Subject: Supervising the use of tax havens by European banks

On 27 March 2017 Oxfam published a report entitled ‘Opening the vaults: the use of tax havens by Europe’s biggest banks’, in which, as the new rules introduced through the fourth Capital Requirements Directive in January 2015 allow, it drew on country-by-country data on the banking sector. Referring to the data, Oxfam pointed out that the top 20 EU banks are registering more profits in special tax jurisdictions than can be justified by the level of real economic activity taking place there. A large proportion of the profits declared is made despite the banks not employing a single person in the countries concerned. Furthermore, the biggest banks usually pay low or no taxes in those jurisdictions.

In view of your responsibility for supervising these banks:

– How are you ensuring that the activities conducted by EU banks in third countries are supervised effectively?
– Can you provide additional useful information on this issue?
– What are the risks do such practices pose to the financial stability of the Banking Union?
– What measures do you intend to take to address these risks?
– Would you conclude that further legislative action needs to be taken? If so, in what areas?