



Procedure file

Basic information		
INI - Own-initiative procedure	2013/2060(INI)	Procedure completed
Fight against tax fraud, tax evasion and tax havens		
Subject		
2.70.02 Indirect taxation, VAT, excise duties		
2.80 Cooperation between administrations		
3.45.04 Company taxation		
7.30.30.06 Action to combat economic fraud and corruption		
7.30.30.08 Capital outflow, money laundering		
8.70.04 Protecting financial interests of the EU against fraud		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		10/07/2012
		S&D KLEVA KEKUŠ Mojca	
		Shadow rapporteur	
		PPE PIETIKÄINEN Sirpa	
		ALDE SKYLAKAKIS Theodoros	
		Verts/ALE EICKHOUT Bas	
		ECR STREJČEK Ivo	
	Committee for opinion	Rapporteur for opinion	Appointed
	DEVE Development (Associated committee)		22/01/2013
	Verts/ALE JOLY Eva		
CONT Budgetary Control		28/01/2013	
	Verts/ALE STAES Bart		
JURI Legal Affairs	The committee decided not to give an opinion.		
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.		
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3238	14/05/2013
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union	ŠEMETA Algirdas	

Key events			
06/12/2012	Non-legislative basic document published	COM(2012)0722	Summary

18/04/2013	Committee referral announced in Parliament		
18/04/2013	Referral to associated committees announced in Parliament		
24/04/2013	Vote in committee		
03/05/2013	Committee report tabled for plenary	A7-0162/2013	Summary
14/05/2013	Resolution/conclusions adopted by Council		Summary
21/05/2013	Results of vote in Parliament		
21/05/2013	Debate in Parliament		
21/05/2013	Decision by Parliament	T7-0205/2013	Summary
21/05/2013	End of procedure in Parliament		

Technical information

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Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
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Committee dossier	ECON/7/11580

Documentation gateway

Document attached to the procedure		COM(2012)0351	27/06/2012	EC	Summary
Non-legislative basic document		COM(2012)0722	06/12/2012	EC	Summary
Committee draft report		PE504.066	29/01/2013	EP	
Amendments tabled in committee		PE505.996	01/03/2013	EP	
Committee opinion	CONT	PE504.241	23/04/2013	EP	
Committee opinion	DEVE	PE506.062	24/04/2013	EP	
Committee report tabled for plenary, single reading		A7-0162/2013	03/05/2013	EP	Summary
Text adopted by Parliament, single reading		T7-0205/2013	21/05/2013	EP	Summary

Fight against tax fraud, tax evasion and tax havens

The Commission presented a Communication on concrete ways to reinforce the fight against tax fraud and tax evasion including in relation to third countries.

Estimates of the size of the shadow economy in the EU of nearly one fifth of GDP, gives a first indication of the extent of the problem. Also, tens of billions of euro remain offshore, often unreported and untaxed, reducing national tax revenues.

In recent years, the challenge posed by tax fraud and evasion has increased considerably. The globalisation of the economy, technological developments, the internationalisation of fraud, and the resulting interdependence of Member States' tax authorities reveal the limits of strictly national approaches and reinforce the need for joint action.

On 2 March 2012, the European Council therefore called on the Council and the Commission to rapidly develop concrete ways to improve the fight against tax fraud and tax evasion, including in relation to third countries and to report by June 2012. In April the European Parliament adopted a [resolution](#) echoing the urgent need for action in this area.

This Communication outlines how tax compliance can be improved and fraud and evasion reduced, through a better use of existing instruments and the adoption of pending Commission proposals. It also identifies areas where further legislative action or coordination would benefit the EU and Member States.

The main suggestions proposed by the Commission are as follows :

(1) More effective tax collection within Member States : fair and ambitious fiscal consolidation is impaired by inefficient and ineffective tax collection.

The broad analysis carried out by the Commission in the context of the European Semester and translated into recommendations both to individual Member States and the Eurozone has revealed that for many Member States there are real and substantial problems of tax evasion sometimes linked to poor administrative capacity. Country-specific recommendations regarding these issues were addressed to 10 Member States. In this context, specific technical assistance programmes are already available and the Commission invites Member States to rely on them when designing programmes to improve the functioning of their tax administrations, enhancing administrative capacity and tax compliance. For the future, there is a need for an effective successor to the FISCALIS programme, to improve the proper functioning of the taxation systems in the internal market. The Commission also believes it important to continue to assist Member States in identifying inherent weaknesses in their tax administrations and assist them in tackling specific problems.

