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Margrethe Vestager
Commissioner for Competition

Brussels, 24 February 2016

Dear Commissioner,

The Portuguese press reported late last year¹ that 16494 companies benefitted from tax cuts in 2014 in Portugal, following data disclosed by the Portuguese government, corresponding to a loss of income to the State in the amount of one billion euros.

It was clear that the biggest beneficiaries of such tax breaks, granted under total opacity, are major companies mostly in the oil and energy sector, but also pension funds and banks, with shell companies established in the Free Zone of Madeira (FZM).

According to the regional aid map 2014-2020 for Portugal approved by the European Commission, Madeira is eligible for regional investment aid under EU state aid rules, to foster the development of the less advantaged regions of Europe, thereby allowing the Portuguese State to grant state aid to companies to support investments in new production facilities or to extend or modernise existing facilities. Accordingly, under the offshore statute of FZM - where companies pay only 5% of corporate tax, instead of the 25 % applicable in general law -, the Portuguese State lost revenue in the amount of 218 million euros.

In light of this information, I submit the following questions:

1. Has the European Commission requested the list of companies beneficiaries of tax breaks from the former or the current Portuguese government, and a clear explanation of which reasons justify that such companies benefit from those tax breaks?
2. Has the Commission requested from the previous or the current Portuguese Government an identification of the companies which benefitted from tax breaks following implementation of the general and abstract rules and those which benefitted from tax breaks following specific *ad hoc* "tax rulings"? May any of those "tax rulings", tax benefits or exemptions breach EU state aid rules?
3. Does the European Commission monitor the actual "added-value" of the low corporate tax rate to the economy of Madeira, for instance, by requesting reports containing figures for actual job creation, investment in infrastructure and modernisation of facilities brought by these multinationals with subsidiaries in Madeira?

Best regards,
Ana Gomes

Ana Gomes
Member of the European Parliament

cc: Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs
Jyrki Katainen, Commissioner for Jobs, Growth, Investment and Competitiveness
Valdis Dombrovskis, Commissioner for the Euro & Social Dialogue
Corina Cretu, Commissioner for Regional Policy

¹ "Portugal concede benefícios fiscais a empresas da Sonangol", VISÃO, 18.11.2015,
<http://visao.sapo.pt/actualidade/economia/2015-11-18-Portugal-concede-beneficios-fiscais-a-empresas-da-Sonangol>.