

The press review

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Prepared by Transparency International Luxembourg

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Vous pouvez nous joindre à cet effet par téléphone au numéro 26 38 99 29, par email info@transparency.lu ou alors directement en nos bureaux situés au 11C, Bd. Joseph II, Luxembourg.

NATIONAL NEWS

Tageblatt LÉTZEBUERG

Wer soll das bezahlen, wer hat so viel Geld?

STEUERN



Die Steuerwelt ist im Umbruch. Die Steuersituation von Individuen soll transparenter und Steuerschlupflöcher für Unternehmen gestopft werden.

Die beiden laut KPMG einflussreichsten Entscheider in Sachen Steuern arbeiten mittlerweile zusammen. Die Steuerpolitik der OECD und der EU bewege sich in die gleiche Richtung. Für die Besteuerung von Privatpersonen bedeute dies, dass der Weg der Transparenz und des Informationsaustausches beschritten wird. Für steuerzahlende Unternehmen sei die „Reduzierung der aggressiven Steuerplanung“ das Ziel. Das Steuerberatungsunternehmen KPMG weist in einer Mitteilung auf die Tatsache hin, dass der Gesetzgeber in Sachen Unternehmensbesteuerung nur die Steueroptimierung erschweren will, ohne Anreize für Investitionen oder Forschung zu setzen. Auch die Erstellung von Steuerberichten, die Unternehmen veröffentlichen sollen, würde die Wettbewerbsfähigkeit der europäischen Wirtschaft schmälern. „Weltweit gleiche Wettbewerbsbedingungen wären schön“, so KPMG.

Gleiche Bedingungen weltweit

Der Verfasser des Papiers glaubt nicht, dass die „faire Besteuerung“, das gemeinsame Ziel der EU und der OECD, auf diese Weise erreicht werden könne. KPMG zweifelt nicht daran, dass Unternehmen in Zukunft mehr Steuern zahlen werden müssen. Deshalb könnten die einzelnen Staaten in einen Wettbewerb eintreten und ihre Unternehmenssteuersätze senken, um Investoren anzuziehen.

Diese Entwicklung führe dazu, dass die Steuersätze für Firmen sinken werden. Die Länder, deren Unternehmenssteuersätze am niedrigsten seien (in Irland zahlen Firmen 12,5 Prozent), würden die meisten Unternehmen anziehen. Die Lücken, die so in den Budgets der anderen Staaten entstehen, würden durch eine Ausweitung der Steuerbasis gestopft werden, was aber, laut KPMG, nicht ausreichen würde, um den Einbruch der Steuereinnahmen der Staaten auszugleichen.

Die Finanzminister könnten darauf hin die indirekten Steuern erhöhen, indem sie z.B. die Mehrwertsteuer anheben. Die Maßnahmen, die im Rahmen der BEPS-Reform geplant würden, würden also nicht nur die Steuerbelastung für Unternehmen erhöhen, sondern in der Folge auch die für individuelle Steuerzahler, oder wie KPMG es nennt „der einfache kleine Mann auf der Straße“.

"Der einfache kleine Mann auf der Straße"

In dem Papier geht KPMG auch auf die Situation in Luxemburg ein. Hier ist es schon zu der Mehrwertsteuererhöhung von 15 auf nun 17 Prozent gekommen und auch eine Senkung des Unternehmenssteuersatzes von 29 auf 26 Prozent sei in der Planung. Dies führe zu Mindereinnahmen für die Staatskasse in einer Höhe von rund 150 Millionen Euro. Die Senkung der Unternehmensbesteuerung von nur drei Prozentpunkten würde aber nicht ausreichen, um neue Unternehmen nach Luxemburg zu locken. Ein weiteres Resultat sei, dass die Einnahmen des Staates dauerhaft weniger würden.

