



Caterpillar Belgium SA

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MEP Werner Langen,

Chairman

Committee of Inquiry into Money Laundering,
Tax Avoidance and Tax Evasion

European Parliament

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1047 – Brussels

August 24, 2017

Dear Mr Langen,

Thank you for the invitation to the upcoming hearing organized by the European Parliament's Inquiry Committee on Tax Evasion, Tax Avoidance and Money Laundering (PANA), entitled "Tax-Planning. Do Celebrities and Companies Breach EU Law?"

As stated in the invitation, my contribution is envisioned on the panel devoted to the tax planning strategies of multinationals, in particular with regards to the use of favorable tax jurisdictions.

As Managing Director of Caterpillar Belgium SA, I am not in a position to contribute or comment on topics and/or on geographical scopes that are not under my responsibility. I therefore believe my participation would add very little to this debate and respectfully decline the invitation.

However, since Caterpillar Belgium SA already received significant particular interest from the European Parliament (as exemplified by "resolution 2016/2891(RSP) of 5 October 2016 on the need for a European reindustrialisation policy in light of the recent Caterpillar and Alstom cases" or by multiple Parliamentary questions) and since erroneous or misinformed statements were made by some Members of the European Parliament during the debates leading to the adoption of this initiative, I take this opportunity to clarify a number of simple facts – publically available:

1/ for the three legal entities of Caterpillar located on the Gosselies site, including Caterpillar Belgium SA for which I have responsibility, we contributed around €500 million to the tax authorities and the social security in Belgium between 2008 and 2015,

2/ the corresponding average effective income tax rate for that period was circa 26%,

3/ no public subsidies were received by Caterpillar Belgium SA during that period besides usual measures provided by the applicable Belgian laws such as education & training support and economical temporary lay-off.

As you are surely aware, following an information and consultation procedure in compliance with Belgian law, Caterpillar has informed Belgian authorities on 27 March 2017 of the decision to proceed to a collective dismissal, which will lead to the closure of the Gosselies site and the sale of the site to the Walloon Region by June 2018.

I hope this will help clarify the situation with regards to Caterpillar Belgium SA and wish you a successful hearing on 26 September.

Yours sincerely,

Thierry Hansen



Administrateur Délégué

Caterpillar Belgium SA