**Question for written answer E-006864/2016**
**to the Commission**
Rule 130
**Hugues Bayet (S&D)**

Subject: Caterpillar group's tax arrangements

The Caterpillar group has just announced the sudden closure of its Gosselies branch, which will lead to the loss of 2200 direct jobs and more than 4000 indirect jobs. The announcement is both sudden and scandalous, given that the sole purpose of the closure is to increase dividends for shareholders.

Caterpillar was mentioned in the Luxleaks revelations, in connection with its Luxembourg tax rulings, but various media sources are now saying that the company is using a complex tax strategy to transfer the bulk of its profits to Switzerland.

Since 2001, Caterpillar Belgium SA has been providing manufacturing services for a company set up under Swiss law, Caterpillar SARL.

The company’s profits are therefore clearly not being taxed in the country in which they are generated. What is more, this is not a case of tax competition between Member States, but a leakage of state revenue to a third country.

Given the above points and the fact that the Commission is in favour of the taxation of profits in the country in which they are generated, will the Commission open an urgent investigation into the Caterpillar group’s tax arrangements, which are clearly leading to a loss of state revenue in the EU?