

## Tax Justice & Poverty - European workshop on tax dodging and illicit financial flows

Evelyn Regner

**Public country-by country** reporting is a **forceful weapon to fight tax evasion and profit shifting**. It will not only oblige big multinationals to disclose where they make a profit and how much they pay in taxes. Ensuring corporate transparency will make it much harder for Facebook and Starbucks to shop around for the lowest tax rate, or set up over-complex structures to evade paying taxes. Citizens have a right to know where multinationals do business and make profits, who is paying a fair share of taxes and who is free-riding by not providing their contribution to our societies.

- especially developing countries would benefit from pCBCR in the version the EP amended it. In the agreed position of the Plenary of the Parliament, I could arrange that the reporting should take place in an **disaggregated way for every country in the world**, no difference if it is an EU Member State or a Country on the Blacklist of tax heavens.
- ONLY reporting on a country by country basis in an disaggregated manner would benefit developing countries, because that avoids the evasion to another developing country which is not on the Blacklist. Otherwise, Multinational Entities would have an easy move to go to other, often poor developing countries agreeing with their governments to invest in their country, to open up some stores or dependences in exchange of having a low tax rate and the possibility to shift their profits to the given country.

**As rapporteur I am extremely disappointed** that MS did not finally unblock pCBCR in the COMPET Council end of Nov. The argument this initiative is a tax based initiative is a shabby excuse, as accounting rules and transparency rules for COMPANIES (not financial institutions like banks) are “usual” accounting measures. We will not oblige TAX Authorities to disclose any confidential data, but the multinationals themselves are here obliged to be responsible and accountable. They owe the people and the workers who pay their taxes a minimum of accountability.

However, I am very happy that in the Austrian National Parliament a majority voted in favour of the directive, which now leads to an end of the blockade position of Austria in Council. This could be a game changer.

Now, **the fight continues** on public CBCR, but also on other initiatives fighting for tax justice

- OECD is currently finalising their work on BEPS 2.0 which would ensure that digital companies finally pay their fair share and lead to a level of minimum taxation - on OECD level
- we have to push for an ambitious outcome - the ECON resolution with our demands from will be voted soon in the EP

And we should always bear in mind that we need **gender equality** as well in Europe - and in developing countries - to ensure tax justice

- on the one hand it's women who would benefit most from transparency
- on the other hand we need women in political power in order to reach transparency