(2) Better cross-border cooperation between EU tax administrations : the experience of the [Savings Directive](#) demonstrates the benefits of such cooperation. On average more than 4 million records are sent each year from source countries to residence countries representing on average EUR 20 billion of savings income.

A series of important legal instruments for administrative cooperation have been adopted in recent years for both direct and indirect taxes. However, their effective and comprehensive

use by Member States is still to be attained. The Commission will closely monitor the correct application by all Member States of the commonly agreed rules and procedures. A swift adoption of the revision of the Savings directive is essential.

In addition, there exists further concrete ways to enhance cooperation :

- Enhancing exchange of information : the EU has a key role to play in promoting its standard of automatic exchange of information so as to give support to developing international standards of transparency and exchange of information in tax matters. The Commission will therefore carry out an impact assessment with a view to proposing, where appropriate, a European Tax Identification Number (TIN) assigned to each taxpayer engaged in crossborder activity. Giving Member States' tax administrations direct access to relevant areas of each other's national data bases together with an extension of the scope of automated access in the VAT area should also be envisaged.
- Tackling trends and schemes of tax fraud and tax evasion : the Commission proposes : (i) a Quick Reaction Mechanism on VAT fraud cases ; (ii) a strategy for tackling aggressive tax planning ; (iii) ways to improve access to information on money flows ; (iv) the creation, within the EU, of teams of auditors dedicated to cross-border tax fraud ; (v) more regular joint audits should be promoted through extensive use of the existing legal provisions on simultaneous controls and the presence of officials of a Member State in another Member State.
- Ensuring high levels of taxpayers' compliance : tools such as a single TAX WEBPORTAL for all taxes and taxpayers and a one-stop shop for non-resident taxpayers in Member States would make it easier for the taxpayers concerned to meet their tax obligations. In the field of VAT the Commission is setting up a dialogue platform, the so-called "EU VAT Forum", involving Tax Authorities and business representatives.
- Enhancing tax governance : in the medium term, the Commission will consider a single legal instrument for administrative cooperation for all types of taxes to ensure full integration and consistency of the mechanisms for cooperation. As tax fraud is often linked with other forms of criminal activity it is important to strengthen cooperation between tax administrations and other authorities, in particular anti-money laundering, social security and judicial authorities, both at national and international level.

(3) Leading a coherent policy vis-à-vis third countries : the EU has a clear and coherent policy on good governance principles in the tax area but needs to ensure that this is promoted in a more consistent manner, not just within the EU but with third countries as well. Accordingly, the Council should swiftly give a mandate to the Commission and provide support to it in negotiating amendments to the existing EU savings agreements with Switzerland, Andorra, Monaco, Liechtenstein and San Marino. It is important to ensure better coherence between EU policies in general, so that EU partners under international trade and cooperation agreements will commit to good governance principles in the tax area. These principles should continue to be included in all relevant EU-level agreements with third countries as well as promoted through development cooperation incentives. Before the end of 2012, the Commission intends to come forward with an action plan. The presentation of this plan is foreseen together with the initiative on tax havens and aggressive tax planning.

Fight against tax fraud, tax evasion and tax havens

PURPOSE : to propose an Action Plan to strengthen the fight against tax fraud and tax evasion.

BACKGROUND : tax fraud and tax evasion is a multi-faceted problem which requires a coordinated and multi-pronged response. Aggressive tax planning is also a problem which requires urgent attention. These are global challenges which no single Member State can face alone.

On 2 March 2012, the European Council called on the Council and the Commission to rapidly develop concrete ways to improve the fight against tax fraud and tax evasion, including in relation to third countries and to report by June 2012. In April the European Parliament adopted a [resolution](#) echoing the urgent need for action in this area.

In response to these requests, the Commission adopted a [Communication](#) on 27 June 2012 which outlined how tax compliance can be improved and fraud and evasion reduced. It also identified areas where further legislative action or coordination would benefit the EU and Member States and demonstrated the added value of working together against the increasing challenge posed by tax fraud and evasion.

In its Communication, the Commission announced the preparation, before the end of 2012, of an action plan setting out concrete steps to enhance administrative cooperation and to support the development of the existing good governance policy, the wider issues of interaction with tax havens and of tackling aggressive tax planning and other aspects, including tax-related crimes.

CONTENT : this action plan identifies a series of specific measures which can be developed now and in years to come. It also represents a general contribution to the wider international debate on taxation and is aimed at assisting the G20 and the G8 in its on-going work in this field.

