Basic information

2016/3044(RSP) RSP - Resolutions on topical subjects	Procedure completed
Recommendation to the Council and the Commission following the inquiry into money laundering, tax avoidance and tax evasion See also 2017/2013(INI) **Subject** 3.45.04 Company taxation 7.30.30.08 Capital outflow, money laundering	

Key players

European Commission	Commission DG	Commissioner
	Taxation and Customs Union	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
13/12/2017	Decision by Parliament	T8-0491/2017	Summary
13/12/2017	Results of vote in Parliament		
13/12/2017	End of procedure in Parliament		

Technical information

Procedure reference	2016/3044(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Resolution on statement
Amendments and repeals	See also 2017/2013(INI)
Legal basis	Rules of Procedure EP 215
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	PANA/8/08821

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Motion for a resolution		B8-0660/2017	11/12/2017	
Text adopted by Parliament, single reading		T8-0491/2017	13/12/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2018)101	21/02/2018	

Recommendation to the Council and the Commission following the inquiry into money laundering, tax avoidance and tax evasion

2016/3044(RSP) - 13/12/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 492 votes to 50, with 136 abstentions, a recommendation to the Council and the Commission following the inquiry into money laundering, tax avoidance and tax evasion.

The recommendation noted that the Panama Papers have shaken citizens' trust in our financial and tax systems. It is crucial to restore public confidence and ensure fair and transparent tax systems and tax and social justice.

Parliament emphasised the urgent need to **redefine the European taxation model** in order to limit unfair competition between the Member States.

It deplored the number of cases of maladministration that Parliament's 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 has uncovered in relation to the implementation of EU legislation.

Considering it regrettable that many **loopholes** still exist in the current legislation on tax evasion and anti-money laundering at both EU and national level, Parliament considered that thorough implementation and further strengthening of the existing legislation is urgently needed.

While welcoming the increased efforts and progress made since the publication of the Panama Papers in putting forward new legislative proposals aimed at introducing inclusive strategies, Parliament regretted the **lack of political will** among some Member States to make progress with reforms and enforcement that would bring effective change.

It considered it regrettable that tax policy issues at Council level are often blocked by individual Member States. It reiterated its call on the Commission to use the procedure laid down in Article 116 TFEU which makes it possible to **change the unanimity requirement** in cases where the Commission finds that a difference between the provisions laid down by law, regulation or administrative action in Member States is distorting the conditions of competition in the internal market.

Tax evasion and tax avoidance: Parliament called for the urgent need for a **common international definition** of what constitutes an offshore financial centre (OFC), a tax haven, a secrecy jurisdiction, a non-cooperative tax jurisdiction and a high-risk country in terms of money laundering. These definitions should to be internationally agreed without prejudice to the immediate publication of the **EU common blacklist.**

Parliament also welcomed the leading role of the Commission in drawing up criteria for a **common EU list of non-cooperative tax jurisdictions**. It called on the Council and the Commission to put in place a transparent and objective review mechanism, including the involvement of Parliament, to update the list in the future.

It called for **sanctions** to be applied to intermediaries such as companies, banks, accountancy and law firms, and tax advisers proven to have been involved in illegal, harmful or wrongful activities with non-cooperative jurisdictions or proven to have facilitated illegal, harmful or wrongful corporate tax arrangements involving legal vehicles in those jurisdictions.

The Commission is called on to:

- present, by the end of **2018, a report assessing the tax regimes of Member States and their dependent jurisdictions** that facilitate tax evasion and tax fraud and have a potentially harmful impact on the single market;
- present a legislative proposal to ensure that **offshore structures** with beneficial owner(s) in the Member States are subject to similar auditing and account disclosure requirements as apply in the European jurisdiction where the beneficial owner is located;
- present a legislative proposal to revise the Directive on Administrative Cooperation (DAC) in order to further enhance tax cooperation between Member States;
- present a legislative proposal to address the issue of cross-border **conversions and transfers of seats** and to provide clear rules on the transfer of a company's headquarters within the EU, including rules to counteract letterbox companies;
- amend European legislation to prohibit EU funding going to ultimate beneficiaries or financial intermediaries proven to be involved in tax evasion or aggressive tax planning;
- create a **mandatory standardised public European Business Register** in order to obtain up-to-date and trustworthy information on companies and to achieve transparency via cross-border access to comparable and reliable information on companies in the EU;

- refrain from concluding trade agreements with jurisdictions defined by the EU as tax havens;
- ensure proper law enforcement of the **anti-money laundering** Directive (AMLD) provisions;
- finalise, as soon as possible, a thorough assessment of the possible legal basis for further action at EU level and, if appropriate, to submit comprehensive legislation covering both the public and private sectors, including **tools to support whistle-blowers** to ensure that they are given effective protection and adequate financial assistance as soon as possible;
- set up a **general fund**, financed in part from money recovered or proceeds from fines, to give appropriate financial support to whistle-blowers whose livelihood is put at risk as a result of disclosures of relevant facts;

Lastly, Parliament stressed that the current legal framework for the operation of committees of inquiry in the European Parliament is outdated and falls short of providing the necessary conditions under which the exercise of Parliament's right of inquiry can effectively take place. It resolved to establish a **permanent committee of inquiry**, on the model of the US Congress.