corruption and money laundering with a cross border dimension; Stresses that these mechanisms should ensure secure, reliable and fast communication among judicial authorities and that a lack of cooperation should trigger sanctions;***

Or. en

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23/09/2015

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 59**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 82 a (new)**

*Motion for a resolution*

*Amendment*

***82 a. Highlights the very significant activity and extreme complexity of the digital economy which renders even more difficult to determine where the economic activity is located; stresses that these developments represent an increased challenge to the tax authorities; calls in this regard on the Commission to come forward with a proposal for an adequate framework for taxation of the digital economy;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 60**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 83**

#### *Motion for a resolution*

83. Stresses that, to restore the link between taxation and economic substance, and to correct existing mismatches, ‘formula apportionment’ *could* differentiate between sectors, to take into account their specific features, *in particular* with regard to digital businesses; calls on the Commission to continue its work on concrete options for the design of this allocation key, in particular with a view to anticipating, for each sector, the impact on the tax revenue of each Member State, according to the structure of its economy; stresses, furthermore, that the CCCTB is a useful means of combating BEPS and creating European added value regardless of whether or not the tax revenue might be partially used as a new own resource for the EU budget;

#### *Amendment*

83. Stresses that, to restore the link between taxation and economic substance, and to correct existing mismatches, ‘formula apportionment’ *shall* differentiate between sectors, *in particular* to take into account their specific features with regard to digital businesses; calls on the Commission to continue its work on concrete options for the design of this allocation key, in particular with a view to anticipating, for each sector, the impact on the tax revenue of each Member State, according to the structure of its economy; stresses, furthermore, that the CCCTB is a useful means of combating BEPS and creating European added value regardless of whether or not the tax revenue might be partially used as a new own resource for the EU budget;

Or. en



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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 61**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 84**

#### *Motion for a resolution*

84. Supports the introduction of a full CCCTB as soon as possible, with the definition of a minimum effective taxation rate and, for reasons of competitiveness, a maximum effective taxation rate; acknowledges the Commission's approach of putting forward a simple CCTB (without consolidation) as a first step in its action plan of June 2015, but points out that this will leave many issues open, especially for businesses operating in the single market, given that a CCTB would not provide for the compensation of losses through consolidation, nor address the red tape and uncertainty associated with transfer pricing, which is also one of the main tax avoidance tools used by MNCs; calls on the Commission to dispense with any additional impact assessment of this measure, which has been on the EU agenda for decades, has already been the subject of

#### *Amendment*

84. **Strongly** supports the introduction of a full CCCTB as soon as possible, with the definition of a minimum effective taxation rate and, for reasons of competitiveness, a maximum effective taxation rate ***only for SMEs as they are the driving force of the economy and of employment***; acknowledges the Commission's approach of putting forward a simple CCTB (without consolidation) as a first step in its action plan of June 2015, but points out that this will leave many issues open, especially for businesses operating in the single market, given that a CCTB would not provide for the compensation of losses through consolidation, nor address the red tape and uncertainty associated with transfer pricing, which is also one of the main tax avoidance tools used by MNCs; ***urges therefore the Commission to set a concrete and short deadline to include the***

extensive preparatory work and is now blocked in the Council since its formal submission in 2011;

***"consolidation element" (key to solve the problem of transfer mispricing) in the CCCTB initiative;*** calls on the Commission to dispense with any additional impact assessment of this measure, which has been on the EU agenda for decades, has already been the subject of extensive preparatory work and is now blocked in the Council since its formal submission in 2011; ***calls on the Commission to add an anti-avoidance clause to stop double tax deductions;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 62**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 85**

#### *Motion for a resolution*

85. Calls on the Commission, pending the adoption of a full CCCTB and its full implementation at EU level, to take immediate action in order to ensure effective taxation, reduce profit shifting (mainly transfer pricing), ***prepare a regime offsetting cross-border profits and losses and further introduce anti-abuse rules in all relevant directives***; calls on the Council to prepare for the prompt adoption of these provisions;

#### *Amendment*

85. Calls on the Commission, pending the adoption of a full CCCTB and its full implementation at EU level, to take immediate action in order to ensure effective taxation, reduce profit shifting (mainly transfer pricing), ***and further introduce anti-abuse rules in all relevant directives; stresses that the Commission's proposal for an interim cross-border loss offset regime should be introduced only if the Commission can guarantee that it will not create the possibility of misuse for aggressive tax planning***; calls on the Council to prepare for the prompt adoption of these provisions;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 63**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 87 a (new)**

