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Jean-Claude Juncker
President of the European Commission
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
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Berlin, 03 Nov 2017

EU tax haven blacklist must not be watered down

Dear President Juncker,

The German network of organisations aiming for tax justice (Netzwerk Steuergerechtigkeit) is very concerned that the tax haven blacklist announced by the European Union for the end of 2017 will leave out important secrecy and low-tax jurisdictions and will therefore not contribute to a solution of the problem addressed.

We became aware of the fact that jurisdictions like the Cayman Islands are lobbying heavily to not be included on the list.¹ While every country/jurisdiction needs a fair check, it is important that the EU takes its own list seriously. The EU's criteria must be applied thoroughly, including not accepting announcement from countries to get off the list. Instead, only real legal changes should count.

We would also welcome the EU observing a zero per cent tax rate not only as an indicator, but already as proof of a jurisdiction being non-cooperative or even harmful. The European Parliament has called for minimum tax rates in the European Union. A zero per cent tax rate should thus be a sufficient reason for being listed.

Unfortunately, however, we note that further blacklist criteria are too weak.² Any result based on these criteria will only provide a misleading picture of the problems we still face.

Another major shortcoming is the fact that EU countries will by definition not be named on the blacklist, even though some have been clearly identified as harmful.³ The EU, at the very least, needs to strengthen its internal processes, e.g. in the Code of Conduct Group, to push for reforms in its own secrecy and low-tax

¹ Cf. CIG hopeful of dodging EU's latest blacklist. CNS Business, 3 October 2017, <https://cnsbusiness.com/2017/10/cig-hopeful-of-dodging-eus-latest-blacklist>. Brent Fuller: European Union 'blacklist' decision due in December. Cayman Compass, 5 October 2017, <https://www.caymancompass.com/2017/10/05/european-union-blacklist-decision-due-in-december>.

² Oxfam: EU blacklist: subjective criteria and opacity will not end tax havens. 8 November 2016.

<https://www.oxfam.org/en/pressroom/reactions/eu-blacklist-subjective-criteria-and-opacity-will-not-end-tax-havens>.

³ See the Financial Secrecy Index, <http://www.financialsecrecyindex.com>, or Oxfam: Tax Battles: the dangerous global race to the bottom on corporate tax. 2016. <https://www.oxfam.org/en/research/tax-battles-dangerous-global-race-bottom-corporate-tax>.

jurisdictions, such as the Netherlands, Ireland, Cyprus, Malta and Luxembourg, and all other EU countries with harmful tax practices, such as the lack of capital income tax for non-residents.

Finally, we think that any blacklist must be accompanied by strong and immediate sanctions.

Yours sincerely,



Sarah Godar, Coordinator

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Transparency International Deutschland

Forum Ökologisch-Soziale Marktwirtschaft

Kirchlicher Dienst in der Arbeitswelt (KDA-EKD)

WEED – Weltwirtschaft, Ökologie & Entwicklung

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