Die Luxemburger Geschäftswelt würde schon seit längerem für die Abschaffung der Vermögenssteuer eintreten. Dies würde in ihren Augen den Standort Luxemburg attraktiv machen. KPMG glaubt, dass die Zeit kommen wird, in der die Senkung eines Steuersatzes nicht durch die Erhöhung eines anderen ausgeglichen werden solle. Dies könne durch eine Ausweitung der Steuerbasis für Unternehmen bei einer gleichzeitigen Senkung des Unternehmenssteuersatzes auf einen Wert zwischen 15 und 20 Prozent der Fall sein.

Menaces sur l'échange automatique d'informations

18 MAI 2016 14:11



L'heure est à la coopération et à la transparence en matière de fiscalité des entreprises.

(Photo: DR)

La Fondation Idea asbl a identifié un «Club des 5» risques qui pourraient gripper la belle mécanique actuelle du Luxembourg et donc remettre en cause le modèle du pays. Troisième chapitre de la série avec les menaces réglementaires.

Alles gudd, souguer besser, c'est (donc) le moment de parler de risques! Si le Luxembourg peut avoir la tête dans les étoiles (croissance robuste, excédent budgétaire au niveau des administrations publiques consolidées, marché du travail mieux orienté, etc.), il lui est nécessaire de garder les pieds sur terre.

«Petit pays ouvert», le Grand-Duché est très «sensible» aux vents contraires et de nombreux risques en présence sont de nature à peser sur sa «socio-économie».

Ces risques (qui concernent, à des degrés divers, l'ensemble des pays européens) pourraient - s'ils venaient à se matérialiser - avoir des effets significatifs sur les exportations, la démographie, les investissements directs étrangers (IDE), le marché du travail, la cohésion et la protection sociales, les finances publiques ou encore l'attractivité du Luxembourg.

Après les risques géopolitiques et technologiques, le troisième risque du Club des 5 se penche sur les menaces et les coûts que font peser les projets – ou embryons de projets – d'échange automatique d'informations et d'harmonisation fiscale sur l'ensemble de l'économie luxembourgeoise.

Fiscalité des entreprises

Avec les projets Beps (Base Erosion and Profit Shifting - érosion de la base d'imposition et transfert de bénéfices), Accis (Assiette commune consolidée pour l'impôt sur les sociétés) ou l'échange automatique et obligatoire des décisions fiscales anticipées en matière transfrontière et des accords préalables en matière de prix de transfert, l'heure est à la coopération et à la transparence en matière de fiscalité des entreprises. De par l'importance des entreprises à capitaux étrangers au Luxembourg (en termes de dépenses en R&D, d'exportations, de création d'emplois, etc.), ces modifications du régime fiscal international pourraient avoir un impact significatif sur l'ensemble de l'économie, notamment si elles permettaient des exceptions (pour le Royaume-Uni, les États-Unis, ou la Suisse, par exemple) et ne consacraient donc pas le «level playing field». De plus, ce mouvement de transparence devrait renforcer la concurrence fiscale internationale et consacrer le modèle de taxation basé sur des taux plus faibles et une base plus large. Dans ce nouvel environnement, le Luxembourg - dont la pratique de taxation des entreprises combine taux plus élevé et base plus réduite - risque de devoir modifier sa doctrine. Cette modification pourrait avoir des coûts d'opportunité élevés puisque les recettes

tirées de l'impôt sur les sociétés y représentent entre 4% et 5% du PIB et sont très concentrées sur un nombre restreint d'entreprises et de secteurs.

Obligations d'échanges d'informations fiscales

En outre, «les obligations d'échange d'informations fiscales» pourraient engendrer des coûts de mise en conformité potentiellement élevés pour les finances publiques et pour les entreprises. À titre d'exemple, en 2013, le coût supporté par le secteur financier luxembourgeois a été de 382 millions d'euros. Enfin, peut-être qu'à la coopération fiscale succédera - dans un horizon proche - l'obligation d'harmonisation ou de convergence; alors, le Luxembourg, avec des engagements d'investissements directs étrangers (majoritairement détenus par des entités à vocation spéciale - EVS) qui représentent jusqu'à 4.000% du PIB, pourrait perdre en attractivité pour les structurations des investissements internationaux avec des conséquences négatives sur les recettes fiscales et les emplois - directs et indirects - générés par ce pilier de la place financière.

