DRAFT 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))

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SUGGESTIONS

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

1. Denounces the existence of a shadowy offshore financial system with offices all over the world, which is allowing enrichment at the public’s expense;

2. Emphasises that the practices brought to light by the Pandora Papers revelations have a severe impact on the fiscal space of developing countries;

3. Considers that tax avoidance by multinationals and 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;

4. Emphasises the structural implications of the tax avoidance practices of both multinationals and individuals for developing countries’ fiscal capacities and mid to long-term growth prospects; highlights the increase in inequality and poverty caused by the lack of fiscal space as a result of tax avoidance;

5. Recalls that the upcoming global corporate minimum tax will define a fixed baseline for corporate taxation, thereby combating corporate tax avoidance, and calls for the resulting fiscal capacities to be used to build 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 for the prosecution of tax avoiders;

6. 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 identify tax evaders and calls for greater efforts to tackle financial secrecy, including supporting capacity-building for tax administrations and tax investigations in developing countries.