



CHELGATE NEWSLETTERS - APRIL

SPECIAL COMMITTEE ON TAX (TAXE3)

CHELGATE ANALYSIS - A TAXING (SPECIAL) COMMITTEE WEEK



There is nothing more permanent than a temporary tax, or so the saying goes. Never is this truer than in the European Parliament where there is nothing more permanent than a temporary, or special, tax committee.

This week saw our latest instalment, which comes in the form of the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAXE3). TAXE3 carries on the work, as you may guess, of the TAXE 1 and 2 special committees. Additionally, and crucially, TAXE3 is also mandated to carry on the work of the recent Panama Papers Special Committee (PANA), which opens up the world of anti-money laundering and financial crimes. This is significant when one considers that MEPs are in election mode.

This week saw the first substantive meeting of TAXE3, given that the previous hearing of TAXE3 was merely an auditioning exercise for Commissioner Moscovici's bid for commission president. If this first hearing was anything to go by, we can be confident that TAXE3 will depart from the norm of other recent special committees.

Special committees, with their mandates to explore the most pressing and pre-eminent issues of the day and their propensity to call influential witnesses for fiery cross-examinations, often make the news cycle outside of the Brussels media bubble. Whether it be the EMIS Special Committee calling VW to discuss emissions cheating or the PANA Special Committee calling a certain Panamanian law firm to discuss money laundering, special committees have been the main event of the parliamentary committee week in recent years.

However, recent history has also taught us that these special committees, perhaps owing to their sensitive nature or their limited time to investigate, have been stifled during their investigations and their final recommendations severely watered down. As such, whilst they have proved to be a PR nightmare for certain large conglomerates, they have served a limited legislative function for lobbyists.

This is where the TAXE3 Special Committee departs from the norm and why it will become such an important special committee to follow between now and the publication of their draft report in December. Early indications coming from the coordinators' meetings, verified by this week's meeting, suggest that the quorum of obstructionist forces that were previously operating in the PANA and EMIS does not exist. Therefore, we can be confident that TAXE3 will seek to come forward with far-reaching legislative proposals in their final report.

This week's TAXE3 hearing gave us a glimpse of the lofty ambitions this special committee holds and the sort of legislative proposals it will make. References have already been made to the creation of a centralised EU financial intelligence unit and the greater sharing of information and data across the EU in the field of financial crimes. With the French and German delegations each viewing this special committee as a vessel in which to push their various legislative wish lists, it is only a matter of time before TAXE3 begins discussing an EU Digital Tax, cryptocurrencies, and, dare I say it, Anti-Money Laundering Directive VI.



Final Report Timetable	
Draft final report available in EN	9 November 2018
Consideration of draft report	27 November 2018
Deadline for amendments	17 December 2018
Consideration of amendments	Early January 2019
Vote on final report in TAX3 Committee	End of February 2019
Debate / vote in Plenary	March II or April 2019

Membership						
						Other
CASA David de LANGE Esther FERBER Markus FERNANDES José Manuel KARAS Othmar KARIŇŠ Krišjānis LANGEN Werner MUREŠAN Siegfried NIEDERMAYER Luděk ROSATI Dariusz SALAFRANCA SÁNCHEZ-José SALINI Massimiliano SANDER Anne VANDENKENDELAERE Tom	BAYET Hugues DELVAUX Mady GILL Neena GOMES Ana GUALTIERI Roberto JÁUREGUI ATONDO Ramón KOFOD Jeppe MAUREL Emmanuel PAVEL Emilian REGNER Evelyn SIMON Peter TANG Paul	MACOVEI Monica OŽÓG Stanisław RUOHONEN-LERNER Pirkko ZÍLE Roberts	JEŽEK Petr KLINZ Wolf MICHEL Louis TORVALDS Nils	GIEGOLD Sven JOLY Eva SCOTT CATO Molly	CARTHY Matt MATIAS Marisa URBÁN CRESPO Miguel	COBURN David FINCH Raymond BORGHEZIO Mario KAPEL Barbara ZARIANOPOULOS Sotirios

NEXT STEPS

The next meetings of the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance will take place on Wednesday, 15 May 2018, from 14.00 to 17.30 in Brussels.

This meeting will focus on ‘the fight against harmful tax practices within the European Union and abroad’, in doing so, the special committee will focus on issue such as:

- EU list of non-cooperative tax jurisdictions;
- list of potential aggressive tax measures in the EU (follow-up of PANA recommendation);
- transparency and reform of the group