Le Luxembourg conclut-il des accords verbaux?



Le ministre luxembourgeois des Finances, Pierre Gramegna, avec son homologue belge, Johan Van Overtveldt. (photo: AFP)

LUXEMBOURG - La Belgique s'inquiète d'accords fiscaux que le Luxembourg conclurait de manière verbale avec des grandes entreprises. Une information que le Grand-Duché dément.

Selon le journal *L'Écho*, le Grand-Duché continuerait de conclure des accords fiscaux secrets avec de grandes entreprises. Dans un article publié mardi, le quotidien belge explique que «plusieurs fiscalistes de renom» ont confirmé que «des entreprises très en vue concluraient depuis peu des accords "verbaux" avec l'administration fiscale luxembourgeoise».

L'absence de preuve écrite de ces accords permettrait de cacher des montages fiscaux sophistiqués, explique *L'Écho*. «D'après les fiscalistes qui en ont été informés, cette

pratique est très préoccupante, car elle signifie que le Luxembourg essaie d'éviter que les contrats formels, sur papier, soient portés à la connaissance d'autres pays», écrit encore le journal.

Le Luxembourg dément

Interrogé par le journal, le ministre belge des Finances, Johan Van Overtveldt, a souligné que «la lutte contre la fraude et l'évasion fiscales à grande échelle n'auront de sens que si tous les pays participent à l'effort. Nous allons de toute façon demander des explications aux autorités luxembourgeoises».

Contacté par *L'essentiel*, le ministère luxembourgeois des Finances a démenti cette information. «Ces affirmations ne correspondent pas à la réalité. Depuis le début de l'année, le Luxembourg applique de manière anticipative l'échange spontané d'informations concernant les rulings. En outre, aucune demande des autorités belges ne reste actuellement sans réponse de la part des autorités luxembourgeoises», a insisté Bob Kieffer, porte-parole du ministère.

Comme les autres États membres de l'Union européenne, le Luxembourg s'est récemment engagé à plus de transparence fiscale. Le 1er janvier 2017, la directive européenne sur l'échange automatique d'informations sur les accords fiscaux entrera en vigueur. Cette directive avait été adoptée à la suite du scandale «LuxLeaks», qui avait éclaté en novembre 2014.

(Jd/*L'essentiel*)

Luxemburger Wort

Competitions Council

Rockhal's unfair competition complaint dismissed



Photo: Nicolas Bouvy

Published on Thursday, 26 May, 2016 at 14:23

Luxembourg's Competitions Council (Le Conseil de la Concurrence) has just dismissed and closed a complaint against the Rockhal of “dominant position abuse”, made in 2011, that also requested that the venue's future accounting be “more transparent.”

Guy Hebeler of concert agency Abraxas in 2011 filed charges against the Esch/Belval concert venue with the council. He alleged unfair competition against private agencies in the field, citing a lack of transparency in regards to pricing policies, among other points.

The Philharmonie was also affected by the complaint, although there has been little action on the matter since 2012.

This led to the Competitions Council checking that the finances of the public institution Centre de musiques amplifiées” (CMA), the businesses behind the Rockhal, were applied and reported correctly.

The Council notes in its final conclusion that the study of the big concert organiser "does not confirm the hypothesis of predatory pricing". It also noted that the rental of the hall "generated a slightly negative balance for 2013” and therefore "the rental rate applied by CMA for the halls cannot be considered abusive.”