*Motion for a resolution*

*Amendment*

***87 a. Considers that tax elusion and tax rulings in particular have a special Eurozone dimension, since in accordance with the 5 Presidents report a Euro area fiscal capacity must be developed;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 64**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 89**

#### *Motion for a resolution*

89. Invites the Member States to endorse the proposals included in the Commission's action plan of 17 June 2015 for fair and efficient corporate taxation in the EU; advocates that the Group's governance and mandate be reshaped, including the appointment of a permanent, politically accountable Chair, the improvement of its working methods including a possible enforcement mechanism and enhanced information exchange within the Group with a view to effectively addressing BEPS issues; calls also for the criteria set in the Code to be updated and broadened, in order to cover new forms of harmful tax practices, including in third countries;

#### *Amendment*

89. Invites the Member States to endorse the proposals included in the Commission's action plan of 17 June 2015 for fair and efficient corporate taxation in the EU; advocates that the Group's governance and mandate be reshaped, including the appointment of a permanent, politically accountable Chair, the improvement of its working methods including a possible enforcement mechanism, ***the regular participation in the Group of Finance Ministers or senior officials in order to raise its profile***, and enhanced information exchange within the Group with a view to effectively addressing BEPS issues; calls also for the criteria set in the Code to be updated and broadened, in order to cover new forms of harmful tax practices, including in third countries;

Or. en



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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 65**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 92**

*Motion for a resolution*

92. Strongly welcomes and supports the key role of the Commission as the competent competition authority in the ongoing state aid inquiries dealing with tax rulings; encourages the Commission to make full use of its powers under EU competition rules to tackle harmful tax practices;

*Amendment*

92. Strongly welcomes and supports the key role of the Commission as the competent competition authority in the ongoing state aid inquiries dealing with tax rulings; encourages the Commission to make full use of its powers under EU competition rules to tackle harmful tax practices; ***and to sanction Member States and companies found to be involved in such practices;***

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 66**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 93**

#### *Motion for a resolution*

93. Calls on the Commission to adopt new guidelines, in the framework of its State Aid Modernisation (SAM) initiative, clarifying what constitutes tax-related state aid and ‘appropriate’ transfer pricing, with a view to removing legal uncertainties for both compliant taxpayers and tax administrations, providing a framework for Member States’ tax practices accordingly, and not discouraging the recourse to legitimate tax rulings; strongly questions the usefulness of the arbitration convention, which addresses disputes, in particular on transfer pricing issues; considers that this instrument should be reshaped and be made more efficient, or replaced by an EU dispute mechanism with more effective mutual agreement procedures;

#### *Amendment*

93. Calls on the Commission to adopt new guidelines, ***at the latest by mid-2017***, in the framework of its State Aid Modernisation (SAM) initiative, clarifying what constitutes tax-related state aid and ‘appropriate’ transfer pricing, with a view to removing legal uncertainties for both compliant taxpayers and tax administrations, providing a framework for Member States’ tax practices accordingly, and not discouraging the recourse to legitimate tax rulings; strongly questions the usefulness of the arbitration convention, which addresses disputes, in particular on transfer pricing issues; considers that this instrument should be reshaped and be made more efficient, or replaced by an EU dispute mechanism with more effective mutual agreement procedures;

Or. en



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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 67**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 96**

#### *Motion for a resolution*

96. Underlines the crucial importance of transparency with a view to increasing the public accountability of MNCs; stresses that it can have a strong deterrent effect and change behaviours, through both the reputational risk for non-compliant firms and the provision of information to the competent authorities, which can then adopt appropriate corrective measures and sanctions;

#### *Amendment*

96. Underlines the crucial importance of transparency with a view to increasing the public accountability of MNCs; stresses that it can have a strong deterrent effect and change behaviours, through both the reputational risk for non-compliant firms and the provision of information to the competent authorities, which can then adopt appropriate corrective measures and sanctions; ***emphasizes that enhanced transparency would make it easier for shareholders, private and institutional investors, consumers and other relevant stakeholders to fully assess the activities of their companies and to take action to adjust inappropriate or illicit corporate behaviour;***

Or. en

# EUROPEAN PARLIAMENT

*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 68**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 97**

