

## Time for McDonald's to come clean on its aggressive tax avoidance strategies

(Press Release - embargoed 14 March 2016) McDonald's will once again face fierce grilling from MEPs in the TAXE Committee over its aggressive tax avoidance strategies this Tuesday 15 March.

*'McDonald's misled the European Parliament's Special Tax Committee last time round,'* says Jan Willem Goudriaan, General Secretary of the European Public Service Union (EPSU).

*'When asked repeatedly by MEPs about its presence in tax havens, the multinational failed to give the full picture. McDonalds cited Hong Kong as the sole tax haven in which it operates, and that this is only so that it can sell hamburgers there. We now know that the company has entities in known tax havens where there is not a single McDonald's Restaurant.'*

Mr Goudriaan added: 'McDonald's omitted to mention that it benefited from two of the infamous Luxembourg tax rulings at the very committee charged with following up on the LuxLeaks scandal. When challenged on how much tax it pays in Luxembourg, the company's representatives refused to give MEPs a figure. Thanks to the Commission's investigation we now know that McDonald's effective corporate tax rate in this jurisdiction was next to nothing.'

*'McDonald's appears to have been vague and deceptive in its previous evidence to the Parliament. This has to stop. When the company's representative appears before the TAXE Committee on 15 March, she must give direct answers to concrete questions. Why is McDonald's using tax havens and why its Luxembourg subsidiary collecting more than 800-million euro royalties a year is paying so little tax in Europe?'* added Mr Goudriaan.

McDonald's will be questioned alongside Ikea, Google, Apple and Fiat-Chrysler.

### **Note to Editors**

In February 2015, a unique coalition of trade unions and NGOs came together to expose McDonald's tax avoidance in Europe. The Unhappy Meal report released last

year by the trade union federations EPSU, EFFAT and SEIU as well as UK campaign group War on Want shows how this transfer pricing system allowed McDonald's to potentially avoid over €1bn in taxes across the continent between 2009 and 2013. On the basis of this information, the European Commission launched an investigation in December 2015 into possibly illegal state aid given to McDonald's by Luxembourg in the form of two tax rulings.

EPSU is the European Federation of Public Service Unions. It comprises 8 million public service workers in all European countries. Our members include tax inspectors and we firmly believe in the importance of a fair tax system to deliver quality public services. That's why EPSU has been at the forefront of the campaign for tax justice at European level since 2012.

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