# Mr Juncker answers European Parliament's Panama Papers committee

#### We welcome support for our requests

It is not every day that the President of the European Commission visits the European Parliament and agrees to answer questions on committee work. Last time was in September 2015 when we were investigating the Luxleaks scandal - how large companies managed to pay close to zero tax in Luxembourg thanks to sweetheart tax deals negotiated with the tax administration.

This time, Mr Juncker accepted the invitation as the sitting President of the European Commission and former Prime Minister and Finance Minister of Luxembourg.

Mr Juncker refused to take responsibility for the past and his actions that turned Luxembourg into a tax haven over the last two decades. As recently reiterated in a report from the Greens, Luxembourg was one of the main opponents of a key tax reform in the 2000s: making sure that Member States would exchange tax information of their citizens living abroad, to ensure that no one could escape taxation. Its fierce opposition led to Luxembourg getting special treatment, not having to exchange information and making a business model of attracting tax evaders - especially from Germany.

But Mr Junker yesterday also made commitments towards fairer taxation in Europe. <u>Answering Green MEP Sven Giegold</u>, he supported the Greens top three requests:

- Making a legislative proposal to enhance greater tax cooperation between Member States. This would make it possible to make group requests so that countries like Luxembourg would provide all information necessary to other countries to prosecute the tax evaders.
- Allocating more resources to the European Commission taskforce to prevent financial crimes (which currently only has 6 full time staff)
- Making a tax reform proposal under article 116 of the EU treaty, leading to co-decision between the Council and the European Parliament (and with qualified majority in the Council). This would be unprecedented and very much welcomed.

We welcome the fact that President Juncker has made tax justice one of the priorities for his Commission and we supported the 12 tax initiatives presented so far by his services, even if we would have wished that they went further from time to time. We know that the biggest problem lies with the Member States, our EU leaders who talk about fighting tax dodging in public but do everything they can to undermine any progress while in meetings in Brussels.

One solution would possibly be to stop making EU tax decisions under the unanimity rule, which de facto gives a veto power to any Member State (like Luxembourg used to do in the past). Making tax legislation under qualified majority and with a stronger role for the European Parliament is something the Greens have always called for. If you stand by your word, we'll be supporting you on this Mr Junker.

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# Responsible MEPs



Sven Giegold

Member

## **Contact person**



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