

Commissioner details new measures against intermediaries who help tax evasion

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The European Commission will draw up new proposals to crack down on intermediaries who facilitate tax evasion says Commissioner Pierre Moscovici.

Speaking at a regular hearing with the Economics Committee, the Commissioner responsible for Economic and Financial Affairs, Taxation and Customs briefed MEPs on the aims behind the proposed crackdown, and gave details of the planned EU blacklist of tax havens to be published later this year, as well as recent exchanges with members of the new US administration.

Measures against all intermediaries and all harmful practices

The European Parliament has called for tougher measures against intermediaries who design complex financial structures to help clients avoid paying tax. These intermediaries include consultants, lawyers, financial and investment advisors, accountants, financial institutions, insurance intermediaries and "Trust and Company Service Providers".

Petr Jezek (ALDE, CZ) and Miguel Urban Crespo (GUE/NGL, SP) asked for more details about the proposals. Commissioner Moscovici said the measures would be tough and wide-ranging. He expected to make them public in June. The rules would include all intermediaries, cover all harmful practices, and all jurisdictions, he said. "These are the three major pillars upon which we are basing our proposal."

Eva Joly (Verts/ALE, FR) wanted to know whether the proposals would include criminal sanctions. Commissioner Moscovici said the Commission would prefer a "hard law", rather than a "soft law", such as a code of conduct, but "we don't think that there'll be criminal sanctions involved."

List of tax havens should not be a "paper tiger"

Jeppe Kofod (S&D, DK) asked the Commissioner for more details about the prospective list of tax havens which the Commission has been working on over recent months. Mr Moscovici said the list would be presented to ECOFIN in June, with its likely adoption by the end of September.

"We have to stay on track. The Economics committee has sent out a strong message that there should be real penalties. The list should not just be a paper tiger," he said.

The Commissioner also briefed MEPs on his exchanges with members of the new US administration. He said he had met the new US Secretary of the Treasury, Steve Mnuchin, and economic advisor to the US President, Gary Cohen to press the case for global tax transparency.

"It's no secret that the EU wants reciprocity on exchange of information [in tax matters]," he said. But like the EU, the United States needed to scrutinise its tax system.

Role of dependent territories in tax evasion.

Dariusz Rosati (EPP, PL) and Maite Pagazaurtundua Ruiz asked about the role of dependent territories in tax evasion. Both MEPs wondered whether there was a need for further legislation to prevent taxes from being shifted to these jurisdictions.

Press release

Mr Moscovici replied that by focusing on country-by-country reporting and also making the subsequent information public "I am convinced that we will enhance transparency.

Further information

- Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion:
<http://www.europarl.europa.eu/committees/en/pana/home.html>

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