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*Plenary sitting*

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**A9-0095/2023**

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# REPORT

on lessons learnt from the Pandora Papers and other revelations  
(2022/2080(INI))

Committee on Economic and Monetary Affairs

Rapporteur: Niels Fuglsang

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on lessons learnt from the Pandora Papers and other revelations  
(2022/2080(INI))**

*The European Parliament,*

- having regard to the European Court of Auditors special report of 26 January 2021 entitled ‘Exchanging tax information in the EU: solid foundation, cracks in the implementation’,
- having regard to the European Court of Auditors’ annual report of 27 October 2022 entitled ‘Annual report on EU agencies for the financial year 2021’,
- having regard to the decision of the European Ombudsman of 16 May 2022 on how the European Commission manages ‘revolving doors’ moves of its staff members (case OI/1/2021/KR),
- having regard to its resolution of 9 March 2022 with proposals to the Commission on citizenship and residence by investment schemes<sup>1</sup>,
- having regard to the European Court of Auditors special report of 28 June 2021 entitled ‘EU efforts to fight money laundering in the banking sector are fragmented and implementation is insufficient’,
- having regard to its resolution of 10 July 2020 entitled ‘A comprehensive Union policy on preventing money laundering and terrorist financing – the Commission’s Action Plan and other recent developments’<sup>2</sup>,
- having regard to its resolution of 21 January 2021 on reforming the EU list of tax havens<sup>3</sup>,
- having regard to its resolution of 16 September 2021 on the implementation of the EU requirements for exchange of tax information: progress, lessons learnt and obstacles to overcome<sup>4</sup>,
- having regard to its resolution of 7 October 2021 on reforming the EU policy on harmful tax practices (including the reform of the Code of Conduct Group)<sup>5</sup>,
- having regard to its resolution of 21 October 2021 on the Pandora Papers: implications for the efforts to combat money laundering, tax evasion and tax avoidance<sup>6</sup>,
- having regard to its resolution of 16 January 2020 on institutions and bodies of the

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<sup>1</sup> OJ C 347, 9.9.2022, p. 97.

<sup>2</sup> OJ C 371, 15.9.2021, p. 92.

<sup>3</sup> OJ C 456, 10.11.2021, p. 177.

<sup>4</sup> OJ C 117, 11.3.2022, p. 120.

<sup>5</sup> OJ C 132, 24.3.2022, p. 167.

<sup>6</sup> OJ C 184, 5.5.2022, p. 141.

Economic and Monetary Union: preventing post-public employment conflicts of interest<sup>7</sup>,

- having regard to Rule 54 of its Rules of Procedure,
  - having regard to the opinions of the Committee on Development and the Committee on Civil Liberties, Justice and Home Affairs,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0095/2023),
- A. whereas the Pandora Papers were a massive data leak, which the International Consortium of Investigative Journalists began publishing on 3 October 2021, documenting the beneficial owners of corporate entities established in secrecy jurisdictions;
- B. whereas 2.94 terabytes of data were leaked to the International Consortium of Investigative Journalists (ICIJ) and shared with media partners around the world; whereas some of the files date back to the 1970s, but most of those reviewed by the ICIJ were created between 1996 and 2020; whereas the new data leak reportedly concerns more than 330 political figures and public officials from almost 100 countries, including 35 current or former heads of state or government;
- C. whereas the Pandora Papers revealed how high-net-worth individuals, including politically exposed persons, criminals, public officials and celebrities, are assisted by intermediaries, such as banks, accountants and law firms, in designing complex corporate structures registered in secrecy jurisdictions or tax havens in close cooperation with offshore professional service providers in order to shield income and assets from taxation, sanctions and other legal obligations and to enable money laundering and terrorist financing;
- D. whereas, regrettably, a number of high-level EU decision-makers also featured in the Pandora Papers;
- E. whereas the activities revealed in the Pandora Papers include the misuse of shell companies, foundations and trusts for the following purposes: anonymously buying property and luxury goods, and making investments and transferring money between bank accounts for illegal purposes, tax avoidance and committing financial crimes, including money laundering and terrorism financing;
- F. whereas the Pandora Papers are the latest major data leak to expose the inner workings of the offshore financial world, following on from the Lux Leaks in 2014, the Swiss Leaks in 2015, the Panama Papers in 2016, the Paradise Papers in 2017, the Mauritius Leaks in 2019, the Luanda Leaks and the FinCEN Files in 2020, and the Lux Letters in 2021;
- G. whereas, according to research<sup>8</sup>, the amount of financial wealth held in tax heavens in

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<sup>7</sup> OJ C 270, 7.7.2021, p. 113.

<sup>8</sup> Gabriel Zucman, *The Hidden Wealth of Nations: the scourge of tax havens*, University of Chicago Press,

2017 was EUR 7 900 billion; whereas this amount is equivalent to 8 % of the world's gross domestic product; whereas, as a result, there is a loss of tax revenue of around EUR 155 billion per year worldwide;

- H. whereas the Panama Papers and Swiss Leaks revelations suggest that the wealthiest 0.01 % of people own about 50 % of their wealth in tax havens, while they are evading about 25 % of their tax liability by concealing assets and investment income abroad, making tax evasion also an issue of inequality<sup>9</sup>;
- I. whereas the practices described in the Pandora Papers further entrench social and economic inequalities in our societies and strongly erode citizens' trust in the rule of law and in our economic and democratic system; whereas fostering social and economic justice is ever more important in the crisis currently faced by the EU due to the war of aggression against Ukraine and the cost of living crisis that has ensued;
- J. whereas tax crimes are a predicate offence for money laundering under EU law and international standards; whereas the activities reported in the Pandora Papers are not all illicit or criminal, but may amount to tax avoidance and abuse of corporate secrecy;
- K. whereas the parties to the Addis Ababa Action Agenda, the outcome document of the Third International Conference on Financing for Development, committed to enhance revenue administration through modernised, progressive tax systems and more efficient tax collection, as well as to scale up international tax cooperation;
- L. whereas corporate income tax represents a higher share of tax revenues and gross domestic product in developing countries than in rich countries<sup>10</sup>; whereas losses due to global corporate taxation in developing countries are estimated to range from 6 to 13 % of total tax revenue, compared with 2 to 3 % in member countries of the Organisation for Economic Co-operation and Development (OECD)<sup>11</sup>;
- M. whereas in October 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting agreed on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy; whereas, however, some developing countries expressed concerns about this global corporate tax deal, or even refused to endorse it (for example, Kenya and Nigeria);
- N. whereas according to the 'Tax Transparency in Africa 2022: Africa Initiative Progress Report', illicit financial flows (IFFs) are estimated to amount to USD 50-80 billion (EUR 48-77 billion) annually for the continent;

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Chicago, 2015; <https://www.taxobservatory.eu/publication/european-tax-evasion-in-the-light-of-the-pandora-papers>.

<sup>9</sup> Alstadsæter, A., Johannesen, N., and Zucman, G., 'Tax evasion and inequality', *American Economic Review*, Vol. 109, No 6, 2019, pp. 2073-2103.

<sup>10</sup> 'Corporate tax remains a key revenue source, despite falling rates worldwide', <https://www.oecd.org/tax/corporate-tax-remains-a-key-revenue-source-despite-falling-rates-worldwide.htm>.

<sup>11</sup> United Nations Conference on Trade and Development (UNCTAD) report entitled 'Tackling Illicit Financial Flows for Sustainable Development in Africa', 2020, p. 21: [https://unctad.org/system/files/official-document/aldcafrica2020\\_en.pdf](https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf).

- O. whereas in 2019, the Africa Group at the United Nations called for a UN convention on tax as an important tool for tackling IFFs; whereas in February 2021, the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (the FACTI Panel) also included a proposal for a UN tax convention as a key recommendation in its final report;
- P. whereas the Commission and the Council have not fully followed up on Parliament's recommendations following the Pandora Papers in its resolution of 21 October 2021 on the Pandora Papers: implications for the efforts to combat money laundering, tax evasion and tax avoidance;
- Q. whereas few European legislative initiatives have been launched for tackling harmful tax practices that attract high net-worth individuals or individuals with luxury assets;
- R. whereas, despite a decade of tax scandals and legislative reforms in the EU, progress at global level to rein in corporate secrecy and offshore tax evasion and avoidance has been insufficient, as shown by the Pandora Papers; whereas the lack of transparency, including through international information-sharing, is a key underlying cause of tax-related illicit financial flows;
- S. whereas the two-pillar solution agreed on in October 2021 by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting addresses the tax challenges arising from the digitalisation of the economy; whereas developing countries, including the African Tax Administration Forum, have criticised the solution for side-lining their interests and for not sufficiently addressing the specific loopholes that limit the taxation rights of African countries;

### ***General considerations***

1. Recognises that journalists and whistleblowers have an important role in investigating and exposing potential violations of tax law, as well as corruption, organised crime and money laundering; deems it necessary to further protect the confidentiality of the sources of investigative journalism, including whistleblowers; welcomes the fact that investigative journalists have uncovered a complex system of tax havens, shell corporations and offshore accounts whose beneficial owners are persons of high public interest;
2. Stresses the importance of defending the freedom of journalists to report on issues of public interest without facing the threat of costly legal action, including when they receive confidential, secret or restricted documents, datasets or other materials, regardless of their origin;
3. Welcomes the Commission proposal for a directive on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings<sup>12</sup>, also known as the anti-SLAPP (strategic lawsuits against public participation) directive; recalls the enormous financial and psychological burdens that SLAPPs place on the

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<sup>12</sup> Proposal for a directive of the European Parliament and of the Council of 27 April 2022 on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings ('Strategic lawsuits against public participation') (COM(2022)0177).

work of journalists and media workers, which also have a chilling effect and lead to self-censorship; underlines that a strong EU anti-SLAPP directive must include clear provisions on early dismissal mechanisms and effective sanctions, including financial penalties, against initiators of SLAPPs; stresses that an effective anti-SLAPP framework cannot exist in the absence of coordinated complementary measures at national level; calls on the Member States to adopt anti-SLAPP legislation tackling domestic lawsuits against public participation;

