



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2012/0000(INI)

25.2.2013

DRAFT OPINION

of the Committee on Development

for the Committee on Economic and Monetary Affairs

on the fight against tax fraud, tax evasion and tax havens
(2012/0000(INI))

Rapporteur (*): Eva Joly

(*): Procedure with associated committees – Rule 50 of the Rules of Procedure

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SUGGESTIONS

The Committee on Development calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that tax-to-GDP ratios are low in most developing countries; stresses the need for these countries to mobilise tax resources, which are more predictable and sustainable than foreign assistance and help to reduce debt, in order to achieve the MDGs;
2. Calls on the EU to assist them in this task and in addressing international tax fraud and excessive optimisation, by building up their capacity to detect and prosecute inappropriate practices through stronger tax governance cooperation;
3. Welcomes the first steps taken with the Global Forum peer reviews on tax evasion; believes, however, that, by focusing on the OECD's 'upon request' information exchange system, GF standards will be ineffective in curtailing illicit financial flows;
4. Welcomes the Commission's commitment to promoting the automatic exchange of information; calls once more, however, for an internationally binding multilateral automatic tax-information exchange agreement, which should also cover trusts and foundations, and include sanctions for non-cooperative jurisdictions and for financial institutions that operate with tax havens; calls on the Commission to propose a European black list of tax havens and European sanction regimes in the event of non-compliance;
5. Urges the EU to enhance the transparency of beneficial ownership information and anti-money laundering (AML) customer diligence procedures; favours an EU-wide harmonisation of the money-laundering offence, and calls for full implementation of Financial Action Task Force (FATF) standards, through effective monitoring and credible sanctions;
6. Points out that, by reinforcing a bilateral rather than a multilateral approach to transnational tax issues, double taxation agreements (DTA) risk encouraging transfer pricing and regulatory arbitrage; calls on the Commission, therefore, to refrain from promoting such agreements, instead of tax information exchange agreements (TIEAs), since they usually result in a fiscal loss for developing countries;
7. Stresses that insufficient transparency in financial reporting of multinational enterprises (MNEs) is a key factor which facilitates international tax evasion and avoidance; calls on the EU to strive towards the revision of the current accounting standards at the International Accounting Standards Board (IASB) and the introduction of country-by-country reporting as an international financial reporting standard for MNEs.