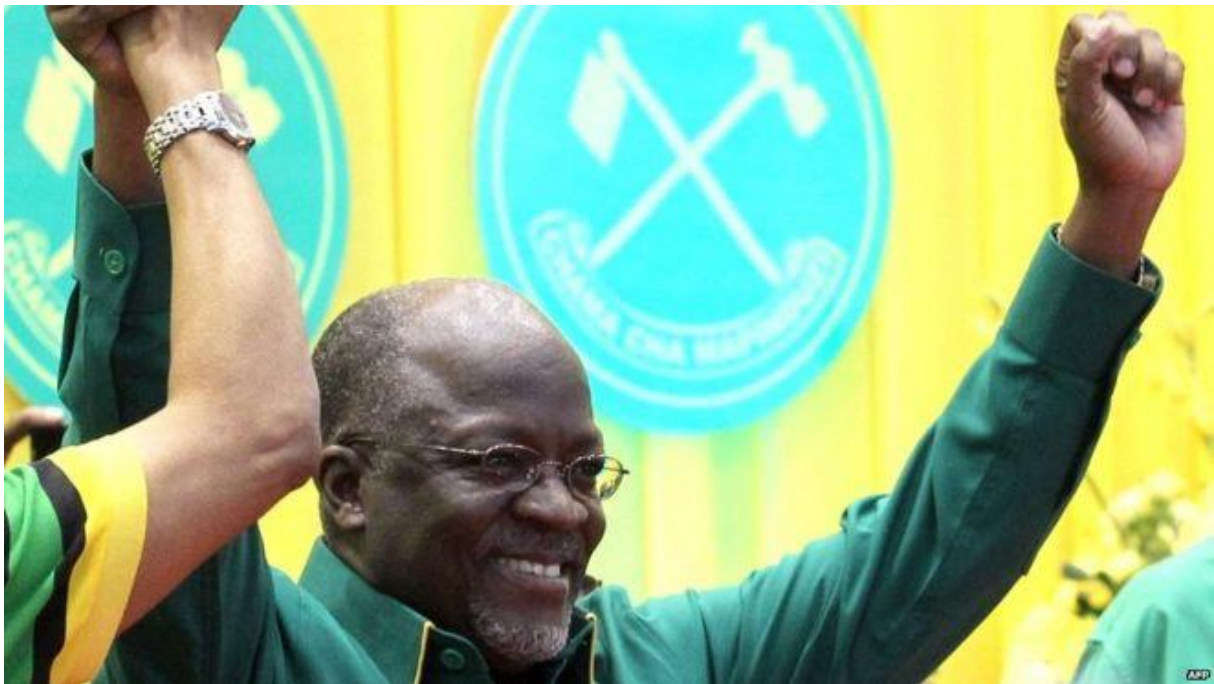
The Competitions Council has therefore decided to close the complaint filed against the CMA, but recommends establishing "an accounting method to allocate revenues and costs transparently in various CMA activities."

INTERNATIONAL/REGIONAL NEWS



Tanzania purges 10,000 'ghost workers' in anti-corruption drive

16 May 2016



Tanzania has removed more than 10,000 "ghost workers" from its public sector payroll in a crackdown on corruption.

Payments to the non-existent employees had been costing the government more than \$2m (£1.4m) a month, according to the prime minister's office.

The authorities say they are continuing to audit the public payroll and expect to find more phantom workers.

President John Magufuli, who was elected in October, has promised to cut wasteful public expenditure in office.

He ordered the audit in March, calling for the money saved to be used towards development.

Nicknamed the bulldozer, Mr Magufuli has announced a range of cost-cutting measures since coming to power, including cancelling official celebrations for Independence Day.

Tanzania spends more than \$260 million a month paying the salaries of its estimated 550,000 public workers, Reuters news agency reports.

"We intend to have workers in government who are honest, accountable and hardworking. This is our priority and it is a non-stop initiative," Prime Minister Kassim Majaliwa told Tanzanians living in the UK, according to local newspaper The Guardian.