4. Stresses that investigative journalists and media workers are often subject to intense financial pressure and encounter considerable difficulties in obtaining financial resources for projects investigating tax crime, corruption or organised crime; calls on the Commission to explore further ways to increase the funding available to the media sector, including by establishing a dedicated permanent fund for investigative journalism;
5. Highlights the many cases that have recently come to light in which spyware has been used to conduct surveillance on journalists in the EU and notes that these are extremely worrying;
6. Deplores the fact that journalists like Peter Rudolf de Vries, Daphne Caruana Galizia and Ján Kuciak were murdered in relation to their journalistic revelations; highlights the vulnerability to threats and attacks of independent journalists and media workers in the absence of a strong European legislative framework to protect them; welcomes Commission Recommendation (EU) 2021/1534 of 16 September 2021 on ensuring the protection, safety and empowerment of journalists and other media professionals in the European Union<sup>13</sup>; stresses, nevertheless, that this can only be considered a starting point and calls for urgent action on establishing binding measures to ensure the protection of journalists and media workers across the EU;
7. Notes that Switzerland revised its Federal Act on Banks and Savings Banks on banking secrecy in the framework of adopting the Common Reporting Standard (CRS) for exchanging information on financial accounts; regrets, however, that banking secrecy remain in place for information that does not fall under the CRS; is worried that banking secrecy rules in Switzerland still apply to jurisdictions that are not part of the CRS and to Swiss nationals, including Swiss journalists, which explains why Swiss journalists were not initially allowed to report on the Pandora Papers or be part of the investigative consortium; welcomes any future reform of Article 47 of Switzerland's Federal Act on Banks and Savings Banks in order to safeguard proper freedom of the press;
8. Regrets the fact that 24 Member States failed to transpose and communicate the transposition of the Whistleblower Directive<sup>14</sup> within the deadline; welcomes the fact that the Commission has initiated infringement procedures against at least 19 Member States for their failure to transpose the directive; points out that the implementation and application of current rules is crucial; regrets the extended use of non-disclosure agreements for employees in the corporate sector without the provision of accurate legal advice; calls on the Member States that have not yet done so to transpose the directive

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<sup>13</sup> OJ L 331, 20.9.2021, p. 8.

<sup>14</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

into their national law as a matter of urgency; calls on the Commission to use all the tools at its disposal to address Member States' failure to transpose this directive;

9. Looks forward to the Commission's report, due to be published in December 2023, on the implementation of the 2019 EU Whistleblowers Directive; calls on the Commission to consult stakeholders, when appropriate, on how to improve the directive;
10. Emphasises the fact that illicit financial flows are a matter for global governance; urges the EU to show strong political will and determination against tax avoidance and evasion to protect the single market, in line with the principle of policy coherence for development and as enshrined in Article 208 of the Treaty on the Functioning of the European Union;
11. Emphasises the fact that the practices brought to light by the Pandora Papers revelations have an especially severe impact on the fiscal space and public expenditure, in particular in developing countries, and undermine the rule of law and confidence in the global financial system for raising living standards in developing countries around the world; highlights the need to work in global international forums;
12. Highlights the international commitment to significantly reduce illicit financial flows by 2030, as set out in the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development; notes that the use of existing official development funds for subsidising private investment can be associated with trade-offs in relation to their effectiveness in achieving the sustainable development goals;
13. Notes the several international initiatives on the automatic exchange of information for tax compliance purposes, as well as the OECD Common Reporting Standard for automatic reporting of information on the offshore financial accounts of non-residents to their jurisdiction of residence and the work of the OECD's Joint International Taskforce on Shared Intelligence and Collaboration network, in which 19 EU Member States currently participate;
14. Stresses that tax transparency and the exchange of information are essential for stemming illicit financial flows and increasing the mobilisation of domestic resources, which is of particular importance for achieving the sustainable development goals and the African Union Agenda 2063, especially in the current context, which is marked by rising debt, the impact of the COVID-19 pandemic and the consequences of the war in Ukraine on African economies;
15. Calls for the EU to support developing countries in combating illicit financial flows and tax evasion by companies and multinationals, and to ensure that taxes are paid where real economic value and profits are created in order to stop base erosion and profit shifting;
16. Stresses that in 2019, the Africa Group at the United Nations called for a UN convention on tax to help tackle illicit financial flows; believes that a universal intergovernmental body under the auspices of the UN with a mandate to deal with all aspects of IFFs could help to include all developing countries in the decision-making process on tax matters and could be an effective tool for fighting tax avoidance, trade mis-invoicing, profit shifting and all forms of illegal commercial and fiscal activities at



global level;

17. Calls for the EU to support the setting up of a UN framework convention on tax, with the aim of strengthening international cooperation and governance on tax and trade-related illicit financial flows; highlights the need to introduce transparent and inclusive decision-making where all countries can negotiate as equals;
18. Recalls that tax avoidance shifts the tax burden from larger businesses to smaller and medium-sized businesses, as well as to consumption through personal income tax and value-added tax, which is particularly problematic in least developed countries where small, medium-sized and micro enterprises and informal traders make up the bulk of economic activity and are more vulnerable to significantly reduced income and insecurity; recalls that massive financial losses for developing countries due to tax evasion is one of the main factors that seriously worsen the indebtedness of many of them;
19. Deplores the fact that a number of EU high-level decision-makers have been featured in the Pandora Papers and recent media investigations, involving allegations of illegally obtained property, interests in fossil fuel companies or assets in tax havens; points out, in addition, that the names in the Pandora Papers include political leaders in developing countries that heavily depend on aid from the European Union;
20. Considers that, due to the unanimity rule laid down in the Treaty on the Functioning of the European Union to adopt tax legislation in the EU, high-level decision-makers accused of wrongdoing may have significantly more leverage in either blocking legislation to counter tax evasion or avoidance or determining the effectiveness of its outcome;
21. Notes that government ministers and lawmakers have the fundamental duty to uphold the law to its fullest extent and act in line with the spirit of the law at all times; points out that failing to do so erodes public trust in government, the very fundament of a state; points out that family members of politically exposed persons may be involved in fraud and tax evasion cases and are therefore subject to anti-money laundering and anti-terrorist financing legislation;
22. Highlights the importance of safeguarding high standards of integrity, honesty and responsibility among public officials in the EU and in the Member States, as well as fostering, within that environment, an ethos of a sense of duty and personal honesty; recalls the obligation for Members of the European Parliament to disclose any 'financial interests which might influence the performance of the Member's duties';
23. Calls on the Member States to ensure that they have measures and systems in place, with sufficient human and financial resources, requiring politically exposed persons to declare any relevant outside activities, employment, investments, assets and substantial gifts or benefits which may give rise to a conflict of interest with respect to their functions; highlights the importance of having systems in place for reporting and verifying this information and independently assessing conflicts of interest when they arise, as well as for providing dissuasive sanctions for failure to comply with disclosure obligations;

24. Takes note of Article 12 of Regulation No 31 (EEC)<sup>15</sup>, which prohibits public officials in the EU from carrying out any action or behaviour which might reflect adversely upon their position;

***Role of intermediaries in facilitating tax evasion and avoidance***

25. Points out that, according to research carried out in 2018, the so-called Big Four major accountancy firms – PwC, EY, Deloitte and KPMG – accounted for 87 % of the global tax advisory market share<sup>16</sup>; highlights the risks that a *de facto* oligopoly may pose to the accountancy and advisory market itself and the influence that these firms can wield over tax regulations; calls on the Commission to carry out a study on the tax advisory market in order to have up-to-date information on the market share of the major accountancy firms;
26. Regrets the fact that, as exposed by the Pandora Papers<sup>17</sup>, PwC, along with other major accountancy firms, had a central role in assisting Russian oligarchs with their investments in the West through their networks of offshore shell companies<sup>18</sup>; highlights that such networks may be hindering the application of EU sanctions on Russian individuals; regrets the absence of visible investigations into the intermediary sector in the EU following the publication of the Pandora Papers and the EU's sanctions on Russian oligarchs; calls on the authorities in the Member States to investigate any wrongdoing by these firms;
27. Points out that, in view of Russia's aggression against Ukraine and its hybrid actions against EU countries, investigations into the assets and investments of Russian oligarchs should be a top priority, as they are strategically important for the EU's security;
28. Takes note that, according to research<sup>19</sup>, global professional services firms (GPSFs) serve as 'career hubs', where 68 % of transfer pricing professionals in multinational corporations have worked in a GPSF before; calls on the Commission to provide information on revolving doors between GPSFs and the employment of tax authority officials in such firms; calls on the Member States to ensure the adoption of revolving doors regulations, including cooling-off periods, with regard to officials in tax administrations, with adequate enforcement mechanisms;
29. Is concerned about the recent departure of the former OECD tax director to the private sector; calls on the Member States and the Commission to put pressure on the OECD to uphold its own 2010 Recommendation Principles for Transparency and Integrity in Lobbying and introduce clear cooling-off periods and strict policies on revolving door situations; calls on the Member States also to uphold these standards on international

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<sup>15</sup> Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community (OJ 45, 14.6.1962, p. 1385).

<sup>16</sup> 'Global tax advisory revenues top \$20bn', *Accountancy Daily*, 28 January 2019.

<sup>17</sup> 'The oligarch's accountants: How PwC helped a Russia steel baron grow his offshore empire', International Consortium of Investigative Journalists, *Pandora Papers*, 11 April 2022.

<sup>18</sup> 'How Western Firms Quietly Enabled Russian Oligarchs', *The New York Times*, 9 March 2022.

