

## **S&Ds: The Commission's closure of McDonald's case shows the need for minimum corporate tax rate and public country-by-country reporting**

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Today, the College of Commissioners announced the closure of its investigation into McDonald's tax practices, which started in December 2015. The decision, put forward by the Commissioner for Competition, Margrethe Vestager, states that the non-taxation of certain McDonald's profits in Luxembourg do not constitute an illegal state aid.

### **S&D Group vice-president responsible for globalisation, Jeppe Kofod, said:**

“Commissioner Vestager deserves credit for once again taking the fight for fair taxation of multinationals who are making a profit off of European consumers.

“However, it is clear that our current EU-regulation is unfit to effectively combat double non-taxation and to stop the race to the bottom on corporate tax levels.

“We need a common EU minimum effective corporate tax rate to stop this race to the bottom and ensure that even the biggest and wealthiest companies pay their fair taxes in Europe.”

### **S&D Group spokesperson on economic and monetary affairs, Pervenche Berès MEP, added:**

“The Commission's work on the state aid case was opened in 2015 when it was uncovered that McDonald's had avoided paying over one billion euros in corporate tax thanks to a "sweetheart deal" with Luxembourg. Three years later, they have not stopped their harmful tax practices and they continue to make headlines for their poor treatment of workers.

“This emphasises that, more than ever, Europe needs a strong harmonised framework on reporting and corporate taxation for multinational companies. With public country-by-country reporting, multinationals will have to be transparent as to where their value is created, and with

a common corporate tax base Europe would be able to make big companies pay their fair share of taxes.

“To achieve these goals, we need to put an end to the unanimity rule in the Council regarding taxation decisions, which stops any ambitious legislation from being passed. Europe need an urgent reform on how big companies report and pay their taxes: we cannot wait any longer for tax justice in Europe.”