#### *Motion for a resolution*

97. Reiterates its position that MNCs should disclose in their financial statements, by Member State and by third country in which they have an establishment, a range of aggregated information, including their profit or loss before tax, taxes on profit or loss, number of employees, assets held, etc. (country-by-country reporting); underlines the importance of making this information available to the public, possibly in the form of a central EU register;

#### *Amendment*

97. Reiterates its position that MNCs *in all sectors* should disclose in their financial statements, by Member State and by third country in which they have an establishment, a *comprehensive* range of aggregated information, including their profit or loss before tax, taxes on profit or loss, number of employees, assets held, *tax rulings issued by tax authorities* etc. (country-by-country reporting); underlines the importance of making this information *easily* available to the public, possibly in the form of a central EU register; *calls on the Commission to take any necessary step to reach this objective;*

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 69**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 98**

*Motion for a resolution*

98. Calls, moreover, for more extensive country-by-country reporting to be made available to tax authorities, building on the OECD standard and including more detailed information, such as tax returns and intra-group transactions; calls also for harmonised accounting standards to be developed;

*Amendment*

98. Calls, moreover, for more extensive country-by-country reporting to be made available to tax authorities, building on the OECD standard and including more detailed information, such as tax returns and intra-group transactions; calls also for harmonised accounting standards to be developed; *permitting a more granular disclosure regarding royalties;*

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 70**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 98 a (new)**

*Motion for a resolution*

*Amendment*

***98 a. calls on the European Commission to bring forward a proposal for a European Tax Identification Number (TIN), based on the outline for a European TIN in the Commission's Action Plan on the fight against tax fraud and tax evasion of 2012 (action 22)<sup>1 a</sup>***

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<sup>1 a</sup> *COM(2012) 722 final*

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 71**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 99**

#### *Motion for a resolution*

99. Asks the Commission to support this position, in line with its past assessments and positions, and to make ***proposals, as appropriate, for extending*** its application to all firms operating on the internal market, and calls on the OECD to support its extension worldwide in order to ensure that similar obligations apply to all firms engaging in cross-border operations; underlines the fact that action aimed at improving transparency, though necessary, is not a sufficient means of tackling the issue comprehensively and that national, European and international tax systems also need to be substantially reformed;

#### *Amendment*

99. Asks the Commission to support this position, in line with its past assessments and positions, and to make ***all the necessary steps in order to ensure the extension of*** its application to all firms operating on the internal market, and calls on the OECD to support its extension worldwide in order to ensure that similar obligations apply to all firms engaging in cross-border operations; underlines the fact that action aimed at improving transparency, though necessary, is not a sufficient means of tackling the issue comprehensively and that national, European and international tax systems also need to be substantially reformed;

Or. en

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 72**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 99 a (new)**

*Motion for a resolution*

*Amendment*

**99 a. Trusts**

**99 a Asks the Commission to propose a legislative framework for the definition and tax treatment of trusts, in particular to minimise the interposition of individuals in the context of tax planning; underlines that at least, a minimum information on trusts should be available in a public registry, such as whether a trust exists and its ultimate ownership;**

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 73**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 100**

#### *Motion for a resolution*

100. Calls on the Commission to propose establishing an EU legislative framework for the effective protection of whistleblowers and the like, *since* it is not acceptable that citizens, or journalists, disclosing information about misconduct, wrongdoing, fraud or illegal activity, in particular on cases of tax avoidance, tax evasion and money laundering, *can be subject to prosecution rather than legal protection*; calls on the Commission to consider a range of tools to ensure such protection against unjustified legal prosecutions, economic sanctions or discriminations, while also ensuring the protection of confidentiality and trade secrets; draws attention, in this connection, to the example of the US Dodd-Frank Act, which both remunerates whistleblowers for providing the authorities with original information and protects them from legal