<sup>19</sup> Christensen, R.C., 'Transnational Infrastructural Power of Professional Service Firms', *SocArXiv*, 9 September 2022.

organisations of which they are members, so as to avoid conflicts of interest and revolving doors;

30. Calls on the Commission and the Member States to further analyse and, where appropriate, address the potential conflicts of interest stemming from the provision of legal advice, tax advice and auditing services when advising both corporate clients and public authorities; reiterates its calls on the Commission to consider introducing measures to clearly separate accountancy firms from financial or tax service providers, as well as all advisory services, as a way of tackling conflicts of interest;
31. Highlights the current prohibition on auditors to provide advisory services, including tax advice<sup>20</sup>, to public-interest entities; welcomes the recently announced division of activities of one of the Big Four major accounting firms into separate audit and advisory businesses, demonstrating that such separation is achievable<sup>21</sup>;
32. Highlights the Court of Auditors' report which concludes that the use of external consultants by the Commission 'gave rise to potential risks of overdependence, competitive advantage, a concentration of suppliers and potential conflicts of interest' and that the 'Commission does not sufficiently monitor, manage or mitigate these risks at the corporate level'<sup>22</sup>; calls on the Commission to implement all the recommendations from the Court; calls on the Commission to duly assess any risks of conflicts of interest in the process of awarding contracts to private firms and ensure diversified sources of advice; highlights the importance of public authorities having in-house resources and expertise to carry out their functions;
33. Highlights the limitations of self-regulation of the non-financial intermediary sector; welcomes the fact that the Commission is preparing a new legislative proposal on regulating intermediaries through an act securing the activity framework of enablers in order to tackle the role of enablers involved in facilitating tax evasion and aggressive tax planning; urges the Commission to ensure that the framework includes robust enforcement against intermediaries creating and operating schemes which enable tax evasion and aggressive tax planning, as well as facilitating and contributing to the concealment of wealth and assets; in this context, urges the Commission to continue to improve information-sharing among Member State tax administrations and cooperation on the global stage; awaits the Commission proposal, which should be targeted and proportionate;
34. Highlights the Directive on Administrative Cooperation (DAC8) proposal from the Commission, which extends the automatic exchange of advance cross-border rulings in DAC6 to cover high-net-worth individuals; emphasises the importance of honest and

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<sup>20</sup> Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

<sup>21</sup> <https://www.theguardian.com/business/2022/sep/08/ernst-young-splits-into-separate-audit-and-advisory-businesses>.

<sup>22</sup> European Court of Auditors special report 17/2022 entitled 'External consultants at the European Commission'.

fair cooperation between national tax authorities to make the system of exchange of information failproof;

35. Welcomes the fact that the Directive on Administrative Cooperation (DAC6) has already introduced a mandatory disclosure regime for certain cross-border tax arrangements; notes that more than a full year of reporting has been completed; calls on the Commission to analyse the depth and breadth of the reporting and identify possible shortcomings; calls on the Commission to keep the European Parliament informed about its findings;
36. Insists that tax avoidance only benefits the few; takes note of the OECD's observation that base erosion and profit shifting (BEPS) affects all countries and that 'developing countries' higher reliance on corporate income tax means they suffer from BEPS disproportionately<sup>23</sup>, fuelling domestic inequality;

### ***Harmful practices in non-corporate tax regimes***

37. Takes note of the fact that, as the Pandora Papers have exposed, schemes to shield the assets of high-net-worth individuals from state authorities through corporate offshore services have become highly sophisticated; notes that the revelations showed how wealthy individuals pay little to no taxes by changing their country of tax residency and reallocating capital across borders;
38. Draws attention to the impact of new technologies (e.g. crypto-assets) which create new challenges in the area of tax avoidance and money laundering and for which new, appropriate and targeted regulations may be needed;
39. Stresses that base erosion is facilitated by the fact that outbound dividends, royalties and interest across borders are not subject to withholding tax and that there are no common rules and procedures ensuring the effective taxation of intra-EU flows; recalls recent research showing vast differences between the Member States in their application of withholding taxes, with rates varying between 0 % and 35 %; points to the fact that rates applied to withholding tax in bilateral tax treaties are often lower than the standard rates; calls on the Commission and the Member States to coordinate a withholding tax framework that ensures that all dividends, interest and royalties are taxed at least once at an effective rate;
40. Points out that the dividend-stripping scandals known as 'cum-ex' and 'cum-cum' were two of the largest tax fraud scandals in EU history, which cost EU Member states EUR 140 billion; stresses that a harmonised EU withholding tax system would help prevent tax fraud, double taxation and double non-taxation; reiterates the need for a common withholding tax system;
41. Observes, in parallel, a trend for countries, including EU Member States, to adopt legal frameworks designed to attract high-net-worth individuals, foreign pensioners and highly skilled workers to invest or live in their territory, notably granting them generous

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<sup>23</sup> 'BEPS Project Explanatory Statement', p. 4, <https://www.oecd-ilibrary.org/docserver/9789264263437-en.pdf?expires=1677755281&id=id&accname=ocid194994&checksum=811ACCCE3426A6CAC2528C8DD73B0628>.

tax benefits and exemptions which do not apply to nationals, in addition to offering golden visas and selling citizenship opportunities; points out that these kinds of opportunities may have benefited Russian oligarchs who have since had targeted sanctions imposed on them;

42. Reiterates its concerns that schemes granting nationality or residency on the basis of a financial investment, also known as ‘golden passports’, are objectionable from an ethical, legal and economic point of view and pose several serious security risks for Union citizens, such as risks stemming from money-laundering and corruption;
43. Urges the Commission to provide detailed information on the progress made by Member States in repealing or withdrawing the citizenship or residence permits of Russian or Belarusian individuals who have obtained their status through investment;
44. Is particularly concerned by the apparent short-term increase of USD 14 billion in cross-border deposits held in countries offering citizenship and residence through investment schemes, which suggests that these schemes are being used as regulatory arbitrage to circumvent the disclosure mandated under DAC6<sup>24</sup>;
45. Notes that governments generally use two instruments to attract taxpayers and mobile tax bases for personal income and wealth taxation: (top) tax rates and preferential tax arrangements targeted at income- and wealth-rich foreigners;
46. Takes note of the increasing number of tax regimes in EU Member States which aim to attract foreign ‘digital nomads’, high-net-worth individuals or pensioners; notes that some tax regimes present significant potential for abuse, which erodes the tax bases of other countries; highlights that, according to research by the EU Tax Observatory<sup>25</sup>, many Member States have specific tax regimes designed to attract foreign-earned income or wealth which, according to the researchers, pose varying degrees of harmfulness;
47. Notes that, according to the Tax Observatory, these kinds of preferential schemes generate a loss of revenue of over EUR 4.5 billion per year for the EU as a whole; regrets that some Member States are ending golden visa schemes while creating special tax regimes for foreign-earned income or wealth;
48. Is concerned that there is considerable scope for harmful competition in this field and widening social and economic inequalities, as tax-induced mobility is high among income - and wealth-rich taxpayers<sup>26</sup>- and non-mobile income earners end up paying

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<sup>24</sup> Casi, E., Mardan, M. and Muddasani R. R., ‘So close and yet so far: the ability of mandatory disclosure rules to crack down on offshore tax evasion’, UNU-WIDER Working Paper 2022/116, Helsinki, <https://www.wider.unu.edu/publication/so-close-and-yet-so-far-ability-mandatory-disclosure-rules-crack-down-offshore-tax>.

<sup>25</sup> Godar, S., Flamant, E. and Richard, G., ‘New Forms of Tax Competition in the European Union’, November 2021, <https://www.taxobservatory.eu/wp-content/uploads/2021/11/EU-Tax-Observatory-Report-3-Tax-Competition-November-2021-3.pdf>.

<sup>26</sup> European Parliament, Directorate-General for Internal Policies, Policy Department for Economic, Scientific and Quality of Life Policies, ‘[Harmful Practices and Competition in the Area of Personal Income and Wealth Taxation](#)’, January 2022.

proportionately higher taxes than mobile income earners;

49. Calls on the Commission, without prejudice to its powers under the Treaties, to assess the impact of these tax regimes on the single market and Member States' revenues, as well as of all harmful tax practices distorting competition outside the area of corporate taxation in the EU;
50. Highlights the possible impact of teleworking on the allocation of personal income tax rights and tax residence in the EU; calls on the Commission to take the necessary legislative measures to ensure legal certainty and tax fairness for cross-border workers and self-employed persons in the EU in this regard; notes that personal income tax is the biggest source of tax revenue for most EU Member States;
51. Calls on the Commission and the Member States to take the lead in the OECD, and in particular in the OECD/G20 Inclusive Framework, in creating a level playing field in the taxation of capital gains and to limit harmful tax practices aimed at attracting foreign-earned income, wealth and assets;
52. Highlights that, given the single market and freedom of movement of capital within the EU, the disparity of capital gains taxation across the EU<sup>27</sup> may generate wealth shifting and tax avoidance across Member States; calls on the Commission to assess the feasibility and economic impact of a minimum tax on capital gains at European level;
53. Notes that real estate has been widely misused for money-laundering and tax-evasion purposes, as revealed by the Pandora Papers; notes, furthermore, that real estate taxation in the EU is not at all coordinated; notes with concern the sharp increase in real estate prices in the EU and the financialisation of housing; is concerned about the potentially distortive effect of regimes providing for low-tax real estate investment funds; calls on the Commission to assess the impact of a lack of coordination of real estate taxation in the EU, as well as the impact of low-tax regimes, on the financialisation of the housing sector; recalls the important role of national digital land registers in strengthening the fight against tax crime across the EU;

***Misuse of shell companies and opaque structures and the fight against tax evasion and avoidance, particularly in jurisdictions that figure prominently in the Pandora Papers***

54. Recalls that tax crime is recognised as a predicate offence of money laundering, which is often linked to organised crime, corruption and the financing of terrorism; stresses that the main challenge identified for the application of Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing<sup>28</sup> is the lack of direct applicability of the rules and the fragmentation resulting from diverging national approaches; welcomes the proposed anti-money laundering legislative package; stresses the importance of increasing the coordination

