Tax transparency has once again hit the headlines with outcry across the world over the leaked 'Panama Papers', which highlight that tax avoidance and evasion is practised by individual taxpayers, and not just by multinational enterprises (which were already under scrutiny following the 'Lux-leaks' affair). The European Union works actively to improve tax transparency, aiming to strengthen and update exchange of information provisions in order to better equip tax authorities to address tax avoidance, evasion and fraud in the EU. It is preparing legal provisions to bolster information exchange between tax administrations and corporate country-by-country reporting. The European Parliament decided to set up an inquiry committee to investigate the revelations contained in the 'Panama Papers' on 14 April, and will determine the committee’s mandate during the May 2016 plenary session. This Topical Digest offers a sample of recent publications and graphics, produced by the European Parliamentary Research Service, on tax transparency.

'Panama papers' in a nutshell
At-a-glance note by Cécile Remeur, April 2016
The 'Panama papers' shine new light on the practices, policies and measures used by taxpayers and tax jurisdictions which render revenues and tax bases opaque, thus reducing tax bills and resulting in lost revenue for governments. Even before this most recent story broke, the subject was rarely out of the headlines. The big difference to previous revelations is the sheer number of cases involved, covering many individuals in many countries.

Understanding OECD actions on BEPS
Briefing by Cécile Remeur, April 2016
The G20 and OECD agreed the action plan on 'Base erosion and profit shifting' (known as BEPS) in autumn 2015, to bring tax rules up to date for a globalised business environment in which multinational enterprise groups may seek to play off tax jurisdictions against each other. BEPS has 15 actions covering various elements of corporate tax-avoidance practices and aggressive tax-planning schemes, including minimum standards and guidelines. Implementation is under way, although EU rules already cover some of the BEPS actions.

Country-by-country reporting for multinational enterprise groups
Briefing by Cécile Remeur, April 2016
New proposals on transparency would provide tax authorities with comprehensive and relevant information on the activities of multinational enterprise groups, to help countries fight tax avoidance and aggressive tax planning, with action at both international and EU levels. The European Commission proposes to amend the Directive on administrative cooperation in the field of taxation (DAC) to add country-by-country reporting by MNEs to the information subject to automatic exchange of information between tax administrations.

Tax transparency: Openness, disclosure and exchange of information, September 2015
In-depth Analysis by Cécile Remeur, September 2015
The links between transparency (what is disclosed and known to the public) and secrecy (what is not) are neither direct nor self-explanatory. There is a push to address shortcomings and opaque practices and promote transparency. This document provides cross-cutting information on the different facets of growing openness in tax transparency and the way in which it affects the various stakeholders.
Further reading

Tax transparency – automatic exchange of information on base erosion and profit shifting: Implementation Appraisal
Briefing by Milan Remáč, April 2016

Tax transparency - automatic exchange of information between EU Member States on their tax rulings: Implementation Appraisal
Briefing by Milan Remáč, September 2015

Tax policy in the EU - Issues and challenges
In-depth Analysis by Cécile Remeur, February 2015

Bringing transparency, coordination and convergence to corporate tax policies in the European Union: Assessment of the magnitude of aggressive corporate tax planning - European Added Value Assessment
Study, September 2015

Bringing transparency, coordination and convergence to corporate tax policies in the European Union: II - Evaluation of the European Added Value of the recommendations in the ECON legislative own-initiative draft report
Study, October 2015

Organised Crime and Corruption: Cost of Non-Europe Report
In-depth analysis by Wouter van Ballegooij, Thomas Zandstra, March 2016

New EU rules to fight money laundering
Briefing by Piotr Bakowski, Sofija Voronova, May 2015

Organised Crime in the European Union
Briefing by Piotr Bakowski, October 2015

More in the Graphics Warehouse

If you would like to be informed about new EPRS publications in this area, you can subscribe to an automatic e-mail alert on the EPRS intranet site.