#### *Amendment*

100. Calls on the Commission to propose establishing an EU legislative framework *by June 2016* for the effective protection of whistleblowers and the like; *stresses that* it is not acceptable that citizens, or journalists *can be subject to prosecution rather than legal protection when* disclosing information about misconduct, wrongdoing, fraud or illegal activity, in particular on cases of tax avoidance, tax evasion and money laundering *or any other conduct infringing the fundamental principles of the EU, such as the principle of loyal cooperation, or when such disclosure meets a general interest superior to the grounds of illegality*; calls on the Commission to consider a range of tools to ensure such protection against unjustified legal prosecutions, economic sanctions or discriminations, while also ensuring the protection of confidentiality

prosecution and job loss;

and trade secrets; *suggests that these tools could include the establishment of a specialised Commission department to deal with such disclosures and a fund for the financial protection of whistleblowers*; draws attention, in this connection, to the example of the US Dodd-Frank Act, which both remunerates whistleblowers for providing the authorities with original information and protects them from legal prosecution and job loss *and to the example of the Market Abuse Regulation*;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 74**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 100 a (new)**

*Motion for a resolution*

*Amendment*

***100 a. Corporate Social Responsibility***

***100a Believes that carrying out a responsible tax strategy is to be considered a pillar of Corporate Social Responsibility, in particular according to the updated definition of CSR as "the responsibility of enterprises for their impacts on society"<sup>1 a</sup>; regrets that most firms do not include this in their CSR report; underlines that aggressive tax planning is incompatible with CSR; calls on the European Commission to include this element and to define properly its content in an updated Corporate Social Responsibility EU Strategy;***

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***<sup>1 a</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the***

*Regions "A renewed EU strategy 2011-14  
for Corporate Social Responsibility",  
COM/2011/0681, p.6.*

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 75**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 101**

#### *Motion for a resolution*

101. Strongly supports the OECD BEPS action plan; calls for its ambitious scope and calendar to be fully complied with and for the OECD, its Member States and all the other countries involved to set up a strong monitoring tool to assess progress in the implementation of those guidelines and possibly take corrective action;

#### *Amendment*

101. Strongly supports the OECD BEPS action plan; calls for its ambitious scope and **concrete** calendar to be fully complied with and for the OECD, its Member States and all the other countries involved to set up a strong monitoring tool to assess progress in the implementation of those guidelines and possibly take corrective action;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 76**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 102**

#### *Motion for a resolution*

102. Recommends that institutional links and cooperation between the OECD and the Commission be strengthened in order to continue to ensure the compatibility of the two processes and avoid double standards; stresses that the OECD approach is still based on soft law and that its action should be complemented by a proper legislative framework at EU level, e.g. in the form of an anti-BEPS directive, since such voluntary agreements are not sufficient for an integrated area like the EU, with a single market, a common currency and common sets of rules in most areas of government;

#### *Amendment*

102. Recommends that institutional links and cooperation between the OECD and the Commission be strengthened in order to continue to ensure the compatibility of the two processes and avoid double standards; ***calls for the EU to be a frontrunner in the implementation of the recommendations of the OECD***; stresses, ***however***, that the OECD approach is still based on soft law and that its action should be complemented by a proper legislative framework at EU level, e.g. in the form of an anti-BEPS directive, since such voluntary agreements are not sufficient for an integrated area like the EU, with a single market, a common currency and common sets of rules in most areas of government;

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 77**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 103**

#### *Motion for a resolution*

103. Calls for a common EU approach to tax havens; calls on the Commission, in particular, to continue its work on a clear definition, a common set of criteria to identify tax havens and appropriate sanctions for countries cooperating with them, on the basis of its December 2012 Recommendation regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (i.e. going beyond the exchange of information and transparency to include fair tax competition and effective taxation), and on defining appropriate common measures applying to those jurisdictions; refers to its resolution of 21 May 2013 on ‘the fight against tax fraud, tax evasion and tax havens’ for a non-exhaustive list of such possible measures<sup>29</sup> ; reiterates that genuinely European lists, regularly updated, would be

#### *Amendment*

103. Calls for a common EU approach to tax havens; calls on the Commission, in particular, to continue its work on a clear definition, a common set of criteria to identify tax havens *inside and outside the EU* and appropriate sanctions for countries cooperating with them, on the basis of its December 2012 Recommendation regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (i.e. going beyond the exchange of information and transparency to include fair tax competition and effective taxation), and on defining appropriate common measures applying to those jurisdictions; refers to its resolution of 21 May 2013 on ‘the fight against tax fraud, tax evasion and tax havens’ for a non-exhaustive list of such possible measures<sup>29</sup> ; reiterates that genuinely European lists, regularly updated

more effective as a means of promoting good tax governance and changing tax behaviours towards and within those jurisdictions;

