

Fabio De Masi, MEP

European Parliament, Rue Wiertz 60, WIB 03M031, 1047 Brussels

Dear President Čeferin,
Dear Mr Rummenigge,

I am writing to you in my capacity as Vice Chair of the Inquiry Committee of the European Parliament on Money Laundering, Tax Avoidance and Tax Evasion (PANA) set up after the so called Panama Papers leak. Our committee also deals with the repercussions from the Football Leaks.

I would like to draw your attention to the international dimension of the Beckham Law and gather some information about the role of UEFA and the European Club Association in ensuring a “level playing field” between the major European football leagues.

As you are aware the football player from Real Madrid Cristiano Ronaldo is being accused of tax evasion and the legal proceedings under preparation receive considerable public attention.

A decisive aspect of that case is whether Ronaldo was rightfully entitled to the so called Beckham Law which the former Spanish PM José María Aznar had implemented to attract foreign top managers to Spain. It entails a tax rate of just 25 per cent exclusively for revenues obtained in Spain. The law also benefitted football players. However, the socialist government of Spain later limited the scope of the law to managers.

Hence, the legal case against Ronaldo centres around the question whether Ronaldo underreported income in Spain between 2011 and 2014 by channelling advertisement income via a letterbox company on the British Virgin Islands to Ireland or whether he is right to claim that 92 percent of his advertisement revenues cannot be attributed to Spain.

As *Süddeutsche Zeitung* reported recently (“Ronaldos millionenschwere Lücken” by Javier Cáceres, June 13th) the general director of Real Madrid José Ángel Sánchez demands to reinstate the Beckham Law for football players as in the British Premier League football players would receive higher salaries and pay less taxes.

You will agree with me that the public rightfully expects moral integrity from football. The European football industry is built on the enthusiasm of millions of fans who channel a decisive proportion of their income into merchandise and tickets for the most beautiful game in the world. It would be hence very unfortunate if in a time of crisis, hardship and uncertainty for millions of European citizens, EU member states engage in a race to the bottom for a minority of top earners in the football industry.

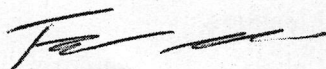
However, as the Beckham Law falls under the remit of income tax neither the European Commission nor the Code of Conduct Group of EU member states set up to discuss and eliminate aggressive tax planning in the field of corporate taxation have meaningful tools to address the aforementioned issues. With Brexit it will be even more complicated to foster meaningful cooperation with the Premier League.

Hence, I am writing to you to gather information on how far UEFA is engaged in the process of preventing major European leagues from further undermining the public image of world class football by lobbying their domestic governments for "beggar thy neighbour" via income taxation.

Many colleagues in the European Parliament from different political groups share my concerns and I would be grateful if I could share your answer with the European Parliament - foremost the PANA committee and the Sports intergroup - to elaborate with my colleagues how to advance a meaningful dialogue with UEFA and European Football Clubs on the subject.

I remain at your disposal and look forward to your response.

Kind Regards,



Fabio De Masi, MEP