

News

## The European Parliament discusses a proposal to force transnational corporations to disclose the country where they pay tax



06/19/2017 - 17:21

**Author:** Júlia Hinojo - Suport Associatiu



The proposal will be voted in the plenary session in early July. Photo: Pixabay.

-



The measure was adopted with 38 votes in favour, 9 against and 36 abstentions. Photo: Wikipedia.



Members of the Platform for Fiscal Justice, one of the organisations pressing to promote transparency measures. Photo: Plataforma por la Justicia Fiscal.





Miguel Alba, a representative of Oxfam Intermon in the Platform for Fiscal Justice. Photo: Plataforma por la Justicia Fiscal.



Alex Cobham, chairperson of the international Tax Justice Network organisation. Photo: Tax Justice Network.

-



Image of one of the campaigns launched by the Platform for a Fair, Environmental and Solidarity Taxation.  
Photo: Plataforma per una Fiscalitat Justa, Ambiental i Solidària.

Organisations defending fiscal transparency regret the amendment introduced by conservative groups, who reject disclosing this information when it is “commercially sensitive”.

**Tax evasion scandals by large corporations as revealed by the LuxLeaks case in 2014 or the more recent Panama Papers led the [European Parliament](#) to discuss a proposal last Monday 12 June to force transnational corporations with a yearly revenue of more than 750 million Euro and headquarters in the EU to disclose the amount of tax they pay and the country where they pay taxes.**

The committees on [Legal Affairs](#) and [Economic Affairs](#) adopted the measure **country-by-country report by 38 votes in favour, 9 against, and 36 abstentions.**

This large number of abstentions is due to the discontent among representatives with the last-minute **amendment** introduced by conservative groups.

The European People's Party, whose Spanish representative is Rosa Estarán, and the Alliance of Liberals and Democrats for Europe (ALDE), with the Spaniard Enrique Calvet, supported a **clause that relieves transnational corporations with “commercially sensitive information” from having to disclose their fiscal information.**

### **Spanish, Catalan and international platforms deceived**

“The amendment mentions an **indeterminate** legal concept, “*commercially sensitive*” that is subject to many different interpretations. This leaves an open door for many transnational corporations to choose not to adopt the measure”, regrets **Xavier Martínez**, who holds a **PhD in Taxation Law** and is a member of the [Platform for a Fair, Environmental and Solidarity Taxation](#).

**Alex Cobham**, Director of the [Tax Justice Network](#), an international network that studies, researches and defends fiscal transparency, says that the fiscal information of corporations that compete with one another based

on the **advantages of tax avoidance** will always be “commercially sensitive”.

“We should be seeing the more productive companies taking the lead; not the ones with the **less scrupulous** legal and accounting teams. And companies making more money should **pay more tax**, because they are the ones benefiting the most from infrastructures, human capital and market conditions **provided by the State**”, according to Cobham.

### Final vote in July

Abstentions, including that of **Ernest Urtasun**, the representative of the Greens and spokesperson of ICV, allowed extending the debate **until early July**, when a final vote will be held at the EP's **plenary meeting**.

**Miguel Alba**, a representative of [Oxfam Intermón](#) in the [Platform for Fiscal Justice](#), admits that it will be **difficult to remove the amendment** adopted on Monday, because of the weight that parties promoting it have in the Parliament, with almost 300 MEPs from the 751 in total.

“It may be possible for other groups to submit other amendments, but it is unlikely they'll go through”, Alba says. He believes that the proposal adopted this week will be the one to take effect. “The measure **is not as ambitious** as it should be”, he declares.

### 90% of companies operating internationally will be left out

Besides disagreeing with the **exceptions** defended by the conservatives, Alba also criticises that fiscal transparency will only be **compulsory for the largest corporations**. “Many companies operating internationally won't have to disclose this information”, he adds.

A [report](#) published by Oxfam last year indicated that, with this limitation, the measure would only affect **183 of the 24,000 large corporations** that declare tax in the **Spanish State**. In Europe there are **1,900 corporations** that are larger than what the clause mentions. “This would leave out from **85 to 90%** of corporations from the EU with **international operations**”, Alba tells us.

**Tags:** [transparency](#)  
[economic affairs](#)  
[taxation](#)  
[justice](#)  
[European Parliament](#)

### Links of interest

- [About us](#)
- [Contact](#)
- [Legal terms](#)
- [Cookies policy](#)

### Follow us



[Visit us on Twitter](#)



[RSS](#)

**Source URL:** <https://nonprofit.xarxanet.org/news/european-parliament-discusses-proposal-force-transnational-corporations-disclose-country-where>