



Press Release - 18 October 2016

**TRADE UNIONS REVEAL MCDONALD'S AVOIDED OVER €1.5 BN IN EU TAXES;
CALL ON EU GOVERNMENTS TO FOLLOW COMMISSION'S LEAD AND INVESTIGATE
MCDONALD'S TAX AVOIDANCE STRUCTURES**

(18 October 2016) As Parliamentarians from across Europe gather to discuss corporate tax avoidance by multinationals at the Interparliamentary Conference in Bratislava this week, an international coalition of major trade unions from the EU and US has released new information detailing how McDonald's aggressively avoided taxes on both sides of the Atlantic.

The observations complement the [Unhappy Meal](#) report first released by the unions in February 2015, which showed that McDonald's may have avoided over €1bn in EU taxes between 2009-2013. The findings feed into the European Commission's ongoing state aid investigation into the tax rulings sought by McDonald's in Luxembourg, and raise concerns about the application of General Anti-Abuse Rules under national laws, including in Luxembourg itself.

In particular:

- **McDonald's tax dodge is growing each year, and has reached a total of €1.5 billion.** In the 2013 report 'Unhappy Meal', the coalition found McDonald's dodged €1 billion from 2009 to 2013. Since then, its effective tax rate was cut even further, first to 1% in 2014, then to just 0.7% in 2015.
- **McDonald's created a branch in Luxembourg that carries out no economic activity whatsoever.** Despite being the "Head Office", the Luxembourg branch neither manages the company, the franchise rights or their royalties. These are all carried out in the company's Swiss branch.

The findings give fresh impetus to the Commission's investigation into how McDonald's achieved double non-taxation. Moreover, and similar to the call made by Commissioner **Vestager** in August, Member States that have anti-avoidance or anti-abuse rules should investigate McDonald's for aggressively optimising its corporate structure to avoid paying tax in their countries. In particular, the French government should conclude its ongoing tax investigation into McDonald's and request payment of all back taxes and penalties due; and the Italian tax authorities should open an investigation into a pending complaint that McDonald's may have avoided over €200 million in the country.

Jan Willem Goudriaan, EPSU General Secretary, said:

"McDonald's is leading the way in the global race to the bottom among corporations. When you think they couldn't go any lower, they manage to slash their tax rate still further and deprive public services of much-needed revenues."

Harald Wiedenhofer, EFFAT General Secretary, said:

"This new information shows just how far companies like McDonald's are willing to go to avoid paying their fair share of tax. It is now clear that the company has invented an artificial structure for the sole purposes of dodging taxes."

Scott Courtney, SEIU Executive Vice President, said:

“The aggressive pursuit of ultra-low tax rates ultimately hurts everyone, from suppliers to competitors, consumers to taxpayers, and society as a whole. Lawmakers everywhere have a duty to scrutinise such behaviour and take all appropriate action to punish it.”

Background

The [Unhappy Meal](#) report was published in January 2015 by a coalition of European and American trade unions, representing more than 15 million workers in different sectors of the economy in 40 countries, and War on Want, the UK-based anti-poverty campaign group. It was the first time they had joined forces to highlight an example of corporate tax avoidance, a critical issue affecting the future of democracy and the welfare state.

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EPSU is the **European Federation of Public Service Unions**. It is the largest federation of the ETUC and comprises 8 million public service workers from over 263 trade unions; EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighborhood. EPSU is the recognized regional organization of Public Services International (PSI). For more information please go to: <http://www.epsu.org>

EFFAT is the **European Federation of Food, Agriculture and Tourism Trade Unions**. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 2.6 million members towards the European Institutions, European employers' associations and transnational companies. EFFAT is a member of the ETUC and the European regional organization of the IUF. For more information please go to: <http://www.effat.org>

SEIU is the **Service Employees International Union** that unites 2 million diverse members in the **United States, Canada and Puerto Rico**. SEIU members working in the healthcare industry, public sector and in property services believe in the power of joining together on the job to win higher wages, benefits and create better communities, while fighting for a more just society and an economy that works for all of us, not just corporations and the wealthy. <http://www.seiu.org/>