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<sup>27</sup> 'Capital Gains Tax Rates in Europe', <https://taxfoundation.org/capital-gains-tax-rates-in-europe-2022/#:~:text=A%20number%20of%20European%20countries,lowest%20rates%2C%20at%2015%20percent.>

<sup>28</sup> Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).



between national legal frameworks to address loopholes and of improving supervision through the establishment of a European anti-money laundering authority with adequate resources and competences;

55. Notes that some jurisdictions, such as the United Kingdom, have in place a control mechanism for unexplained wealth aimed at detecting the proceeds of criminal activities; stresses that this mechanism consists of a court order requiring a person who is reasonably suspected of being involved in serious crime, or of being connected to a person involved in serious crime, to explain the nature and extent of their interest in a particular property and to explain how that property was obtained, where there are reasonable grounds to suspect that the respondent's known lawfully obtained income would be insufficient to enable the respondent to obtain that property; invites the Commission to assess the effects and feasibility of such a measure at Union level in order to enable law enforcement agencies to better investigate the origin of ill-gotten assets and recover the proceeds of crime, while ensuring proportionality and the rights of defendants;
56. Notes the lack of transparency by the Commission and the Member States with regard to the progress made in freezing and seizing the assets of sanctioned persons; urges the Member States and the EU authorities to make a genuine effort to recover illicit money; calls on the Commission to publish a list of assets that have been frozen or confiscated following Russia's invasion of Ukraine; welcomes the Commission's 2022 proposal on asset recovery and confiscation;
57. Calls on the Commission to make full use of the revised methodology for identifying high-risk third countries under Directive (EU) 2015/849 and, after its own thorough assessment and where applicable, taking into account Financial Action Task Force (FATF) assessments, to place on the list of high-risk third countries, without hesitation, jurisdictions not named on the FATF lists;
58. Stresses the importance of strengthening tools for authorities to access information on ownership of specific high-value assets and thereby effectively curb efforts to circumvent targeted financial sanctions and fight money laundering and tax evasion and avoidance;
59. Notes that despite the implementation of European and national legislation on beneficial ownership transparency, as reported by non-governmental organisations<sup>29</sup>, the quality of data in some EU public registers requires improvement; urges the Member States to dedicate the appropriate resources, including sufficient staff and technology, to process and make full use of the data; calls on the Commission to issue guidance or provide support to Member States and reporting entities to guarantee the quality of data in the registers;
60. Recalls the importance of transparency concerning beneficial ownership information (BOI) across the world; stresses that transparency concerning the ownership and control of companies, trusts and other legal entities is critical for combating illicit financial

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<sup>29</sup> For example: <https://www.transparency.org/en/news/open-lux-authorities-in-the-dark-over-luxembourg-private-investment-fund-beneficial-owners>; <https://www.transparency.org/en/news/eu-beneficial-ownership-registers-public-access-data-availability-progress-2021>.

flows; notes that the Pandora Papers identified examples of individuals circumventing beneficial ownership transparency in Member States; regrets, however, the delay in the setting up of the Beneficial Ownership Registers Interconnection System in the EU due to technical difficulties; deplores the fact that delays in Member States and the overall lack of coordination in the implementation process are undermining the effectiveness of a functioning interconnection system and calls on all actors to address this delay as a matter of urgency; highlights that access to adequate, accurate and up-to-date BOI and checks on legal persons is a valuable tool in the fight against tax evasion and avoidance;

61. Welcomes the revision of Recommendation 24 by the Financial Action Task Force (FATF), which requires countries to prevent the misuse of legal persons for money laundering or terrorist financing; highlights that, henceforth, countries should require beneficial ownership information to be held by a public authority or body functioning as a beneficial ownership registry or an alternative efficient mechanism;
62. Stresses that progress in tackling the use of anonymous companies can only be possible if information about beneficial owners is easily made available in a timely manner in all jurisdictions and if authorities are able to make use of that information and cross-check data for investigative purposes;
63. Welcomes, further, the fact that the Financial Action Task Force is conducting a review of Recommendation 25 on the transparency and beneficial ownership information (BOI) of legal arrangements; considers, in this regard, that, similar to what is already provided for in EU law, this recommendation should determine that trusts or other similar legal arrangements be registered and that access to BOI on trusts be at least as comprehensive as currently determined by EU law;
64. Takes note of the CJEU ruling in joint cases C-37/20 and C-601/20 of 22 November 2022 regarding access to BOI by the general public as provided for under the 5th EU Anti-Money Laundering Directive, which the Court deemed invalid except for those who can claim a legitimate interest in accessing the information; calls on the Member States which removed access to beneficial ownership data for financial intelligence units (FIUs), competent authorities and obliged entities as a result of the ruling to reinstate it without delay;
65. Reiterates its conclusions regarding the fact that, as exposed by the Pandora Papers, some US states, such as South Dakota, Alaska, Wyoming, Delaware and Nevada, have become hubs of financial and corporate secrecy; regrets the lack of visible progress or political will in these states to enact the necessary reforms since the revelations;
66. Welcomes the adoption of the first final rule on beneficial ownership reporting under the US Corporate Transparency Act; regrets the lack of political will in the US to share information regarding the financial accounts of non-US citizens; reiterates its call on the US to join the OECD Common Reporting Standard as soon as possible and calls on the Commission and the Member States to enter into fresh negotiations with the US within the framework of the OECD in order to achieve total reciprocity within an agreed and strengthened CRS framework;
67. Recalls that the EU list of non-cooperative jurisdictions assesses whether a jurisdiction has at least a 'largely compliant' rating with the CRS according to the Global Forum on



Transparency and Exchange of Information for Tax Purposes; calls on the Council to reassess the US in the framework of the EU list, with particular regard to the tax transparency criteria;

68. Calls on the US Congress to pass the bill for the Establishing New Authorities for Businesses Laundering and Enabling Risks to Security Act (ENABLERS), which would require the non-financial and intermediary sector to carry out due diligence obligations on their customers, as recommended by Financial Action Task Force (FATF) standards;
69. Notes that shell companies may be misused for aggressive tax planning or tax evasion purposes; welcomes the Commission proposal for a Council directive laying down rules to prevent the misuse of shell entities for tax purposes and amending Directive 2011/16/EU<sup>30</sup>; calls on the Council to swiftly adopt the proposal, taking into account the opinion of Parliament; underlines that establishing new transparency standards around the misuse of shell entities will help to make sure that their abuse can be more easily detected by tax authorities; calls on the Commission and the Member States to further promote global regulation on mandatory substance requirements for companies as a tool to prevent tax avoidance;
70. Notes with concern that the latest results of the peer review of the Global Forum on the legal implementation of the Standard for Automatic Exchange of Financial Account Information (CRS) and, for the first time, the results of the first reviews of the effectiveness of the practical implementation of CRS indicate that the framework put in place by several Member States needs to be improved in order to be fully consistent with the requirements<sup>31</sup>; calls on the Commission to take into consideration the results of the peer review in its monitoring of the implementation of the DAC Directives in the Member States;
71. Takes note of the Council agreement on broadening the scope of the Code of Conduct on Business Taxation; highlights that the revision of this Code of Conduct introduces the concept of 'tax features of general application' which are to be regarded as harmful if they lead to double non-taxation or the double or multiple use of tax benefits, as requested by Parliament; calls on the Code of Conduct Group on Business Taxation to make full use of its revised mandate;
72. Welcomes the fact that the EU's listing of non-cooperative tax jurisdictions for tax purposes has enabled better legislation and tax practices in some developing countries through technical cooperation and political dialogue in order to address identified tax issues;
73. Deplores, however, the Council's lack of willingness to agree on the forthcoming transparency criterion with regard to ultimate beneficial ownership, the concealment of

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<sup>30</sup> COM(2021)0565.

<sup>31</sup> The Member States whose overall determination on the legal framework was deemed 'In Place But Needs Improvement' are Belgium, Croatia, Estonia, Hungary, Latvia, Poland. Countries whose overall rating in relation to the effectiveness in practice is deemed as 'Non-Compliant' are Croatia. Countries whose overall rating in relation to the effectiveness in practice was deemed 'Partially Compliant' are Estonia, Malta, Romania.  
[https://www.oecd-ilibrary.org/taxation/peer-review-of-the-automatic-exchange-of-financial-account-information-2022\\_36e7cded-en](https://www.oecd-ilibrary.org/taxation/peer-review-of-the-automatic-exchange-of-financial-account-information-2022_36e7cded-en).

which was a common feature in the schemes exposed by the Panama Papers and which was a key contributing factor to the continuation and success of such schemes;