The prime minister was speaking after attending a major anti-corruption summit in the UK capital, London, last week.

Tanzania is ranked 117 out of 167 nations by Transparency International on its perception of corruption index.

Many countries across the continent have been affected by the scam of so-called ghost workers.

In February, the Nigerian government removed 24,000 workers from its payroll after an audit revealed they did not exist.

In September 2014, Kenya began biometrically registering all civil servants after unearthing 12,000 similar cases.

Le Panama va échanger ses informations

Le Panama, au cœur du scandale des Panama Papers il y a quelques semaines, s'est officiellement engagé auprès de l'OCDE, à l'échange automatique d'informations financières.



Luis Miguel Hincapié, vice-ministre panaméen des Affaires étrangères, «a délivré une lettre qui officialise l'adhésion du Panama à l'échange automatique d'informations» en 2018. (Photo: AFP)

Lors d'une visite au siège de l'Organisation de coopération et de développement économiques (OCDE) à Paris, lundi, le vice-ministre panaméen des Affaires étrangères, Luis Miguel Hincapié, «a délivré une lettre qui officialise l'adhésion du Panama à l'échange automatique d'informations» en 2018 car le pays doit encore apporter des modifications à sa législation pour se conformer aux exigences de l'OCDE, indique un communiqué publié mardi. Ces échanges seront conformes à la norme approuvée en 2014 par le Forum de l'OCDE sur la transparence et l'échange de renseignements déjà ratifiée par 100 pays.

Le système financier panaméen a été vivement critiqué après le scandale dit des «Panama Papers». Quelque 11,5 millions de documents du cabinet d'avocats panaméen Mossack Fonseca, dévoilés en avril par une centaine de médias dans le monde entier, ont mis au jour un vaste système d'évasion fiscale impliquant de hauts responsables politiques, sportifs ou milliardaires.

Réforme du système

Après ces révélations, le Panama avait été cloué au pilori à cause de sa législation accommodante pour les montages fiscaux offshore et de son attitude allant à contre-courant de la tendance mondiale vers la transparence fiscale. La pression a poussé le président panaméen Juan Carlos Varela à afficher sa volonté de négocier. Début mai, il s'était engagé à réformer son système financier et à échanger automatiquement des informations fiscales, mais de manière bilatérale et non pas multilatérale, comme l'exige l'OCDE.

Les membres du forum de l'OCDE fourniront une assistance technique pour la mise en œuvre de la nouvelle législation et le support technologique nécessaire à l'échange automatique d'informations.

(L'essentiel/AFP)

<http://www.bloomberg.com>

How Hungary's Central Banker Funneled Funds to Friends, Family

May 23, 2016 — 2:10 PM

Gyorgy Matolcsy is rewriting the rules for central banking inside the European Union to include family and friends.

Since being tapped to run the National Bank of Hungary by Prime Minister Viktor Orban three years ago, the former economy czar has funneled the equivalent of almost \$1 billion to six foundations he set up over the objections of his supervisory board and to the irritation of EU officials.

Matolcsy said the money, about enough to cover the NATO member's defense budget, was no longer public and Orban fought to keep its flows secret. But the Constitutional Court handed their opponents a rare victory, ordering the release of records detailing scores of transactions that benefited people close to Matolcsy and other allies of Orban instead of the bank or the Treasury.

The web of patronage they disclosed has stunned many Hungarians who've largely embraced the move by Orban, a fan of Vladimir Putin, toward what he's called an "illiberal state." Even seasoned trackers of corruption in the former Soviet Bloc say they're startled by the audacity the documents reveal.

"There's literally a paper trail linking the central bank to questionable payments to individuals related to its chief," said Otilia Dhand, a political risk analyst at Teneo Intelligence in Brussels. "Even by eastern European standards, this goes beyond your usual allegation of crony capitalism."

