

EP: Plans to Set up a Subcommittee on Tax and Financial Crime



Thomas Wahl

News

In September 2019, the coordinators of the Economic and Monetary Affairs Committee (ECON) in the European Parliament officially [decided to create a permanent subcommittee on tax and financial crime](#). The initiative was mainly propelled by the Greens/EFL Group, which feels that the new subcommittee is needed to follow up on special or inquiry committees that were established in the aftermath of several tax avoidance scandals, such as the Panama Papers or LuxLeaks. The subcommittee would be the successor to the special committee TAX 3, which had continued the work of the ad hoc committees TAXE, TAX2, and PANA. In its [final report of 26 March 2019](#) on financial crimes, tax evasion, and tax avoidance, TAX 3 stated that “there is an urgent and continuous need for reform of the rules, so that international, EU and national tax systems are fit for the new economic, social and technological challenges of the 21st century.”

The permanent subcommittee can build on the work of the previous committee and investigate tax evasion, tax avoidance, and money laundering. It could become a major driving force for reform legislation, preventing multinational companies from failing to pay corporate taxes or a small amount of taxes on their profits in Europe.

“The decision is a victory for all of us who want to see an end to the dodgy tax practices and illicit activities that undermine the global financial system and fracture our societies,” Sven Giegold said. Giegold is a German MEP from the Green Party and one of the initiators of the decision.

The establishment of the subcommittee has [yet to be approved](#) by the Conference of Presidents of the Parliament, and the precise mandate has yet to be agreed.

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ISSN: 1862-6947

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The project is co-financed by the [Union Anti-Fraud Programme \(UAFP\)](#), managed by the [European Anti-Fraud Office \(OLAF\)](#).



Co-funded by
the European Union