Subject: Uber avoids tax by channelling funds through the Netherlands

On 6 February, the online platform ‘Follow the Money’ published an article entitled: ‘How Uber continues to avoid tax by channelling funds through the Netherlands’, describing how Uber transfers all income outside the US to a Dutch holding company. Its global profits are kept artificially low by means of a EUR 16 billion redemption-free loan to the holding from the Singapore parent company at interest of 6% over the Euribor rate, while Uber continues to paying between 3% and 3.75% interest on other loans.

In 2017, the Commission opened an investigation into a similar ploy by IKEA, reasoning that the high interest paid by IKEA on an internal loan was not in line with market rates and that approval of this by the Dutch tax authorities was therefore possibly tantamount to state aid.

Does the Commission agree that there is a striking parallel with the IKEA scheme?

The Uber tax dodge is costing the Netherlands around EUR 325 million annually. Does the Commission not consider that approval of this by the Dutch tax authorities is accordingly tantamount to state aid?

As profits being channelled through the Netherlands and vanishing beneath the fiscal radar are coming from all over Europe, such tax avoidance has an unmistakable European dimension. Does the Commission therefore believe that matters could be improved through the introduction of a European withholding tax on interest, for example?