74. Reiterates its call on the Council to expand the mandate of the Code of Conduct Group on Business Taxation to include preferential personal income and capital tax regimes, and personal income and wealth tax regimes that are considered harmful;
75. Recalls, in addition, Parliament's resolutions on reforming the EU list of tax havens and on reforming the EU policy on harmful tax practices (including the reform of the Code of Conduct Group); calls on the Council to relaunch discussions on a comprehensive reform of the Code and to implement Parliament's recommendations, in particular to address the fact that several individual Member States have more comprehensive blacklists than the EU as a whole, which indicates that more robust criteria could be applied at EU level;
76. Calls on the Council, in particular, to include the automatic listing of non-EU jurisdictions with a 0 % corporate tax rate or with no taxes on companies' profits or individuals as a standalone criterion; notes with concern that non-EU countries may repeal non-compliant tax regimes but substitute them with new ones that are potentially harmful to the EU;
77. Regrets the lack of democratic accountability in the process of drawing up the 'EU list of non-cooperative jurisdictions for tax purposes'; recalls that the Council seems sometimes to be guided by diplomatic or political motives rather than objective assessments when deciding to move countries from the 'grey list' to the 'black list' and vice-versa; stresses that this undermines the credibility, predictability and usefulness of the lists; calls for Parliament to be consulted in the preparation of the list and for an extensive revision of the screening criteria;
78. Stresses that the Pandora Papers are a further reminder of the need to make the EU list of non-cooperative jurisdictions more effective so that it not only serves as an instrument to help EU entities and authorities to identify risky entities and take precautionary measures, but also to actively encourage and cooperate with countries to make reforms to comply with international tax standards;
79. Stresses that, while listing needs to occur and defensive measures need to be applied without hesitation where appropriate, the EU needs to engage in more systemic, transparent cooperation and consultation procedures with developing countries that do not have appropriate tax practices before applying any coercive measures, especially with regard to ensuring that knowledge and capacity-building opportunities have been previously provided to the authorities of those countries;
80. Welcomes the OECD/G20 agreement of October 2021 on the reform of the international corporate tax rules; points out that Pillar II of the agreement, once implemented, will introduce a global minimum effective corporate tax rate of 15 % applicable to companies with a yearly revenue above EUR 750 million, which should help reduce the use of tax havens globally; highlights the importance of applying the 15 % effective tax rate as agreed in the OECD/G20 Inclusive Framework at EU level;
81. Recalls that the upcoming global corporate minimum tax will determine a fixed baseline

for corporate taxation, thereby combating corporate tax avoidance; welcomes the progress made and encourages efforts to build on it; calls for the resulting fiscal capacities to be used to build more resilient, sustainable and equal societies; calls for international cooperation on the corporate minimum tax and the introduction of better transparency measures in order to facilitate the prosecution of tax evaders; stresses that multinational corporations should pay taxes in the countries where they conduct their economic activities and where value is created; considers that the distribution of taxing rights between countries must be fair, equitable and in line with the goal of reducing inequalities between countries; calls on the EU Member States to live up to this ambition and give their political backing to this global project;

82. Points out that several Member States have maintained preferential corporate tax systems which may have led to billions of losses in tax revenue for other Member States; calls for more transparency concerning preferential tax systems, as well as more tax solidarity among EU Member States; notes, moreover, that a few disproportionate inflows and outflows of foreign direct investment and passive income go through some Member States and that these flows reflect, at least partly, phantom investment, as concluded by IMF researchers<sup>32</sup>, which may be intended to avoid taxation and possibly launder money;
83. Calls on the Commission to continue to monitor Member States which enable aggressive tax planning, report to the European Parliament on the issue and come forward with country-specific recommendations to fight aggressive tax planning and to exert pressure on those Member States to implement the reforms;
84. Insists that in order to carry out future legislative reforms of tax policy which are necessary to effectively address the issues highlighted in the Pandora Papers, the Commission should explore all possibilities offered by the Treaty on the Functioning of the European Union to make decision-making more efficient;
85. Stresses that while international cooperation is essential to put an end to tax avoidance and vital for achieving fair and effective domestic tax systems, Member States should be able to take unilateral measures to protect their tax base within the boundaries of their tax sovereignty and EU law, such as, in particular, imposing the non-deductibility or limited deductibility of costs (interests, royalties and services payments), adopting withholding measures, limiting the participation exemption or imposing special documentation requirements;  

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86. Instructs its President to forward this resolution to the Member State governments and parliaments, the Council, the Commission, the US Congress, the Organisation for Economic Co-operation and Development and the Financial Action Task Force.

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<sup>32</sup> ‘The Rise of Phantom Investments’, <https://www.imf.org/en/Publications/fandd/issues/2019/09/the-rise-of-phantom-FDI-in-tax-havens-damgaard>.

## EXPLANATORY STATEMENT

The massive data leak Pandora Papers was published by the International Consortium of Investigative Journalists (ICIJ) on 3 October 2021 and documented the beneficial owners of corporate entities established in secrecy jurisdictions. The natural persons revealed in the Pandora Papers entailed high-net-worth individuals such as criminals, oligarchs and celebrities as well as 35 current and former world leaders, more than 330 politicians and public officials in 91 countries and territories, including EU Member States. Furthermore, it revealed that such aggressive tax planning practices are often assisted by intermediaries, such as law firms, tax advisers and wealth managers.

Whereas the Pandora Papers are the latest tax leak, it is not the only one in recent years. Previous leaks such as Panama Papers in 2016 and Swiss Leaks in 2015 suggest that the top 0.01 % of the wealth distribution owns about 50 % of the wealth placed in tax havens while the top 0.01 % evades about 25 % of its tax liability by concealing assets and investment income abroad<sup>1</sup>. These numbers make tax evasion also a question about inequality as well as the erosion of citizens' trust in the rule of law and in our economic and democratic system.

Furthermore, leaks such as OpenLux in 2019 and Pandora Papers also reveal how high-net-worth individuals through intermediaries and shell companies shield assets and highlights the importance of disclosing the ultimate beneficial owners of such companies.

The rapporteur therefore wishes to address the challenges unveiled by the Pandora Papers and other similar leaks by assessing different policy areas.

The rapporteur is of the opinion that:

- The Pandora Papers and other leaks have highlighted the role of international investigative journalism and whistle-blowers in exposing tax avoidance and evasion, corruption organised crime and money laundering. Such whistle-blowers need to be deeply protected not just when it comes to internal or external reporting but also when speaking publicly so as not to prevent the disclosure of illegal practices and the EU Whistleblower Directive of 2019 must be fully implemented as soon as possible.
- The Pandora Papers, as well as others, contained information on several Politically Exposed Persons (PEPs) related to tax evasion or avoidance. In order to strengthen citizens' trust in our democratic system as well as high standards of integrity, honesty and responsibility among public officials, Member States must ensure that they have measures and systems in place requiring public officials to declare their outside activities, assets, etc., as recommended by the United Nations Convention Against Corruption.
- EU Member States should consider introducing cooling-off periods for tax authority officials in order to address the issue of revolving doors between legislators, authorities, multinational corporates and global professional services firms in tax advisory.

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<sup>1</sup> Zucman 2013 ; Alstadsætter, Johannesen & Zucman 2019.

- Access to accurate and up-to-date beneficial ownership information is an indispensable tool to fight money laundering, tax evasion and avoidance. Public registers documenting the beneficial owners of corporate entities established in Member States have been put in place. Member States should ensure that relevant information is publicly available and that interconnection of registers becomes a reality soon.
- In response to some countries' increasing introduction of generous tax benefits and exemptions to foreigners, which do not apply to nationals, and in light of tax induced mobility being high among income and wealth-rich taxpayers, EU governments should address preferential personal income or capital tax regimes, or personal income and wealth tax regimes in the framework of the Code of Conduct Group. Member States should also introduce wealth taxes on certain asset portfolios above certain thresholds. Such initiatives should be coordinated on EU level to avoid distortion of the Single Market and to ensure that the arrangements of high-net-worth individuals with a Member State's tax authorities are shared with all Member States.

12.12.2022

## OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Economic and Monetary Affairs

on the lessons learnt from the Pandora Papers and other revelations  
(2022/2080(INI))

Rapporteur for opinion: Udo Bullmann

### SUGGESTIONS

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

- A. whereas the parties to the Addis Ababa Action Agenda of the Third International Conference on Financing for Development committed to enhance revenue administration through modernised, progressive tax systems and more efficient tax collection, as well as to scale up international tax cooperation;
- B. whereas global tax competition has resulted in the tax burden shifting to workers and low-income households, impinged upon developing countries being able to enhance domestic resource mobilisation and forced damaging cutbacks in public services in poor countries;
- C. whereas corporate income tax represents a higher share of tax revenues and gross domestic product in developing countries than in rich countries; whereas losses due to global corporate taxation in developing countries are estimated to range from 6 to 13 % of total tax revenue, compared with 2 to 3 % in member countries of the Organisation for Economic Co-operation and Development (OECD)<sup>1</sup>;
- D. whereas the automatic exchange of information is an effective tool for tackling tax evasion and other illicit financial flows (IFFs);
- E. whereas in October 2021, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting agreed on a two-pillar solution to address the tax challenges arising from the digitalisation of the economy; whereas, however, some developing countries expressed concerns about this global corporate tax deal, or even refused to endorse it (for example, Kenya and Nigeria);

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<sup>1</sup> United Nations Conference on Trade and Development (UNCTAD) report entitled 'Tackling Illicit Financial Flows for Sustainable Development in Africa', 2020, p. 12, [https://unctad.org/system/files/official-document/aldcafrica2020\\_en.pdf](https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf).

- F. whereas according to the ‘Tax Transparency in Africa 2022: Africa Initiative Progress Report’<sup>2</sup>, IFFs are estimated to amount to USD 50-80 billion (EUR 48-77 billion) annually for the continent;
- G. whereas in 2019, the Africa Group at the United Nations called for a UN convention on tax as an important tool for tackling IFFs; whereas in February 2021, the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (the FACTI Panel) also included a proposal for a UN tax convention as a key recommendation in its final report;
1. Highlights that the revelations known as the Pandora Papers, released by the International Consortium for Investigative Journalists, bring to light apparent tax evasion and money laundering on a vast scale, in particular through letterbox companies and trusts; emphasises that IFFs are a matter for global governance; urges the EU to show strong political will and determination against tax avoidance and evasion in line with the principle of policy coherence for development, as enshrined in Article 208 of the Treaty on the Functioning of the European Union;
  2. Denounces the existence of shadowy offshore financial structures in numerous jurisdictions around the world which enable the illicit enrichment of people who are already powerful and rich at the public’s expense by facilitating tax avoidance, and which could be used for illegal practices such as tax evasion and money laundering and bring about financial instability; regrets the fact that despite a decade of tax scandals and legislative reforms in the EU, progress at global level to rein in corporate secrecy and offshore tax evasion and avoidance has been insufficient, as shown by the Pandora Papers; stresses that the lack of transparency, including through international information-sharing, is a key underlying cause of tax-related IFFs;
  3. Emphasises that the practices brought to light by the Pandora Papers revelations have an especially severe impact on the fiscal space and public expenditure of developing countries and undermine the rule of law and confidence in the global financial system for raising living standards in developing countries around the world; highlights the need to work in global international forums; recalls that tax avoidance shifts the tax burden from larger businesses to smaller and medium-sized businesses as well as to consumption through personal income tax and value-added tax, which is particularly problematic in least developed countries where small, medium-sized and micro enterprises and informal traders make up the bulk of economic activity and are more vulnerable to significantly reduced income and insecurity;
  4. Recalls the broad consensus in connection with the adoption of the UN’s Agenda 2030 for Sustainable Development on the need to fundamentally increase investments to boost sustainable growth; highlights the international commitment to significantly reduce IFFs by 2030, as set out in the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development; regrets the decision of the Council of 5 October 2021 to remove Anguilla and Seychelles from the EU list of non-cooperative jurisdictions for tax purposes, which impacts on the EU’s fight for a globally transparent tax system; urges the Council, therefore, to reconsider its decision; insists

