

Basic information	
2020/2863(RSP)	Procedure completed
RSP - Resolutions on topical subjects	
Resolution on reforming the EU list of tax havens	
Subject	
2.70.02 Indirect taxation, VAT, excise duties	

Key events			
Date	Event	Reference	Summary
20/01/2021	Debate in Parliament		
21/01/2021	Decision by Parliament	T9-0022/2021	Summary
21/01/2021	Results of vote in Parliament		
21/01/2021	End of procedure in Parliament		

Technical information	
Procedure reference	2020/2863(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 142-p5
Stage reached in procedure	Procedure completed
Committee dossier	ECON/9/04599

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Motion for a resolution		B9-0052/2021	19/01/2021	
Text adopted by Parliament, single reading		T9-0022/2021	21/01/2021	Summary
European Commission				
Document type	Reference	Date	Summary	
Commission response to text adopted in plenary	SP(2021)223	09/07/2021		

Resolution on reforming the EU list of tax havens

The European Parliament adopted by 587 votes to 50, with 46 abstentions, a resolution on reforming the EU list of tax havens.

Increased governance, transparency and consistency

While recognising the positive impact of the EU's list of tax havens, Members regretted that it does not live up to its full potential as jurisdictions currently on the list cover less than 2 % of worldwide tax revenue losses, making the list confusing and ineffective. They called for the list to be strengthened through increased transparency and consistency, stricter and more impartial listing criteria, and stronger defensive measures against tax avoidance.

In general, Parliament considers that the EU list needs to be reformed by the end of 2021 to protect the EU from any further revenue losses in the post-COVID-19 recovery period. It recommends that the process should be formalised, notably via a legally binding instrument.

Members called on the Council to task the Commission with the assessment of third jurisdictions based on clear and transparent criteria, as well as with making a listing proposal to the Council that should be released publicly before the Council formally adopts the list and its revisions. The importance of transparency in the listing process is to allow for public scrutiny and increase the democratic accountability of decision-makers.

Members also question whether an informal body such as the Code of Conduct Group is able or suitable to update the blacklist. In this regard, Parliament's role in relation to the Code of Conduct Group should be enhanced with regular exchanges.

Members stressed that a better example should be set at EU level regarding tackling tax evasion and harmful tax practices. Therefore, there is a need for consistency between the listing criteria and the criteria for harmful tax practices within the EU.

Updating the EU listing criteria

Parliament called for clarity on the forthcoming transparency criterion with regard to ultimate beneficial ownership. The current listing process for third countries does not include a standalone criterion on 0 % or very low tax rates.

The resolution noted that some of the most harmful third jurisdictions, including the Cayman Islands and Bermuda, were removed from the list upon their introduction of very minimal substance criteria and weak enforcement measures.

Members stated that all jurisdictions with a 0% corporate tax rate or with no taxes on companies' profits should be automatically placed on the blacklist.

Coordination of defensive measures

Parliament highlighted that the EU toolbox of defensive measures is undermined by discretionary application by individual Member States. They called on the Commission to consider putting forward a legislative proposal for coordinated defensive measures against tax avoidance and evasion.

Taking note of the 'grey list' for jurisdictions that are not compliant but are committed to Change, Parliament called on the Council and Member States to introduce specific measures such as increased audits or enhanced 'know your customer' policies for transactions and due

diligence for those jurisdictions.