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News | 04.10.2017

Amazon state aid decision proves there are tax havens within the EU

We need a systemic solution

3/4 of Amazon's profits remained untaxed in Europe thanks to sweetheart tax deals with Luxembourg. This is what Margrete Vestager, European Commissioner for competition, announced today in a [press conference](#) together with a [decision](#) requiring Luxembourg to collect €250 million in unpaid taxes from the company. Such decision must now be implemented quickly.

Greens in the European Parliament welcome today's decision by the Commission. We heard so many times in the past that tax avoidance is legal. Today's announcement shows however that tax avoidance can be against EU law: harmful tax deals are illegal advantages leading to an extremely unfair competition in the EU.

It is necessary to ensure fair competition in the EU internal market, so that small and medium enterprises can benefit from a level playing field with large companies. The unfair tax competition favoured by Member States such as Luxembourg creates distortions in the Single Market and threatens its good functioning. This needs to change.

While being a move in the right direction, European competition law will never be able to replace stronger tax legislation in the Union. No business, however big, is above the law. Only with a strong legislative answer against tax avoidance can we secure that companies pay their fair share of taxes, where they operate.

Because we are facing a systemic problem, we need systemic solutions. This is why Member States need to speed up and quickly adopt the proposal for harmonising corporate tax rules in the EU and for greater transparency of large companies' tax affairs.

Unfortunately, tax decisions at the European level requires unanimity of the 28 Member States, making many vital legislative proposals either not ambitious enough (in order to gather consensus) or hidden in someone's drawer for too long.

Greens are calling for the Commission to move away from this unanimity rule and to propose new tax legislation in the future with the full involvement of the European Parliament. This is a [promise President Juncker made to us](#) in May 2017 and we intend to make sure it will be respected.

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