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Will the European Commission give the Parliament more powers to deliver tax justice?

A look at the LuxLeaks tax debate

The European Parliament held a debate yesterday to look at the work that's been done so far in response to the LuxLeaks scandal. The [debate, which came on the back of a request from the Greens/EFA group](#), was quite revealing about where Europe stands in its fight for tax justice.

We had two main objectives for the debate. The first was to look at what progress has been made by the European Commission and the Member States on the recommendations adopted by the European Parliament in [November 2015](#) and [July 2016](#) regarding the Luxleaks scandal.

The second was to examine what has been done to modernise the Council's [Code of Conduct Group on Business Taxation](#). Very few people may have heard of this group (some might say this is on purpose) but this is where Member States decide what can and what cannot be deemed tax avoidance in their respective tax systems. We want to make it more transparent, so we can see which Member States are blocking tax reforms, and more efficient.

Commissioner Moscovici reiterated the list of legislative proposals presented by the European Commission since the LuxLeaks scandal broke in November 2014. While the Greens would like the Commission to be more ambitious, we have supported their initiatives to ensure [greater tax transparency](#), [tougher legislation against tax crimes and money laundering](#) and proposals for [harmonisation of corporate taxation](#) in Europe. The fight against tax fraud is one of the chief concerns of European citizens, and we have made [tax justice one of our main priorities for some time now](#).

The same cannot be said for the Maltese Presidency of the European Council, who sent a representative not familiar with taxation matters. Reading from prepared notes, he listed the files the current Presidency has on its desk, without mentioning the fact that many Member States – including Malta – are not especially keen to promote these reforms. On the Code of Conduct Group, he sought to reassure MEPs on its improving methods and enhanced transparency but highlighted that this group is solely for Member States, as laid out in the Lisbon Treaty.

And this is where things got heated.

Because the Code of Conduct is really no more transparent than it used to be. Member States have an interest to keep their tax discussions informal and away from public view. They are therefore quite annoyed at the European Parliament trying to shed light on who has blocked tax reforms for the past 20 years. When we requested documents from this Code of Conduct Group, many Member States that had been forced to give up information decided to black out huge parts of the documents, making it extremely difficult to read and understand. On the creation of a European blacklist of tax havens – a long standing request of the European Parliament – Member States are equally keen to retain privacy. As French Green, Eva Joly pointed out, they are preparing it in the dark without sharing information with Parliament.

Taxation doesn't have to be a matter purely for Member States. German Green Sven Giegold raised the point that the Lisbon Treaty gives the European Commission the opportunity to give the Parliament a bigger role when Member States have already been unsuccessfully consulted on tax reforms aimed at correcting a distortion of competition of the internal market. In such a case, the [Commission can decide to give the European Parliament equal decision-making power](#).

In its concluding remarks, the European Commission said this idea could be explored, but only as a last resort. But as so many MEPs of different political colours reminded them yesterday, European citizens are rightly expecting tax fairness after a series of shocking scandals. As Greens, we stand ready to support and co-legislate on tax matters. It is now up to the European Commission to use the powers at its disposal to deliver the tax justice people want to see.



Tax Justice Whistleblowers Group Picture 2017

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Responsible MEPs



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