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<sup>2</sup> The report is a joint publication by the African Union Commission, the African Tax Administration Forum and the Global Forum on Transparency and Exchange of Information for Tax Purposes.



that the tax avoidance industry only benefits the few; takes note of the OECD's observation that base erosion and profit shifting (BEPS) affects all countries and that 'developing countries' higher reliance on corporate income tax means they suffer from BEPS disproportionately', fuelling domestic inequality; recalls its resolution of 21 October 2021 entitled 'Pandora Papers: implications for the efforts to combat money laundering, tax evasion and tax avoidance'; reiterates, in this regard, its call for a reform of the EU list of non-cooperative jurisdictions at EU level and regular updates;

5. Welcomes the fact that the EU's listing of non-cooperative tax jurisdictions for tax purposes has enabled better legislation and tax practices in some developing countries through technical cooperation and political dialogue in order to address identified tax issues; notes, however, that the EU list of non-cooperative tax jurisdictions excludes tax havens in Europe, as well as many tax havens outside Europe; notes that, given the lack of policy coherence, this affects the credibility of the listing process;
6. Notes that the use of existing official development funds for subsidising private investment can be associated with trade-offs in regard to its effectiveness in implementing the sustainable development goals; notes also that private investment in developing countries shows no sign of growing as necessary;
7. Stresses that, while listing needs to occur and defensive measures need to be applied without hesitation where appropriate, the EU needs to engage in more systemic, transparent cooperation and consultation procedures with developing countries that do not have appropriate tax practices before applying any coercive measures, especially with regard to ensuring that knowledge and capacity-building opportunities have been previously provided to the authorities of those countries;
8. Considers that tax avoidance practices by multinationals and by some of the world's richest and most powerful people, including current and former presidents, prime ministers and heads of state, as well as the existence of tax havens offering no or extremely low effective tax rates, are heavily detrimental to the fair collection of tax in countries in the Global South; considers also that these practices can impact severely upon the fiscal capacity of those countries, including their ability to invest in robust tax-collection structures, and are another way of extracting resources from the Global South; highlights that the ability to hide money has a direct impact on people's lives, as it affects access to education, health and a home, among other things; recalls that tax evasion entails massive financial losses for developing countries and is one of the main factors that seriously worsen the indebtedness of many of them; stresses that the Pandora Papers provide an insight into the scope of sanctions against a number of Russian elites in response to Russia's invasion of Ukraine; notes that this invasion has also caused devastating impacts on developing countries; condemns the circumvention of these sanctions by Russia's elites, as revealed in the Pandora Papers, and calls for effective action to be taken to counter this phenomenon;
9. Points out that the names in the Pandora Papers include political leaders in developing countries that heavily depend on aid from the European Union;
10. Emphasises the structural implications of the tax avoidance practices of both multinationals and individuals for developing countries' fiscal capacities, mid to long-



term growth and social development prospects; highlights the increase in inequality and poverty caused by the lack of public funds as a result of tax avoidance; recalls that the fight against cross-border tax evasion is crucial as a means of expanding the tax base, increasing tax revenue and protecting the integrity and fairness of tax systems; highlights the ongoing need for global cooperation in investigating suspected cases of tax evasion and money laundering; stresses the need for targeted and effective sanctions mechanisms compatible with the UN's Agenda 2030, as well as for sanctions directed against the entities profiting from tax avoidance and shifting of profits to jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes, in line with policy coherence for development; notes the several existing international initiatives on the automatic exchange of information for tax compliance purposes, as well as the OECD Common Reporting Standard for automatic reporting of information on the offshore financial accounts of non-residents to their jurisdiction of residence and the work of the OECD's Joint International Taskforce on Shared Intelligence and Collaboration network, in which 19 EU Member States currently participate;

11. Recalls that the European Parliament has repeatedly stressed the need for a review of the EU process of listing non-cooperative jurisdictions for tax purposes in order to improve its transparency, the criteria used and the effectiveness of the associated defence measures;
12. Reiterates its call to reform the Code of Conduct for Business Taxation, which has become seriously outdated in the context of growing digitalisation and globalisation; calls for it to be replaced with a framework on aggressive tax arrangements and low rates, which would include stricter criteria for defining what constitutes a tax haven and encompass highly mobile wealthy individuals under the scope of the instrument;
13. Recalls that the upcoming global corporate minimum tax will define a fixed baseline for corporate taxation, thereby combating corporate tax avoidance; welcomes the progress made and encourages efforts to build on it; calls for the resulting fiscal capacities to be used to build more resilient, sustainable and equal societies; calls for international cooperation on the corporate minimum tax to be utilised in such a way as to introduce better transparency measures in order to facilitate the prosecution of tax evaders; stresses that multinational corporations should pay taxes in the countries where they conduct their economic activities and where value is created; recalls that the distribution of taxing rights between countries must be fair, equitable and in line with the goal of reducing inequalities between countries; calls on the EU Member States to live up to this ambition and give their political backing to this global project;
14. Stresses that tax transparency and the exchange of information are essential for stemming IFFs and increasing domestic resource mobilisation, which is of particular importance for achieving the sustainable development goals and the African Union Agenda 2063, especially in the current context, marked by rising debt, the impact of the COVID-19 pandemic and the consequences of the war in Ukraine on African economies;
15. Emphasises that a step change in the taxation of private and corporate profits and private wealth is essential for increasing fiscal spaces in order to fund sustainable investments and mobilise development funding, which is now needed more urgently

than ever due to the relentless worsening of the impacts of climate change and the continuing impacts of the COVID-19 pandemic, especially in the Global South;

16. Calls for full international transparency on the real owners of letterbox companies and real estate; considers that the international exchange of information needs to be expanded to efficiently identify tax evaders and calls for greater efforts to tackle financial secrecy, including through international agreements on the automatic exchange of information for tax purposes and for stronger support for capacity-building for tax administrations and tax investigations in developing countries; recalls that transparency concerning the ownership and control of companies, trusts and other legal entities is critical for combating IFFs; calls on Member States to ensure the full implementation of Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;
17. Recalls the two-pillar solution agreed on in October 2021 by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting to address the tax challenges arising from the digitalisation of the economy; recalls also that developing countries, including the African Tax Administration Forum, have criticised the solution for side-lining their interests and for not sufficiently addressing the specific loopholes that limit the taxation rights of African countries;
18. Calls for the EU to support developing countries in combating IFFs and tax evasion by EU companies and multinationals, and to ensure that taxes are paid where real economic value and profits are created in order to stop base erosion and profit-shifting;
19. Stresses that in 2019, the Africa Group at the United Nations called for a UN convention on tax to help tackle IFFs; believes that a universal intergovernmental body under the auspices of the UN with a mandate to deal with all aspects of IFFs could help to include all developing countries in the decision-making process on tax matters and could be an effective tool for fighting tax avoidance, trade mis-invoicing, profit-shifting and all forms of illegal commercial and fiscal activities at global level;
20. Stresses that international cooperation is vital for achieving fair and effective domestic tax systems;
21. Calls for the EU to support the setting-up of a UN framework convention on tax, with the aim of strengthening international cooperation and governance on tax and trade-related IFFs; highlights the need to introduce transparent and inclusive decision-making where all countries can negotiate as equals.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	30.11.2022
<b>Result of final vote</b>	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">+:</div> <div>20</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">-:</div> <div>0</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;">0:</div> <div>2</div> </div>
<b>Members present for the final vote</b>	Barry Andrews, Eric Andrieu, Hildegard Bentele, Udo Bullmann, Antoni Comín i Oliveres, Charles Goerens, Mónica Silvana González, Pierrette Herzberger-Fofana, Karsten Lucke, Pierfrancesco Majorino, Janina Ochojska, Michèle Rivasi, Christian Sagartz, Eleni Stavrou, Tomas Tobé, Miguel Urbán Crespo
<b>Substitutes present for the final vote</b>	Alessandra Basso, Marlene Mortler, Caroline Roose
<b>Substitutes under Rule 209(7) present for the final vote</b>	Virginie Joron, Joachim Kuhs, Aušra Maldeikienė

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

20	+
ID	Alessandra Basso, Virginie Joron
PPE	Hildegard Bentele, Aušra Maldeikienė, Marlene Mortler, Janina Ochojska, Christian Sagartz, Eleni Stavrou, Tomas Tobé
Renew	Barry Andrews, Charles Goerens
S&D	Eric Andrieu, Udo Bullmann, Mónica Silvana González, Karsten Lucke, Pierfrancesco Majorino
The Left	Miguel Urbán Crespo
Verts/ALE	Pierrette Herzberger-Fofana, Michèle Rivasi, Caroline Roose

0	-

2	0
ID	Joachim Kuhs
NI	Antoni Comín i Oliveres

Key to symbols:

+ : in favour

- : against

0 : abstention

12.1.2023

## **OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS**

for the Committee on Economic and Monetary Affairs

on lessons learnt from the Pandora Papers and other revelations  
(2022/2080(INI))

