

Luxleaks : one year after, pressure is building up for corporate tax transparency



(9 November 2015) Piketty and MEPs join trade union leaders in writing to EU governments to demand public country-by-country reporting, whilst civil society makes voice heard in support of tax whistleblowers.

Pressure is building on the European Commission and EU governments to extend requirements on public country-by-country reporting (CBCR) to all large companies. The European Parliament has proposed public CBCR in the Shareholders' Directive. The text of the Directive is now in the so-called 'trialogue' negotiations where a final text will be thrashed out between the Parliament, the European Commission and the Council, representing member states. All indications point to there being serious resistance to public CBCR from both of the latter institutions.

Yet it should not be a controversial proposition. All that is being asked is that multinational companies operating in the EU make available information on where

they make their profits and how much tax they are paying in each country. It is information they already have, but the fact that they can keep in secret only allows them to shift profits around Europe in such a way that they can reduce their effective tax rate to next to nothing.

This information would make it much easier for tax inspectors to do their job and track down big companies that avoid tax. It would also mean that trade unions, civil society and citizens could exercise their democratic right to know how much multinationals are contributing to public services.

EPSU General Secretary Jan Willem Goudriaan signed [a joint letter which was published in the UK newspaper](#), The Guardian, on 5 November, which called on the EU to tackle corporate tax dodging, and specifically to enact CBCR.

Last week also marked the one year anniversary of the LuxLeaks revelations. The whistleblowers and journalists who exposed the industrial scale of corporate tax avoidance in Luxembourg are still facing criminal charges.

The EPSU Executive committee joined the Global Alliance for Tax Justice action, blowing whistles to show support for legal protection of whistle blowers and again to build the pressure for CBCR. [Here's a short video of the action.](#)

As technical as it sounds, CBCR is really about transparency, plain and simple. It has finally been starting to get more attention. Apart from the letter in the Guardian, there was also a [letter penned by Spanish MEP Ramón Jáuregui](#) and co-signed by Thomas Picketty and several other MEPs including Sergio Cofferati and Gianni Pitella published in El País on 2nd November. [A long piece also appeared in Mediapart](#), a French News site, that as well as highlighting the need for CBCR, also singles out McDonald's as a company that uses patent boxes to shift profits and avoid tax. The Austrian paper Die Presse also published [an article signed by MEP Evelyn Regner](#), calling for tax transparency.

You can find out more about the civil society action in support of whistleblowers and CBCR in French in [this short article on the ATTAC France website](#), or [watch this video from Euronews](#) in English about the action.

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