Trail's End

The trail starts at the bank's headquarters on Liberty Square in Budapest, next to the U.S. embassy. Flush with an unprecedented gain of about \$1.8 billion in 2014 and not obliged to pay dividends to the government, Matolcsy set about seeding the foundations he created to promote financial literacy in this formerly communist country.

For the next two years, before the March 31 court ruling, Matolcsy, 60, and the other trustees shielded how they invested and spent this money from the public. They awarded scholarships, but they also bought luxury properties, masterpieces and funded books by and about Matolcsy, the documents show.

One link in this network ends at a villa in an elite neighborhood overlooking the Danube. Here sits a once-tiny lender that few had ever heard of until the disclosures revealed it to be a recent addition to the business empire of Matolcsy's cousin, Tamas Szemerey, 63, who has no known history in banking.

NHB Novekedesi Hitel Bank Zrt., according to the documents, received at least \$90 million from just two of the six endowments in 2014 alone, including \$72 million from the one overseen by Matolcsy, helping the bank quadruple its deposit base. Last year, NHB funded the acquisition of a furniture factory by a company owned by Matolcsy's son without disclosing the terms.

Much of NHB's money comes from the biggest of the foundations, Pada, where Matolcsy heads the board of trustees. Pada's director is married to Matolcsy's cousin and fellow trustees include the deputy of Matolcsy's wife, who's the mayor of a resort town on Lake Balaton, where the central bank owns property.

Matolcsy declined an interview request. He's repeatedly denied any wrongdoing, calling criticism from the opposition a "scandalous" political attack. Orban, 52, has vowed to stand by him until "heaven and Earth collide."

The Prosecutor's Office, which has rejected calls to probe the central bank for possible misappropriation, agreed last week to look at alleged violations of procurement rules at the foundations, though it said the investigation wouldn't be criminal. Hungary's top prosecutor is the husband of the central bank's human resources chief, who is also a foundation trustee, a paid position.

'Institutional Nonsense'

"What's going on is institutional nonsense," said Jozsef Peter Martin, who runs the local office of Transparency International. "It's about compensating people close to the government and the central bank leadership."

In January, before details of the money flows were divulged, the Berlin-based watchdog downgraded the country of 10 million more than any other EU member in its annual Corruption Perceptions Index, saying graft under Orban had become "centralized" and "systematically pursued."

Orban, who won supermajorities in 2010 and 2014, has made increasing the state's role in the economy the cornerstone of his rule, a shift he's called as profound as the one from communism to democracy. He's installed Fidesz party loyalists to key oversight posts while seizing control over \$11 billion of private pensions and ordering officials to buy back assets from utilities to banks.

“Checks and balances are a U.S. invention that for some reason of intellectual mediocrity Europe decided to adopt,” Orban told Bloomberg in 2014, after the U.S. barred entry to the head of his tax service on corruption grounds.

Bullets, Guns

Matolcsy, who helped design Orban’s policies as economy minister from 2010 to 2013, shares this philosophy. In 2014, when the central bank booked record gains by keeping the forint weak while helping lenders convert toxic mortgages based in Swiss francs, he said it could spend profit “as it pleases.”

Even before the court ruling, the central bank, which is tasked with fighting inflation and regulating the financial industry, had come under fire for buying fine art and other items unrelated to its mandate. In February, the bank bought 200,000 bullets and 112 handguns for its own security force, in part to better guard its expanding portfolio of physical assets, according to a statement posted on parliament’s website.

The foundations have said their task is to fund economic research and promote alternatives to “neoliberal” ideas. Their purchases have included numerous copies of a collection of essays Matolcsy wrote as minister and of a book by his former chief of staff on his “victorious battle” against creditors.

Csaba Lentner, a trustee of one of the foundations and a former nationalist lawmaker, went further this month, saying the ultimate goal of the project is to keep Orban in power for as long as possible by indoctrinating young voters with the government’s principles.