In essence, this action plan contains practical actions which can deliver concrete results to all Member States and lend support in particular to the ten Member States - Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Italy, Lithuania, Malta, Poland and Slovakia - to whom Country Specific Recommendations on the need to strengthen tax collection have been addressed, in the context of the 2012 European Semester exercise.

(1) Commission initiatives to be progressed: the Commission recalls that a certain number of important measures have already been taken and suggests the better use of existing instruments. These concern in particular :

- the implementation of a [new framework for administrative cooperation](#) adopted by the Council;
- closing savings taxation loopholes;
- the signature and conclusion of the draft antifraud and tax cooperation agreement between the EU and its Member States and Liechtenstein as well as the adoption the draft mandate for opening similar negotiations with four other neighbouring third countries;
- the adoption of Commission proposals on [Quick Reaction Mechanism against VAT fraud](#) and the [optional application of the VAT reverse charge mechanism](#);
- participate as widely as possible, for the EU VAT forum to attain its objectives.

(2) New Commission initiatives: as an immediate response to the identified needs to ensure a coherent policy vis-à-vis third countries, to enhance exchange of information and to tackle certain fraud trends, the Commission has presented two recommendations.

- Recommendation No 1 regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters: the Commission recommends the adoption by Member States of a set of criteria to identify third countries not meeting minimum standards of good governance in tax matters and a toolbox of measures in regard to

third countries according to whether or not they comply with those standards, or are committed to comply with them. Those measures comprise the possible blacklisting of non-compliant jurisdictions and the renegotiation, suspension or conclusion of Double Tax Conventions (DTCs).

Furthermore, Member States should consider ad hoc detachments of experts to assist tax administrations in third countries that commit to complying with minimum standards but are in need of technical assistance.

- Recommendation No 2 on aggressive tax planning: currently, some taxpayers may use complex, sometimes artificial, arrangements which have the effect of relocating their tax base to other jurisdictions within or outside the Union. In doing this, taxpayers take advantage of mismatches in national laws to ensure that certain items of income remain untaxed anywhere or to exploit differences in tax rates.

Concrete action by all Member States intended to remedy such problems would also improve the operation of the internal market. In the light of this, the Commission recommends that Member States take common effective action in this field. Specifically, Member States are encouraged to include a clause in Double Tax Conventions (DTCs) concluded with other EU Member States and with third countries to resolve a specifically identified type of double non-taxation. The Commission also recommends the use of a common general anti-abuse rule.

The Commission plans to establish a Platform for Tax Good Governance composed of experts from Member States and stakeholders representatives to provide assistance in preparing its report on the application of the two Recommendations.

(3) Future initiatives: actions to be undertaken in the short term consist of the following :

- a revision of the [parent subsidiary directive](#) (2011/96/EU) so as to ensure that the application of the directive does not inadvertently prevent effective action against double non-taxation in the area of hybrid loan structures;
- review of anti-abuse provision in EU legislation;
- promote the standard of automatic exchange of information in international fora and the EU IT tools;
- establish a European taxpayer's code;
- reinforced cooperation with other law enforcement bodies;
- promote the use of simultaneous controls and the presence of foreign officials for audits;
- use of an EU Tax Identification Number (TIN)
- guidelines for tracing money flows;
- develop motivational incentives including voluntary disclosure programmes;
- develop a tax web portal in order to improve access to reliable tax information in cross-border situations;
- develop an EU Standard Audit File for Tax (SAF-T).

Beyond 2014 : the Commission shall examine the possibility to : (i) develop a methodology for joint audits by dedicated teams of trained auditors ; (ii) develop mutual direct access to national databases ; (iii) elaborate a single legal instrument for administrative cooperation for all taxes.

Follow-up : in order to ensure that the actions described in this action plan will be duly implemented, the Commission will put in place appropriate monitoring and scoreboards, which includes in particular regular exchanges of views in relevant committees and working groups on the basis of detailed questionnaires.

Fight against tax fraud, tax evasion and tax havens

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Mojca KLEVA KEKU (S&D, SI) on the fight against tax fraud, tax evasion and tax havens in response to the Commission Communication on an Action plan to strengthen the fight against tax fraud and tax evasion.

The Committee on Development, exercising its powers as an associated committee in accordance with [Rule 50 of the Parliaments Rules of Procedure](#), has also been consulted for an opinion on the report.

