

Recommendations for the EP Special Committee on Tax Rulings (TAXE)

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Fool's Gold

- SOMO latest report exposes how several aspects of Dutch and EU policies enable tax dodging by multinationals.
- Canadian mining Company Eldorado Gold set up an intra-company financing structure to shift profits from Greece to Barbados, with a key role for Dutch letterbox companies.

Transparency

- Mandatory and public country-by-country reporting for all sectors
- Exchange of information between EU member states on tax payments. Sharing information is a joint responsibility.
- Increase transparency on tax rulings

Letterbox companies and substance requirements

- Letterbox companies (SPEs) used for tax (avoiding) purposes – but also social dumping and investment treaties.
- Coherent EU approach is necessary to strengthen substance requirements and tackle abuse.

Withholding taxes

- Tool to stop tax base erosion
- EU directives (I&R Directive and PSD Directive) as well as Dutch law (NL levies no WHT on interest and royalties) lead to double non-taxation
- WHT needs to be levied in case of payments to tax havens (eg. to Barbados).
Review of the I&R Directive in 2015 as a possibility?

Race to the bottom

- Continued discussion of impact of Dutch tax regime
- Benefits seem overestimated while costs (especially for others) are neglected
- Quantity of investments is prioritized over quality
- Race to the bottom is destructive to political and economic union