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<sup>29</sup> These include, to quote but a few:– to suspend or terminate existing Double Tax Conventions with jurisdictions that are on the blacklist,– to prohibit access to EU public procurement of goods and services and refuse to grant state aid to companies based in blacklisted jurisdictions,– to prohibit EU financial institutions and financial advisors from establishing or maintaining subsidiaries and branches in blacklisted jurisdictions and to consider revoking licences for European financial institutions and financial advisors which maintain branches and continue operating in blacklisted jurisdictions,– to introduce a special levy on all transactions to or from blacklisted jurisdictions,– to examine a range of options for the non-recognition, within the EU, of the legal status of companies set up in blacklisted jurisdictions,– to apply tariff barriers in cases of trade with blacklisted third countries.

***and based on comprehensive, transparent, robust, objectively verifiable and commonly accepted indicators***, would be more effective as a means of promoting good tax governance and changing tax behaviours towards and within those jurisdictions;

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<sup>29</sup> These include, to quote but a few:– to suspend or terminate existing Double Tax Conventions with jurisdictions that are on the blacklist,– to prohibit access to EU public procurement of goods and services and refuse to grant state aid to companies based in blacklisted jurisdictions,– to prohibit EU financial institutions and financial advisors from establishing or maintaining subsidiaries and branches in blacklisted jurisdictions and to consider revoking licences for European financial institutions and financial advisors which maintain branches and continue operating in blacklisted jurisdictions,– to introduce a special levy on all transactions to or from blacklisted jurisdictions,– to examine a range of options for the non-recognition, within the EU, of the legal status of companies set up in blacklisted jurisdictions,– to apply tariff barriers in cases of trade with blacklisted third countries.

Or. en

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 78**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 103 a (new)**

*Motion for a resolution*

*Amendment*

***103 a. Calls on the Commission to include in the European black list those territories that grant fiscal advantages to entities without requiring substantial economic activity in the country, provide significantly low effective taxation and do not guarantee automatic exchange of tax information with other jurisdictions;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 79**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 104**

#### *Motion for a resolution*

104. Stresses, in particular, the need to ensure that outgoing financial flows are at least taxed once, for instance by imposing a withholding tax, in order to avoid profits leaving the EU untaxed; insists that a system should be put in place to ensure that a confirmation document has to be presented to the tax authorities in order to certify this operation, thereby protecting the single market and maintaining the connection between where profits and economic value are generated and where these are taxed; calls on the Commission, while supporting the promotion by the OECD of a multilateral approach to tax issues aimed at streamlining international tax arrangements and ensuring that profits are taxed in the place where the value is created, to enhance the EU's role on the international stage by speaking with one voice and to work on the development of a

#### *Amendment*

104. Stresses, in particular, the need to ensure that outgoing financial flows are at least taxed once, ***namely dividends, royalties and interest payments*** - for instance by imposing a withholding tax ***or equivalent measures on these flows to third countries in the relevant Directives***, in order to avoid profits leaving the EU untaxed; insists that a system should be put in place to ensure that a confirmation document has to be presented to the ***national*** tax authorities ***and communicated to the Commission*** in order to certify this operation, thereby protecting the single market and maintaining the connection between where profits and economic value are generated and where these are taxed; calls on the Commission, while supporting the promotion by the OECD of a multilateral approach to tax issues aimed at streamlining international

common EU framework for bilateral treaties in tax matters and a progressive substitution of the huge number of bilateral individual tax treaties by EU/third jurisdiction treaties; stresses that this would be the most immediate way to tackle treaty-shopping practices;

tax arrangements and ensuring that profits are taxed in the place where the value is created, to enhance the EU's role on the international stage by speaking with one voice and to work on the development of a common EU framework for bilateral treaties in tax matters and a progressive substitution of the huge number of bilateral individual tax treaties by EU/third jurisdiction treaties; stresses that this would be the most immediate way to tackle treaty-shopping practices;

Or. en

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Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 80**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 105**

#### *Motion for a resolution*

105. Considers that the setting-up of free trade agreements needs to be accompanied by enhanced tax cooperation, preventing tax avoidance by firms competing on the same markets and ensuring a level playing field; asks the Commission, therefore, to introduce tax provisions in all EU free trade agreements, which would bind partner countries to apply good tax governance and ensure reciprocity in tax matters; stresses that the work undertaken by the Platform for Tax Good Governance forms a good basis on which to implement this concept; underlines the fact that the same could apply to EU cooperation agreements;

