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I've seen how the EU tackles tax evasion versus the US – and if Brexit Britain follows Trump, we're headed for disaster

Я бачив, як ЄС вирішує проблему ухилення від сплати податків у порівнянні з США, і якщо Brexit Britain наслідуює Трампа, то ми попрямуємо до катастрофи

Скандал у Панамі пролив світло на масштаби та поширеність уникнення податків, що існує в усьому світі. Стало відомо, що особи з 200 країн використовували більше 214 000 офшорних організацій, щоб допомогти їм уникати платити мільярди податків до своєї країни. До них входили 140 політиків та чиновників, в тому числі экс-президент України, прем'єр-міністрів Ісландії та Пакистану, і король Саудівської Аравії, багато хто з яких зараз втратив свої позиції.

<http://www.independent.co.uk/voices/brexit-tax-evasion-eu-us-laws-uk-donald-trump-theresa-may-avoidance-a8007426.html>

The Panama Papers scandal last year shone a light on the extent and pervasiveness of tax avoidance that exists around the world. It revealed that individuals from 200 countries used more than 214,000 offshore entities to help them avoid paying billions in tax to their country of origin. Those implicated included 140 politicians and officials; including the president of Ukraine, the prime ministers of Iceland and Pakistan, and the King of Saudi Arabia, many of whom have correctly now lost their positions.

Though these tax arrangements are totally legal, the super-rich that use them are directly undermining the funding of our vital services, including our schools, hospitals and emergency services.

While everyday working people have no choice but to pay taxes in their own country, some members of the global elite avoid paying their fair share by setting up shell companies in exotic tax havens.

When Jeremy Corbyn talks about the need to address the “rigged system”, this is exactly what he means. The problem is that even with a Labour government determined to fix the system, the scope for addressing this at the national level is limited.

Tax avoidance of this kind is a symptom of globalisation and as a result, it can only be countered at a transnational level. And the only international institution with both the appetite and scale to push for real reform of tax avoidance is the EU.

As a British Labour MEP, I sit on the European Parliament’s Committee of Inquiry into Tax Avoidance and Tax Evasion – set up in the wake of the Panama Papers scandal – which on Wednesday published its recommendations for stricter sanctions against banks and intermediaries involved in illegal tax or money laundering schemes, as well as a vital universally recognised definition of a tax haven.

The current lack of co-operation between member states, chronic underfunding and a lack of human resources of the supervisory authorities, as well as poor implementation and application of laws and sanctions, have created an environment where it is easier to avoid paying taxes.

Over the past few years, the EU has repeatedly shown that it has the courage to stand up to tax avoidance. It is not only individuals, but also multinational corporations, that are unwilling to pay their share.

In 2016, the Commission ordered Apple to pay €13bn in tax after it broke state aid laws, while just this month it ordered Amazon to pay €250m in unpaid back taxes. And the EU is willing to go further, with plans to rewrite the tax rules

for technology companies, after a report revealed tech firms pay under half of the tax paid by traditional companies.

At the annual World Bank/IMF meeting, with the likes of Christine Lagarde, speakers from all corners were urging fairer taxation in current positive global economic climate.

The only other western lawmaking institution with similar economic might to the EU is the US. Yet while the EU looks at ways of preventing tax avoidance in an age of vast technological development and rapid globalisation, the US – under the leadership of Donald Trump – is taking a deep breath before slashing taxes and creating even more tax loopholes.

Trump won the US election campaign using the rhetoric of a politician willing address to the systemic injustices in the global system, but his actions are creating more dark spaces for billionaires to hide their stockpiles of cash from national governments.

We may, of course, miss out on the effects of new EU rules and impetus to tackle tax evasion, in the result of a hard Brexit with no deal. This would be particularly damaging for the UK, as we had the largest number of offshore entities of any EU nation in the Panama Papers, with 17,973. Only Luxembourg came at all close with 10,877. With the UK's GDP growth predicted to fall to just 1 per cent next year, behind Italy, France and Germany, it's clear that addressing the tax black hole should be our highest priority.

As the UK Government gets ready to turn its back on the EU with no deal, the Conservative leadership is looking towards the US for support. When Theresa May is not clutching Donald Trump's hand, Liam Fox is begging the US for a trade deal at any cost, threatening to sell off parts our NHS and feed us chlorinated chicken.

Boris Johnson's recent article in the Telegraph pointed towards a vision of a deregulated, low tax post-Brexit Britain. Meanwhile the Chancellor Phillip Hammond – supposedly the least extreme member of the Cabinet – has already threatened the EU that he will turn the UK into a tax haven in the ever-more-likely event of no deal.

Brexit is not only a question of leaving the European Union – it is a question of how we leave, and the Britain we create in its wake.

In my constituency, the West Midlands, there is already chronic underfunding in infrastructure and a significant skills shortage. This is why we cannot afford to mimic the low tax, low welfare example of the US.

Meeting many unemployed people, whether in Sandwell or Bilston in Wolverhampton, it is of real concern that we have the lowest employment rate of any other big city region – just 64.5 per cent compared to the UK average of 70.9 per cent.

After years of Tory-imposed austerity, what the West Midlands needs is not tax cuts for the rich but a massive injection of investment, ideally using some of the hidden cash floating somewhere in the Bahamas.

As we make monumental decisions about the future of the UK, and about the kind of deal we secure with our morally, culturally and geographically closest neighbours in Europe, let us consider carefully who will best help us tackle the imbalances of equality in our system.