Recalling that an estimated EUR 1 trillion of potential tax revenue is lost to tax fraud, tax evasion, tax avoidance and aggressive tax planning every year in the EU, representing an approximate cost of EUR 2000 for every European citizen each year, the report welcomes the Commissions Action Plan and its recommendations urging Member States to take immediate and coordinated action against tax havens and aggressive tax planning.

Headline target addressing the tax gap: the report calls on Member States to commit to an ambitious but realistic target of at least halving the tax gap by 2020. It acknowledges, furthermore, that broadening already existing tax bases, rather than increasing tax rates or introducing new taxes, could generate further incomes for Member States.

Proposals on attaining the headline target:

1) On tax fraud and tax evasion: Member States should allocate adequate staff and budget resources to their national tax administrations and tax audit staff. Members suggest that competent authorities should take action and suspend or revoke the banking licenses of financial institutions and financial advisors if they assist in tax fraud by offering products or services to customers enabling them to evade taxes or refuse to cooperate with tax authorities. They also stress the importance of a Common Consolidated Corporate Tax Base (CCCTB) and of implementing new strategies for improved combating of VAT fraud, especially carousel fraud.

Member States are asked to:

- remove all obstacles in national law that hinder cooperation and exchanges of tax information with the EU institutions and within the Member States, while also ensuring effective protection of taxpayers data;
- continue, under the new Fiscalis 2020 programme, the simultaneous controls to find and fight cross-border tax fraud, and to facilitate the presence of foreign officials in the offices of tax administrations and during administrative enquiries;
- seek smoking gun data on tax evasion from other government-maintained registers, and to share this with other Member States and the Commission.

The report also calls on the Commission to:

- introduce proposals for a harmonised tackling of tax fraud under criminal law, in particular as regards cross border and mutual investigations;
- enhance its cooperation with other EU law enforcement bodies, in particular authorities responsible for anti-money laundering, justice and social security;
- take immediate action with regard to the transparency of companies tax payments by obliging all multinational companies to publish a simple, single figure for the amount of tax paid in each Member State in which they operate.

2) Tax avoidance and aggressive tax planning: Member States are asked, as a matter of priority, to adopt the amended Savings Tax Directive and improve the effectiveness of the Code of Conduct for business taxation by raising issues at Council level where political decisions are urgently needed.

Members also feel it is essential to introduce requirements on country-by-country reporting for cross-border companies in order to fight tax evasion. They call on the Commission to implement country-by-country reporting for cross-border companies in all sectors, requiring disclosure of information on the trading of a group as a whole in order to monitor if proper transfer pricing rules are respected. The Commission is asked to take action on companies aggressive tax planning units, in particular in the financial services sector.

The report also recommends:

- preparation of a new Code of Conduct for auditors and advisers;
- creation of an EU tax identification number (TIN), applicable to all legal and natural persons engaged in cross-border transactions;
- creation of a European taxpayers code;
- establishing efficient revenue-collecting mechanisms and the use of modern technology;
- the swift implementation by Member States of the Commissions proposal for the introduction of a General Anti-Abuse Rule and the inclusion of a clause in their Double Taxation Conventions;
- introducing a European register for trusts and other secrecy entities as a prerequisite for dealing with tax avoidance.

3) Tax havens: the report calls for a common EU approach towards tax havens. To ensure the effectiveness of such an approach, Members ask the Commission to:

- adopt a clear definition and a common set of criteria to identify tax havens, as well as appropriate measures applying to identified jurisdictions, for implementation by 31 December 2014. This definition should be based on the OECD standards of transparency and exchange of information as well as on the Code of Conduct principles and criteria;
- compile a public European blacklist of tax havens by 31 December 2014. In this context, the competent authorities are asked to: (i) suspend or terminate existing Double Tax Conventions with jurisdictions that are on the blacklist, and to initiate Double Tax Conventions with jurisdictions that cease to be tax havens; (ii) prohibit access to EU public procurement of goods and services and refuse to grant state aid to companies based in blacklisted jurisdictions.

The report encourages Member States to offer cooperation and assistance to developing countries that are not tax havens, helping them to tackle tax fraud and tax avoidance effectively, in particular through capacity-building measures.

4) EU role in the international arena: the report emphasises that the EU should take the leading role in discussions on the fight against tax fraud, tax avoidance and tax havens in the OECD, the Global Forum on Transparency and Exchange of information for Tax Purposes, the G20, the G8 and other relevant multinational for a.