Elections, Ideology

“The 2018 elections will hinge on how much our idea, our ideology, our economic and social thinking will be accepted,” Lentner told Echo TV on May 13. “This is a battle and Matolcsy is one of the protagonists.”

The educational grants being awarded and schools being planned reflect these aims. But none of the philanthropies would say how buying villas and funding junkets to Africa to study libraries and elections, as the disclosures show, fit the directive to promote financial literacy.

Other outlays revealed in the court-ordered releases include a combined \$20,000 a month for an economic report from NHB’s parent company, owned by Matolcsy’s cousin and sent to each of the six foundations. The central bank buys a copy, too, even though it employs legions of researchers, so the cousin gets paid seven times -- a necessity, Matolcsy told Magyar Nemzet newspaper, “to protect copyrights.” The cousin, Szemerey, declined to comment.

Matolcsy has responded to the outcry by pledging to send about \$177 million to the Treasury, less than the endowments of three of the foundations. Orban, for his part, included a provision in his 2017 budget bill that would allow more state companies to keep their finances secret.

‘Cash Box’

For EU officials, though, another concern is how Pada, which had \$218 million under management in April, and its sister organizations invest their funds. Pada’s charter gives Matolcsy and another, undisclosed, trustee the right to decide where to make deposits and whether to buy or sell securities, including Hungarian government debt.

The EU Treaty prohibits central banks from the “direct purchase” of public instruments within the bloc and the European Central Bank said last month it was concerned about Hungary’s foundations.

Officials in Frankfurt should be alarmed -- and so should all of Hungary, according to Peter Akos Bod, an economics professor at Corvinus University in Budapest who served as the bank’s second governor after communism.

“This has nothing to do with monetary policy, it’s more like a family cash box,” said Bod, who ran the bank from 1991 to 1994. “It’s the caricature of a ‘patriotic economic policy’ and it has a simple name: nepotism.”

Luxemburger Wort

Possible 1.6 billion euros

Google's Paris offices searched in tax fraud probe



A police car outside the Paris offices of US internet giant Google on May 24, 2016, in Paris

Photo: AFP

Published on Tuesday, 24 May, 2016 at 14:51

(AFP) French police searched the Paris offices of US internet giant Google on Tuesday as part of a tax fraud investigation, a police source said.

French authorities believe Google owes 1.6 billion euros in back taxes, a source close to the matter said in February.

Google is one of several multinational corporations that have come under fire in Europe for paying extremely low taxes by shifting revenue across borders in an often complex web of financial arrangements.

Its European operations are headquartered in Ireland, which has some of the lowest corporate tax rates in the region.

Google France received a "notification" of the investigation back in March 2014, which did not give any precise figures.

It has been raided by French authorities before, in June 2011, during an investigation into transfers to its Irish headquarters.

The company was not immediately available for comment on Tuesday.

Google CEO Sundar Pichai defended Google's tax practices during a visit to Paris in February.

"We're a global company. We have to abide by tax laws everywhere, we do abide by local tax laws in every single country," he said.

"We're advocating strongly for a simpler global tax system," he added.

France has previously refused to negotiate the amount of back taxes it would request.

However, a source inside France's tax authority said in February that bargaining may still be possible.

"This does not mean that Google will ultimately pay 1.6 billion," the source told AFP. "There will be appeals, and perhaps a negotiation in the end, in particular on penalties."

Luxemburger Wort

Luxembourg implicated

McDonald's French HQ raided in tax probe



A search was conducted May 18, 2016 at the French headquarters of the giant US fast food McDonald's as part of an investigation opened for tax fraud and money laundering, the police said

Photo: AFP

Published on Friday, 27 May, 2016 at 10:37

(AFP) French police said Thursday they had raided the French headquarters of McDonald's and seized documents last week as part of an investigation into tax fraud.

Agents of a special corruption, financial and tax crime unit searched the premises west of Paris on May 18, taking away company files, a police source said.

