

EP Call on Reform of EU Blacklist on Tax Havens

Thomas Wahl



News

By an overwhelming majority of 587 votes in favour (50 against and 46 abstentions), MEPs adopted a resolution on reforming the EU list of tax havens. The resolution backs a motion of December 2020 prepared by the Economic and Monetary Affairs Committee (→ <https://eucrim.eu/news/meps-call-reform-eu-list-tax-havens/>). In view of the fact that the current list only covers less than 2% of worldwide tax revenue losses (according to a 2020 tax justice report → <https://eucrim.eu/news/tax-justice-report-documents-global-tax-losses/>) MEPs reiterate their call that the EU's existing listing system is "confusing and ineffective". The resolution of 21 January 2021 makes several demands for a new approach:

- The criterion of whether a country's tax system is fair or not should not only be based on preferential tax rates but needs to include other harmful tax practices;
- Countries with a 0% corporate tax rate policy or with no taxes on company profits should be automatically placed on the blacklist;
- Removal requirements must be more stringent; countries that only make token tweaks should remain on the list;
- The EU must remedy the lack of transparency: all third countries need to be treated and screened fairly using the same criteria; the process of establishing the list must be formalised through a legally binding instrument by the end of 2021;
- EU Member States which have tax avoidance schemes in place must be regularly evaluated and urged to implement recommendations.

MEPs also call on the Commission to put forward a legislative proposal for coordinated defensive measures against tax avoidance and evasion. The EU's policy towards non-cooperative tax jurisdictions has been a constant issue of debate between the European Parliament, the Commission and the Council (→ [eucrim 1/2018, 16](#); → [eucrim 1/2020, 18](#)).

AUTHOR

Thomas Wahl

Senior Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

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