Lastly, in the light of information on secret off-shore bank accounts published in April 2013 by the International Consortium of investigative journalism, Members call once more for a strengthened European and international commitment to transparency that should result in an international, binding, multilateral, agreement on the automatic exchange of information in tax matters.

Fight against tax fraud, tax evasion and tax havens

The Council adopted conclusions on tax evasion and tax fraud, highlighting the need for a combination of efforts at national, EU and global levels.

Amongst the most pertinent conclusions, the Council states that :

- Further efforts are needed : there is a need for an appropriate combination of efforts at the national, EU and at global levels to combat tax fraud and tax evasion and also aggressive tax planning. It supports efforts at national, EU, G8, G20, OECD and global level on automatic exchange of information and on improving the implementation and enforcement of standards of beneficial ownership information that is relevant for tax purposes. The Council welcomes that France, Germany, Italy, Spain and the UK have agreed to work on a pilot multilateral exchange facility using the model agreed with the US as the basis with the aim of contributing to the creation of a new global standard. It notes that the EU has a key role to play in supporting and promoting the acceptance of such standards globally.
- Coordination of base erosion and profit shifting (BEPS) should be reinforced : further efforts at OECD level on Base Erosion and Profit Shifting (BEPS) are necessary. There is a need to develop internationally agreed standards for the prevention of base erosion and profit shifting. The Council calls on the EU to coordinate its position on this issue. To this end, the EU should closely monitor its legal framework and identify where common solutions would best ensure effectiveness and efficiency.

The Council welcomes the work by the Commission on developing measures to combat tax fraud, tax evasion and aggressive tax planning. In this respect, it recognises the useful role the Commission Action Plan and the two Recommendations on [Aggressive Tax Planning](#) and on [good governance in tax matters in third countries](#) can play in this regard.

(1) Recommendation on Aggressive Tax Planning : with a view to improving the functioning of the internal market and protecting tax revenues, it is necessary to encourage Member States to take all necessary steps to tackle aggressive tax planning which would help diminish existing distortions.

Member States are invited to consider the appropriateness of incorporating a General Anti Avoidance Rule in their national legislation. Concrete action should be taken against double non-taxation via the operation of double tax conventions.

(2) Recommendation on Good Governance in tax matters in third countries : the Council confirms its wish to promote the principles of good governance in the tax area amongst third countries.. It invites consideration of whether developing a European list of third country non-cooperative jurisdictions is appropriate. It supports the ongoing work of the Code of Conduct Group on Business Taxation.

The Presidency intends to write to the International Consortium of Investigative Journalists asking them to supply Member States through the relevant competent authorities with the names and details regarding all EU citizens on the offshore leaks list.

Fight against tax fraud, tax evasion and tax havens

The European Parliament adopted a resolution on the fight against tax fraud, tax evasion and tax havens in response to the Commission Communication on an Action plan to strengthen the fight against tax fraud and tax evasion.

Recalling that an estimated EUR 1 trillion of potential tax revenue is lost to tax fraud, tax evasion, tax avoidance and aggressive tax planning every year in the EU, representing an approximate cost of EUR 2000 for every European citizen each year, Parliament welcomes the Commission's initiative to establish a Platform for Tax Good Governance, and insists that Member States apply measures regarding issues of tax fraud, tax evasion, tax avoidance, aggressive tax planning and tax havens in their dependent territories.

In the light of information on secret off-shore bank accounts published in April 2013 by the International Consortium of investigative journalism, the resolution calls once more for a strengthened European and international commitment to transparency that should result in an international, binding, multilateral, agreement on the automatic exchange of information in tax matters.

Headline target addressing the tax gap: Parliament calls on Member States to commit to an ambitious but realistic target of at least halving the tax gap by 2020 and asks the Commission to develop a comprehensive strategy, based on concrete legislative actions. It acknowledges, furthermore, that broadening already existing tax bases, rather than increasing tax rates or introducing new taxes, could generate further incomes for Member States.

At the forefront of the EU tax gap strategy should be the following actions:

1) On tax fraud and tax evasion: Member States should allocate adequate staff and budget resources to their national tax administrations and tax audit staff. Members suggest that competent authorities should take action and suspend or revoke the banking licenses of financial institutions and financial advisors if they assist in tax fraud by offering products or services to customers enabling them to evade taxes or refuse to cooperate with tax authorities. They also stress the importance of a Common Consolidated Corporate Tax Base (CCCTB) and of implementing new strategies for improved combating of VAT fraud, especially carousel fraud.

