WRITTEN QUESTION E-3223/08
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to the Commission

Subject: European policy on firm relocations as a result of tax competition

The US Congress is considering a draft list of tax havens with a view to subjecting firms located in the countries concerned to special scrutiny designed to bring possible tax abuses to light (Dorgan and Levin bills). Anticipating possible future developments, the Chiquita Group has decided to transfer its trading company from Bermuda to Switzerland. The Swiss authorities are prepared to cut their corporation tax rate for this trading company to 4%, provided that the Chiquita Group moves its European headquarters, currently located in Antwerp, to Switzerland, concludes R&D contracts with Swiss research institutes and creates at least 100 jobs.

A recent study conducted in the United Kingdom puts the tax revenue lost as a result of the use of UK-linked tax havens alone at £ 3.6 billion per year. In addition, tolerating tax havens in Europe encourages abuses of the law and pseudolegality.

Does the Commission take the view that more stringent measures and proposals are needed in the EU in order to combat harmful tax competition in the area of the taxation of movable assets and corporations? How does the Commission intend to counter the damaging impact of tax competition?

What view does the Commission take of the proposals under consideration in the US Senate and of the moves to combine the listing of tax havens with systematic scrutiny by the US authorities of firms based in those tax havens? Is it prepared to consider a similar proposal for the EU and submit it to the Member States?