[EP and Council agree incomplete public country by country reporting, leaving out major tax havens: why EPSU cannot welcome a flawed jewel]

(Brussels, 2 June) Yesterday, the European Parliament, European Commission and the Council reached a political agreement on the Commission’s 2016 draft directive on public country-by- country reporting

Jan Willem Goudriaan, EPSU General Secretary, said: “We are disappointed that Parliament has accepted such a weak compromise text despite the strong and sustained support in Parliament and in society for global public CBCR.”

“As a trade unionist, I fully understand that compromises must be found but not on principles. This compromise is a gift to many governments and business lobbies: public reporting limited to the EU Member States and deeply flawed black and grey lists of tax havens. It fails to do what it is supposed to, to stop let multinationals deciding where they want to pay tax.“

"We look forward to discussing how the review clause after 4 years will be deployed towards real global public CBCR” concluded Mr Goudriaan.

As shown in the report, McDonald’s Unhappy meal, and many investigations of corporate tax avoidance, profit-shifting and tax avoidance stratagems never take place only within the EU.

It typically involves EU tax havens such as Luxembourg, Ireland or the Netherlands but also tax havens outside the EU e.g. Delaware, Switzerland, Singapore and others not currently in the EU black or grey lists.

Profit-shifting is a global business model.

The EP and Council have failed to recognize this mere fact and the compromise allows continuation of the model.

Parliament is short of its goal to extend the disclosure requirements to multinationals’ global operations, which they can instead present in an aggregate number (except for operations in EU black/grey lists).

The proposal will only apply to giant companies with an annual turnover of 750 M€ and introduces a new EU definition of a large company.

To make matters worse, companies will be able to withhold commercially sensitive tax information for 5 years (the so-called get-out clause). A review clause will kick in after 4 years.

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MEPs and EU governments will have to assume their responsibilities when they vote on the text for it to be fully adopted in the next few weeks.

For more details see PSI/EPSU statement and ETUC statement, dated 1 June 2021 and ETUC reaction to the deal

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