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Actions towards fair taxation and restoring trust among citizens

The Panama Papers have once again shown the deep structural flaws in global financial regulation, that permit the 1% richest people in the world to refrain from paying their share into the collective system. The revelations deeply affect the trust of people across the world, and have the potential to erode the collectiveness and solidarity needed to forge and hold together a society.

We have to acknowledge that tax avoidance is both a symbol and a cause of how the financial system functions in service of the top 1% richest people. Restoring trust of the 99% of the people should have the highest political priority right now. Three steps are needed:

- 1) A regular global summit, in the style of climate summits, to tackle this global problem at a global level. This summit should address criminal practices as well as undesired effects that arise from a lack of coordination between national taxation regimes. The European Commission and government leaders should make an effort in global bodies such as the United Nations and the OECD to set up such a summit late 2016 the latest.
- 2) A crystal-clear signal should be sent that ill-gotten gains never prosper. Illicit gains from tax avoidance should be paid back into the collective system as to give citizens their money back.
- 3) The EU should lead by example. Achievements of the European Parliament's work in the special TAXE committee should be fully embraced. These include full public country-by-country reporting, an EU-common black list for tax havens with concrete sanctions and a thorough review of the parent-subsidiary directive to preclude double non-taxation.

By urgently adhering to these three steps, the Council and the Commission can seize a one-off opportunity to restore highly needed trust among citizens.

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