#### *Amendment*

105. Considers that the setting-up of free trade agreements needs to be accompanied by enhanced tax cooperation, preventing tax avoidance by firms competing on the same markets and ensuring a level playing field; asks the Commission, therefore, to introduce tax provisions in all EU free trade agreements, ***including in the Transatlantic Trade and Investment Partnership (TTIP)***, which would bind partner countries to apply good tax governance and ensure reciprocity in tax matters; stresses that the work undertaken by the Platform for Tax Good Governance forms a good basis on which to implement this concept; underlines the fact that the same could apply to EU cooperation agreements;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 81**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 105 a (new)**

*Motion for a resolution*

*Amendment*

***105 a. Calls on EU bodies not to cooperate with those jurisdictions deemed to be uncooperative on tax matters, as well as with companies convicted of tax fraud, tax evasion or aggressive tax planning; asks that institutions such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) no longer cooperate, through their financial intermediaries, with non-cooperative tax jurisdictions; asks moreover on EU bodies to commit not to grant EU funding to companies convicted of tax fraud, tax evasion or aggressive tax planning;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 82**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 106**

#### *Motion for a resolution*

106. Calls on the Commission to use all the tools at its disposal to foster a more coordinated approach vis-à-vis developed countries in order to promote greater reciprocity in tax matters, in particular with regard to the exchange of information with the United States of America following the entry into force of the Foreign Account Tax Compliance Act; calls also on the Commission, against the background of the agreement of 27 May 2015 between the EU and Switzerland on the automatic exchange of financial account information, to carefully monitor, with a view to preserving the single market, the agreed phasing out of some harmful tax practices in Switzerland, in line with BEPS guidelines;

#### *Amendment*

106. Calls on the Commission to use all the tools at its disposal to foster a more coordinated approach vis-à-vis developed countries in order to promote greater reciprocity in tax matters, in particular with regard to the exchange of information with the United States of America following the entry into force of the Foreign Account Tax Compliance Act; calls also on the Commission, against the background of the agreement of 27 May 2015 between the EU and Switzerland on the automatic exchange of financial account information, to carefully monitor, with a view to preserving the single market, the agreed phasing out of some harmful tax practices in Switzerland, in line with BEPS guidelines; ***insists that the Commission must ensure that Switzerland follows the EU approach on the taxation field and***

*report to the European Parliament;*

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 83**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 109 a (new)**

*Motion for a resolution*

*Amendment*

***109 a. Calls on the Commission to ensure that tax authorities have full and meaningful access to central registers of beneficial ownership for both companies and trusts, and that those registers are properly maintained and verified, in accordance with the fourth Anti-Money Laundering Directive; Calls on Member States to swiftly transpose the fourth Anti-Money Laundering Directive, ensuring broad and simplified access to information contained in central registers of beneficial owners, including to civil society organisations, journalists and citizens;***

Or. en

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23/09/2015

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 84**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 110**

#### *Motion for a resolution*

110. Points to the problematic juxtaposition, within the same firms, of tax advice, auditing and consulting activities intended to service tax administrations on the one hand, and provide tax planning services for MNCs on the other, exploiting the weaknesses of national tax laws;

#### *Amendment*

110. Points to the problematic juxtaposition, within the same firms, of tax advice, auditing and consulting activities intended to service tax administrations ***or EU institutions*** on the one hand, and provide tax planning services for MNCs on the other, exploiting the weaknesses of national tax laws; ***deeply regrets that the Commission has chosen one of these firms, PWC, to conduct the current impact study on CBCR;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 85**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 111**

#### *Motion for a resolution*

111. Calls on the Commission to come forward with proposals for guidelines for the tax advising service industry and for the setting-up of an EU incompatibility regime for advisors in tax matters and, as appropriate, for banks, in order to ensure that conflicts of interest between services to the public and private sectors are avoided; calls on the Commission *to launch an inquiry in order to assess the state of concentration in the sector;*

#### *Amendment*

111. Calls on the Commission to come forward with proposals for guidelines for the tax advising service industry and for the setting-up of an EU incompatibility regime for advisors in tax matters and, as appropriate, for banks, in order to ensure that conflicts of interest between services to the public and private sectors are avoided; calls on the Commission *to amend Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC;*

Or. en



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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 86**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 111 a (new)**