Rapporteur for opinion: Damien Carême

### **SUGGESTIONS**

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that tax crime is recognised as a predicate offence of money laundering, which is often linked to organised crime, corruption and the financing of terrorism;
2. Underlines the essential role played by investigative journalists in uncovering tax crimes, corruption and organised crime; highlights the vulnerability to threats and attacks of independent journalists and media workers in the absence of a strong European legislative framework to protect them; recalls that the number of threats and attacks against journalists in the EU has risen in recent years, with the most serious cases resulting in the assassination of journalists and media workers; welcomes Commission Recommendation 2021/1534 of 16 September 2021 on ensuring the protection, safety and empowerment of journalists and other media professionals in the European Union<sup>1</sup>; stresses, nevertheless, that this can only be considered a starting point and calls for urgent action on establishing binding measures to ensure the protection of journalists and media workers across the EU;
3. Points out that journalists and whistle-blowers are essential in uncovering cases of tax avoidance and evasion, corruption, organised crime and money laundering; deplores the fact that journalists, including Peter R. de Vries, Daphne Caruana Galizia and Jan Kuciak, have been murdered as a result of their revelations; highlights that without the courage of whistle-blowers and the work of journalists, tax evasion, corruption, and money laundering could continue unchecked; stresses the need for stronger protection for whistle-blowers and the work of journalists in whistle-blower cases, including protection from spyware attacks;
4. Highlights that whereas Directive 2019/1937 on the protection of persons who report

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<sup>1</sup> OJ L 331, 20.9.2021, p. 8.

breaches of Union law<sup>2</sup> was adopted over three years ago and includes an obligation to transpose it into national law by 17 December 2021, 16 Member States have delayed its transposition and Hungary has not even started; calls on these Member States to implement this directive without further delay; calls on the Commission to use all the tools at its disposal to address the non-transposition of this directive by Member States;

5. Welcomes the Commission proposal for a directive on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings<sup>3</sup>, also known as the anti-SLAPP directive; recalls the enormous financial and psychological burdens that strategic lawsuits against public participation (SLAPPs) place on the work of journalists and media workers, having a chilling effect and leading to self-censorship; underlines that a strong EU anti-SLAPP directive must include clear provisions on early dismissal mechanisms and effective sanctions, including financial penalties, against initiators of SLAPPs; stresses that an effective anti-SLAPP framework cannot exist in the absence of coordinated complementary measures at national level; calls on the Member States to adopt anti-SLAPP legislation tackling domestic lawsuits against public participation;
6. Stresses that investigative journalists and media workers are often subject to intense financial pressure and encounter considerable difficulties in obtaining financial resources for projects investigating tax crime, corruption or organised crime; calls on the Commission to explore further ways to increase the funding available to the media sector, including by establishing a dedicated permanent fund for investigative journalism;
7. Welcomes the uncovering by investigative journalists of a complex system of tax havens, shell corporations and offshore accounts, whose beneficial owners are persons of high public interest; underscores, in this particular regard, the positive role the journalists had in bringing to light the opaque financial operations of top-ranking elected public officials; recalls that the Pandora Papers, Paradise Papers, Panama Papers, Suisse secrets and OpenLux revealed hidden assets of high-ranking politically exposed persons (PEPs), including former prime ministers and government representatives from several European countries; recalls that government ministers and lawmakers have the utmost duty to uphold the law to its fullest extent and act in line with the spirit of the law at all times; points out that failing to do so erodes public trust in government, the very foundations of the state and calls on PEPs to report on all current and former financial interests and assets, as well as for strong sanctions for failing to do so;
8. Stresses that the concealment of beneficial ownership through chains of shell companies can be used not only to circumvent tax legislation, but also to impede the tracking, freezing and confiscation of the proceeds and instrumentalities of crime, as well as to circumvent the EU's restrictive measures; calls on the Commission to address the misuse of shell companies, in particular for purposes other than tax evasion and

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<sup>2</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

<sup>3</sup> Proposal for a Directive of the European Parliament and of the Council on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings ('Strategic lawsuits against public participation') (COM(2022)0177).

avoidance, through strict regulation and appropriate legislative means;

9. Calls for stronger cooperation and coordination between the authorities responsible for combating tax evasion, money laundering, the financing of terrorism, and serious organised crime at both national and European level; urges Member States and EU authorities to devote substantial efforts to recover money acquired by illegal, abusive or illicit means; regrets the fact that the information obtained by tax authorities in the context of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation<sup>4</sup> cannot be used for criminal investigation and prosecution purposes;
10. Calls on the Commission to ensure the effective implementation of the existing anti-money laundering and countering the financing of terrorism (AML/CFT) framework, and to strengthen the collaboration among the Member States and the EU institutions and agencies in this area; highlights the importance of the future anti-money laundering authority (AMLA) as a new EU body for the prevention of money laundering and the financing of terrorism in the Union, by contributing to enhanced supervision and improved cooperation between Member States' financial intelligence units (FIUs) and supervisory authorities; calls for a clarification, in the EU AML framework, of the interplay between administrative and criminal law;
11. Stresses that the main challenge identified for the application of Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing<sup>5</sup> is the lack of direct applicability of those rules and the fragmentation resulting from diverging national approaches; highlights, in addition, the findings of the European Court of Auditors' (ECA) Special Report 13/2021, according to which 'EU efforts to fight money laundering in the banking sector are fragmented and implementation is insufficient'; underlines that such fragmentation could seriously compromise the integrity of the Union's financial system and cause serious vulnerabilities in the single market; welcomes the Commission proposals on a new European legal framework to counter money laundering, aiming to achieve the desired uniformity of application and to eliminate divergences and inconsistencies in implementation practices between Member States; undertakes to address the Commission proposals' shortcomings through Parliament's positions;
12. Calls for a clearer and more comprehensive definition of PEPs, and for enhanced scrutiny to be applied appropriately;
13. Recommends that the EU ensure that lawyers are considered obliged entities and subject to AML/CTF reporting obligations when they participate in financial or corporate transactions, including by providing tax advice or advice on citizenship or residence by investment schemes, where there is the risk that the services provided by those legal professionals are misused to launder the proceeds of criminal activity or to finance terrorism; takes the view that legal professional privilege should not apply when legal advice from lawyers, including tax advice, is knowingly provided or used by the client for the purposes of money laundering, its predicate offences or the financing of

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<sup>4</sup> OJ L 64, 11.3.2011, p. 1.

<sup>5</sup> OJ L 141, 5.6.2015, p. 73.

terrorism;

14. Regrets that the Council of EU Finance Ministers removed the Seychelles from the EU list of non-cooperative jurisdictions two days after the publication of the Pandora Papers; urges the Council to adopt a comprehensive reform of the EU list of non-cooperative jurisdictions for tax purposes to systematically cover countries that unjustly offer low tax rates to corporations and high net-worth individuals, contributing to tax avoidance in their home countries and increasing the risk of money laundering; urges the Commission to also closely monitor European countries and to initiate infringement proceedings when a Member State is found not to respect the listing criteria of the EU list of non-cooperative jurisdictions;
15. Points out that the Pandora Papers showed that United States Trusts have become a go-to vehicle for financial secrecy and points out that US states such as South Dakota, Florida, Delaware, Texas and Nevada make the United States one of the biggest players in the offshore world; calls on these states to be considered tax havens; calls on the Council to reassess the position of the United States in relation to the EU list, with particular regard to the tax transparency criteria;
16. Regrets that the United States is at the forefront globally in offering financial secrecy to corporations and individuals; urges the US Treasury Department to proceed with the remaining regulatory process to fully implement the law as soon as possible;
17. Welcomes the adoption of the first final rule on beneficial ownership reporting under the US Corporate Transparency Act; welcomes President Biden's call for a drive to expose and punish financial corruption; encourages the United States to continue the implementation of the Strategy on Countering Corruption, most notably the push to curb illicit finance through cooperation with international partners;
18. Welcomes the revision of Recommendation 24 by the Financial Action Task Force (FATF), which requires countries to prevent the misuse of legal persons for money laundering or terrorist financing; highlights that henceforth countries will have to require beneficial ownership information to be held by a public authority or body functioning as a registry of beneficial ownership or an equally effective alternative mechanism;
19. Deeply regrets the lack of a strong beneficial ownership criterion for the EU list of non-cooperative jurisdictions; calls on the Economic and Financial Affairs Council to come forward with a strong beneficial ownership criterion;
20. Highlights that beneficial ownership transparency is fundamental to stepping up the fight against tax crime, money laundering and the financing of terrorism; stresses that access to beneficial ownership information is often justified by legitimate public interest; calls on Member States' authorities to ensure that investigative journalists and civil society actors engaged in AML and CTF efforts have proper access to and are able to exercise scrutiny over this information; stresses that progress in tackling the use of anonymous companies for tax crime, money laundering or other criminal purposes can only be possible if information about beneficial owners is available in a timely manner in all jurisdictions, and if authorities are able to make use of that information and cross-check data for investigative purposes; asks the Commission to present proposals to



ensure that beneficial ownership information registers are accessible by natural and legal persons with a legitimate public interest, in compliance with data protection rules and privacy rights;