Member States are asked to:

- remove all obstacles in national law that hinder cooperation and exchanges of tax information with the EU institutions and within the Member States, while also ensuring effective protection of taxpayers data;
- continue, under the new Fiscalis 2020 programme, the simultaneous controls to find and fight cross-border tax fraud, and to facilitate the presence of foreign officials in the offices of tax administrations and during administrative enquiries;
- seek smoking gun data on tax evasion from other government-maintained registers, such as databases on motor vehicles, land,

yachts and other assets and to share this with other Member States and the Commission.

Parliament also calls on the Commission to:

- introduce proposals for a harmonised tackling of tax fraud under criminal law, in particular as regards cross border and mutual investigations;
- enhance its cooperation with other EU law enforcement bodies, in particular authorities responsible for anti-money laundering, justice and social security;
- take immediate action with regard to the transparency of companies tax payments by obliging all multinational companies to publish a simple, single figure for the amount of tax paid in each Member State in which they operate;
- address specifically the problem of hybrid mismatches between the different tax systems used in Member States.

2) Tax avoidance and aggressive tax planning: Member States are asked, as a matter of priority, to adopt the amended Savings Tax Directive and improve the effectiveness of the Code of Conduct for business taxation by raising issues at Council level where political decisions are urgently needed.

Members also feel it is essential that the Commission implement country-by-country reporting for cross-border companies in all sectors, requiring disclosure of information on the trading of a group as a whole in order to monitor if proper transfer pricing rules are respected. The Commission is asked to take action on companies aggressive tax planning units, in particular in the financial services sector.

Parliament also recommends:

- preparation of a new Code of Conduct for auditors and advisers;
- creation of an EU tax identification number (TIN), applicable to all legal and natural persons engaged in cross-border transactions;
- creation of a European taxpayers code;
- establishing efficient revenue-collecting mechanisms and the use of modern technology;
- the swift implementation by Member States of the Commission's proposal for the introduction of a General Anti-Abuse Rule and the inclusion of a clause in their Double Taxation Conventions;
- introducing a European register for trusts and other secrecy entities as a prerequisite for dealing with tax avoidance.

3) Tax havens: Parliament calls for a common EU approach towards tax havens and welcomes the Commission's commitment to promoting the automatic exchange of information as the future European and international standard for transparency and exchange of information in tax matters. The Commission is asked to:

- adopt a clear definition and a common set of criteria to identify tax havens, as well as appropriate measures applying to identified jurisdictions, for implementation by 31 December 2014. This definition should be based on the OECD standards of transparency and exchange of information as well as on the Code of Conduct principles and criteria;
- compile a public European blacklist of tax havens by 31 December 2014. In this context, the competent authorities are asked to: (i) suspend or terminate existing Double Tax Conventions with jurisdictions that are on the blacklist, and to initiate Double Tax Conventions with jurisdictions that cease to be tax havens; (ii) prohibit access to EU public procurement of goods and services and refuse to grant state aid to companies based in blacklisted jurisdictions; (iii) introduce a special levy on all transactions to or from blacklisted jurisdictions.

Parliament also encourages Member States to offer cooperation and assistance to developing countries that are not tax havens, helping them to tackle tax fraud and tax avoidance effectively, in particular through capacity-building measures. It recalls that transfer pricing resulting in tax avoidance negatively affects the budgets of developing countries by forcing on them an estimated loss of circa EUR 125 billion in tax revenues annually, almost twice the amount they receive in international aid.

4) EU role in the international arena: the resolution emphasises that the EU should take the leading role in discussions on the fight against tax fraud, tax avoidance and tax havens in the OECD, the Global Forum on Transparency and Exchange of information for Tax Purposes, the G20, the G8 and other relevant multinational fora.

Members welcome the US Foreign Account Tax compliance Act (FATCA) as a first step towards an automatic exchange of information between the EU and the US to fight trans-border tax fraud and tax evasion. Parliament regrets, however, that a bilateral/intergovernmental approach has been taken in the negotiations with the US rather than a common EU negotiating position.

Parliament considers that it of paramount importance that Member States authorise the Commission to negotiate tax agreements with third countries on behalf of the EU instead of continuing with the practice of bilateral negotiations. The Commission and Member States should insist, in their respective relations with third countries, on the strict application of EU standards in tax related matters, in particular as regards future bilateral or multilateral trade agreements.