*Motion for a resolution*

*Amendment*

***111 a. Calls on the Commission to launch an inquiry in order to assess the state of concentration in the sector and consequent possible distortion of competition; recommends that this inquiry also considers specifically whether or not it is appropriate for firms to contain divisions that advise national governments on setting tax policy as well as divisions that advise MNCs on minimising their tax liability, and therefore whether enforced separation of such functions might be appropriate;"***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 87**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 112**

#### *Motion for a resolution*

112. Requests that the Commission assess the possibility of introducing sanctions for firms implementing ***or promoting*** tax dodging and aggressive tax planning, ***in particular with regard to access to funding from the EU budget and any advisory role in EU institutions;***

#### *Amendment*

112. Requests that the Commission assess the possibility of introducing sanctions ***including barring access to funding from the EU budget, prohibition of any advisory role in EU institutions and, as a last resort measure, of conducting business within the European Union*** for firms, ***banks, accountancy firms and financial advisors*** implementing ***promoting or knowingly facilitating*** tax dodging and aggressive tax planning, ***based on a binding code of conduct for advisors that counters the practice of minimising taxes and obliges them to take into account the fair share of taxes that needs to be paid on profits;***

Or. en

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## **Amendment 88**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 113**

#### *Motion for a resolution*

113. Encourages further action at national level to tackle tax avoidance, within the EU and OECD frameworks since uncoordinated reactions can create further mismatches and tax dodging opportunities; stresses that the best tool for fighting tax base erosion is cooperation, rather than unilaterally introducing preferential regimes to attract investments; ***calls also on the Commission to establish guidelines in respect of any tax amnesties by Member States;***

#### *Amendment*

113. Encourages further action at national level to tackle tax avoidance, within the EU and OECD frameworks since uncoordinated reactions can create further mismatches and tax dodging opportunities; stresses that the best tool for fighting tax base erosion is cooperation, rather than unilaterally introducing preferential regimes to attract investments;

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 89**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 113 a (new)**

*Motion for a resolution*

*Amendment*

***113 a. Calls on the Commission to establish guidelines for tax amnesties granted by Member States aiming at defining the circumstances in which such amnesties would either violate the provisions of the EU Treaty relating to the free circulation of capital, freedom to provide services, state aid and money laundering rules, and the EU common approach against tax havens;***

Or. en

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**Motion for a resolution** PE564.938 - 2015/2066(INI)

## **Amendment 90**

**Peter Simon**

on behalf of the S&D Group

## **Motion for a resolution**

### **Paragraph 115**

#### *Motion for a resolution*

115. Calls on the Member States to stop and reconsider cuts in the resources of their tax administrations, while ensuring better redeployment of staff and technology and expertise upgrades, with a view to tackling the development and impact of harmful tax practices, which have become increasingly sophisticated; calls on the Commission to provide technical support for such efforts, in particular in the context of the FISCALIS 2020 Programme;

#### *Amendment*

115. Calls on the Member States to ***raise the effectiveness of their tax administrations and especially*** stop and reconsider cuts in the resources of their tax administrations, while ensuring better redeployment of staff and technology and expertise upgrades, with a view to tackling the development and impact of harmful tax practices, which have become increasingly sophisticated; calls on the Commission to provide technical support for such efforts, in particular in the context of the FISCALIS 2020 Programme;

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 91**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 116 a (new)**

*Motion for a resolution*

*Amendment*

***116 a. Calls on the Commission to have responded to this report with an Action Plan for its implementation by no later than (March 2016) and asks the commissioner responsible to appear before the Parliament to discuss such Plan and, once that Action Plan has been published, in order to be held accountable for the implementation of these recommendations;***

Or. en

# EUROPEAN PARLIAMENT

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*Special Committee on Tax Rulings and Other Measures Similar in Nature or Effect*

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23/09/2015

Report of the special committee on tax rulings and other measures similar in nature or effect

**Motion for a resolution** PE564.938 - 2015/2066(INI)

**Amendment 92**

**Peter Simon**

on behalf of the S&D Group

**Motion for a resolution**

**Paragraph 117**

*Motion for a resolution*

117. Commits to continuing *its work in-house* to examine the option of setting up a permanent committee on taxation policies in the EU;

*Amendment*

117. Commits to continuing *the work initiated by its Special Committee and* to examine the option of setting up a permanent committee on taxation policies in the EU;

Or. en