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Juncker's Luxembourg made money from the sidestepping of European law

Panama Papers inquiry committee

On Tuesday, European Commission President Jean-Claude Juncker will attend the PANA inquiry committee in the European Parliament. The former finance minister and prime minister of Luxembourg will face questions about his current and past record when it comes to tax transparency and justice.

To date, the European debate has mostly focused on Juncker's role in enabling tax dumping by large companies. Ahead of the hearing, the Greens/EFA Group in the European Parliament has published a new study on the tax practices of Luxembourg during Juncker's leadership, including illegal tax evasion by private individuals.

The report shows how the Luxembourg government has systematically blocked European laws to prevent tax evasion and obtained exemptions for Luxembourg. At the same time, a business model was established in Luxembourg to enable wealthy people from other EU countries to circumvent the weakened European rules (1). This short study by the Greens/EFA group covers the scale of this business model and outlines the sidestepping of European law that has taken place in Luxembourg. The financial and economic policy spokesperson for the Greens/EFA Group in the European Parliament, **Sven Giegold**, says:

"Jean-Claude Juncker must explain his role in Luxembourg's tax haven business in front of the inquiry committee and take responsibility for his past mistakes. For years, Luxembourg has blocked European tax cooperation and established loopholes that have led to enormous tax losses in other EU countries. From 2003 onwards, Luxembourg has made money from the circumvention of European rules.

"The business model established by Luxembourg has cost European countries at least 300 million euros in lost tax revenue. The tax evaders must be prosecuted before the limitation period begins. The authorities in Luxembourg must pass on information to the law enforcement authorities in their partner countries.

"We call on Jean-Claude Juncker to propose a directive on the enforcement of tax justice in Europe. All EU countries must cooperate in the pursuit of tax evaders, instead of protecting the offenders."

Notes

(1) Between 2005 and 2016 Germany, Denmark, Spain, France, Great Britain, Italy, the Netherlands, Portugal and Sweden lost over 300 million euros in tax revenue.

You can find the report [here](#).

The hearing will be broadcast live from 3pm on Tuesday, 30th May

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Responsible MEPs



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