



**Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament**

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The President

Jean-Claude JUNCKER
President of the European Commission
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Dear Commission President Juncker,

The S&D Group has for years fought for an end to tax havens, tax avoidance and evasion and unsustainable corporate governance. In the wake of one corporate tax -dodging scandal after another, most recently concerning Luxembourg's tax rulings, we need prompt and far-reaching action to show European voters and taxpayers which side the European Union is on.

It's time to close the loopholes and establish a fairer tax system. There must be an end to a system in which hard-pressed citizens bear the brunt of the tax burden, while multinationals use complex corporate structures and accounting procedures to avoid billions of Euros in taxation. The massive revenues lost due to avoidance, evasion and aggressive tax planning must be given back where they belong: to the public purse, to finance investment in the future of our EU citizens. This is the message the S&D Group conveyed already in our 2011 study Closing the Tax Gap, which showed that €1 trillion in tax revenue is lost every year to Member States through tax avoidance and tax evasion in the EU.

The Finance Ministers of three Member States have called for a legislative proposal to be tabled as rapidly as possible by the Commission in order to combat aggressive tax planning, base erosion and profit shifting. The S&D Group strongly supports this demand and calls for a proposal to be presented within six months, and a commitment from you that this will be the first step in an ambitious legislative programme to establish increased corporate transparency, reformed corporate governance, stringent measures against tax havens and the halving of the EU tax gap. As part of this programme there must be renewed efforts to unblock key pieces of legislation which are stalled in the Council.

In the course of our work on taxation issues over several years, the S&D Group has developed very detailed proposals on many aspects of the system. We attach a summary of the key points and we urge you to include these in the work programme of the Commission.

Radical action to reform the tax system is an essential step to mobilising the funding Europe needs to put its economy back on track and repair its damaged social fabric. And it will be a

powerful signal to Europeans that the Commission which you lead stands for a vision of a fairer, more progressive European Union worthy of their trust.

Yours sincerely,



Gianni Pittella