21. Recalls the important role of digital land registers in strengthening the fight against tax crime across the EU; calls on the Commission to actively support Member State authorities in completing the implementation of interconnected digitalised national land and real estate registers via a single access point, such as central registries or central electronic data retrieval systems, and make them interoperable; calls on the relevant Member State authorities to finalise national cadastral plans and feed reliable data into these registers; trusts that by allowing the identification, in a timely manner, of any natural or legal person holding or controlling land and buildings within their territory, such registers and systems will enhance transparency in the field of land and real estate ownership;
22. Welcomes further that the FATF is reviewing Recommendation 25 on the transparency and beneficial ownership information of legal arrangements;
23. Notes with concern that Member States have adopted beneficial ownership registers in very divergent ways, with different access conditions, different search functions and different mechanisms for data verification, if any; stresses that this has resulted in technical difficulties that have delayed the setting-up of the Beneficial Ownership Registers Interconnection System (BORIS);
24. Reminds the Commission and the Member States of the importance of making beneficial ownership information accessible to FIUs, law enforcement, tax administrations and obliged entities; deplores the fact that delays in Member States and the overall lack of coordination on the implementation process are undermining the effectiveness of a functioning interconnection system, and calls on all actors to address this delay as a matter of urgency;
25. Calls for tax havens to be automatically registered on the EU's anti-money laundering list of 'high-risk' third countries; recommends that states and jurisdictions which have strategic deficiencies in their regime for countering money laundering, terrorist financing and proliferation financing, where oligarchs, millionaires and companies hide their funds, be included in such lists; welcomes the adoption by the Commission of a delegated regulation adding the United Arab Emirates (UAE), among other third countries, to the EU's anti-money laundering list of 'high-risk' countries; stresses that on the Commission's methodology, where a country is listed by the FATF, it should automatically be added to the EU list of high-risk countries without further independent assessment, through a delegated act; recalls recent media revelations showing that the UAE has facilitated money laundering on a large scale and is actively used by Russian oligarchs to evade EU sanctions;
26. Recalls its resolution on reforming the EU list of non-cooperative jurisdictions for tax purposes<sup>6</sup>; calls for the EU and the Member States to respond to and implement this resolution's requests in any future review of the Code of conduct on Business Taxation;

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<sup>6</sup> European Parliament resolution of 21 January 2021 on reforming the EU list of tax havens (OJ C 456, 10.11.2021, p. 177).

points out that several individual Member States have more comprehensive blacklists than the EU, and calls on the Commission to reassess countries that appear on a national but not on the EU list and to provide a reasoned explanation for the absence of these countries;

27. Asks the Commission to publish a list of assets frozen or confiscated by each Member State following Russia's invasion of Ukraine and to share more information on the work conducted by the 'Freeze and Seize' Task Force; urges the Commission to provide precise information on Member States' progress in revoking or withdrawing citizenship and residence permits granted on the basis of financial investment to Russian and Belarusian nationals subject to EU restrictive measures;
28. Condemns the practice of operating citizenship by investment (CBI) schemes that confer citizenship on nationals of non-EU countries primarily in exchange for financial consideration; highlights the security, societal and money laundering risks of this practice and their inherent incompatibility with the principle of sincere cooperation, undermining the essence of EU integrity; calls on Malta as the only remaining Member State running such a scheme to stop the practice; recalls that residence by investment (RBI) schemes may pose similar risks and should therefore be subject to clear rules with strong due diligence and vetting procedures for applicants; reiterates its call in its resolution of 9 March 2022<sup>7</sup> to ban CBI schemes and regulate RBI schemes; invites the Commission to consider a possible future ban on RBI schemes;
29. Urges the Commission and EU agencies to adopt stricter guidelines for officials wishing to take up positions outside of the EU institutions after their service or during leave on personal grounds, given the alarming report of the European Court of Auditors<sup>8</sup> and the European Ombudsman's decision OI/1/2021/KR of 16 May 2022 on how the Commission manages 'revolving door' mobility of its staff members; calls for the EU institutions to make sure that restrictions imposed on former senior staff members or staff members on leave for personal grounds are effectively shared with and enforced by the new employer; calls on the Commission not to approve requests from former senior staff members to take up activities in the private sector when the Commission's internal assessment reveals reservations as to the possibility of mitigating the potential risks deriving from the moves; calls on the Member States to ensure undeclared 'revolving doors' are identified and compliance with existing legislation is safeguarded.

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<sup>7</sup> European Parliament resolution of 9 March 2022 with proposals to the Commission on citizenship and residence by investment schemes (OJ C 347, 9.9.2022, p. 97).

<sup>8</sup> 'Annual report on EU agencies for the financial year 2021', European Court of Auditors, 27 October 2022.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	12.1.2023
<b>Result of final vote</b>	+: 60 -: 0 0: 2
<b>Members present for the final vote</b>	Abir Al-Sahlani, Malik Azmani, Vladimír Bilčík, Malin Björk, Vasile Blaga, Patrick Breyer, Saskia Bricmont, Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Patricia Chagnon, Clare Daly, Lena Düpont, Lucia Ďuriš Nicholsonová, Laura Ferrara, Andrzej Halicki, Evîn Incir, Sophia in 't Veld, Patryk Jaki, Marina Kaljurand, Fabienne Keller, Łukasz Kohut, Moritz Körner, Alice Kuhnke, Jeroen Lenaers, Juan Fernando López Aguilar, Lukas Mandl, Erik Marquardt, Nadine Morano, Javier Moreno Sánchez, Theresa Muigg, Maite Pagazaurtundúa, Paulo Rangel, Karlo Ressler, Isabel Santos, Birgit Sippel, Sara Skyttedal, Vincenzo Sofo, Tineke Strik, Ramona Strugariu, Yana Toom, Milan Uhrík, Tom Vandendriessche, Elena Yoncheva
<b>Substitutes present for the final vote</b>	Loucas Fourlas, Beata Kempa, Ondřej Kovařík, Alessandra Mussolini, Matjaž Nemec, Sira Rego, Thijs Reuten, Domènec Ruiz Devesa, Loránt Vincze, Petar Vitanov, Tomáš Zdechovský
<b>Substitutes under Rule 209(7) present for the final vote</b>	Asim Ademov, Gunnar Beck, Isabel Benjumea Benjumea, Marian-Jean Marinescu, René Repasi, Antonio Maria Rinaldi, Mounir Satouri, Jörgen Warborn

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

60	+
ECR	Joachim Stanisław Brudziński, Jorge Buxadé Villalba, Patryk Jaki, Beata Kempa, Vincenzo Sofo
ID	Patricia Chagnon, Antonio Maria Rinaldi, Tom Vandendriessche
NI	Laura Ferrara
PPE	Asim Ademov, Isabel Benjumea Benjumea, Vladimír Bilčík, Vasile Blaga, Lena Düpont, Loucas Fourlas, Andrzej Halicki, Jeroen Lenaers, Lukas Mandl, Marian-Jean Marinescu, Nadine Morano, Alessandra Mussolini, Paulo Rangel, Karlo Ressler, Sara Skyttedal, Loránt Vincze, Jörgen Warborn, Tomáš Zdechovský
Renew	Abir Al-Sahlani, Malik Azmani, Lucia Ďuriš Nicholsonová, Sophia in 't Veld, Fabienne Keller, Moritz Körner, Ondřej Kovařík, Maite Pagazaurtundúa, Ramona Strugariu, Yana Toom
S&D	Evin Incir, Marina Kaljurand, Łukasz Kohut, Juan Fernando López Aguilar, Javier Moreno Sánchez, Theresa Muigg, Matjaž Nemec, René Repasi, Thijs Reuten, Domènec Ruiz Devesa, Isabel Santos, Birgit Sippel, Petar Vitanov, Elena Yoncheva
The Left	Malin Björk, Clare Daly, Sira Rego
Verts/ALE	Patrick Breyer, Saskia Bricmont, Alice Kuhnke, Erik Marquardt, Mounir Satouri, Tineke Strik

0	-

2	0
ID	Gunnar Beck
NI	Milan Uhřík

Key to symbols:

+ : in favour

- : against

0 : abstention

## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	21.3.2023
<b>Result of final vote</b>	+: 46 -: 0 0: 7
<b>Members present for the final vote</b>	Anna-Michelle Asimakopoulou, Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, Claude Gruffat, José Gusmão, Michiel Hoogeveen, Danuta Maria Hübner, Stasys Jakeliūnas, France Jamet, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Aurore Lalucq, Aušra Maldeikienė, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Denis Nesci, Luděk Niedermayer, Lefteris Nikolaou-Alavanos, Eva Maria Poptcheva, Evelyn Regner, Antonio Maria Rinaldi, Dorien Rookmaker, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtasun, Inese Vaidere, Stéphanie Yon-Courtin, Marco Zanni
<b>Substitutes present for the final vote</b>	Pascal Canfin, Damien Carême, Fabio Massimo Castaldo, Herbert Dorfmann, Bas Eickhout, Niels Fuglsang, Roman Haider, Margarida Marques, Fulvio Martusciello, Andżelika Anna Możdżanowska, René Repasi, Eleni Stavrou
<b>Substitutes under Rule 209(7) present for the final vote</b>	Gabriel Mato, Max Orville, Thomas Waitz

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

46	+
ECR	Andželika Anna Mozdżanowska, Denis Nesci
ID	Roman Haider, France Jamet, Antonio Maria Rinaldi, Marco Zanni
NI	Fabio Massimo Castaldo
PPE	Anna-Michelle Asimakopoulou, Stefan Berger, Herbert Dorfmann, Markus Ferber, Frances Fitzgerald, Danuta Maria Hübner, Aušra Maldeikienė, Fulvio Martusciello, Siegfried Mureşan, Luděk Niedermayer, Ralf Seekatz, Inese Vaidere
Renew	Pascal Canfin, Engin Eroglu, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtos, Caroline Nagtegaal, Max Orville, Eva Maria Poptcheva, Stéphanie Yon-Courtin
S&D	Marek Belka, Jonás Fernández, Niels Fuglsang, Aurore Lalucq, Margarida Marques, Csaba Molnár, Evelyn Regner, René Repasi, Pedro Silva Pereira, Paul Tang, Irene Tinagli
The Left	José Gusmão
Verts/ALE	Damien Carême, Bas Eickhout, Claude Gruffat, Stasys Jakeliūnas, Ernest Urtasun, Thomas Waitz

0	-

7	0
ECR	Michiel Hoogeveen, Dorien Rookmaker
ID	Gunnar Beck
NI	Lefteris Nikolaou-Alavanos
PPE	Isabel Benjumea Benjumea, Gabriel Mato, Eleni Stavrou

Key to symbols:

+ : in favour

- : against

0 : abstention