French authorities suspect McDonald's has been illegally lowering its tax bill by channelling French earnings to Luxembourg, where its European headquarters is based, and where corporate taxes are much lower.

Financial prosecutors opened a preliminary inquiry into McDonald's France at the start of this year, after union representatives from 16 restaurants with 900 workers in

the western Paris region filed a legal complaint against the fast food chain for organised tax evasion.

McDonald's France told AFP on Thursday it had "spoken at length on the issue" in the past and had "nothing to add at this stage."

Unions meanwhile said McDonald's had made its workers suffer through its financial manoeuvres.

McDonald's raid comes after Google France raid

This led to "no corporate taxes and no bonuses for workers," said Gilles Bombard, the general secretary of the leading CGT trade union of McDonald's workers.

Last month, business magazine L'Expansion had said that French authorities sent McDonald's a 300-million-euro (330-million USD) bill for unpaid taxes, 100 million of which consisted of fines.

It said the company had 73,000 workers in France spread over nearly 1,400 restaurants.

News of the McDonald's raid comes just two days after French police and two dozen computer experts stormed Google's Paris offices, also in a tax fraud probe.

The US Internet giant was already suspected of owing 1.6 billion euros (1.7 billion USD) in back taxes.

Several multinational firms have come under fire recently for paying extremely low taxes by shifting revenue across borders in an often complex web of financial arrangements.

In the face of growing public outrage, authorities in the United States and several European countries have begun cracking down on these so-called "tax optimisation" practices thought to rob their coffers of large sources of potential revenue every year.

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"We're a global company. We have to abide by tax laws everywhere, we do abide by local tax laws in every single country," he said.

"We're advocating strongly for a simpler global tax system," he added.

Google's European operations are headquartered in Ireland, which has some of the lowest corporate tax rates in Europe.

<http://www.independent.co.uk>

UK is most corrupt country in the world, says mafia expert Roberto Saviano

Sunday 29 May 2016



Journalist Roberto Saviano spent more than a decade exposing the criminal dealings of the Italian Mafia

Britain is the most corrupt country in the world, according to journalist Roberto Saviano, who spent more than a decade exposing the criminal dealings of the Italian Mafia.

Mr Saviano, who wrote the best-selling exposés *Gomorrah* and *ZeroZeroZero*, made the comments at the Hay Literary Festival. The 36-year-old has been living under police protection since publishing revelations about members of the Camorra, a powerful Neapolitan branch of the mafia, in 2006.

He told an audience at Hay-on-Wye: “If I asked you what is the most corrupt place on Earth you might tell me well it’s Afghanistan, maybe Greece, Nigeria, the South of Italy and I will tell you it’s the UK.

“It’s not the bureaucracy, it’s not the police, it’s not the politics but what is corrupt is the financial capital. 90 per cent of the owners of capital in London have their headquarters offshore.

“Jersey and the Cayman’s are the access gates to criminal capital in Europe and the UK is the country that allows it. That is why it is important why it is so crucial for me to be here today and to talk to you because I want to tell you, this is about you, this is about your life, this is about your government.”

Prime minister David Cameron faced growing calls for the UK to reform the offshore tax havens operating on its own Crown Dependencies and Overseas Territories, as Britain hosted an Anti-Corruption Summit earlier this month.

The UK ranked 10th in Transparency International’s Corruption Perceptions Index 2015, which measures the perceived levels of public sector corruption worldwide.

Mr. Saviano also weighed in on the EU referendum debate, arguing a vote to leave would make the UK even more exposed to the organised crime.

He said: “Leaving the EU means allowing this to take place. It means allowing the Qatari societies, the Mexican cartels; the Russian Mafia to gain even more power and HSBC has paid £2 billion Euros in fines to the US government, because it confessed that it had laundered money coming from the cartels and the Iranian companies. We have proof, we have evidence.”